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Senate Hearings

Before the Committee on Appropriations

State, Foreign Operations, and Related Programs Appropriations

Fiscal Year 2025

118*th* CONGRESS, SECOND SESSION

H.R. 8771/**S.** 4797

NONDEPARTMENTAL WITNESSES
STRENGTHENING AMERICAN COMPETITIVENESS: EXAMINING THE ROLES OF THE U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION, EXPORT-IMPORT BANK OF THE UNITED STATES, AND MILLENNIUM CHALLENGE CORPORATION
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
UNITED STATES DEPARTMENT OF STATE

State, Foreign Operations, and Related Programs Appropriations, 2025 (H.R. 8771/S. 4797)

S. HRG. 118–603

STATE, FOREIGN OPERATIONS, AND RELATED PROGRAMS APPROPRIATIONS FOR FISCAL YEAR 2025

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

UNITED STATES SENATE

ONE HUNDRED EIGHTEENTH CONGRESS

SECOND SESSION

ON

H.R. 8771/S. 4797

AN ACT MAKING APPROPRIATIONS FOR THE DEPARTMENT OF STATE, FOREIGN OPERATIONS, AND RELATED PROGRAMS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2025, AND FOR OTHER PURPOSES

Nondepartmental Witnesses
Strengthening American Competitiveness: Examining the Roles of the U.S. International Development Finance Corporation, Export-Import Bank of the United States, and Millennium Challenge Corporation
United States Agency For International Development
United States Department of State

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STATE, FOREIGN OPERATIONS, AND RELATED PROGRAMS APPROPRIATIONS FOR FISCAL YEAR 2025

TUESDAY, APRIL 9, 2024

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:31 p.m., in room SD–138, Dirksen Senate Office Building, Hon. Christopher A. Coons (Chairman), presiding.

Present: Senators Coons, Murray, Durbin, Merkley, Murphy, Van Hollen, Graham, and Moran.

UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

OPENING STATEMENT OF SENATOR CHRISTOPHER A. COONS

Senator COONS. I would like to call the State and Foreign Operations and Related Programs
SUBCOMMITTEE OF THE APPROPRIATIONS COMMITTEE OF THE UNITED STATES SENATE TO ORDER.

We meet today to review the fiscal year 2025 budget request for the United States Agency for International Development.

I am delighted to welcome back Administrator Samantha Power. You are a few short weeks away from your third anniversary as USAID Administrator, making you the longest-serving AID Administrator since Raj Shah in the past decade, and I just, upfront, wanted to thank you and all the people of USAID around the world.

You have been tireless. You have traveled the world. You have advocated for change. You have been someone who has applied your values, your capabilities, and your leadership to an exceptionally difficult time, and I am grateful for your service. We look forward to hearing your perspectives on the challenges facing AID as well, as the opportunities.

I also solicited testimony from the Inspector General, Paul Martin, given his critical role. And each Senator has in front of them his submission which is part of the formal record.

This is this subcommittee's first fiscal year 2025 hearing for funding, and we have a great deal to cover. I first briefly want to reflect on fiscal year 2024. Our fiscal year 2024 bill for State, USAID, MCC, DFC, and other related agencies, was ultimately

$58.3 billion, a 5.5 percent cut from the fiscal year 2023 appropriated level.

In managing that cut, we made some hard decisions, limiting the impact on workforce, trying to make sure that the people who are at the very core of what you do were prioritized, meeting our treaty dues and multilateral commitments to demonstrate that we are a reliable global partner, and protecting funding for life-saving health programs and humanitarian assistance. That meant that funding had to be cut from other critical efforts. Those cuts will have real impacts, and we had to make hard choices.

I have just returned from a CODEL led by Chair Murray to Angola, Botswana, Cabo Verde, Malawi, and Zambia, and we got to see firsthand the increasing needs due to food insecurity, the importance of investing in women and girls, the challenges and opportunities associated with strategic competition on the continent. It is critical that while we pursue new opportunities to promote our national security like investing in diversified and secure supply chains and competing for critical minerals, that we also ensure that those efforts actually benefit local communities and our national partners. This is what makes our development model different from some of our principal competitors.

African countries also offer growing export markets for American companies. This is not principally about charity but about helping our partner countries address the challenges they face in a way that also presents opportunities for Americans. Now, that means we have to maintain our investments in economic growth and development, not just emergency responses, and to strategically build resilient systems including in agriculture to address food security.

So while we can't do more with less, we have to continue refining our priorities and making the most of every appropriated dollar. That is why in the fiscal year 2024 Bill, we increased investments in agricultural R&D, we required more Feed the Future funds to be focused in target countries, and added a new directive for leveraging Feed the Future to catalyze private sector investment.

Senator Graham and I are also working hard to authorize a new Food Security Foundation to leverage public sector funding in a way that would complement ongoing U.S. investments.

This is also why we worked to enact the Economic Resilience Initiative that will provide $265 million in resources, across the interagency to support economic growth and stability in partner countries, including funding for strategic infrastructure projects through EXIM and DFC, enhancing critical supply chains and digital infrastructure, supporting the Economic Resilience Programs of USAID, and supporting new grants and loans to international financial institutions that provide access to capital for countries that, otherwise, would have to rely on the PRC's coercive model of lending.

I am proud those efforts have moved forward as we seek to better leverage the private sector and to use our limited dollars. It is important we pursue these efforts while not undercutting traditional development. I want to discuss reforms that we can and should make to development, and we have to recognize the critical role that our development has played in our global leadership.

That brings us to this year, to fiscal year 2025. The request for staff and programs across State, AID, MCC, DFC, and others, is

$62.4 billion, that is 7 percent above the 2024 enacted but only a 1 percent increase if you refer back to the 2023 level. Last year we spoke in your hearing about the challenges AID faces, historic levels of food insecurity, a record number of refugees and displaced people, Democratic backsliding, Chinese economic coercion, Russian aggression in Ukraine, these and many other challenges persist and in some places have worsened. But you will have less to work with than you did even last year.

Many of my colleagues and I are deeply concerned about the humanitarian catastrophe in Gaza where many who are surviving the violence are facing famine, and tonight as Eid al-Fitr is celebrated in Muslim families, again, that celebration it is a particularly painful reality that they are on the verge of famine.

In Sudan, there is another devastating conflict which is inflicting an inconceivable toll on civilians, millions of dislocated civilians. In our own hemisphere, the people of Haiti are being terrorized by armed gangs and a lack of governance.

All of this in combination, and more, is why the House needs to enact the Supplemental that we passed in the Senate that includes $9 billion for humanitarian assistance, and additional funds for Taiwan, for Ukraine, and other partners.

Today is the start of a conversation about how we build a 2025 Appropriations Bill that accounts for the reduced funding you received and the new challenges you face. I am proud of the work we have done on this subcommittee on a bipartisan basis to help you grow and better equip your workforce, apply lessons learned from your predecessors, adapt to locally led development and cooperation with the private sector. But we have more work to do.

I look forward to hearing from you about your proposals about how we can best leverage our development tools, how we define our interests, where USAID fits in, and what you are doing to tell the story globally and to the American people about your leadership.

Thank you, Madam Administrator, and I look forward to your testimony.

Senator Graham.

OPENING STATEMENT OF SENATOR LINDSEY GRAHAM

Senator GRAHAM. Thank you, Mr. Chairman. I really enjoy working with you and my Democratic and Republican colleagues on the Committee.

I have never seen this many problems in the world at the same time. Now, I wasn't around in World War II, I can only imagine how it must have been then, but everywhere you look, Mr. Chairman, it is just people moving around, war, famine, rumors of war. So it seems to me that America needs to understand not only the role we play in the world, but the role this Committee and this budget plays in making us safe.

I am a pretty hawkish guy, but you are not going to kill your way out of all these problems. You are not going to fight your way out all these problems. Like food security, I am working with you on conservation programs to protect land and help communities. Protecting nature is good economic investment. It is actually good for the people, and creates jobs.

On food security, the World Food Program is under siege. The number of people needing assistance on the food front has doubled in 2 years with no end in sight, so starving people, people with no hope left unattended are the terrorists' recruiting opportunity. And pay now or pay later is the way I look at it.

We are having our budget cut at a time of the greatest need that I have seen. That is why I voted against this budget deal. On the Military side, everybody talks about we need a bigger Navy. Well, the budget we just agreed to is going to give us fewer ships in the next decade, not more, as China is building through the roof in this account.

You know, the ability for USAID under your leadership, Ms. Power, is going to be more challenging. I do appreciate what you do, and to the people under you that work throughout the world, you are in danger every day. We rightly praise our Military and other groups, but USAID workers, State Department folks out on the tip of the spear, they deserve our respect, and support, and admiration. So I don't know how this gets better until we come up with some kind of strategy with our partners to get ahead of it.

I will end where I began: You either pay now or you will pay later.

Senator COONS. Thank you, Senator Graham. And thank you and your staff for your great partnership. We have genuinely enjoyed working together on this subcommittee, and it is an island of productivity and positivity in an otherwise challenging institution. And that applies across the subcommittee, but you, in particular, have been a great partner.

Madam Administrator.

STATEMENT OF HON. SAMANTHA POWER, ADMINISTRATOR, UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Ms. POWER. Thank you so much, Mr. Chairman, Ranking Member Graham, and thanks to the other distinguished Members of the Committee, grateful for your comments, but above all, grateful for your leadership.

And you are right in crediting USAID's teams for the sacrifices, and the work that they do all around the world. I would also just thank your teams. This budget process is not easy, because so many of us here believe in everything we do and recognize that everything is connected to everything else. It is very hard in an environment of cuts to find places to cut, and the collaboration that we have in thinking these problems through together has been absolutely pivotal. So, thanks really to the people, to you here, and to those who sit behind you.

I want to start just by reflecting, and really speaking to, I think, Senator Graham's comments, by reflecting on the lobby of the Republic of Korea's Development Agency, which is their equivalent of USAID. They actually display an old bag of flour from the 1940s, which is marked with the words "From the American People", which of course is USAID's motto today. But this is a reminder of how the United States showed up, supported them when they were one of the poorest countries on the planet, to fight hunger, and disease, and to kick-start a journey of remarkable economic growth.

Today, of course, South Korea is one of the world's richest countries, and last year spent nearly $4 billion—and this is the critical point- providing assistance to other countries. And while a lot of countries are experiencing cuts at a time when we can least afford it, I will say this coming year, Korea plans to go up from $4 billion to $5 billion in assistance to other countries.

The decades that the United States has invested in supporting countries chart their own paths of development has, in fact, notwithstanding today's problems, brought extraordinary results, and not only for our partners, but also for our own people. We have helped stop the spread of diseases that threaten us all, and developed more resilient and high-yield crops that can feed growing populations.

We have helped people and nations rise up from poverty and in doing so invested billions in American small businesses and opened up new markets for American products. And this is the really important fact: eight of our top ten trading partners today were once recipients of U.S. assistance.

Under President Biden's leadership, and in partnership with this Committee, we are building on this legacy. In Ukraine, such a vivid example, USAID has helped Ukrainian farmers withstand Putin's attempts to destroy the agricultural sector. We have done this, thanks to you all, by getting them the seeds, the equipment, and initially the alternative export routes that they needed. This has remarkably helped Ukraine rebound their grain exports to very close to pre-war export levels. That is just extraordinary when you think of the systematic bombardment of the agricultural infrastructure by Putin's Forces.

This, in turn, because everything is connected to everything else, has helped bring global food prices down 26 percent from their 2022 peak.

In Nigeria, we are providing community health workers with technologies to spot diseases like tuberculosis early, which helped increase TB diagnoses by a third in a single year. This allows patients to get treatment so that outbreaks don't spread across the planet. Across Africa, we are working to connect African and American companies and reduce barriers to trade through the Prosper Africa initiative. Efforts that since 2019 have generated some $86 billion in trade and investment, that builds prosperity again both for our African partners and for businesses here at home.

Bipartisan support for these efforts make Americans safer and more prosperous and provides a critical foundation for U.S. leadership and influence in a world where other global powers are working aggressively to erode U.S. alliances, undermine democracy, and diminish basic rights and freedoms.

For example, the PRC's global lending spree has made it the world's largest debt collector. For every dollar of aid that the PRC provides to low-income and middle-income countries, China has provided $9 of debt, so $1 of aid, $9 of debt. The opposite is true here in the United States, for every dollar of debt we provide, we provide at least $9 of aid.

The PRC's assistance tends to be negotiated behind closed doors, fueling corruption, and can demonstrate a flagrant disregard for human rights. One chilling example, of course, is the PRC's Safe

Cities Initiative, which provides surveillance and facial recognition technology that can monitor critics, journalists, and activists. And that technology has been given to 80 countries so far, at least.

We need U.S. leadership to advance models of development and governance that honor freedom, transparency, human dignity, and opportunity for all, which in turn will be more stabilizing.

The Biden-Harris Administration's fiscal year 2025 request of $28.3 billion for USAID's fully and partially managed accounts would give us the resources to continue that leadership. With these funds, we will help nations around the world strengthen food security, improve health, and drive economic growth.

We will respond to what have already been described as historic levels of humanitarian need. USAID teams have been working day and night to address the catastrophic humanitarian crisis in Gaza, where nearly the entire population is living under the threat of famine.

Add to that, ongoing crisis in Ukraine, Sudan, and beyond, and continued battering from a growing number of natural disasters, and the number of people requiring humanitarian assistance has increased by nearly a third, from 274 million in 2022 to 363 million at the end of 2023. I mean, if you think about that time margin, and the number of people with new needs, it is breathtaking.

To meet these needs, and this is really something that I think we all must stress, we will need both the $10 billion in humanitarian assistance in this budget request, as well as the $10 billion in emergency humanitarian assistance in the pending National Security Supplemental request. Otherwise, we will be forced to make draconian cuts to rations in support all around the world.

I want to be clear that the fiscal year 2025 request recognizes the need for tradeoffs. Crucially, this budget gives us specific resources to help us deliver even better value for money. We inaugurated, as many of you know, a new Office of the Chief Economist just last July, and the team is already expanding our use of rigorous analysis across the Agency to identify best buys, the programs with the highest impact per dollar invested, so that they can be scaled.

They identified, for example, a poverty reduction program in our Bureau of Humanitarian Assistance, which is being piloted in Uganda, which is offering a sequence set of supports like trainings and financial services that help refugees move from requiring humanitarian assistance to earning livelihoods for themselves.

For every dollar we invest there, households are seeing over four times the return in economic benefits. And we are now taking that program on the road to other nations.

I am going to wrap up here just in a minute.

Beyond maximizing our own resources through efforts like that of the Chief Economist, we are drawing in new partners through tools like the new EDGE Fund. And here I just want to thank you for supporting that fund. It is an innovation, it meets this moment, and we need to scale it. This is an incentive fund designed to apply the private sector's unique comparative advantages to some of the largest global development challenges.

We are working with companies like Citibank, Walmart, and Johnson & Johnson to boost our impact. And I want to be clear that from fiscal year 2021 to fiscal year 2023, private sector part-

ner contributions to USAID activities jumped by over 60 percent. And this is something we need to make more broadly known so people understand how we are trying to leverage taxpayer dollars so that they go further. We also recognize that the future of development in so many countries is going to be driven by the private sector.

If we make these investments, we really can catalyze change. And I have no doubt that we can continue America's extraordinary legacy of leadership in building a more secure, prosperous, and stable world for us all.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF ADMINISTRATOR SAMANTHA POWER, ADMINISTRATOR, UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Thank you Chairman Coons, Ranking Member Graham, and other distinguished members of the Committee.

In the lobby of the Republic of Korea's development agency—their equivalent of USAID—they display an old bag of flour from the 1940s, marked with the words: "From the American People." It's a reminder of how the U.S. supported them when they were one of the poorest countries on the planet to fight hunger and disease and kickstart economic growth. Today, of course, South Korea is one of the world's richest nations—and last year spent nearly four billion dollars providing aid to other nations. This year they plan to spend nearly five billion.

The decades that the United States has supported countries in charting their own paths of development have brought extraordinary results—for our partners and for our own people. We've helped stop the spread of diseases that threaten us all and develop more resilient, high-yield crops that can feed growing populations. We've helped people and nations rise from poverty, and in doing so invested billions in American small businesses and opened up new markets for American products; eight of our top ten trading partners were once recipients of U.S. assistance.

Under President Biden's leadership and in partnership with this Committee, we are building on that remarkable legacy. In Ukraine, for example, USAID has helped farmers withstand Putin's attempts to destroy the agricultural sector by getting them the seeds, equipment, and alternative export routes they need—efforts that have helped Ukraine rebound their grain exports to near pre-war levels and helped bring global food prices down 26 percent from their 2022 peak. In Nigeria, we're providing community health workers with technologies to spot diseases like tuberculosis early, which helped increase TB diagnoses by a third in a single year—so patients can get treatment and outbreaks won't spread across the planet. Across the African Continent, we are working to connect African and American companies and reduce barriers to trade through the Prosper Africa Initiative—efforts that since 2019 have generated some $86 billion in trade and investment that builds prosperity for both our African partners and businesses here at home.

Bipartisan support for these efforts makes Americans safer and more prosperous—and provides a critical foundation for American influence and leadership in a world where other global powers are working aggressively to erode U.S. alliances, undermine democracy, and diminish basic rights and freedoms.

For example, the PRC's global lending spree has made it the world's largest debt collector. For every dollar of aid it provides to low-income and middle-income countries, China has provided $9 of debt, while the opposite is true of the U.S.: for every dollar of debt we provide, we provide at least $9 of aid. The PRC's assistance tends to be negotiated behind closed doors, fueling corruption, and can demonstrate a flagrant disregard for human rights. To offer one chilling example, through the PRC's efforts to help countries build so-called "Safe Cities," they have provided surveillance and facial recognition technology that can monitor critics, journalists, and activists to at least 80 countries.

We need American leadership to advance models of development and governance that honor freedom, transparency, human dignity, and opportunity for all.

The Biden-Harris Administration's FY 2025 request of $28.3 billion for USAID's fully- and partially-managed accounts give us the resources to continue that leadership.

With these funds, we will help nations around the world strengthen food security, improve health, and drive economic growth. And we will respond to historic levels

of humanitarian need. USAID teams have been working day and night to address the catastrophic humanitarian crisis in Gaza, where nearly the entire population is living under the threat of famine. Add to that ongoing crises in Ukraine, Sudan, and beyond, and continued battering from a growing number of natural disasters during this particularly strong El Niño, and the number of people requiring humanitarian assistance has increased by nearly a third—from 274 million in 2022 to 363 million at the end of 2023. To meet these needs, we will need both the $10 billion in this budget as well as the $10 billion in emergency humanitarian assistance in the pending national security supplemental request. Otherwise, we will be forced to make draconian cuts to rations all around the world.

The FY 2025 Request recognizes the need for tradeoffs even as global needs are escalating. And crucially, this budget gives us specific resources to help us deliver even better value for money. Since we inaugurated our new Office of the Chief Economist last July, the team is already expanding our use of rigorous data analysis across the agency to identify the programs with the highest impact per dollar invested so they can be scaled. For instance, they identified a poverty reduction program our Bureau of Humanitarian Assistance is piloting in Uganda, which is offering a sequenced set of supports like trainings and financial services that help refugees move from requiring humanitarian assistance to earning sustainable livelihoods for themselves. For every dollar we invest, households are seeing over four times the return in economic benefits. We are now expanding the program to other nations.

And beyond maximizing our own resources, we are drawing in new partners through tools like our EDGE Fund—an incentive fund designed to apply the private sector's unique edge to some of the largest global development challenges. We're working with companies like Citibank, Walmart, and Johnson & Johnson to boost our impact and drive progress beyond our programs. From FY 2021 to FY 2022 alone, private-sector partner contributions to USAID activities jumped by 31 percent. To continue to drive this progress, we need to keep investing in a workforce that's nimble and empowered to pursue truly catalytic change.

If we do make these investments, I have no doubt that we can continue America's extraordinary legacy of leadership in building a more secure, prosperous, and stable world for all.

Senator COONS. Thank you, Madame Administrator.

To my colleagues, we are going to do seven-minute rounds. I am expecting that there is a lot to dig into here. Anyone who uses less than their 7 minutes gets a prize.

Let me start by just asking about what you were just describing. The importance of leveraging private sector partnerships, and making our dollars go farther, in last year's budget hearing, we talked about the need to increase locally led development efforts and engaging with the private sector.

Senator Ernst and I just introduced the locally led Development and Humanitarian Response Act, which aims to advance those same goals. Senator Graham and I are making progress advancing bills to create public-private foundations focused not on supplanting USAID's work but on complementing it, leveraging philanthropic and private sector dollars.

With the limited time we have, even with 7 minutes, what have you found to be the biggest challenge in increasing locally led development; how are you addressing it? And how are you best working to leverage funds from the private sector? Where are you seeing your biggest success?

Ms. POWER. Thank you so much. In brief, I would say doing smaller grants, contracts, requires more people. Fundamentally, it can be the same amount of work to do a $100 million contract as to do, you know, a small grant to an organization combating sexual trafficking, or doing job training that will—that local organization will have a better chance probably of seeing those gains sustained

over time because fundamentally they are of the community, they will remain in the community, even when the grant dries up.

So we have tried to expand the number of contracting officers at USAID. We are appreciative of you trying to protect our operational expenses in this recent budget process. To give some sense of how much we are spending, and how our program budget has gone up because of the messiness of the world that you both described, we basically have programmatic dollars that have gone up 68 percent over recent years and operational expenses that have gone up 27 percent.

So even with you protecting our operational expenses, we are still seeing a 3 percent cut in the fiscal year 2024, which is better compared to the other cuts that we will be seeing. But that is a big issue as we seek, again, to invest the staff time in working with local organizations and smaller organizations.

We again seek to address the issue of growing our contracting officer workforce, including by empowering our local staff who can do a lot of work in that domain. It's also just famously hard to work with USAID. We have a lot of compliance requirements, many of which are imposed by folks up here, but many of which we would embrace ourselves in order to be sure that we are faithful stewards of the resources invested in the Agency. And so we have tried to simplify the application process so it doesn't crowd out, by definition, those who don't have the lawyers, the accountants, you know, the armies of people to be able to comply.

Senator COONS. I am deeply concerned about the crisis in Gaza, as well as many other places, but that is one that seized a lot of our attention. The prohibition on funding UNRWA is going to make this harder and worse, and I think too little has been done to address the impediments to delivering aid, to aid distribution.

It has also consumed a fair amount of media attention. I would be interested in both what USAID is doing to get other donors to increase their contributions because many of our partner countries have not stepped up to this challenge, and what are you doing to address the challenges of distribution of aid in difficult and contested spaces?

Gaza is probably at the foremost of news coverage, but frankly Sudan is also incredibly difficult and dangerous, so is Haiti, so is Somalia, so is Afghanistan.

Ms. POWER. Thank you. So just a quick word on UNRWA, which as you know is funded by the State Department, and not by USAID, but is the humanitarian backbone for the work that all of our partners are doing on the ground in Gaza. The allegations against UNRWA staff are outrageous, horrific, and we, like everyone, are awaiting the results of the investigation including the independent investigation about reviewing procedures and processes so that something like that could never happen again where staff, potentially involved in horrors like October 7, would be able to work for humanitarian agencies.

So at the same time that goes forward UNRWA hasn't stopped doing the work, and as you know many, many UNRWA staff members who had been, before October 7, involved in providing education, or health care, or food distribution to people living in Gaza now have just turned to doing humanitarian delivery full-time. And

there is tremendous risk, as the killing of more than 228 workers in IDF military operations attest.

So you have seen countries, after initial pauses as they waited to make sure that credible investigations were going to be underway, unpause their funding. We are not one of them, obviously, but we do believe that this is another reason to press for the passage of the National Security Supplemental, because just—and this gets to your second question too about all the other places that are broken and in need of humanitarian assistance, you know we are looking at a situation now if all we have to rely on, which is our current situation, is the fiscal year 2024 base humanitarian assistance that you provided to us, and again you made a special effort to protect as much of that as you could despite the cuts overall.

But you are looking at an increase of about close to 40 percent in humanitarian needs from last year to this year, and a drop in resources of about 40 percent, between 35 and 40 percent. So that delta is staggering, and will be staggering in its effects, and horrifying in its effects on the ground.

I mentioned that in the context of Gaza, because access is key, access has improved in the last few days in fairly substantial ways, it needs to improve much more, but we also need to have the resources to fund those other organizations even as other countries step up to continue to support the backbone.

Senator COONS. I have more questions, but I will stop early and defer to my colleague.

Senator GRAHAM. Thank you. Let us just continue to talk about Gaza, and the future. Let us assume for a moment we can find some conclusion to this war, and somebody will take over the Palestinian file, maybe Saudi Arabia or the UAE. I don't know. But somebody needs to come in, and try to clean things up a bit. Is there a plan to replace UNRWA in the West Bank and Gaza?

Ms. POWER. Not to my knowledge.

Senator GRAHAM. Okay. So I think Israel is going to be pretty hard over on trusting this organization after all the abuses that we discovered. So I would encourage you, and I know you got a lot to do, to think about: How could we do this?

So when it comes to providing assistance to folks in Gaza, how do the Gulf Arab states, are they contributing anything?

Ms. POWER. Yes. And absolutely I think you have seen, particularly, Emirati leadership, they have been critical in leading also for alternative routes into Gaza, helping spearhead the effort to do maritime deliveries, indeed partnering with the World Central Kitchen, which suffered the horrific attack last week.

So, I think the Emiratis have definitely stepped up. I think they and other Arab nations, and you know this far better than I, so I won't speak to it for too long but, you know, are very adamant about linking their longer term investments to a viable path to a two state solution——

Senator GRAHAM. Let us assume for a moment, that Hamas will be destroyed, which I hope and pray it does, who is going to take over Gaza, do we have any idea?

Ms. POWER. As USAID Administrator, again my focus is on the humanitarian operations——

Senator GRAHAM. The only reason I mention is——

Ms. POWER [continuing]. And feeding people.

Senator GRAHAM [continuing]. Before you invest a lot money we need a whole lot of things, like who is going to be on the ground when the Hamas is gone? Can we trust them? What kind of partners we will have? So that is important to me. I would like to be an investor but I want to know what I am investing in. How would you describe the situation in Gaza? Is it—you are saying near famine? How would you describe that?

Ms. POWER. Well, I think, as you know well, the IPC Report indicates that famine conditions are already present in Northern Gaza and looming for——

Senator GRAHAM. How many trucks——

Ms. POWER [continuing]. For much of the south.

Senator GRAHAM. Do you know how many trucks are allowed in to Gaza in terms of food delivery?

Ms. POWER. Well, we have had sort of our best 48 hours since the beginning of the war, so I think more than 400 trucks today, more than 300 yesterday, that is after a very——

Senator GRAHAM. And before that around 200, I think, right?

Ms. POWER. Pardon me.

Senator GRAHAM. Before this, it was around 200.

Ms. POWER. Yes, and some days, yes, under 100. And to be clear, when we talk about trucks, sometimes we blur a lot of things together. Before the war, as you well know, there were 500 trucks getting in.

Senator GRAHAM. Right.

Ms. POWER. When we talk about trucks, that is not all food.

Senator GRAHAM. Right.

Ms. POWER. In fact, a very small percentage of what goes in, relatively speaking, is food. And if you think about all of the destruction of farmland, and granaries, and marketplaces, and people's own stockpiles in their homes, we need to go way beyond even, the 500 trucks that I hope we can approach here in the coming days.

Senator GRAHAM. Based on what you hear and what your people see, do you think Israel has been using food as a weapon of war?

Ms. POWER. I think that Israel has not done enough to facilitate the kind of humanitarian access we need to avert the kind of food conditions that we are seeing to avert famine.

Senator GRAHAM. And that, I guess they could always do more. I get what you are saying. But do you think it has been the policy, the Israeli government to use starvation as a tool of war?

Ms. POWER. Again, what we see is that there was a series, have been a series of restrictions over many, many months where we, as trusted partners, have tried to describe what the effects of those restrictions are. And again, fortunately, in over the course of the last several days, really to a week, we are seeing being a sea change, which we hope is sustained and expanded upon the provision of access——

Senator GRAHAM. The State Department say they did not find any evidence of genocide.

Ms. POWER. Pardon me.

Senator GRAHAM. Did not find any evidence of genocide on the behalf of the Israeli Government toward the Palestinian people, are you familiar with that?

Ms. POWER. Did you mention—did you say the ICJ?

Senator GRAHAM. The State Department.

Ms. POWER. Oh. The State Department, I am not tracking determinations of that nature.

Senator GRAHAM. All right. So you are the head of the USAID program we have, I just want to make sure that I understand exactly what you are saying here. Are you uncertain as to what the Israeli policy is toward allowing food in?

Ms. POWER. Well, what I can describe is engagements with different parts of the Israeli government that have over these months, yielded different answers and different results. And what is very important in the last week is that now it appears, again, we are not in the cabinet, but it appears that there is a consolidation of decisionmaking authority. Again, we have famine-like conditions in Gaza and supermarkets filled with food, you know, within a few kilometers away.

So, it is incredibly important that the food that is available get to the people who, especially in the case of very young children, we are getting a growing number of reports of death by malnutrition, or diseases induced by malnutrition.

Senator GRAHAM. So death by malnutrition. Let us know what you find. I want to—I am very curious about that. How many deaths do you attribute to malnutrition? Can you report to us your findings?

Ms. POWER. Well, what I can report you back to is the IPC report, which is the gold standard. But what is very, very challenging, in addition—which has in it, again, the measurement of the circumference of the children in order to show severe acute malnutrition. And then we have the reports from our partners, and I don't have the statistic, as of today.

Senator GRAHAM. Okay. I will check. I will check that out.

Ms. POWER. Can I just make one tiny point?

Senator GRAHAM. Yes. Real quick.

Ms. POWER. Which is just that, even your question about, can we have better data, or real data, depends on access. Again it is allowing our partners to move around, to be not at risk of being targeted so that they can answer questions of the nature you are describing.

Senator GRAHAM. I would imagine that is a pretty difficult thing to accommodate for Israel, while they are fighting this war. But we will try to get them to do better.

Sudan, real quickly, what is the top line on Sudan; what should this Committee know about what is going on in Sudan?

Ms. POWER. Well, I am pleased that we have—the U.S. has appointed an envoy that is engaging with the stakeholders in Africa and the Arab world to try to create a meaningful peace process. But basically, you have two factions that are much more interested in power for themselves than in ensuring that their people have access to food. Blockage of convoys that we are funding that could be feeding people who themselves, too, are facing near famine conditions, particularly in the Darfur area.

So it is a horrific situation and a place where we do not have the resources, we don't have the access, as I have described, but even in the places where we have access, because of the drop in our hu-

manitarian budget, we are going to be funding the needs there are far less this year than we did last.

Senator COONS. Thank you, Senator Graham. Thank you, Administrator.

I am going to turn to Senator Murphy.

Senator MURPHY. Thank you very much, Mr. Chairman. Let me just make one addendum to this discussion about what is happening in Gaza today. Last week, I visited Connecticut-based emergency relief organization, Americares. They deliver mainly emergency medicines into conflict areas. They are amongst a number of organizations that have suspended operations in Gaza.

They are suspending those operations not because of a lack of access, not because of overly bureaucratic process of the ports. They are suspending their programming there because they don't think they can keep their people safe, because of our inability to do deconfliction in a meaningful way.

And so they are not likely to resume operations until there is a cessation of hostilities. And so we just have to be pretty clear-eyed about the fact that until the bombs stop dropping, until the shooting stops, it is going to be very, very hard to be able to do what we need to do inside Gaza, and save the kind of lives we want to save.

Administrative Power, I wanted to turn your attention to Haiti for a moment. We have been the biggest humanitarian contributor to a country that continues to spiral out of control, as gangs now control the majority of the capital. $171 million since October 2022. I think we should be proud of that fact, but I think we all worry that Haiti is lurching into what may be a permanent state of emergency, that is going to be a significant drain on what we have heard today are dwindling resources, with lots of suitors and competitors.

This is a really critical moment, and I know there is a deep skepticism about the role that the United States has played and should play when it comes to restoring security in Haiti. I convened a meeting of Haitian-American leaders in my State, and they had a variety of opinions as to what role the United States should play.

So I want to ask you a question, not about whether we should be a humanitarian partner and saving lives in Haiti, but, you know, what is the proper role for the United States to play right now in restoring security in Haiti; because this seems to be a moment to double down on our work in that endeavor, rather than just to sit back and let others lead while we continue to provide the bulk of humanitarian assistance.

Ms. POWER. Well, just to embrace the premise of your question that you can't—there is no humanitarian fix to a complete breakdown in security as is happening in so many neighborhoods in the capital. Look, I think the U.S. role has been on display in several years, going around the world and trying to find a willing partner who was willing to put security forces, in this case police forces, on the ground in Haiti, securing the commitment.

And huge thanks to the Kenyans and to President Ruto for being willing to step forward. And that was, of course, in an environment that was already unstable, already very, very difficult, and now all the more. So, these conversations are ongoing, but you know, mobi-

lizing the resources that we have in order to provide—to be in a position to support the payment of salaries, because this is, of course, not a traditional UN peacekeeping mission. It is blessed by the UN, but not funded by the UN.

I think that is an important role for the United States. So is the diplomacy, we have done to get other countries, like the Canadians, and many of the Europeans as well, to step up and fund and equip that force.

But the diplomacy around the three legs of the stool, right: security, humanitarian welfare, and then governance, and the fact that there hasn't been a legitimately elected government in Haiti is something that has surely contributed to the breakdown in security as well, as gangs and others use that, at least as a pretext for their vigilantism.

So, the efforts to pull together a transition, USAID stands ready with a lot of election support when we are in a position to provide it, and when there is a roadmap to elections. But you won't get security without governance, and of course you can't get that roadmap to elections until we get a baseline of security.

Senator MURPHY. Yes, I think we have got a really short window in which to figure out the path forward and find those international partners.

Let me pull back and ask you one additional question about China competition. You know, really excited about the work that you are doing to better evaluate the impact of programs on the ground. You know, but there is an asymmetry between how we view our aid, and how China views its aid, right? We are looking at the impact of our aid largely through a policy lens, trying to impact the largest number of people possible.

China is really looking at their aid more so through a political lens. You know, an example is, you know, often there are pet projects that dictators or quasi-dictators have around the world that we don't see as a, you know, have as a real ROI for the citizens of that country, and we aren't willing to put our dollars behind it, but China will.

And so, you know, do you see it as an exposure to the United States that you know, our aid is more focused on how many people we can help, and China's aid is focused more on how many officials they can influence? How do we—how do we balance that asymmetry?

Ms. POWER. I think our budget request is, and particularly the investments as well in the global infrastructure efforts, are a reflection of our desire to be more competitive in terms of the kinds of resources that we are investing. So that is quantity.

We should be showing up. They are actually receding from, you know, having become the world's largest debt collector. Their investments are way down. In fact, over the last 2 or 3 years, having become overextended, not getting maybe the return on investment that they had sought, being in that position of being a debt collector, they are rethinking what they are doing.

There is an opening, there is a real opening. But I do think our comparative advantage is quality, fundamentally, and that involves not only quality of infrastructure, transparent procurement, you know, not having the investments we make benefit the few rather

than the many, but it is also the quality of what, for example, an Agency like USAID can come in with to align with infrastructure that is being built.

So you have heard a lot about the Lobito Corridor is the flagship, initial major investment associated with the PGI, you know, we are looking at mobile money, you know, so that small-scale farmers can, you know, better access resources in order to take that loan out, in order to be able to get the access to capital they need to grow their business for when that rail exists, and there will be—we will actually support them in getting their goods to market, but getting them digitized is a prerequisite for the kind of growth that they envisage for themselves.

USAID is funding a public-private partnership with the Department of Transportation in Angola to help them do other concessions for their infrastructure, but again in a manner that is transparent, that changes the enabling environment, hopefully over time, see civil society also empowered to scrutinize what is being done in governmental circles.

It is an entirely different model. But it reflects that my response at least tries to reflect the toolkit that we need to bring to bear, which is both about the hard infrastructure which people are craving, but also aligning development, human development along with those investments.

You know, we can build a railroad, but if we aren't actually investing in nutrition, and education, and you know small mediumsized enterprises in route at the same time the return on that investment, it is going to be much more limited.

The last thing I would say just, is the polling is very striking about public reactions in the countries that have taken that alternate development approach, and a real souring on, you know, seeing those big infrastructure projects that either, you know, aren't actually of the quality that citizens need in terms of their infrastructure. Some of them are, but many of them are not, that are saddling publics with debt in the longer term, but also that are bringing in workers from outside the country rather than actually using infrastructure as a source of employment in the countries themselves.

And so I think the polls are actually the best diagnostic about whether we need to change, or whether we just need to scale what we are trying to do.

Senator MURPHY. Good. Thank you. Thank you, Mr. Chairman.

Senator COONS. Senator Merkley.

Senator MERKLEY. Thank you very much, Mr. Chairman. And welcome, Administrator Power.

In response to Lindsey Graham's question, you noted that there was a series of restrictions by Israel on aid entering into Gaza.

As you are, I know, very aware of Foreign Assistance Act Provision 620I says no assistance shall be furnished under that Act, if a country restricts directly or indirectly the transport or delivery of U.S. humanitarian assistance. Did the administration start considering back in December and January implementing 620I as a way to persuade Israel to let more aid in?

Ms. POWER. Thank you, Senator. My understanding, this is of course, being administered and adjudicated at the State Depart-

ment, but is that 620I has been incorporated in the National Security Memorandum 20, and as the assurances have come in from the seven countries, including Israel, on the provisions of NSM–20, encompassing 620I, that the State Department is in the process of reviewing the credibility of those issuances.

Senator MERKLEY. So just directly to my question, did you advocate back in January, or others, that 620I be used by the President?

Ms. POWER. I am not going to speak about internal advocacy, but I know that there is a report that will be forthcoming in early May I think that assesses the credibility of the issuance, but I certainly believe we should use our leverage.

Senator MERKLEY. Well, what we saw this last week, was the President, for the first time, said to "Bibi" Netanyahu that there will be consequences for our relationship and for the delivery of assistance if we don't get more humanitarian access; and many folks have asked why didn't the President and Presidential team not use that same strategy, that same power, months ago?

Ms. POWER. First of all, it is very important, President Biden's message and, you know, so much of the content of what we are asking for is, you know, that a lot of those things are the things that we have been asking for, as you know, for many, many months.

Very specific and measurable steps, and again we are hopeful that finally those steps will be taken. I think the President's view over this period of time has been that the combination of sustained private diplomacy, and public diplomacy, you know, has been the best way to move Israel. If you think again about where they were at the beginning, where Kerem Shalom wasn't even open, Rafah wasn't even open, it has been a too gradual process of seeing the access we need.

Senator MERKLEY. Let me progress to some other questions here. Lindsey asked about children starving. WHO said that 28 children have now died of complications related to nutrition, and that is the way people die from malnutrition. They don't die from the lack of food, they die from infections, they die from many medical complications. So that is the beginning of this wave. But we also know that a tremendous number of people have died because of lack of medical aid. We are down to 10 hospitals out of out of 34.

One of the things that many of us advocated for was for the U.S. to directly provide assistance to these hospitals through airdrops, which Jordan has done, the U.S. has not. Why not?

Ms. POWER. On that specific question, I don't know the answer. USAID does fund the International Medical Corps, which treats 600 patients a day. I think it has treated more than 40,000 since the conflict began. They have done an incredible job, but that is in the southern part of Gaza. I think the military has been providing food, of course, MREs through its airdrops, but perhaps it is a feasibility. You know, a belief that it would not be a practical way to deliver the kind of medical assistance that is needed. But I can look into it.

Senator MERKLEY. Well, I will tell you, that the fact that Jordan can do it, means it can be done. The fact that you are down to 10 hospitals that do not have antibiotics, often don't have insulin,

don't have many of the other basic supplies, these are not the kind of the heavier things that are more difficult to deliver by air.

Let me turn to the lens through pregnant women, and what we have heard reports from Gaza is that there is been a significant increase in miscarriages, and in stillbirths, and that many women when they deliver, because there is not communications, or power, or safe passage, can't get to a hospital to deliver. That many women are malnourished and therefore cannot breastfeed after a child is born, and that there is not access, often, to clean water and formula as an alternative. Are you familiar with those general descriptions?

Ms. POWER. It is very consistent with what we hear from our partners. Yes.

Senator MERKLEY. It really emphasized through that one lens, the level of catastrophe, the cascading humanitarian catastrophe. When Chris Van Hollen and I went to Rafah, and talked to the hardened—experienced, hardened aid workers who said they had served in the most difficult places in the world, places like Somalia, and Sudan, and Yemen, and the frontlines of Ukraine. They said the combination of factors, and by that they were referring to lack of power, lack of communications, lack of housing, continued military hostilities, lack of food, lack of clean water, in combination, they said this is the worst humanitarian catastrophe they have seen in their careers. Does that generally fit your understanding the situation in Gaza?

Ms. POWER. I would just add, it is also the deconfliction system that doesn't provide any assurance, that even if you can get access to these supplies, that you can deliver them in safety, or reliably. I traveled as well to Israel and the West Bank last month and met with aid workers that I have worked with all over the world, in past lives of theirs and mine, and that is very consistent with their description, "unprecedented" it was a word that was used. Yes.

Senator MERKLEY. Thank you. After the death of the seven World Central kitchen workers, the President, our President, President Biden, did convey the challenge of U.S. continuing to provide its normal relationship, unless Israel acted. And within hours Israel was talking about opening Erez Crossing, the use of the Ashdod Port, more trucks getting in.

Why did it take seven World Central Kitchen workers to make that happen? 220 aid workers had died, 489 health care workers had died, why did it take those seven from World Central Kitchen for President Biden to make the pivot?

Ms. POWER. I would distinguish what President Biden has been pushing privately from the beginning, he has been the lead humanitarian voice engaging every time he talks to "Bibi" to Prime Minister Netanyahu, this is basically the number one topic, number one, two, three, four, five topic. I think what is different is the public nature of this, and again the system that gave rise to the killing of these innocent aid workers, is the same system that has made it so hard to bring about the kind of civilian protection that is needed as well for Palestinians.

And it has to be said that, these deaths, horrific and tragic as they are, come on the heels of more than 200 deaths of Palestinian aid workers, and then of course more than 30,000 Palestinian civil-

ians. So, the system for so-called "deconfliction" where civilian sites, and civilian gatherings, and the welfare of civilians, and including aid workers, you know, that those are prioritized, that system is really in need of this improvement.

Senator MERKLEY. Thank you.

Senator COONS. Thank you, Senator Merkley.

Senator Durbin.

Senator DURBIN. Thank you. Administrator, it is good to see you again. So if people in Illinois ask me whether USAID is providing any help in Gaza today, what would be your shorthand answer?

Ms. POWER. Absolutely. I mean the World Food Program is doing the bulk of the food assistance that is funded by U.S. taxpayer, Illinois taxpayers, and if we can get more access we will get more food, and we will prevent the worst effects of this acute food crisis.

Senator DURBIN. The Inspector General's Report we are given for this hearing suggested a concern that when they—after the October 7 attack, the OIG issued an alert identifying Gaza as a high risk for potential diversion and misuse of U.S. funded assistance. What has been our experience?

Ms. POWER. First of all, I think an alert like that is important. This is an incredibly complex operating environment, and we are grateful for the OIG's work and—I think they are probably surging staff and inquiries.

Our partners know that they have to report diversion as soon as it happens, we will suspend or terminate our work with partners if we find, again, that the food is not getting to its desired beneficiaries, targets, in this case that need is even greater because the food needs are so great. We have not received reports of Hamas systematically diverting food. We have seen, as you know, so-called "self-distribution", where communities gather around trucks and the kind of organized distributions that we are accustomed to doing give way to desperate families, you know, lunging and trying to get access to boxes.

With food so scarce, prices went up and that increased the influence and the role of gangs, and other more criminal elements. So, you know, we really look forward to flooding the zone with resources to be in a position to do what we are able—our partners have been able to do in other really complex operating environments, which is organize distributions in a manner that can be safe and dignified for civilians.

But again we think the systems that we have in place, the trusted partners that we are working with, World Food Program, UNICEF, International Medical Corps, these are partners we work with all around the world, and we expect them to report, again, anything that they are finding on the ground that is interfering with their ability to pursue their mandates.

Senator DURBIN. So I am trying to compare your answer, which basically says nothing extraordinary has been noted in terms of diversion and misuse of U.S.-funded goods, with the stated policy of the Israelis, that they are slowing the flow of goods to a trickle to verify whether or not they are being diverted to Hamas or any other purposes.

Ms. POWER. Just to step back, I think that what happened on October 7 caused the Israeli public, and the whole world, to look and

say, "okay, well, how did that happen? How did it happen?" And that led to, certainly, a level of restrictiveness in the early days with really no checkpoints open to be able to get food in, and a gradual building of an infrastructure, some of the infrastructure had been destroyed also in the attack itself.

But it was also policy, you know, real concern that anything went in would go to Hamas. For a long time, we couldn't get fuel in to power the trucks in order to be able to get the food to people who needed it, because of the concern, again, that Hamas would get the fuel.

I think that, understanding the history and how it was that Hamas acquired the capabilities that they exhibited on October 7, that is part of, again, something that we hear a lot about from our government of Israel interlocutors, understandably in light of what happened October 7. But we still have to get food in to feed a population that has no means of feeding itself, in light of the conflict, and in the light of all that has been destroyed.

I am not sure if I am responding exactly to your question.

Senator DURBIN. Thank you for that. I am not an expert on this, but I can recall a time when I was introduced to something called Plumpy'Nut——

Ms. POWER. Yes.

Senator DURBIN [continuing]. Which is a food supplement for starving children.

Ms. POWER. It's extraordinary, yes.

Senator DURBIN. There may be some new product that evolved over time. But is that part of what we are doing in Gaza?

Ms. POWER. Right now, the inability to get to the north in a sustained way, has limited our ability to provide ready-to-use therapeutic food, but that is absolutely part of what we are trying to flow into Gaza to address severe acute malnutrition that is being diagnosed.

I want to be clear about, again, if we can have a humanitarian system whereby goods are flowing in regularly in convoys, humanitarian aid workers are in a position to know that they can move out without fear for their lives as well as fear, you know, for the people to whom they are trying to get assistance, and where we can get to the north, which has been largely off-limits, with only a very limited supply, we are going to want to see Plumpy'Nut, or ready-to-use therapeutic food in those pipelines. But I could not advertise now that we are reliably getting those resources to the very vulnerable kids who need it.

Senator DURBIN. I think that is a stunning statement. We know children are starving to death, in the numbers, and the most fundamental life-saving substance that we can sell—that we can transmit or transport to this country, we can't get to the most serious areas is what I understand you are saying.

Ms. POWER. Well, we hope that is changing, with today 433 trucks, or yesterday, 433 trucks finally getting in. I will get back to you precisely about the contents those trucks.

Senator DURBIN. And can I ask you, who on the ground is supposed to receive those, and for example if that——

Ms. POWER. UNICEF is traditionally our partner as we move ready—if that is what you are talking about, be ready-to-use thera-

peutic food. We work with UNICEF, and then UNICEF would, in turn, be relying on the UNRWA humanitarian infrastructure that, you know, provides the trucks, and assembles the convoys. We also work with WFP as well in providing those

But I will get back to you as to which partners specifically we are looking to provide those resources to. Bear in mind also though the point that was made earlier about hospitals and clinics, again this is an operating environment where, many of the most severely malnutrition children aren't in a proper facility, you know, where in one stop, you can go and again provide a flow of these resources, so it is extremely dangerous and I can't even imagine being a parent in that circumstance.

Senator DURBIN. Nor can I. Thank you.

Senator COONS. Thank you, Senator.

Chair Murray.

Senator MURRAY. Thank you very much, Chair Coons. Thank you, Administrator Power. Good to see you. Thank you for being with us today, as we kick off our first subcommittee hearing for the fiscal year 2025. And I hope my colleagues will indulge me for just a moment to go over some of my thinking about this as we start this process.

First of all I do want to acknowledge to everyone the success we had, as a Committee, in passing all 12 of our annual funding bills for fiscal year 2024. It was not easy by any stretch, but we accomplished what many believed we could not do in this Congress. We worked together in an open bipartisan process and passed all of our funding bills.

And it was the approach that we took here in the Senate, listening to each other, finding common ground, setting aside extreme partisan proposals, that finally allowed us to complete full-year bipartisan bills with the House after so many months wasted by Republicans.

But while we have now passed all of our annual funding bills, we are not close to being done yet with 2024, and we won't be until we pass the National Security Supplemental and provide desperately needed aid for Ukraine. The Senate passed that National Security Supplemental in an overwhelming 70 to 29 vote nearly 2 months ago. There is no reason for further drama, delay, or partisanship; it is time the Speaker put this up for a vote.

We cannot afford to give up on Ukraine and throw in the towel to dictators, like Putin. Not when we know that our assistance is so consequential and has overwhelming bipartisan support. I will not stop pushing until we finish this job and get that bill to the President's desk.

I am also going to continue talking with my colleagues to make sure we address other needs, including working to ensure we reopen the Port of Baltimore, and rebuild the Francis Scott Key Bridge, and at the same time we are getting moving right away on fiscal year 2025, and it is no secret we have our work cut out for us. Fiscal year 2024 was hard, 2025 will be harder.

Spending caps from the FRA increased by just 1 percent for both defense and non-defense funding, that is an increase that is not nearly enough to tackle the challenges we face here at home and abroad. And we head into fiscal year 2025 without many of the

non-defense resources that were so important to passing workable bipartisan bills just a few weeks ago.

So this Committee will again need to come together, on a bipartisan basis, to provide adequate resources for both defense and non-defense programs, and to make sure there is no confusion about where I stand here, I will insist that any agreement take care of both non-defense and defense, and I look forward to talking with all of our Committee Members in the coming weeks, about how we are going to do that.

Now, turning to the issue of today, our investments in USAID, Chair Coons, several colleagues and I just returned from a CODEL that I led to Southern Africa, where we met with officials and leaders in a handful of countries, and saw first-hand how U.S. investments are strengthening our political, economic, and security partnerships, and I am very eager to talk about how we build on that progress especially when it comes to economic and development assistance.

At this critical moment with a severe humanitarian crisis in Gaza, civilians in Ukraine suffering from Putin's brutal invasion, and so many other challenges like the truly dire crisis in Sudan where a staggering 8 million people have been displaced. It is clear that we cannot abandon our role as a global leader in delivering humanitarian aid. Across all of these programs, we need to continue to do better, incorporating women and girls, who are often the most at risk in times of conflict, into emergency response, development programming, and peace-building work.

And we need to keep building on our Global Health infrastructure. Let us be clear: helping our partners around the world overcome hardships, increase their security and stability, and improve their economies and the lives of their people, is not just the right thing to do; it is the smart thing to do. These are investments that pay off for our country.

We are helping our partners address threats across the world, like conflict, chaos, and contagion, before they fester and jeopardize folks here at home.

So with that in mind, I will turn to my questions. And you have been asked several times about Gaza, so I won't reiterate that, but just to say, I share the concerns of my colleagues that you heard, about how we are not doing enough to get more aid into Gaza. Airdrops and sea routes are not going to solve this. So we have got to see consistent access across the Gaza Strip, including the North, at a scale necessary to address the serious threat of famine. So I appreciate your responses to my colleagues. And it is something of concern we will all consider—continue to push on.

Now, on my recent trip to Southern Africa, I was very glad to see the progress we have made improving the lives of women and girls, but we have got to do a lot more to be responsive to their needs in every aspect of foreign assistance, as you well know, women and girls often eat last, and eat the least, while sacrificing for their families. The majority of community health workers are actually women, who are frequently underpaid or unpaid. We are still seeing a lot of barriers that prevent girls from staying in school and getting a quality education like early enforced marriage.

Building on our efforts in this space is essential because we know women's empowerment and inclusion is critical for resilient democracies and strong economies.

So Administrative Power, how can we continue to make sure the needs of women and girls are accounted for in humanitarian responses and development programs?

Ms. POWER. Thank you so much. Well, I think, for start, to sustain the resources invested in programs that are dedicated to girls' education, support for female SMEs, and so forth, all of these, again, we have sprinkled throughout the world, including to the countries you visited. And thank you, our teams, we are so grateful that you all took the time, to not only to visit those countries but to actually see the programs up close.

One example which I think needs to be a growth area is, even in the budget-constraint environment, is on global health workers. As the vast majority of global health workers are women, as you know, they are underpaid. In some cases, they are unpaid. And so even though this recent budget cycle, as you mentioned, it is going to be very difficult for us, the fiscal year 2024 budget, we were grateful to you for finding $10 million for the Global Health Worker Initiative. And we would like to grow that over time. We think this is an example of the kind of foundational investment that is needed for primary health systems, not just for the disease-based programming that you saw on HIV, or TB, or malaria, but really getting at foundational health while also advancing the rights and the welfare of women.

But in addition to these dedicated programs, you know, really, I think women's and girls' empowerment needs to be a design feature, and a filter through which we look at all of our programming: agriculture, economic growth, global health, as I mentioned, education. And I think the teams have made a ton of progress in the last 3 years in doing that.

Senator MURRAY. Yes. We were able to visit health care facilities, and a school that touched my heart with, you know, a couple of girls that were able to go to school, and we just have to really expand that. So I will—I want you to know I am going to stay focused on that.

And Mr. Chairman, if you wouldn't mind, I just want to ask one more question.

Senator COONS. Sure.

Senator MURRAY. We were in Zambia and Malawi, and the Governments each made disaster declarations because of the recent droughts. Not only are we facing, clearly, the challenges of climate change, they are seeing it in their lost crops, in famine, disease outbreaks, and it is really worsening with water insecurity. That can cause a lot of tensions in those communities and across the borders.

Water is necessary for survival. Not just for human consumption, and cooking, and all of that, but for the farmers and ranchers and the food production. And I want to ask you, how is USAID investing in water rights and sustainable resource managed to reduce the threat and the risk of conflict?

Ms. POWER. Well, let me embrace the premise and the connection you are making between water and drought, and scarcity on the

one hand, and conflict on the other. I don't think it is a coincidence by any stretch, that we have more conflict happening in the world today than at any time since World War II. We also have more drought and more extreme weather events, generally, than at any time in our lifetimes.

I am grateful for Senator Durbin, and others who have led on water and water rights. We are shifting our focus a little bit to focusing on governance, and working with water ministries, municipalities, national utilities, that is on top of the work that we have been doing building taps and toilets, maybe you saw some of those. And that those are really important Legacy Investments that we have made.

But in order for water to be dealt with systemically, that is fundamentally going to require working with state institutions, again, whether subnational or national. I think by 2027 we are aiming to strengthen 1,000 water security and sanitation institutions in some fashion, and last year we supported 500–1,000 sounds like a big number, it is not that big a number when you think about, again, how great the needs are.

But this underscores, given our resource challenges, the importance as well before you got here, I talked a lot about leveraging taxpayer money to get more private sector investment, and I am struck in the water domain that USAID's investments in water over the last 5 years have mobilized an additional $1.4 billion in private sector resources. So that is more than 60 cents for every taxpayer dollar, and we are going to have to do more of that across the board.

Senator MURRAY. Okay. Thank you. Thank you very much. And thank you, Mr. Chairman.

Senator COONS. Senator Van Hollen.

Senator VAN HOLLEN. Thank you Mr. Chairman.

Let me start by thanking Chair Murray for navigating us through the last fiscal—long fiscal year, and for your commitment to moving forward in a constructive way, including mentioning replacing the Key Bridge in Baltimore. Thank you.

And to Chairman Coons, thank you for your leadership on this subcommittee, and your commitment to humanitarian aid, and to both of you for mentioning the need to pass the Supplemental, which includes many elements, including humanitarian assistance.

Madam Administrator, it is great to see you. And thank you and your team at AID for what you do, worldwide, every day. Many of us have had the opportunity to witness your good work on behalf of our country, and it is ongoing, and also responding to emergencies, including in Sudan. Haiti has been mentioned, other places have been mentioned. And I am grateful for all the work you are doing there.

I do want to turn to Gaza because it is a humanitarian disaster, a man-made humanitarian disaster, a crisis that the UN, as well as multiple international NGOs have called the worst humanitarian disaster they have seen in 50 years, given all the factors that are at play there.

On Sunday, we marked the 6-month anniversary of the horrific Hamas attacks on Israel. About 1,200 people murdered, over 250 hostages taken, and we have all said, as the President has said,

that Israel not only has the right to defend itself, but I would argue, the duty to defend itself against Hamas.

But as you know, you have been our Ambassador to the UN, you have written about international law, the right to self-defense does not include the right to arbitrarily restrict desperately needed humanitarian assistance from getting to innocent people, including now over 2 million Palestinians in Gaza, who have nothing to do with Hamas.

And it should not have taken the death of foreign aid workers to get the world to really say, enough is enough here, and to galvanize action. As you said, over 200 Palestinian aid workers have been killed already since the beginning of this war.

And I am glad to see the Netanyahu Government say it is going to open the Erez Crossing. This is something those of us on this Committee, who are here right now, have been calling for, for months, as has the President. I am glad to see over 400 trucks crossed into Gaza yesterday. To my mind, that just shows what has been possible all along, and every day we should have at least 400 trucks crossing.

But as you know, in addition to getting trucks into Gaza, we have to be able to safely distribute assistance within Gaza, and that, of course, is why we have been calling for deconfliction, and why the killing of the aid workers with World Central Kitchen was, unfortunately, just another example of a failed deconfliction process.

So getting aid distributed in Gaza since the beginning of this war has required, as you indicated, the major UN Agency responsible for Distributing aid, which is UNRWA. And at least, the last I heard, the Netanyahu Government was still not allowing UNRWA to distribute aid into northern Gaza. I am hoping today maybe you will tell me that it has changed. Is there any update on that?

Ms. POWER. My understanding is that there has been progress, whether it is sufficient, I think we are waiting to see. I think it has been about a month in which that policy was in place, and it dramatically limited what could be done given that the transportation infrastructure is by and large, UNRWA. So that policy carried with it the consequence of being able to move even less to the north. But my understanding from today is that that position is changing.

Senator VAN HOLLEN. Well, I am glad to hear that, because that policy, in my view, resulted in, you know, more people suffering dramatically, and we have seen over 20 people, not just on the verge of starvation, but die of starvation. So it is essential that that policy that was imposed by the Netanyahu Government change in order to make sure that we can get food to people in Northern Gaza.

I was pleased to see the readout from the President's most recent phone call with Prime Minister Netanyahu, where he indicated that U.S. policy on a forward-going basis would be determined; I think "determined" was his word, by whether or not we see results in terms of preventing and stopping this humanitarian catastrophe. And I saw Secretary Blinken underscored the fact that we need to see results.

I just want to make sure I understand what we mean by results, because from my perspective results means that we stop what

many say is an imminent famine, results means that we don't have any more people dying of starvation, results means we don't have hundreds of thousands of people on the verge of starvation, results means that kids who are getting amputations because of wounds they suffered can at least have anesthesia. Is that how you would define results?

Ms. POWER. I would add also that civilian protection be a priority, and something recognizing, again, the despicable tactics of Hamas insinuating itself in civilian populations that doesn't lessen the responsibility to look out for civilians in one's targeting, and be extremely mindful of the risks in a manner that, yes, this creation of a new structure whereby humanitarians, and officers operating in Gaza are more closely latched up. It is something again that we have been appealing for some time.

But you know, fundamentally as well, a view on the part of those choosing targets that, you know, civilian harm is something to seek to avoid in every possible circumstance. And you know, military necessity alone, you know, cannot dictate the targeting. Fundamentally, the military necessity, the proportionality analysis around military necessity is very, very important.

So again, we have laid out a series of steps that yes, include the Erez Crossing, and the port, and a new—and a much beefed-up corridor from Jordan. I mean, I think on the trucks we can see a path to, you know, addressing the food crisis or at least to flooding the zone with food. But you know, getting food into Gaza is the first step, and that food then has to get to people where they are.

And this underscores the importance of maintaining the humanitarian hub such as it is in Rafah, which is something as well the President not just in the last couple of weeks but for months has been alert to the risk of jeopardizing what humanitarian infrastructure does exist. And so again, our view is that the kind of ground operation that the IDF has undertaken in Khan Yunis in Gaza City, that it would be a mistake to carry something like that out, given that the provisions for the welfare of the civilians, and the humanitarians who work there have not evidently been made.

Senator VAN HOLLEN. Well, thank you. And you anticipated my other questions, as is often the case, and I agree that results have to include reducing civilian harm, results have to include a recognition of President of the United States' position, that an invasion of Rafah, would be a red line. In my view, all of this has to be part of results.

And if I may, Mr. Chairman, I just want to say to the Administrator, I want to thank her. I know that AID has played a role with respect to the interpretation and provided input on NSM–20, and I think it is essential that those who were responsible in the Department for the delivery of humanitarian aid, have a strong voice within that process since one of the key factors of NSM–20, as you know, is whether a recipient of U.S. Military assistance is facilitating, and not arbitrarily restricting the delivery of humanitarian assistance.

So I hope AID will have a strong voice at the table. I don't know if you have any comment on that.

Ms. POWER. I am always for USAID having a strong voice.

Senator VAN HOLLEN. All right. Well, please keep us posted. Thank you.

Senator COONS. Thank you, Senator Van Hollen. We are in the middle of a vote. I have three more brief questions if I might which you are welcome to speak to briefly or at length, as you wish.

Almost every Senator raised the urgency of the Supplemental, Chair Murray, in particular, it is the unfinished business of fiscal year 2024, what are the consequences if the $9 billion in humanitarian aid that was passed by the Senate on a big bipartisan margin, and the funding for Ukraine, and the other funding, but what are the consequences both for the humanitarian circumstances of the world, and for your 2025 budget, which is the topic of this hearing? What happens if the House simply doesn't pass the Supplemental?

Ms. POWER. The House has to pass the Supplemental, there is so much riding on it, for starters, we have been talking about the importance of access, and the importance of all players doing everything they can to facilitate resources flowing into Gaza. Imagine the United States not being in a position to even fund food or, you know, ready-to-use therapeutic food for infants, or for kids under five who have severe acute malnutrition.

Maybe we would be able to do something small, again, growing out of the fiscal year 2024. With new wars in Sudan and Gaza that have come onto the books—in 20—between April of 2023 and now, and for us to cut or have 40 percent less humanitarian funding to work with, it will again mean cutting people off rations who are in desperate need of it, and not being able to meet the needs that have arisen over the course of the last year, except for a short period of time.

Senator COONS. As I think you know, I was in Dadaab, in August, I think we spoke about this, and got to hear from a whole series of parents about what it meant for them and their children that World Food Program had cut their rations again.

Senator Booker spoke today at our Caucus Lunch about his visit to Chad, and with refugees coming from Sudan, and the impact of the cuts that have already been imposed before that possible cut. So if I hear you right, it would take a tragic situation and make it catastrophic.

Ms. POWER. I mean life and death. Millions of lives depend on the passage of the Supplemental, tens of millions. Just, I can't go this whole hearing without talking about Ukraine and, you know, the fact that there are men and women in the trenches trying to defend their communities from a Russian onslaught, and that the thing that could be holding them back is not their courage, not their ingenuity, but simply the question of whether the United States of America is standing with them in providing military support. That is something we will not wish to live with ourselves, years from now, as we look back on this moment.

But addition the part that USAID is responsible for, is to bear in mind that Putin is trying to do two things: conquer Ukraine militarily, and having failed that, destroy its economy. The resources that Congress has given USAID to work in partnership with those same courageous and ingenious Ukrainians, this time in

the economic sector, the agricultural sector, the energy sector, I can't think of a better return on an investment.

Not only because the economy has not collapsed, and indeed will grow by 5 percent this year, not only because Ukraine is now back to feeding the world despite Putin's attempts to destroy Black Sea Port exports, and agricultural land, and agricultural equipment, and that that has brought down global food prices, including food prices here in the United States, surely, you know, not only for all of those reasons but because this country is so much further along, economically now, in terms of its integration with Europe, its ability, once this war is over, to wean itself quickly, you know, from international assistance once it has, of course, had the initial recovery from the war.

Its tech sector grew by 5 percent in the first year after Putin invaded Ukraine, its young people determined again to invent, and USAID facilitating those partnerships, trade fairs, job fairs, making those export linkages, that is what the Supplemental also funds.

Yes, it is humanitarian assistance, yes, it is ammunition for Ukraine, but it is development, it is economic development that is going to put Ukraine in an incredibly strong position to be a member of Europe, and a member of democratic civilization that contributes and gives back.

And maybe I will just use this occasion to close where I started because I gave the Republic of Korea example.

Senator COONS. That is where I was going to take you.

Ms. POWER. You know, Republic of Korea goes from, you know, taking flour and assistance, you know, from the United States and other democracies, to now being an absolutely pivotal development partner and humanitarian partner to the United States, the Republic of Korea, while we are under you know significant budget pressure increasing its own development and humanitarian assistance by nearly 30 percent next year.

That is the path Ukraine is on, honestly, but if we pull the plug on the resources needed to help thwart Putin's ambitions to destroy the economy we will—it is something that we will live to regret, and it is something that will be a great gift to Putin, and it is something that will impede the kind of contribution that Ukrainians are so desperate to make.

Senator COONS. As a friend of ours often says: From your lips to God's ears. I think it is urgent that Speaker Johnson have the courage to put this on the floor in the House and that we avoid what will be—I have almost never seen in my brief 14 years here such a clear difference in outcome, allowing Russia to roll over Ukraine, threaten the rest of NATO, destabilize all of Europe, the wave of refugees that would come from that, the significant loss in American standing in the world.

Or staying in the fight sustaining them, dramatically growing their economy, rewarding their innovation, their patience, their determination, their patriotism and their sacrifice, and showing that a former Soviet satellite really can choose whether to be free or subjugated, and if they are willing to fight, can fight for freedom successfully.

You have done amazing work in dealing with the attacks on the power infrastructure, on restarting the agricultural sector on economic growth. Secretary Pritzker met with a whole group of us in Munich about the impact—just in Odessa and in the agriculture sector, and was genuinely inspiring.

I will submit some questions for the record, about economic growth. You are doing great work there. We, when we were in Zambia had long conversations with President Hichilema about debt burden, and the difference between predatory lending, and the possibility of—the DFC being a real tool and other initiatives by different agencies to be a tool. I would love to hear your thoughts on the interagency, and what tools we need to sharpen.

And then Global Health, look I have been a strong supporter of PEPFAR. It was striking that the life expectancy of the average Zambian has increased by 50 percent, simply because of our investment there. Botswana really has achieved pandemic control, and there really is transition to country ownership and a number of key Southern African countries.

I would be interested in hearing from you: Where we go next? What is the trajectory forward? We were only able to get a 1 year extension, something Senator Graham and I both worked hard on trying to figure out sort of where are we going in global public health.

But let me also run to the floor to cast a vote, and reflect on what you said in the outset about the Arc of South Korea, Ukraine will someday, if we are wise, if we do what we must join that list of our top trading partners, of those who give back to the rest of the world, of those who are a model of development.

South Korea, for critics of development, is the single strongest case of a country that was a basket case and is today a basket of opportunity and growth for the rest of the world. Our investment, our partnership, and your leadership at AID can help make that possible.

ADDITIONAL COMMITTEE QUESTIONS

[The following questions were not asked at the hearing, but were submitted to the agencies for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO ADMINISTRATOR SAMANTHA POWER

QUESTIONS SUBMITTED BY SENATOR BRIAN SCHATZ

Question. The Administration suspended U.S. funding for UNRWA months ago following reports from the Israeli government that a dozen UNRWA employees assisted Hamas on October 7. Since these reports, many allied nations have subsequently resumed their funding, due to a lack of evidence of the claims. Without this funding, the agency will experience a significant budget shortfall.

1a. How will the suspension of UNRWA funding impact USAID operations going forward?

1b. How will the suspension of UNRWA funding to UNRWA impact work to scale up the humanitarian and medical response capabilities and capacity?

Answer. UNRWA plays a critical role in providing lifesaving assistance in Gaza and countries in the region. Although UNRWA was funded by the Department of State's Bureau of Population, Refugees, and Migration (PRM), not USAID, UNRWA is central to the entire humanitarian response in Gaza and cannot be easily or rapidly replaced.

Humanitarian organizations rely on UNRWA infrastructure in Gaza to deliver assistance, including by supporting fuel provision, trucking, distribution sites, storage

facilities, and community trust and support. Suspension of UNRWA funding will likely increase the pressure on USAID partners to fill gaps. USAID will continue to provide funding to other international organizations, including other UN and NGO partners, to deliver assistance in Gaza. However, even under the best case scenario with a coherent transition plan and sufficient funds made available to other UN agencies and NGOs, our teams assess the likelihood of significant gaps in aid delivery if UNRWA has a shortfall of funding and has to scale back operations in Gaza.

Humanitarian programs in Lebanon, Jordan, and Syria are also likely to be affected by shortfalls of funding for UNRWA, but we are still assessing potential impacts.

Question. Section 620I of the Foreign Assistance Act of 1961 states that "No assistance shall be furnished under this chapter or the Arms Export Control Act to any country when it is made known to the President that the government of such country prohibits or otherwise restricts, directly or indirectly, the transport or delivery of United States humanitarian assistance."

2a. Are you aware of any instances where U.S.-provided humanitarian assistance, through USAID or other aid programs, was restricted by the Israeli government?

2b. Has Sec. 620I of the Foreign Assistance Act been violated, which would require the prohibition of military assistance to Israel?

2c. Is the Israeli government doing everything in its capacity to ensure adequate and timely delivery of humanitarian aid to civilians in Gaza?

Answer. USAID has provided information to support the analysis of the determination under section 620I, which rests with the Department of State. Analysis of section 620I is an aspect of National Security Memorandum 20, and the issue will be addressed in the Department of State's May 8, 2024 report.

Question. USAID has been significantly expanding its footprint in the Pacific Islands over the past year. How has the opening of the new USAID mission in Fiji and the Country Representative Office in Papua New Guinea changed USAID's ability to work in the region?

Answer. USAID's new Pacific Islands Mission in Fiji and Country Representative Office in Papua New Guinea directly responds to requests from Pacific Island leaders for a more consistent in-region presence. They tangibly demonstrate how the U.S. is listening to the region as well as partnering and delivering on Pacific priorities, including the 2050 Strategy for the Blue Pacific Continent. USAID's increased presence will strengthen our relationships with individual Pacific Island countries and regional organizations like the Pacific Islands Forum and the Pacific Community (SPC) as well as enhance our ability to deliver more tailored and Pacific-informed programs.

Now that there is a new USAID footprint in the region, are there any changes to USAID's understanding of the region's top development challenges? Does USAID have a comprehensive needs assessment for the region? Which countries and unmet needs in the Pacific Islands are highest priorities going forward?

Answer. In May 2022, USAID released its first-ever, 5-year Strategic Framework for the Pacific Islands, which aims to advance a more democratic, prosperous, and resilient Pacific Island region. A key guiding principle of the Strategic Framework is resilience, defined as bolstering the ability of the Pacific Islands to sustainably adapt to and recover from various natural disasters and climate shocks and stresses. As part of a comprehensive needs assessment of the region, USAID consulted Pacific Island governments, regional organizations, and communities to ensure the Strategic Framework aligns with Pacific development priorities, including the region's development vision in the 2050 Strategy for the Blue Pacific Continent. Pacific Island leaders identified as their top priorities climate adaptation and economic development. Therefore, these areas are the highest priorities for USAID's Strategic Framework for the region.

On climate, USAID is partnering with Pacific Island countries to support their climate adaptation goals, including by helping countries navigate the complex and lengthy application process to secure climate finance from various multinational institutions. In Papua New Guinea (PNG), USAID is partnering with Australia, Japan, and New Zealand to help PNG work towards its goal of 70 percent electrification of its population. USAID is also working with SPC to coalesce and align development partners and philanthropies on the Pacific-led Unlocking Blue Pacific Prosperity (UBPP) initiative, which was endorsed by Pacific Island leaders at the

November 2023 Pacific Island Forum (PIF) Leaders Meeting in Cook Islands. The goals include conserving the ocean and its marine resources, increasing food security and livelihoods for Pacific Islander communities, and scaling sustainable finance solutions.

USAID is also working with Pacific Island countries to foster sustainable and inclusive economic growth as well as to protect Pacific livelihoods and the critical natural resources upon which communities depend. This includes working with development partners like Australia and Japan to pool resources to promote resilient and secure digital connectivity across the Pacific Islands. USAID is supporting the development of two separate undersea cables that will expand connectivity and spark economic growth in Palau as well as the Federated States of Micronesia, Kiribati, and Nauru. USAID is also partnering with the U.S. International Development Finance Corporation to launch an up to $50 million Pacific Microfinance Facility, which will help micro, small, and medium enterprises access the credit they need to expand their businesses. In the Marshall Islands (RMI), USAID is working with a private sector company to potentially secure investment and financing to expand its current dock infrastructure, which will allow RMI to participate in and benefit from a sustainable and transparent tuna industry in the region. As tuna is among the Pacific Islands' most valuable natural resources, USAID is assessing the opportunities to replicate this project in other Pacific Island countries.

Question. How is USAID working with the Pacific Islands Forum to support the 2050 Strategy for a Blue Pacific Continent?

Answer. USAID's work is designed to address what the region itself has defined as its most pressing challenges, including the priorities laid out in the 2050 Strategy for the Blue Pacific Continent. Specifically, USAID is listening and partnering with the region to solve urgent climate challenges; strengthen global health security; strengthen democracy and counter rising autocracy; expand secure and environmentally-sustainable digital infrastructure; and develop stronger, inclusive economies. USAID's re-established Pacific Islands Mission in Fiji enhances our ability to partner with the PIF on discrete priorities, including building long-term economic resilience.

Question. How is USAID leveraging digital health to support Pacific Island countries' delivery of primary and specialty care?

Answer. As reliable and secure digital access expands across the Pacific Islands, it provides additional opportunity for Pacific communities to access digital healthcare services. USAID is strengthening global health security in PNG and Fiji as well as additional Pacific Island countries by partnering with Pacific health ministries to build their capacity to prevent, detect, and respond to threats posed by emerging infectious diseases. In Fiji, USAID is working to finalize a partnership with the Taiwan International Cooperation and Development Fund to strengthen digital healthcare for noncommunicable diseases and COVID–19 in Fiji. USAID is also offering digital health training opportunities for public and private sector stakeholders from the Pacific Island countries, demonstrating our commitment to advancing digital health.

Question. It was your testimony last year that investing in telehealth is challenging given that USAID Global Health is heavily "earmarked." However, most countries offer some telehealth to deliver essential services, and its value was proven during the pandemic. It is critical to not regress on global digital health transformation gains as the pandemic recedes and priorities shift.

How is USAID integrating telehealth across its global health programs?

Answer. USAID strategically integrates telemedicine into its global health programming to help increase access to quality healthcare in partner countries. For example, in Ukraine, where over 1,400 health facilities have been damaged by Russian forces, and over 2,500 medical personnel have sought safety abroad, USAID funded telemedicine services to ensure care for populations in need. These telemedicine services provide care to patients injured by explosions and gunfire, support vital surgery, and facilitate routine care delivery, including for pregnant women living beyond the reach of a functioning health system. As of late last year, the USAID-funded telemedicine program had facilitated close to 10,000 teleconsultations, providing critical care in medical deserts created by Russia's aggression.

Telemedicine can help address barriers to accessing quality care for people who live in remote areas or areas without enough professional medical personnel. USAID recognizes that effective telemedicine services require investment in countries' digital ecosystems. To that end, USAID actively collaborates with partner countries to

strengthen the foundational building blocks that are essential to providing telemedicine services. This includes investing in electrification first to ensure reliable digital connectivity, through Power Africa's Health Electrification and Telecommunications Alliance (HETA), a $47 million cooperative agreement funded through integrated funding from USAID/Global Health and Power Africa. HETA is a public private partnership that crowds in resources from the private sector along with facilitating business models to help scale up models for electrification and connectivity of health facilities for long- term sustainability and operations that are critical for supporting telemedicine solutions.

USAID's Vision for Action in Digital Health 2020–2024 outlines the agency's strategic approach to ensure digital health investments contribute toward strengthening the digital health enabling environment that is crucial for impactful telemedicine services. We are currently working on a successor policy which we anticipate launching before the end of 2024. The updated policy recommits to the four programmatic and 10 operational priorities identified in the Digital Health Vision and will incorporate insights from implementation and changes in global health and digital technology since the initial policy's publication. These policies advance USAID's commitment to the strategic digital transformation of country health systems and programs, while supporting the coordination of care delivery and specific digital health interventions such as telemedicine.

Question. How is USAID working with country partners to determine stages of telehealth implementation and needs for U.S. assistance?

Answer. The USAID Digital Health Vision encourages the assessment of country digital enabling environments and capacity as part of health programming. These assessments can help investments align to and grow country digital health governance, workforce, and other capacity as needed to effectively deliver health programs.

Since the Digital Health Vision launched, and propelled by the COVID–19 pandemic, we have seen tremendous growth in the use of digital health, including telemedicine, to deliver health information and services. For example, in India, USAID has supported a variety of aspects of the Government of India's eSanjeevani cloud-based telehealth platform that today is in 87 percent of districts (706 of 806), reaching over 222 million people, more than half of whom are women. eSanjeevani is part of India's broader national digital health strategy and architectural blueprint that leverages standards-based and open-source digital building blocks, sometimes referred to as digital public infrastructure. USAID has also partnered with the Government of India to share eSanjeevani with other countries such as Fiji and Philippines. Through a blended finance facility, USAID also supports private telemedicine options, such as Karma Primary Healthcare and Critical Care Hope, to extend service coverage to areas government systems do not reach, creating a menu of options for users.

To further support country partners, USAID is developing a telemedicine technical brief that identifies the technological, policy, and regulatory prerequisites necessary for successful telehealth delivery. The brief will help USAID Missions support partner governments in developing scalable telemedicine programs and identify key opportunities for investment. The technical brief will have cross-cutting relevance but is targeted for the Asia and Western Pacific region.

Question. How is USAID collaborating with other global health funders and the private sector to expand the use of telehealth?

Answer. USAID has a number of collaborations with other key global health stakeholders, including funders and the private sector, that help harness the potential of digital health, including telemedicine.

During the COVID–19 pandemic, USAID supported a Digital Health Center of Excellence (DICE) facility, which was hosted by UNICEF and delivered in coordination with WHO. DICE, in partnership with the private sector, including Twilio, provided expert technical assistance to countries regarding their use of digital tools to support vaccine delivery and other critical aspects of care.

To understand bottlenecks that local private sector actors face when developing digital health solutions, including for telemedicine providers in Africa, USAID funded an analysis that identified critical challenges African entrepreneurs face in the digital health space. This analysis included two entrepreneurs that ran telemedicine companies in Cameroon and Rwanda, respectively. This formative research contributed to efforts by USAID and other actors to address challenges and promote successful businesses and localization in the digital health space.

Digital Square, an initiative focused on digital health global goods which is funded by USAID, the Bill and Melinda Gates Foundation (BMGF), and others, hosted a

request for applications designed to support digital innovators working in telemedicine. This application call resulted in the identification and selection of two open source telemedicine platforms, one in the Latin American region and another working primarily in India and Bangladesh, for further funding provided by the BMGF. This funding will help make these platforms interoperable with larger health systems to enable scale and continuity of care.

Finally, USAID is also a key contributor toward developing the capacity needed to plan and manage national digital health systems, including for telemedicine. USAID continues to refine and deliver the Digital Health: Planning National Systems course, which it created in collaboration with the WHO, the International Telecommunications Union, and Digital Square. The course is designed to provide Ministry of Health officials with the knowledge and skills they need to proactively manage health sector digital transformation. As a secondary audience, the course also targets other health sector stakeholders, including USAID and other donor staff. To date, almost 700 health leaders from more than 90 countries have been trained through the existing course. This includes 309 Ministry of Health or government leaders and 80 USAID staff from 29 USAID Missions as well as Washington, DC based staff.

USAID is currently funding the creation of a new module for the course focused on telemedicine. The module guides participants in developing functioning telemedicine services as part of their broader national digital health architecture and also introduces them to key resources, such as maturity models, that help identify focus areas for advancing country readiness for telemedicine implementation. Both new students and course alumni will have access to the new telemedicine module, and the initial delivery of the module will be piloted for a cohort of course participants from Cambodia, Fiji, Kiribati, Nauru, Samoa, Tonga, Tuvalu, Republic of the Marshall Islands, Federated States of Micronesia, Palau, Laos, and Mongolia.

Question. What countries has USAID prioritized and why?

Answer. Most investment decisions for health funds are made by USAID's Missions, as they are best positioned to understand the context and needs of the countries they serve. Broadly, however, USAID tends to prioritize telemedicine investments in countries with higher digital health maturity levels. This is because to effectively and safely extend the reach and convenience of the healthcare system, telemedicine requires certain foundational building blocks, which include things like mobile connectivity, regulatory frameworks, a digitally literate health workforce, and access to mobile devices. As countries continue to undergo rapid digital transformation, USAID anticipates seeing continued growth in demand for telemedicine services, which is why USAID's Africa and Asia Bureaus are both co-financing the Digital Health: Planning National Systems module. This module is focused on helping leaders planning their national system recognize opportunities to integrate telemedicine with the other core digital services.

Question. How do you envision telehealth fitting into the primary healthcare and health worker initiative?

Answer. Expanding the use of digital technologies by health workers is a key area of focus of the Global Health Workforce Initiative (GHWI). The use of digital technologies, including telemedicine, by health workers can help expand specific access and reach of services, critically at the frontline of primary healthcare, by making it more likely that the right person has the right information at the right time to make important health decisions. For example, provider-to-provider telemedicine consultations can help address some of the challenges presented in geographies that do not have many highly specialized health professionals. Health workers in primary care settings can consult with remote specialists to access advice, read diagnostics, and tailor care. This can also help triage and appropriately route referrals to higher levels of care, reducing burdens on the healthcare system and addressing some of the challenges that health workforce shortages create. USAID's Primary Impact effort, which aims to accelerate primary healthcare outcomes across Africa and Asia, aligns well with GHWI priorities as it recognizes health workers as foundational to advancing primary healthcare and achievement of health goals. Telemedicine is part of the suite of interventions the Agency is exploring to meet context specific country needs.

Question. What funding could support USAID to execute on your Vision for Action in Digital Health?

Answer. The Agency funds digital health activities as an integrated component of all our health programs (e.g., TB, MCH, HIV). Digital health is of critical impor-

tance to USAID's global health efforts and is essential for USAID to achieve our global health sector goals and impact.

Question. A well-organized, anti-rights movement threatens to undermine global progress, particularly reproductive and LGBTQ+ rights. Earlier this month, Uganda's constitutional court cited the U.S. Supreme Court's Dobbs decision overturning Roe in its upholding of a sweeping anti- LGBTQ+ law that criminalizes homosexuality and same-sex marriage.

How does the budget facilitate USAID's efforts to prevent backsliding globally and seek to expand access to sexual and reproductive rights?

Answer. Sexual and reproductive health and rights (SRHR) are not only women's issues—they affect everyone. Advancing SRHR is fundamental to achieving gender equality and promoting and protecting human rights.

The United States, through USAID, is the largest bilateral donor to global voluntary family planning assistance, a commitment spanning more than five decades, and is committed to investing in high-quality, client-centered reproductive health and family planning services that improve women's well-being, promote gender equality, and give individuals greater control over their bodies and lives. USAID, through PEPFAR, is also committed to the important work of delivering comprehensive, client-centered services for key populations (including LGBTQI+ people) that include prevention, testing, and treatment of HIV and other sexually transmitted infections, mental health and psychosocial support, and related health services to reduce stigma and discrimination.

Question. It has now been more than 2 years since the Biden Administration launched PREPARE, the "whole of government" international climate adaptation and resilience initiative.

Where has this initiative been deployed?

Answer. According to fiscal year 2023 data, the U.S. government has climate adaptation activities active in 115 countries in South America, Central America, the Caribbean, Sub-Saharan Africa, Middle East and North Africa, Asia, and the Pacific. Fiscal year 2022 was the first partial programmatic cycle after PREPARE was launched in November 2021.

Question. What are the indicators you have set to define its success?

Answer. PREPARE developed a Monitoring, Evaluation, and Learning plan to articulate how all participating departments and agencies can collect and communicate the outputs and outcomes of U.S. government international climate adaptation work and investments. This plan is helping to transparently communicate to Congress and other stakeholders the collective results from PREPARE and will allow departments and agencies to share best practices for adaptation programming, compacts, transactions, and activities. This Plan includes five standard indicators for the performance of U.S. government actions on adaptation. USAID and State Department are supporting adoption of these indicators across the implementing agencies. The use of these indicators is required as relevant for the types of work that agencies conduct. The indicators include:

—Number of people trained in climate change adaptation supported by USG assistance
—Number of institutions with improved capacity to assess or address climate change risks supported by USG assistance
—Number of laws, policies, regulations, or standards addressing climate change adaptation formally proposed, adopted, or implemented as supported by USG assistance
—Amount of investment mobilized (in USD) for climate change adaptation as supported by USG assistance
—Number of people supported by the USG to adapt to the impacts of climate change
    —This indicator includes in fiscal year 2024, for the first time, a disaggregate to allow USAID and State to account for the number of people supported to adapt to climate impacts using climate information services, including early warning systems.

Question. Has PREPARE met any of those benchmarks already?

Answer. PREPARE has seen positive results under all three of its pillars. For example, in Pillar 1, PREPARE has spurred interagency collaboration between

USAID, State, NOAA, NASA, and increasingly with U.S. finance agencies MCC, DFC, and Department of Commerce on expanding climate information services, including early warning systems to close the gaps in access to critical, life- saving information. Under Pillar 2, USAID and State have collectively supported 75 partner governments on their adaptation planning in critical sectors, including food and agriculture, water, infrastructure, and health. Under Pillar 3, PREPARE has made progress on uniting the unique financing options that USAID, State, DFC, EX/IM, USTDA, and Commerce offer to address the challenge of driving greater private investment into climate adaptation. This has included the development, launch, and initial funding rounds of the PREPARE Adaptation Window led by USAID in partnership with State and the DFC and crowding in partner capital from Nordic governments. PREPARE has also made significant progress with U.S. and global companies through the PREPARE Call to Action. USAID and the State Department will publish the second annual progress snapshot later in 2024, which will share progress against objectives.

Question. USAID's Climate Strategy rightly recognizes the compounding relationship between violent conflict and climate change.

How is USAID prioritizing and implementing conflict prevention and climate action, particularly in sensitive regions like the Indo-Pacific?

Answer. USAID works in many places experiencing conflict and climate impacts in some form—including in the Indo-Pacific. It is critical that USAID integrates conflict mitigation and conflict sensitivity into our climate change strategy and programming. In practice, this requires identifying where conflicts are precipitated or worsened by acute climate shocks and implementing measures tailored to that specific context.

As it pertains to the Indo-Pacific, USAID is working to advance climate resilience for communities that are in conflict-prone areas or have experienced conflict in the past. For example, in the western Indo-Pacific, USAID is currently working to advance climate adaptation in both Sri Lanka and the Maldives. The Agency is helping build the capacity of the private sector, civil society, and partner governments to respond and adapt to climate change in ways that contribute to sustained, inclusive, market-based growth. In the Maldives in particular, work is focused on how to increase the amount of climate finance available to meet the impacts of the lowest lying country on Earth, and ultimately help communities overcome the impacts of sea level rise and other climate impacts.

Through our commitment outlined in the Global Fragility Act in Papua New Guinea, we recognized that drivers of conflict, such as land ownership, access to natural resources, and the power and economic benefits derived from both, will be exacerbated by climate change. Our interagency 10-year strategy will help alleviate the negative consequences of climate change by supporting innovative and alternative approaches to doing business.

USAID is also prioritizing the recruitment and onboarding of subject matter experts (SMEs) that provide Agency and USAID Missions with technical leadership and assistance in the design, management, and evaluation of climate programs; strategic planning and program management; and coordination with the interagency and other donors. These experts will work towards the integration of climate and water security across other sectors as a means of advancing resilience across the development portfolio.

USAID is doing this work around the world, for example:

—USAID's Bureau for Conflict Prevention and Stabilization has provided over $20 million in funding to support over 10 current peacebuilding and reconciliation activities focused on addressing the root causes of conflicts related to climate, natural resource management, water, land, the environment, and sustainable agriculture. These activities are ongoing in locations as diverse as the Kyrgyz Republic, Kenya, and the Dominican Republic/Haiti border region, in which natural resource availability and vulnerability due to environmental and climate shocks is a central driver of conflict.

—USAID is also working to better anticipate and prepare for climate-related conflict by integrating climate and food security analysis through the Famine Early Warning System Network (FEWS NET). With an initial focus on three Global Fragility Act countries—Mozambique, Togo, and Haiti—this effort combines the gold-standard climate and food security analyses that FEWS NET is known for with new data and machine learning methods to improve our understanding of how climate, instability, food insecurity, and conflict interact to impact peoples' lives. This effort will enable targeted investment and tailored interventions that directly address climate change's impact on conflict.

Regionally, USAID is working:

—In the Middle East and North Africa (MENA), which is the most water-scarce region worldwide with 60 percent of its population exposed to high water stress. In this region, addressing climate risks and water security are critical for long-term regional stability and reducing impacts of droughts, food insecurity, heat stressors, and infectious diseases, all of which are drivers of conflict. USAID has integrated climate into our programming working in critical conflict hotspots to empower communities to resolve conflicts over land, water, and natural resources through increasing equitable access to land and water, establishing sustainable natural resource management practices, and strengthening traditional dialogue and conflict resolution mechanisms.

—In Central Asia, USAID continues to support cooperation around water sharing among the Central Asia Republics. A current effort is focused on the development of and training on software utilizing satellite data to help countries to assess and track seasonal mountain water supplies and flows. Recognizing that effective management of water resources relies on precise prediction of water availability as a basis for local, national, and transnational decisionmaking, USAID supported the addition of a glacier monitoring and increased temporal and spatial resolution tool that allows real-time monitoring of Asia's snow cover, hydrological forecasting, daily snow water equivalent, snow depth, snow melt, and short-term forecasting of water availability. Based on increasing demand, USAID will continue to distribute this software package and training to countries in South and Central Asia.

Question. Does the funding in the fiscal year 2025 budget sufficiently allow you to elevate the role of the climate priorities at USAID and appoint senior level officials with authority to develop a new transformational climate change strategy for foreign assistance and development?

Answer. Yes. The President's fiscal year 2025 budget request includes $3 billion in discretionary funding across the State Department and USAID. If enacted, this funding would allow USAID to better implement our ambitious eight-year Climate Strategy, which launched in 2022, and advance key initiatives, such as the President's Emergency Plan for Adaptation and Resilience (PREPARE). USAID continues to make progress on our ambitious 2022–2030 Climate Strategy and has no current plans to draft a new strategy.

With sufficient budget support, we aim to achieve the following targets by 2030:

—Reduce global CO_2 emissions by six billion tons
—Protect, restore, and manage 100 million hectares of natural ecosystems for climate benefits
—Support 500 million people to be more climate resilient
—Mobilize $150 billion in public and private finance for climate actions
—Support 80 countries with Nationally Determined Contributions and National Adaptation Plans
—Increase equitable engagement with critical populations

We are also seeing significant demand from partner countries for U.S. bilateral development assistance to address climate impacts and enable a transition to sustainable, resilient economies. USAID's Climate Strategy elevated climate in the Agency's programming and operations. The Strategy, combined with other Agency priorities such as localization, has the potential to contribute to transformational change if fully funded.

Regarding the appointment of senior officials, USAID has benefitted from having a Chief Climate Officer since 2021. This coincided with the establishment of an Agency leadership council on climate change the same year, which is composed of senior officials from every USAID bureau. This structure provides USAID significant high-level leadership and oversight of climate change efforts.

USAID's Climate Strategy calls on all missions to contribute to the Strategy and appoint a senior climate champion. Engagement from across all regions and sectors is leading to greater awareness of how climate is impacting development and human welfare. With the funding requested in the fiscal year 2025 President's budget request, missions will be able to launch more holistic programming that integrates climate resilience and environmental stewardship objectives.

QUESTIONS SUBMITTED BY SENATOR JERRY MORAN

Question. For fiscal year 2024, USAID will have to cope with a five-percent reduction in funding for global food security and agricultural development programs like the Feed the Future initiative as compared to fiscal year 2023.

Overall, how will this reduction affect your agency's ability to help developing countries' agricultural sectors address long-term problems with lack of resilience in food supply chains?

Answer. We recognize the challenging tradeoffs that need to be made in the budget process. We are emerging from a global food crisis of historic proportions, for reasons that are well known—including disruptions due to COVID–19, conflicts, erratic and acute weather, including prolonged droughts, and Russia's full-scale invasion of Ukraine. The reduced funding in the fiscal year 2024 foreign assistance bill included a reduction to the key accounts that fund food security, as well as a 5 percent reduction to the directed level for food security programs. These reductions will inevitably constrain our ability to maintain bilateral investments we have made in years past. It will also limit any acceleration in progress that we hope to achieve as we support communities building back from the recent compounding crisis and hinder our ability to respond to new crises.

Despite those challenges, we are grateful to Congress for its longstanding and bipartisan support for Feed the Future. The data-driven approach of Feed the Future demonstrates the success the initiative has had. In areas where Feed the Future has worked, poverty, hunger, and child stunting have all declined by 20 to 25 percent on average during the first decade of the initiative.

Question. How important are USAID's agricultural development investments in addressing the root causes of hunger and malnutrition, and preventing humanitarian food and nutrition crises?

Answer. Investments in agricultural development have been incredibly successful at preventing the root causes of hunger and malnutrition. USAID did an assessment to measure the impact of Feed the Future over its first decade and found that, in areas where we worked, there was a 19 percent reduction in the prevalence of extreme poverty, a 26 percent reduction in the prevalence of child stunting, and a 21 percent reduction in the prevalence of moderate and severe hunger.

Agriculture research investments through USAID also have an outsized positive impact on our agriculture development goals. Investments in agricultural research that lead to sustainably increased productivity and dynamic agri-food systems alleviate poverty at higher rates than increased productivity in any other sector. For the poorest economies, a 1 percent increase in agricultural GDP yields roughly two to four times the impact on extreme poverty as comparable increases in labor productivity in industry or services. USAID's demand-led agricultural research can simultaneously address poverty reduction, food security, nutrition, and environmental goals.

Historically, agricultural research investments have produced a seven- to ten-fold rate of return. For example:

—When drought hit Southern Africa in 2016, six million farmers were able to harvest resilient yields by planting new, drought tolerant maize varieties developed through Feed the Future research support. Across 13 countries, small-holder farmers grew enough to make $160 million more during the drought than if they had grown regular maize.

—In the dry corridor in Central America, the Bureau for Humanitarian Assistance has promoted climate smart practices that have extended the number of months that vulnerable households have sufficient corn to eat by 50 percent and increased bean yields by 25 percent.

These Feed the Future investments also benefit U.S. farmers. As diseases that threaten foreign crops and livestock make their way to our shores, U.S. farmers and ranchers benefit from the work Feed the Future is already doing to combat them. For example:

—Feed the Future funds multiple efforts to combat wheat stem rust, a disease that threatens our $10 billion-a-year wheat industry.

—The Feed the Future Innovation Lab for Sorghum and Millet developed new sorghum varieties that withstand damage caused by the green aphid, based on what we learned in Ethiopia. A decade ago, these aphids had reached 17 states in the U.S. and cost nearly $8 million in losses in 2013 alone.

Question. How can we better help food insecure communities become more self-sufficient and less reliant on US emergency assistance? (Resilience)

Answer. The Global Food Security Strategy (GFSS) for 2022 through 2026 emphasizes strengthening resilience as a way to meet Agency food security objectives and reduce reliance on humanitarian assistance.

USAID uses resilience-strengthening approaches to protect and improve food security (and other measures of well-being) across our work, with special attention given to areas of recurrent and protracted crises where greater resilience is essential for reducing humanitarian need and assistance.

To help food-insecure communities become more self-sufficient and less food insecure, it is important to identify the main shocks and stresses that might threaten food security—such as drought, disease outbreaks, disasters, and conflicts—and invest in strengthening multisectoral sources of resilience that could help counter or manage those risks. These sources of resilience can include the assets, skills/strategies, services, and relationships that individuals, households, and communities rely on during shocks or stresses—such as skills and knowledge, access to financial services, diversified livelihood options, social networks and safety nets, resilient market systems, and access to information, including disaster early warnings.

By strengthening resilience in these ways, USAID programming can help sustain food security beyond the end of an activity, even if future shocks and stresses occur, and avert humanitarian need and/or disasters. Examples include:

—In the Sahel, the USAID-supported Resilience in the Sahel Enhanced (RISE) program (2014–2019) integrated and coordinated humanitarian and development efforts to address a vicious cycle of crises. RISE focused on strengthening households' sources of resilience, such as hazard insurance, disaster preparedness, asset ownership, bridging social capital, and access to financial resources, infrastructure, formal safety nets, and information. The final evaluation found that, despite drought, floods, COVID–19, and rising food prices, households that participated in RISE had levels of food security 10 percentage points higher and higher self-reported "ability to recover" than non- participants. RISE also directly prevented 1 in 5 extremely vulnerable individuals from experiencing severe food insecurity.

—In Uganda, the Apolou and Nuyok Activities (2017–2023) are an extraordinary example of how USAID's resilience-strengthening approach can improve food security and nutrition. The activities took place in the Karamoja region during mounting shocks and stresses—such as major conflicts and market disruptions from COVID–19. They included more than 15 interventions to strengthen households' sources of resilience, such as expanding health facility outreach, repairing community wells, strengthening livelihoods through a graduation approach, and building government capacity to test the quality of veterinary inputs. During the Apolou Activity, the percentage of women with sufficient dietary diversity nearly doubled (16.4% to 30.5%), despite impacts of the pandemic and increased conflict in Karamoja.

During this Farm Bill reauthorization process, USAID is proposing that Congress consider technical changes to the Food for Peace Act to maximize the effectiveness of resilience programs. For example, by shifting some U.S. commodities from Title II non-emergency programs to emergency programs, USAID would maintain the same level of commodity procurements from U.S. producers while offering implementing partners the ability to fully design non-emergency programs to address the root causes of hunger. Giving partners more choice in programming would improve the outcomes of these programs and help decrease reliance on U.S. assistance in the long term.

Question. Investments in agricultural research and development, including those within the Feed the Future initiative like in the CGIAR—the largest public agricultural research network in the world—and the Innovation Labs like the ones at Kansas State University in my home-state, are crucial to long-term global food and nutrition security.

How are USAID and the State Department prioritizing these investments in international agricultural R&D, and how do they contribute to farmers' ability to grow nutritious foods and raise livestock in light of the many challenges smallholder farmers in target countries face like the high price of fertilizer, pests and diseases, and changing weather patterns, including drought?

Answer. USAID prioritizes Feed the Future research that is evidence-based and purpose driven, as outlined in the U.S. Global Food Security Research Strategy. Feed the Future research investments are informed by (i) the likelihood of advancing practices, policies, knowledge, or technologies; (ii) the value to society of the outputs generated from successful research; and (iii) the existence of a unique and compelling need for the U.S. Government to fund the research. In practice, USAID and

our interagency partners combine broad stakeholder engagement, expert consultations, and formal economic analysis to determine the potential benefits of our research investments.

Demand-led agricultural research has historically produced a seven- to ten-fold rate of return on investment. Research is also a powerful driver of poverty reduction, with the long-term effect of agricultural research and productivity growth making food cheaper. In low income countries, cheaper food prices play a major role in poverty reduction and economic development.

For the poorest economies, a 1 percent increase in agricultural gross domestic product yields roughly two to four times the impact on extreme poverty as comparable to increases in labor productivity in industry or services.

Economic growth brought about by agricultural-led growth can also improve nutritional outcomes. Higher incomes and more affordable, safe, nutritious foods enable households to move to a more diverse diet that can improve health and nutrition outcomes.

Over the past 50 years of CGIAR research investments, there has been a 10-dollar return on every dollar invested in research and development. Crop technologies developed with CGIAR investments have been adopted on over 221 million hectares globally, resulting in substantial economic welfare gains amounting to $47 billion annually. Notably, these benefits have been accrued across a diversity of geographies, crop varieties, and technologies leading to lower food prices and higher incomes.

Investments in U.S. university-led international agricultural research have also led to over $8.4 billion in economic purchasing power parity returns on our cumulative investment of $1.24 billion over the past 40 years. Impacts go beyond direct economic benefits—analysis of U.S. university investments in the Collaborative Research Support Program (CRSP) and Feed the Future Innovation Labs (FtFIL) found improvements in overall human health, dietary quality and diversification, and environmental impacts.

Question. How, too, has Feed the Future harnessed this return on investment and spurred gains in ending hunger and malnutrition, even amid the deep challenges of the last few years? For those who wonder why we would invest in ending hunger, how does improved global food security benefit our national security here in the U.S.?

Answer. U.S. investments in foreign agricultural research through the Feed the Future Initiative benefit the world's poorest regions while also providing major benefits in the United States.

Technologies developed with U.S. aid enhance global agricultural productivity, reduce climate risks, and combat pests and diseases. For example, many American producers of sorghum now plant improved varieties developed since 1979 through the Sorghum and Millet Innovation Lab and its predecessor programs. These programs developed sorghum varieties resistant to pests like the greenbug aphid and sugarcane aphid. A subsequent economic impact study found that USAID's greenbug aphid-resistant sorghum varieties had saved American farmers $389 million in 1989 alone. At that point, funding for the sorghum program had totaled $44 million (in constant 1989 dollars). The U.S. sorghum research generated nine times its total cumulative cost, and the benefits can reasonably be expected to have continued for many subsequent years.

We have similar evidence of benefit spillover in wheat and beans. For example, the estimated impacts of international wheat research on the U.S. is between $140 to $180 million annually, representing a benefit-cost ratio of between 32:1 and 40:1. International bean research investments led to the development of 40 bean varieties now commercially grown in the United States.

Global food security contributes to U.S. national security by improving overall global stability. By bolstering food security in regions prone to scarcity, U.S. foreign agricultural aid programs effectively mitigate underlying drivers of conflict, like economic grievances and resource competition. This proactive approach is not only cost-effective but also crucial for averting the human and financial toll of crises on both affected populations and the international community.

Through collaborative efforts with key stakeholders over multiple decades, institutions like U.S. universities, CGIAR research centers, and USAID have laid the groundwork for proactive crisis management, highlighting the strategic importance of sustained engagement in foreign agricultural research programs.

Question. For decades, the US government has directed humanitarian aid to hot spots like Haiti and Sudan. In a study done by the U.S. Government Accountability Office, published in March of 2023, it was reported that USAID provided $2 billion

dollars to support reconstruction and development in Haiti during fiscal years 2010–2020. Yet the situation in both regions is deteriorating. In Haiti, there's total state collapse and violence is on the rise. In Sudan, paramilitary forces are wreaking havoc on the population, causing mass atrocities. In both cases, the U.S. government has relied on a network of large government aid contractors and international organizations that have little connection to the communities they serve to disburse this aid. I'm not convinced our status quo approach to delivering foreign aid is working. USAID has proposed funding both the crises in Haiti and Sudan. What assurances can you give us that the agency plans to spend this money in new ways that will deliver better results and not just invest the way it always has?

Answer.

Haiti

Addressing severe food insecurity, protection, and displacement concerns are an integral part of stabilizing Haiti, but humanitarian assistance alone will not solve the crisis nor provide the future that the Haitian people deserve. USAID's Bureau for Latin America and the Caribbean provides continued investments in job creation, education, and a healthy functioning private sector. However, the enabling factor continues to be a secure and stable Haiti, which we believe will be supported by the deployment of the UN-authorized Multinational Security Support (MSS) mission. Continuing to provide targeted humanitarian assistance in conjunction with both security and development efforts remains critical for addressing the severe challenges facing Haiti.

At the agency level, USAID has made improvements to address the cited concerns, including the following:

1. Awarded a new monitoring, evaluation, and learning contract to collect and analyze data to further build the knowledge and evidence base on USAID programs and the local context; and
2. began utilizing the Agency's new indicator data management system, which consolidates important performance indicator data, as well as information about each awarded activity, allowing timely reporting and adaptive management.

In addition, USAID has an agency-wide commitment to localization which is being realized in Haiti today. USAID's Mission in Haiti is planning procurement that is supportive of USAID's global target of providing at least a quarter of all funds directly to local partners by the end of fiscal year (FY) 2025. Between fiscal year 2021 and fiscal year 2022, USAID/Haiti increased the percentage of funding to local partners from 10 percent to 22 percent. By the end of 2023, USAID/Haiti had 45 program-related awards, of which thirteen are to local organizations.

USAID's Bureau for Humanitarian Assistance (BHA) is committed to serving the most vulnerable populations in Haiti by providing life-saving assistance. USAID's humanitarian partners conduct needs assessments that determine beneficiaries based upon vulnerability criteria. We require our partners to have robust safeguards and risk-mitigation systems in place so that humanitarian aid reaches those who need it most and avoids fraud, waste, or abuse. USAID closely monitors partner activities to ensure that activities are reaching beneficiaries, including using third-party monitoring (TPM) to complement our monitoring efforts and provide an extra layer of independent verification that USAID-funded humanitarian assistance is reaching intended beneficiaries.

For the humanitarian response in Haiti, USAID is providing direct support to 28 partners—including one local NGO—and indirectly we are supporting another 26 local partners. In addition, we support numerous local organizations through the UN's Women Peace and Humanitarian Fund, a pooled fund managed by the UN Development Programme and UN Women that supports several local protection organizations throughout Haiti. Applying for U.S. Government funding can be complex and time-intensive for smaller organizations, so local NGOs often choose to begin by partnering with existing USAID international partners. In addition, USAID is advocating for and supporting a UN-led pooled fund that is expected to begin operations soon and will prioritize funding to local NGOs.

Sudan

In Sudan, following the outbreak of conflict in April 2023, USAID quickly pivoted our broad portfolio of assistance in response to the changing context, including scaling up humanitarian response in locations of need where we had not worked before, such as urban centers in Khartoum and new states such as Gezira and Gedaref outside of our traditional humanitarian areas of operation.

We also shifted humanitarian assistance funds to local response efforts. In fiscal year 2023, USAID/BHA provided an estimated $29 million to support over 40 local partner organizations, such as women-owned local organizations, through our direct partnerships with NGOs and public international organizations. In fiscal year 2024 we have 29 sub awardees through which we are programming $9.6 million. This is on top of $6.8 million going towards Emergency Response Room support. Local organizations will continue to be the bedrock of this humanitarian response based on their flexibility, unique access, important networks, and trust and acceptance among communities.

USAID/BHA and USAID's Office of Transition Initiatives have also scaled up funding for local response networks at the community level. Since the outbreak of the war in April 2023, USAID/Sudan's Democracy & Governance office and Office of Transition Initiatives have provided $6.7 million to support local responder networks, and USAID/BHA has provided $6.1 million to these local organizations.

USAID has prioritized humanitarian partners that are nimble and forward-leaning to continue to push for cross-border and cross-line humanitarian assistance, including scaling up support for NGOs that demonstrate their ability to pivot existing assistance to safely respond to new emergency needs.

Question. In Darfur, attacks on civilians and communities are occurring based on ethnicity, echoing those of the genocide that began 20 years ago, the year I last travelled to Sudan. In December 2023, Secretary of State Blinken released a determination that members of the Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF) had committed war crimes in Sudan, and that the RSF and allied militias committed crimes against humanity and ethnic cleansing. Why has USAID recently cut funding for key atrocity prevention and peacebuilding programs in Sudan in the wake of Secretary Blinken determining that the parties to the conflict have and continue to commit war crimes, crimes against humanity, and ethnic cleansing? How is USAID working to prevent further atrocities and achieve accountability for atrocities committed in Sudan, especially following the determination issued by Secretary Blinken in December?

Answer. USAID has not cut overall funding for Sudan and has significantly increased its humanitarian support to the Sudanese people. Due to necessary programmatic pivots following the outbreak of conflict, USAID reviewed the performance of its existing partners and redistributed funding from partners that were no longer able to deliver on their programs to those that can, as part of our commitment to the effective use of taxpayer resources. The funds being redistributed will remain in the USAID/Sudan portfolio, in the sectors for which they were originally programmed. USAID believes that this is the most efficient and responsible use of resources to cover our immediate key objectives in Sudan, which includes support for atrocity documentation, peacebuilding, and Sudanese civil society.

Question. In December 2023, I was alerted by the Food and Agriculture Association that they were experiencing issues delivering animal feed to Gaza. In response, I called Ambassador Jack Lew in Israel to make him aware of this issue, and it was the first time he had heard of the problem. The entrance of animal fodder into Gaza is crucial to the nutrition status of the population, especially of Children. FAO's inability to deliver the feed placed uncertainty on the future operations of the organization and the wellbeing of Gazans. Is your agency aware of issues delivering animal feed into conflict zones and if so, how can Congress support the ability of USAID to ensure animal fodder is successfully delivered to regions experiencing conflict?

Answer. USAID is aware that animal feed had not been allowed into Gaza for several months, despite prior written approval from the Government of Israel authorizing 1,500 metric ton (MT) of feed to enter Gaza. We learned from the UN Food and Agriculture Organization (FAO) that on April 6 and 7, six trucks carrying 100 MT of animal fodder were able to enter Gaza for the first time since October 7, with additional trucks anticipated to cross in the coming days.

We are working closely with the Governments of Israel, Egypt, and other partners in the region to increase the flow of both humanitarian aid and commercial goods into and within Gaza. This includes advocacy to reduce bottlenecks at inspection and crossing points and customs limitations on the volume of trucks. We are also advocating to improve deconfliction efforts, as humanitarian access is also constrained by ongoing military operations and by increasing insecurity and civil unrest.

While USAID does not currently fund animal fodder in Gaza, improved access into Gaza will facilitate the delivery of the many humanitarian and commercial items that are desperately needed in Gaza, including support for livestock.

SUBCOMMITTEE RECESS

So thank you for your testimony and your leadership. And the hearing record will remain open for written questions until 5:00 pm on Tuesday, April 16.

And with that, this hearing is adjourned.

[Whereupon, at 4:00 p.m., Tuesday, April 9, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

STATE, FOREIGN OPERATIONS, AND RELATED PROGRAMS APPROPRIATIONS FOR FISCAL YEAR 2025

WEDNESDAY, MAY 15, 2024

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:03 p.m., in room SD–138, Dirksen Senate Office Building, Hon. Christopher Coons (Chairman), presiding.

Present: Senators Coons, Merkley, Van Hollen, Schatz, and Hagerty.

STRENGTHENING AMERICAN COMPETITIVENESS: EXAMINING THE ROLES OF THE U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION, EXPORT-IMPORT BANK OF THE UNITED STATES, AND MILLENNIUM CHALLENGE CORPORATION

OPENING STATEMENT OF SENATOR CHRISTOPHER COONS

Senator COONS. Ladies and gentlemen, this hearing of the Senate Appropriations Committee, Subcommittee on State and Foreign Operations and Related Programs will come to order. I'd like to thank our three witnesses today and the Members of this subcommittee who will be joining us.

The subcommittee meets today to review the fiscal year 2025 budget requests for three important agencies funded by the subcommittee that play a central role in strengthening American competitiveness, the International Development Finance Corporation, the Export-Import Bank, and the Millennium Challenge Corporation.

Our witnesses are Scott Nathan, the CEO of the DFC, Reta Jo Lewis, the president and chair of the Board of Directors of EXIM, and Alice Albright, the CEO of the Millennium Challenge Corporation. They each have had distinguished careers in public service and in the private sector and have been in their current role since being confirmed in 2022. So, you have valuable perspectives and insights to share from your experience.

Since I became chairman of the subcommittee one of my goals has been to ensure we're using U.S. foreign assistance to enhance American competitiveness. And to do this, we have to strengthen our standing as a partner of first choice by supporting economic resilience and growth in ways that have mutual benefits for our part-

ner governments, local communities and our own domestic economic interests.

State and AID play critical roles in this effort but we have to ensure we're leveraging other agencies under the subcommittee's jurisdiction including the three agencies you represent. The unique and valuable roles of your agencies will be the main focus of our hearing.

First, the DFC, our country's development finance institution focused on private sector led development in some of the most critical sectors of our time for which the fiscal year 2025 request is just over a billion dollars, an increase of $25 million above enacted. The Millennium Challenge Corporation, a development leader with a model that emphasizes transparency, accountability, country commitments to fighting corruption, economic freedom, and civil liberty, for which the request is $937 million, an increase of $7 million over enacted and EXIM as the U.S. Export Credit Agency with a mission of supporting American jobs for which the request is $145 million, an increase of $5 million above enacted.

You are all critical to advancing economic resilience and growth in promoting U.S. interests. That's why in the fiscal year 2024 appropriations bill we provided for a new initiative called the Economic Resilience Initiative which provides $265 million in new and more flexible funding for investments in strategic infrastructure, critical mineral supply chains, energy security, digital security, and macroeconomic growth. We have to have an acronym, it's government—provides new authority to leverage the unique roles of the state and foreign operations subcommittee funded agencies like DFC, EXIM, and the Treasury Department in a more comprehensive and strategic manner.

This funding will support our ongoing efforts to counter malign influence and address mutual interests including in the Pacific and Southeast Asia where for example, the Treasury Department has just announced a plan to leverage new funding provided through this initiative to guarantee billions in loans for infrastructure, transportation, and energy transition work in partner countries.

The application of this ERI is global. Chair Murray and I recently traveled to Southern Africa to discuss the potential strategic impact for example, of investments in the Lobito Corridor, a project that aims to lay or improve over a thousand miles of railroad to help transport critical minerals from Zambia and the DRC to Port Lobito in Angola.

But this is not just about mineral extraction. Along that quarter, EXIM and DFC are making investments including through financing for U.S. exports to enhance sustainable development for local communities. And the Millennium Challenge Corporation will be soon signing a compact with Zambia to further leverage the profound benefits of this quarter. MCC will focus on transportation and logistics for agriculture to help increase private sector investment in partnership with the work being done by EXIM and DFC.

Zambia is a priority as well for USAID's economic resilience work including through ERI, where we're helping the government demonstrate the dividends democracy can pay while mitigating the risks from a significant national Chinese debt burden.

So, we're demonstrating that even in this tightly constrained budget environment there's more we can do to coordinate across what's called the Inter-Agency to leverage all of our tools to enhance our economic diplomacy and facilitate sustainable development, and your agencies play a key role in that

Investing in emerging markets and strategic sectors alongside our like-minded partners and allies consistent with international best practices for environmental and social safeguards and ensuring U.S. businesses have the chance to compete on a level playing field is both good development policy and an effective way to strengthen U.S. National economic security.

That's particularly true when we're talking about countering Beijing's monopoly on critical mineral supply chains and processing and the need to build and secure new digital networks or in helping our partners diversify their energy production and sources.

We're never going to outspend the PRC dollar-for-dollar in official development assistance but we can outmatch them when it comes to leveraging our coalition of like-minded partners and the incredible depth and strength of the American capital markets in our private sector. We also differentiate ourselves from the PRC by upholding values of transparency and accountability, promoting local ownership, protecting human rights and other foreign investment best practices.

So, in conclusion, I look forward to discussing how each of you view the unique roles of your agencies, how we can help you better align your authorities and your resources to allow you to best bring your agencies to bear to these tasks and while we continue to make the most of every appropriated dollar, we cannot do more with less.

So, this is also a chance for you to discuss the challenges you're facing and the opportunities we can seize if we increase our investments in you. Thank you.

Senator Hagerty, would you like to make any opening remarks?

OPENING STATEMENT OF SENATOR BILL HAGERTY

Senator HAGERTY. Well, thank you, Chairman Coons. It's good to be with you, and it's good to be with this esteemed group of leaders here today. Mr. Nathan, I'd like to start with you, if I might. It's good to see you again.

You and I have talked about this on numerous occasions. The DFC has incredible potential to be a strategic tool for America on a worldwide basis. I'm concerned though that the agency has been distracted by ideology and that we're not offering the clear and compelling alternative to predatory Chinese funding. That is such an important aspect of your strategic mission.

And I'd like to start out with what I view as perhaps the most critical geostrategic tool that we can deploy especially in the region that I'm talking about, the Indo-Pacific. When I served in my previous role in Japan, I worked very closely with the Japanese to displace Russian energy from their energy supply.

Senator COONS. Senator, if I might interrupt briefly. We were going to let the witnesses give their opening statements and then turn to questioning. Were you making just an opening comment about the three agencies or launching into questioning, sir?

Senator HAGERTY. I was—I'll let this——

Senator COONS. My apologies if—I was just inviting a brief opening comment, which is typically with the Ranking Member.

Senator HAGERTY. Let me say this, welcome to all of you again. Look forward to your testimony.

Senator COONS. Thank you, Senator. So, we'll now invite Senator Schatz. Did you have a comment you need to make? Unfortunately, just for the awareness of our witnesses, we will have a two-vote series that begins in about 5 minutes. So, we will either have to suspend and just go vote and come back or we may have a transition to who's chairing to allow some members to go and vote and come back. Let us worry about that, you focus on your testimony.

The Honorable Scott Nathan, let me invite you to make, in 5 minutes or so, if you could, your testimony to the committee today. Thank you.

STATEMENT OF HONORABLE SCOTT NATHAN, CHIEF EXECUTIVE OFFICER, U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION

Mr. NATHAN. Well, thank you very much Chairman Coons, Senator Hagerty, Senator Schatz it's a pleasure to be here and I appreciate the opportunity. I want to thank Congress and especially this Committee for its continued support of the Development Finance Corporation. Since Congress established DFC, we've used the tools you provided us to deliver on the Build Acts Mandate to make development and strategic impact around the world.

DFC's financing for the private sector enables reliable access to energy and supports high quality infrastructure including railways, ports, airports, and safe and secure digital connectivity throughout the developing world. We're investing to strengthen health and food systems while also supporting the small businesses that are vital to generating jobs and opportunity.

Unlike the development approach of the PRC or other strategic competitors, DFC's efforts are directed towards supporting private entities, mobilizing private capital, and building resilient market economies. We're guided by the belief that developing a robust private sector is the best way to alleviate poverty over the long term and strengthen the economic and strategic positions of our partners around the world.

We need to show up and offer our partners a choice so they don't feel trapped into accepting too much debt or end up with projects that aren't needed or of poor quality. In the nearly 5 years since Congress created it, DFC has made great progress in this regard.

Last year, DFC committed a record $9.3 billion across 132 transactions. Nearly double our fiscal year 2020 total and we did this in a cost effective and efficient manner. We deployed roughly $500 million into equity investments but with the remaining $8.8 billion in transactions requiring only $110 million of appropriations, that's great bang for the taxpayers' buck.

By mobilizing additional private capital, our investments are making an impact, driving economic development, where it's needed most and advancing U.S. strategic objectives. DFC is promoting energy security by helping to diversify Eastern European energy supplies with large scale projects in Poland, Moldova, Bulgaria, Georgia, and Greece. All these projects have helped the region shift away from dependences on Russian gas.

We're focused on securing the critical inputs and supply chains for the industries of the future. Investing $150 million in graphite production in Mozambique, $50 million in rare earth oxides in Southern Africa and almost $1 billion for multiple solar panel manufacturing facilities in India to ensure no one country has a choke hold on price or availability.

Wherever we go DFC works to ensure our projects meet the needs of local communities and we're investing to improve public health through improvements to local health infrastructure. And we remain committed to helping the small businesses that are the engines of their economies get access to capital they need to thrive.

DFC has active projects in 112 countries, but our primary focus is the world's poorest countries. In fiscal year 2023, nearly three quarters of our projects were in low and lower middle-income countries.

I'm proud of the DFC team and of this track record but I know we can do much more. The global demand for high quality, high standard development far outstrips the supply. We want to do more projects and have deeper collaboration, broader reach, more meaningful impact, and better metrics.

For fiscal year 2025 the administration requests a budget of just over a billion dollars for DFC to empower this agency to better meet its mission. The fiscal year 2025 request includes $763 million in program funds that would allow us to grow our overall portfolio and continue strategic and developmental projects around the world.

The budget request also includes administrative expenses of $245 million. This funding underpins the work DFC does around the world and it's our hope that the small increase in operating budget will help us become more capable and efficient as an organization. The request would extend our fee authority, giving us the ability to use fees collected from clients to pay for project specific transactional costs.

Not only is this financially beneficial but it will also create an incentive for projects to reach completion on schedule. The fiscal year 2025 budget requests additional resources to attract and retain the talented and highly in demand workforce that DFC needs.

Finally, a high priority for DFC is working with Congress to path a reauthorization bill for the agency. We see this as an opportunity to reaffirm the goals of the Build Act and make improvements. These include fixing the budgetary treatment of equity to make full use of this important tool Congress gave us, improving the method for determining country eligibility and raising the maximum contingent liability, so we can increase our deal flow and better keep pace with our competitors.

We want to use reauthorization to fix these issues and best position DFC to meet the challenges of this current moment. We're eager to work with Congress to chart the best path forward for DFC.

Thanks for this opportunity. I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF THE HONORABLE SCOTT A. NATHAN

Thank you Chair Coons and Ranking Member Graham, as well as all the members of the Committee, for giving me this opportunity to discuss the Administration's Fiscal Year 2025 budget request for the U.S. International Development Finance Corporation.

I want to thank Congress and especially this committee for its continued support of DFC. Since Congress established DFC, we have used the tools you provided us to deliver on the BUILD Act's mandate to increase the development and strategic impact of our investments around the world.

DFC financing for the private sector enables reliable access to energy and supports high-quality infrastructure, including safe and secure digital connectivity. We are investing to strengthen health and food systems while also supporting the small businesses that are vital to generating jobs and opportunity.

We need to show up and offer our partners a choice based on our values and on private enterprise, so they don't feel trapped into accepting the offerings of our strategic competitors or authoritarian governments—too much debt and projects that aren't needed or are of poor quality. In the nearly 5 years since Congress created it, DFC has made great progress in this regard.

Last year, DFC committed a record $9.3B across 132 transactions, nearly double our FY20 total. By mobilizing additional private capital, our investments are making an impact, driving economic development where it's needed most, and advancing U.S. strategic objectives.

We are investing to build roads, ports, airports, and other large-scale infrastructure projects in the developing world. For example, we have committed $553M to support the construction of a new container terminal in Sri Lanka—a critical transshipment point for the Indian subcontinent—to promote the free flow of goods across key trade routes across the Indo-Pacific.

DFC is also promoting energy security by helping to diversify Eastern European energy supplies with large-scale projects in Poland, Moldova, Bulgaria, Georgia, and Greece. All these projects have helped the region shift away from its dependence on Russian gas.

We are focused on securing the critical inputs and supply chains for the industries of the future, investing $150M in graphite production in Mozambique, $50M for rare earth oxides in South Africa, and almost $1B for multiple solar panel manufacturing facilities in India, to ensure no one country has a chokehold on price and availability.

Wherever we go, DFC works to ensure our projects meet the needs of local communities. From our $20M commitment for cold-storage solutions in Africa to our $33M loan to build grain silos in India, we met our $1B food security objective in FY23, years ahead of schedule, and have since doubled our goal.

We are investing to improve public health through improvements to local health infrastructure, including our $10M loan to expand distribution of liquid oxygen across Kenya. At the same time, we are taking steps to boost pandemic preparedness. In December, we announced we are expanding our $1B loan facility with Gavi to include vaccines for routine childhood illnesses as well as potential future outbreaks.

And we remain committed to helping small businesses get access to the capital they need to thrive, with a focus on ensuring that under-represented groups benefit from our investments. For instance, in FY23, $2.5B of our commitments supported economic empowerment for women and other underserved communities.

DFC has active projects in 112 countries, but our primary focus is the world's poorest countries. In FY23, nearly three quarters of our projects were in low- and lower middle-income countries.

At DFC, we see the growing importance of the Indo-Pacific and have tripled our portfolio in the region in the last 3 years. This includes over $4B in commitments in India, but also substantial increases in Nepal, Sri Lanka, and Indonesia, amongst others.

Africa, however, remains DFC's largest market, with over $11B in commitments. DFC has successfully differentiated itself from the predatory practices of the PRC and other competitors, and we are continually on the lookout for further opportunities to work with the private sector in the dozens of countries where we work on the continent.

In the Western Hemisphere, DFC sees great potential for partnership. DFC investment in this region can help create stable economies and local jobs. Our loan portfolio guarantees extend access to capital to small businesses, creating opportunity and local jobs, helping to address some of the underlying causes of migration.

And in Europe, we have continued to respond to Russia's war against Ukraine. Our over $1B in commitments in Ukraine are helping to keep the private sector going at this critical moment while laying the groundwork for long-term economic recovery.

To maximize impact, DFC partners with our peer development finance institutions to advance shared priorities. Just recently, we have reaffirmed our commitments with our counterparts in the Republic of Korea and Japan; we have announced a new collaborative framework—the Americas Partnership Platform—with the Inter- American Development Bank Group's private investment arm; and entered into a new compact with Taiwan's development finance institution.

And we work closely with our interagency partners to coordinate efforts in support of broader foreign policy goals.

I am proud of this track record, but I know that DFC can do much more. The global demand for high-quality, high-standard development finance far outstrips the supply. We want to do more projects and have deeper collaboration, broader reach, more meaningful impact, and better metrics.

For FY25, the Administration requests a budget of $1.008 billion for DFC, to empower this agency to better meet its mission. The FY25 request includes $763.4M in program funds, that would allow us to grow our overall portfolio and continue supporting strategic and developmental projects around the world.

The request would extend our fee authority, giving us the ability to use fees collected from clients to pay for project-specific transaction costs. Not only will this be beneficial to taxpayers by allowing us to shift upfront costs to clients, it will also create an incentive for their projects to reach completion on schedule.

The budget request also includes administrative expenses of $245M. This funding underpins all the work DFC does around the world, and it is our hope that the small increase in our operating budget will help us become a more capable, efficient organization. DFC has already taken many steps to improve its structure along a sector-based approach, and we are seeking additional resources from Congress to build upon this progress.

The FY25 budget requests additional resources to attract and retain the talented and highly in-demand workforce that DFC needs. Growing our deal origination, processing, and monitoring teams will enable greater impact.

We have just begun to build out our overseas presence and we are still massively underrepresented in the markets where we work compared to our peers and competitors. DFC's six existing full-time-equivalent staff overseas have proven essential to the targeted sourcing of projects that advance sector priorities. By FY25, DFC will have fully taken on the cost of staffing its existing overseas offices in Africa and Asia, at an annual cost of $4.8M. With the support of Congress, DFC hopes to prudently expand its overseas footprint.

The complexity of DFC transactions requires significant resources to be devoted to monitoring them long after they are first originated. This budget request will provide us with the business and legal resources needed to keep pace with growth and perform effective oversight.

All these improvements will put strain on DFC's IT infrastructure. The FY25 budget includes funding to support modernization of our IT systems and enhanced cybersecurity amid growing threats.

Finally, a high priority for DFC is working with Congress to pass a reauthorization bill for the agency. We see this as an opportunity to reaffirm the goals of the BUILD Act and make improvements. We have been talking with Members and their staff and look forward to continuing the conversation on key issues.

These include fixing the budgetary treatment of equity, to make full use of this important tool Congress gave us; changing country eligibility, to bring us in line with our peer development finance institutions; and raising the maximum contingent liability, so we can increase our deal flow and better keep pace with our competitors.

We want to use reauthorization to fix these issues and best position DFC to meet the challenges of this current moment. We are eager to work with Congress to chart the best path forward for DFC.

Thank you and I look forward to your questions.

Senator COONS. Thank you very much CEO Nathan, thank you for your service and leadership. We look forward to President and Chair Reta Jo Lewis of EXIM Bank.

STATEMENT OF RETA JO LEWIS, PRESIDENT AND CHAIR, EXPORT-IMPORT BANK OF THE UNITED STATES

Ms. LEWIS. Chairman Coons, thank you so much. And for your distinguished members that will be joining us for inviting me to testify in the administration's fiscal year 2025 budget request from EXIM Bank. It is an honor to appear before you as EXIM's Chair and President and thank you for your support in passing our historic 7-year reauthorization in 2019.

I'm also pleased to join my counterparts from DFC and MCC today. Like our fellow agencies, EXIM plays a vital role in promoting and sustaining U.S. leadership around the world. But while EXIM's activities may have development impact, as you know, it's not a development agency. As you know, EXIM is the official export credit agency of the U.S., our congressional mandated mission is to support U.S. jobs by financing or facilitating exports. The agency does that through our direct loans, loan guarantees and insurance programs in cases where the private sector is unable or unwilling to provide financing or where such support is necessary to level the competitive playing field for U.S. exporters.

A multi-year lapse in EXIM's charter, a lack of quorum on the board of directors and the Covid-19 pandemic had a devastating impact on morale, staffing, and operations. Building on my predecessor's success and reopening the agency, I have worked to rebuild and revitalize EXIM and set it up for even greater success in our next chapter. In fiscal year 2023 because of the dedication of our talented workforce, EXIM supported nearly $8.8 billion in authorization and an estimated 40,000 jobs across the country.

We strive every day at EXIM to fulfill our congressional mandates by sector, size, and scope. On Sub-Saharan Africa, EXIM approved nearly $1.6 billion in authorizations last year including the largest renewable project in EXIM's history.

On small business, last year it marked the first time that authorizations surpassed $2 billion since fiscal year 2020. On our China and Transformational Exports Program, or CTAP, as we call it, saw a nine-fold increase in year-over-year growth since fiscal year 2022, and we authorized our first ever Make More in America, MMIA, transaction. This initiative allows EXIM to extend our medium- and long-term financing to domestic projects that facilitate exports, reassure manufacturing, rebuild the domestic supply chain, and support American jobs.

In our fiscal year 2025 request budget justification, EXIM has requested $130.1 million for administrative resources plus $15 million in program budget which will enable the agency to offer competitive financing while meeting appropriate reserve requirements. This request will support recruitment and retention of highly trained staff required to successfully complete very complex international financial transactions and support underwriters in engineering.

The request will support also a projected $11.3 billion in new authorizations and export value of $17 billion in estimated 56,000 U.S. jobs. These numbers anticipate growth in excellence transportation program and an increase in green energy related transactions, particularly in nuclear plant refurbishments and hydro and solar power generation projects.

As part of the fiscal year 2025 request, EXIM is seeking a default rate cap exemption from both—for both nuclear projects because of their size and for CTAP, China Transformational Export Program transactions which would allow EXIM to better counter predatory PRC financing in transformational export areas and higher risk markets.

Finally, while reauthorization is not the subject of our—of today's hearing. I will be remiss if I did not mention that EXIM's charter will expire on—at the end of 2026. When EXIM's charter lapsed between 2015 and 2019, the world saw a 35 percent increase in the number of foreign export credit providers. Other official credit providers evolved their philosophy and substantially expanded their roles, and U.S. manufacturers lost out as foreign governments promoted their domestic industries creating a fundamentally uneven playing field.

An early reauthorization backed by large bipartisan majorities would send a strong signal to the world that Congress is committed to empowering the agency to advance American's national interests by facilitating exports and supporting jobs. I look forward to working with you, all of you.

Thank you, again, and I look forward to receiving your questions, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF RETA JO LEWIS

Chairman Coons, Ranking Member Graham, and distinguished members of this committee, thank you for inviting me to testify on the Administration's Fiscal Year 2025 budget request for the Export-Import Bank of the United States (EXIM).

It is an honor to appear before you as EXIM's Chair and President of the Board of Directors and to thank you for your support in passing an historic seven-year reauthorization of EXIM in 2019.

I am pleased to be joined at this hearing with my counterparts at the U.S. International Development Finance Corporation and the Millenium Challenge Corporation.

Like our fellow agencies, EXIM plays a vital role in promoting and sustaining U.S. leadership around the world. But while EXIM's activities may have development impacts, it is not a development agency.

As you know, EXIM is the official export credit agency of the United States. Its congressionally-mandated mission is to support U.S. jobs by financing or facilitating exports. The agency does that through its loan, guarantee, and insurance programs in cases where the private sector is unable or unwilling to provide financing, or where such support is necessary to level the competitive playing field for U.S. exporters due to financing provided by foreign governments to their exporters.

A multi-year lapse in EXIM's charter, a lack of quorum on the Board of Directors, and the COVID–19 pandemic had a devastating impact on morale, staffing, and operations. Building on my predecessor's success in reopening the agency—an effort this committee supported—I have worked tirelessly to rebuild and revitalize EXIM and set it up for even greater success in its next chapter.

In FY 2023, because of the dedication of our talented workforce, EXIM supported nearly $8.8 billion in authorizations—an almost 66 percent increase over FY 2022—and an estimated 40,000 jobs across the country. These authorizations reflect not only our commitment to helping American businesses succeed, but also the strong, and growing demand for EXIM's products and services.

We strive every day at EXIM to fulfill our congressional mandates by sector, size, and scope. As it relates to our sub-Saharan Africa mandate, since its first deal with Angola in 1942, EXIM's financing has been a catalyst for economic growth, job creation, and greater prosperity throughout Africa. I am very pleased to say that in FY 2023, EXIM approved nearly $1.6 billion in authorizations for sub-Saharan Africa.

Since FY 2022, EXIM has authorized approximately $2.2 billion of transactions for the region. This includes two authorizations for Ethiopian Airlines to purchase

Boeing aircraft valued at more than $725 million; it also includes an authorization of more than $900 million for the construction of solar power plants in Angola—the largest renewable project in EXIM's history. All told, I am proud to say that EXIM's sub-Saharan Africa exposure stands at more than $8.0 billion, an historic high for the region.

EXIM is focused on infrastructure project opportunities in developing markets for U.S. manufacturers and exporters. U.S. exports of goods and services are well positioned to facilitate such important projects around the world and align with the goals of the Partnership for Global Infrastructure and Investment, or PGI. EXIM has authorized deals under the PGI framework worth more than $2 billion, which also includes a roughly $600 million rail infrastructure deal in Kazakhstan and the previously mentioned Angola solar project.

FY 2023 also marked the first time that small business authorizations surpassed $2 billion since FY 2020. This reflects 23 percent of our total authorizations by dollar value but almost 90 percent of our total authorizations by numeric value. In short, we do most of our deals with small businesses in Delaware, South Carolina, and states across America.

I am also pleased to say that the efforts of our China and Transformational Exports Program (CTEP) team have resulted in a nine-fold increase in year-over-year growth since FY 2022, culminating in FY 2023 CTEP authorizations totaling $2.4 billion, up from $252.9 million in FY 2022. As a share of the agency's financing in FY 2023, CTEP transactions made up approximately 28 percent of the agency's overall authorizations.

Congress worked with EXIM during the 2019 reauthorization to create CTEP, and the agency is using the mandate to support U.S. manufacturers and exporters facing Chinese competition and to support America's comparative leadership over the People's Republic of China (PRC) across ten transformational export areas.

Here's one example: in March 2020, the EXIM Board unanimously authorized a $91.5 million transaction in support of Weldy-Lamont Associates LLC, a U.S. small business exporter that won a contract to provide electricity in 400 rural villages in Senegal.

In early 2021, EXIM learned that a PRC-based consortium sought to replace Weldy-Lamont by offering a more favorable financial package. In response, EXIM's Board of Directors unanimously approved an amendment to the transaction, extending an option of an 18-year repayment term to cover the entire EXIM financing of the project and an option to convert the previously approved EXIM loan guarantee to a direct loan.

In 2023, EXIM also authorized our first-ever Make More in America (MMIA) initiative transaction, a direct loan for more than $4.7 million to Aquatech International to modernize and expand laboratory facilities in Wisconsin and Pennsylvania.

The Make More in America initiative allows EXIM to extend medium- and long-term financing to domestic projects that would facilitate exports and underscores the agency's efforts to reshore manufacturing, rebuild the domestic supply chain, and support American jobs.

EXIM subsequently approved additional transactions supporting electric-powered aircraft manufacturing in Vermont, and a plastics packaging facility in the Port of Houston. In aggregate, these historic transactions are expected to support almost 460 jobs during the construction period and 480 new jobs at the facilities.

Aquatech's CEO wrote that the deal "enables Aquatech to better support Critical Minerals (Lithium) and Electric Vehicle supply chains in the US and globally, demonstrating the power of public-private coordination to strengthen American manufacturing competitiveness."

I could not have put it better myself, which is why I am excited about the robust pipeline of MMIA applications, particularly for small- and medium-sized businesses.

We hope to work with Congress to build on these achievements and set the agency up for even greater successes. I believe the Biden-Harris Administration's FY 2025 budget request to Congress does just that.

In the agency's budget justification presented to Congress in March, EXIM requested $130.1 million for administrative resources plus $15.0 million in program budget, which enables the agency to offer competitive financing while meeting appropriate reserve requirements.

This request will support recruitment and retention of highly trained staff required to successfully complete complex international financial transactions. This includes underwriters and engineers, who need sector-based knowledge and technical experience to speak to the viability, compliance, and safety issues involved in potential deals.

The request will support a projected $11.3 billion in new authorizations, an export value of $17 billion, and 56,000 U.S. jobs.

These numbers anticipate growth in EXIM's transportation program and an increase in green energy-related transactions, particularly in nuclear plant refurbishments and hydro and solar power generation projects. The agency also forecasts growth in single-buyer insurance, working capital, and supply chain programs within EXIM.

As part of the FY 2025 request, EXIM is seeking a default rate cap exemption for both nuclear projects, because of their size, and for CTEP transactions, which would allow EXIM to better counter predatory PRC financing in transformational export areas and higher risk markets.

Under current law, EXIM cannot experience defaults that equal or exceed two percent. Were that to occur, the agency's lending authority would be frozen at its current level and the agency would be unable to fully deliver on its mission of supporting U.S. jobs through exports until the default rate dropped below 2 percent.

By their nature, export credit agencies like EXIM exist to take risks the private market is unable or unwilling to take. Because EXIM operates where gaps in the market exist, we necessarily support transactions with higher risk profiles. Inherent in this risk-taking is an expectation of some defaults. Put simply: EXIM cannot fulfill its mission of supporting U.S. jobs, and cannot aggressively pursue its mandates from Congress, if the agency is too afraid to ever fail. And the current 2 percent trigger is significantly hampering EXIM's willingness to incur risk, particularly in areas where Congress wants us to lean in, like competition with the PRC.

Other U.S. government lending agencies do not face the 2 percent constraint, nor are we aware of any foreign export credit agencies subject to such a standard. The result is an overly conservative underwriting culture that limits EXIM's ability to level the playing field against foreign export credit agencies. The requested exemption would allow EXIM to more aggressively compete against the PRC and embrace higher risk technologies and markets, making sure U.S. exporters can compete on equal footing in the global market.

Finally, while reauthorization is not the subject of today's hearing, I would be remiss if I did not mention that EXIM's charter will expire at the end of 2026.

When EXIM's charter lapsed between 2015 and 2019, the world saw a 35 percent increase in the number of foreign export credit providers. Other official export credit providers evolved their philosophy and substantively expanded their roles. And U.S. manufacturers lost out as foreign governments promoted their domestic industries, creating a fundamentally uneven playing field.

An early reauthorization, backed by large, bipartisan majorities would send a strong signal to the world that Congress is committed to supporting EXIM and empowering the agency to advance America's national interest by facilitating exports and supporting jobs. I look forward to working with you and other congressional stakeholders on bipartisan, multi-year reauthorization legislation.

Thank you again, and I look forward to your questions.

Senator COONS. Thank you very much. I too, look forward to an early bipartisan reauthorization vote. And to the CEO Alice Albright of the Millennium Challenge Corporation. Thank you so much for your leadership. We look forward to your testimony today.

STATEMENT OF HON. ALICE ALBRIGHT, CHIEF EXECUTIVE OFFICER, MILLENIUM CHALLENGE CORPORATION

Ms. ALBRIGHT. Thank you, Chairman Coons., distinguished Members of the Subcommittee, thank you so much for inviting me. Thank you so much for inviting me to testify today. I also want to thank you and your staff for ongoing support and collaboration with MCC.

MCC has always benefited from bipartisan backing. We deeply value this and welcome your continued counsel. I'm deeply proud to lead an agency with a proven record of partnership, accountability and delivering results for the American people. MCC emerged as a bold experiment in 2004 to test innovative, cost-effective, and data-driven approaches to ending global poverty.

It represented a new approach, a focus on strong economic policies, good governance, democracy, and country led solutions and

implementation. Now, 20 years later, having invested nearly $17 billion in 47 countries benefiting and expected 400 million people, we are no longer the experiment, but humbly the exception, a leader in how to bring about a better life for those people who need it the most.

MCC delivers values driven, high impact, and sustainable infrastructure projects to meet the needs of low and lower middle-income countries, and to support the United States' economic and national security interests. The agency not only responds to immediate development needs but reinforces a network of partner countries both nascent and thriving democracies that share the United States' belief that ruling justly, investing in people, and upholding human rights creates durable pathways to prosperity.

I'm reminded of this constantly when I travel. Just last week, I was in Dallas marking our 20th anniversary with President Bush. We hosted heads of state and senior leaders from more than a dozen countries who offered powerful testimonies on how MCC catalyzed democratic change and created the conditions necessary for economic growth.

MCC also serves as an important counter to malign influences of some other nations. In particular, as China reduces its development aid in favor of more lending there is a real opportunity for MCC partnerships that promote open, sustainable, and inclusive development.

Our model of country owned development and conditioning our investments on good governance enables us to incentivize partners to undertake difficult reforms. Having funds on hand 9 to 12 months prior to signing assures our partners that funding is available when they tackle these reforms. It also ensures that projects are scoped appropriately prior to negotiations. Without funding in advance of program signings, MCC risks losing meaningful leverage, undermining the commitments and our credibility when there is strong competition.

When MCC was established, the agency's budget matched its ambitious mandate. For the past decade however, MCC's budgets have remained largely flat while development challenges have grown significantly. MCC is balancing a surge in portfolio of signings and funding commitments along with increased security, supply chain and inflationary costs.

With these rising costs combined with $1.1 billion in rescissions over the last 3 years, MCC's available balances have been significantly reduced heading into fiscal year 2025. As a result, MCC requires full funding in fiscal year 2025 and budget predictability to achieve strategic and lasting impact.

In addition to resources, the fiscal year 2025 budget requests a legislative change that could bring MCC's impactful model to a broader range of countries including eight in the Western hemisphere, nine in Eastern Europe and the Caucasus and five in the Asia and Pacific region.

This would also supercharge the MCC effect whereby countries are incentivized to pursue reforms to qualify for MCC assistance. I want to thank the Senators and the staff of this subcommittee for supporting this change in your fiscal year 2024 bill report. I hope that this provision will be formally enacted soon. MCC's fiscal year

2025 budget will build upon more than 20 years of experience as a leader in international development.

Although MCC is a small portion of the U.S. government's foreign assistance spending, it is often the largest and the most visible of U.S. government investments in countries where the agency works. We also have earned the distinction of being named the most transparent, bilateral donor in the world, 7 years in a row.

With a robust portfolio, MCC has built a track record of helping democracies deliver for this—their people. This includes a pipeline of strategic new programs that will be ready for approval by MCC's Board of Directors in fiscal year 2025.

With your support for MCC and our fiscal year 2025 budget request of $937 million. The agency is poised to create building blocks for stronger and more vibrant economies around the world and to foster greater security here at home. Thank you so much, and I look forward to answering the committee's questions. Thank you.

[The statement follows:]

PREPARED STATEMENT OF ALICE ALBRIGHT, CHIEF EXECUTIVE OFFICER, MILLENNIUM CHALLENGE CORPORATION

Chairman Coons, Ranking Member Graham, and distinguished members of the Subcommittee, thank you for inviting me to testify here today. I am pleased to participate in this hearing and share the Millennium Challenge Corporation's (MCC) FY25 Congressional Budget Justification.

I also want to thank you and your staff for your ongoing collaboration and support. MCC has always benefited from bipartisan backing. We deeply value this support and I welcome your continued counsel and engagement as we work to reduce poverty through economic growth.

I am proud to lead such a critical agency that has a proven record of partnership, accountability, and delivering results over the past twenty years for the American people.

President Bush signed MCC into law on January 23, 2004, as a grand experiment to test cost-effective and data-driven methods to address global poverty. The approach was unprecedented—partner with low- income and lower-middle-income countries that have demonstrated a commitment to democratic governance, economic freedom, and investing in their people; support sustainable country-led solutions to unlock their greatest constraints to economic growth; and use data to drive all decisionmaking. The experiment worked. Since MCC's founding, we have delivered nearly $17 billion in aid to 47 low-income and lower-middle-income countries, with programs expected to benefit nearly 400 million people.

MCC's model of country owned program development and conditioning our investments on good governance enables us to incentivize partners to undertake often difficult political and regulatory reforms, maximizing our impact prior to funds being executed. Having funding in hand 9–12 months prior to signingensures programs are scoped appropriately prior to negotiations. It also assures our partners that funding is available as they make necessary political and institutional reforms to receive an MCC grant and where possible, as they aim to mobilize their own financing to contribute to compacts. Without funding in advance of program signings, MCC risks losing meaningful leverage and undermining USG commitments and credibility to our partners when there is strong competition.

MCC delivers values-driven, high-impact, sustainable, and transparent infrastructure and policy reform projects to meet the needs of low- and middle-income countries and to support the United States' economic and national security interests. The agency also reinforces a network of partner countries—both nascent and thriving democracies—that share the United States' belief that ruling justly, investing in people, and upholding human rights create durable pathways to prosperity. In addition to improving the lives of millions of people around the world, MCC serves as an important counter to malign influence of foreign nations by increasing U.S. Government presence, by providing large-scale infrastructure development alternatives, building stronger relationships and trust, and helping provide a clear roadmap for democratic best practices through our country scorecards.

With a relatively small budget (<2% of international affairs budget last year). MCC has proven itself a thought-leader in development and sets the standard for transparency and use of evidence in the development space, having earned the distinction of being named the most transparent bilateral donor 7 years in a row. From a budget and appropriations standpoint, supporting the MCC experiment continues to be an excellent investment of taxpayer resources.

FY25

MCC requests $937 million in discretionary funding for FY25 to fund compacts in Zambia, Togo, Cote d'Ivoire, and The Gambia while providing ongoing compact development and oversight support across 20 compacts and 8 threshold programs. In addition, the President's Budget includes at least $200 million as a transfer to MCC from a new International Infrastructure Fund as part of a broader mandatory proposal to out-compete China globally.

For FY25, MCC is developing a program in Zambia focused on the transportation and agriculture sectors. The Togo program aims to fully integrate digital applications to administer programmatic investments in connectivity, payment systems, new innovations, local skills-building and education. MCC and the Government of Cote d'Ivoire are developing a regional compact program in partnership with entities of the Economic Community of West African States (ECOWAS), focused on modernizing the electricity grid and improving the financial, regulatory, and operational capacities of Ivorian and regional energy entities. For the compact with The Gambia, MCC is exploring investments in secondary education to increase skilled workers and in river cargo transport to reduce transport costs. Each of these programs will address critical development constraints in our partner countries, helping their democracies deliver for their people, while also showcasing the value of partnering with the United States in a competitive geopolitical environment.

In support of MCC's programmatic work, I want to thank you for increasing MCC's Administrative budget in the FY24 appropriations. The FY25 Administrative Expenses request of $146 million includes a small (2%) increase to support management and oversight of MCC's portfolio and includes the President's 2025 Federal pay increase proposal (+2.1%). This request represents a modest 2% of the more than $6 billion of assets under management that MCC will be overseeing in FY25.

Amidst today's difficult geopolitical and social challenges, MCC's grant assistance is a key economic contributor to the way the United States incentivizes good governance and democratic values globally, and—because MCC funding does not add to a country's debt burden—a key differentiator in how the U.S. supports partners compared to predatory loans provided by malign actors. In FY24, MCC plans to sign compacts in Sierra Leone ($480 million estimated)—provided the Government of Sierra Leone continues to make clear progress to implement the Agreement for National Unity including completing the work of the Electoral Review Committee—and Belize ($125 million estimated), and will implement five programs, including compacts in Indonesia ($649 million), Kosovo ($202 million), Lesotho ($300 million), and Malawi ($350 million), and the Kenya threshold program ($60 million). At the same time, MCC is continuing to develop programs with multiple countries, including four partners selected in early FY23 and MCC's most recent selectees (Cabo Verde, Tanzania, and the Philippines) announced in December 2023.

The United States must have a robust foreign assistance toolbox that responds to both short and long- term challenges and reinforces country ownership and a network of partnerships with countries that share our democratic values. This is not only in the best interest of the global community, but also is necessary for the United States. We recognize that the challenges of today are not the same as they were when MCC first started. In order to meet the moment, it is important that the United States use all of the tools in its toolbox to be the partner of choice for countries looking to develop future partnerships.

This means MCC must go broader and deeper to bring our tools to bear in more places around the world—whether that's a program focused on regional integration or an urban investment or a pocket of poverty in an upper middle-income country. MCC will continue to apply its data-driven model to identify the greatest opportunities to reduce poverty through economic growth. Guided by MCC's framework for selectivity and accountability, we will meet countries where they are on their development journey with effective partnerships by embracing a broader range of interventions to address new challenges and opportunities. We will respond to countries' needs by adjusting and adapting the tools within MCC's model—whether that's a focus on the digital economy or public financial management—and bolster our processes and operations, while investing in our people and our partnerships to improve MCC's efficiency, speed, and impact. By applying nearly two decades of lessons

learned, we will use these innovative approaches to deploy MCC resources that are fit for purpose.

LEGISLATIVE CHANGE

The FY25 Budget repeats a request in the FY24 Budget for legislative changes that would reform MCC's candidate country pool to include countries below the threshold for starting graduation from the International Bank for Reconstruction and Development (IBRD). Senators Risch and Menendez introduced legislation—S.1240 the Millennium Challenge Corporation Candidate Country Reform Act—at the beginning of the 118th Congress to address this change. I want to thank the Senators and staff of this subcommittee for supporting this change in your FY24 Bill Report.

This legislative change would apply MCC's impactful model in a broader range of places. For instance, under current law, only four countries in the Western Hemisphere can be considered. This legislation would add nine additional countries, including Colombia, Guatemala, Ecuador, and Peru to MCC's candidate pool. In the Eastern Europe/Balkans/Caucuses regions, nine countries would be added, including Armenia, Bosnia, Georgia, and Moldova, while five countries would be added in the Asia and the Pacific region, including Fiji, Tonga, and Tuvalu.

This legislative change would supercharge the "MCC Effect." MCC's scorecards—which are used by our Board of Directors to select our partner countries—provide an objective measure of a country's commitment to ruling justly, promoting economic freedoms, and investing in their people. Since our founding, we have observed a phenomenon referred to by many as the "MCC Effect," which is the clear incentivizing effect of MCC's transparent eligibility criteria, whereby countries pursue specific policy reforms to both qualify for, maintain eligibility for, and ultimately compete for MCC assistance.

For example, post-conflict Cote d'Ivoire went from passing five out of 20 indicators on the MCC scorecard in FY12 to ten in FY15, and then 14 in FY19. This impressive progress in a relatively short amount of time was led in large part by a dedicated committee created by President Ouattara in 2011 and chaired by the Prime Minister. The committee was focused solely on becoming eligible for MCC assistance. This focus on the scorecard has had tangible benefits for the people of Cote d'Ivoire as exemplified by the country's efforts to enhance gender equality in the economy. In response to MCC adding this indicator on the scorecard, the government passed a revised family code, which removed discriminatory measures that prevented women from obtaining passports, choosing jobs freely, and from being the heads of household in the same way as a married man. Because of these reforms, millions of women in Cote d'Ivoire gained the right to basic economic participation.

This is just one example. We have heard from numerous governments that the data-driven insights that MCC and its scorecard offer can help countries identify their reform priorities and pave the way for accelerating economic growth and prosperity in a country. This is why, in July 2022, President Tshisekedi of the Democratic Republic of Congo announced his intent to use the MCC scorecard as the country's roadmap for its ambitious development and reform agenda.

Another key area where we see the incentivizing effect of MCC's model is in applying our Suspension and Termination Policy. If countries fail to adhere to MCC's model and statutorily mandated eligibility criteria at any point, MCC can take action to pause, suspend, or terminate eligibility for MCC assistance. In fact, MCC has ended 25% of its partnerships due to eligibility concerns. Prior to taking action, in the spirt of partnership and transparency, MCC has routinely engaged in dialogue with its partner countries to convey concerns and encourage reform. This has led to governments taking concrete action on a range of issues from strengthening the fight against trafficking in persons, enhancing democratic protections, or redoubling efforts to combat corruption, in order to maintain eligibility for MCC assistance.

Thus, MCC can be thought of as a powerful projection of soft power—the MCC Effect incentivizes good governance reforms in countries before a single program dollar is spent as countries adopt reforms to pass the MCC scorecard. Modifying MCC's candidate pool—as outlined in S.1240—to incorporate a subset of vulnerable upper middle-income countries, expands this effect without incurring any program costs.

CONCLUSION

I am proud to lead an agency built on the pillars of effective development. Our FY25 budget will build upon more than 20 years of experience as a leader in how the international community approaches development. MCC is a uniquely impactful that punches above its weight to reduce poverty through inclusive and sustainable economic growth. In this constrained budget environment, you can be assured that

MCC's catalytic investments are used efficiently and deliver high impact programs. We also contribute to systemic changes that go well beyond specific investments thanks to a strong emphasis on supporting the policy and institutional reforms and good governance that will allow developing countries to reduce poverty through economic growth. In an increasingly globalized economy, MCC's programs are a down payment on poverty reduction, increased growth and stability, as well as expanded market opportunities for American businesses.

MCC's model is a counterweight to other development actors and stands in contrast to predatory financing from other sources, such as the People's Republic of China (PRC). We have a proven track record of effectively building infrastructure in countries of strategic importance to the United States. The MCC model encourages country partners to double down on good governance, democratic rights, and anti-corruption as prerequisites to investments. Once we select a partner, MCC responds to countries' real needs with grant financing, including to support policy reforms and transformative infrastructure investments that our partner countries have shaped. MCC's model and grant financing differentiate us from other donors' approaches and increased reliance on lending.

In particular, as the PRC reduces its development aid in favor of more lending, there is a real opportunity for MCC partnerships that promote open, sustainable, and inclusive development. Although MCC is a small portion of USG foreign assistance spending, it is often the largest and most visible USG investments in the countries where the agency works.

Most of MCC's current partners are among the poorest countries in the world, and MCC works with them because they pass a high bar for their commitment to democratic governance, to investing in their people, and to sound economic policies that are critical to reducing poverty among their citizens. MCC incentivizes this commitment through our competitive standards. We back countries' commitment through large, predictable grants that do not add to a country's debt burden. We seek to embed a culture of accountability, transparency, and responsible stewardship that helps sustain and scale progress.

Through their support for MCC and our FY25 budget request of $937 million, the American people are creating the building blocks for stronger and more vibrant economies and societies around the world. This means better governance, less poverty, and more economic opportunity—vital elements of peace and stability around the world and at home.

Senator COONS. Thank you to all of you. My colleagues I know are currently voting and so I'm waiting for clarity from my staff on when I have to go vote. So, I'm going to enjoy an open field and a chance to just question you all. We are going to conduct this hearing in 7-minute rounds so I would expect that each Senator who comes will really just get one round, we won't do a second round likely.

Let me just first start about the sort of broader unifying theme in some ways is leveraging the approach, the values, the priority of the private sector both metrics based and facilitating economic engagement and crowding in private capital. Broadly speaking, over the, I guess 14 years I've been here, private capital is significantly outpacing official government to government development loans or grants.

And that's a good thing because global development needs far outweigh available government funding, particularly U.S. government funding. And this subcommittee is facing severe budget constraints as we did last year. I'd be interested in hearing whether you're confident that you have all the tools you need to maximize your ability to leverage private capital and how we can be more helpful as you try to advance your goals of sustainable development and creating more U.S. jobs by expanding U.S. exports and providing investments in developing countries, if you would, Mr. Nathan?

Mr. NATHAN. Well, thanks for the question, Mr. Chairman. We do have the tools we need, the Build Act gave us them. We just

need to unleash them in the appropriate way in order to really fulfill our mandate as you mentioned which is to mobilize private capital and tap into the deep pools of private capital that will be necessary to fill the global infrastructure finance gap.

So, for us that means fixing the budgetary accounting of equity whether that's before reauthorization or in reauthorization in order for this tool to be used the way I understand Congress intended it, we need to have a fix that takes into account the net present value of our investments.

Currently, it's as if we're making grants or going to lose 100 percent of every dollar we invest in while I don't expect that DFC will be the best equity investor, it's not going to be that bad where we are guaranteed to lose a hundred cents on every dollar. So, something that——

Senator COONS. If I may interrupt, just put a dollar value on this roughly. You made $500 million in equity investments I think this past year. What would the impact actually be? What more might you be able to do if this were fixed?

Mr. NATHAN. So, I think it's instructive to look at the other part of our portfolio. We did $9.3 billion total in transactions, $500 million of that was in equity that cost $500 million of appropriations. The remaining, if you subtract $500 million from $9.3 billion, you get $8.8 billion of transactions that are debt and insurance. That cost $110 million of appropriations.

The leverage effect, the cost savings to the taxpayer, the impact with the dollars that this committee can allocate using an MPV model and the subsidy model that is then resulting in order to account for appropriations gives enormous leverage.

So, somewhere in between that leverage ratio, the, you know, basically 85:1 and 1:1, has got to be the right answer. I would expect we'd probably get to 4:1 that could allow us to make $2 billion of investments with equity. We can invest in infrastructure, in energy, in nuclear with that tool unleashed.

If I could really briefly just mention two other authorities that would be great to have unleashed, our full guarantee authority and our ability to make political risk insurance contracts on debt investments or on to lenders.

I think this authority needs to be clarified we're in on ongoing discussions in the inner agency to make sure that we have that tool. These are critical tools for being able to mobilize capital in the way that you mentioned.

Senator COONS. Thank you, Mr. Nathan. Ms. Lewis.

Ms. LEWIS. Senator, Mr. Chairman the tools that we expressed that—I expressed in our opening to this statement about the fact that as it currently stands, EXIM loses our ability to conduct new business if our default rate equals or goes over 2 percent. So, we have been working diligently with members as well as the administration, as we have seeking an exemption especially around very large projects like nuclear and very large projects that are somewhat riskier, like CTAP.

We believe that that exemption would allow us to also continue to send a signal to the market that EXIM is continuing to seek those types of transactions. But it also gives us an opportunity with that exemption for our underwriters to be able to take bolder and

riskier opportunities because that's who we are. We believe that rather than having that exemption of that—from that 2 percent gives us a greater cushion and enables us to take advantage of some other calculated risks.

And then finally Senator, we have seen the convening power that three different Senate Committees have done in bringing together the private sector with all of us in government who are in the economic cone. And it has, I believe, yielded some great results, especially around sectors like nuclear, digital, and critical minerals.

Senator COONS. Thank you. I'm particularly interested in our engagement in nuclear power and refurbishment in Eastern Europe, in the developing world and look forward to hearing more from you about that. Ms. Albright?

Ms. ALBRIGHT. Thank you, Chairman Coons, we have great tools and for this topic in particular, grant financing. Grant financing with no time limits on it is a significant advantage for the agency and I think for the U.S. I will say there's a couple points on timing. One of the things that we do is work with countries to put in place different types of regulatory changes that set the table and set the stage for private sector companies to come in.

We spend a lot of time out on the road in the U.S. meeting with private sector companies and doing road shows with chambers of commerce. I was in Texas last week doing one, encouraging them to bid on our business. But if we don't have the funding well in advance of when we need to start engaging in contract discussions it tends to have a chilling effect on whether or not we're actually going to be able to go ahead.

So, we do face timing challenges and I would appreciate the opportunity to follow up with your staff on that. I also want to come back to this Candidate Country Reform Bill that we mentioned earlier. If we add another 30 countries with whom MCC could work—if they become eligible—it will introduce a whole new range of countries that private companies may also be interested in working in.

So, I think it provides significant opportunity for us to begin to work with the private sector in different parts of the world. We're particularly interested in Central and Latin America, in Eastern Europe and out in the Pacific. And think for example, in Eastern Europe with some of the energy issues that are there that we could really make a difference.

Senator COONS. Thank you and I duly noted the impact that rescissions have had on your ability to deliver advanced commitments and the importance for reliability as you enter compact, well stated. Thank you. Senator Hagerty.

Senator HAGERTY. Thank you, Senator Coons. Mr. Nathan, I'll go back to you now and back to the point about I think one of the most important strategic elements of your mission and that is to effectively counter the predatory practices of China. The CCP I should say. I think that's one of the most incredible geostrategic opportunities that we have is the use of U.S. LNG.

And I've mentioned this to you before but in my prior role as U.S. Ambassador to Japan, I worked very closely with the Japanese to displace Russia from their energy supply chain. And the discussion certainly centered around economic security and energy

security but it was always aimed toward national security. And as I think about the entire region of the Indo-Pacific where China's behaving in such a predatory fashion.

That region consumes 70 percent of the world's LNG, 80 percent of whom are using coal out there now. It strikes me that there is a tremendous opportunity before us with American LNG that would provide them with a safer, cleaner, more economic alternative and it would create a geostrategic linkage that's continuous, better than any piece of infrastructure. It's a relationship that becomes extraordinarily powerful for us.

So, I want to ask you if you could just clarify for me how the DFC approaches LNG projects and how you think about them in terms of economic and national security.

Mr. NATHAN. Well, thanks for the question. And I mentioned in my testimony the work we've done, particularly in Europe since February 24, 2022 and Russia's outrageous, illegal further full-scale invasion of Russia to help Europe diversify from gas prom and Russian gas. And I can run through some of those projects for you——

Senator HAGERTY. I took the countries down but I'm very focused on the Indo-Pacific region right now.

Mr. NATHAN. Yes. So though—there were the countries in Europe, Moldova, Bulgaria, Poland, Greece, that we helped, we've done projects in Africa. Our board just approved $412 million of financing for a project to generate power from gas in Sierra Leone, one of the poorest countries of the world. We did a project in Southern Africa for Helium which is produced in association with LNG that will eventually account for 7 percent of the global supply of helium, a critical material for defense, for aerospace, for medicine, for semiconductors.

We're open to doing projects in the Indo-Pacific. We don't currently have any on the table. We do have other energy projects we did in the last year in Indonesia, a geothermal project. It took years and years to get that project in place but we're very pleased to be able to get it across the finish line. That's a huge resource for Indonesia to provide base load power and take advantage of their geographic position——

Senator HAGERTY. If we could specifically come back to LNG though because this is where I see the most immediate opportunity and frankly the greatest geostrategic leverage for us.

Mr. NATHAN. Yes, yes.

Senator HAGERTY. We have the capacity right now to produce more. There are mixed messages I think coming from the United States on this but I want to make certain that there's no limitation on what the DFC does——

Mr. NATHAN. Yes. That's why I wanted to go into the projects in Europe for example in Poland we made a $500 million guarantee to PKN, Orland, the largest utility there precisely to help them buy U.S. LNG in response to their dependency on Russian gas.

This was because they ran out of hedging capacity to hedge between Henry Hub and Antwerp, the basis risk. And our guarantee provided more hedging capacity so that they could purchase U.S. LNG. In Bulgaria, we're making a $250 million loan to Bulgar Trans Gas to provide a store—more than a doubling of their stor-

age facility. This enables them to buy gas—U.S. LNG cargos from Greece or from other places in the Southern European network to then provide wheeling of that gas to their neighbors in a way that helps diversify.

And in Greece we provided $125 million and—I had the pleasure of visiting this facility—for the rehabilitation of a shipyard. This prevented a PRC entity from doing that shipyard, but the shipyard will be doing floating storage and regasification units. So again, it's part of the ecosystem of enabling these countries to diversify their energy supplies by buying U.S. LNG or other LNG cargoes but not be dependent on getting it from the east.

Senator HAGERTY. So, I get what you're saying right now but I'm coming back——

Mr. NATHAN. Yes.

Senator HAGERTY. Again, to the immediate opportunity and my question is very specific now. Is there anything that causes you to dissuade projects to disfavor LNG projects?

Mr. NATHAN. There's nothing that I'm aware of. We have to analyze them, they have to go through all of our high standard screening process. There is a process for greenhouse gas emissions accounting and for guidance on that. But all of the projects I just mentioned——

Senator HAGERTY. Do you take into account the greenhouse gas reductions of displacing coal when you do that sort of analysis?

Mr. NATHAN. Well, it goes into the discussion around it in terms of the exact accounting, the displacement effect does not go into the exact accounting. We use the international accounting standards for that. But what I was going to say is that none of that dissuaded us from doing the projects I just mentioned all of which are directly in the zone of the type of projects you mentioned——

Senator HAGERTY. I hear you. Without the immediacy of the crisis in Ukraine with Russia though I'd still like us to be looking longer term strategically at projects where we could really provide a very real counterweight——

Mr. NATHAN. Yes.

Senator HAGERTY. To the Belt and Road Initiative. So I would look forward to finding ways to continue to work together. And if you sense anything that's forcing a deprioritization of these projects or something that we could adjust that would allow us to be more aggressive, the geostrategic value is quite obvious.

Chair Lewis, I want to come to you as well. Does EXIM Bank have any practices that discourage or in any way—what's the right word, discourage LNG projects?

Ms. LEWIS. Senator, EXIM, we believe have a very important role to support all of the industries and workers in accordance with all of our statutory, regulatory and policy requirements. As an independent agency, you know we have a prohibition clause that does not allow us to discriminate against any size or sector or region in the world. And so, we see——

Senator HAGERTY. In practice, is that the case?

Ms. LEWIS. That is definitely the case Senator. We seek to definitely align with other—with administration initiatives. But in——

Senator HAGERTY. Have you financed any LNG projects in the past 2 or 3 years?

Ms. LEWIS. LNG projects, we have been involved in a number of projects with commodities. And one of the things that we are really——

Senator HAGERTY. I'm not asking about commodities broadly. I'm asking specifically about what I think is the most important geostrategic opportunity we have, that's LNG?

Ms. LEWIS. We have—we received all of our projects on—and transactions on a case-by-case basis. And over the years, EXIM has invested in those. I would be—would love to be able to get back to give you a list of what those——

Senator HAGERTY. If you could do that—if you could give me a roster of the LNG projects that have been undertaken over the past several years. I'd love to see that, in the past 5 or 10 years, I'd just like to see how that trend is going because again this is a really important opportunity for us. And the immediate benefit for this is rather obvious. Thanks.

Senator VAN HOLLEN. Thank you, Senator Hagerty. Senator Coons had to go vote. I will chair in his absence. And Senator Schatz is recognized.

Senator SCHATZ. Thank you very much to all of the testifiers. Thanks for all of your public service. Ms. Albright, it will not surprise you to know that I am extremely enthusiastic to see you in this role and at the testifiers table. I'm glad to see that MCC is working in the recently overlooked Pacific Islands.

And I'd like you to say a little more about the potential for additional projects in the region and how especially this—small investments can provide big returns economically and geopolitically.

Ms. ALBRIGHT. Thank you so much Senator Schatz for the question. So, we very much agree that the Indo-Pacific and in particular the Pacific Islands are a great opportunity for our government's development dollars. And in particular for MCC. Right now, we are working on program in Carabas. $29.1 million that will work on helping young people in that country get better skills and opportunities for the jobs of the future, and that's a program that was very much designed with that country's government.

We're also working on a program in the Solomon Islands. We—if we're able to expand our candidate pool we could include other countries if they are qualified. Fiji, Tonga, Tuvalu for example. It's slightly different part of the region but we're also working on a big program in East Timor on water and sanitation and also education.

And those are all programs that are part of our—about a third of our work is in the Indo-Pacific area. And I just made myself a list. We're doing programs right now in the Philippines, Nepal, Mongolia, Indonesia, East Timor, Carabas and the Solomons. And if we're able to expand our footprint we could add to that. And one thing that's—just last point I'll make is that, you know, we're able to do small programs in these huge compact programs.

One of the things that's a real standout for the smaller islands is that the $29.1 million for Carabas is the largest piece of international aid that country will have gotten. And we're going to make a huge difference for the young people there. So, we can make a big difference with a reasonably modest amount of money.

Senator SCHATZ. That's exactly the point here. And for us as appropriators I think that's where we ought to think about how to de-

ploy the Federal dollar most efficaciously. And in these Pacific Island Nations, you know, $29 million is a rounding error for the Department of Defense and arguably for the Department of State in other contexts. $29 million is the most money that Carabas has seen in maybe ever—

Ms. ALBRIGHT. Ever.

Senator SCHATZ. Externally. And this is a—this has a major impact and I have—I want to praise the State Department more generally. We've had these convenings over the last 3 or 4 years with Pacific Island leaders, foreign ministers and prime ministers and defense ministers. And you know, the first couple were a little rough. They were—I wouldn't say gripe sessions because that's unfair to them but there were a series of complaints that were—that could be summarized by you guys are never around until you need something.

But they were very specific in their asks and the State Department along with the SFOP's Committee sort of made good on a bunch of those promises. And it is gratifying to see that these subsequent meetings have not only increased in attendance from around three or four Senators to I think last time 15, 16 Senators including the chairman of the Intelligence Committee, bipartisan participation from SFRC.

I wouldn't call it a love fest but it was a huge improvement in the tone and the tenor of our partnership. So, when Secretary Blinken says, you know, allies, friends, partners you are on the front lines of making that true and so I just wanted to recognize that.

I have a question for you about digital health tools. You just made a big announcement, a $300 million partnership. And I'm wondering if you can just talk through what that is going to mean and the kind of leveraged impact that's going to have both in terms of our good standing around the world but also real-world impact for people who need it?

Ms. ALBRIGHT. So that program I believe is in Lesotho. We signed the program a couple of years ago and it will build on a previous investment that we made in health clinics. And we all know that one of the big vulnerabilities in global health is the inavailability of data, because it really eats at a system's ability to anticipate where the problems are.

So, with our new Lesotho program which will also focus on horticulture, we're going to be investing in data systems in that country to help their health clinics really get up to speed and figure out how they can anticipate where the issues are. And in a country that's had on a per capita basis a significant history with AIDS, we think that's a very important thing to help that country with, and we're very much looking forward to working with them and we can follow up with your office Senator Schatz to let you know how it's going.

Senator SCHATZ. Thank you very much. I would love for us to be on a first name basis outside of this Committee, Ms. Albright. Thank you very much. Mr. Nathan, I've repeatedly heard from leaders in the Indo-Pacific about the threats that they face from sea level rise and disasters.

How are you implementing the President's Emergency Plan for Adaptation or the PREPARE in the Indo-Pacific? And are there any additional tools that you need?

Mr. NATHAN. Well, thank you very much for the question. We're a key implementing agency for the PREPARE Act. We've done since the inception of DFC, a little over $600 million of financing transactions for adaptation within our climate finance bucket. That's everything from regenerative agriculture, helping prevent waste of food by helping with cold storage, water system management and hardening infrastructure. So, we are helping.

In the Pacific Island Nations that you were asking about before, we're looking for projects that could specifically help in this area. They're challenging places for us to work to find private sector projects, nonetheless we have a $50 million microfinance facility specifically targeted at the Pacific Island Nations in cooperation with our colleagues at USAID which I think might be able to find some of these kind of adaptation——

Senator SCHATZ. Just because I only have 30 seconds left, does that microfinance facility—is that like the first cousin of the Pacific Resilience Facility? Like how are those two things going to interact?

Mr. NATHAN. No—well this is specifically a private sector facility to help get money into the hands of individual businesses. So, they can definitely cooperate, but it's a separate facility.

Senator SCHATZ. Okay and—but I guess my question is are you in conversations about how to sort of make sure that these——

Mr. NATHAN. Absolutely, I mean the idea is to find deal flow and by cooperating with our colleagues managing the resilience fund, that's one way to do that.

Senator SCHATZ. Great, Thank you very much.

Senator VAN HOLLEN. Thank you, Senator Schatz and let me add my thanks to all of you for your service and your testimony here today. All your agencies are great examples of different tools available to the U.S. government to do everything from supporting American jobs to supporting our strategy around the world and I'm grateful for your service.

Ms. Lewis, it's great to see you again. I know we've talked about this in the past but I think we all share a concern about the PRC's dominance in the critical mineral supply area and the supply chains related to that. So, from acquisition of raw materials to processing.

And my question is are there ways that EXIM could be more effective in financing critical mineral projects that diversify our supply chains? And as part of that question are the China and Transformational Exports Programs sufficiently flexible for critical mineral projects? And if not, are there changes you would like to see that provide for that flexibility?

Ms. LEWIS. Thank you so much, Senator for that, great to see you again. As you mentioned, we have been before you in other committees calling regarding the convening power that the Senate has to bring together the private sector players along with government agencies like ourselves to discuss and make sure that they understand the resources that EXIM has.

As I had mentioned and in some previous conversations that you and I had, the exemption from—of having CTAP, the Transformational Export Program from our 2 percent default rate would be really, really critical for this agency. It would allow us to be able to take a little bit more risk. It would allow our underwriters to not be as cautious, because primarily when you look at these kind of critical minerals projects which are not a part of the 10 transformational exports that Congress had passed in 2019, but it is really critical that we have been able to tuck the critical minerals work and transactions underneath CTAP.

We know that you would like to see us take some bolder actions as a part of a strategy to counter the PRC's unfair trade and export practices. At EXIM, you know we require that reasonable assurance and repayment for every transaction that we do. And so, to be able to ask you for that type of change, we think that that would allow us to have a lot more flexibility and to be able to take a lot more risk and for us to continue to do those types of deals.

As well as you should know, from the convening that you participated in and allowed us to be with, we have been able to put out a Federal notice in our Federal registry to ask the industry and ask those in the market to give us some ways that they think that EXIM can be—can do more in this space.

And we are very excited also that we have been able to use our MMIA deal authority that we have providing direct loans that we recently did for $4.7 million of an expansion of a facility for a company called Aquatech that happens to be in Wisconsin and Pennsylvania. And it is better for them to be able to support critical minerals like lithium and EV supply chains.

Senator VAN HOLLEN. Got it. Well, thank you. I look forward to continuing to work with you on this, and Senator Warner, and Senator Rubio, and I and others are working on legislation to expand some of these authorities in a targeted way.

Mr. Nathan, it's great to see you again and thank you for all your good work and I hear you loud and clear on fixing the scoring issue. This is a self-inflicted wound. I think it's just malpractice that we have not resolved this yet because it makes no sense as you said to count every dollar that you invest as a grant dollar. So, we look forward to trying to finally get this done.

You know as I think about, you know, how American businesses might be looking at the U.S. government and how we're organized, they might see it as a little stove piped, right? I mean each of your agencies has very important authorities. In some areas especially between the EXIM Bank and DFC there could be room for collaboration.

So, I guess my question for you, Mr. Nathan is, to what extent are you sort of operating in a more coordinated, maybe not seamless way but a more coordinated way to make sure that we use all our tools? I mean some of the things that you provide or can be complimentary obviously to EXIM Bank. So, do you have some examples of where there's collaboration?

Mr. NATHAN. Well, thanks for the question and I as always appreciate your input and support. I'd say we definitely collaborate with our colleagues, my colleagues at the table and their agencies as well as USTDA, of course, our colleagues at the State Depart-

ment, Commerce Department and USAID as well. The way we collaborate mostly is by participating in various interagency processes to identify foreign policy priorities that can be benefited from our activity.

With MCC, we have a formal agreement to try to find ways to collaborate. And we've come at it from different ends but it's complimentary. MCC did a compact in Sierra Leone that worked on the power sector. We're funding a power plant there that will free them from the dependence on a barge with four diesel gensets that is unreliable and has led to severe political problems.

With EXIM, we frequently have discussions but we're coming at these projects from the—almost the exact opposite end. Whereas EXIM is supporting U.S. business and their exports. We're in country supporting the company or the project with local financing. So, there are places where it can be collaborative. It'd be great if we had some good examples of projects. We're obviously both focused on the critical minerals area. We made $740 million of investments in critical minerals and key inputs last year. I foresee this being an area where we will likely collaborate in the future given the high priority and the opportunity to both support mining and processing.

At the moment, our graphite investment last year in Mozambique ultimately, we're hoping that will have as an off taker a plant in Louisiana that will be supported by a Department of Energy grant and loan. So, there is plenty of opportunity for collaboration, and I agree with you. It's bewildering sometimes from the inside what each agency's doing from the point of view of our partners and allies, it's very hard to figure out.

Senator VAN HOLLEN. Right. No—I appreciate that and that's why a number of us had that sort of convening of the different agencies. If I could just finish up, Mr. Chairman, with a question to Ms. Albright and thank you for your service and when we met, I told you I was very happy to be in Kathmandu last year, the day after the MCC deal was finally being implemented. And as you know, it took years because a lot of disinformation from the PRC but I want to applaud not only the MCC but the government of Nepal for making the decision to move forward.

Many of us are big supporters of the legislation that you mentioned. As you know, it passed the Foreign Relations Committee with a unanimous vote. I believe it was unanimous and we hope advance it. Could you just give one specific example of how passage of that legislation could make a big difference in advancing the mandate of the MCC and the goals of the United States?

Ms. ALBRIGHT. Thank you so much, Senator Van Hollen—whoops, let me push the button—for the question and I'm delighted that you were in Kathmandu the day after that was passed. It was a very important project for us. It's a $500 million program that will help completely upgrade the energy capability of Nepal or off to the races on it. So, we're very excited about that.

So, I keep this map on my desk which shows all the different countries that we could work in. And the one I'm going to zero in right now is Moldova. Because I would imagine that many of us in this room are concerned about what's going to happen to Moldova as a result of what Putin is doing in the region. And we can't work

in Moldova right now, but if we were able to get the legislation passed, of course, it's a small country but it's a very strategic country. And that's one where we certainly could begin to work. There's a number of others in the region.

There is also some interesting ones in Latin and Central America where we are not able to work. So, what's interesting about the legislation is not just the specificity of the countries, but it would enable us to work in regions some in Central America, some in Europe, Eastern Europe, some in the Pacific. And there are certainly different geostrategic interests that the United States has in all three of those regions over and above what the individual sort of countries have to what need in terms of working with MCC.

So, there's just many opportunities here which is why we've been up here a lot visiting with you all to try to get the legislation passed but we'd be very enthusiastic and we think that a number of countries would qualify immediately and we could do some good work.

Senator VAN HOLLEN. Well, thank you. I know that the Chairman supports that legislation strongly as well as the legislation that Mr. Nathan emphasized with respect to the scoring rules. Thank you all for your testimony and for your service.

Senator COONS. Thank you, Senator Van Hollen.

We understand Senator Merkley will arrive in a few moments. If I might, I'm just going to go into another question or two and appreciate your answers to my colleagues. Accountability and transparency is a key part of the work of all three of your agencies. I think it's a central part of what makes the MCC model of development so powerful.

I think you've done important work at the DFC in order to strengthen your internal transparency and accountability mechanism. And I think in EXIM it's important that we focus for a minute on workforce retention and competitiveness in order to ensure that you're functioning at the level you need to.

So, if you could just each of you, if you'd speak about in what ways your agencies work to ensure transparency and accountability both internally and then competitively with other like-minded—other nations that are trying to do the same sorts of things you're doing. How do we promote transparency and accountability?

Mr. NATHAN. You want me to start?

Senator COONS. Yes, please.

Mr. NATHAN. Okay. Thanks.

Senator COONS. Forgive me, Mr. Nathan.

Mr. NATHAN. In regard to transparency, we too have been ranked high on transparency indices compared to our DFI counterparts. I think the last ranking, we were the highest but it still wasn't a high grade. So, if we're graded on a curve, we're doing well but we have a long way to go. We try to provide as much information as possible to the public, to the NGO community and obviously we provide all the information required by Congress.

We have many different oversight mechanisms. We have a robust office of the Inspector General. We have the office of accountability, Public Office of Accountability that has recently changed leadership, and I'm very optimistic about the robust leadership there and the resources that office is getting in order to have the ability to

fulfill its mandate. We want to cooperate with them as much as possible.

Internally, we try to share information you know, we're a rapidly growing agency. In just the last 2 years we've gone from 440 people to 670, and that has a material impact on our culture, against the backdrop of the pandemic and changes to work patterns there have been some challenges in creating a new culture that's also I think, natural for an agency that launched only 5 years ago and built on a smaller team that really was serving a different mission and a different mandate, with different tools and a different process.

So, reorienting it has involved some changes internally to how we're organized that I think going forward will really begin to bear fruit, but change is hard and that has led to some issues that we've tried to work through. But from the point of view of leadership of the agency, openness and sharing of information is a key element to that and I think we're making progress.

Senator COONS. How do you ensure that your office of accountability which if I understand right, is still one person may soon be two?

Mr. NATHAN. Yes, and then potentially to triple, to three——

Senator COONS. Is actually accessible, open, responsive to concerns of communities that are impacted by projects you're helping finance?

Mr. NATHAN. So, one way is to make sure that there's great visibility on how to approach the office of accountability and we've worked with the new person who's in charge to make sure that whether it's through website, through constant communication with the NGO community which is really critical in this regard, that that's something he's aware of.

We have a public hearing of our board two times a year, in which members of the public or NGOs can make statements, and that's another way for the Office of Accountability to be aware of what is in the flow of that information. And then obviously there's reports and letters sent directly.

Senator COONS. And how do you contribute to greater transparency and accountability for the deal flow and the loans that you're actually involved in as opposed to our competitors from other countries who are also active in development finance?

Mr. NATHAN. Well, we make a public information statement about every deal that we do. We post that on our website. We have information about our deals on our website. That is certainly different than our strategic competitors which actually bind most counterparties with non-disclosure agreements to keep their loan agreements opaque, what kind of strings are attached or security arrangements are made. So, that's not the way we manage things.

Senator COONS. Thank you. Ms. Lewis, tell us for a minute if you would, about EXIM and how you both ensure accountability internally and then compared to your strategic competitors.

Ms. LEWIS. From an internal perspective Senator, one of the things that we've been very clear is that we've seen that when having an agency that was closed from 2015 to 2019 and then COVID happened as well as the loss of a board quorum actually definitely changed the culture, I believe at EXIM Bank that we are striving every day to bring back.

Our scores have definitely been low, Senator. And we have most recently over the last year hired a permanent chief human capital officer, chief management officer who has been really helping to lead the charge in the support of increasing morale as well as engagement.

We've done a significant amount of work using an external consultant, one of the Big 4 to assist us in the different types of programs we have done from training, from leadership training, we've expanded our retreats from just the central 20-plus senior leaders to all of our managers which total about 40. We have also been doing a numerous more recognition award programs as well as having offsite retreats that we have had.

I'm very pleased to say that in the last one we had mostly about a week ago, we had over 80 percent participation of our team because I think people are just very interested in the work that we are doing so we have also re-upped the internal communications that we do for all of us to know what's going on at EXIM——

Senator COONS. And what kind of initiatives do you take to ensure the transparency of the loans and loan terms?

Ms. LEWIS. Yes. Well as Scott also mentioned, we have a very—we've been working very closely and open with our IG to ensure that—we've seen a number, I would say the open cases that we have about 70 percent of them have only been done—issued in the last year. And so, we're working very closely to address them.

As it relates to transparency and accountability we frequently, on a regular basis with our different transactions are noticed in the Federal register so that those can—seeking comments on those. We definitely published—when we complete every transaction on our deals, we also work very closely with other international bodies like the OECD because we all are part of the arrangement and there are things that we all have to report when we are doing different types of transactions.

And so, we—and then most recently working with off of a recommendation, we have created a new Office of Compliance that coincides alongside Ethics and Ethics Officer. We believe it's going to be those types of engagements and developments at EXIM that's going to allow us to continue to be more transparent and more accountable to the American people as well as to the borrowers that come to EXIM.

Senator COONS. Thank you, Ms. Albright. I think accountability transparency is sort of in the very DNA of the MCC. I'd be interested in how you think both internally and externally, you focus on transparency and accountability at MCC?

Ms. ALBRIGHT. Thank you, Chairman Coons for the question. Yes, there's many aspects we can point to. Let me talk first about our internal decisionmaking processes whether or not it's with our board, with partner countries, with regards to how we do a monitoring and evaluation of every single program.

We are dedicated to transparency at every step along the way, whether or not it's our scorecards which you're familiar with which are on the Internet. So, every country can see how they rank in terms of whether or not they're going to become eligible for MCC's support.

We also have—are very happy to have a very active dialogue with Congress on congressional notifications at every step of the way. We also evaluate every single program that we do. We look at the lessons that we can learn so we can learn how to do things, continue to learn how to do things better. All of those reports are also published publicly. So, that's with regard to our decision-making internally.

A key part of how we think about accountability is whether or not countries remain eligible. As you know, it's very difficult for countries to become eligible for MCC support principally on the question of whether or not they're on a democratic trajectory.

We then continue to watch that once a country is actually selected. And if a country begins to divert from that we start having serious conversations with the country about whether or not we ought to continue and that's really at the heart of how we operate.

Very sadly, from time to time, we do have to actually completely discontinue our work as we did recently with Burkina Faso. We've also suspended our work in Niger.

So, that's also—I think runs right the way through MCC's DNA. We too have an office of—we work with the IG from USAID and have a very transparent and productive relationship with them.

Senator COONS. Describe briefly, if you would, the MCC effect. I've had the chance to see it on the ground, out in the world and talking to heads of state but I'd just be interested in how you understand it?

Ms. ALBRIGHT. So, the MCC effect is the function of publishing the scorecard. So, we publish a scorecard on the Internet every year. The next round will come out sometime this fall of how each country scores against 20 different indicators. The indicators fall into basically three different policy buckets. Is a country running its economy well? Is it investing in its people? And is it a democracy in trying to fight corruption. And countries study their scorecards whether or not they are close to becoming eligible or not.

And so, what—in being able to see that public data which is all third-party data, countries often make a decision that they want to use that framework to make decisions about reforms. So, there's two good examples I can point to. One is in the Cote d'Ivoire where a number of years ago the country was only passing 5 of the 20 scores, and President Ouattara, at the time, set up a specific division to specifically make decisions to become eligible. And now they're passing, and I will double-check this for you, at least 14, and they're plenty eligible and we're doing a lot of work with them.

The Democratic Republic of the Congo has a—they're only passing five or six maybe seven scores. But they've set up also an entity within their Ministry of Finance without paying a single dollar of MCC's program budget to actually also make decisions to reform how things are going in the DRC.

So, it is a powerful tool for incentivizing reform and we see it in—there's lots of other examples I can share with you, but it's one of the—now that we're 20 years into our history, I think it's one of the most efficient high ROI aspects of the agency because a country starts making the reforms that they need you to become eligible without us spending a single dollar of U.S. taxpayer dollars

on the program side. Our economists are in touch with them, but we're not spending program money until countries become eligible.

Senator COONS. I've seen that directly. In fact, Cote d'Ivoire was the concrete example I had in mind even though our strategic competitors were offering multiples of U.S. investment, President Ouattara and the Prime Minister were very engaged in achieving the compact and so that's not the only country but probably the signal country.

I understand Senator Merkley's mere steps away. So, I'll simply just say, each of you had a chance to touch on a legislative priority, reauthorization, equity fix, expanding the number of eligible countries, default rate. Is there something you didn't get to speak about that would be helpful to briefly address in terms of legislative action you'd like to see from Congress that would help strengthen your ability to execute on your core mission?

Please, if you might, Mr. Nathan.

Mr. NATHAN. So, within our reauthorization process there are a couple of other elements I'd love to just briefly touch on. One is very similar to the issue facing MCC in terms of country eligibility. We're currently dependent on the World Bank income classifications. It's a crude tool that even the World Bank doesn't use for lending eligibility. And it leads to annual volatility when the countries move categories every year, that's very difficult to be working on a private sector deal and then July 1 have to put your pencil down.

I think it would make sense to broaden out the group if we used World Bank categories, it would add some Caribbean Nations, some Pacific Island Nations, it would add countries in Central and South America that aren't currently eligible. And I think it would do it in a systematic fashion as opposed to a targeted fashion. So that's one element.

There are other things in reauthorization that could help us be more efficient and utilize our resources better. Raising our annual lending cap, making the fee authority, I mentioned permanent, increasing the threshold for congressional notification. We're right now doing about 80 plus percent of our transactions require notification. That was around a hundred last year. It would be great if we could find a way to still notify in a majority but have it be fewer.

And then ways to help incentivize our workforce really important to—in this very competitive labor market for transaction lawyers and other in demand transaction officers and otherwise to find ways to support them.

Senator COONS. I suspect that's true across all three of you. You're looking for skill sets that are unusual and in high demand and in a very tight labor market of being able to incentivize and retain the very best. I mean, there are complaints I hear occasionally about the time cycle, how long it takes to work with all three of your agencies.

And I often say that's partly because of the demands on your workforce that you're trying to move a lot of transactions and very complex transactions and monitor them for a long period of time. So, I'm very sympathetic to those concerns.

Ms. Lewis, if you might.

Ms. LEWIS. Senator, you're absolutely right, Mr. Chairman. It's just not just monitoring. It is about how we continue to recruit and how we continue to retain is critically important and to be able to additionally see some types of awards that we could also incentivize our teams would be helpful.

I want to just continue to emphasize the seeking of that default rate cap, the exemption on nuclear as well as for CTAP so that we can better counter you know, PRC financing on—especially in the 10 export areas. But more importantly, I think early reauthorization is really critical for EXIM Bank especially since we were out of the market for those years, we've had an ability to reset and rebuild and renew so many relationships.

I think an early reauthorization with a strong bipartisan support would continue to send the right signal to the industry, to the market and to our countries that America is there and that we will be there with our EXIM Bank so that they can not only compete but they can actually win these awards around the world.

Senator COONS. Ms. Albright.

Ms. ALBRIGHT. Thank you, Chairman Coons. Our two priorities are our budget, our robust budget and also our candidate pool legislation. Thank you.

Senator COONS. Can I ask in this open setting, the President of Kenya will be here next week?

Ms. ALBRIGHT. Yes. We are going to be involved in those proceedings. We're very excited about it. We have signed a $60 million threshold program with Kenya and it will be principally designed to work on some of the transportation and safety issues in Nairobi which anyone who's been to Nairobi knows how difficult getting around Nairobi can be.

We're very enthusiastic about it, and if things go well with that threshold and if they continue to make advancements on overall eligibility, we will also be in a position to consider them from a compact. But we have to get through the threshold well first.

Senator COONS. I'd welcome any chance to further conversations. I'll be meeting with the President next week. Mr. Nathan, if you might, and then I'll hand it over to Senator Merkley, with my thanks to all three of these great witnesses today.

Mr. NATHAN. Well, thank you. Just briefly on really the historic state visit that President Ruto will be making next week. We've had the opportunity to meet with President Ruto multiple times and find he and his team very constructive. We have a package of several hundred million dollars, probably around $300 million, of deals to announce during the state visit, and I'm very proud of the work the DFC team did to get us there. That will mean we have more than $1 billion of current projects in Kenya.

We also and it relates to one of the things that we're looking for additional budget support which is expanding our overseas presence. Nairobi is a critical place both for projects in Kenya, but also regionally for us to have transaction officers or DFC staff on the ground.

Senator COONS. Thank you. I very much look forward to continuing to work with you both during the state visit and in the year and years ahead. Thank you for your leadership and for your testimony here today.

I'll defer to Senator Merkley who in the absence of another member arriving will close out the hearing when he's done questioning. Thank you all very much today.

Senator MERKLEY. [Presiding.] Thank you very much, Chairman and thank you all for coming in and sharing your experience and expertise. Ms. Lewis, I wanted to try to understand better the charter for EXIM. Isn't the charter actually passed by law?

Ms. LEWIS. The charter is passed by law, yes. Yes, Senator.

Senator MERKLEY. Am I correct that in that law it says EXIM reaffirmed the responsibility to review projects for environmental impacts including "effects upon the Global Commons?"

Ms. LEWIS. Senator, you know, first of all, I just really appreciate the work that you've been doing as you call attention to these types of issues. We look and evaluate each of our transactions against our charter and our statutory requirements and they're all done on a case-by-case basis.

Senator MERKLEY. Yes, but you didn't answer my question. Are those four words in your charter that has been passed by law that you shall consider "effects upon the global commons?"

Ms. LEWIS. Well, our team does extensive due diligence, Senator.

Senator MERKLEY. No, I'm just asking is that in your charter or not?

Ms. LEWIS. If it—from a legal perspective our charter is very clear that Congress has given us.

Senator MERKLEY. You don't know if those words are in your charter or not.

Ms. LEWIS. Those words are in the charter, yes.

Senator MERKLEY. Okay, they are in the charter. Thank you, that's what I was asking. Does it also say in your charter that your procedure is "shall permit the board of directors in its judgment to withhold financing from a project for environmental reasons?"

Ms. LEWIS. Senator, it also tells us that we cannot discriminate against applications——

Senator MERKLEY. I know, that wasn't my question. I am just asking you about this particular clause.

Ms. LEWIS. Congress has definitely made it very clear about the statute and charter of EXIM Bank.

Senator MERKLEY. So, it shall permit the board of directors to withhold financing from a project for environmental reasons. That's in your charter, yes or no?

Ms. LEWIS. The charter basically, Senator allows us to——

Senator MERKLEY. Why can't you just answer the question? Is it in your charter or not?

Ms. LEWIS. It does have it in our charter.

Senator MERKLEY. Thank you, very much. Now, you have this non-discrimination language in your charter as well and it says the non-discrimination prohibition starts with "except as provided in this act." Now, those other two clauses I just read to you are provided in this Act. Is that not right?

Ms. LEWIS. Senator, you know, one of the things that has occurred——

Senator MERKLEY. I'm fascinated——

Ms. LEWIS. I don't have the authority to make changes of any magnitude, unilaterally——

Senator MERKLEY. I'm just fascinated that you won't actually answer the question. I'm just reading you from your own charter and you're head of the operation. You—I'm just trying to establish for the record that this is what the charter says.

Ms. LEWIS. Our charter also gives us other explicit things that the EXIM Bank has to do about non-discrimination and no prohibition against size, sector or industry.

Senator MERKLEY. So, I just read to you except this provided in this act, is that not the qualification on the non-discrimination clause. Okay. I know you don't want to cooperate in this line of questioning, and I'm really puzzled as to why that is the case because the charter's very clear. It gives you the power to approve or disapprove projects according to the impact on the global commons.

It says that the non-discrimination clause is subject except as provided in this Act and the environmental provisions are provided in this Act. It says that explicitly shall permit the board of directors to withhold financing for a project for environmental reasons.

I believe that you all are deliberately evading the responsibilities you have under this charter as written and I'm extremely disturbed about that. Are you aware of how much damage carbon pollution and methane pollution are doing to the global commons?

Ms. LEWIS. You know, Senator, I truly understand the concerns that you have. I will continue to—would love to work with you and your staff on these concerns to outline for you how EXIM looks at all of our statute changes.

Senator MERKLEY. So, you're aware of my concerns but my question was are you familiar with the damage that carbon pollution and methane are doing to the Global Commons?

Ms. LEWIS. You know, one of the things, Senator, that I have done repeatedly at EXIM is how we have sought to work very closely understanding how climate change is a real threat. We understand the work that we have to do and we have been moving very aggressively in that work.

Senator MERKLEY. So, you do understand the damage that carbon and methane are doing to Global Commons? That's a yes?

Ms. LEWIS. I understand that how we have at EXIM Bank supported very large green energy projects, some of the largest ones in the history of EXIM. I totally share, I understand the concern that you have——

Senator MERKLEY. Why is it so hard? If you actually know the science, why is it hard to say yes, I understand the damage that carbon and methane are doing to Global Commons. Why is it that—why is that——

Ms. LEWIS. Senator, I can't comment on the science.

Senator MERKLEY. You can't comment on the science. Do you ignore the science?

Ms. LEWIS. No, EXIM looks at each transaction, Senator, on a case-by-case basis.

Senator MERKLEY. Well, by case-by-case, some do a lot of environmental damage and one of the great mysteries is why EXIM is proceeding to explore financing for an LNG development in Northern Mozambique.

Now, LNG is interesting because we call it liquified natural gas. That's the industry term but anyone familiar with the chemistry of it as this is methane that's liquified. You're familiar with that?

Ms. LEWIS. I'm familiar with that.

Senator MERKLEY. You're probably also familiar that methane gas has a much higher heat absorbing, heat trapping power, ounce for ounce than carbon dioxide?

Ms. LEWIS. I cannot comment on the science——

Senator MERKLEY. I really encourage you to learn the science then because you have a responsibility under your provision to weigh environmental reasons on projects and to interpret or understand the effects on the Global Commons and that you have to educate yourself about——

Ms. LEWIS. Yes.

Senator MERKLEY. If you're not educating yourself about that, you're going to——

Ms. LEWIS. Our team does educate us very well, Senator. They do exceptionally due diligence, our engineers on all of the projects that we do. On the one that you're specifically speaking about, there has been no decision on that particular transaction, and also that was a transaction that was done long before I came into office. And no final decision has been made. I definitely commit, Senator, to reviewing any of these transactions with you in a confidential manner.

Senator MERKLEY. Well as we review it, I hope you'll take a chance to actually pay attention to the science that you say you don't like to weigh——

Ms. LEWIS. I'm sorry.

Senator MERKLEY. No, go ahead.

Ms. LEWIS. No, I was just going to say that our team does exceptionally due diligence in all manners of these particular projects and as they pass review, they're done in accordance with our EXIM——

Senator MERKLEY. So, they do weigh the science and impact on the environment?

Ms. LEWIS. Our team would—I would love to make our engineers and environmental people available to you, Senator, to go with exactly how on that particular project.

Senator MERKLEY. Well, of course you're in charge. You're the head of this operation. The buck doesn't pass down to say I'm going to ignore the science and let my engineers tell me that do whatever. Not when you have responsibilities on this charter that you're ultimately the person accountable for.

Ms. LEWIS. Yes, we do.

Senator MERKLEY. So, let me explain a little bit about methane since it seems to be a mystery here. When it's produced out from under the ground it leaks all over the place and we have massive observations of those leakages. We have onsite, we have UAV observations, we have satellite observations that leakage makes it extremely damaging for the amount of energy that it delivers.

It's estimated that if it replaces local coal, it's equal in its climate damage to coal. However, when you spend extra energy, turn it into a liquid, you've now spent a huge amount of extra energy. You then spend a lot of extra energy transporting it overseas. You then

put it into a leaky gas system somewhere around the world because all these systems leak.

It's estimated by one study that if you have even 0.2 percent leakage it's equal to local coal. Most systems leak far more than 0.2 percent. All of this means that this LNG is far worse than local coal. That's the basic understanding of scientists around the world. So, you're supporting, potentially because you said it's under consideration, a proposal to establish a huge American investment in something that's worse than local coal and has massive impacts upon to quote your charter, "the global commons", are you going to take into account the enormous climate change impact of liquified methane gas when you consider financing this project?

Ms. LEWIS. There are numerous things, Senator, that our team—our technical and our legal team take into consideration, our environmental team and we would be happy to come and brief you on that—on those specifics.

Senator MERKLEY. So, you're saying yes, that is one factor not the sole factor but one of the factors you'll be taking into account?

Ms. LEWIS. It is numerous factors that we take and at this juncture——

Senator MERKLEY. Well, there are numerous excluding this or numerous including the climate impact?

Ms. LEWIS. I cannot—since we look at each transaction on a case-by-case basis, I would be remiss to be able to sit here and say yes to that. I just know that our team——

Senator MERKLEY. Such a mystery to me. Your charter says to consider the impact on the Global Commons. It says you have the power to withhold financing for environmental reasons. LNG has huge environmental impacts, worse than local coal and I can't even get you to say it's even be one of the factors you'll consider. Not the exclusive factor, but one of the factors.

Ms. LEWIS. I can say, Senator, we do an exceptional due diligence on all of ideals, and would love to come and brief you about them.

Senator MERKLEY. When you brief me, are you going to tell me that this is one of the factors that you'll take into account?

Ms. LEWIS. When the—our technical, legal, and environmental team and experts come, we would love to be able to, in a confidential setting, brief you on any of the specifics.

Senator MERKLEY. Why did President Biden pause the approval of more LNG export facilities here in the United States?

Ms. LEWIS. Why?

Senator MERKLEY. Yes.

Ms. LEWIS. Senator, I basically stay focused on the transactions that EXIM has to do and follow the rules that Congress has put before us in order to evaluate any type of transaction.

Senator MERKLEY. So, the President's team said we're enacting this pause in order to give due consideration for the environmental impacts of LNG. You weren't aware of that?

Ms. LEWIS. I'm aware of the—what the President put out, yes. We seek——

Senator MERKLEY. So, if the President of the United States——

Ms. LEWIS. We seek to align with the President on all of our transactions.

Senator MERKLEY. The President's environmental team is saying that these impacts are so clear and solid. We have to really weigh how they're evaluated. I think that's context for also considering of this project and others. I'm going to spare you any more questioning along this line.

Ms. LEWIS. I'm fine.

Senator MERKLEY. I hope you've heard that we put this into the charter for a reason. Ignoring it is not an option. Failing to consider environmental impacts is not an option. Doing additional damage to the world on the most important issue facing humanity is really a crime against this planet and for you to consider the possibility of continuing to fund massive global climate damaging projects is completely at odds with the protection of the Global Commons in your charter.

It's at odds with your power to withhold financing from a project for environmental reasons and I hope the EXIM Bank will become part of the solution instead of part of the problem.

ADDITIONAL COMMITTEE QUESTIONS

The Chair has asked me to close with the following notes. Thank you all for joining us. We look forward to continuing our work together as we move forward in fiscal year 2025 budget process.

[The following questions were not asked at the hearing, but were submitted to the Agency for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO THE U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION

QUESTIONS SUBMITTED BY SENATOR JEFF MERKLEY

Question 1. Staffing the Office of Accountability—The U.S. Development Finance Corporation has an Office of Accountability which hears complaints about human rights and environmental impacts that can undermine the sustainability of DFC projects and harm the very communities that are meant to benefit from DFC's work. However, the office is currently understaffed, and civil society organizations have complained that impacted communities often only find out about high-risk projects after approval.

1a. In your view, what is the role of DFC in providing remedy when DFC projects harm the environment and communities?

Answer. The role of DFC, or any entity providing financial support to a project, such as DFIs, ECAs, or commercial lenders, is to seek effective remedy by those who cause or contribute to harm in the supported project.

1b. What resources does the agency need from Congress to support these efforts?

Answer. DFC's budget for administrative expenses supports staffing and resources for the Office of Accountability. The Office of Accountability currently has one full-time employee, and DFC intends to hire two additional FTEs for that office.

Question 2. LNG in Mozambique—In 2020, EXIM approved $4.7 billion in financing for the liquefied natural gas development (LNG) in northern Mozambique. However, in 2021, Total—the energy company behind the project—pulled back from the project due to the security situation and increasing violence. The United States has put in place a pause on LNG exports while it examines the climate, consumer and environmental justice impacts of those facilities. In 2024, it seems that Total is trying to move forward with the project and that EXIM is considering supporting this project again.

2a. Why is DFC not reconsidering support for this project?

Answer. DFC issued a commitment to provide political risk insurance for the ExxonMobil natural gas project in Rovuma, Mozambique (Area 4). This project is on hold due to decisions taken by the sponsor to halt progress towards a final in-

vestment decision. In these circumstances, DFC is not in a position to take any steps related to this project as approved by its Board.

2b. What are the conditions under which DFC does reconsider its support for a project?

Answer. Once DFC has entered into a legally binding commitment, it is generally obligated to move forward to closing the transaction. Decisions to reconsider support for a project are based on the specific facts and circumstances for the relevant transaction. But in general, once DFC has entered into a commitment, it can only decline to sign definitive documentation and proceed with a project for certain specified reasons, including for material adverse changes, the inability of the counterparty to perform project obligations, an inability to complete due diligence to DFC's satisfaction, and failure to satisfy relevant conditions precedent by specified deadlines.

QUESTIONS SUBMITTED BY SENATOR CHRIS COONS

Question 1. Countries around the world are increasingly turning to nuclear as a carbon-free, reliable source of electricity that can help promote energy security. The United States is actively competing with Russia and China, among others, to establish these long-term commercial and geostrategic relationships. Partners around the world are looking for the United States to bring even small amounts of financing into these projects to demonstrate the backing and support of the U.S. Government.

1a. To what extent is DFC supporting investments in nuclear power projects and how does DFC intend to support the U.N. Declaration to Triple Nuclear Energy by 2050, which the United States endorsed last year?

Answer. DFC is committed to supporting nuclear energy where we identify projects that meet our investment criteria and fulfill our mandate. DFC is in early-stage project discussions with several nuclear energy project sponsors, which is a reflection of a concerted business development effort undertaken over the course of the past 3 years. DFC has signed several letters of interest (LOIs) to consider applications for financing for those nuclear energy projects. This includes three LOIs signed with nuclear technology developer NuScale Power for projects in South Africa, Indonesia, and Romania. The Romania LOI was later updated to include the project sponsor, RoPower, as DFC's potential counterpart and noted DFC's interest in reviewing applications for financing for this project. DFC also signed an LOI with a Polish company, OSGE, for two small modular reactor projects using GE/Hitachi technology, and is expressing interest in reviewing applications for financing for these projects in the future. DFC has had exploratory discussions on various potential conventional nuclear projects in the region as well.

1b. How do DFC investments in nuclear power projects support job creation and economic activity domestically?

Answer. DFC is in early-stage project discussions with several nuclear energy project sponsors and has not yet completed any investments to support nuclear power projects. Therefore, the requisite information on any specific projects' contributions to job creation and economic activity is unavailable.

1c. What challenges exist to expanding financing for such projects?

Answer. DFC's ability to provide financing for nuclear energy projects faces several key challenges:

First, many conventional projects in DFC's target markets have not reached a stage of maturity where DFC could consider providing financing. Emerging technologies like small modular reactors have not been deployed commercially to date and lack full licensing and regulatory approvals in the United States and abroad. Underwriting a technology that has not been deployed commercially or fully developed in the United States is a significant challenge.

Second, although DFC has established an initial internal due diligence framework for nuclear energy projects, due diligence of large investments with substantial environmental and social risks, legal and regulatory complexities, and commercial risks requires significant staff time and resources.

Third, DFC's opportunity to invest at earlier stages in the project lifecycle would require the use of its equity or technical assistance products, both of which consume significant amounts of limited annual appropriations. DFC support for nuclear energy would therefore limit the amount of resources available for DFC's other priorities.

And finally, DFC's limited maximum contingent liability—effectively a cap on the size of DFC's portfolio—is also a challenge, because high-cost investments using technologies in early stages of deployment with long development timelines may cause DFC to reach this limit quickly and prevent it from pursuing transactions in lower-risk sectors with significant development and foreign policy impacts. DFC intends to ask Congress to raise the maximum contingent liability from $60 billion to $120 billion through legislation to reauthorize DFC.

Question 2. One of DFC's tools, political risk insurance (PRI), has proven critical in supporting so-called "debt-for-nature swaps" in which countries receive debt relief backed by PRI in exchange for commitments to conservation and sustainable development. I want to be sure we are maximizing DFC's investments in these and other conservation-related projects.

2a. How is DFC identifying and supporting projects that conserve nature and biodiversity while also contributing to sustainable development? What types of innovative models is DFC using to finance such investments?

Answer. DFC is well-established as a leading provider of the political risk insurance that is core to debt conversion transactions. However, DFC uses its entire set of tools in supporting other private-sector driven nature-based projects, such as providing sustainability linked loans to a timber and reforestation operation in South America. This type of transaction enables improved resiliency for smallholder farmers, ethically produced timber and other agricultural products, and ecosystem services such as the provision of clean water to local communities. The sector is quickly emerging and highly innovative and DFC is supporting some of the leading sponsors and developers who are finding ways to profitability conserve land and natural resources.

2b. Are there changes you are looking to make to advance more nature conservation finance? Specifically, how can DFC scale its debt conversion work to do more of these types of transactions for nature at a faster pace to meet the need?

Answer. DFC is constrained by the capacity of our personnel and by the numerous demands upon the agency, and we are working to develop our workforce to be able to work on more of these transactions. Debt conversions are highly complex, requiring simultaneous negotiation among multiple stakeholders from the NGO, financial, and public sectors. They therefore require highly skilled personnel.

Legislative changes would help DFC support more transactions that drive economic development and U.S. foreign policy interests, including debt conversion transactions, and do so at a faster pace. For example, changes to DFC's country eligibility framework could open additional countries to DFC investment, including several with significant debt burdens and ambitions for dedicating additional resources to environmental conservation. Raising DFC's Maximum Contingent Liability from $60 billion to $120 billion would also provide an opportunity to expand DFC's debt conversion work further. DFC intends to ask Congress to make changes to country eligibility and maximum contingent liability through legislation to reauthorize DFC.

Even without Congressional action, DFC has been using its existing tools and resources to do more. At COP28, DFC announced, along with the Inter-American Development Bank, a task force to create a debt-for-nature accelerator. This effort will help more DFIs and MDBs participate in future debt-for-nature conversion transactions, scaling the model that DFC has helped create.

Question 3. DFC undertakes underwriting and due diligence reviews to determine whether to move forward with financing a given project. Unfortunately, these processes can take more time and lead to higher costs, which can potentially place U.S. technologies at a disadvantage compared to our international competitors.

3a. What steps can DFC take to improve and streamline their internal processes, shorten review timelines, and reduce burden for projects?

Answer. Much of DFC's work is in challenging jurisdictions, which adds complexity to supporting private sector projects. Ensuring that projects meet our requirements, such as bankability, environmental and social, integrity and reputation standards can take time to assess and resolve. The principal objectives of DFC's recent realignment to sector teams included strengthening business development, developing sector expertise, and deepening client relationships to support origination efforts, which should enable more rapid identification and processing of projects. DFC is also ramping its investment in personnel and refining its internal processes and structures with the goal of reducing timelines, including by investing in people and information technology infrastructure to better serve clients and manage DFC's

portfolio. DFC is committed to streamlining the collection of information from project sponsors and modernizing the DFC forms portal facing the public.

Question 4. While DFC and EXIM have different mandates, there are opportunities for greater collaboration on projects between the two agencies.

4a. How are DFC and EXIM currently collaborating on projects? What internal or external barriers exist to enhancing cooperation?

Answer. DFC and EXIM have distinct programs, tools, and authorities that are not duplicative of each other. At the staff level, collaboration exists to refer projects to each other where a project sponsor may come to the wrong program. The ability to jointly support larger projects only exists in certain sectors. For example, in an infrastructure project, there may be significant exports that EXIM would support, while DFC would support the in-country project itself. The main barrier is the limited number of projects and sectors that are in need of both types of support.

QUESTIONS SUBMITTED BY SENATOR BRIAN SCHATZ

Question 1. Analysis from the International Monetary Fund highlighted that dozens of developing countries that are most vulnerable to risks such as intensifying droughts and storms are also significantly burdened by debt [1]—limiting the resources available to invest in resilience and conservation. The U.S. International Development Finance Corporation (DFC) has taken an innovative approach to addressing these dual challenges, such as its role in the Galápagos Marine Bond.

1a. What additional opportunities exist for DFC to support debt-for-nature conversions and other innovative forms of nature finance?

Answer. DFC has a growing pipeline of debt-for-nature projects in Africa, the Western Hemisphere, and Asia. DFC is also underwriting debt conversion projects for other impacts, such as food security and resilience through regenerative agriculture, and is considering debt conversion projects for health impacts. These transactions help countries to lower their debt burden, which makes them more resilient against economic coercion. While debt-for-nature projects could present excellent opportunities for Small Island Development States, DFC is unable to provide such support in many of these due to their high-income status. Finally, DFC is also supporting carbon credit-generating mangrove reforestation projects in Sub-Saharan Africa.

1b. What role can Congress, the private sector, and philanthropic partners play in supporting these additional opportunities?

Answer. Congress, private sector actors, and philanthropic players are welcome to share project opportunities with DFC for consideration to help scale DFC's project pipeline.

Where philanthropies are able to take risks and costs, DFC believes it is possible to blend such support with DFC's programs to magnify the reach of DFC's products.

Congress can support DFC's efforts by addressing current constraints in its pending reauthorization. Reauthorization should provide DFC with the risk capacity to match the policy objectives and risk appetite for this class of large projects. DFC will be able to support additional debt-for-nature opportunities using DFC's PRI authority by increasing DFC's Maximum Contingent liability from $60 billion to $120 billion and codifying DFC's ability to collect and use fees paid by its clients.

QUESTIONS SUBMITTED BY SENATOR JOHN BOOZMAN

Question 1. What specific steps is the DFC taking to increase U.S. presence in the Indo-Pacific and prove that the U.S. is a better alternative to coercive PRC investment?

Answer. DFC's model of private sector partnership and financially sustainable growth is in particular demand in the Indo-Pacific. It stands in clear contrast to the PRC's statist and sovereign debt-fueled approach.

In the Indo-Pacific region, DFC has increased its investments from $4 billion in 2022 to more than $9.6 billion cumulatively by the end of 2023. At $3.8 billion of

[1] Swapping Debt for Climate or Nature Pledges Can Help Fund Resilience (imf.org).

investments, India, a like-minded partner, is DFC's largest market and comprises almost 10 percent of DFC's global portfolio.

DFC also announced more than $700 million in new investments in the Association of Southeast Asian Nations (ASEAN) countries last year. DFC's portfolio in Indonesia has expanded to include investments in geothermal energy and support for small businesses and is now over $562 million. In Vietnam, with whom the United States has a Comprehensive Strategic Partnership, DFC has grown its portfolio from under $50 million in 2022 to more than $700 million by September 2023.

DFC recently finalized its partnership with Japan and Australia to support Telstra's acquisition of Digicel's telecommunications assets in the Pacific. This strategic transaction materially advanced DFC's partnership with these two key allies. DFC further expanded regional partnerships by signing a trilateral MOU with Japan and the Republic of Korea in September 2023. DFC also signed a bilateral MOU with Taiwan International Cooperation and Development Fund in February 2024.

In addition to its existing offices in Indonesia, India, Singapore, and Thailand, DFC is working to open offices in Vietnam and the Philippines to expand our regional presence and advance private sector investment in the region.

a. Can you share any challenges or obstacles the DFC has encountered implementing its projects in the Indo-Pacific, and ways it has or currently is overcoming them?

Answer. DFC faces a variety of challenges in the Indo-Pacific. DFC can only work where its financing is additional to private sources of financing. Many countries across the Indo-Pacific region have relatively sophisticated local bank and capital markets, which can supply attractive financing for commercially viable investments. Additionally, the infrastructure sector in this region often has heavy state involvement. Because DFC focuses on private sector opportunities, this limits opportunities for DFC to find viable projects in that sector.

DFC is making progress in overcoming these challenges by—increasing its on-the-ground presence in the region to identify more opportunities to catalyze private investment and expand our regional portfolio. This expanded footprint is helped by DFC's regional collaborations and partnerships. By expanding our presence and collaborating closely with partners, we are better equipped to advance private sector investment opportunities and offer quality, standards-based alternatives to PRC-backed financing.

b. Are there any specific types of projects DFC is prioritizing, and why?

Answer. DFC focuses its efforts to source commercially viable projects in five strategic sectors: infrastructure (including digital and critical minerals), energy, agriculture, health, and support for small businesses. These are not only DFC's broad priority sectors, but they also represent the biggest needs throughout the Indo-Pacific.

Question 2. Can you elaborate more on some of the over $1 billion in commitments made in Ukraine?

Answer. DFC committed more than $425m in new deals since February 2022, which brought overall exposure past $1bn in country. Over half of DFC's exposure in country is political risk insurance, an important tool that is helping to de-risk investments while the conflict is ongoing. Food security, support for small businesses, and healthcare are some of DFC's priorities in supporting the private sector in Ukraine.

A few highlights of DFC's portfolio.—DFC committed three separate deals for a total of $75 million with Ukrainian banks to help mobilize capital for small businesses in Ukraine, with a focus on the agricultural sector. DFC also committed to a $25 million equity investment in an investment fund that is providing growth capital to fast-growing, technology-enabled small and medium size businesses primarily in Ukraine.

a. Do any of these commitments involve strengthening global food security, and are projects such as these a priority of the DFC?

Answer. Food security is a priority for DFC globally and in Ukraine. In addition to DFC's support for Ukrainian banks, which has a focus on the agricultural sector, one of DFC's key projects in Ukraine is DFC's $250 million loan to MHP SE. This project has allowed the Ukrainian poultry and grain producer to refinance maturing debt and support the continued maintenance and war-related expenditures of its poultry and grain production. The loan will also support the company's ability to

increase food production and storage and support its export capacity. DFC is also focusing on logistics investments that support the agricultural sector.

QUESTIONS SUBMITTED BY SENATOR BILL HAGERTY

Question 1. Mr. Nathan, you shared with me during the hearing that you were not aware of any DFC policies that disfavor LNG projects.

1a. Can you provide me a full list of LNG projects that the DFC has supported?

Answer. The following list includes all projects involving natural gas (rather than limited to liquified natural gas [LNG] only) approved by DFC:

Project Name	Country	Product	Amount	FY	Description
Central Termica de Temane	Mozambique	Direct loan	$200,000,000	FY20	450MW gas-fired power plant.
ERU Gas Trading	Ukraine	Insurance	$62,000,000	FY20	Expansion of a previously insured gas storage, transportation, and trading business.
Pearl Petroleum Company Limited	Iraq	Direct loan	$250,000,000	FY21	Development, construction, and operation of a natural gas processing facility and associated infrastructure and drilling of up to 5 wells in the Khor Mor gas field.
Rovuma LNG Phase I	Mozambique	Political risk insurance.	$1,500,000,000	FY22	Development of offshore gas production to process liquefied natural gas.
ERU Moldova	Moldova	Political risk insurance.	$400,000,000	FY22	Non-construction elements of natural gas trading to support the purchase of natural gas as Moldova diversifies energy sources away from Russia.
Tetra4	South Africa	Direct loan	$535,000,000	FY23	Development and commercialization of a helium and natural gas field including the construction of a new helium liquefaction and liquefied natural gas plant.
ONEX Elefsis Shipyards and Industries	Greece	Direct loan	$125,000,000	FY23	Acquire, rehabilitate, and expand a shipyard in Elefsina, Greece, that is projected to provide shipping services for energy-sector vessels (including LNG tankers) and other commercial ships.

Project Name	Country	Product	Amount	FY	Description
PKN ORLEN	Poland	Loan guaranty	$500,000,000	FY23	Loan guaranty to enable the Polish energy company to effectively limit its commodity price risk and reduce liquidity constraints associated with sourcing natural gas from alternative suppliers.
Bulgartransgaz	Bulgaria	Guaranty	$365,000,000	FY24	Expansion of the Chiren underground gas storage facility in Bulgaria.
CECA SL Generation Limited	Sierra Leone	Direct loan Political risk insurance.	$292,000,000 $120,000,000	FY24 FY24	105MW liquified petroleum gas/liquified natural gas power plant.

1b. Which of these projects are unrelated to providing alternatives to Russian gas in Europe?

Answer. (1) CECA Sierra Leone Generation, (2) Tetra 4, (3) Rovuma LNG, (4) Pearl Petroleum, and (5) Central Termica de Temane are unrelated to providing alternatives to Russian gas in Europe.

1c. Please provide a full list of LNG projects that have come to the DFC's attention, but which the DFC has declined to support. Please provide the justifications used in each case to deny support.

Answer. DFC begins tracking project inquiries at the stage at which potential clients submit applications. Though DFC has supported several gas or LNG projects (see list in response to question 1), DFC has declined to support four gas or LNG projects which submitted complete applications for DFC support (see list below). Full project names and some identifying details are not included due to business confidentiality reasons.

Prior to submitting applications, potential clients often seek informal feedback from DFC staff to understand whether their projects are likely to meet DFC's investment criteria. Where DFC provides feedback that a project is unlikely to meet these criteria, potential clients may decide not to submit an application and these projects would not be formally tracked. Reasons why projects could fail to attract DFC support include lack of project maturity, unclear impact, poor commercial viability, lack of alignment with U.S. government policies, or lack of compliance with DFC standards (including legal, environmental, or social requirements). DFC does not currently track concepts or similar early interactions and is unable to provide a full list of such concepts.

However, below is the list of projects for which applications have not moved forward:

Project Description	Region	Year	Reason for DFC declining to support
LNG production facility with compression and storage infrastructure	Sub-Saharan Africa	2024	Not aligned with DFC environmental standards.
Energy investment fund with portfolio including LNG/natural gas power plants	Sub-Saharan Africa	2021	Withdrawn by applicant.
Development of offshore gas field	Sub-Saharan Africa	2021	Not aligned with focus area in project country.
Development of a gas power plant	Europe	2021	Sponsor seeking equity. DFC did not have sufficient equity capacity to pursue this kind of project.

Question 2. You stated in your testimony that a key aim of DFC financing is to enable "reliable access to energy."

2a. Can you please tell me the number and dollar value of energy projects the DFC has undertaken during your tenure, compared with the number and dollar value of projects that could be categorized as ESG-related projects?

Answer. DFC does not categorize any projects as ESG-related; DFC requires all projects to comply with DFC's Environmental and Social Policy and Procedures (ESPP).

DFC's energy generation commitments in FY22 and FY23 totaled $3.6 billion across 30 transactions.

2b. Of the energy projects the DFC has undertaken during your tenure, what is the dollar value of hydrocarbon-based projects compared with non-hydrocarbon energy projects?

Answer. Of the $3.6 billion of energy generation projects committed in FY 22 and FY 23, $1.7 billion are hydrocarbon based.

2c. Can you please provide a full list of the projects that the DFC's ESG advisory team has recommended against supporting?

Answer. DFC's Office of Development Policy (ODP) is responsible for evaluating environmental and social risk. This office includes staff that review all projects against DFC's ESPP to evaluate their ability to meet the requirements of the ESPP, including internationally recognized environmental and social standards (IFC Performance Standards). The ESPP includes a list of DFC's Categorical Prohibitions, which do not include prohibitions around fuel type.

Question 3. You mentioned in the hearing that the DFC does not currently have any LNG projects in the Indo-Pacific.

3a. What Indo-Pacific countries have communicated with the DFC about LNG projects?

Answer. DFC has informally communicated with various Indo-Pacific Government representatives and companies about LNG projects. However, projects have not advanced to due diligence. Common reasons for projects not proceeding to due diligence include lack of project maturity, unclear development or strategic impact, lack of alignment with DFC's investment criteria (including commercial, legal, environmental, or social factors), or lack of staff bandwidth to accept new projects. Projects must be commercially viable to receive DFC support.

3b. Specifically, what discussions have the DFC had with Vietnam about LNG projects?

Answer. DFC's investment staff has had general discussions about natural gas projects in Vietnam. However, none of these resulted in projects that proceeded to applications or due diligence. Common reasons for projects not proceeding to due diligence are outlined in the response to question 3a.

3c. If any Indo-Pacific LNG projects have been discussed, please provide the specific reasons for which the DFC did not pursue them.

Answer. Common reasons for projects not proceeding to due diligence are outlined in the response to question 3a.

QUESTIONS SUBMITTED BY SENATOR MARCO RUBIO

Question 1. Last year, shortly before you testified before this committee, the DFC announced it would be restructuring the organization into five major issue areas: infrastructure and minerals, energy, health and agriculture, small business support, and funds, rather than a previous structure around investment instruments. How has this restructuring reoriented DFC to better compete with Beijing's Belt and Road Initiative (BRI)?

Answer. DFC investment teams are now realigned into six new teams: health and agribusiness, infrastructure, energy, small business and financial services, funds, and catalytic investments. All DFC products (debt, insurance, funds investments, equity, and technical assistance) will be available across all sectors. Our new structure will allow us to deliver all our products to our clients more effectively to better serve them. The realignment will also enable us to better understand market needs, conduct more targeted business development, and deliver high-standard, high-qual-

ity offerings as an alternative approach to that of our strategic competitors without adding unsustainable sovereign debt.

1a. Will the restructuring include a reduction in force at the DFC?

Answer. No. Since the realignment, we have continued to add staff to the DFC workforce.

1b. There was no mention of major restructuring in your FY2024 or FY2025 congressional budget justifications. Why was this omitted from the budget?

Answer. The FY2024 CBJ was written and submitted in April 2023. The realignment was notified to Congress in September 2023. The realignment was formalized in January 2024, and the new sector areas are mentioned in the executive summary of the FY2025 CBJ, which we submitted in March 2024. DFC did not need additional funding to implement realignment.

1c. Have you consulted with Congress, and its relevant committees, on the significance of this restructuring?

Answer. Yes. Consulting with Congress remains important to us. DFC senior leadership began offering briefings on DFC's proposed realignment to SACFO, SFRC, HACFO, and HFAC Chairmen, Ranking Members, and committee staff in June 2023. During these briefings, DFC presented a vision for what the realignment looked like noting that some final decisions were pending, but the desire to bring Congress to the table early outweighed other concerns. In August 2023, before the Congressional Notification went to the Appropriations Committees, DFC leadership held prior consultations with core committee staff as required per the FY23 appropriations bill language. During these consultations, DFC leadership consulted with Hill stakeholders as well as previewed the then draft Congrssional Notification, including explaining anything that changed since the previous engagement.

1d. The BUILD Act states the DFC must consider the national security interests of the U.S. To that end, how many investments focused on national security projects have been completed?

Answer. DFC carefully considers the foreign policy impact of all of our investments. Some deals have a particular focus on strategic competition or other national security considerations, such as those to build or modernize ports, ICT networks, and other strategic infrastructure such as roads and airports. These are often located in particularly strategic locations as well, including major trade and communications corridors, and strategically important partners such as Vietnam, India, the Philippines, Sri Lanka, and Brazil, among many others. However, all of our projects support the national security interests of the United States by promoting economic development, which helps strengthen stability and deepen economic relationships between the United States and host countries.

1e. How does the DFC adapt to the ever-changing national security risk environment?

Answer. DFC has prioritized the expansion of its Policy Coordination Group (PCG), which provides connectivity between DFC and the interagency through the White-House-led national security and foreign policy interagency planning process and serves as the interagency liaison into the Corporation for all key foreign policy making agencies—including the National Security Council, Department of State, and other departments and agencies as appropriate. PCG staff maintain regular channels of communication with diplomatic posts in the field, as well as with State, Commerce, DoD, USAID, USTDA, the NSC, and many others. This close connectivity ensures that our tools are well integrated into relevant policy processes, so DFC can best support the administration's foreign policy objectives. This connectivity also enables us to adjust to a constantly changing national security environment that identifies opportunities and risks for deploying DFC tools. From a risk management perspective, our due diligence processes consider the potential national security implications of a project's host country political and security environments.

1f. Can you describe the type of infrastructure, mineral, and energy investments the DFC will prioritize after its restructuring?

Answer. DFC will continue to prioritize making transparent, sustainable, private sector-driven investments in hard infrastructure, including roads, railways, ports, and airports; digital infrastructure, including trusted telecommunications; and energy and critical minerals, including the diversification and resilience of supply chains.

In hard infrastructure, DFC will continue to prioritize making investments such as the $553 million loan to construct and operate the Western Container Terminal in Sri Lanka; the $125 million loan to acquire, rehabilitate, and expand the Elefsina Shipyard in Greece; the $150 million loan to modernize and expand the Puerto Bolivar container port in Ecuador; and the $150 million loan to renovate, expand, and operate the Freetown International Airport in Sierra Leone.

In digital infrastructure, DFC will continue to prioritize making investments such as our $50 million guarantee to support trusted Australian operator Telstra's acquisition of Digicel Pacific's telecom network and assets, which ensured the continued provision of open, safe, and secure mobile service to about 60 percent of Pacific telecom users. Additionally, DFC will continue to prioritize making co-investments with our allies and partners. (In this case, DFC co-invested with our Japanese partner JBIC and our Australian partner EFA under our Trilateral Infrastructure Partnership.)

In energy and critical minerals, DFC will continue to prioritize making investments that advance development and foreign policy goals, including those that displace potential or actual financing from our strategic competitors. Examples of such projects include our $500 million loan to produce solar panels using cadmium (instead of PRC-sourced polysilicon) in India; a $126 million loan to produce geothermal power in Indonesia; a $550 million loan to an energy-efficient polypropene plant in Turkey; and a $292 million loan and $120 million in insurance for the construction of a gas-fired electric power plant in Sierra Leone.

1g. Congress has previously passed legislation to allow investment in upper-income countries in Central and Eastern Europe, but only for energy projects. Do you recommend DFC do the same for telecoms, energy, or infrastructure projects in Latin America, Africa, and Asia?

Answer. DFC is able to support telecom, energy, and infrastructure projects in countries that are classified by the World Bank as upper-middle-income countries. By law, DFC is not able to support such projects in high-income countries, with the exception of energy projects in Europe. The current country eligibility framework has made it more difficult for DFC to effectively counter strategic competitors and support developmental projects in certain jurisdictions because of the volatility of country classifications from year to year, and because the current framework does not take into account that some countries that are classified as high-income may still struggle to attract private capital. DFC intends to ask Congress to change the country eligibility framework through legislation to reauthorize DFC. DFC will ask that Congress authorize DFC to pursue transactions in high income countries in strategic sectors and for strategic purposes, subject to Presidential certification.

1h. What programs do you have in the Western Hemisphere? Can you provide the status of each of those programs?

Answer. The Western Hemisphere remains an important market for DFC, with $9.4 billion in exposure at the end of FY2023. Its portfolio of investments across the region are spread out across the region's major economies, in countries like Brazil, Mexico, and Colombia, as well as smaller but strategically important markets like Ecuador and the countries of Northern Central America.

As in the rest of the world, DFC is focused on supporting projects aligned with its sector priorities, including infrastructure and critical minerals, energy, health and food security, small business support, and investment funds. DFC's investments in the region include support for strategic infrastructure such as ports and small cities, renewable energy generation and e-mobility, critical minerals investments, affordable housing, health, financial inclusion, and support for small and medium businesses. These investments provide financing alternatives to those provided by our strategic competitors and support other priorities, such as reducing migration.

DFC has also opened an office in Sao Paulo, Brazil, and has announced plans to open an office in Santo Domingo, Dominican Republic. It expects its new on-the-ground presence to help identify additional opportunities for private sector support in the region.

Question 2. The DFC has said that it "applies a gender lens to every project it considers" and is committed to spending billions to fight the "climate crisis." Which part(s) of the BUILD Act do these concerns respond to?

Answer.

—BUILD Act Sec. 1451 (f): DFC should invest so as to drive women's economic opportunities and prioritize the reduction of gender gaps.

—BUILD Act Sec 1421 (g.3.A): DFC should promote the development of small and medium-sized enterprises.

—BUILD Act Sec 1421 (g.3.C): DFC should promote policies and practices conducive to economic freedom.
—BUILD Act Sec 1445 (a.4): DFC should pursue projects of all sizes that are designed to work in the most underdeveloped areas, including countries with chronic suffering as a result of extreme poverty, fragile institutions, or a history of violence.

2a. Do these concerns override the BUILD Act's directive that DFC "provide countries a robust alternative to state-directed investments by authoritarian regimes and United States Strategic competitors"?

Answer. No. Not all DFC projects have gender or climate benefits, and DFC does not require them to. For those that do, the gender and climate benefits are accretive to the economic development and strategic impacts of a project. Fundamentally, DFC investments that support women-owned, women-managed, or women-serving businesses contribute to economic growth, security, and resilience in host countries and therefore help advance U.S. strategic interests. Beyond that, projects in highly strategic sectors like energy or infrastructure may have ancillary gender or climate benefits. The agency's 2X Women's Initiative was launched in 2018 by OPIC under the previous administration and has continued through active partnership with our G7 allies.

2b. Has the DFC rejected an investment project that could potentially compete with a Chinese-led investment bid because that project did not advance gender equality or combat climate change in a partner country?

Answer. No. DFC projects are not required to advance gender equality or combat climate change.

QUESTIONS SUBMITTED TO THE HONORABLE RETA JO LEWIS PRESIDENT AND CHAIR, EXPORT-IMPORT BANK OF THE UNITED STATES

QUESTIONS SUBMITTED BY SENATOR JEFF MERKLEY

Question 1. LNG in Mozambique.

In 2020, EXIM approved $4.7 billion in financing for the liquefed natural gas development (LNG) in northern Mozambique. However, in 2021, Total—the energy company behind the project—pulled back from the project due to the security situation and increasing violence. The United States has put in place a pause on LNG exports while it examines the climate, consumer, and environmental justice impacts of those facilities. In 2024, Total is trying to move forward with the project and that EXIM is considering supporting this project again.

1a. What is EXIM's process for reconsidering support for this project and what conditions must be met for EXIM to reapprove support?

Answer. EXIM does not reconsider previously approved transactions. If parties to a transaction make material changes to the substance of the agreement, EXIM's Board must approve those material changes. The Mozambique project represents a rare instance where, following EXIM Board approval, the sponsor paused the project because of a force majeure situation. The sponsor has signaled its intent to resume the project, which would represent a material change to the timeline, and would require an amendment to change the timeline.

Question 2. Greenhouse Gas Emissions

Please provide responses to the following clarifying questions:

2a. How does the EXIM Board of Directors consider the impact of greenhouse gas emissions of projects it supports?

Answer. Upon receipt of an application, EXIM staff assess the project in accordance with our ESPGs, which reference the International Financial Corporation (IFC) Performance Standards and the Equator Principles (EP4)—the standards used by global lenders in international project financing. In accordance with these standards, project sponsors assess and quantify project-related greenhouse gas emissions, which are reviewed by EXIM staff and independent consultants. Where EXIM staff identify gaps, they include them in the presentation to the Board for consideration. And for high carbon intensity projects, staff also develop and submit to the Board a detailed description of project-related greenhouse gas emissions mitigation measures, including additional feasible options.

EXIM also posts the projected project-related emissions for projects with annual emissions of at least 25,000 metric tons on its website and reports the emissions related to its authorizations on its website prior to Board consideration and within its Annual Report.

More broadly, I have directed EXIM staff to review and update the ESPGs, consistent with our Charter and applicable laws. This review will consider current international environmental review standards and the latest climate science. As we move this process forward, it is essential that we get input and feedback from Congress, stakeholders, and the public on how to ensure we are striking the right balance so that the agency can fulfill its core mission of facilitating exports and supporting U.S. jobs, while taking into full account the potential adverse environmental impacts associated with applications for agency financing.

2b. How many business development and underwriting staff are specialized in fossil fuels (oil and gas, mining, etc.)?

Answer. EXIM staff are assigned to projects based on pipeline needs rather than sector. EXIM's Structured & Project Finance Division includes a Power Group and a Commodities Group, each of which has three underwriters who analyze and negotiate both fossil and non-fossil projects, including renewable energy, nuclear energy, metals and rare earth/critical minerals mining projects. EXIM's Global Business Development staff have a regional focus and cover all industry sectors with a priority towards EXIM mandates from Congress: CTEP, small business, sub—Saharan Africa, environmentally beneficial, and renewable energy.

2c. What steps are EXIM staff taking to develop fossil fuel transactions, including outreach to industry, having staff located near key hubs and speaking at conferences?

Answer. As a demand-driven agency, EXIM does not initiate projects. EXIM staff focus on transactions in our statutorily mandated areas—renewables, small business, transformational exports, MMIA, etc.—the Structured and Project Finance Division includes a Power Group and a Commodities Group, each of which has three underwriters who analyze and negotiate both fossil and non-fossil projects, including renewable energy, nuclear energy, metals and rare earth/critical minerals mining projects.

2d. What steps are EXIM staff taking to develop renewable energy transactions, including outreach to industry, having staff located near key hubs and speaking at conferences?

Answer. As a demand-driven agency, EXIM does not initiate projects. However, EXIM is taking steps to facilitate greater opportunities in renewable energy. For example, EXIM led the charge to expand the OECD Climate Change Sector Understanding (CCSU) to provide additional incentives for project sectors that facilitate foreign adoption of renewable energy projects or that otherwise support investment in projects that reduce greenhouse emissions.

EXIM is also looking to bring on more staff to support transactions. We recently hired an experienced professional who specializes in renewable energy transactions and has underwritten green hydrogen, solar, biofuels, wind, and geothermal transactions. EXIM's recently appointed Vice President of Structured & Project Finance has more than 20 years of experience in the renewables sector. Both are well connected in the renewables sector and are continuously being invited to speak at conferences and workshops to promote EXIM financing. Last year, we hired a second engineer with appropriate subject matter expertise to facilitate efficient processing of renewable energy related project applications. These and other EXIM staff participate in a variety of intergovernmental initiatives in the renewables sector including the Department of Energy's Federal Consortium for Advanced Batteries, Power Africa, and Clean Edge Asia. These initiatives help promote U.S. exports overseas to specific projects that are being tracked and developed by our sister agencies.

2e. How many fossil fuel industry conferences has EXIM board and staff attended since January 20th, 2020?

Answer. Our records indicate that since January 20, 2020, EXIM Board members and staff have attended at least 30 conferences with at least a partial focus on fossil-fuel energy.

2f. How many speeches has EXIM board and staff given at fossil fuel industry conferences since January 20th, 2020?

Answer. Our records indicate that since January 20, 2020, EXIM Board members and staff have given at least five speeches at conferences with at least a partial focus on fossil-fuel energy.

2g. How many renewable energy conferences has EXIM staff and board attended since January 20th, 2020?

Answer. Our records indicate that since January 20, 2020, EXIM Board members and staff have attended at least 39 conferences with at least a partial focus on renewable energy.

2h. How many speeches at renewable energy conferences has EXIM staff and board given since January 20th, 2022?

Answer. Our records indicate that since January 20, 2020, EXIM Board members and staff have given at least nine speeches at conferences with at least a partial focus on renewable energy.

Question 3. Greenhouse Gas Emissions

EXIM's Charter sets "a goal of the Bank to ensure that not less than 5 percent of the applicable amount (as defined in section 6(a)(2)) is made available each fiscal year for the financing of renewable energy, energy efficiency (including battery electric vehicles, batteries for electric vehicles, and electric vehicle charging infrastructure), and energy storage technology exports." Please answer the following:

3a. What specific steps is EXIM taking to meet this goal in future fiscal years?

Answer. I have encouraged EXIM staff to increase their outreach in the renewable energy sector to increase awareness of the tools at EXIM's disposal to help business.

Because many clean energy transactions, like other transactions in emerging sectors, carry higher rates of risk, EXIM is asking Congress for flexibility around the statutory default rate cap. EXIM has previously asked Congress to raise the cap from two to four percent, and as part of the FY 2025 budget request, EXIM is seeking a default rate cap exemption for CTEP transactions. Greater flexibility would allow EXIM to compete more aggressively against the PRC and embrace higher risk technologies and markets, ensuring U.S. exporters can compete on more equal footing in the global market.

EXIM is also hiring more staff with experience in renewable energy transactions to take advantage of current and future opportunities. EXIM recently hired an experienced professional who specializes in renewable energy transactions and has underwritten green hydrogen, solar, biofuels, wind, and geothermal transactions. We also recently appointed a Vice President of Structured & Project Finance who has more than 20 years of experience in the renewables sector.

3b. How many business development and underwriting staff are specialized in renewable energy (not including critical minerals)?

Answer. EXIM staff are assigned to projects based on pipeline needs rather than sector. EXIM's Structured & Project Finance Division includes a Power Group and a Commodities Group, each of which has three underwriters who analyze and negotiate both fossil and non-fossil projects, including renewable energy, nuclear energy, metals and rare earth/critical minerals mining projects. EXIM also has two engineers on staff with appropriate subject matter expertise to support the technical due diligence of renewable energy projects.

3c. Given the Congressional goal for renewable energy in EXIM's charter, how many staff does EXIM plan to hire in the next 12 months dedicated to developing and underwriting renewable energy projects?

Answer. EXIM has requested $140 million in administrative expenses for FY 2025, an increase of $5.1 million over the FY 2024 level, which would help support an increase in full-time staff and better equip the agency to work through its pipeline of transactions. EXIM is looking to hire more staff with knowledge and expertise in clean energy transactions to take advantage of the growing number of opportunities in this sector.

Question 4. EXIM ESPGs

EXIM's Environmental and Social Procedures and Guidelines (ESPG) are over 10 years old.

4a. What are the barriers to EXIM updating its ESPG? How will EXIM bring its outdated Environmental and Social Procedures and Guidelines (ESPGs) in line with the latest climate science? When will EXIM update the guidelines? Do you commit to soliciting stakeholder input in the update?

Answer. EXIM staff members are actively working to review and update the ESPGs, consistent with our Charter and applicable laws. Such review will consider current international environmental review standards and the latest climate science. EXIM will solicit input and feedback from Congress and other EXIM stakeholders on any proposed changes before they are finalized.

Question 5. EXIM Ignoring Corruption

Last week, EXIM's Office of Inspector General (OIG) released a report finding that EXIM appeared to fail to act on fraud-related information OIG provided concerning fraud by Trafigura. Trafigura plead guilty in U.S. District Court on March 28, 2024, for violations of the Foreign Corrupt Practices Act, specifically, conspiracy to violate anti-bribery provisions in Brazil. Separate corruption charges are under consideration against Trafigura in Switzerland.

5a. Will EXIM terminate its relationship with Trafigura now that the company has pled guilty to conspiracy and bribery charges? Did EXIM consider the investigation against Trafigura when considering Trafigura's application?

Answer. We are reevaluating Trafigura after the U.S. Department of Justice unsealed the details of a settlement agreement in March 2024.

EXIM did consider the allegations against Trafigura as part of the application. However, EXIM was unable to find additional evidence to substantiate the allegations before the EXIM Board approved the Trafigura transaction in July 2023. Indeed, formal charges against Trafigura were not made public until the Department of Justice announced its plea agreement with Trafigura on March 28, 2024, more than 8 months after EXIM's Board approved the Trafigura transaction.

Question 6. EXIM Grievance Mechanism

Communities affected by EXIM's financing must have an independent and robust channel to raise concerns about environmental and human rights impacts. EXIM's current grievance process does not meet the baseline standards of an effective independent accountability mechanism, such as is found at the U.S. Development Finance Corporation.

6a. Do you commit to receiving public comment on the creation of an independent accountability mechanism?

Answer. In 2002, Congress established a fully independent EXIM Office of the Inspector General (OIG), which examines EXIM policies, programs, and transactions. EXIM also requires all projects receiving support to establish a grievance mechanism. EXIM routinely assesses these mechanisms' accessibility and functionality and our projects' capacity to properly manage the mechanisms. Finally, EXIM has established an internal accountability mechanism through the Environmental and Social Project Information and Concerns webpage ("the portal") and the Environmental and Social Review Committee. The portal includes an online registry to increase transparency regarding complaints received from affected communities and stakeholders. EXIM believes these existing accountability mechanisms are adequate.

Question 7. Non-discrimination clause

EXIM's charter was enacted by Congress. The non-discrimination clause in EXIM's charter begins with "except as provided in this Act." EXIM's charter also has environmental policies and procedures clause that do not have the clause "except as provided in this Act." That clause says that EXIM shall develop procedures to "permit the Board of Directors, in its judgment, to withhold financing from a project for environmental reasons."

7a. Do you interpret the non-discrimination clause in EXIM's charter to supersede its Environmental Policy and Procedures? Do YOU believe that EXIM's Environmental Policy and Procedures should apply to climate change impacts?

Answer. The non-discrimination clause in Section 2(k) of EXIM's Charter does not supersede Section 11 of EXIM's Charter, which requires EXIM to "establish procedures to take into account [the] potential beneficial and adverse environmental effects" and for such procedures to "permit the Board of Directors, in its judgment, to withhold financing from a project for environmental reasons," but the two provisions must be interpreted in a way that renders them compatible.

QUESTIONS SUBMITTED BY SENATOR CHRIS COONS

Question 1. Given the national security imperative for U.S. leadership in global commercial nuclear markets, I am interested in how Congress can improve the Bank's competitiveness on nuclear export financing.

1a. What feedback does EXIM hear from potential customers of U.S. nuclear exports about U.S. financing options?

Answer. EXIM's customers look for EXIM to come as close to matching what other countries with nuclear sector manufacturers and service providers can offer, including competitive rates and an all-in-one solution that combines debt and equity. EXIM can provide the debt component of that solution but is statutorily prohibited from providing equity. EXIM's customers have indicated that our Engineering Multiplier Program loans for early-stage Front End Engineering and Design studies and other engineering studies are of particular use as a competitive tool. EXIM has also received expressions of significant interest in the agency's Make More in America (MMIA) initiative loans for the financing of manufacturing capacity, especially in the new Small Modular Reactor sector.

1b. What changes does EXIM need so potential customers are more likely to choose United States suppliers—not just over Russia and China—but also South Korean and France?

Answer. Under current law, the agency's authority to authorize new business is frozen if defaults meet or exceed two percent. While this has never occurred, the consequence is so severe that the threat alone is enough to dampen risk appetite. This is particularly true for nuclear- related transactions, which are sufficiently large that a single default would push the overall default rate past the two-percent cap. In light of this, the agency has requested, as part of the FY 2025 budget submission, to exclude nuclear-related transactions from the default rate cap. In addition, as large-scale nuclear project loans can range from $10 billion to $20 billion, there is concern that if requests are received for multiple projects the agency will not have the lending capacity to support such financing requests and also make available the capacity required to meet its other mandates.

Question 2. EXIM undertakes underwriting and due diligence reviews to determine whether to move forward with financing a given project. Unfortunately, these processes can take more time and lead to higher costs, which can potentially place U.S. technologies at a disadvantage compared to our international competitors.

2a. What steps can EXIM take to improve and streamline their internal processes, shorten review timelines, and reduce burden for projects?

Answer. EXIM applies commercial lending due diligence standards as supplemented by environmental standards mandated by EXIM's Charter. The agency also hires external advisors and outside counsel to assist in the necessary legal, technical, safety, environmental and social due diligence. Increasing EXIM's ability to add additional experts such as engineers, environmental specialists, attorneys, and financial underwriters would help to increase efficiency. EXIM is also seeking support for independent pay authority, which is the standard at other financial agencies, and which would allow EXIM to recruit and retain the workforce necessary to support U.S. exporters and American jobs.

Question 3. While DFC and EXIM have different mandates, there are opportunities for greater collaboration on projects between the two agencies.

3a. How are DFC and EXIM currently collaborating on projects? What internal or external barriers exist to enhancing cooperation?

Answer. EXIM and the U.S. International Development Finance Corporation (DFC) have worked together as co-lenders and on a number of initiatives. Angola presents one recent example, where through President Biden's Partnership for Global Infrastructure and Investment (PGI), DFC is supporting refurbishment of the Lobito Atlantic Railway line and EXIM is supporting solar projects and Acrow Bridge's prefabricated bridges. In the nuclear sector context, DFC has already consulted with EXIM staff on several occasions, and the two agencies are committed to coordinating and working closely on any nuclear sector matters that DFC may become involved in.

Question 4. EXIM's Environmental and Social Procedures and Guidelines (ESPGs) are over 10 years old. Is EXIM planning to update such guidelines, and if so, which sections of the policy does EXIM plan to review?

Answer. EXIM staff members are actively working to review and update the ESPGs consistent with its Charter and with a view toward the Organization for Economic Co-operation and Development (OECD) Common Approaches and Equator Principles, the international standards under which EXIM competes. EXIM will also incorporate programs—like the Make More in America (MMIA) domestic export facilitation loan initiative—into the procedures to address the standards for an environmental review of projects located in the United States, including the application of domestic environmental laws and regulations. EXIM will solicit input and feedback from Congress and other EXIM stakeholders on any proposed changes before they are finalized.

QUESTIONS SUBMITTED BY SENATOR BRIAN SCHATZ

Question 1. The Export-Import Bank of the United States (EXIM) Environmental and Social Due Diligence Procedures and Guidelines have not been updated since 2013, and a recent review (EXIM__FossilFuel__2pager—final.pdf) of EXIM's energy ?nance suggests that the majority of EXIM's energy finance between 2014—2022 benefitted fossil energy projects. With the global market for clean energy technologies expected to reach $23 trillion by 2030, it's critical that agencies such as EXIM have the appropriate tools to help U.S. businesses compete in the clean energy economy.

1a. What modifications have been or will be made to EXIM's Environmental and Social Due Diligence Procedures and Guidelines?

Answer. EXIM staff members are actively working to review and update the ESPGs, consistent with our Charter and applicable laws. Such review will consider current international environmental review standards and the latest climate science. EXIM will solicit input and feedback from Congress and other EXIM stakeholders on any proposed changes before they are finalized.

Separately, EXIM has tools for supporting clean technology through our Environmental Exports Program (EEP), which provides incentives for Environmentally Beneficial exports, including clean technology exports. The EEP also implements the OECD's Climate Change Sector Understanding that provides financing enhancements for a variety of project categories that support the reduction of greenhouse gas emissions or mitigate climate change impacts. In addition to the incentives of the EEP, EXIM's China and Transformational Exports Program provides additional incentives and financing flexibilities in clean tech related Transformational Export Areas such as Renewable Energy, Energy Efficiency and Energy Storage.

1b. Does EXIM need additional tools to support clean energy exports?

Answer. Many clean energy transactions, like other transactions in emerging sectors, carry higher rates of risk. As part of the FY 2025 budget request, EXIM is seeking a default rate cap exemption for CTEP transactions. This would allow EXIM to compete more aggressively against the PRC and embrace higher risk technologies and markets, ensuring U.S. exporters can compete on a more equal footing in the global market.

QUESTIONS SUBMITTED BY SENATOR SENATOR CHRIS VAN HOLLEN

Question 1. I understand EXIM bank has a long pipeline of projects waiting for consideration for funding.

1. What are you doing to work through the pipeline to meet EXIM's mandate to support U.S. exports?

Answer. EXIM staff regularly meet with U.S. manufacturers and service providers to discuss the current projects pipeline, projected new business, and what EXIM can do to be supportive of their efforts. We take very seriously our obligations to work through our pipeline and to protect the interests of U.S. taxpayers. EXIM has remained below its default rate cap of 2 percent because of the care and thoughtfulness that goes into the review and structuring of these transactions.

Additionally, EXIM has requested $130.1 million in administrative expenses for FY 2025, an increase of $5.1 million over the FY 2024 level, which would help support an increase in full- time staff and better equip the agency to work through its pipeline.

EXIM is also seeking support for independent pay authority, which is the standard at other financial agencies, and which would allow EXIM to recruit and retain the workforce necessary to support U.S. exporters and American jobs.

QUESTIONS SUBMITTED BY SENATOR JOHN BOOZMAN

Question 1. Can you describe in what ways the China and Transformational Exports Program has been successful in bringing American companies into robust competition with PRC predatory lending?

a. Can you explain the challenges encountered thus far in increasing the program's effectiveness?

Answer. Under my tenure, CTEP authorizations have jumped from $253 million in FY 2022 to $2.4 billion in FY 2023. As of the drafting of these responses, FY 2024, the dollar amount in authorized CTEP transactions is greater than at this point last year. In total up to 31 May 2024, EXIM has approved $3.6 billion in CTEP transactions since the program's inception. That is below the 20 percent goal set by Congress and below where the agency wants to be. We are working hard to raise this number, and we have asked Congress for additional tools to help us get there.

Our CTEP transactions are still subject to EXIM's 2 percent default rate cap: under current law, EXIM cannot experience defaults that equal or exceed two percent. Were that to occur, EXIM would be unable to authorize any new loans until the default rate was brought back below two percent.

By their nature, export credit agencies like EXIM exist to take risks the private market is unable or unwilling to take. Because EXIM operates where gaps in the market exist, the agency ends up supporting transactions with higher risk profiles. Inherent in this risk-taking is the possibility of some defaults.

The default rate cap poses a significant challenge to EXIM's ability to support U.S. exporters, particularly because other export credit agencies are not bound by these constraints. As part of the FY 2025 budget request, EXIM is seeking a default rate cap exemption for CTEP transactions. This would allow EXIM to compete more aggressively against the PRC and embrace higher risk technologies and markets, ensuring U.S. exporters can compete on a more equal footing in the global market.

Question 2. Of the 10 Transformational Export Areas identified by EXIM, in what areas does China have a significant hold on the markets?

a. What specific steps is EXIM doing to help U.S. exporters increase its presence in these markets in regions like the Indo-Pacific and Africa and promote U.S. foreign policy interests?

Answer. Of the ten transformational export areas (TEA), China has a significant hold on the markets in four: energy storage, renewable energy, wireless communications, and semiconductors.

EXIM is working to help U.S. exporters increase their presence in these markets and has seen some successes in the past few years, including:

—In September 2022, EXIM approved its first authorization for U.S. energy storage exports in the form of a $6.9 million loan guarantee for the Nigeria Sapele Energy Storage Project to support power storage equipment made in the United States and sold by ESS Tech: iron flow batteries that will allow Sapele Power to effectively manage intermittent power demand from its customers, enable load-smoothing, peak demand shifting, and potential voltage level regulation for and with the main turbines.

—Also in September 2022, EXIM approved a $52 million loan guarantee to Banco Atlantida in Honduras for the purchase of First Solar's Perrysburg, Ohio-made solar panels, Nextracker solar tracking systems, Shoals Technologies Group equipment, and solar cable management equipment supplied by Cambria County Association for the Blind and Handicapped. JP Morgan is the guaranteed lender funding these exports with the cover of EXIM's guarantee. This equipment powers a 53.4-megawatt solar power project in Olanchito, Yoro, Honduras. The transaction was the largest- ever solar project EXIM financed in the Americas.

—In December 2022, EXIM approved a $407 million financing to the UK's Viasat Technologies Ltd. with the guarantee of its U.S. Parentco, Viasat, Inc. Viasat is a well-established provider of high-speed broadband services, advanced satellite and wireless networks and secure networking products, and services to government, commercial and satellite markets. EXIM financing will be used to

fund rocket launches supplied by Space Exploration Technologies of Hawthorne, CA, and United Launch Alliance of Centennial, CO, as well as U.S.-brokered launch and initial in-orbit insurance services to support the deployment of two satellites. An estimated 2,200 U.S. jobs in California and Colorado are expected to be created or supported with this transaction.

—In June 2023, EXIM authorized $907 million in financing to support construction of two photovoltaic solar energy power plants in Angola. The project will generate more than 500 megawatts of renewable power; provide access to clean energy resources across Angola; help Angola meet its climate commitments; and support exports of U.S. solar panel mounting systems, connectors, switches, sensors, and other equipment. The transaction is estimated to support 1,600 jobs.

—Also in June 2023, EXIM's Board approved a preliminary commitment demonstrating EXIM's willingness to finance a $300 million credit to the Government of Costa Rica's Instituto Costarricense de Electricidad & Subsidiaries (ICE) for procuring equipment and supporting materials and services from trusted vendors to deploy a 5G network across Costa Rica. Huawei has filed legal challenges to the Costa Rican government's vendor tender process, but when those conclude, EXIM is optimistic about prospects for turning the preliminary commitment into a ?nal commitment.

QUESTIONS SUBMITTED BY SENATOR BILL HAGERTY

Question 1. Chair Lewis, you shared in the hearing that the Export-Import Bank does not discriminate against hydrocarbon-based energy projects, and LNG projects in particular.

1a. During your tenure, how many hydrocarbon-related applications have been received by EXIM, and how many are in your current pipeline?

Answer. Since I was sworn in, EXIM has authorized approximately $1.5 billion in financing to support exports related to conventional power generation, distribution equipment, and other equipment such as oil well analysis probes, pipes and gauges, and inspection equipment for existing drilling operations. Please note that this amount is based on information readily available to EXIM at the time of authorization and does not include financing of other goods or services in which the end use may be related to an existing conventional power project. EXIM does not publicize information related to potential transactions because of business confidentiality.

During the hearing, you asked for a list of the LNG projects EXIM financed over the past five or 10 years. The chart below shows EXIM's authorized LNG projects since 2010.

EXIM Authorized LNG Transactions 2010 - 2024

Year	Project	Country	EXIM Authorization	Lead Sponsor
2019	Mozambique LNG	Mozambique	$4,700,000.00	TotalEnergies
2013	Queensland Curtis LNG	Australia	$1,809,000.00	BG (now Shell)
2012	Australia Pacific LNG	Australia	$2,952,000.00	ConocoPhillips
2010	Papua New Guinea LNG	Papua New Guinea	$3,000,000.00	ExxonMobil

While not projects, as such, EXIM has also authorized guarantees to support U.S. LNG exports in 2020, 2023, and 2024.

1b. Is EXIM, the White House, or any part of the Federal government "slow walking" or delaying the consideration of any of these applications?

Answer. EXIM is not purposefully delaying consideration of any applications.

1c. Are there hydrocarbon-related projects that have made it out of the EXIM Transaction Review Committee (TRC) and have been presented to you or your staff but have not yet been scheduled for an EXIM Board of Directors vote? If so, how many? Could you please provide the details for each of these projects?

Answer. EXIM does not publicize information on where projects are in the underwriting process because of business confidentiality. More broadly, EXIM does not set a specific timeline for transactions to be considered by the Board of Directors. Rath-

er, transactions are added to the agenda for meetings shortly after transactions have been vetted by the Transaction Review Committee and determined to satisfy all statutory and policy requirements.

Additionally, financing for exports related to the development of large projects (including fossil fuel projects) have historically taken a significant amount of time to process due to the complexity of a specific project and the volume of analysis that must be completed to evaluate all risks that could affect the success of the project. Furthermore, finalization of the underwriting process may be contingent on a wide variety of factors, such as foreign governmental approvals, which are outside EXIM's control.

Question 2. A New York Times report in February said that two of your climate advisors—who sit on the board the Administration created to advise EXIM on climate issues—quit in protest over an EXIM project in Bahrain. The story says that John Kerry even called you "to try to delay a vote on the project but the board moved ahead." Other news articles have suggested that President Biden has voiced disagreement with energy projects EXIM is considering.

2a. Can you please tell me which government and non-government persons have pressured or encouraged you not to support hydrocarbon-related projects?

Answer. EXIM's Charter requires the Bank to seek comments on transactions from interagency and congressional stakeholders. More broadly, because I believe organizations are stronger when they solicit input from the public, partners, and stakeholders, I seek out an array of opinions on how EXIM should conduct its business on behalf of the American exporter. I welcome positive and negative feedback from a variety of project stakeholders, including government and non-government persons.

2b. How have you responded?

Answer. EXIM reviews each transaction based on a number of factors, including bankability, a reasonable assurance of repayment, impact upon the environment, technical and safety, and compliance with applicable laws.

Question 3. U.S. exporters should be able to expect timely EXIM Board votes after due diligence has been completed on their applications.

3a. Will you commit to taking actions to schedule these pending transactions for a timely Board vote?

Answer. EXIM does not set a specific timeline for transactions to be considered by the Board of Directors. Rather, transactions are added to the agenda for meetings shortly after transactions have been vetted by an internal transaction review committee and determined to satisfy all statutory and policy requirements.

Additionally, financing for exports related to the development of large projects (including fossil fuel projects) have historically taken a significant amount of time to process due to the complexity of some of these projects and the volume of analysis that must be completed to evaluate all risks that could affect the success of the project. Furthermore, finalization of the underwriting process may be contingent on a wide variety of factors, such as foreign governmental approvals, which are outside EXIM's control.

3b. Please tell me what updates have occurred or are still under consideration as part of the agency's environmental due diligence procedures.

Answer. EXIM's Environmental and Social Procedures and Guidelines (ESPGs) have not been updated since 2013 and need to be revised. EXIM staff members are actively working to review and update the ESPGs, consistent with its Charter and applicable laws, with a view toward the Organization for Economic Co-operation and Development (OECD) Common Approaches and Equator Principles, the international standards under which EXIM competes. EXIM will also incorporate programs—like the Make More in America (MMIA) domestic export facilitation loan initiative—into the procedures to address the standards for an environmental review of projects located in the United States, including the application of domestic environmental laws and regulations. EXIM will solicit input and feedback from Congress and other EXIM stakeholders on any proposed changes before they are finalized.

Question 4. EXIM has a statutory lending authority of $135 billion.

4a. How much of that $135 billion is obligated now, and how much more could EXIM obligate before reaching the $135 billion ceiling?

Answer. As of April 30, EXIM had obligated $32.6 billion, leaving $102.4 billion in available capacity. Because EXIM transactions range from extremely small amounts to multi-billion-dollar projects, we cannot predict how many transactions it would take to reach the $135 billion ceiling.

Question 5. Part of your responsibility is to oversee the Program on China and Transformational Exports (CTEP). You noted in your testimony that EXIM's FY23 CTEP transactions totaled $2.4 billion.

5a. Do you understand that to be consistent with Congress's intent for 20% of EXIM's total financing authority to be focused on this goal?

Answer. Under my tenure, CTEP authorizations have jumped from $253 million in FY 2022 to $2.4 billion in FY 2023. As of the drafting of these responses, FY 2024, the dollar amount in authorized CTEP transactions is greater than at this point last year. In total, EXIM has approved $3.6 billion in CTEP transactions since the program's inception. That is below the 20 percent goal set by Congress and below where the agency wants to be. We are working hard to raise this number, and we have asked Congress for additional tools to help us get there.

5b. What is your strategy for growing CTEP transactions?

Answer. Our CTEP transactions are still subject to EXIM's 2 percent default rate cap: under current law, EXIM cannot experience defaults that equal or exceed two percent. Were that to occur, EXIM would be unable to authorize any new loans until the default rate was brought back below two percent.

By their nature, export credit agencies like EXIM exist to take risks the private market is unable or unwilling to take. Because EXIM operates where gaps in the market exist, the agency ends up supporting transactions with higher risk profiles. Inherent in this risk-taking is the possibility of some defaults.

The default rate cap poses a significant challenge to EXIM's ability to support U.S. exporters, particularly because other export credit agencies are not bound by these constraints. As part of the FY 2025 budget request, EXIM is seeking a default rate cap exemption for CTEP transactions. This would allow EXIM to compete more aggressively against the PRC and embrace higher risk technologies and markets, ensuring U.S. exporters can compete on a more equal footing in the global market.

5c. Is President Biden's budget request sufficient to achieve this?

Answer. The President's FY 2025 budget request contains resources for EXIM to fulfill its mission and, critically, it asks Congress to exempt CTEP transactions from the default rate cap. This would allow EXIM to compete more aggressively against the PRC and embrace higher risk technologies and markets, ensuring U.S. exporters can compete on a more equal footing in the global market.

Question 6. With respect to competitiveness, on September 29, 2023, the EXIM Inspector General issued a report entitled "Comparative Analysis of U.S. and OECD Arrangement Export Credit Agencies."

6a. How are you implementing these IG recommendations to help U.S. companies and workers?

Answer. EXIM concurred with all 14 Inspector General recommendations and has closed two of the 14 recommendations as of May 15, 2024. EXIM staff are working diligently to close the remaining open recommendations.

QUESTIONS SUBMITTED BY SENATOR MARCO RUBIO

Question 1. EXIM plays an important role in countering Communist China's efforts to provide easily accessible credit to countries around the world. Recently, EXIM has experienced significant growth, supporting 66 percent more authorizations in FY2023 than it did in FY2022. What allowed EXIM to increase its number of authorizations by such a drastic amount? Did the criteria for granting authorizations change?

1a. If the criteria for granting authorizations changed, how has that affected credit recipients' default rate?

Answer. EXIM's China and Transformational Exports Program (CTEP) authority is too new to be able to determine if it will have any impact on affected credit recipients' default rate. Having said that, EXIM staff applies the same rigorous credit underwriting standards to CTEP matters as to any other credits.

Question 2. Argentina, one of America's closest allies in the region, is undergoing a severe economic crisis with elevated inflation that prevents access to international loans. How does EXIM facilitate loans to partner countries that have difficulty accessing other international credit lines?

2a. Do you believe EXIM should focus on partner countries with poor credit that present ripe opportunities for China to offer easy loans?

Answer. EXIM is a demand-driven financial agency and must have a reasonable assurance of repayment to consider a transaction, so it cannot pick partner countries the same way development agencies can. However, EXIM collaborates closely with interagency partners to identify opportunities where the agency's financing tools can facilitate U.S. exports in high priority, geostrategic markets and sectors.

In the case of Argentina specifically, EXIM has determined that public and private transactions in Argentina do not currently offer a reasonable assurance of repayment, as required by our Charter. As such, EXIM is not able to provide support for such transactions at this time.

QUESTIONS SUBMITTED TO MILLENNIUM CHALLENGE CORPORATION

QUESTIONS SUBMITTED BY SENATOR JOHN BOOZMAN

Question 1. Can you discuss some of the agricultural projects the Corporation is pursuing?

Answer. MCC has funded a wide range of agricultural interventions in response to the identified constraints to sectoral growth during project development. In many partner countries, MCC's support takes the form of physical infrastructure such as rural roads to expand farmers' market access, irrigation systems to increase production, and electrification for processing of agricultural goods. Other recent agricultural interventions include national livestock herd vaccination campaigns and significant policy reforms such as the modernizing of the fertilizer sector in Niger and fiscal reforms to incentivize investment in agriculture in Mozambique.

a. Of the projects mentioned, can you provide how effective these have been in reducing hunger and in strengthening or building new markets?

Answer. MCC's model for targeting the reduction of poverty through economic growth complements the work of other USG programs that target emergency and humanitarian relief by providing opportunities to raise incomes for vulnerable populations in its partner countries. Many of our investments play a role in increasing agricultural production, such as by providing over 500,000 acres of irrigation. Likewise, MCC's investments in electrification and roads helps ensure that agricultural production can be processed and reach markets. This combination of augmenting production and increasing rural incomes along with facilitating market access means that food is more accessible, and the agricultural economy is more resilient. Policy interventions equally contribute to food security by augmenting the private sector's participation for long term growth in the sector.

Question 2. Could you discuss the main challenges the Corporation is currently facing in implementing its primary mandate?

Answer. MCC's mission is to reduce poverty through economic growth, but we currently face significant challenges in doing so.

Amidst today's difficult geopolitical and social challenges, MCC's grant assistance is a key economic contributor to the way the United States combats growing challenges and incentivizes good governance and democratic values globally. However, MCC faces statutory restrictions that limit its ability to apply its impactful model in a broader range of places, including upper middle-income countries that are facing more challenges than they did when MCC was founded. This is particularly the case, as the decades-long trend of global poverty reduction has reversed in recent years, leaving many countries vulnerable to losing years of economic progress.

As such, in MCC's FY 2025 Congressional Budget Justification, we are asking Congress to reform our candidate country pool to include countries below the threshold for starting graduation from the International Bank for Reconstruction and Development (IBRD). The IBRD Graduation threshold is the gross national income (GNI) per capita threshold at which point the World Bank begins the process of discussing with countries the possibility of their graduating out of being eligible for IBRD lending. Senators Risch and Senator Menendez introduced legislation—S.1240 the Millennium Challenge Corporation Candidate Country Reform Act—at the beginning of the 118th Congress to address this change.

This would allow MCC to work in countries that face substantial vulnerabilities due to conflict, migration, and climate.. It would also help nascent and fragile democracies facing these tipping points to reverse or prevent backsliding and to deliver sustainable economic growth for their populations. The legislation would substantially increase the regions MCC could work in, adding nine countries in Europe and the Caucuses and another nine in Latin America and the Caribbean.

Additionally, over the past 3 years, MCC received appropriations which included $1.1 billion in rescissions, while simultaneously demonstrating a significant ramp up in execution ($3 billion in signed commitments across 12 programs over the past 2 years). This has created budget uncertainty during critical stages of compact development and negotiations, creating a less efficient and ideal development process. Without receiving MCC's FY 2025 budget request, downsizing or delays in programs where USG and country counterpart time and resources have been expended may have significant implications to U.S. credibility.

QUESTIONS SUBMITTED BY SENATOR MARCO RUBIO

Question 1. The MCC is unique in that it provides grants, as opposed to loans. How do the criteria for receiving an MCC grant differ from the criteria for receiving a loan from other international financial institutions?

Answer. MCC's criteria for selecting country partners is unique among development organizations. By statute, countries must be classified as either low income or lower middle income by the World Bank and not be prohibited from receiving assistance by Federal law. Additionally, MCC must consider a country's demonstrated commitment to (i) just democratic governance, (ii) economic freedom, and (iii) investing in its people. Each December, MCC's Board of Directors selects countries as eligible for MCC assistance. The MCC scorecard is an important tool the Board uses to assess a country's policy environment. When considering countries for assistance, the Board considers a country's policy performance, the opportunity to reduce poverty and generate economic growth, and the availability of funds to MCC. The selected countries, if they agree to participate, then develop a program proposal in partnership with MCC. The international financial institutions, such as the World Bank, do not require countries to demonstrate a commitment to good governance as outlined in MCC's founding statute.

1a. When issuing grants, do you assess a given country's needs or the interests of the United States in providing assistance to that country?

Answer. By statute, MCC's Board of Directors consider the following factors when determining a country's eligibility for MCC assistance: (1) a country's policy performance (primarily as measured by the annual MCC country scorecards), (2) the overall opportunity to reduce poverty and generate economic growth in the country, and (3) funding available to MCC. Each year, more countries pass the MCC scorecard than MCC has the resources to assist. As a result, selection is highly competitive and the MCC Board considers a wide range of supplemental information when determining selections, including assessments of any previous programs MCC has had with a country and whether those investments are being sustained. These considerations are further described in the MCC Selection Criteria and Methodology Report, which MCC's Board approves and that the agency submits to Congress each September. The MCC Board is comprised of the Secretary of State, Secretary of the Treasury, Administrator of the U.S. Agency for International Development, the U.S. Trade Representative, MCC's Chief Executive Officer, and four private sector members.

Question 2. Argentina is a close regional ally that is undergoing a severe economic crisis with elevated inflation that prevents access to international loans. Does Argentina currently receive any grants from the MCC?

Answer. No. Argentina has never been a candidate country for MCC assistance due to its classification as an upper middle-income country by the World Bank. By statute, only low income or lower middle-income countries can be considered as candidate countries for MCC assistance.

2a. Is the MCC providing grants to any countries in the Western Hemisphere? Why were those countries targeted?

Answer. Yes. MCC is currently working with Belize. The MCC Board of Directors selected Belize as eligible to develop a compact in December 2021 in recognition of the country's clear commitment to democratic governance and its ongoing and press-

ing development need characterized by rising poverty rates, challenges to sustained economic growth, and vulnerability to external shocks. The proposed $125 million MCC Belize Compact aims to support Belize's growth by catalyzing increased investment in post-primary education and energy. The Education Project aims to equitably increase the number of post-primary graduates with the competencies relevant to labor market demands, while the Energy Project aims to reduce the cost of electricity.

MCC's ability to partner with more countries in the Western Hemisphere is currently limited by the statutorily prescribed income threshold for MCC candidacy. Reforming the candidate pool—as outlined in S. 1240 the Millennium Challenge Corporation Candidate Country Reform Act—by changing the income threshold would recognize the substantial challenges facing the development paths of countries that MCC cannot currently consider while also enabling MCC to bring its good governance selectivity model to a broader range of countries. In the Western Hemisphere, the Candidate Country Reform Act would allow MCC to newly consider countries such as Colombia, Ecuador, Guatemala, and Paraguay.

SUBCOMMITTEE RECESS

Senator MERKLEY. The hearing record will remain open for written questions until 5:00 p.m. on Wednesday, March 22, 2024, and the hearing is adjourned.

[Whereupon, at 3:33 p.m., Wednesday, May 15, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

STATE, FOREIGN OPERATIONS, AND RELATED PROGRAMS APPROPRIATIONS FOR FISCAL YEAR 2025

TUESDAY, MAY 21, 2024

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 2:39 p.m., in room SD–138, Dirksen Senate Office Building, Hon. Christopher Coons (Chairman), presiding.

Present: Senators Coons, Murray, Durbin, Van Hollen, Schatz, Graham, Collins, Boozman, and Moran.

UNITED STATES DEPARTMENT OF STATE

OPENING STATEMENT OF SENATOR CHRISTOPHER COONS

Senator COONS. Ladies and gentlemen, this hearing of the Senate Appropriations Committee, Subcommittee and State, and Foreign Operations, and Related Programs, will come to order.

The subcommittee meets today to review the fiscal year 2025 budget request for the Department of State. And we are please to welcome back Secretary Tony Blinken.

I have also solicited testimony from the State Department's Inspector General, Cardell Richardson, given the OIG's critical oversight work, which each Senator has in front of them, that will be a part of the formal record.

I am also going to acknowledge at the outset, we have some controversial topics to cover, and ask that everyone in the Chamber respect the right of the subcommittee to conduct its work without verbal or visual instruction, which, if it interrupts our work, will cause us to have to have individuals removed.

With that said, Mr. Secretary, it is great to have you here. We have a lot to cover. I want to just briefly reflect back on fiscal year 2024, our Enacted Bill for the State Department, USAID, MCC, DFC, and other agencies, was $58.3 billion, which was a 5.5 percent cut compared to fiscal 2023 enacted.

As Senator Graham, noted in our hearing with USAID Administrator Power last month, we are having this subcommittee's budget cut at the time of great and growing need. That means fewer opportunities to prevent and mitigate crises, and more deferred costs later.

In managing this tight budget environment, we, on this subcommittee prioritized limiting the impact on the State Department

Workforce, meeting our treaty dues, and multilateral commitments to sustain U.S. global leadership, enhancing your tools for economic state craft, and protecting funding for critical and life saving, health programs and humanitarian assistance. That meant that funding had to be cut, in some cases deeply, that will have negative impacts on our ability to compete overseas, to serve real human needs, and our national interest.

But like every other subcommittee, we made hard choices, and as a result of we were able to take important steps to help you modernize and innovate, to better leverage the private sector, to advance your efforts to strengthen partner economic growth, and stability.

One of those efforts is a new economic resilience initiative which builds on existing efforts to support strategic infrastructure, including through the DFC and EXIM, allowing them to leverage billions of dollars, enhance critical supply chains, expand secured digital infrastructure, support new grants and loans to international financial instructions, and compete with the PRC's opaque and coercive lending practices.

The result will literally be billions in new lending in the Indo-Pacific this year alone. We also enacted critical supplemental funding for urgent military and economic assistance to Ukraine, to strengthen deterrence in the Indo-Pacific, and to support our partner, Israel, and to provide life-saving humanitarian assistance in Gaza, Sudan, and elsewhere around the world.

And I want to thank the Chair, and Vice Chair, for their determined leadership in achieving that critical result.

Now, while we delivered on these priorities the needs outpaced our appropriations, and we are seeing historic levels of food insecurity, record numbers of refugees, and displaced people, democratic backsliding, Chinese economic coercion, and Russian aggression in Ukraine and elsewhere.

In the intervening months, the war in Gaza continues to contribute to a humanitarian catastrophe, and threatens to escalate into a broader regional conflict.

Here in our own hemisphere the people of Haiti are being terrorized by armed gangs, and a lack of governance, as we look ahead to fiscal year 2025, the House Appropriations majority is again proposing to slash our funding, just as they proposed last year, which ultimately led to the cuts we enacted.

I am fortunate to have Senator Graham as Ranking Member, and strong subcommittee membership on both sides of the aisle, so I am confident we will maintain bipartisan support to address the most critical challenges, and advance America's interest. As I frequently point out, we can't do more with less, whether in supporting Ukraine's brave fight against Russia, countering the threat posed by China, or leveraging economic tools.

We have a lot to discuss, so I will stop there. The bottom line is what I told you, what I told you last year remains as true today. Your task is daunting. And we have a responsibility to ensure you and your colleagues are equipped with the tools and resources you need to strengthen our national security, and advance our interests. Thank you.

Ranking Member Graham.

OPENING STATEMENT OF SENATOR LINDSEY GRAHAM

Senator GRAHAM. Thank you, Mr. Chairman. Welcome, Mr. Secretary.

So a statement was made yesterday offering condolences to the passing of the President of Iran, Mr. Raisi, who died in a helicopter crash. He was the protege of the Supreme Leader who earned his nickname, the "Butcher of Tehran", for his role in mass executions of thousands in 1988, his tenure as President was marked by the brutal repression of women and girls, and the enrichment of uranium, a violent crackdown of mass protest in 2022, and direct attacks on Israel from Iranian soil.

I would like to offer my condolences to the victims of the "Butcher of Tehran". To the Iranian people, we stand with you and hope and pray for the day your liberation comes from the Ayatollah and his henchmen.

As to the world, it is pretty much on fire. It seems to me not a good time now to take resources off the table that can prevent things from getting worse. The World Food Program has doubled the number of people it serves in 2 years. Now, does that matter to you at home? Yes, it does.

If people can't eat, and can't feed their family, they are likely to do almost anything. What would you do to feed your family? I don't want to help the terrorists, I want to make their life more difficult. This is a very small percentage of overall Federal spending, and every time I turn around, we seem to want to cut this account.

You know I am pretty hawkish guy, but soft power matters. I have been all over the world, and a little bit of money spent well goes a long way. Feeding people keeps them from moving around and migrating, and creating pressure on neighboring countries. You are either going to pay now, or you are going to pay later.

So I am hoping that the Congress will recognize that the investments we make in this account are national security in another form. And if you don't get that by now, you have missed a lot.

As to the war in Israel, I stand with Israel, without apology. I hope one day to be able to end this conflict, in a way where the Palestinian people have hope they don't have today, and Israel will have security it deserves, and maybe we can integrate the region, with a deal with Saudi Arabia and Israel.

And I have enjoyed working with you, Mr. Secretary, on trying to find a way to normalize between Saudi Arabia and Israel to have a Palestinian component, and I look forward to that.

In the middle of all this, the International Criminal Court, out of nowhere, decided to indict, or issue an arrest warrant for the Prime Minister of Israel, an elected leader, of one of the most robust democracies on the planet. If you don't like the Government of Israel, stick around, they change every 3 or 4 months.

They have one of the most robust judiciaries anywhere on the planet, known for their independence. I have been working with many members of this committee to talk with the International Criminal Court. Number one, we believe that you have overstepped your mandate. Where is the complementarity?

Israel is not a member of the ICC, for some reason the ICC granted state status to the Palestinians in 2015, when nobody else

has. And they are now claiming jurisdiction over the State of Israel. Under the Rome Statute, before the ICC can act, it limits the action—ICC actions, situations when a nation is unable, or unwilling, to proceed with an investigation, or if the investigation is conducted in bad faith.

Now, you must have concluded that the judiciary in Israel is—they don't act in good faith. I would assure you, that if you do wrong in the Israel Defense Forces, you can get court-martialed, like you can here. The ICC was never meant for missions like this. There was a meeting to be discussed yesterday. May 20, a representative of the ICC was supposed to land in Israel at 6:00 o'clock, to set up a meeting between Israel and the ICC Prosecutor, to talk about what Israel is doing, what concerns the ICC has, to invoke complementarity.

Well, what happened? Israel was informed that the people from the ICC never boarded the plane, and we find out that the ICC Prosecutor, Mr. Khan, had done an interview with CNN days before, or hours before, I think it is days before, saying he was going to issue arrest warrants for the Defense Minister, and the Prime Minister. That is not good faith.

I was on a phone call with eight members of the United States Senate asking the ICC, at least to talk to Israel before you move forward. They gave Venezuela 9 months. Clearly we were lied to and misled. You have done an interview with CNN before the plane departed. The idea you are going to collaborate apparently was a sham.

We, hopefully, together will find a way to raise our displeasure with the ICC, because if they will do this to Israel, we are next. This group tried to come after our soldiers——

[Applause.]

Senator GRAHAM. Yes, you can clap all you want to. They tried to come after our soldiers in Afghanistan, but reason prevailed. At the end of the day here, what I hope to happen is that we level sanctions against the ICC for this outrage, to not only help our friends in Israel, but protect ourselves over time.

Mr. Secretary, your statement yesterday was excellent. The President's statement was excellent. Senator Schumer's statement on the floor was excellent, about the outrage here. They have destroyed the notion of complementarity. They have misled people in the United States Senate about their intention, and they shall and will pay a price.

Mr. Secretary, I appreciate what you have said: It is now time for us to act.

Thank you.

Senator COONS. Thank you, Ranking Member Graham.

With that, Mr. Secretary, the floor is yours.

Secretary BLINKEN. Mr. Chairman, Ranking Member Graham, Vice Chair Collins, Chair Murray, very good to be with all of you today on this Committee. I thank you for the opportunity to testify before you, and——

[Audience outburst.]

Senator COONS. I recognize people feel passionately. We must have order in this room. We are going to proceed with this hearing. Mr. Secretary, you may resume.

Secretary BLINKEN. Thank you, Mr. Chairman. I wanted to thank you also for your partnership in working together to advance American leadership in the world, leadership that is so essential for delivering on the priorities that matter to our people at home. I think the need for our global leadership and cooperation with allies and partners——

Senator COONS. The witness will suspend until the room is cleared of protesters.

[Audience outburst.]

Mr. Secretary, you may proceed.

Secretary BLINKEN. Chairman, thank you.

So I was saying, the need for our leadership, and cooperation with allies and partners, has never been greater. The People's Republic of China is pursuing military, economic, and geopolitical preeminence, challenging our vision for a free, open, secure, and prosperous international order. Russia is committing aggression not only against Ukraine but against the principles at the heart of the UN Charter, independence, territorial integrity, and sovereignty that are the building blocks for global peace and security.

In the Middle East, we are standing with Israel in its efforts to ensure that what happened on October 7 never happens again, as we do everything we can to bring to an end the terrible human suffering in Gaza and prevent the conflict from spreading.

U.S. leadership is needed to address humanitarian crises elsewhere around the world.

[Audience outburst.]

Senator COONS. The witness may suspend until we can clear the room.

Mr. Secretary, you may resume.

Secretary BLINKEN. Thank you. Our leadership is needed to address humanitarian crises elsewhere around the world, including in Sudan, and Haiti, where millions have been displaced, many killed, and to address global issues that no country can solve alone, including food security, the changing climate, transnational corruption, and the fentanyl crisis.

But with the support of Congress, we can, and we are, approaching these challenges from a position of strength. Because of the actions we have taken, the United States is stronger economically, diplomatically, and militarily than we were a few years ago.

We have made historic investments here at home in our competitiveness, in our innovation, in our infrastructure. We have renewed our alliances, and we have built new ones. We have secured unprecedented alignment with key partners in Europe, in Asia, and beyond.

We have delivered essential American aid to Ukraine, and we have rallied the international community to share the burden. For every dollar that we have spent in economic and development assistance, others have collectively invested three more.

Now, many doubted that bipartisan support for Ukraine and other urgent national security priorities could endure, but last month Congress demonstrated, demonstrated to the world that we would not pull back. You passed the President's Supplemental Funding Bill by an overwhelming margin and on a bipartisan basis.

Our investment abroad does not come at the expense of our strength at home, far from it. Most of the supplemental is being spent here in the United States, building up our own defense industrial base, supporting thousands of American jobs. We need to keep up this momentum, and that requires a State Department and a budget that we fully resource so that we can meet the challenges of our time.

And I think, as Senator Graham put it, in effect, an ounce of prevention is worth more than a pound of cure. We know that if we don't get these problems on the takeoff, we are going to have to deal with them on the landing, but in much more costly and difficult ways.

The fiscal year 2025 budget, the President is putting forward, requesting $58.8 billion for the State Department and USAID, does this in two ways. First, it funds the essential missions of our department and USAID. The budget will ensure that the United States continues to be the partner of choice that countries can turn to when they need to solve big problems, the problems that also affect us. In an era of renewed great power competition, we have got to present the strongest possible offer, one that is relevant and responsive to the country's needs, and that advances our security and economic interests.

That is why, for example, we are requesting $2 billion for a new fund to build high-quality, sustainable infrastructure around the world. Crucially, these kinds of investments create jobs for Americans and expand markets for our businesses overseas.

We are requesting resources for the World Bank, with $1 billion in U.S. funding we can unlock another $36 billion in development fund capacity to direct to the top priorities of emerging economies. That is a huge return on our investment and essential, again, for competing with China around the world.

The budget also includes $1.7 billion for international organizations, including the United Nations, APEC, and the Inter-American Development Bank, to help shape them in ways that reflect our interests and values.

We are asking for $500 million to give more people around the world access to secure Internet and digital technologies. Doing so will support the U.S. economy through the export of our technology products. It will help us ensure that we and our fellow democracies remain the leaders and standards-setters in key technologies, like artificial intelligence.

The budget includes funding to address global issues that affect the lives and livelihoods of the American people, as well as people around the world, especially the synthetic drug crisis. It also funds our response to irregular migration, global food insecurity, public health, climate, and energy security. And again, if these problems are not addressed upfront, inevitably, they are going to have an impact on us down the road.

We are also asking Congress to fully fund the State Department's Educational and Cultural Exchanges. These are really one of our best and most cost-effective tools for advancing U.S. values and interests around the world. And they support the students, the researchers, the young professionals from our communities who study and work abroad.

To out-compete our strategic rivals, we also need to invest in the foundation of our strength abroad, our diplomatic corps. And that is the second pillar of the budget. Our budget makes a strong investment in expanding our overseas presence, opening posts in the Pacific Islands, and the Eastern Caribbean. It will also continue our modernization of American diplomacy. We are reorganizing the Department to make sure that it is ready to face the challenges of this time.

We are attracting and working to retain the best possible talent. We are investing in our people in Washington and posts overseas with training, with technology. We are promoting more agility, more innovation, more efficiency in the processes that we bring to bear.

Last year's enacted budget level represented a 5 percent cut from the year before. That challenges our efforts to deliver the results that Congress and the American people deserve.

So I urge you to support this budget, which helps us address the most pressing foreign policy priorities for the coming year, and lays the foundation for strong American leadership in the years beyond.

With that, I am happy to take any questions.

Thank you, Mr. Chairman.

STATEMENT OF HON. ANTHONY J. BLINKEN, U.S. SECRETARY OF STATE

Senator COONS. Thank you, Mr. Secretary. As I mentioned in my opening remarks, we are working with your Department to increase investments in energy security, digital security, economic growth, strategic infrastructure, and your workforce. Given the difficult cut of fiscal year 2024, a 5 percent cut, and that fiscal year 2025 will likely again be a very challenging overall budget environment, any increased investments you will have the chance to do will likely come at the expense of other efforts. What are some examples of what you will have to scale back, and the impact of doing so, if your budget does not increase?

Secretary BLINKEN. Well, first and fundamentally, there are some huge tradeoffs that we would have to bring to bear on some of the big strategic issues that we are working on. So if we have to look at how do we do the trade-off between funding for strategic ports and transportation projects that we are engaged in, for example, the Luzon Corridor in the Philippines, for example, the Lobito Corridor in Africa, that is critical.

But at the same time, can we do that and then continue to fund the necessary programs to counter Russian aggression against Ukraine? What about our ability to meet all of the global challenges that, again, are going to have inevitably an impact back home: irregular migration, fentanyl, pandemic preparedness, food security.

As we have looked at it, we have to make—we would have to make fundamental trade-offs among these big-ticket items. But let me be even a little bit more parochial. What does it actually mean if we are dealing with a world in which we have a 5 percent cut or, as some in the House have proposed, an 11 percent cut? We are going to have to reduce passport and consular services that we have managed to build back after COVID.

We have plans to open new passport centers in this country. They would stall out, and that would be to the detriment of the ability of Americans to travel around the world, see family, do business, in education, we would have to decrease the Embassy security programs that we have. We are trying to add new posts, so that we are present around the world. Not only would we have trouble adding those posts, we would also have to look at cutbacks to security for existing posts. And even if we were to insulate that particular program, well, those reductions would get passed on to everything else.

Senator COONS. You were recently in Ukraine, and you forcibly underscored the message that the United States continues to stand with Ukraine, and as I said, I am grateful for the leadership of the Chair and Vice Chair, in finally delivering on critical and needed assistance, that additional security, economic, and humanitarian assistance needs to be delivered as soon as possible.

You mentioned in your opening statement, for every dollar that we have delivered, in terms of economic and development assistance, our partners have delivered three.

Secretary BLINKEN. Right.

Senator COONS. I would just be interested in how you are continuing to engage partners and allies in ensuring that they are continuing to contribute, in fact, exceeding our contributions, and what you see as the prospects for the year ahead in Ukraine?

Secretary BLINKEN. Well, first I have to tell you that thanks to the leadership here in getting the supplemental done, that was the biggest difference-maker. The biggest difference-maker, practically speaking, in Ukraine as that assistance is now getting delivered, but also in making sure that we keep our allies and partners moving forward with us in making the necessary investments for Ukraine to continue to defend against the Russian aggression.

But also this: to set Ukraine up in a way that, as I believe strongly, it will be a success, militarily, economically, democratically, able to stand strongly on its own feet, without the same level of investment that we have had to make in these few years. We have programs underway in each of those areas, and you can see the single best rebuke to Putin is a strong, successful, thriving Ukraine.

We have the means now to make the necessary investments to do that. Our partners remain fully on board. But again, the supplemental was a big shot in the arm both for Ukraine, and European, and other partners on this.

Senator COONS. Thank you. Since the horrific attacks by Hamas on October 7, I have strongly supported Israel's right to defend itself, like many of my colleagues, I am also deeply concerned about the humanitarian crisis in Gaza, which has become more dire in recent weeks given operations and the threat of further operations in Rafah.

What are you seeing in terms of assistance and the delivery of humanitarian relief? What impact is the new pier having in Gaza that has been constructed by the United States? What diversion are you seeing by Hamas of assistance we are delivering? What diversion are you seeing by Israeli settlers and other protesters? And

what do you think are the prospects for some positive path forward for a day after in Gaza?

Secretary BLINKEN. The people of Gaza, children, women, and men are experiencing a humanitarian crisis. Food, water, medicine, shelter all remain in far too short supply. We have been working on this from day one to try to get the necessary access to Gaza so that supplies could get in, to try to get adequate distribution within Gaza, to try to get proper deconfliction so the humanitarians can go about their work safely and securely. And this remains absolutely essential work that we are at every single day.

In recent weeks, we made important progress because of openings of access points in the north, because North Gaza was particularly aggrieved. But now we see the situation to some extent reversed, because of the conflict taking place in and around Rafah. Those access points, Rafah itself as well as to some extent Kerem Shalom, have either been shut down or not operating at full capacity. So we have that challenge, and it is imperative that those access points be fully operational.

At the same time, even as we have seen progress in getting areas open, in getting the route from Jordan moving with trucks, those trucks have been disrupted in Israel by protesters, and that is imperative that that stop and be brought to order so the trucks can move freely. We did have a convoy yesterday that went through without impediment. In Gaza itself, there remain problems of deconfliction with the humanitarians.

It is better at a sort of strategic level; there are good procedures in place, but we continue to see some problems at the operational level, at the tactical level, where a given unit may not know, in real-time, that a convoy is supposed to go through. So we are working on significantly improving that, finally fixing that to make sure that humanitarians can proceed safely, getting designated corridors, if necessary designated times, getting real-time communication between those providing the assistance and those on the ground who are engaged in military activities. All of this is a day in, day out work in progress, but we have to do better by the people of Gaza.

Senator COONS. Thank you. I want to thank Senator Graham and Senator Cardin who led, as you know, a bipartisan delegation of ten of us to the region right after October 7. You have been working tirelessly to try and move forward some sort of reconciliation between the Saudis and Israelis, and I hope we will get a chance to turn to that.

Senator Collins.

Senator COLLINS. Thank you, Mr. Chairman. Secretary Blinken, I share your relief that the National Security Supplemental Appropriations Bill that provides aid to Ukraine, Israel, and our allies in the Indo-Pacific region is finally law. Unfortunately, this is not the first time since Russia's invasion of Ukraine that Ukraine has had to wait for vital security assistance from the United States.

On numerous occasions, President Biden's administration has blocked the transfer of weapons and equipment to Ukraine until sufficient pressure from Congress and our NATO allies led to a change in course, in some cases, after the point in the war when those weapons would have made the most difference.

For example, the Ukrainians requested Abrams tanks in early 2022. The administration did not approve that transfer until January of 2023, and the first tanks didn't arrive in Ukraine until October of last year. Long-range ATACM missiles are another critical capacity that was requested early in 2022. It took more than 18 months for the administration to approve a shorter-range version of ATACMS, and the longer-range version was approved only last month, nearly 2 years after the request. F–16s are another example.

My point is, had the administration acted when Ukraine first requested these weapon systems, Ukraine would have been able to benefit sooner from the technological advantage these weapon systems provide. What I am seeking from you is a commitment to speed up the delivery of weapons, of munitions, of other technology at this very critical time during Ukraine's war with the aggressor Russia.

Secretary BLINKEN. Thank you, Senator. First, I can assure you that we are doing everything we can to accelerate the actual delivery of the assistance to the Ukrainians so that they have it in their hands, and can use it to deal with the ongoing Russian aggression.

Second, look, I have a different perspective on this than the one you just—the one you shared. Of course, the fact that well before the Russian aggression, President Biden made sure in Presidential drawdowns in the fall before the aggression, Christmas before the aggression, that the Ukrainians had stingers, javelins, and other things in their hands. We did it quietly; we did it effectively. They were able to prevent the takeover of Kyiv, and pushed back the Russian aggression.

Every single step along the way, we have worked to get them what they need when they need it. But as you know, it is not just the weapon systems that count. You have got to make sure that people are trained on them, because if they are not trained on them, it doesn't do you any good to have an Abrams tank if you can't drive it, if you can't maintain it, which is particularly complicated with some of this technology. Again, it doesn't do you much good to have it.

So I think the way that the Department of Defense, for example, has looked at this is to make sure that if we are providing things, we do it in a comprehensive way so that it is actually usable and sustainable because, again, otherwise it is not going to do you much good. And certainly that was the case with the Abrams tanks. F–16s, there are no pilots to actually fly them, so we are training. Others are training the pilots.

So all of these things do have a, you know, a timeline to them. You are right, but I think it is not simply a matter of providing the tank, or the plane, or the missile, it is making sure that the entire infrastructure is there, from the ability to use them, the ability to maintain them, and then, of course, to have a concrete plan to make sure they are used effectively.

Senator COLLINS. Well, from my perspective, there has been slow-walking of certain weapons and munitions, which I hope we can overcome. I want to switch to a different issue, and that is that just yesterday, the Special Inspector General for Afghanistan Reconstruction released a report that found that since August of 2021,

at least $10.9 million in U.S. taxpayer dollars has been provided to the Taliban-controlled Government by 38 implementing partners of the Department of Defense, USAID, and the U.S. Agency for Global Media. How does the Department explain the Inspector General's assertion that U.S. assistance is going to the Taliban through taxes, fees, and duties?

Secretary BLINKEN. Yes. Well, two things, Senator. First, I haven't seen the report, but I promise you I will look at it promptly. We are engaged with the Inspector General on this on a daily basis. We are responding to inquiries. We have, I think, dedicated something like 13,000 staff hours since we left Afghanistan, to working with the Inspector General's Office, and we are committed to doing that.

I want to make sure that we are responsive, and responsive in real-time. So I will look at this as soon as possible. Are there, fees, taxes, and things that get collected by the Taliban? That sounds, unfortunately, logical. And maybe there is, in this case, I don't know. I don't want to speak to it not having seen the report. Maybe there is, unfortunately, a cost of doing business by some of these organizations that are trying to provide desperately needed assistance to people in Afghanistan.

Senator COLLINS. I hope you will get back to me on that. Finally, Mr. Secretary, illegal marijuana grows in Maine and elsewhere, pose a significant national security and public health risk. According to the Drug Enforcement Administration's 2024 Assessment, there has been a notable uptick in the number of illicit marijuana cultivation sites linked to Chinese and other Asian organized crime groups. That includes my State of Maine, where between 100 and 200 sites have been identified.

Mr. Secretary, are these Chinese criminal syndicates operating these illegal marijuana grows in our country with the knowledge and consent of the Government of China?

Secretary BLINKEN. Senator, first of all, let me defer to DEA on this, because they have the expertise about what is going on in the United States. But I would welcome working with you on this. Dealing with countering narcotics is a big part of our engagement with China. We are, of course, very focused on synthetic opioids, fentanyl, but any drug that poses a problem and is threatening our communities is something that we are deeply concerned with. So I would welcome following up with you on this.

Senator COLLINS. Thank you.

Secretary BLINKEN. Thanks.

[The statement follows:]

PREPARED STATEMENT OF SECRETARY OF STATE ANTONY J. BLINKEN

Chairman Coons, Ranking Member Graham, distinguished members of the Committee: Thank you for the opportunity to testify before you.

And thank you for your partnership to advance American leadership in the world that is so essential for delivering on the priorities that matter to our people at home.

The need for U.S. global leadership—and cooperation with allies and partners—has never been greater.

The People's Republic of China is pursuing military, economic, and geopolitical preeminence, challenging our vision for a free, open, secure, and prosperous international order.

Russia is committing aggression not only against Ukraine, but against the principles at the heart of the UN Charter—sovereignty, territorial integrity, independence—that are the building blocks of global peace and security.

In the Middle East, we're standing with Israel in its efforts to ensure what happened on October 7th never happens again, as we do everything we can to bring an end to the terrible human suffering in Gaza and prevent the conflict from spreading.

U.S. leadership is needed to address humanitarian crises elsewhere around the world, including in Sudan and Haiti, where millions have been displaced and many killed . . . and to address global issues that no country can solve alone, including food security, the changing climate, transnational corruption, and the fentanyl crisis.

But, with support from Congress, we can and we are approaching these challenges from a position of strength. Because of the actions we've taken, the U.S. is stronger economically, diplomatically, and militarily than we were 3 years ago.

We've made historic investments at home in our competitiveness, innovation, and infrastructure. We've renewed our alliances, built new ones, and secured unprecedented alignment with key partners in Europe, Asia, and beyond.

We've delivered essential American aid to Ukraine . . . and we've rallied the international community to share the burden. For every dollar we've sent in economic and development assistance, others have collectively invested three more.

Many doubted whether bipartisan support for Ukraine and other urgent national security priorities could endure. But last month, Congress demonstrated to the world that we will not pull back, when you passed President Biden's supplemental funding bill by an overwhelming margin.

Our investment abroad does not come at the expense of our strength at home—far from it. Most of the supplemental is being spent here in the United States, building up our defense industrial base and creating and supporting thousands of American jobs.

We need to keep up this momentum. That requires a State Department budget that will fully resource our response to the challenges of our time.

The President's FY 2025 budget—requesting $58.8 billion for the State Department and USAID—does that in two key ways.

First, it funds the essential missions of our Department and USAID. The budget will ensure the United States continues to be the partner of choice that countries turn to when they need to solve big problems. In an era of renewed great power competition, we must present the strongest possible offer: one that is relevant and responsive to countries' needs, and that advances our security and economic interests.

That's why we're requesting $2 billion for a new fund to build high- quality, sustainable infrastructure around the world. Crucially, investments like these create jobs for Americans and expand markets for our businesses.

We're requesting resources for the World Bank. With $1 billion in U.S. funding, we can unlock another $36 billion in development fund capacity to direct to the top priorities of emerging economies. That's an enormous return on our investment—and essential for competing with China around the world.

The budget also includes $1.7 billion for international organizations, including the United Nations, APEC, and the Inter-American Development Bank, to help shape them in ways that reflect our interests and values.

We're asking for $500 million to give more people around the world access to secure Internet and digital technologies. Doing so will support the U.S. economy through the export of our technology products . . . and it will help ensure we, and our fellow democracies, remain the leaders and standard-setters in key technologies like artificial intelligence.

Our budget includes funding to address global issues that affect the lives and livelihoods of the American people, as well as people around the world—especially the synthetic drugs crisis. It also funds our response to irregular migration, global food insecurity, public health, and climate and energy security.

We're also asking Congress to fully fund the State Department's educational and cultural exchanges. They are one of our best and most cost-effective tools for advancing U.S. values and interests around the world—and they support the students, researchers, and young professionals from our communities who study and work abroad.

To outcompete our strategic rivals, we need to invest in the foundation of our strength abroad: America's diplomatic corps. That's the second pillar of this budget.

Our budget makes a strong investment in expanding our overseas presence, opening posts in the Pacific Islands and Eastern Caribbean.

It will also continue our modernization of American diplomacy. We are organizing the department and attracting and retaining the talent needed to take on 21st century challenges . . . investing in our people in Washington and at posts overseas, with training and technology . . . and promoting agility, innovation, and efficiency in our processes.

Last year's enacted budget level represented a 5 percent cut from the year before. That challenges our efforts to deliver the results Congress and the American people deserve.

I urge you to support this budget, which helps us address the most pressing foreign policy priorities of the coming year . . . and lays the foundation for strong U.S. leadership in the years ahead.

I'm grateful for this committee's partnership and your time. And I look forward to answering your questions.

Senator COONS. Senator Murray, Chair Murray.

Senator MURRAY. Thank you very much, Chair Coons, and thank you, Secretary Blinken, for joining us.

As I think every Member of this Committee would agree, this is an extremely challenging moment across the world, and amid these challenges, your Department's work couldn't be more important. Our strength at home and across the world isn't just measured by the strength of our military; it is measured by our diplomacy, our influence abroad, and our strategic investments, like supporting our allies, building partnerships, strengthening trade and supply chains, and protecting civilians.

That is why these types of investments were a key part of the National Security Supplemental that I worked so hard to pass earlier this year. We proved Congress can still come together to stand by our allies, like in Ukraine, and show American leadership is still strong. We know there is a lot more work to do.

So when it comes to America's national security, it is absolutely critical we ensure that your Department has the resources needed to fulfill its essential mission. After all, Vladimir Putin is not operating his brutal invasion by a CR. And President Xi, certainly, is not cutting investment in diplomacy, or military, or economic assistance, or international development

The lesson should be clear: when we fail to properly invest in the State Department and the powerful diplomatic tools we have, our adversaries fill the gap. So I am delighted you are here today and look forward to the conversation.

Mr. Secretary, U.S. foreign policy should reflect our interests, and that means being consistent with our values. That includes protecting human rights and upholding the rule of law. We have to stand by our allies in time of need, and at the same time we have a responsibility to make sure weapons we provide do not contribute to violations of international humanitarian law, which exists to limit the suffering caused by warfare even when the war itself is justified.

In May, the administration transmitted its first report under National Security Memorandum 20 to Congress. This report found it was reasonable to assess some partner countries are using U.S.-provided weapons in a manner that is inconsistent with international law. Clearly, more needs to be done to ensure human rights and the rule of law are central in our decisions regarding to what extent and under what conditions we provide security assistance to partner countries. What steps are you taking to ensure se-

curity assistance, legal requirements, and policies are being fully implemented?

Secretary BLINKEN. Thank you very much, Chair. And let me first say I fully agree with you. And it is imperative that as we provide security assistance, defense support to other countries, to allies, and partners, that it be used in a way that upholds international humanitarian law, the law of armed conflict, et cetera.

And we have processes in place, in fact, newly established in this administration, to try to make sure that we are doing that, particularly when it comes to the Conventional Arms Transfer Policy, something we call the CHIRG process, which tries to assess whether, in any given incident involving civilian casualties, American weapons were used. And those processes are actually underway.

We have multiple inquiries going on with regard to specific incidents. I am referring here to Gaza, the challenge, and I think it is reflected in the NSM Report that you referred to, the challenge is making final determinations in the midst of a war, in the midst of conflict. It is very hard to get all of the dispositive information. We are not on the ground. We don't have access. In the case of Gaza, you have an extraordinarily complicated battlefield where Hamas, a terrorist organization, hides behind, and underneath civilians, and apartment buildings, and hospitals, and mosques, making it very, very difficult to make final real-time assessments.

But as you have noted, and as the report concluded, given the totality of the damage that has been done to civilians in Gaza, and given the fact that there is American weaponry is there, it was reasonable to assess that in some instances it had been used in ways that are not consistent with international humanitarian law.

These instances are under investigation. They are under investigation by us. They are also under investigation by Israel. There are hundreds of open inquiries in Israel. There are criminal investigations that are underway in Israel. And our own process, I take very seriously. We can't have double standards, whether it is Israel or any other country that we provide weapons to, in making sure, to the best of our ability, that they are used consistent with the requirements of International Humanitarian Law.

Senator MURRAY. Do you have sufficient staff and resources to meet that objective?

Secretary BLINKEN. It is a very good question, and it is something that we are looking very hard at, because I think in order to do something like this in real-time, the answer is probably no. It is incredibly labor-intensive. And even with that, not having access in the midst of a war makes it even more difficult. We are looking at ways that we can better resource what we are doing. And that is certainly something we will come to you with because I want to make sure that we do it as thoroughly and as effectively as possible, even given the conditions in which we are doing it.

Senator MURRAY. Okay. Thank you. And let me turn to Ukraine. I really appreciated your update on where you are deploying new weapons and non-military aid to Ukraine. But despite our tireless efforts here in the Senate, the National Security Supplemental was significantly delayed. And I am very worried about the window that has now given Putin and Russia to build up their forces and make the advances that we have seen in the last few weeks. I am

also really concerned about reports of Russia's increased weapons production and the challenges the U.S., our European partners, and Ukraine will have in keeping up with them.

You were just in Kyiv.

Secretary BLINKEN. Um-hum.

Senator MURRAY. Given the recent gains on the battlefield by Russia, what is your assessment of how quickly the aid and support alongside our allies could translate to the Ukrainians holding the line or, in fact, regaining territory?

Secretary BLINKEN. So I think it is translating into that right now. Items that were funded or supported by the supplemental are already there, and much more is flowing. But we have already seen that arrive. I think it has had two impacts: clearly a psychological impact, which Ukraine very much needed in this moment, and it really bucked them up to know that all of this was on the way. But we are also starting to see a practical impact in terms of these necessary pieces of equipment, and arms getting into the hands of Ukrainians when they need it most.

Now, what is going on in the northeast, you primarily have a challenge of making sure that in the first instance, Ukrainians have effective defenses against the attempt by the Russians to create a buffer zone and to challenge Kharkiv. But I think we are getting to a point where that is starting to come into effect.

So my hope and expectation, based on what we have seen, is you will see a stronger and stronger resilience to what Russia is trying to do as a result of the supplemental, as a result of things that Europeans are providing. But I have to tell you, there was real damage done over the last 8 months, and that gap, unfortunately, was filled to some extent by the Russians pushing forward. Now, I think the Ukrainians have the means to more effectively deal with that.

Senator MURRAY. Okay. Thank you. Thank you very much, Mr. Secretary.

Senator COONS. Thank you, Chair Murray.

Ranking Member Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

Mr. Secretary, I believe the money in this account is about 1 percent of all Federal spending; is that correct?

Secretary BLINKEN. That is correct, yes.

Senator GRAHAM. And out of that pot of money, we provide security for personnel, State Department officials all over the world, right?

Secretary BLINKEN. That is right.

Senator GRAHAM. Have you ever seen more threats to us than you do today?

Secretary BLINKEN. Senator, we are operating in an incredibly dangerous world, but we to be out there.

Senator GRAHAM. Right. So it is hard to get out there if you can't get off the compound. So this is 1 percent of the Federal budget. If you eliminated the entire account, you are not doing anything to balance the budget. We need Overseas Contingency Operations funding, in my view, for the Navy, and we need OCO for this account to deal with the threats we face, because the topline numbers—hats off to Senator Murray and Collins—are just insufficient

to the threats we face. Do you generally agree with that, that the amount of money we are dealing with is insufficient to the threats we face?

Secretary BLINKEN. Yes, I do.

Senator GRAHAM. Let us talk about money. In the supplemental, which I supported, there was a provision that allowed—it is called REPO (Rebuilding Economic Prosperity and Opportunity for Ukrainians Act)—allowing us to go after Russian sovereign wealth funds; is that correct?

Secretary BLINKEN. Yes.

Senator GRAHAM. Are you having good luck in doing that?

Secretary BLINKEN. We are starting to. And first of all, I want to thank you for that. I think that was a very important initiative. Just today, the European Union came to an agreement to use the interest from the sovereign assets and just to be able to use it for Ukraine.

Senator GRAHAM. What about the principal?

Secretary BLINKEN. So the principal is the next challenge, and we are working hard on that. I think here is where we are. My hope is that we can come to an agreement, at the very least, on an arrangement by which the principal would, in effect, serve as collateral against a significant loan or bond that would free up a lot of money for the Ukrainians.

Senator GRAHAM. Count me in, and I think all of us are pushing our European allies to go after Russian assets to open up another front, to hit Putin and his cronies in the pocketbook. So I want to help you there. Do you support Russia being designated a state sponsor of terrorism?

Secretary BLINKEN. So this is, I know, an ongoing conversation we have had and one that——

Senator GRAHAM. Well, I just got a few minutes, so.

Secretary BLINKEN. Yes. So very quickly, look, I think my perspective is this. We have and we are using many other authorities that I think are more clearly applicable——

Senator GRAHAM. Well, we will talk offline. I would urge you to do this. We need to send a signal to Russia, we are serious at every level, and they deserve to be a state sponsor of terrorism. I got a list of people that died that is too long for me to run off and I can't say half their names. So it is just time for Putin to be labeled a state sponsor of terrorism. They have just wreaked havoc.

Now let us get to the ICC. Did you reach out to the Prosecutor's Office about your concerns of bringing a case against Israel?

Secretary BLINKEN. Yes.

Senator GRAHAM. Did you talk about the concept of complementarity?

Secretary BLINKEN. That is exactly what I talked about because it is exactly as you said. My understanding of the Court's intent——

Senator GRAHAM. I want to, you know, we have a lot of differences, I want to thank you. I want to thank President Biden for issuing a strong statement. Your statement was terrific, Mr. Secretary. Senator Schumer was very, very good. I, along with many others, engaged the ICC to engage Israel before you made a final

decision. At least listen to them and see if you could find common ground.

Again, I want to repeat. The ICC were supposed to be on the ground yesterday; is that correct?

Secretary BLINKEN. That is my understanding, yes.

Senator GRAHAM. And they informed the Israelis basically after the flight left, they were not coming; is that correct?

Secretary BLINKEN. That is my understanding.

Senator GRAHAM. And there was a CNN interview with the Prosecutor General announcing the arrest warrant; is that correct?

Secretary BLINKEN. That is my understanding, too.

Senator GRAHAM. Which was filmed before the flight was due to leave.

Secretary BLINKEN. I believe that is——

Senator GRAHAM. I think that is bad-faith, folks. So I want to take actions, not just words. Will you support a bipartisan effort to sanction the ICC, not only for the outrage against Israel but to protect in the future, our own interests?

Secretary BLINKEN. I welcome working with you on that.

Senator GRAHAM. Okay. Let it be said that we are going to work together to send a signal to the ICC: What you did was not only outrageous, you destroyed the rule of law as we know it, and you have given, like Venezuela, 9 months. And I have never been more disappointed. We worked together to help the ICC against Russia. Ungoverned spaces and rogue nations are the point of ICC, not Israel.

So let us talk about the deal. Are you optimistic that the normalization between Saudi Arabia and Israel is still possible?

Secretary BLINKEN. I am. And I have to, first of all, applaud the work that you have done on this over many, many months in helping carry this forward. And I think we are at a point where the necessary agreements between the United States and Saudi Arabia are very well within reach, and of course, we would bring all of this before Congress. But then the question will be, if those agreements are able to be concluded, it still requires Israel to do certain things in order to proceed with normalization.

Senator GRAHAM. I have heard the statement the ball is about to be in Israel's court. Is that fair to say?

Secretary BLINKEN. That is my assessment, yes.

Senator GRAHAM. Okay. So as I understand it, here is what is non-negotiable: nobody expects Hamas to be standing militarily when this war is over, right?

Secretary BLINKEN. As I said——

Senator GRAHAM. We share Israel's view they must know militarily——

Secretary BLINKEN. We share Israel's view that Hamas cannot be governing Gaza.

Senator GRAHAM. Right. And they cannot be a military threat to Israel. We all agree with that.

Okay, now as to the Palestinian future, we were on television last week and I thought you laid out pretty eloquent: What is going to happen once the battalions are destroyed? What does the day after look like? Do you believe a military occupation of Gaza by Israel is sustainable?

Secretary BLINKEN. No.

Senator GRAHAM. You know, I have real doubts about that myself. Do you believe that Saudi Arabia and the UAE have the capability, if they have the will, to turn Gaza and West Bank around?

Secretary BLINKEN. I believe a number of countries could play an instrumental role in, at least on an interim basis if necessary, helping to provide security, helping to provide governance, to govern to themselves——

Senator GRAHAM. It could be a coalition of people.

Secretary BLINKEN. Yes.

Senator GRAHAM. Do you believe Mohammed bin Salman is sincere in wanting to normalize with Israel?

Secretary BLINKEN. Yes.

Senator GRAHAM. Do you believe that the Palestinian component is not the establishment of a Palestinian State on day one, but a process that may get to there?

Secretary BLINKEN. There has to be a clear, credible pathway to state.

Senator GRAHAM. Right, but not the establishment of state on day one.

Secretary BLINKEN. Well, day one is virtually impossible.

Senator GRAHAM. Yes, right.

Secretary BLINKEN. But getting to a state in a time now where——

Senator GRAHAM. That is one of the things he wants. That is one of the things he wants, to recognize Israel.

Secretary BLINKEN. Right. It has to be credible. It has to be clear, in my judgment we need to have something that is time-bound, and of course, it has to have the necessary security guarantees for Israel.

Senator GRAHAM. So you are not advocating any agreement between normalization that would compromise Israel's security regarding the Palestinian file?

Secretary BLINKEN. No. And the whole point of normalization, but also the whole point of the establishment of a Palestinian State, is to make sure that Israel's security is better insured.

Senator GRAHAM. I have been over there several times, Senator Collins went, a lot of people here went—I know my time is up. I cannot see a better time than now, the need to come up with a plan for Gaza and the West Bank after Hamas falls, and it will, is real. The opportunity is historic. Do not let this moment pass. To my friends in Israel, I will never abandon your security, but we are going to have to sit down as a world to make some hard decisions.

So Mr. Secretary, I have enjoyed working with you and National Security Advisor Sullivan, and the President. I have said publicly I think this needs to be done on your watch, and I want to say again publicly, as a Republican, I think most of my colleagues would embrace a security agreement between the United States and Saudi Arabia if it would lead to normalization and a brighter future for Israel and the Palestinian people. I believe that is the position of most people on my side of the aisle, and we want to help you.

Secretary BLINKEN. Thank you, Senator.

Senator COONS. Thank you, Senator Graham, and thank you for your dedicated and persistent pursuit of a path forward that would actually deliver the end of the Arab-Israeli conflict, recognition of Israel by Saudi Arabia, and a path towards self-governance for Palestinians. That is something so many of us hope we can see. And thank you, Mr. Secretary. Senator Durbin.

Senator DURBIN. Thank you, Mr. Chairman. Mr. Secretary, it is good to see you. And thank you for your tireless efforts on behalf of this Nation. I appreciate it.

I would like to mention two political prisoners in different parts of the world that we have reached out to and been in contact with, a Cambodian-American, Democrat activist, Terry Singh, who is serving a 6-year sentence on nonsense charges. And Gulshan Abbas, a Chinese Uyghur doctor languishing in a Chinese prison on a 20-year dubious charge. I hope you will continue to advocate for these two.

Secretary BLINKEN. The short answer is yes, we will, and we are.

Senator DURBIN. I want to reiterate something I said on the floor last week, specifically supporting President Biden, in suspending key weapons deliveries to Israel that could be used for a full assault on Gaza and Rafah. Our President has stood in solidarity with the Israeli people since the horrific October 7 Hamas attack, which I might add included taking hostage someone with ties to my State, Hersh Goldberg-Polin, there is recent evidence of life and survival, so we are anxious to see his return.

But like President Biden, and like many of us, I have had enough with Prime Minister Netanyahu's strategy in Gaza that has caused the deaths of thousands of innocent Palestinians, many of whom are women and children. How can we, in good conscience, continue to supply Netanyahu with weapons for a war where he restricts access to humanitarian aid like food, medicine, and fuel, at the expense of women and children?

Secretary BLINKEN. Senator, we have been determined from day one to do two things. One, to make sure that Israel had what it needs to defend itself, to make sure that October 7 couldn't happen again. But also in so doing, to look out for the protection of civilians and their needs, their humanitarian needs. And from day one, we have been pushing, pressing Israel to make sure that access was there, supplies were there, distribution was there, deconfliction was there.

And that has been virtually every single day of the last 8 months, working on that to try to improve the conditions for those who are caught in this horrific crossfire of Hamas' making. And particularly the children, the women, the innocent men who are suffering terribly every single minute of every single day.

Senator DURBIN. We have heard over and over that there is an Israeli strategy to restrict access to humanitarian aid in Gaza, and as a consequence, children are starving to death and people are in desperate situations. I have personal friends of mine who have been there, medical doctors, the reports are horrific of what deprivation has been caused there. Is that at the hands of Israel's strategy, or is that a part of it?

Secretary BLINKEN. In our judgment, this is not, and has not been a deliberate attempt to deny people what they need, but this

has not been the priority that it should have been and needs to be in terms of what Israel is doing in Gaza. It is, as we know, an incredibly complicated terrain in which to operate, given the nature of the enemy and what it does.

But we have said for some time, for a long time, that in our judgment, the needs of the civilian population need to be put front and center and to design everything else around that, not the other way around. Over these many months, as we have gotten different access points open, starting with Rafah back in October, to Kerem Shalom some weeks later, to other crossing points, whether it was Erez or the 96 Crossing, the route from Jordan with trucks, now our own maritime pier.

All of this has been designed, and with Israel's cooperation, to get assistance to people who desperately need it. But it has not been enough. It has not been effectively distributed, and people continue to suffer grievously. So we are working to do everything we can to maximize what they get. Deconfliction remains a real problem as well.

Senator DURBIN. So I understand the administration's position and agree with it, that when it comes to denying them, for example, access to 2,000-pound bombs, which may destroy the lives of innocent people and certainly would in these confined circumstances, that is an express statement by the United States that any policy of the Israelis that includes those bombs, we are not going to be complicit. Is that true?

Secretary BLINKEN. To be clear about what the President said, and we have shared this for some time, we have deep concerns, and in fact cannot support a major military operation going into Rafah absent a credible plan to protect civilians. We haven't seen such a plan. We have deep concerns in a dense urban environment, like Rafah, with the use of something like a 2,000-pound bomb. That is why we have been engaged in a discussion with the Israelis about it.

Senator DURBIN. So the point I am getting to though is when you look at the interdiction or denial of humanitarian aid and the deaths of innocent people, particularly women and children, what are we doing to put the pressure on Israel to stop that?

Secretary BLINKEN. I think that is there every single day. The President has been very clear with Prime Minister Netanyahu about that. I have done the same with my various counterparts. We have commitments from Israel, including in writing, about the steps that haven't been taken that need to be taken, that they say they will take and are taking, and we are working to hold them to those steps. We have to make sure that more aid gets into more people more effectively.

Senator DURBIN. When I see this television coverage of miles and miles of trucks waiting to bring humanitarian aid, and I am thinking while there——

[Audience outburst.]

Senator DURBIN. At the same time that these children are starving and being denied basic medical assistance, it strikes me that we are building extraordinary piers, temporary piers, at a cost of millions of dollars because the Israelis will not open up the gates to let the trucks in. Am I drawing——

Secretary BLINKEN. No, the pier, the pier which is now functional, was designed to be a complement to, and not a substitute for these gates.

Senator DURBIN. So the gates are open?

Secretary BLINKEN. So in the north, we have Erez and Zikim, which were recently opened. We have routes in the south though, and this is what has happened in the last couple of weeks, with the operations now taking place in the area of Rafah, and particularly the Rafah gate that was shut down. Kerem Shalom was operating at much less capacity than before because of the military operations that Israel is engaged in, in the last few weeks.

So what we don't—what we don't want to see is a reversal. We had terrible problems, particularly in the north, in getting aid in, and the north was a particularly acute disaster area for the people that were still there. That has been improved, again not sufficiently, in opening these crossings from the north. We have convoys coming in from Jordan as well that are going directly to the north, Ashdod Port. But now the situation in the south is deeply, deeply, deeply concerning because these gates have either been shut down, or they are not operating as efficiently as they should.

Senator DURBIN. I hope that the United States, through the President, will take the same resolute, determined stand when it comes to the interdiction of humanitarian aid. We have been briefed by credible sources that there is little or no smuggling taking place into Hamas, and that the basic foodstuffs and medicine and fuel that are needed for these families that are struggling to survive there is being stopped, and it trickles in instead of coming in at full force. I hope we show the same level of determination for that as we did with these 2,000-pound bombs.

Secretary BLINKEN. We do. Thank you.

Senator COONS. Thank you, Senator Durbin. Senator Boozman.

Senator Moran, my apologies.

Senator MORAN. Thank you, Senator Boozman. Thank you, Mr. Chairman.

Mr. Secretary, the introduction of Russian troops into Niger, the same base as where American personnel, including Kansas Members of the National Guard, are stationed. What is being communicated to the Junta in Niamey to make certain our service members are protected, and what can you assure me about our pending withdrawal, that it will be safe and responsible?

Secretary BLINKEN. Thank you, Senator. My number one priority, the number one priority as the Secretary of Defense in this case, is Force protection or personnel protection. And particularly in a situation like Niger, where, yes, we had a coup, we sought to reach an agreement with the junta or the government that exists now about staying. We haven't been able to reach an agreement that meets our needs.

But we have been absolutely clear with them about the imperative of making sure that as we pull forces out, we do it in a way that is safe and secure for those forces, just as our Embassy personnel needs to be protected. We have assurances from the Government about that, but my number one priority is making sure that whatever happens as we proceed with bringing forces out, it is done in a way that protects them.

Senator MORAN. I think I read in the general press about a September 15 date for departure.

Secretary BLINKEN. That is correct.

Senator MORAN. What is that based on? Why from now until then?

Secretary BLINKEN. Basically, the amount of time it takes to do it safely, securely, to retrograde all of the material that is there. Again, to your point, we also want to make sure that we not only bring our people home, we bring all of the equipment home, technology home, because we certainly don't want Russians or Russian proxies getting a hold of that.

Senator MORAN. Related but concerning is we have spent billions of dollars in security assistance for countries across the Sahel, including training their militaries. I think we have seen five coups by the very military that the U.S. is training, since 2020, and the numbers I have seen suggest that terrorism-related activities grow by 2000 percent in the last 15 years. What is it that we need to do to change our policies? And where do we go; emphasis on security assistance versus governance, peace building, conflict resolution?

Secretary BLINKEN. Yes. I think you put your finger on something critical, which is that as necessary as the security and military assistance is, it is not sufficient. And a more comprehensive approach that gets at trying to build government capacity, institutions, transparency, economic development, social needs, all of those things are imperative if we are actually going to have something that is sustainable.

So we have some comprehensive plans in place to do that with some of the countries surrounding the Sahel. We have the Global Fragility Act, thanks to Congress, and indeed many Members of this Committee, that gives us both the means and the long-term approach to try to help build that up. Because I think if we don't, all the security assistance in the world is probably not going to work, and we are going to be on the wrong end of what you have just described.

Senator MORAN. Mr. Secretary, I think in last year's hearing, I raised this topic and asked this question. There are lots of reasons that this is important, but we have an average 400-day wait time to receive a visitor's visa to the United States. Senator Klobuchar and I have introduced the Visa Process Improvement Act. I am reminding you that we have the Olympics coming to the United States, FIFA World Cup in 2026. Eleven cities, including Kansas City, are hosting this event—these events. It is expected to attract eight million international visitors. What is the plan? Is there changes that we have not yet seen that improve the situation for the visa processing system to address this 400-day average wait?

Secretary BLINKEN. Yes. In short, yes. And we have been on this relentlessly. And the fact is, right now, more visitors can travel to the United States than ever before. As a result of visas, for fiscal year 2023, we issued 10.5 million nonimmigrant visas, and that exceeds what we issued before the pandemic, which is when we got into a great deal of difficulty. It exceeds it by 20 percent.

We have, with a high standard for security and vetting, which of course remains critical in what we are doing. We have reduced

interview wait times across the board. They are now at pre-pandemic levels in every single category, except for first-time visitors to the United States from non-visa waiver countries. So this is an area that we are putting particular focus on because every other wait time is actually below now pre-pandemic wait times.

The processing times that are most impactful to our economy, whether it is students, temporary workers, business travelers, all of those wait times are actually down. So we have to focus on, and we are focused on, the first-time travelers who are not coming from visa waiver countries. We have dedicated extensive resources to this to make sure that both in our embassies and back home, we can do what is necessary to process people and process them quickly.

Senator MORAN. Is there any evidence, Mr. Secretary, that China has taken steps, tangible steps, to reduce the flow of fentanyl and precursor chemicals into the United States?

Secretary BLINKEN. Yes. A good start, but not enough. By a "good start", I mean this: after the meeting between President Biden and President Xi, President Biden secured an agreement by China to act, and act more effectively on this. And what we have seen since then is the promulgation of new regulations to their chemical-producing companies. We have seen them take down some companies that were engaged in the illicit transfer of chemical precursors. And in addition, they established with us a working group so that we are working on this regularly, and we can bring information to them about things that we are seeing.

Having said that, we believe that to really have an impact on the flow of these precursors that typically would go to Mexico, synthesized into fentanyl, coming to the United States, there are a few things that we really need to see. One is very public law enforcement, with prosecutions and convictions of people or enterprises that are engaged in this.

Two, there are a number of chemical precursors that should be scheduled that China, at least theoretically, has agreed to schedule, that they still haven't, thus making it more difficult for companies to divert them.

And third, there is a financial nexus between some actors and entities in China and criminal organizations, in Mexico in particular, that they need to act on.

Senator MORAN. Is China ambivalent, or it actually gains benefit from supporting the trade?

Secretary BLINKEN. I think from what we have seen, they saw it before as principally a problem for us, and a demand problem that we were not addressing effectively. We have made it clear to them that: One, this is a number one priority for us. As you know well, Americans between the ages of 18 and 49, the number one killer is fentanyl, synthetic opioid . So this is a national emergency.

Second, what we have seen is that even as our markets have become saturated, these criminal enterprises are making markets elsewhere around the world, in our own hemisphere, in Europe, in Asia. And we made it clear to China there is going to be a growing demand signal on you to act responsibly in dealing with this. You may not care so much if it is coming from us. You are probably going to care more if it is coming from a lot of other countries. We

put together a coalition now of almost 150 countries and organizations to deal globally with the synthetic drug crisis. And I think China is hearing those demand signals, and we are seeing action. But again, it is a start, but it is not enough.

Senator MORAN. Thank you.

Senator COONS. Senator Van Hollen.

Senator VAN HOLLEN. Thank you, Senator Schatz, and good to see you again, Mr. Secretary. I do want to follow up here where we left off earlier in this morning's Senate Foreign Relations Committee hearing. I did hear your exchange with Senator Murray, where you indicated that in the middle of a conflict, it would be difficult to reach any final conclusions about whether or not U.S. weapons were used in violation of International Humanitarian Law. I would just point out that there are many other conflicts where we are able to quickly make and do issue those kinds of judgments.

But what I don't think is complicated at all is if you look at the period of time from October 7, the terrible Hamas October 7 attacks, to the present, I don't think it is complicated to conclude that the Netanyahu Government has complied with international norms with respect to the delivery of humanitarian assistance, along that continuum of time.

Is it your testimony today that the Netanyahu government has complied with international norms when it comes to delivering humanitarian assistance to desperate people in Gaza since October 7 until today?

Secretary BLINKEN. I think there has been a huge gap between stated intent and actual results. And that is a gap that we have been trying to close every single day. And I think that is what we have been seeing for many months.

Senator VAN HOLLEN. Mr. Secretary. I get that. You know, obviously my question was whether or not there have been violations of international norms, which I think to any person with eyes to see and ears to hear, there have been. And as you know, there are many people in the U.S. Government who have reached similar conclusions, and actually it has been well reported on. So I think that does hurt our credibility when we are not able to make that clear call.

Let me move on to the issue where we were in agreement, I think, this morning, which is that it is in our national security interest to have a durable end to the conflict in Gaza and to the larger Israeli-Palestinian conflict. And that we can only achieve security, and self-determination, and dignity and justice for Israelis and Palestinians alike by securing a normalization of relations with Israel and Saudi Arabia and other states, as well as a clear plan, I think you said a time-bound plan, to establish a Palestinian state. Am I paraphrasing that fairly?

Secretary BLINKEN. That is correct.

Senator VAN HOLLEN. And you agree that it is not possible to achieve a secure and just end to the Israeli-Palestinian conflict by jumping over the equities of the Palestinian people; is that right?

Secretary BLINKEN. Absolutely not. That is impossible. It would be self-defeating.

Senator VAN HOLLEN. I want to emphasize that point because, you know, Mr. Secretary, you have been around Washington for a long time, and it has been fashionable, in some foreign policy circles, to believe that you could do that, that you could somehow achieve peace and stability and security by jumping over the Palestinian issue.

And I want to emphasize this because you have said that the Saudis are insistent on a clear path to a Palestinian state and a time-bound path, but it is also in our national security interest. So are we also insistent on that?

Secretary BLINKEN. Yes, we are. And again, it is interesting and I think instructive to note that perhaps the two most vicious and vociferous enemies of a two-state solution are Hamas and Iran. That should tell you something. And it also should tell you what a rebuke to both Hamas and Iran it would be if we could finally get on this pathway in a credible and time-bound way. And I think certainly everything we have heard from the Saudis in the context of having these normalization discussions makes it clear that they feel the same way.

Senator VAN HOLLEN. Well, I am glad you raised that because there is one other party, right, in addition to the two that you mentioned, that has been dead set against a Palestinian state and a two-state solution. In December of 2022, just the day before the new Netanyahu government was sworn in, Netanyahu issued a list of priorities for this new very extreme government, and I am quoting, one of his guiding principles was, "The Jewish people have an exclusive and inalienable right to all parts of the land of Israel," meaning including all the West Bank.

So I want to read to you something else that Prime Minister—now Prime Minister Netanyahu said back in 2019 at a Likud Meeting, and this has been well reported, and I quote, "Anyone who wants to prevent the creation of a Palestinian State needs to support strengthening Hamas. This is part of our strategy to divide the Palestinians between those in Gaza, and those in Judea and Samaria."

So Mr. Secretary, you mentioned some of the other opponents of a two-state solution, and it is absolutely true that Hamas believes in one state, right? Their despicable endgame is one state where they wipe out the state of Israel, right? And so can you be really clear as to why Prime Minister Netanyahu is simply misrepresenting the case when he says that a Palestinian state and a two-state solution would be, quote, "A reward for Hamas"; isn't it exactly the opposite?

Secretary BLINKEN. I believe it is exactly the opposite. Now, of course, a Palestinian state has to come with the necessary security guarantees for Israel. No one wants to see a state emerge that would become a threat to Israel, and I think there are effective ways to make sure that that doesn't happen.

But yes, to your point, again, I think the biggest rebuke to Hamas and to Iran would be the realization of a Palestinian state alongside a Jewish and democratic Israel.

Senator VAN HOLLEN. And I agree with you 100 percent, Mr. Secretary. I just want us to be clear-eyed about all the forces that are arrayed against us. Part of the effort to undermine the PA, or

the two-state solution has been undermining the Palestinian Authority.

As you know, Finance Minister Smotrich has been withholding funds for the PA, which is weakening the PA and creating an even more unstable security situation on the West Bank. Today, Ben-Gvir talked about reoccupying Gaza. He said he would like to live in Gaza. This is today reported. So my question, Mr. Secretary, is what are we willing to do when people like Finance Minister Smotrich hold up funds for the PA, weakening security? And at what point do we say that our continued support is contingent on more cooperation?

Secretary BLINKEN. I think if you ask the Israeli security forces, whether it is the intelligence forces, Shin Bet, whether it is the IDF, they will tell you that the PA plays an absolutely critical—essential role in trying to preserve security and stability on the West Bank. They do it in an incredibly difficult environment, precisely because they are constantly being starved for funds.

They are doing work that is actually vital to Israel's security. And so it is manifestly against the interests of Israel, and it is against our own interests to see the PA undermined in the fashion that some are attempting to undermine it.

Second, in terms of governance going forward, it is imperative that not only the conflict in Gaza end as soon as possible, but that Israel come forward with a clear plan for how Gaza is going to be governed, secured, and redeveloped, because the trajectory we are on right now, in the absence of such a plan, is either Israel stays and occupies the Gaza, which is unacceptable to us, and should be unacceptable to them, because they will be inheriting an insurgency that will bleed them for a long time.

Or if they are not going to do it, then Hamas will come back. And we have seen already in areas that have been "cleared" by Israel, the return, in some cases, of Hamas. Or you will simply have anarchy, lawlessness, which we see in most parts of Gaza right now, and that eventually will be filled almost certainly by something bad, even worse than the lawlessness.

So there is an imperative, an absolute imperative for that. We believe strongly that, of course, Palestinians must be governing themselves, whether it is in Gaza, whether it is the West Bank, and whether it is ultimately, of course, in a Palestinian State. And right now, for all of its deficiencies and challenges, the Palestinian Authority is the best vehicle for that. They have a new Prime Minister, they have a new government, they have a reform plan which needs to be implemented.

In our own engagements with the Prime Minister, he struck us as someone who is serious and focused on actually trying to reform the PA, so it is responsive to the needs of the people, and that it roots out corruption. But of course, if it has no resources to work with, it is going to be impossible to do the job. So we are at this constantly, including trying to make sure that the revenues that the PA is entitled to actually get to the PA.

Senator VAN HOLLEN. Thank you. And I do think this is sort of the last gasp, the coming year, for a two-state solution, and it is going to require strong U.S. leadership. Thank you.

Secretary BLINKEN. Thank you, Senator.

Senator COONS. Senator Schatz.

Senator SCHATZ. Thank you, Chairman. Thank you, Secretary. I want to follow up on Senator Van Hollen's line of questioning.

The Israelis' Defense Minister called on Prime Minister Netanyahu to quote, "Make a decision and declare that Israel will not establish civilian control or military governance in Gaza", and that quote, "A governing alternative to Hamas in the Gaza Strip be raised immediately." Can you comment on that?

Secretary BLINKEN. We agree with what the Defense Minister has said, and other members of the cabinet have said. And it is just as I said: in the absence of such a plan, the trajectory is very negative in terms of Israel's own interests. So it is imperative that we see that.

Now, we have not been standing still. We have been working very, very intently with many Arab partners over the last 3 months, 4 months, on developing possible plans for Gaza, for post-conflict Gaza, because we also see that as a means of speeding the end to the conflict which we very much want to see as soon as possible, so that the suffering of people stops.

Now, of course, and it is unfortunate, more than unfortunate, this has gotten lost from the conversation. Hamas could have arranged that—for that on day one by surrendering, giving up the hostages, putting down its arms, stop hiding behind people, and using them as human shields. Of course, it has not done that, and the fact that there has been virtual silence on that these many months, also is deeply unfortunate.

But there, it is imperative that there be a clear plan and that Israel is ready to move on it. Otherwise, we are going to wind up exactly where I described to Senator Van Hollen.

Senator SCHATZ. Yes. That is right. I mean no decision is a decision, right? Sort of sandbagging this ends us, inevitably, in a place where there are no two states, and there is some version of chaos. But I am glad you said that about Hamas, because I do think that, you know, one of the things that Members of this Committee, Members of Congress, even in American society, go straight to, is that we do criticize Israel, and I think they are worthy of criticism.

But one of the reasons we criticize Israel is because they will listen sometimes, and it is not common for a Member of Congress to criticize Hamas, and it is not like as similar as reading a statement worried about whether or not they are in good standing with the American public. And so, I do think it is worth reiterating that without a partner for peace, it is going to be incredibly difficult.

I want to pursue the question of normalization. You have talked to Senator Graham and others about where we are. It seems to me that we have many of the partners ready to go and the Prime Minister is the sort of last piece of that; is that a fair characterization of where we are?

Secretary BLINKEN. Well, look, in fairness, we have had a lot of work to do to try to get as close to final as possible agreements on normalization between us and Saudi Arabia that are part of this—that would be part of this Arrangement, and of course, those are agreements if we reach them in principle, that we will bring to Congress. But I think we are at a point now where those Agreements are very much within reach, very close reach, and that sud-

denly turns what has been a theoretical or hypothetical into an actual question, to get the answer.

Senator SCHATZ. I guess the question I am trying to figure out is, when you talk about how sort of vanishingly close, and that is what the public reporting has been, is that things are actually going reasonably well in the kind of "bilat" piece.

Secretary BLINKEN. Um-hum. Yes.

Senator SCHATZ. The problem is that this is not a bilateral negotiation; so where are we with that?

Secretary BLINKEN. So I think, my point is this: For Israel, in talking about this until now, it has been a sort of theoretical or hypothetical conversation, assuming we reach conclusion on these agreements with Saudi Arabia, all of a sudden that becomes a real question. We are in effect calling the question. And I can't tell you what the answer will be. But actually having to answer the question as opposed to answering something that might happen is a very different thing.

I can't tell you whether Israel, whether it is the Prime Minister or the country as a whole, is prepared to do in this moment, what would be necessary to actually realize normalization, because that requires an end to Gaza, and it requires a credible pathway to a Palestinian State.

Are they able and willing to do that in this moment? I don't know, but until you actually pose the question in a concrete way, we are not going to find out.

Senator SCHATZ. I want to go back to the humanitarian aid question, and the sort of throughput of the various crossings, and the pier and all the rest of it. We all know we want more, we all know that we are dissatisfied with both Hamas, and IDF, and the Israeli Government on the throughput. My question is rather specific: Where are we on numbers? How close are we to a sort of steady state of obviously still not a good situation but alleviating suffering?

I know there was a number thrown around between 500 and 600 trucks. You know these crossings get open. The numbers are getting fuzzy, so that all we do is sort of point our finger in the air, and say you ought to do more. How much more do we need to accomplish? And what specifically needs to happen in order to accomplish that?

Secretary BLINKEN. I think, Senator, the all is two-fold. First, we tend to get fixated on the number of trucks. That is probably the wrong metric, but it is an input metric at least that is visible and countable. But what we really need to be focused on is this, and we are: What is the actual amount of assistance, however many trucks it takes, that is getting in sufficient to meet the basic needs of the people? But then not just getting in, getting distributed?

So for example, we have had days where we have had 400 trucks get to the crossing, but then there is nothing effective on the receiving end to pick them up and take them out and about in Gaza. Or there is, but then something gets bogged down because there is a deconfliction problem, and trucks get stuck at checkpoints. That is one piece.

The other piece, very quickly, is this: it is not just as central as it is the food, it is the water system, it is sanitation, it is medical

supplies. We have gotten repairs done to now two of the three major pipelines that go from Israel into Gaza.

Now, the second challenge was the distribution network inside of Gaza had been heavily damaged, so we needed to get that repaired. And up until recently a number of dual-use items that were necessary to do that the Israelis were holding back on, because it turned out that in the past pipes, chlorine that you need for both of these things, had been misused and turned into tunnels or turned into weapons. But now we have agreements on those items going in so that the repairs can be made to the distribution network inside of Gaza.

Senator SCHATZ. I think the challenge for us is that, you know, look, you are right, all these trucks sort of crossing a border and ending up at a—in a base yard somewhere not to be distributed to actual people is missing the point, and we need a logistics chain as if we are coming in for a natural or man-made disaster.

The challenge is that recognizing those logistical challenges, and recognizing how hard this is to deconflict, and then just to have basic sort of humanitarian infrastructure, can be used as an excuse to sort of throttle the inputs and say, look, we would be doing this but these guys can't even get it to the people. And so I think that we have to be careful about how we characterize these problems, very real issues.

I know that the Secretary of Defense had a spokesperson today saying a lot of this stuff is not even—even when it crosses doesn't get in to the humans. But I also think that we shouldn't use that as an—or allow anyone to use it as an excuse to throttle the throughput at the borders or any of the crossings.

Secretary BLINKEN. Right, exactly. Thank you.

Senator SCHATZ. Thank you Chairman. Thank you Secretary.

Senator COONS. Thank you, Mr. Secretary. If you don't mind, I am going to ask two or three more questions. I don't know if any of the other remaining members have any additional questions they would like to ask before we conclude.

In terms of economic statecraft, the PRC is the world's largest creditor just by raw volume, and has grown its influence through the Belt and Road, and lots of other ways of giving loans, but often behind a very opaque and needlessly coercive set of terms.

It is increasingly important we work with like-minded governments to create alternatives. And last week this Committee held a hearing with DFC, EXIM, and MCC, and I just welcome your thoughts on what more we could be doing to strengthen our efforts to provide alternatives to PRC lending, and the work we are doing together, and the whole-of-government is doing together. I will soon go to the Philippines in part to talk about the Luzon Corridor.

Secretary BLINKEN. Right.

Senator COONS. And Chair Murray recently led a trip to Angola where we were largely looking at the Lobito Corridor; what more could we be doing?

Secretary BLINKEN. So I think, Senator, what you are putting the spotlight on, Senator Murray is putting the spotlight on, are extraordinarily positive examples of what we can do when we effectively marshal our resources, both the resources of the U.S. Government, so that everyone is rowing together in the same direction,

notably DFC along with USAID, along with the State Department, along with Commerce, Treasury, you name it.

Also, our ability to catalyze private-sector investment because as we were discussing earlier, that really is, for us, the comparative advantage that we bring to the table. But government is critical in particularly challenging investment environments to be able to do things to secure investments in ways that bring the private sector in, and then to also do this in a way where we are working with allies and partners so that we can take advantage of their own investments and focus.

So the President put together PGI at a G7 Meeting at the beginning of the administration, where we are mobilizing together resources with G7 Partners to direct them at specific investment opportunities.

Similarly, we have this Mineral Securities Partnership, where we now have 14 countries that are prepared to make coordinated investments in developing critical minerals, rare earths, and to match them up with countries that have these things, and to do that in a coordinated way where we get a much bigger impact because we are managing to get other governments, other countries working with us.

I think Luzon is a really good example of what we are doing, in this case mostly bilaterally with the Philippines, where it is the first PGI project in the Indo-Pacific. We have Subic Bay, we have Clark, we have Manila, we have Batangas, these are economic hubs that are all being joined with an effective infrastructure corridor, a rail, port modernization, agribusiness, semiconductor supply chains, and then the project, the Lobito Corridor which I saw as well, is truly extraordinary, where you now have the infrastructure starting to come in place, linking Angola, Zambia, the DRC, right across the Continent in ways that are creating tremendous efficiencies, but that are in the same corridor bringing together the transportation, primarily rail, the communications, the agribusiness, all of that coming together in ways that are benefiting the communities along that corridor, and that are moving things much more efficiently and more effectively than ever before when it is fully realized.

So for us, having the tools to start these projects, obviously the diplomatic resources to go around and about identify them, bring countries together on them, bring the private sector in, the tools then to finance, not the full projects, but for example the feasibility studies, delivering government capacity to the host governments to be able to manage them on their side. All of these things are critical to their actual realization. And that is where things like our own budget, DFC; is essential.

Senator COONS. Thank you. You have been doing this work a lot longer than I have, but one of the things I have noticed in, I guess, 14 years now of going and visiting posts and asking Foreign Service officers about their work-life balance, their experience, their career.

Knowledge transfer, it is completely understandable that there is a structure whereby partly because of needing to move on to the next post, partly because of family, and school schedules, often someone will be at a post 2 or even 3 years, build a lot of relation-

ships, connections, and have the best of intentions to write a very long and detailed memo, and leave behind all sorts of numbers, and pictures, but they end up leaving.

And then their successor at post arrives weeks later and there is not a warm handoff, and particularly in cultures where personal relationships matter, and saying the sorts of things that you might not want to write down about; you can really trust this person, you really can't trust that person.

I would just be interested in what you think we might be able to do together to provide more resources and strengthen the ability within the Department for there to be engagement from the departing officer to the incoming officer.

I would think in the age of Zoom, and social media platforms, and iPhones, it would be easier than it may have been in decades past, but as we are about to take up the State Authorization Bill I wondered what your thoughts were on this topic generally and what we might be able to do.

Secretary BLINKEN. Yes. Look, it is a great point and one of the things that we hate to see is reinventing the wheel, because someone has been at something for a while, they leave, the knowledge doesn't get shared effectively, and then someone has to pick up from where they started. So we do try to correct for that, and so for example we want to—we try to make sure that in a given Embassy if someone from one unit is leaving, it is staggered with other people in that unit so that, to the extent we actually have all those resources, which is another question, that there is some continuity.

And that if there is not overlap between the incoming and the outgoing, that at least the outgoing has shared a lot of that with other folks, or maybe his or her boss, in ways that get passed on as effectively as possible to whoever is coming in.

But you raised a really interesting question which I think we should look at about whether there is more we can or should do, to have some kind of more sustained connections between someone who has left, and has built up tremendous expertise, and maybe somewhere else, but whose knowledge is still essential to whoever is coming in. And that is, I want to go back and look at that, because it is an interesting idea.

Senator COONS. I think it would help both with the effectiveness of the incoming officer in terms of how quickly they get up to speed, but also improve work satisfaction, career satisfaction for the outgoing because you spent years building these relationships.

Secretary BLINKEN. Yes.

Senator COONS. And then to feel like you now have to go on, and maybe it is because I visit more posts in Africa than anywhere else, and they tend to be understaffed they tend to be stretched a little thin.

Secretary BLINKEN. Yes. And this is another challenge that we are facing which is understaffing. And by the way it is it is interesting, it is not just in Africa we have the critical midlevel positions including, for example, in our European Affairs Bureau that are open and understaffed. We have had two of the largest incoming classes of Foreign Service officers in a decade, which is very gratifying, but it takes a while for people to work their way

through to a point where they are taking on these very important positions, and we do have real gaps that we are trying to rectify.

And now we have got new authorities also to bring in people mid-career that has helped. But ultimately we have to have a Department that not only continues to attract the talent but that retains it and supports it as it goes up the ladder in these jobs.

Senator COONS. That is something I am passionate about supporting you and helping you achieve. Last question, promise; the Global Fragility Act, we have talked about it a number of times. It was signed into law back in 2019. I have talked to the Secretary of Defense about it, earlier today I talked to the Secretary of the Army, and Chief of Staff about it, you know, bluntly it is a lack of involvement by the Department of Defense that concerns me most.

The State Department has the lead, AID has been a good partner, there is a number of identified countries for implementation that I think are outside the mandate of the Act, but at the very least Papua New Guinea, Mozambique, Coastal West Africa, strike me as great examples of where we should be able to demonstrate a strategy that is State-led, AID partner, DOD partner, with a common agenda, common priority to prevent fragile States from becoming failed States.

I just would be interested in how you see the State Department's efforts in ensuring we actually can move ahead with meaningful implementation.

Secretary BLINKEN. Yes. Look, I have got to tell you, I think the importance of the Act, and actually implementing it effectively, has only been reinforced by what we have seen in the Sahel, which is the countries of course are not part of the Act, but countries adjacent to the Sahel, the ones you have—in some cases the ones you have cited are, and it just reinforces the fact that whatever we are doing in terms of security assistance to countries, that may be necessary but it is certainly not sufficient in allowing these countries, not only to remain stable but actually to move forward.

And in the absence of that, then you are likely to see what we have seen in the Sahel, which is coup after coup. And at the same time when these coups happen, and our military which may have been helping deal with violent extremism and terrorism leave, we know what comes in typically afterward, including, for example, Russian proxy forces make things worse, not better. And so countries find out the hard way that this is not a good development. But I think it just places an emphasis on trying to make this work and work effectively.

We are reviewing, on a yearly basis, how this is working, we are assessing the different commitments that that partners have made to it, the availability of resources the actual status of the program so that we are in real time, judging whether is it—are we actually doing this, is it being implemented, or not effectively, is it, even though these are of course 10-year programs, are we starting to see, you know, movement and progress, and will be sharing our own thoughts on that.

I think it has helped us leverage multi-donor mechanisms, to some extent. We need to do more of that. I think it has helped us start at least to more effectively align assistance across the govern-

ment, which was one of the big intents, but it is not yet where it needs to be in terms of implementation.

So here again, given your leadership on this, this is something we should really work on, and I think the Sahel has just reinforced the importance of it.

Senator COONS. My core concern is that DOD doesn't really focus or respond until there is a profound security crisis, and then when they do they tend to respond massively, and Coastal West Africa, their national leadership has been here repeatedly, some of our leaders have been there, and they are calling, and calling, and calling for more significant partnership. And I think if we fail to deliver on that we will be disappointed at the choices they may make.

Secretary BLINKEN. Yes.

Senator COONS. I am, in closing, grateful that we are hosting President Ruto this week for what I think is an important State Visit. You, and the Vice President, obviously the President, and many other cabinet officials, some Congressional leaders, I think it is important for us to highlight the centrality of partners that are democracies that share both economic, and public health, and climate, and security goals. So thank you for everything.

Secretary BLINKEN. Thanks, Mr. Chairman.

Senator COONS. Mr. Secretary thank you for what has been a very full day for you, of testimony before two committees. I appreciate your service.

[The information referred to follows:]

PREPARED STATEMENT OF CARDELL K. RICHARDSON, SR., INSPECTOR GENERAL

Chairman Coons, Ranking Member Graham, and distinguished Members of the Subcommittee, thank you for the opportunity to provide testimony today for this hearing on the U.S. Department of State's fiscal year 2025 budget request.

I was confirmed by the Senate on May 2, 2024, as the Inspector General of the Department of State (Department or State) and the U.S. Agency for Global Media (USAGM). This is my first congressional testimony in that capacity. I am delighted to join the State Office of Inspector General (OIG) team, which has done a remarkable job remaining focused on its important oversight mission despite the absence of a Senate-confirmed inspector general for approximately 4 years. I look forward to leveraging my decades of public service experience— most recently as inspector general of the National Geospatial-Intelligence Agency—to lead State OIG and ensure that it remains an independent, objective organization that provides robust oversight, transparency, and accountability to the programs and operations of the agencies it oversees.

OIG inspects embassies and diplomatic posts throughout the world to determine whether policy goals are being achieved and whether the interests of the United States are being represented and advanced effectively. OIG performs specialized security inspections and audits in support of the Department's mission to provide effective protection to our personnel, facilities, and sensitive information. OIG also audits Department operations and activities to ensure that they are as effective and efficient as possible. Finally, OIG investigates instances of fraud, waste, and mismanagement that may constitute either criminal wrongdoing or violations of Department regulations. In short, OIG plays a crucial role in overseeing the funds Congress appropriates to the Department for its many programs and activities and we believe that our work can play an important role in assisting Subcommittee Members with funding decisions.

OIG concentrates a substantial portion of its oversight on the sustained major management and performance challenges confronting the Department. Beyond this important work, a growing element of our mission involves oversight of U.S. responses to global emergencies and emerging risks. Often these take the form of complex crises and contingency operations that have triggered whole-of-government responses. In recent years, for example, OIG has surged to provide oversight of the U.S. withdrawal from Afghanistan, including the evacuation of Embassy Kabul, and

worked closely with oversight counterparts to ensure comprehensive oversight of the more than $174 billion in supplemental funding that has been appropriated in response to the war in Ukraine. We are also directing oversight toward the Department's response to risks emerging from conflicts in the Middle East, strategic competition with the People's Republic of China, and responses to unauthorized migration and transnational crime arising from countries in the Western Hemisphere.

In this testimony, I will discuss the nature and scope of our oversight mission, major management challenges confronting the Department, and our work to drive improvements reflected in various projects related to Ukraine and other high priority countries. I will conclude by reflecting on our financial standing and OIG's ability to deliver on our mandate from a resource and staffing perspective.

MISSION AND RESULTS

OIG's mandate covers both Department and USAGM programs and operations, which include more than 80,000 employees and more than 270 overseas missions and domestic entities. We also oversee the U.S. Section of the International Boundary and Water Commission, a Federal agency that operates under the foreign policy guidance of the Department. In terms of dollars, we are responsible for the oversight of more than $87 billion in Department, USAGM, and foreign assistance resources.

In pursuit of this mission, OIG provides valuable return on investment through its audits, evaluations, inspections, and investigations. For example, in FY 2023, OIG identified approximately $245 million in questioned costs and taxpayer funds that could be put to better use, and OIG's criminal, civil, and administrative investigations produced an additional $13.8 million in monetary results (including fines, restitution, and recoveries).

Our work consistently results in findings and recommendations that significantly improve the programs and activities we oversee—including improvements that are not easily quantifiable, such as our work related to safety and security. Our recommendations frequently address inadequate compliance with emergency planning standards and facility safety and security deficiencies. By helping the Department improve its security, OIG's work safeguards the lives of the thousands of people who work in or visit U.S. posts abroad and at home.

Further, our investigative work consistently holds employees, contractors, and grantees accountable. In FY 2023, OIG obtained 7 indictments, 5 informations [1], and 17 convictions. In one recent case, our investigative work led to a 10-year prison sentence for a construction company president who was found to have fraudulently obtained more than 25 government contracts worth more than $125 million.

MAJOR MANAGEMENT AND PERFORMANCE CHALLENGES

OIG focuses substantial resources on oversight projects that address the Department's major management and performance challenges. For FY 2024, we assessed those challenges to be primarily threefold: safety and security, stewardship, and staffing.

Safety and Security

Safeguarding people, facilities, property, and information is a continual challenge for the Department. Physical security and safety deficiencies at diplomatic facilities combine to form one aspect of this challenge. Some of our findings from a recent inspection of Embassy Lilongwe, Malawi, illustrate the issue well.[2] We found that approximately 93 percent of the Embassy's non-residential properties were not properly certified to ensure that safety, health, and environmental hazards were mitigated. We also found the Embassy's fire protection program did not fully comply with Department standards, and that 67 percent of its outstanding fire and life safety recommendations (issued by the Department's Bureau of Overseas Buildings Operations) remained unaddressed. These failures to comply increase the risk of injury and loss of life for Department personnel at this post.

We also conducted an audit related to the Department's implementation of physical security standards for temporary structures—such as containerized housing units, hardened alternative trailers, and shipping containers—that serve as residential or functional space at overseas posts when permanent structures for these purposes are unavailable. We found that the Department could not provide an accurate or complete inventory of temporary structures at the posts we audited. Moreover, we identified some temporary structures that did not comply with the Department's

[1] Per Black's Law Dictionary 772 (6th ed. 1990), an information is an accusation exhibited against a person for some criminal offense, without an indictment.

[2] OIG, *Inspection of Embassy Lilongwe, Malawi* (ISP–I–24–15, March 2024).

physical security standards and did not have required waivers or exceptions to those standards, which gives the Department limited assurance that physical security mitigation actions have been taken to address security and life safety concerns.[3] We also found that overseas posts were generally not complying with Department guidance regarding the use of shipping containers.

Another health and safety risk our work often highlights relates to emergency action planning. We continue to find that the Department struggles to meet its own standards and inspections of posts often find failures to implement emergency exit plans in non-residential facilities, regularly conduct drills, and stay current with consular crisis preparedness activities.[4]

In addition to the security of people and property, we often focus on information security, and our oversight of the Department's IT security program continues to identify numerous control weaknesses. The FY 2023 Federal Information Security Modernization Act (FISMA) audit concluded again that the Department did not have a fully implemented information security program based on evidence of security weaknesses identified in eight of nine domains, including risk management, configuration management, identity and access management, and security training. The information security standards that form the criteria for this audit represent foundational guidelines for managing and reducing cyber risk by protecting networks and data. The Department's persistent inability to comply with those standards creates significant risk.[5]

Stewardship

Efficiently and effectively managing its significant resources is another longstanding challenge for the Department. OIG's work demonstrates that the Department could enhance its stewardship of taxpayer resources by improving its ability to identify and address weaknesses in financial and property management and oversight of its contractors and other implementers of its worldwide programs.

Weaknesses in property and equipment management were initially reported during the audit of the Department's FY 2005 financial statements and have persisted since then. In FY 2023, the Department's internal control structure continued to exhibit several deficiencies that negatively affected the Department's ability to account for real and personal property in a complete, accurate, and timely manner. An independent contractor concluded that the combination of property-related control deficiencies was a significant deficiency. The individual deficiencies identified were related to overseas real property, construction projects, leases, personal property, software, and heritage assets. The audit also identified internal control deficiencies related to unliquidated obligations and financial reporting.[6]

Regarding Department oversight of its contractors and other implementers, we conducted an audit to determine whether selected recipients of cooperative agreement funds supporting refugee resettlement support centers—overseas centers that assist in the processing of refugee applications—adhered to applicable Federal requirements. We looked specifically at three centers with offices in Bangkok, Thailand; Kuala Lumpur, Malaysia; Istanbul, Turkey; and Nairobi, Kenya. We found that the recipients audited did not always comply with requirements, due in part to insufficient oversight by the Department's Bureau of Population, Refugees, and Migration, which could result in inconsistent refugee application information being processed. In addition, refugees can wait years for the adjudication process to be completed, and inconsistent refugee application information could delay the already lengthy process. Additionally, selected award recipients did not always spend funds in accordance with Federal requirements and award terms and conditions, which led to questioned costs.[7]

In another audit, we sought to determine whether the Department's contract administration of the new Embassy compound in Mexico City was in accordance with Federal regulations and Department guidance. Regarding contract modifications processes, we found the project director did not assess the impact that such modifications would have on the overall project timeline. Moreover, the Department did not always perform required activities to determine fair and reasonable pricing, and the contracting officer did not always obtain required contractor release statements

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[3] OIG, *Audit of Physical Security Standards for Department of State Temporary Structures at Selected Overseas Posts* (AUD–SI–23–30, September 2023).

[4] See e.g., *OIG, Inspection of Embassy Cotonou, Benin* (ISP–I–23–20, July 2023).

[5] OIG, *Audit of the Department of State FY 2023 Information Security Program* (AUD–IT–23–31, September 2023).

[6] OIG, Independent *Auditor's Report on the U.S. Department of State FY 2023 and FY 2022 Financial Statements* (AUD–FM–24–07, November 2023).

[7] OIG, *Audit of Selected Cooperative Agreements Supporting Department of State Refugee Resettlement Support Centers* (AUD–SI–23–28, September 2023).

to avoid exposing the Department to increased financial risk. As a result of these deficiencies, the Department executed contract modifications without full awareness of potential consequences to the construction project timeline and associated project costs.[8]

Staffing

The Department expends substantial resources on recruiting, training, and retaining a diverse, talented workforce that can advance the Department's foreign policy mission and priorities. Nonetheless, our work suggests managing its human capital and designing and maintaining an organizational structure that conveys clear lines of authority is a continuing challenge for the Department.

The kinds of workforce or human capital management issues that OIG's work identifies varies widely, but it tends to include staffing gaps, frequent turnover, and inexperienced and undertrained staff. Our work also often highlights structural issues that confuse staff, lead to gaps or overlap in authority, and ultimately weaken accountability.

Examples are found in our audit of the management and administration of the Consular Systems Modernization program, which was conceived to modernize and consolidate approximately 90 discrete consular legacy IT systems into a common technology framework for the Bureau of Consular Affairs. Deficiencies in managing this program are highly problematic because the program is expensive and has broad implications for the bureau's ability to meet its mission, which, among other important duties, includes issuing passports, visa, and other documents to citizens and foreign nationals to facilitate travel to and from the United States. We found that bureau leadership did not ensure that the program was properly designed to meet its goals. Furthermore, insufficient management oversight from key Department bureaus contributed to problems with the program.

Among other factors, we found that unqualified project managers contributed to the deficiencies we identified with the program. Of the seven project managers appointed to projects within the Consular Systems Modernization program, we found that none could provide a record of having taken the required training, none could provide a record of having met the annual continuing professional education requirement, and three stated that they did not believe they had received sufficient training to successfully execute the responsibilities of their respective positions. Moreover, we found that bureau leadership did not consider the experience of personnel before assigning them to project management positions.[9]

RESPONSE TO CRISES AND EMERGING RISKS

Ukraine Response Oversight

Given the scale, scope, and stakes of the U.S. government's Ukraine response, related oversight remains State OIG's top priority. We, along with the Department of Defense (DoD) and U.S. Agency for International Development (USAID) OIGs, and other U.S. government oversight organizations, have adopted a collaborative approach to ensure that our oversight of the U.S. government's response to Russia's war against Ukraine is comprehensive, relevant, timely, and transparent, and preemptively identifies and mitigates gaps in coverage or duplication of effort.

Over the past few years, about one-third of State OIG's workforce, including some State OIG staff located at Embassy Kyiv, has been contributing to the Ukraine response oversight mission on a full- or part-time basis. Congress has provided us with $21.5 million in dedicated funding to support this effort. We are grateful for this essential support, which we have applied toward a body of work that currently focuses on four leading risk areas for the Department:

—*Strategy and Coordination.*—Since an effort of the scale and complexity of the Ukraine response can only be successful with a clear strategy and effective coordination, this has been a major emphasis in our work. In 2022, we shared oversight observations to inform the Department's Ukraine response, drawing on our past work to flag the strategic challenges it was likely to encounter as well as highlighting effective responses to the same types of challenges that had been successfully applied elsewhere in the past.[10] Last summer, we issued a report detailing the Department's efforts to establish a strategy to guide foreign

[8] OIG, *Audit of Select Contract Administration Processes Related to the Construction of New Embassy Compound Mexico City, Mexico* (AUD–CGI–24–09, January 2024).

[9] OIG, *Management and Administration of the Consular Systems Modernization Program* (AUD–CGI–23–20, July 2023).

[10] OIG, *Information Brief: Oversight Observations to Inform the Department of State Ukraine Response* (OIG–23–01, December 2022).

assistance programs and coordinate these efforts across the U.S. government.[11] Working with USAID OIG, we also reviewed the execution of roles and responsibilities for providing direct financial support to the government of Ukraine.[12] In addition, we have begun a joint audit with DoD OIG on Foreign Military Financing funding provided in response to the invasion of Ukraine. Because the response to Russia's war against Ukraine is not limited to the U.S. government, we have also examined the Department's coordination and engagement with pertinent multilateral institutions like the North Atlantic Treaty Organization, European Union, the Organization for Security and Cooperation in Europe, as well as several United Nations agencies.[13]

—*Establishing Effective Operations.*—Managing, coordinating, and supporting a robust response effort in Ukraine requires strong core systems and support. Accordingly, OIG examined a range of key questions related to Embassy Kyiv operations, including those relating to security, staffing, facilities, equipment, and emergency planning.[14] We have also inspected other diplomatic posts in the region that provide support to Embassy Kyiv and that play a key role in the wider Ukraine response effort, and we have plans for more work in this vein in the months ahead.[15]

—*Monitoring and Evaluation.*—Given the nationwide reach of the conflict, U.S. government personnel in Ukraine are subject to constraints on movement; conditions accentuated by the lack of U.S. military logistical support, which has been provided in other conflict settings. The quality and extent of monitoring and evaluation for Department-funded programs and activities is key in this context. In response, we reviewed the Department's end-use monitoring activities in Ukraine,[16] and audited the Bureau of International Security and Nonproliferation's monitoring plans and practices.[17] In addition, we are completing an audit that covers the Department's monitoring and evaluation related to humanitarian assistance programming in and around Ukraine as well as an ongoing review of Department efforts to counter illicit diversion of advanced conventional weapons in Eastern Europe.[18]

—*Anti-Corruption and Counter-Fraud.*—Anti-corruption reforms in Ukraine and wider efforts to counter fraud are key to the success of U.S. assistance in Ukraine. As a result, OIG is currently conducting an audit of Department anti-corruption programming and activities in Central and Eastern Europe, including Ukraine. In addition, OIG maintains a dedicated Ukrainian- and Russian-language hotline to receive and process allegations of fraud, waste, abuse, and mismanagement affecting Department programs and activities in Ukraine. This hotline is an important source of information that has not only triggered investigative activities but has also formed the basis for audit work to respond to risks and vulnerabilities impacting the Department's Ukraine response. Finally, by establishing memoranda of understanding with anti-corruption authorities in Ukraine, we have set a framework that allows us to share information necessary to advance cases of mutual interest with a connection to U.S.-provided resources.

Our intensive focus on Ukraine has yielded a rapidly expanding body of work. We have issued 24 reports with 106 recommendations to improve critical aspects of the

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[11] OIG, *Review of Ukraine Foreign Assistance Coordination and Oversight* (ISP–I–23–18, July 2023).

[12] In January and March 2023, State and USAID OIG jointly reported to congressional oversight committees on the required monitoring mechanisms and safeguards that the Department and USAID OIG had put in place surrounding direct financial support to the Ukrainian government.

[13] See for example: OIG, *Inspection of the U.S. Mission to the North Atlantic Treaty Organization* (ISP–I–23–16, May 2023); OIG, *Inspection of the U.S. Mission to the European Union* (ISP–I–23–15, April 2023); OIG, *Inspection of the U.S. Mission to the Organization for Security and Cooperation in Europe* (ISP–I–24–05, January 2024); and OIG, *Inspection of the U.S. Mission to International Organizations in Vienna, Austria* (ISP–I–24–04, December 2023).

[14] See e.g., OIG, *Audit of Technical Security Following Reestablishment of Operations at U.S. Embassy Kyiv, Ukraine* (AUD–MERO–23–24, August 2023) and OIG, *Review of Embassy Kyiv's Operating Status* (ISP–S–24–01, October 2023).

[15] See e.g., *OIG Classified Inspection of Embassy Warsaw and Constituent Post, Poland* (ISP–S–24–18, April 2024) and OIG, *Inspection of Embassy Chisinau, Moldova* (ISP–I–23–19, July 2023).

[16] OIG, *Review of Department of State End-Use Monitoring in Ukraine* (ISP–I–24–02, November 2023).

[17] OIG, *Audit of the Bureau of International Security and Nonproliferation Administration of Assistance to Ukraine* (AUD–GEER–24–14, March 2024).

[18] OIG, Ongoing Work for Office of Audits, Evaluations and Special Projects, Office of Inspections, and Office of Overseas Contingency Operations.

Ukraine response. We also have 17 ongoing and planned projects, and the list of our planned Ukraine-related work continues to grow. Our recommendations have triggered some important Department action. For example, because of our work, the Department completed the strategic framework needed to guide U.S. government assistance activities in Ukraine and evaluated the effectiveness of the alternative end-use monitoring practices it has been using in place of in-person monitoring in Ukraine.

Other Oversight Priorities and Emerging Risks

For the past 2½ years, State OIG has devoted substantial time and resources to oversight of the 2021 suspension of U.S. Embassy operations in Afghanistan and its aftermath. Following the U.S. withdrawal from Afghanistan, State OIG developed and executed an extensive workplan to provide needed oversight coverage of the Department's role in supporting Afghan evacuees and re-establishing a diplomatic mission outside of Afghanistan. In October 2021, State OIG also coordinated with the Department of Homeland Security OIG and Department of Defense OIG to establish an interagency OIG Afghanistan Project Coordination Group to coordinate and facilitate oversight of Operation Allies Welcome, deconflict when one OIG's review overlapped with another's responsibility, and promote comprehensive coverage of issues relating to the screening, vetting, and relocation of Afghan evacuees.

To date, State OIG's Afghanistan response oversight efforts have resulted in the publication of 22 oversight products that have addressed topics that range from the Afghan special immigrant visa program and resettlement efforts to Embassy evacuation efforts and current diplomatic operations. Included in this number are several joint quarterly reports with a focus on Operation Enduring Sentinel, the continuing counter-terrorism effort relating to Afghanistan. Our oversight work in this area has led to changes in the Department's guidance for future evacuations and yielded improvements in the Department's handling of visas for Afghans at risk who worked in support of U.S. military, diplomacy, and development efforts.

While OIG's Afghanistan-related oversight work continues,[19] we are also pivoting to meet emerging oversight requirements in other key areas:

—*Israel and Gaza.*—Challenges to U.S. Middle East policy have multiplied since October 7, 2023. OIG is planning audit and inspection work to provide oversight of Department programs and operations in the region and has recently launched an audit of Department efforts to counter Iran-backed groups.

—*People's Republic of China.*—Last year, OIG completed an inspection of the American Institute in Taiwan[20] and has plans for more oversight projects examining the Department's response to China's influence. We are also taking steps to establish an OIG office in Bangkok, Thailand, reflecting our increasing focus on work in the region.

—*Western Hemisphere Concerns.*—OIG is developing plans for several inspections and audits of Department operations and programs related to migration in the Western Hemisphere, counter-narcotics, and security at the southern border.

Against the backdrop of ongoing work to meet mandates and drive measures that will improve the Department's ability to address major management challenges, OIG will continue to assiduously work to address emerging areas of risk with available resources.

RESOURCES

We greatly appreciate the Subcommittee's ongoing support of our work and are grateful for the much-needed FY 2024 increase in our base appropriation and the substantial supplemental funding over the past 2 years. Our FY 2025 request is nearly $108 million, which will allow us to keep pace with training and travel costs, pursue upgrades to support our IT network's resilience against cybersecurity attacks, and maintain a staff presence in Embassy Kyiv.

However, the most pressing challenge we face are the restrictions related to selection and appointment requirements, which add months to the onboarding process for new hires. In the context of our efforts to meet emerging oversight demands, these restrictions not only delay our ability to meet staffing requirements, but also make it difficult to effectively utilize our supplemental funding. To address this challenge and meet the long-term and critical hiring requirements associated with

[19] OIG has seven ongoing and planned Afghanistan-related oversight projects. information on each project is available on State OIG's Afghanistan oversight website.

[20] OIG, *Inspection of the American Institute in Taiwan-Taipei and Kaohsiung* (ISP–I–24–07, November 2023).

Ukraine-related oversight, we would like to secure selection and appointment flexibilities consistent with direct hire authority.

A second resource concern for us is the escalating costs associated with maintaining the security of our IT systems. OIG established an independent IT system in 2017 to create a firewall between the Department and our oversight information. This risk-mitigation effort has proven costly to continue to execute and we are currently studying potential options to address these costs. However, it is foreseeable that we will be requesting additional resources related to IT security in coming months.

CONCLUSION

I am incredibly proud of the work of my State OIG colleagues and the value we provide to the Department, USAGM, Congress, and taxpayers. Team State OIG includes talented, committed professionals dedicated to helping the Department and USAGM successfully accomplish their respective missions through robust oversight and well-designed, practical recommendations. I thank my team for their resilience, ingenuity, integrity, and tenacity in promoting efficiency and effectiveness in Department programs and operations.

I also want to conclude by thanking Chairman Coons, Ranking Member Graham, and distinguished Members of the Subcommittee for your support of State OIG's mission. I take seriously my statutory requirement to keep Congress fully and currently informed, and I appreciate your enduring interest in our work.

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Complementarity

Limits ICC action to situations when a nation is unable or unwilling to proceed with an investigation or if the investigation is conducted in bad faith.

ISRAEL HAS A LONG HISTORY AS A FUNCTIONING DEMOCRACY, WITH AN INDEPENDENT JUDICIARY AND MILITARY JUSTICE SYSTEM.

ADDITIONAL COMMITTEE QUESTIONS

[The following questions were not asked at the hearing, but were submitted to the witnesses for response subsequent to the hearing.]

QUESTIONS SUBMITTED TO HONORABLE ANTHONY BLINKEN, SECRETARY OF STATE

QUESTIONS SUBMITTED BY SENATOR BRIAN SCHATZ

Question. Secretary Blinken has stated that, ideally, an effective and "revitalized" Palestinian Authority will have governance and security authority for Gaza. Debate over such a "day after" plan continues amongst various Israeli officials. A sustain-

able "day after" plan will require alignment and support of regional leaders, yet the extent of the financial or political commitment of other regional partners is not clear and relatively limited. The absence of a post-war governance plan leads the risk of default to an Israeli military occupation of Gaza. a. Does the State Department assess that it is in Israel's long-term foreign policy and security interests for Israel to reoccupy Gaza? b. Is it in the foreign policy and security interests of the United States for Israel to reoccupy Gaza? If not, what is the State Department doing to ensure that Israel does not reoccupy Gaza upon the conclusion of major operations? c. What commitments does the U.S. government have from regional allies and partners, including Saudi Arabia, that they will tangibly and substantially support the responsible administration of the Palestinian territories, the rebuilding of Gaza, and a credible pathway to a Palestinian state? d. How does the State Department define "time-bound" in reference to a "concrete, time-bound and irreversible path" to a Palestinian state?

Answer. We are committed to advancing enduring peace and security for Israelis and Palestinians—including through practical, timebound, and irreversible steps to establish a Palestinian state. To realize this the Palestinian Authority must continue to improve its governance, and there should be no Israeli reoccupation of Gaza. Key regional partners have put forward ideas for Gaza post-conflict governance and security arrangements. We are engaging on these with an open mind, sharing our perspective in line with U.S. interests, and seeking areas of consensus.

Question. Saudi Crown Prince Mohammed bin Salman stated that, "if Iran developed a nuclear bomb, [Saudi Arabia] will follow suit as soon as possible." This statement comes as the United States continues negotiations with Saudi Arabia on the pending peaceful nuclear cooperation agreement. a. Are you concerned that Saudi Arabia might try to develop a nuclear weapons program given the crown prince's comments? b. Would a nuclear-armed Saudi Arabia be in U.S. foreign policy and security interests? c. To what degree is the State Department, including through information and assessments provided by the Bureau of Intelligence and Research, factoring the potential for Saudi Arabia to develop an illicit nuclear weapons program openly, rather than a potential attempt at covert development, into its support for a civilian nuclear agreement?

Answer. The United States has engaged in periodic negotiations with Saudi Arabia on a peaceful nuclear cooperation agreement since 2012, and we will continue to seek the strongest achievable nonproliferation terms in the negotiations. Saudi Arabia is a party to the Nuclear Non-Proliferation Treaty (NPT) and has a Comprehensive Safeguards Agreement with the IAEA in force. It is obligated never to acquire nuclear weapons and to apply IAEA safeguards to all peaceful nuclear activities. We attach great importance to Saudi Arabia's continued implementation of these obligations.

Question. UNRWA remains essential for aid distribution in Gaza, and the instability caused by the conflict and discontinuation of U.S. and UK funding have endangered UNRWA's ability to operate. UNRWA's future solvency, ability to sustain operations on the ground in the present conflict, and obligations to implement recommendations of the Colonna report are crucial to meeting the needs of Palestinian civilians and creating the foundation for U.S. interests in the Middle East.

a. How has the discontinuation of U.S. funding to UNRWA impacted the size of contributions from donor nations that have resumed funding? Has the United States asked other donor nations to provide more funding while ours remain paused?

Answer. Other donors have made their own decisions based on their own assessment of need and their level of confidence in UNRWA. We coordinate with other donors on assistance operations, including access challenges and urgent needs for the affected communities in Gaza.

Question. b. What requirements would UNRWA need to meet for the Department to advocate for the resumption of UNRWA funding? How is the Department vetting and verifying Israel's accusations of Hamas' infiltration of UNWRA?

Answer. We will continue to comply with all relevant statutory restrictions on U.S. funding to UNRWA and support the recommendations of former French Foreign Minister Colonna's independent review of UNRWA neutrality mechanisms and procedures. I take the allegations of UNRWA employee involvement in the October 7 attacks seriously, look forward to UN investigation results, and fully expect UNRWA to take steps to fire and prevent hiring staff with ties to Hamas or other

terrorist organizations and support accountability for anyone involved in the attacks.

Question. c. How would UNRWA's successful implementation of the Colonna report impact the administration's assessment to recommend resuming UNRWA funding? Does the Department expect the full implementation of the Colonna report before the U.S. considers resuming support for UNRWA, irrespective of how long implementation of Colonna takes?

Answer. The Department has publicly called for UNRWA's full implementation of the Colonna Report's 50 recommendations, and we are aware that UNRWA has developed and is beginning to carry out an extensive internal action plan responsive to the report. Prior to the suspension of U.S. funding of UNRWA, we required accountability from UNRWA on neutrality of its teaching materials, facilities, and staff behavior, and the Colonna report recommendations reinforce many of those efforts.

Question. d. Will the United States advocate for sustained UNRWA funding from Saudi Arabia as a part of an agreement for Israel-Saudi normalization?

Answer. I cannot comment on the substance of ongoing negotiations between Saudi Arabia and the United States on normalization. Saudi Arabia has been one of the largest donors to UNRWA and has contributed nearly $1 billion to UNRWA this past decade, including $40 million for Gaza in March.

Question. e. How is the United States working with Israel to ensure that aid delivered to the Gaza humanitarian pier is successfully delivered to UN depots for distribution?

Answer. While the use of the pier has now concluded, there was close coordination between CENTCOM and the Israeli Defense Force's Coordination of Government Activities in the Territories to successfully deliver aid shipments via the humanitarian pier to UN depots. Given how dire the humanitarian situation in Gaza is, the United States continues to explore all avenues to get more aid to all in need there. The pier played a key role in advancing that goal.

Question. f. What is the responsibility of the IDF for the secure delivery of humanitarian aid to UN depots in Gaza?

Answer. There was close coordination between CENTCOM and the Israeli Defense Force's (IDF) Coordination of Government Activities in the Territories to enable delivery of aid shipments via the humanitarian pier to UN depots. The IDF provided security and logistics support for the operation of the temporary Joint Logistics Over-the-Shore initiative and participated in the convoy monitoring board under leadership of a U.S. three-star Army general. The board included representation from the IDF's Coordination of Government Activities in the Territories, the UN, and other partners.

Question. The global backlash to the war in Gaza continues to grow. Shifting sentiment within populations, including in Southeast Asian countries with large Muslim populations, could negatively impact U.S. partnerships with countries in the region. a. What is your assessment of how the war in Gaza is impacting U.S. relationships and strategy in Asia, especially in Muslim-majority countries like Indonesia—the world's most populous Muslim-majority country—and Malaysia, where we are trying to strengthen our ties?

Answer. The crisis in Gaza is impacting relations with Muslim-majority nations in Southeast Asia. While most criticism has been directed at Israel, there has been an effect on U.S. interests, including protests at our embassies, boycotts, and a decline in regional favorable public opinion of the United States. On a policy level, the United States and our partners in the region share goals for a ceasefire, release of all hostages, and a durable peace through a two-state solution. We are engaging Southeast Asian partners bilaterally and through ASEAN to build support for U.S.-led peace efforts.

Question. In April 2024, the United States, UK, and Australia announced the consideration of including Japan into Pillar II of the AUKUS defense partnership. As one of our closest allies, Japan's inclusion could assist the joint development of advanced capabilities necessary to secure a free and open Indo-Pacific. What are the potential benefits of Japan joining AUKUS Pillar II?

Answer. Collaboration with Japan on individual projects under AUKUS Pillar II could further the delivery of advanced defense capabilities to our respective forces in support of peace, security, and stability in the Indo-Pacific region and around the world. We are examining multiple factors as we consider collaboration with Japan and other potential partners, including technological innovation, financing, industrial strengths, ability to adequately protect sensitive data and information, and impact on promoting regional peace and stability.

Question. Recent developments at Second Thomas Shoal demonstrate the need for the United States to fully support the Philippines against aggressive actions by the People's Republic of China (PRC). While a vast majority of U.S. foreign military financing is devoted elsewhere, it is essential for the United States to support its Pacific allies and partners to help deter problematic PRC actions in the region. a. What is the State Department's analysis of the defensive capabilities of the Philippines? Does the Philippines require additional military capabilities to better deter hostile and threatening PRC actions? b. What efforts is the State Department, including in conjunction with other departments and agencies such as the Department of Energy, the U.S. Agency for International Development and the U.S. Trade and Development Agency, undertaking to explore the potential for expanding geothermal power generation in the Philippines given its potential benefits for national security, U.S. business, and for the climate?

Answer. Modernizing the Philippines' defense capabilities is crucial to ensuring individual and collective security. We will strive to invest in enhancing the capability of the armed forces of the Philippines, including the Philippine Coast Guard, to fulfill their missions and contribute to regional security. We will also continue to advance renewable energy deployment, including through the U.S. Trade and Development Agency Geothermal Power Project to support development in the Philippines, energy access, and energy security efforts with interagency partners.

Question. The U.S. government has made some important progress in addressing unexploded ordnance in the Pacific. However, large amounts of unexploded, U.S.-dropped, WWII-era bombs exist in numerous Pacific Island countries, including the Solomon Islands, Papua New Guinea, and Kiribati and the full extent of the problem is unknown. a. Does the United States bear some responsibility for helping locate and clear UXO in the Pacific Islands, including in locations where U.S. WWII-era bombs still exist? b. How does the State Department plan to address UXO concerns through its fiscal year (FY) 2025 budget request?

Answer. As was announced at the 2022 and 2023 U.S.-Pacific Island Forum Leader's Summits, I remain committed to unexploded ordnance (UXO) WWII war legacy priorities throughout the Pacific. The Department has UXO programs in Fiji, the Federated States of Micronesia, the Marshall Islands, Palau, and Solomon Islands and has a UXO program starting in Papua New Guinea in early 2025. Our FY 2025 budget request for NADR–CWD funding includes continuing these war legacy UXO priorities in Cambodia, Laos, Vietnam, and throughout the region.

Question. What efforts is the State Department, including in conjunction with other departments and agencies such as the Department of Energy, the U.S. Agency for International Development and the U.S. Trade and Development Agency, undertaking to explore the potential for expanding geothermal power generation in Taiwan given its potential benefits for national security, U.S. business, and for the climate? What efforts is the State Department, including in conjunction with other departments and agencies, undertaking to explore the potential for expanding collaboration and exchange on indigenous issues with Taiwan, since both the United States and Taiwan have vibrant indigenous populations and cultures?

Answer. Taiwan has 24 geothermal projects under development, and we are exploring opportunities for collaboration through expert exchanges and private sector engagement as Taiwan further develops plans to tap its geothermal energy potential in support of energy security and resilience. Through exchange programs on entrepreneurship, the arts, language, sport, media, and other sectors, we have worked with Taiwan to leverage its support for its diverse indigenous communities to preserve and expand its role in the Indo-Pacific region and the international community.

QUESTIONS SUBMITTED BY SENATOR CHRIS VAN HOLLEN

Question. Israel's Compliance with IHL.—Since the October 7th attacks on Israel by Hamas, Israel's military operation in Gaza has resulted in hundreds of airstrikes, some of which have been considered by credible human rights organizations to be violations of international humanitarian law. According to a report sent to Congress on May 10, 2024, as required by National Security Memorandum 20, "Israel has, upon request, shared some information on specific incidents implicating IHL, some details of its targeting choices, and some battle damage assessments. Although we have gained insight into Israel's procedures and rules, we do not have complete information on how these processes are implemented." Does the Department know how Israel implements its legal obligation to ensure that the expected civilian harm of a military strike is not excessive relative to its military value? If so, please provide an explanation.

Answer. The U.S. Government has engaged Israel to further our understanding of how it integrates international humanitarian law (IHL) compliance into its combat operations and civilian protection. Israel has identified processes for ensuring IHL compliance at all levels of military decisionmaking, including adherence to proportionality. Israel has published analysis of its legal positions relating to targeting, civilian harm mitigation, and IHL compliance. Although we have gained insight into Israel's procedures and rules, we do not have complete information on how they are implemented.

Question. In making such assessments, does Israel weigh the expected civilian harm of striking a given target against the value of hitting that specific target, or in relation to the importance of its overall operation in Gaza?

Answer. The USG has engaged the Israeli government to further our understanding of its procedures and mechanisms to integrate international humanitarian law (IHL) compliance into its approach to combat operations and civilian protection. Israel identified several processes for ensuring IHL compliance is embedded at all levels of military decisionmaking, including adherence to proportionality. Israel also published written analysis of its legal positions, posted on the Israel MFA website, relating to targeting, civilian harm mitigation, and IHL compliance.

Question. If Israel judges that a given strike will not cause excessive civilian harm relative to its military value, does it recognize that it still has an obligation to take all feasible measures, including in the types of weapons it chooses to conduct a strike, to reduce that harm? If so, has it done so in practice?

Answer. The USG has engaged the Israeli government to further our understanding of its procedures and mechanisms to integrate international humanitarian law (IHL) compliance into its approach to combat operations and civilian protection. Israel identified several processes for ensuring IHL compliance is embedded at all levels of military decisionmaking, including adherence to proportionality and feasible precautions. Israel also published written analysis of its legal positions, posted on the Israeli MFA website, relating to targeting, civilian harm mitigation, and IHL compliance.

Question. Has Israel's use of high yield munitions, such as 2,000-pound bombs, in populated areas comported with established best practices to reduce civilian harm in this regard?

Answer. The USG has engaged the Israeli government at all levels to further our understanding of its procedures and mechanisms to integrate international humanitarian law (IHL) compliance into its approach to combat operations and civilian protection. During the conflict, we made clear to Israel that it matters how it conducts operations. We have paused shipment to Israel of 1,818 2,000-lb bombs out of concern for their end-use in dense urban settings. Israel has published written analysis of its legal positions relating to targeting, civilian harm mitigation, and IHL compliance.

Question. CHIRG Implementation.—The State Department established a mechanism in September 2023, known as the Civilian Harm Incident Response Guidance (CHIRG), to track potential cases of civilian harm incidents committed through the use of US-origin munitions. This process represents the first formal system for monitoring and potentially penalizing reported civilian harm involving foreign forces and U.S.-origin arms. According to a report sent to Congress on May 10, 2024, as required by National Security Memorandum 20, "85 alleged incidents of civilian harm involving Israeli military operations in Gaza have been submitted to the CHIRG for

evaluation, and approximately 40 percent of those cases have been closed." What criteria are used to assess whether a foreign government's use of U.S.-furnished or authorized arms has resulted in civilian harm?

Answer. The CHIRG defines civilian harm as incidents resulting in deaths or injury of civilians, or significant damage to civilian objects. When an incident is submitted into the CHIRG, PM and DRL work jointly, in coordination with our lawyers, regional and functional bureaus, embassies, DoD and others to gather information on an incident. These assessments aim to answer two questions: (1) Is it more likely than not that civilian harm, as outlined by this guidance, occurred; and (2) Is it more likely than not that U.S.-furnished or authorized end-items were involved in a reported civilian harm incident?

Question. What criteria were used to assess the 40% of Civilian Harm Incident Response Guidance (CHIRG) cases involving Israeli military operations in Gaza that were closed, as indicated by the NSM–20 report?

Answer. CHIRG cases are closed when the Department of State determines an incident does not meet the scope of the guidance. The CHIRG scope includes incidents where it is more likely than not that a U.S.-furnished or authorized end-item was involved in an incident of civilian harm. Cases can also be closed if the source of a report is deemed not credible based on a variety of considerations, including past inaccuracy and unreliability, how the source obtained the information, any known political agenda that might lead to bias, and inclusion of information that contradicts the initial report.

Question. Did any CHIRG cases involving Israeli military operations in Gaza from this 40% result in a determination that civilian harm occurred?

Answer. While we cannot comment on specific incidents, there can be cases where the Department of State determines that it is more likely than not that civilian harm occurred, but it does not meet the threshold that it is more likely than not that a U.S.-furnished or authorized end-item was involved in the incident. A reported incident must meet both criteria to progress through the CHIRG.

Question. What is the status of the approximately 60% of the remaining CHIRG cases involving Israeli military operations in Gaza?

Answer. Pending CHIRG cases are undergoing in-depth incident analysis and policy implication assessments. Incident analysis includes robust information gathering to compile and corroborate information on an incident. Policy implication assessments include an analysis of any potential violations of legal obligations, IHL/IHRL, end-use agreements, or other relevant agreements. Once these assessments are made, the Department creates an action plan outlining steps to respond to the incident and to mitigate civilian harm in the future.

Question. Israel's Investigations into IHL Violations & Civilian Harm.—Throughout the war in Gaza since Oct. 7th, credible human rights and humanitarian organizations such as Human Rights Watch, Amnesty International, and Oxfam have stated that Israel is violating international humanitarian law (IHL). According to a report sent to Congress on May 10, 2024, as require by National Security Memorandum 20, "Israel has confirmed that it has opened a number of criminal investigations, which are ongoing, including into allegations related to deaths and treatment of detainees and allegations of violations of IHL. The [fact-finding assessment mechanism] FFAM also continues to examine hundreds of incidents to consider possible misconduct in the context of ongoing military operations." Since being made aware of these investigations, has the State Department asked Israel for additional information on the status of these investigations?

Answer. We continue to make clear to the Government of Israel that we expect them to, not only behave consistent with the law of armed conflict and to adhere to their own rules of engagement, but to take all possible precautions to protect civilians. We have engaged the Government of Israel on its open investigations and urged swift assessments that ensure accountability for any abuses or violations.

Question. How many cases has Israel opened related to deaths and treatment of detainees in Gaza and what is the status of these investigations?

Answer. We have been clear and consistent with Israel that it must treat all detainees humanely and with dignity and in accordance with international law, must respect detainees' human rights, and must ensure accountability for any abuses or violations. We defer to Israel for the exact number of cases opened and their status;

however, Israel has confirmed that it has opened a number of criminal investigations, which are ongoing, including into allegations related to deaths and treatment of detainees and allegations of violations of IHL.

Question. How many cases has Israel opened concerning allegations of violations of IHL and what is the status of these investigations?

Answer. We continue to make clear to the Government of Israel that we expect them to not only behave consistent with the law of armed conflict and to adhere to their own rules of engagement, but to take all possible precautions to protect civilians. We continue to believe that Israel needs to do more on this front; however, Israel has confirmed that it has opened a number of criminal investigations, which are ongoing, including into allegations related to deaths and treatment of detainees and allegations of violations of IHL.

Question. Have any of Israel's investigations lead to remedial action or prosecutions for treatment of detainees, violations of IHL, or civilian harm since October 7th?

Answer. We have stressed to the Government of Israel that investigations must proceed swiftly, and if the alleged perpetrators are determined to be in violation of criminal laws or the IDF's code of conduct, then they must be held accountable. We understand that a number of investigations are ongoing.

Question. Use of AI in Gaza.—According to reporting in +972 Magazine and Local Call, the IDF has been using an AI system called "Lavender" to develop a kill list of as many as 37,000 Palestinians in Gaza who allegedly had some connection with Hamas and who were targeted for assassination. The reports also indicate that the IDF did not require their personnel to robustly examine why these systems included certain individuals and targets on the list, essentially removing humans from the creation and use of targeting lists used in the IDF's bombing campaign in Gaza. The reports also assert that the "Lavender" system was known to make errors in approximately 10% of cases, making targets of individuals who have a loose or no connection to extremist groups. According to the reports, a second AI and automated system called "Where's Daddy," tracked Palestinians on the Lavender kill list and was designed to target them at home despite the likelihood that their families would be there. The reports indicate that, especially for "low-ranking" members of Hamas, the IDF dropped so-called "dumb bombs" on their homes so as not to "waste" a more expensive precision guided munition on low value targets. The reporting indicates that, even for very low value Hamas targets, the acceptable civilian death toll was 15 to 20 people, including women and children. This explains, according to the reports, why so many Palestinians in Gaza have had their entire families wiped out. The reports indicate that for higher value targets as many as 300 civilian deaths were authorized. Does the State Department dispute the findings presented in these reports? If so, please explain in detail which, if any, parts of the reports are disputed and the basis for such assessment.

Answer. The Department is aware of the reports but cannot speak to their validity or confirm their sources. The USG position remains consistent across all Israeli military operations and other activities in Gaza: Israel's use of AI must be carried out consistent with applicable international law, including law of armed conflict, and internationally recognized privacy rights. Military use of AI needs to be accountable, including during military operations within responsible human chain of command and control.

Question. Was the State Department aware of the AI and automated systems described in the reports? If so, does the State Department know when and how they were used in Gaza?

Answer. The Department is aware of the reports but cannot speak to their validity or confirm their sources. The IDF has publicly stated that these AI tools assist analysts with target development and the analysts must conduct independent reviews to verify identification.

Question. If the reports are accurate, do you consider the targeting systems described therein and their use in Gaza to violate any part of international humanitarian law? Please explain your reasoning.

Answer. The USG position remains consistent across all Israeli military operations and other activities in Gaza: Israel's use of AI must be carried out consistent with applicable international law, including law of armed conflict, and internationally recognized privacy rights. Military use of AI needs to be accountable, including

during military operations, within responsible human chain of command and control.

Question. Has the State Department requested additional information from the IDF concerning these reports? If so, what has been their response?

Answer. The Department is in regular communication with Israel regarding the conduct of military operations in Gaza. The IDF has publicly stated that these AI tools assist analysts with target development and that the analysts must conduct independent reviews to verify identification.

Question. Sudan Sanctions.—In December 2023, the State Department found that "members of the Rapid Support Forces (RSF) and allied militias have committed crimes against humanity and ethnic cleansing." The Biden administration has also recently increased the number of sanctions against the RSF. This includes sanctions against Ali Yagoub Gibril and Osman Mohamed Hamid Mohamed, for leading the RSF war campaign, as well as Abdelrahim Hamdan Dagalo, who is the brother of the RSF commander, Mohamed Hamdan Dagalo, known as Hemedti. However, despite Hemedti's leading role in the RSF's military campaign and the aforementioned atrocities, the State Department has yet to sanction him. Why hasn't the administration sanctioned Hemedti to date? Please provide a detailed explanation.

Answer. We continue to consider additional designations to advance our strategic goals. At this time, and in the context of ongoing diplomatic efforts, we have not assessed that imposing such a designation would advance our policy objectives of achieving a ceasefire and could undermine planned negotiations. We will update this assessment, and consider additional actions, based on the belligerents' actions related to achieving a negotiated solution to the conflict in Sudan, among other factors.

Question. Pursuant to a letter sent on April 19 from SFRC and HFAC leadership to President Biden requiring an assessment on Hemedti's eligibility for Global Magnitsky (GLOMAG) Act sanctions, does the State Department believe Hemedti is sanctionable under GLOMAG authorities?

Answer. We continue to review and evaluate all sources of information that identify potentially sanctionable conduct under our authorities, as well as consider how best to use designations under Global Magnitsky and other authorities to advance our policy objectives. Per your letter, we are also assessing how imposing a sanction under the Global Magnitsky sanctions program would affect ongoing diplomatic efforts.

QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

Question. ICC arrest warrants for Israeli officials: Mr. Secretary, one of the reasons the Senate has never ratified the Rome Statute that created the International Criminal Court (ICC) is because we feared it would inevitably be used for politicized prosecutions of U.S. troops conducting military operations overseas, which is exactly what happened. But in April 2021, the Biden administration reversed the previous Administration's imposition of sanctions against certain ICC personnel who had initiated a bogus investigation into alleged U.S. war crimes in Afghanistan. At the time, you said that while you continued to object to the ICC's efforts to assert jurisdiction over the U.S. and Israel, you thought those "cases would be better addressed through engagement with all stakeholders in the ICC process." You also said you were encouraged that the State parties to the ICC were considering "a broad range of reforms to help the Court prioritize its resources and to achieve its core mission of serving as a court of last resort." So, it won't surprise you to learn how outraged I am by the announcement by the ICC that it is pursuing arrest warrants for Israeli Prime Minister Netanyahu and Israel's defense minister. To accuse the leaders of Hamas and the leaders of Israel of war crimes together in the same breath shreds whatever credibility the ICC had left. In light of the ICC's announcement yesterday, will the Biden administration consider re-imposing sanctions on ICC officials in response to this frivolous and outrageous effort, as the United States did in 2020?

Answer. The Administration is deeply concerned about the ICC Prosecutor's rush to apply for arrest warrants for senior Israeli officials. However, the Administration opposes any effort to sanction the ICC, its staff, its judges, or those who support it. Sanctions impede our ability to effectively support and defend Israel at this early stage and ahead; undermine our ability to defend U.S. citizens, including

servicemembers; undermine accountability efforts for Ukraine and Darfur; and alienate and isolate the United States from our strongest allies.

Question. Fentanyl.—Mr. Secretary, when you appeared before this Subcommittee last year we had a productive discussion on efforts to counter fentanyl in which nearly all Members who were present participated. That conversation was the basis for the enactment of a new general provision in the FY 2024 Department of State, Foreign Operations, and Related Programs Appropriations Act entitled Countering the Flow of Fentanyl and Other Synthetic Drugs and the first-ever funding directive for such activity—$125 million. Since you last testified before this Subcommittee, how would you describe your engagement with the People's Republic of China and Mexico on countering the flow of fentanyl, other synthetic drugs, and precursor chemicals: do we have willing partners to stop this scourge?

Answer. We continue to engage at the highest levels with the Mexican government. Last year, the Mexican government committed to continue joint efforts to dismantle the fentanyl supply chain and disempower cartels on both sides of the border. While we believe the PRC can do more, as a result of U.S. diplomatic engagement, the PRC has taken steps to curb illicit sales of fentanyl precursor chemicals, issued a notice to its domestic industry, scheduled over 40 substances, including three fentanyl precursors, and arrested an individual based on U.S. law enforcement information.

QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

Question. Mexico/Vulcan Materials.—What specific actions has the Department of State taken to deter Mexican President Lopez Obrador from seizing Vulcan Materials property?

Answer. We are following this dispute closely. We speak regularly with Mexican officials about our expectation that U.S. companies be treated fairly and in accordance with trade obligations, which provide trade and investment certainty in Mexico. While the United State does not take a position on the merits of an ongoing investment dispute, we have underscored to Mexican officials that cases like these can negatively impact Mexico's efforts to attract future investment.

Question. Mexico/Vulcan Materials.—Why is it important to protect U.S. commercial interest abroad, and what additional steps can the Department take if President Lopez Obrador expropriates Vulcan's assets?

Answer. We are always concerned about the fair treatment of our companies abroad, including in Mexico. Cases like these can undermine our efforts to create robust and resilient North American supply chains. The Department of State and our Embassy are aware of this dispute and are following it closely.

Question. Hong Kong.—Given the arrests of individuals working at the Hong Kong Economic and Trade Office (HKETO) in London, England and the Hong Kong Trade Development Council in Berlin, Germany on charges of espionage, is the Department of State or other appropriate Federal agency investigating possible acts of espionage by individuals at the HKETO in Washington, D.C.?

Answer. Consistent with longstanding Executive Branch and Department of State policies and practices, the Department does not comment on the existence of such investigations.

Question. Hong Kong.—Have any Chinese officials working at HKETO in Washington, D.C. been involved in acts of espionage or other activities that threaten our national security?

Answer. Consistent with longstanding Executive Branch and Department of State policies and practices, the Department does not comment on the existence of such investigations.

Question. Hong Kong.—Has the Department of State been briefed by the appropriate officials in London and Berlin on their respective Hong Kong espionage cases?

Answer. Consistent with longstanding Executive Branch and Department of State policies and practices, the Department does not comment on the existence of such investigations.

Question. Hong Kong.—Why should the HKETO be allowed to continue to operate in the United States?

Answer. Consistent with provisions in the Hong Kong Policy Act of 1992, the United States has permitted Hong Kong to maintain and operate three Economic and Trade Offices in Washington, DC; New York; and San Francisco. We are closely monitoring proposals to change the legal status of those offices and share concerns about the deteriorating human rights and rule of law situation in Hong Kong. When considering any possible changes to the offices' status, we would need to consider various elements of the U.S. national interest.

Question. Disinformation.—According to press reports, the Department of State funded the Global Disinformation Index (GDI) that blacklisted certain conservative media websites for alleged disinformation and provided the names of such websites to major advertising companies for defunding. What methodology did GDI use to determine which entities to include on its "dynamic exclusion list"?

Answer. The Department is unable to comment on ongoing litigation. The Global Engagement Center (GEC) is focused on countering foreign disinformation and propaganda abroad. Some organizations that receive GEC funding for countering foreign disinformation overseas may also have their own domestic operations or programs in the United States; the GEC does not fund those organizations' domestic programs.

Question. Disinformation.—What steps has the Department of State taken to ensure that no appropriated funds are provided to entities involved in countering disinformation that violate the First Amendment rights of U.S. citizens?

Answer. All GEC grants or cooperative agreements incorporate the following provisions: "Activities analyzing U.S. persons, whether located in the United States or abroad, are outside the scope of this award. Moreover, no activities supported under this scope of work shall be intentionally targeted toward U.S. audiences, whether in the United States or abroad. Any such activities may constitute grounds for termination for cause of this award." The GEC also conducts regular oversight to ensure grant recipients are not using GEC funds to engage in any activities in the United States.

QUESTIONS SUBMITTED BY SENATOR JOHN BOOZMAN

Question. Recent reporting has indicated that there has been an influx of leaks from within the State Department containing classified information regarding the Israel-Hamas conflict, including material involving hostage negotiation proposals. Would you agree these leaks only complicate hostage negotiations and what is the State Department specifically doing to ensure leaks involving this classified information stop?

Answer. I have made clear to my team that leaks about sensitive diplomatic discussions do not advance the interests of the United States and can make it difficult to engage in the sort of broad internal consultations that enrich the policymaking process.

Question. Why would President Biden decide to halt the shipment of weapons to Israel needed to defend itself if support for Israel is "ironclad?" Would you agree it sends the wrong message to our adversaries?

Answer. The President's commitment to Israel's security is unwavering. Since October 7, the Administration has surged billions of dollars of security assistance to Israel, passed a historic supplemental appropriation, and led an unprecedented coalition to defend against Iranian attacks. To date, we have paused only one shipment of munitions to Israel consisting of 1,818 2,000-lb bombs per our concerns regarding their end-use in dense urban settings as we have seen in other parts of Gaza. No other deliveries of weapons, munitions, equipment, or other services are paused at this time.

Question. Recent reporting has indicated that undersea fiber-optic cables in the Pacific Ocean, which carries sensitive commercial and military data, are at risk of tampering by Chinese companies that employ repair ships due to these cables relying on these specialized foreign construction and repair companies. Can you elaborate more on the risk of this security threat and what the Administration is doing to ensure these cables are secure from threats?

Answer. The security of commercial undersea cables, an essential part of the global information and communications technology infrastructure, is a high priority for the United States. Together with likeminded partners, such as Australia and Japan,

we are supporting digital infrastructure development across the Pacific, including by funding the East Micronesia Cable and working with partners on the Pacific Connect undersea cable system. We continue to encourage the use of trusted vendors at all points in the cable laying, connection, and maintenance process.

Question. I've heard from Pacific Island nations one of their top priorities is building their digital connectivity, but to do so, they must have the physical infrastructure in place to support it, including cybersecurity capabilities to complement it. Can you provide an update on what the Administration has and is doing to bridge this gap, and the current challenges it's facing to effective implement this?

Answer. The Department, with the interagency, supports programs to advance meaningful connectivity needed for economic growth. We are working directly with U.S. industry and more than ten international partners to connect multiple Pacific Island nations with trusted undersea cables. That effort is advanced by building capacity of local governments and industries to absorb technical assistance; enhancing regulatory environments; promoting cybersecurity through secure cloud services; and demonstrating the commercial viability of such services in remote locations.

Question. As you know, Russia's invasion of Ukraine has unleashed an unprecedented food crisis. Russia's invasion of Ukraine has severely hurt Ukraine's ability to produce and export grain and other foodstuffs, which are desperately needed for many low- and middle-income countries. Putin has exploited and manipulated the through its own exports, increasing its own agricultural export profits at the expense of increasing hunger worldwide. Can you elaborate more on the status of the humanitarian corridor Ukraine formed and what the Administration is doing to help it remain successful?

Answer. Ukraine has demonstrated ingenuity to increase agricultural exports through Danube River ports, overland routes, and a Black Sea corridor created by pushing back Russia's fleet. This corridor has seen agricultural shipments exceed monthly volumes during the Black Sea Grain Initiative, supporting Ukraine's economy and global food security. USAID played a critical role in expanding Danube River ports and land border crossings and continues to mobilize investments into Ukraine's agricultural sector. We are also working to make war risk insurance more affordable and available.

Question. Is the State Department working with other U.S. agencies, such as the Department of Defense and Department of Commerce, to develop a comprehensive strategy for ensuring maritime shipping lanes are more resilient from conflict-related disruptions?

Answer. The U.S. Department of State is working with other Federal agencies, such as the Departments of Defense, Transportation, and Homeland Security, to enhance the resilience of maritime shipping lanes against conflict-related disruptions, including the ongoing disruptions in the Red Sea. The Department of State closely coordinates with the interagency to share critical threat-related information with partners and allies through diplomatic channels and with U.S. maritime stakeholders through interagency processes including the Maritime Alerts and Advisories system.

QUESTIONS SUBMITTED BY SENATOR BILL HAGERTY

Question. Since May 2022, U.S.-headquartered Vulcan Materials Company's operations in Quintana Roo, Mexico, have been harassed and intimidated by the Mexican government, including a March 2023 military occupation of the company's property. This is all part of a systematic effort to rob Vulcan of its legally-held land and deepwater port. It has now been 17 months since Vulcan was last able to operate its business in Mexico. During that same time period, Vulcan's property has twice been illegally occupied by Mexican military and law enforcement forces. What has the Biden Administration done to deter these types of actions?

Answer. We are following this dispute closely. We speak regularly with Mexican officials about our expectation that U.S. companies are treated fairly and in accordance with trade obligations, which provide trade and investment certainty in Mexico. In 2018, Vulcan Materials Company filed an arbitration claim, which is still pending. While the United States does not take a position on the merits of the ongoing investment dispute, we have underscored to Mexican officials that cases like these can negatively impact Mexico's efforts to attract future investment.

Question. Mexican President Andrés Manuel López Obrador has threatened to imminently expropriate Vulcan's property by turning it into what he claims will be "an environmentally protected area" if the company does not accept his offer to purchase the property for a fraction of its fair-market value. If President López Obrador follows through on his threat to expropriate Vulcan's assets, what will the Biden Administration's specific response be?

Answer. We are always concerned about the fair treatment of our companies abroad, including in Mexico. In 2018, Vulcan Materials Company filed an arbitration claim, which is still pending. The Department of State does not take a position on the merits of an ongoing investment dispute.

Question. If President López Obrador follows through on his threat to expropriate Vulcan's assets, how will this impact the Biden Administration's review of the United States- Mexico-Canada Agreement (USMCA)?

Answer. The Administration is preparing carefully for the upcoming 2026 review of the United States-Mexico-Canada Agreement. I refer you to the Office of the United States Trade Representative for more details on the 2026 United States-Mexico-Canada Agreement review.

CONCLUSION OF HEARINGS

Senator COONS. And with that the record will stay open one week for any Member of the Committee who wants to submit a question for the record.

Otherwise, this hearing is hereby adjourned.

[Whereupon, at 4:14 p.m., Tuesday, May 21, the subcommittee was recessed, to reconvene subject to the call of the Chair.]

STATE, FOREIGN OPERATIONS, AND RELATED PROGRAMS APPROPRIATIONS FOR FISCAL YEAR 2025

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

NONDEPARTMENTAL WITNESSES

[CLERK'S NOTE.—The subcommittee was unable to hold hearings on nondepartmental witnesses. The statements and letters of those submitting written testimony are as follows:]

PREPARED STATEMENT OF ALLIANCE FOR INTERNATIONAL EXCHANGE

As Executive Director of the Alliance for International Exchange, I appreciate the opportunity to submit testimony supporting funding of $808.6 million in Fiscal Year 2025 for educational and cultural exchange programs administered by the U.S. Department of State's Bureau of Educational and Cultural Affairs.

The Alliance comprises U.S.-based nongovernmental organizations representing the international educational and cultural exchange community in the United States. We greatly appreciate our productive working relationship with the subcommittee and its strong and consistent support for exchange programs.

The requested appropriation will allow the Department of State to maintain, and even slightly expand U.S. funded educational and cultural exchange programs, a cost-effective public diplomacy tool with unique capacities to adapt rapidly and effectively to foreign policy and national security priorities, while building relationships with strategic audiences in key countries and equipping young Americans with critical skills. A modest increase in funding would provide more opportunities for qualified Americans to participate in upskilling opportunities that help build their career skills and global abilities. It would further allow U.S. Department of State exchange programs to keep pace and meet at least a small fraction of unmet demand and allow the U.S. to engage more rising young leaders at home and abroad. The requested funding would assist in expanding programming to increase U.S. foreign policy effectiveness in critical regions, meet significant American and global demand for current programs, and allow for the integration of technology to reach those who cannot participate in in-person exchange.

Due to the greater global challenges the U.S. is currently facing, it is more important than ever to sustain international people-to-people exchanges and expand the geographic scope, so that these programs may reach new audiences and participants and share American values. The requested funding would allow the Department of State to provide opportunities for young Americans to study and research abroad, equipping them with the skill-set they need to succeed in today's global marketplace. These programs build language and intercultural competencies for American citizens and future world leaders, allowing them to better solve important problems in the U.S. and around the world, and achieve greater understanding in both the private and public sectors. Additionally, international exchanges raise the profile and prestige of U.S. educational institutions and partners who interact with them, creating long-lasting cultural and business relationships. An increased investment in these programs will send a strong, united message of cohesion and dedication to international partnerships. Additional funding will make it possible for existing programs to invest in and build the infrastructure and outreach models needed to reach underserved communities and partner with organizations that serve minority, rural, first-generation Americans, and others who have not traditionally engaged in ex-

changes. By doing so, the U.S. ensures that its foreign policy delivers for Americans by including all Americans front and center through its people-to-people diplomacy.

We believe funding for educational and cultural exchange programs should be balanced and strategic by reaching a range of people from many different countries and backgrounds. Our country is very well served by supporting initiatives to discover and cultivate emerging leaders; language and area studies programs that prepare U.S. citizens for the workforce; capacity development for women; youth engagement; exchanges of cultural and artistic expression; interactions with international athletes; and virtual exchanges that connect people who are unable to travel. This comprehensive approach to exchanges has been very effective in advancing our Nation's strategic interests and should be maintained.

SUPPORTING U.S. NATIONAL SECURITY

U.S. Department of State exchange programs allow the U.S. to engage with wide and diverse audiences and emerging leaders from over 110 countries around the world, many of them from countries key to our National security interests (e.g. Brazil, China, India, Russia, Turkey, and Ukraine). American students studying abroad through U.S. Department of State exchange programs are ambassadors of the next generation of American leaders, highlighting our most promising young people and promoting American values around the world. U.S. Department of State evaluations repeatedly show that international exchange participants who visit the United States complete their programs with a better impression of our country, the American people, and our values. U.S. ambassadors around the world consistently rank exchange programs among the most useful catalysts for long-term political change and mutual understanding. Notable exchange alumni include: 721 current and former heads of foreign governments, 87 Nobel Prize winners, 75 representatives to the United Nations, and 39 current and former heads of international organizations.

Furthermore, it is critical that the U.S. both maintain and expand the human networks needed to successfully tackle these and future challenges. Building and sustaining networks is important for creating ongoing connections and is also a cost-effective way to enhance the impact of exchanges.

STRENGTHENING THE U.S. ECONOMY

U.S. Department of State exchange programs are a cost-effective investment that not only enhance America's long-term competitiveness but also provide significant and immediate economic impact in communities across the country. 90% of the Bureau of Educational and Cultural Affairs' appropriation is spent in the United States or invested directly in American citizens or American organizations. Among others, this appropriation supports 430+ EducationUSA Student Advising Centers worldwide, fostering the flow of 1,057,188 international students to U.S. universities and colleges in the 2022–23 academic year. These students who were enrolled at U.S. colleges and universities across the U.S. contributed $40.1 billion to the U.S. economy and supported over 368,000 jobs, according to NAFSA: Association of International Educators. A series of BridgeUSA program reports found that participants from the Au Pair, Camp Counselor, Intern/Trainee and Summer Work Travel programs contribute approximately $1.5 billion annually to the U.S. economy. All 50 States host international exchange visitors, who support the local economy during their stay.

INCREASING MUTUAL UNDERSTANDING

Exchange programs have a proven track record of building respect and increasing mutual understanding between Americans and citizens of countries around the world. For example, 94% of exchange students from Muslim-majority countries reported having a deeper, more favorable view of American culture after their stay in the United States, according to a U.S. Department of State evaluation of the Kennedy-Lugar Youth Exchange and Study (YES) Program.

Support from Congress allows the U.S. Department of State to strategically align its programs with key U.S. foreign policy interests and to facilitate exchange experiences for more than 55,000 American and international exchange participants each year, including:

—Bringing emerging and future leaders to the U.S. on programs like the Kennedy-Lugar Youth Exchange and Study (YES) Program between the U.S. and countries with significant Muslim populations; the Future Leaders Exchange (FLEX) Program for high school students from Eurasia; the Young Leaders Ini-

tiatives in Africa, Southeast Asia, and the Americas; and the International Visitor Leadership Program (IVLP);
—Expanding opportunities for young Americans to study abroad through programs like the Benjamin A. Gilman International Scholarship Program;
—Continuing to engage students and scholars through the renowned Fulbright Program;
—Engaging and training young professionals through programs such as the Congress-Bundestag Youth Exchange (CBYX); and
—Broadening engagement with youth, women and girls, as well as program alumni.

Increasing mutual understanding also requires expanding exchanges to include new audiences. With this appropriation for educational and cultural exchanges, program implementing partners could achieve objectives like the following: meeting a fraction of unmet demand from both Americans and those abroad to participate in these programs; expanding programs that prioritize underserved communities in the U.S.; expanding domestic outreach and recruitment of host families and students; and building relationships with other regions of the world to diversify inbound exchange programs.

Additionally, a critical part of incorporating new audiences is successfully integrating technology. Learning from the lessons of the pandemic, implementing partners are continuing to incorporate virtual elements or fully virtual programs where appropriate. Although virtual programming helps reduce costs for participants, it comes with higher administrative costs to build necessary virtual infrastructure, hire and train staff to intentionally develop programming, and effectively use virtual tools, and acquire reliable virtual platforms. This appropriation should allow for virtual activities to successfully complement traditional in-person exchanges and expand access for those who otherwise would not have the opportunity to participate, furthering the reach and impact of these programs worldwide.

Again, thank you for the opportunity to express our support for funding of $808.6 million in Fiscal Year 2025 for U.S. Department of State educational and cultural exchange programs. We look forward to working with the subcommittee to ensure that international exchange programs continue to play a vital role in supporting U.S. national security, strengthening our economy, and increasing mutual understanding between the U.S. and countries around the world. Thank you for your consideration.

[This statement was submitted by Mark Overmann, Executive Director.]

PREPARED STATEMENT OF AMERICAN ACADEMY OF PEDIATRICS

The American Academy of Pediatrics (AAP), a non-profit professional organization of 67,000 primary care pediatricians, pediatric medical subspecialists, and pediatric surgical specialists dedicated to the health, safety, and well-being of infants, children, adolescents, and young adults, appreciates the opportunity to submit this statement for the record in support of strong Federal investments in foreign assistance to support children's health and wellbeing in Fiscal Year (FY) 2025 and beyond. AAP urges all Members of Congress to put children first when considering short and long-term Federal spending decisions and supports funding levels for the following programs under USAID: $35 million for the Vulnerable Children account; $4,850,000,000 for International Disaster Assistance; $1,150,000,000 for the Maternal and Child Health budget line; and the following programs under the Department of State: $4,211,188,000 for Migration and Refugee Assistance; and $6,860,000,000 for Global HIV/AIDS programs.

VULNERABLE CHILDREN (USAID)

FY 25 Request: $35 million; FY 24 Level: $31.5 million.—In passing the Global Child Thrive Act in 2021, Congress recognized the need to integrate early childhood development interventions into U.S. foreign assistance programs to make sure that children have the tools they need to survive and thrive. The AAP appreciates an increase of funding in FY24 for the USAID Vulnerable Children account, which supports the care and protection of vulnerable children around the globe. This account funds three priorities: early childhood development programs, keeping children in family-based care, and supporting interventions that prevent violence against children. In 2022, with this funding, USAID provided 28.6 million children with services such as family tracing and reunification or other child development, protection, safety, and well-being services. Increased funding would allow the U.S. government to reach more children and families with child development, social services, and

other key support to further its goals with the USAID strategy for Advancing Protection and Care for Children in Adversity (APCCA).

INTERNATIONAL DISASTER ASSISTANCE (USAID)

FY 25 Request: $4.85 billion; FY 24 Level: $4.779 billion.—In 2023, the world saw an increase in global conflicts and natural disasters. In 2022, an estimated 468 million children—more than one in six children worldwide—lived in areas affected by armed conflict. The USAID International Disaster Assistance (IDA) account provides critical humanitarian assistance to civilian populations in response to natural disasters, conflict and insecurity, and other sudden-onset emergencies, and supports a range of humanitarian assistance to save lives including emergency food assistance, nutrition, water, shelter, health care, protection, and agricultural rehabilitation. Complex conflicts and natural disasters are increasing in frequency and severity, and because of this, more funding for the IDA account is needed to reach the same number of people who were reached previously.

MATERNAL AND CHILD HEALTH BUDGET LINE INCLUDING GAVI, THE VACCINE ALLIANCE AND POLIO (USAID)

FY 25 Request: $1,150,000,000 including $340 million for Gavi, the vaccine alliance and $165 million for polio eradication; FY 24 Level: $915 million including $300 million for Gavi, the vaccine alliance and $85 million for polio eradication.

The AAP appreciates an increase in funding for Gavi, the Vaccine Alliance, which was appropriated at $300 million for FY24. The pandemic significantly set back gains for maternal, newborn, and child survival by several years because of disruptions to the delivery of essential, lifesaving health services, such as routine immunizations, antenatal care, and breastfeeding counseling. There are currently 4.9 million children and 287,000 women who die each from mostly preventable causes. Between 2019–2021, 67 million children missed out on routine immunizations, which is leading to outbreaks of vaccine preventable disease across the globe. Funding of $1.15 billion for USAID's Maternal and Child Health budget line would expand programs that support pregnant mothers and newborns before, during, and after childbirth as well as support training community health workers to diagnose and treat key childhood illnesses and improve access to routine childhood immunizations.

Additionally, the first-ever malaria vaccines are now available and have shown to reduce all-cause mortality by 13 percent. An increase of $40 million in funding to Gavi, the Vaccine Alliance would allow Gavi to support the rollout of the new malaria vaccines, reach millions more children with vaccinations and regain lost ground in vaccine coverage, and prevent outbreaks at their source. An additional $80 million to support USAID's bilateral polio program would strengthen surveillance and outbreak response.

MIGRATION AND REFUGEE ASSISTANCE (DEPARTMENT OF STATE—BUREAU OF POPULATION, REFUGEE, AND MIGRATION)

FY 25 Request: $4,211,188,000; FY 24 Level: $3.928 billion.—In 2022, an estimated 468 million children—more than one in six children worldwide—lived in areas affected by armed conflict. Over 43 million of these children were forcibly displaced. The Department of State's Migration and Refugee Assistance (MRA) account helps meet the basic needs of displaced people, supports sustainable and dignified solutions to their displacement, and assists the countries hosting them. With the increase of frequency and severity of conflicts, coupled with rising operational costs, more MRA funding is required to reach the same number of people who were reached previously. Additionally, MRA funds help manage migration in the Western Hemisphere, including irregular migration from Central America to the United States.

GLOBAL HIV/AIDS PROGRAMS INCLUDING PEPFAR, GLOBAL FUND, AND UNAIDS (DEPARTMENT OF STATE—GLOBAL HEALTH PROGRAMS)

FY 25 Request: $6,860,000,000 for Global HIV/AIDS programs, including $5.15 billion for PEPFAR, $1.65 billion for the Global Fund, and $60 million for UNAIDS; FY 24 Level: $6.045 billion.

The Department of State's Global HIV/AIDS programs including PEPFAR, the Global Fund, and UNAIDS, support programs that expand access to HIV prevention, treatment, and care interventions. Each year, 1.3 million people become newly infected with HIV and 630,000 people die of AIDS-related illnesses worldwide. Funding for PEPFAR has remained stagnant for over a decade in dollar amounts, resulting in an effective $1.5 billion decrease in purchasing power from 2009 to

2021. PEPFAR, the Global Fund, UNAIDS, and other multi- and bilateral U.S. investments in global HIV/AIDS are a cornerstone platform for U.S. global health programs and one of the major public health successes of this generation. Since the inception of the program, PEPFAR has saved more than 25 million lives. The program has provided over 20 million people with to access lifesaving antiretroviral treatment and supported 5.5 million babies to be born HIV-free. Increasing investments in global HIV/AIDS programs are essential to ending AIDS as a public health threat and achieving an AIDS free generation.

The American Academy of Pediatrics looks forward to working with Members of Congress to prioritize the health and well-being of children, globally, in FY2025 and beyond to adequately fund life-saving foreign assistance programs for vulnerable children and their families.

[This statement was submitted by Mandy Slutsker, Director, Global Child Health Advocacy, American Academy of Pediatrics.]

PREPARED STATEMENT OF AMERICAN COUNCILS FOR INTERNATIONAL EDUCATION: ACTR/ACCELS

REGARDING DEPARTMENT OF STATE PROGRAMS

Mr. Chairman,

Thank you for the opportunity to provide testimony to the subcommittee on behalf of American Councils for International Education. Exchange programs funded through the Educational and Cultural Exchange programs are a vital component to strengthening the National security of the United States and supporting U.S. international leadership. I am requesting that the subcommittee recommend funding in the fiscal year 2025 State, Foreign Operations bill of at least $800 million for programs under the Department of State's Bureau of Educational and Cultural Affairs (ECA). Further, I ask that funding within ECA be provided at the amount of $115 million for Citizen Exchange Programs and that the Critical Languages Scholarship program be funded at a level of $11 million. I also ask that funding of at least $3.0 million be included for Research and Training for Eastern Europe and the Independent States of the Former Soviet Union Program.

The complexities of the current geopolitical crises in Ukraine, Belarus, Afghanistan and the Middle East and the ongoing political unrest in South Asia and the Horn of Africa demonstrate the critical importance of exchange programs and the vital channel they provide the United States for engaging people and communities throughout the world in constructive dialog and the pursuit of mutual understanding. Surveys of academic year program alumni show that most remain in touch with Americans that they met on their programs in the U.S., and overall, 96% have positive impressions of Americans.

Exchange programs funded through the Educational and Cultural Exchange Programs account are a vital component to strengthening the National security of the United States and supporting U.S. international leadership.

Americans who have benefited from State Department funding go on to careers using those languages, including many who subsequently work in the State Department, Department of Defense, Department of Homeland Security, and other Federal employers. Exchange programs have been clearly shown to be an important, highly cost-effective public diplomacy tool as well as a training opportunity for those who represent and defend our country.

These programs promote America's business and political interests abroad and advance U.S. democratic values abroad, reaching a wide range of students, educators, and young professionals.

The U.S. is a global leader in delivering programs that create deep and long-lasting bonds between individuals. However, the U.S. is not without competition in this arena. China actively promotes competing outreach initiatives around the world. The U.S. must maintain its primacy in this area.

As President of American Councils for International Education, I have the privilege of overseeing one of the leading nonprofit organizations administering U.S. Government and privately funded exchange and educational development programs in areas critical to U.S. interests around the globe. Exchange programs promote the qualities of democracy in the United States and work to build positive, productive relations between the people of the United States and the people of other countries.

Leaders in more than 120 countries around the world, in both government and business, have come to share strong pro-Western values, thanks to exchanges.

EDUCATIONAL AND CULTURAL EXCHANGES (ECE)

No instrument is more cost-effective than American outreach through exchanges to the rising generation of young leaders and professionals. Exchanges provide a significant long-term multiplier effect at relatively low cost, as alumni later rise to increasingly important roles in government, the private sector, and the NGO community. Exchange opportunities are financially out of the reach of most U.S. families.

Without a doubt, these programs benefit not just the countries on which they focus; they also benefit the U.S., which must strategically engage with the global community.

Citizen Exchanges give American and foreign participants the opportunity to gain knowledge and share their expertise and experience through professional, youth, cultural, and sports exchange programs.

The Critical Language Scholarships program is an essential part of the U.S. national security effort to expand the number of Americans studying and mastering foreign languages. These languages are less commonly taught in the United States but are essential to America's engagement in the world. Languages include Russian, Chinese, Farsi, Arabic, Korean, Indonesian, and others. More than 90% of participants indicate an increase in job skills as a result of participation in Critical Language Scholarships programs.

The State Department has expanded the number of critical languages offered by the CLS from the original 10 to the present 16 languages, without any corresponding increase in funding. The result is that competitive positions for training in languages such as Russian, Chinese, Farsi, and Arabic have been reduced over this period.

Overseas foreign language capability dramatically boosts U.S. capacity to operate around the world, both in collaboration with our friends and allies and, where necessary, in competition with our adversaries.

Funding at a level of $11 million annually will enable CLS program resources to match in constant dollar support the level of funding of the program's initial implementation. The need for these resources is evident, both in terms of the additional languages deemed critical by the State Department and the increasingly challenging global environment in which State Department and other U.S. government national security professionals operate around the world.

The Future Leader Exchange (FLEX) program brings about 800 students from countries of the former Soviet Union, Ukraine and Central and Eastern Europe through a merit-based competitive process to the U.S. for a high school academic year. With over 28,000 alumni in positions of responsibility in government, business, and education, FLEX plays an essential and critical role in fostering democratic values and positive views toward the United States.

The Youth Exchange and Study Program (YES) fosters greater understanding between the United States and countries with significant Muslim populations and is an important part of U.S. foreign policy. The YES program brings approximately 800 students from almost 40 countries to the U.S. each school year and plays a critical role in achieving this objective.

RESEARCH AND TRAINING ON EASTERN EUROPE AND THE INDEPENDENT STATES OF THE FORMER SOVIET UNION

I am requesting the Committee provide report language and funding at the previously Congressionally recommended level of $3.0 million for the Program for Research and Training on Eastern Europe and the Independent States of the Former Soviet Union. The request is also to continue current bill language under the section for "General Provisions."

The Research and Training on Eastern Europe and the Independent States of the Former Soviet Union Title VIII program was enacted into law in 1983. These programs provide American advanced research, fieldwork and essential linguistic capacities for policymaking challenges emanating from Russia, Ukraine, and the turbulent border regions.

The purpose of the Research and Training on Eastern Europe and the Independent States of the Former Soviet Union (referred to as Title VIII programs) is to raise the readiness levels of U.S. civilian and prospective government personnel for understanding, analyzing, and dealing effectively with a new generation of cyber, environmental, geopolitical, military, technological and political challenges emanating from Russian aggression and in the region as a whole.

Research and Training on Eastern Europe and the Independent States of the Former Soviet Union programs ensure that American scholars and government officials cultivate and maintain vital area expertise, linguistic capabilities, and knowledge of the region's increasingly diverse societies to ensure that our policymaking,

conduct of relations, and engagement with this vital region are informed and based on an up-to-date understanding of the situation on the ground across the region.

In conclusion, Mr. Chairman, exchanges are a critical, national security foreign policy tool. They are a cost-effective tool in promoting democratic values. These programs provide a significant return on investment, particularly in a time of limited resources.

Therefore, I urge the subcommittee to provide the funding and report language I have outlined in this statement for the Bureau of Educational and Cultural Affairs and for the program of Research and Training for Eastern Europe and the Independent States of the Former Soviet Union.

Thank you for your consideration.

[This statement was submitted by Lisa Choate, President and CEO.]

PREPARED STATEMENT OF THE AMERICAN FOREIGN SERVICE ASSOCIATION (AFSA)

The American Foreign Service Association (AFSA) is concerned about the 6 percent decrease to the Fiscal Year (FY) 2024 International Affairs Budget from the FY23 enacted level. In FY25, AFSA hopes this trend is reversed and significant hiring increases in the Foreign Service can resume with a corresponding boost in funding. Specifically, this testimony will address AFSA's appropriations requests for the U.S. Department of State and the U.S. Agency for International Development.

In the FY25 State, Foreign Operations, and Related Programs (SFOPS) Appropriations bill, AFSA is seeking an increase in funds for the State Department's "Human Resources" account to hire and continue to fill Foreign Service positions. AFSA also requests an increase in funds for USAID's "Operating Expenses" account to hire and continue to fill Foreign Service positions. Additionally, these operational accounts aid in retention efforts for members of the Foreign Service. AFSA strongly opposes any proposed cuts to the operational accounts of foreign affairs agencies, which enable the hiring and retention of career members of the Foreign Service.

Maintaining a robust diplomatic capability is vital to preserving America's global leadership role. Our leadership was built on a foundation of military might, economic primacy, good governance, democratic values, tremendous cultural appeal-and the diplomatic prowess to channel all that power, hard and soft, into global leadership and multilateral alliances that have kept us safe and prosperous at home. We would like to partner with our congressional supporters to ensure that today and for years to come, the full complement of U.S. diplomats is in the field, deployed around the world to promote and protect our interests. For a tiny percentage of the overall budget, the Foreign Service is America's first line of defense. Its members build the relationships that enable Americans to conduct business all around the world, keeping threats at bay and reducing the need for military action.

If the United States retreats diplomatically, we leave a vacuum that will be filled by others. According to an April 2, 2024, "People's Republic of China (PRC) Influence and Confirmations" presentation from the State Department, "susceptibility to PRC influence is high in countries without Senate-confirmed ambassadors." In the face of aggressive competition from countries such as China, the opportunity costs of leaving American embassies short staffed and without confirmed, empowered ambassadors are rapidly increasing. Doing so erodes our Nation's diplomatic power at our own peril.

Growing cost-of-living concerns have also become a challenge in retaining members of the Foreign Service, as evidenced by an AFSA Fall 2023 survey. Given the very mobile lifestyle and thus frequent relocations, our members cite moving and re-establishing households every few years, especially with domestic transfers, as growing expenditures. These costs are made even more onerous due to frequent career disruptions for partners and spouses of Foreign Service members and the challenge of looking for housing, childcare, eldercare, and setting up commuting routines every time a move is made. Thus, many Foreign Service households rely on just one income, or with one spouse earning well below their potential, throughout most of a Foreign Service career. Our members also overwhelmingly identified the cost of housing in the Washington D.C. region to be the most significant challenge of serving in domestic positions. Ensuring that we can hire, and then retain, U.S. Foreign Service members serves as another reason for our ask to increase funding of operational accounts.

STATE DEPARTMENT

An increase in the number of members of the Foreign Service will help accomplish three major goals: help facilitate a training float so that members of the Foreign

Service are better prepared for their jobs, allow expanded intake from an increasingly diverse U.S. population, and enable the Department to meet expanding mission requirements.

1. Members of the Foreign Service receive quality training on the front end and on the basics of diplomatic work before they go to their first assignment, including language and functional training. However, limited funding for leadership and other specialized training hamper career-long training opportunities for our Foreign Service members. The officers are usually shuttled between language training and their next post, without the opportunity to simply study their lessons learned or gain new leadership skills in the classroom setting. A sustained and fully funded training float will enable members of the Foreign Service to perform higher quality work, accelerate out-of-cone, cross-functional skills building, and provide temporary duty officers to perform jobs while others attend training. An increase will help ensure that enough personnel are in place to support a training float for the Foreign Service.
2. A significant increase in the number of Foreign Service members provides the opportunity to expand representation to traditionally underrepresented groups. General expansion of the Foreign Service aids in both the recruitment and retention of a more diverse Foreign Service. While there has recently been greater intake from traditionally underrepresented groups, which should continue to expand, retention remains an ongoing concern. While U.S. Foreign Service members identify as being from or growing up in all 50 States, according to an AFSA June 2023 survey, expanded intake would also allow for even more geographical and socioeconomic diversity.
3. Today, the U.S. is facing new threats and issues diplomats did not have to reckon with 10 years ago. Russia has re-emerged as a major national security threat, especially after its invasion of Ukraine in early 2022. China now has a larger diplomatic presence than the U.S. It has more posts overseas and outnumbers American diplomats five to one in African countries. Additional hiring and greater retention of the current workforce will enable the Foreign Service to meet its expanded mission requirements to counter the ever-growing threats to our global leadership and influence.

Our nation needs a full team of diplomats and development professionals in the field keeping threats at bay and safeguarding our prosperity-combating the conditions that enable terrorism to take root, protecting against pandemics, and promoting the rule of law and international rules and norms that level the playing field for U.S. companies to compete and thrive. This deficit of Foreign Service members needs to be addressed as soon as possible if we are to avoid losing further commercial, economic, and even political ground to rising great powers and peer competitors. AFSA's request for funding to support Foreign Service hiring and retention will enable America to have a full team in the field and at home.

USAID

AFSA also greatly appreciates bipartisan support for foreign assistance, including increases to USAID's Operating Expenses (OE) account to permit hiring of career personnel and filling positions. We regard this support as a critical component of U.S. national security. AFSA recognizes the steady increase in the USAID OE budget since FY2019, which has allowed USAID to increase both career Foreign Service officers (FSO) and Civil Service (CS) staff. Largely done under the auspices of the Global Development Partnership Initiative (GDPI), USAID career FSOs are nearing the FY 23 target of 1,980 and an increase of over 300 career FSOs since 2019. This has been a good start. However, USAID still faces critical shortages of career Foreign Service employees. In the field, USAID Missions continue to struggle to fill Contracting Officer, Controller, technical, and programmatic positions with career FSOs. As a result, the Agency maintains its reliance on temporary contractors, short-term fixes, or simply making do without.

Decades of OE shortages, career hiring caps, fragmented internal budget processes, and an under-resourced and unempowered Human Capital and Talent Management (HCTM) Office have distorted both USAID's workforce composition and processes. Today, Institutional Support Contractors (ISC), Personal Service Contractors (PSC), and non-career Foreign Service Limited (FSL) employees account for nearly 25 percent of staff. In some critical Washington Bureaus, such as Conflict Prevention & Stabilization (CPS), Humanitarian Affairs (HA), Resilience, Environment and Food Security (REFS) and Global Health (GH), an overwhelming majority of personnel are short-term non-career staff (PSCs, ISC, and FSLs). The continued

reliance on non-career staff affects how USAID works, limits career opportunities for FSOs, and undermines overall morale across hiring categories.

AFSA recognizes the efforts USAID has made under GDPI to increase career FSO staff. As reported in the FY 22 Transforming Workforce Report to Congress, USAID will meet its FY2023 goal of a career Foreign Service totaling 1,980. However, there is growing uncertainty over whether USAID will be able to reach its FY2025 target of 2,500 career FSOs. Furthermore, the addition of a new hiring authority, Civil Service Excepted (CSE), and an increase in hiring authority for FSLs to 700, are troubling signs that USAID will continue to rely on temporary short-term employment options.

For years, Congress and AFSA have been asking USAID to develop a comprehensive workforce strategy. In January 2024, the comprehensive strategic workforce plan (CSWP) was finally established, a positive first step. AFSA is committed to working with USAID to ensure that the CSWP captures and effectively utilizes the required and necessary data to allow leadership to make and implement decisions in an open and transparent manner that promotes a strong career FSO workforce while minimizing the need for continued short-term solutions. The CSWP and its first and future reports are essential in ensuring a growing and strong career workforce capable of implementing effective programming in support of our foreign policy goals.

While GDPI and the SWPC are positive steps, there is still a need for vigilance. Turnover and vacancy rates of critical Senior FSO (SFS) and FSO positions across Washington Bureaus remain high. High SFS turnover in the Bureau of Human Capital and Talent Management (HCTM), coupled with continued vacancy in the Chief Human Capital Officer (CHCO) position, holds back growing and strengthening the career FSO corps. It is essential for USAID to better understand why both its SFS and FSO domestic positions are going unfilled, or when filled, why career staff often depart early.

Finally, recent authority to increase the number of FSLs to 700 (a potential of over 250 new positions), along with new CSE mechanisms, give AFSA pause. FSLs and CSEs are professional and respected colleagues, many of whom would welcome the chance to compete for a career position with USAID if opportunities arose. However, USAID has seemingly chosen to meet its needs with temporary term-limited fixes, further limiting opportunities for its career FSOs. The continued use of these mechanisms and the explosion in the number of ISCs create not only a huge management and unknown budget burden, but further entrench perceptions of an unsupportive leadership for career FSOs.

Again, AFSA requests an increase in OE funding that recognizes the urgent need for a larger, robustly resourced career Foreign Service at USAID. We hope this budget and on-going efforts by USAID are part of a larger, sustained, concerted effort to rebuild and empower USAID's career cadre to better serve the interests of the American people.

Thank you for your consideration of these requests.

Sincerely,

Tom Yazdgerdi, AFSA President

PREPARED STATEMENT OF AMERICAN HELLENIC INSTITUTE (AHI)

Chairman Coons, Ranking Member Graham, and Members of the subcommittee, I am pleased to submit testimony to the subcommittee on behalf of the Nationwide membership of the American Hellenic Institute (AHI) on the Administration's proposed FY2025 foreign aid budget.

In keeping with the best interests of the United States, and with the vision and spirit of the Administration's FY2025 budget request aimed to meet our commitment to confronting global challenges, which includes fostering democracy and human rights and countering malign influences, AHI opposes any proposed: (1) military assistance the Administration will request for Turkey until; Turkey withdraws all of its troops and illegal Turkish settlers in Cyprus; Turkey demonstrates tangible steps to resolve its outstanding problems with Greece in the spirit of the December 7, 2023 "declaration on friendly relations and good neighborliness;" Turkey ends their political, financial, and logistical support for Hamas and other U.S. designated terrorist organizations; (2) any proposed reduction in the aid levels for the UN Peacekeeping Force in Cyprus.

Further, AHI officially supported a bipartisan dear colleague letter addressed to the House Appropriations Committee led by the leaders of the Congressional Hel-

lenic Caucus calling for FY2025 appropriations to include $1.8 million for International Military Education and Training (IMET) assistance for Greece.

Additionally, AHI recommends robust investment for Foreign Military Financing (FMF) assistance for Greece, a faithful NATO ally since 1952. As this testimony will demonstrate to the subcommittee, Greece's strategic importance to the United States justifies this recommendation. AHI also recommends a $25 million appropriation for fiscal years 2025 and 2026 for Greece's European Recapitalization Incentive Program (ERIP), as authorized by the United States-Greece Defense and Interparliamentary Partnership Act of 2021. In addition to ERIP financing for Greece, Congress should appropriate an extra $6 million in FMF funding, as part of the President's FY2025 budget request. The East Med Act authorized appropriations of $3 million for FMF assistance in FY2020.

The Republic of Cyprus, a vital U.S. strategic partner, will mark the somber 50th anniversary of Turkey's illegal invasion and ongoing occupation in July. For the first time in 2020, the U.S. Department of State provided funding for the Republic of Cyprus's IMET program. AHI welcomed this policy development as the U.S. rightfully invested resources in defense cooperation with the Republic of Cyprus. The U.S. must build upon it by providing a minimum $500,000 appropriation for the Republic of Cyprus' IMET program for FY2025.

AHI strongly opposes any proposed cuts by Congress to foreign assistance programs that strengthen the U.S.-Greece and U.S.-Republic of Cyprus relationships.

America Values Its Alliance with Greece.—Greece is an immensely valuable link as 'a pillar of stability' in the region as several high-level U.S. government officials have noted. Furthermore, as Greece is located in the intersection of Europe, Asia, and Africa, and has close cultural, political, and economic ties to Mediterranean countries, including Israel; as well as Western Europe, the Balkans, Eastern Europe, and the Middle East, Greece is situated in a vital strategic region to be an ideal partner for the U.S. The U.S.-Greece relationship has reached new heights by virtue of an ongoing Strategic Dialogue (which completed its 5th round in February, 2024) where avenues for cooperation among many sectors were discussed, including: regional cooperation, defense and security, and trade and investment, among others. Greece is a pivotal and dependable NATO ally to advance U.S. interests and is a frontline state against terrorism. Specifically, Greece has become indispensable to U.S. efforts to support Ukraine. Greece enables the U.S. military to enter the European theater through the port of Thessaloniki and to depart through Alexandroupolis, a port in northern Greece. Alexandroupolis has been referred to as the "Souda of the North" by the former Chief of the Hellenic National Defense General Staff, Konstantinos Floros, because it has become an important staging point for the transiting of equipment to Ukraine and Europe's Eastern flank. Greece has sent both military and humanitarian aid to Ukraine. On March 6, 2024, a Russian missile strike narrowly missed Prime Minister Mitsotakis while he was in Ukraine to meet with President Zenenskyy and show solidarity with Ukrainian people.

The United States and Greece signed an extension of an upgraded Mutual Defense Cooperation Agreement (MDCA) in October 2021, addressing the two allies' commitment to address, over a longer term, the security challenges in the region as well as offering more flexibility to deepen cooperation in the defense sector. Secretary Blinken explained: "This update will allow the agreement to remain in force indefinitely, and it enables U.S. forces in Greece to train and operate from additional locations." The MDCA also envisions the continuation and expansion of activities through the port of Alexandroupolis.

For its part, Greece further demonstrates its commitment to NATO as a top contributor to its defense efforts. In 2023, Greece spent 3.01% of its GDP on defense expenditures, just behind the United States and Poland in terms of highest percentage of GDP.[1] In 2022, Greece spent 3.76% of its GDP on defense expenditures, most of any NATO member country that year, including the U.S.[2] In addition, AHI welcomes the approved sale of F–35 fighter jets to Greece this year, a step which will further enhance the U.S.-Greece defense relationship.

Greece is also important for the projection of U.S. strategic interests by being home to the most important U.S. military facility in the Mediterranean Sea, NSA Souda Bay, located in Crete. It is a base from where joint USN/USAF reconnaissance missions and air refueling support for U.S. and NATO operations were implemented successfully, and it continues to be immensely important. Military installations located at Souda Bay include the NATO Maritime Interdiction Operational Training Centre (NMIOTC) and the NATO Missile Firing Installation (NAMFI). It

[1] https://www.washingtonpost.com/politics/2024/02/12/nato-countries-defense-spending-gdp-trump/.

[2] www.dw.com/en/poland-to-ramp-up-defense-budget-to-4-of-gdp/a-64555544.

also has been noted by U.S. government officials that Souda Bay allows United States Navy vessels—especially aircraft carriers—the ability to dock, make needed repairs and maintenance, and resupply, all within a couple of weeks and without having to return to Naval Station Norfolk.

However, Greece's value extends well beyond Souda Bay. To further demonstrate Greece's value:

—*NATO Joint-Command HQ.*—Thessaloniki hosts a NATO Rapid Deployment Corps combined with its Third Army Corps for 2 years.
—*Operation Atlantic Resolve.*—Greece enables a substantial portion of the U.S. Army's 10th Combat Aviation Brigade to enter the European theater through the port of Thessaloniki and to depart through Alexandroupolis. As demonstrated earlier in this testimony, Alexandroupolis is being recognized for its increased geostrategic importance, which can also contribute to economic development and energy security.
—USAF has invested resources to create the infrastructure required to operate MQ–9 Reaper Drones from Greece's Larisa Air Force Base.
—Increased aircraft and soldier involvement at Stefanovikio Hellenic Army airbase improves NATO transit capability.
—The trilateral naval exercise "Noble Dina" between the U.S., Greece, and Israel is held annually off of the coast of Souda Bay.

Former U.S. Ambassador to Greece Geoffrey Pyatt described the U.S.-Greece relationship as being at "an all-time high" and acknowledged Greece as a key geostrategic partner of the United States, stating exercises conducted there are "showcasing Greece's critical geographic position at the nexus of three continents." Pyatt's successor, Ambassador George Tsunis, has echoed this assessment, most recently in February 2024. "The United States views Greece as an indispensable partner and key NATO Ally. Greece plays a critical role defending NATO's southeastern flank," Tsunis said in an interview.[3]

Finally, Greece is also an active participant in peacekeeping and peace-building operations conducted by international organizations, including the UN, NATO, EU, and OSCE. In summary, it is evident Greece contributes significantly to U.S. interests. AHI strongly contends these actions justify a robust investment by the U.S. in Foreign Military Financing assistance to Greece.

Greece's Role in European Energy Security.—Significant commerce and energy sources pass through the Eastern Mediterranean. Russia's illegal invasion of Ukraine has created an urgent need for Europe to get off Russian oil and gas through a diversification of energy sources. Greece is poised to play a fundamental role in Europe's energy security and independence from Russian energy. Greece is quickly becoming an energy hub for Europe, and the transit point for the Southern Gas and Eastern Mediterranean Gas Corridors, both of which contain significant amounts of non- Russian energy. Greece plays a pivotal role in the transit of energy from the Caspian region to Europe via the Trans- Adriatic Pipeline, operational since 2020. Greece is leading the expansion of the Southern Gas Corridor into the Balkans through initiatives such as the Gas Interconnector Greece-Bulgaria (IGB), which became operational in 2022. In addition, Greece will have a key role in the emergent Eastern Mediterranean Gas Corridor. Proposed pipeline and interconnector projects, as well as Greece's existing Liquified National Gas (LNG) terminals, position Greece to be the gateway for Egyptian, Israeli, and Cypriot energy to Europe. In fact, in February, the first FSRU (floating storage and regasification unit) received its first LNG cargo, which originated in the U.S. By contrast, Turkey promotes Europe's energy dependence on Russia through its Turkstream pipeline.

Regional Instability.—The successful projection of U.S. interests in the Eastern Mediterranean depends heavily on the region's stability. A key to peace and stability in the region is for good neighborly relations among NATO members and respect for the rule of law. Therefore, the U.S. has a stake in focusing on the problems that are detrimental to U.S. interests and to call out those who cause instability in the region. Turkey is the fundamental cause of instability in the Eastern Mediterranean and broader region.

—Turkey's unilateral claims against sovereign Greek territory in the Aegean which are in violation of international law, and Turkey's refusal to refer its unilateral claims to binding international arbitration.
—Turkey's aggression against Cyprus which includes its continuing illegal occupation of 37.3 percent of Cyprus.
—Turkey's insistence on a 'two-state solution' in Cyprus.

[3] https://www.tovima.com/politics/amb-tsunis-on-greek-us-relations-in-uncertain-times/.

—Turkey actively supports U.S.-designated terrorist groups, such as Hamas, as well as the global Muslim Brotherhood and a variety of extremist Islamist organizations.
—Turkey's recently issued trade ban against US ally Israel.
—Turkey's acquisition and test of the Russian S–400 missile defense system, which poses a grave threat to NATO assets. This is a blatant violation of Turkey's obligations as a NATO member.

While Greece and Turkey have had somewhat of rapprochement in recent months, as evidenced by December 7, 2023 "declaration on friendly relations and good neighborliness," the U.S. should view Turkey through the prism of 'trust but verify.' Turkey must take tangible steps to reassure Greece that its desire for peace is genuine.

Further, Turkey's continuing occupation of Cyprus, its intransigence in solving the Cyprus problem, and its refusal to recognize E.U.-member Republic of Cyprus (a prerequisite to Turkey's E.U. accession process) are detrimental to U.S. interests and contributes to regional instability. To illustrate, Turkey insists on maintaining troop levels illegally in Cyprus, President Erdogan continues to promote a two-state solution for Cyprus, and attempts have been made to change Varosha's status by illegally reopening it, which would inflame tensions and is in violation of international law and United Nations resolutions. President Erdogan has gone so far as to state that Turkey should have invaded the entirety of the island of Cyprus in 1974.

Secretary Antony Blinken has frequently mentioned the need of the United States to "uphold the rules-based international order." However, to do this, the application of the rule of law cannot be selectively applied. It must be applied to all countries which seek to undermine the "rules-based international order," including Turkey.

Turkey.—We oppose any foreign aid for Turkey and any other assistance programs from the United States. In 2019, AHI applauded the United States' decision to terminate Turkey's designation as a beneficiary developing country under the Generalized System of Preferences (GSP) program. AHI has long argued for this type of action by the U.S. government, especially in testimony presented to this subcommittee, until the following actions are taken: (1) the immediate withdrawal of all Turkish troops from Cyprus; (2) the prompt return to Turkey of the over 180,000 illegal Turkish settlers in Cyprus; (3) the Turkish government's safeguarding the Ecumenical Patriarchate, its status, personnel and property, reopening the Halki Patriarchal School of Theology, returning church properties illegally seized, and the reversal of Hagia Sophia's and Chora Church's status, returning them to a museum; (4) the assured cessation of violations against Greece's territorial integrity in the Aegean and of its airspace, which have quieted; (5) removal of the Russian S–400 missile defense system from Turkey, and (6) the cessation of support for U.S.-designated terrorist organizations, including Hamas. Of course, Turkey's ongoing human rights, freedom of speech, and religious freedom violations are problematic.

This month, Turkish President Recep Tayyip Erdogan's formally converted The Church of St. Saviour in Chora, known as Kariye in Turkish, from a museum into a mosque. AHI urges Congress and the Administration to publicly and unambiguously express the outrage of the American people at this sordid act. Turkey should be held accountable for its actions with sanctions.

Moreover, Turkey has demonstrated it is not a true and dependable U.S. and NATO ally. The U.S. government, both executive and legislative branches, rightly sanctioned Turkey for its procurement of the Russian-made S–400 missile defense system under Countering America's Adversaries Through Sanctions Act (CAATSA) in December 2020, as well as removing Turkey from the F–35 joint strike fighter program, actions that AHI applauded. AHI strongly opposed the sale of upgraded F–16 fighter jets to Turkey, which the Administration approved in January of 2024. It appears to observers of U.S. policy in the region that any proposed deal to sell F–35s to Greece remained contingent on Turkey's approval of Sweden's NATO accession and subsequent proposed sale of F–16s to Turkey. U.S. policy toward Greece should never be viewed through the prism of Turkey, or any third-party country. Greece is worthy of such a deal based on its own merit.

Cyprus. The illegal occupation of the Republic of Cyprus by 40,000 Turkish troops remains. This year will mark the 50th year of Turkey's illegal invasion and occupation of Cyprus. As long as the Republic of Cyprus remains under Turkish military occupation, a strong UN peacekeeping force must be maintained on the island. Congress can assist the Republic of Cyprus by reaffirming the United States' position that assistance appropriated for Cyprus should support measures aimed at solidifying the reunification of Cyprus and the unified government in Cyprus. It would provide a settlement, should it be achieved, with a chance to succeed.

For the Republic of Cyprus, which is relatively new to the IMET program, it is critical to sustain investment in FY25. It will be the next step in a series of positive developments since the Statement of Intent that the U.S. and Republic of Cyprus signed in November 2018. Since then, Cyprus has assigned a defense attaché to the Embassy in Washington, and the U.S. implemented an annual review of lifting of the arms prohibition on Cyprus. On March 30, 2023, the New Jersey National Guard and the Republic of Cyprus National Guard formalized their State Partnership Program collaboration, demonstrating the burgeoning U.S.-Cyprus security partnership.[4] Most recently, AHI endorsed the bipartisan End the Cyprus Embargo Act (H.R. 8212), which will extend the waiver period on the ITAR (International Traffic in Arms Regulations) restrictions the Republic of Cyprus is subject to from 1 year to 5 years. However, ultimately, the U.S. must fully and permanently lift its arms prohibition on Cyprus and remove Cyprus from the list of countries to which arms sales are prohibited under International Traffic in Arms Regulations (ITAR) and calls for appropriations language to direct this of the U.S. Department of State. Separately, Cyprus continues to demonstrate its value as a U.S. strategic partner and contributor to stability. In March, Cyprus opened a sea corridor to ship aid directly to Gaza-most recently, a U.S.-flagged ship carrying aid to a U.S.-built pier off Gaza.

UN-led attempts to achieve a just and viable solution to the 50-year division of the Republic of Cyprus fail to reach an agreement because of Turkish intransigence. Instead of helping to provide stability by promoting a just settlement supported by both Greek Cypriot and Turkish Cypriot communities, Turkey insists on antiquated and obstructive stances. For example, Turkey insists on maintaining the Treaty of Guarantee, which would allow for future unilateral Turkish military interventions. This demand is completely unacceptable and contradicts the governing principals of a European Union member state. Furthermore, Turkey's illegal occupation of Cyprus has had an impact upon The Committee on Missing Persons' (a previous recipient of USAID support) ability to access certain Turkish military installations in Cyprus to excavate the remains of 955 Cypriots currently missing since the tragic events that occurred on the island for proper identification. Congress can help by calling on Ankara to support reunification efforts in a constructive manner which would include the removal of troops, settlers, and rights of guarantees. Moreover, AHI calls on the Administration to be engaged with the Cyprus problem at the highest levels. Lastly, AHI contends the U.S. must continue to support the sovereign rights of the Republic of Cyprus to explore and develop the resources within its EEZ free of any third-party interference and to underscore the importance of avoiding any actions that escalate tension. As mentioned, Turkey's threats in Cyprus' EEZ endanger U.S. companies and energy security interests. If they reoccur in earnest, Turkey's history of illegal actions in Cyprus' EEZ prohibit any real chance for the resumption of settlement talks.

Thank you for the opportunity to present our written testimony to the subcommittee.

[This statement was submitted by Nick Larigakis, President.]

PREPARED STATEMENT OF AMERICAN ISRAEL PUBLIC AFFAIRS COMMITTEE

For Fiscal Year 2025, AIPAC urges the subcommittee's full support for $3.3 billion in security assistance for our strategic partner Israel as set forth in the 2016 U.S.-Israel Memorandum of Understanding (MOU) on Security Assistance. We note with appreciation this subcommittee's support of full funding of Israel's security assistance in every previous year under the MOU.

The significance of this subcommittee's commitment to Israel's security is magnified this year in the aftermath of the most devastating terror attack in Israeli history. On October 7, 2023, thousands of Hamas terrorists breached the Gaza border and brutally attacked Israeli communities, slaughtering at least 1,200 innocent people, including more than 30 Americans, and taking more than 250 hostages to Gaza. The unprovoked and unprecedented assault, which ended years of a ceasefire between Israel and Hamas, included the rape, torture, and burning alive of babies, children, women and men, with no discrimination or hesitation. The carnage that took place on that day marks the most gruesome day in Israel's history and the single largest death toll of Jews since the Holocaust. Atrocities were gleefully committed and even live-streamed and documented—but it seems that today, after more than 7 months, the events of October 7 are forgotten—and even denied—by too

[4] https://cy.usembassy.gov/new-jersey-national-guard-signs-partnership-agreement-with-republic-of-cyprus-national-guard/.

many. Today, over 130 hostages remain in terrorist captivity as Israel wages a legitimate and justified war to bring them home and dismantle Hamas' capacity to threaten Israel.

The battlefield Israel must maneuver through is the most complex and difficult battlefield that any army has ever seen. Israel must fight Hamas terrorists in an urban, and increasingly subterranean, battlefield as the terrorist group uses Palestinian civilians as human shields, while at the same time defending against threats on all sides. The Jewish state is currently under attack from the full spectrum of Iran's regional terrorist proxy network, including daily Hezbollah attacks along the northern border and a persistent stream of attacks from the Houthis in Yemen and Iranian-backed groups in Syria, Iraq and beyond. The scale and scope of the danger Israel faces was on full display during the unprecedented Iranian aerial attack against Israel on April 13–14.

We have long appreciated that Congress' strong bipartisan support for Israel's security enables the Jewish state to defend itself, by itself, against this vast array of threats posed by Iran and its proxies. This year, we note with deep appreciation Congress' extraordinary $14.3 billion emergency supplemental appropriations for Israel, including $3.5 billion in foreign military financing to Israel. This largest single American investment in Israeli security sent a resounding message across the region that the United States stands ready to enable Israel to meet any threat arrayed against it.

We also express our appreciation to the subcommittee for consistently opposing and rejecting all efforts to attach new political conditions to Israel's critical security funding. While Israel's aid is governed by all applicable laws and provisions that ensure oversight and proper use of U.S. security assistance globally, the notion of adding political conditions only weakens Israel and emboldens our mutual enemies across the world at a time when the Jewish state is most vulnerable. We have made clear our opposition to the Biden Administration's decision to withhold certain weapons from Israel, and we continue to oppose any legislative provisions that would impose new limits, restrictions, or conditions on aid to Israel. Congress must continue to provide Israel the capabilities necessary to guarantee its safety and security.

REGIONAL CHALLENGES

In Gaza, Israel faces a persistent and ongoing threat from Hamas' terrorist army. Israel has defeated the majority of Hamas battalions and destroyed a significant portion of the group's terror infrastructure. However, Hamas is not yet defeated. It retains at least four battalions in Rafah and continues periodic rocket fire on Israel. Hamas has poured billions of dollars into establishing a deeply hardened terrorist infrastructure in and beneath the Gaza Strip. The breadth and sophistication of Hamas' labyrinth of terror tunnels—estimated to be between 350 to 450 miles long-presents an unprecedented challenge. Israel must have the time and space to complete its just and achievable mission: removing Hamas from power, ensuring Hamas can never again threaten Israel as it did on October 7, and securing the return of all the hostages.

To the north, Hezbollah has launched daily missile and drone attacks from Lebanon at Israel since the onset of the war, forcing some 70,000 Israelis to remain displaced from their homes since October 2023. While Israeli retaliatory measures have successfully pushed much of Hezbollah's elite Radwan forces away from the Lebanese border, the persistent Hezbollah shelling has thus far resulted in the deaths of at least 23 Israelis. If fighting in the north widens, Hezbollah's arsenal of over 150,000 rockets and missiles, including many precision-guided missiles, could have potentially dire ramifications for Israel.

To the south, the Iranian-backed Houthis in Yemen continue to fire missiles and drones at Israel while also targeting U.S. and allied military vessels and commercial ships in the Red Sea, significantly disrupting global shipping routes. Indeed, the full breadth of terrorist proxies armed and financed by Iran for decades—including militias in Iraq and Syria—have been mobilized against Israel since the onset of the war with Hamas.

At the same time, Tehran has grown bolder in its aggression than ever, launching an immense direct aerial assault on Israel just last month, including over 300 ballistic missiles, cruise missiles and drones intended to cause maximum death and destruction. Thanks to overwhelming U.S. leadership, allied support, and decades of U.S. investment in Israel's security, that attack was repelled successfully with minimal damage to Israel. But this attack marks a new, dangerous escalation by Tehran that represents only a small preview of the types of threats Israel could face in the future. Iran used less than 1 percent of its ballistic missile arsenal in its recent attack.

Given Iran's long record of clandestinely violating international agreements, Israel also needs to prepare for the possibility that stronger actions may be needed to prevent Iran from acquiring nuclear weapons. Accelerating its nuclear quest, Iran has increased its stockpile of 20 and 60 percent enriched uranium, according to International Atomic Energy Agency (IAEA) data. IAEA chief Rafael Grossi has warned that Tehran already has enough uranium enriched to near-weapons-grade levels to make "several" nuclear bombs and that IAEA surveillance of Iran's nuclear sites has been disrupted for years. Put simply, Iran is at the cusp of a nuclear-weapons capability while it continues to inflame the region and encircle Israel with terrorist proxies.

It is in America's vital interest for Israel—our sole reliable democratic ally in the region—to have the military capabilities needed to decisively defeat these mutual threats.

THE STRATEGIC IMPERATIVE TO MAINTAIN ISRAEL'S QUALITATIVE MILITARY EDGE

Israel must invest heavily in its own defense to confront complex and wide-ranging threats. Prior to the war with Hamas, spiraling defense costs, including inflationary pressures, forced Israel to spend over 5 percent of its GDP on security—more than any other industrialized nation. Now, Israel plans to raise about $60 billion in debt this year to fund the ongoing war that has already taken a severe toll on the Israeli economy. The record mass mobilization of reservists—over 300,000 soldiers—coupled with the evacuation of some 100,000 residents both from southern and northern communities has led Israel's economy to contract by almost 20 percent on an annualized basis in the last quarter of 2023.

While Israel invests its own resources heavily into its own defenses, U.S. security assistance is critical to ensure the Jewish state maintains a qualitative military edge (QME). In accordance with the president's budgetary request and the 2016 U.S.-Israel MOU, AIPAC strongly urges the subcommittee to approve $3.3 billion in security assistance to Israel for fiscal year 2025 without any additional political restrictions. It is imperative that Congress reject attempts to threaten Israel's security by linking new political conditions to aid. By continuing its policy of approving a clean appropriation to Israel, this subcommittee will strengthen Israel's security, promote American interests in the region, and enhance the prospects for peace.

FUNDING, POLICY, AND OVERSIGHT PROVISIONS

We urge the subcommittee to maintain longstanding provisions in the bill and accompanying report that ensure strict oversight and reporting requirements related to Lebanon, Iran, Syria, and the Palestinians. Any funding to the Palestinians must comply with the Taylor Force Act to put continued pressure on the Palestinian Authority to stop incentivizing terrorism. We strongly support humanitarian assistance to civilians in Gaza and urge the subcommittee to extend and make permanent the prohibition on funds to UNRWA as well as critical new restrictions and oversight provisions on aid to Gaza included in last year's bill. The subcommittee must also maintain existing provisions to cut assistance should the Palestinians continue to engage in counterproductive unilateralism at the United Nations or the International Criminal Court.

We believe that continued U.S. aid to Egypt and Jordan is also important to help ensure stability in the region, as is the strong U.S. commitment to the Multinational Force and Observers mission in the Sinai. In addition, AIPAC supports ongoing Israeli-Palestinian security cooperation under the auspices of the United States Security Coordinator for Israel and the Palestinian Authority, if the Palestinians demonstrate a commitment to this shared effort.

We strongly support the furtherance of longstanding programs like the migration assistance within Israel of at least $5 million annually, continued investment in the USAID-Israel international development cooperation program at $4 million, and the Middle East Regional Cooperation program at $10 million annually. And as we approach the fifth year of $50 million funding for the Middle East Partnership for Peace program, we urge Congress to extend the authorization and continue investing in this meaningful program that provides tangible opportunities for Israelis and Palestinians to build a better future together. AIPAC continues to urge support for a robust and bipartisan foreign aid budget that ensures America's strong global leadership position. Foreign aid enables the United States to support key allies like Israel, spur our job-creating exports, stem the spread of diseases, and help prevent countries in turmoil from becoming breeding grounds for terrorism.

DISCRIMINATION AGAINST ISRAEL IN THE INTERNATIONAL COMMUNITY

Israel's security challenges are compounded by challenges it faces at the United Nations and other international fora, where Israel's opponents attempt to isolate and demonize the Jewish state. The latest iterations of this include South Africa's defamatory attempt to falsely accuse Israel of genocide at the International Court of Justice as well as recent indications that the International Criminal Court may move to issue arrest warrants against senior Israeli officials. The U.S. must oppose such blatant attempts to weaponize and politicize international judicial fora against Israel. We also urge the subcommittee to maintain the prohibition on funding to the anti-Israel Human Rights Council's Commission of Inquiry.

ISRAEL: A VITAL STRATEGIC PARTNER

As a long-standing pillar of America's Middle East security framework, the U.S.-Israel strategic partnership combats shared threats and furthers U.S. policy objectives. Today, the U.S. and Israel face evolving threats as the Iran-Russia-China axis and rogue non-state actors increasingly exploit emerging technologies, such as drone and cyber capabilities, to further their aggressive and destabilizing ends. The 2022 Jerusalem U.S.-Israel Strategic Partnership Joint Declaration critically committed to "move forward the U.S.-Israel defense partnership through cooperation in cutting-edge defense technologies such as high energy laser weapons systems to defend the skies of Israel and in the future those of other U.S. and Israel security partners."

Israel's stable, democratic, and dependably pro-American orientation ensures that America can consistently rely on its alliance with the Jewish state. This has been an enduring constant through Republican and Democratic administrations and across Israeli governments, anchored by bipartisan support in Congress for the relationship. Given the increasingly complex array of global threats facing America, Israel's role as a reliable ally in a critical region is more important than ever.

CONCLUSION

As Congress considers U.S. Mideast priorities, one thing remains certain: ensuring Israel's security promotes American values and vital interests. This subcommittee deserves great credit for its stalwart advocacy for the U.S.-Israel relationship. That includes not only reliably providing Israel with full funding of vital security assistance without any conditions but also including important policy provisions dealing with so many aspects of U.S. Mideast policy. This bipartisan support will remain even more critical as America and Israel continue to work together to address the challenges and opportunities that lie ahead.

[This statement was submitted by Howard Kohr, CEO.]

PREPARED STATEMENT OF AMERICAN SOCIETY OF TROPICAL MEDICINE AND HYGIENE (ASTMH)

REGARDING USAID GLOBAL HEALTH FUNDING

The American Society of Tropical Medicine and Hygiene (ASTMH)—the largest international scientific organization of experts dedicated to reducing the worldwide burden of tropical infectious diseases and improving global health—appreciates the opportunity to submit testimony to the House Appropriations Committee's subcommittee on State, Foreign Operations, and Related Programs.

We respectfully urge you to provide robust funding in your FY25 State and Foreign Operations appropriation bill for global health and infectious disease programs. Many global health programs have had years of flat funding and will require additional resources, not only to reinvigorate programs that experienced disruptions due to the pandemic, but to ramp up innovation and impact. We must end once and for all the vicious cycle of underinvestment followed by panic. We would like to highlight two specific USAID programs:

Neglected Tropical Diseases (NTDs).—NTDs are a group of more than 20 infectious diseases and conditions that disproportionately affect poor and marginalized populations. NTDs remain persistent threats to global health and economic viability, killing more than 500,000 each year and causing significant morbidity and mortality in more than one billion people worldwide. While the global challenge of NTDs may seem daunting, the NTD Program at USAID has made remarkable progress in treating and even eliminating NTDs. Launched in 2006, over its history the NTD Program has leveraged over $1.4 billion in Federal funding to secure $29.9 billion in donated drugs and expanded activities to more than 30 countries. In total, the

program has distributed 3.1 billion safe and effective treatments to more than 1.6 billion people.[1] The NTD Program has successfully curbed multiple NTDs, with 391 million people no longer requiring treatment for lymphatic filariasis (also called elephantiasis), 196 million people no longer requiring treatment for trachoma, and 14.7 million people no longer requiring treatment for onchocerciasis (or river blindness). Thirteen USAID-supported countries have eliminated at least one NTD as a public health problem entirely, including Bangladesh, Benin, Laos, and Mali in 2023. These figures show the tremendous return on investment that Federal funding for NTD treatment achieves. Every $1 invested by the U.S. government leverages $26 in donated medicines for mass treatment campaigns. Combined with the low, 50-cent cost of rapid-impact packages of medication that treat an individual for the five most common NTDs, NTD treatment is one of the best buys in public health. These gains cannot go to waste. Estimates show that with the strong support of programs like the USAID NTD program in the next 5 years, 15 additional countries will eliminate at least one NTD as a public health problem.

We respectfully join the NTD Roundtable in calling for an increase to $125 million for FY25 for the USAID NTD program to further breakthrough delivery programs and ensure sufficient funding for necessary research and product development. The United States joined global leaders in signing the Kigali Declaration in 2022 to pledge commitment to ending NTDs. It is important that the United States provide robust resources to meet this pledge. An increased investment could:

—Advance NTD elimination in priority countries, saving lives and livelihoods;
—Expand the number of treatments in existing areas and add new geographic areas, potentially those listed by the WHO as still needing support;
—Increase capacity to move from control to elimination of onchocerciasis in some areas;
—Expand urgently-needed investments in research and development (R&D)—including diagnostics and drugs—for NTDs to ensure that tools and strategies are available to overcome emerging challenges;
—Support greater integration with complementary programs necessary for the success of NTD prevention, control, and elimination efforts, including elements of water, sanitation and hygiene; nutrition; education; One Health; and vector control.

Malaria.—While we have seen tremendous success as a result of U.S. funded efforts to eliminate malaria, the disease remains a significant global health threat. Despite our ability to treat and prevent malaria, it is still one of the leading causes of death and disease worldwide, with nearly half the world's population living in the 87 countries and territories where malaria is endemic.[2] In 2022, there were about 249 million cases of malaria and an estimated 608,000 deaths.[3] The President's Malaria Initiative (PMI) has made remarkable progress lowering these sobering numbers, saving 11.7 million lives, and preventing 2 billion lives since 2000. That said, however, USAID must continue to strengthen and invest in these programs and in R&D of new tools to maintain progress. To advance these critical partnerships and innovation of next-generation tools and approaches, we respectfully request that Congress provide $925 million for the PMI for FY2025.

International Partnerships.—ASTMH encourages robust funding and participation in important international partnerships such as the Global Fund, diagnostic partnerships, vaccine partnerships, and the World Health Organization.

Global Fund.—Investments in the Global Fund support local prevention, treatment, and care services that strengthen overall local health systems and economies. U.S. investments in the Global Fund have and will continue to save lives and fight diseases—in endemic countries, where American diplomats and service members are also stationed, and at home, by preventing the spread of AIDS, tuberculosis, and malaria.

Vaccine Partnerships.—U.S. contributions to Gavi, the Vaccine Alliance, CEPI, and other vaccine initiatives, multiply the impact of USAID programs through coordination and increased cost-effectiveness. The U.S. should lead by example in support of effective international partnerships of this sort.

Gavi, the Vaccine Alliance, is a public-private partnership that has already helped to immunize a whole generation—more than a billion children—against some of the

[1] USAID NTD Program Fact Sheet. https://www.neglecteddiseases.gov/wp-content/uploads/2023/11/USAID-NTD-Fact-Sheet-2023.pdf.
[2] Malaria's Impact Worldwide. CDC. https://www.cdc.gov/malaria/malaria__worldwide/impact.html.
[3] World Malaria Report (2023). https://www.who.int/teams/global-malaria-programme/reports/world-malaria-report-2023.

world's deadliest diseases and prevented more than 17 million deaths. This has helped to halve child mortality in 78 lower-income countries since 2000. Gavi is also now playing an essential role in delivering malaria vaccines to communities. With the pre-qualification of two malaria vaccines, the ability to reduce child illness and death from this disease is significant if those vaccines can reach those in need. To fulfill Gavi's market shaping mission for all child immunizations, and support efforts to increase the supply of new malaria vaccines to meet demand by 2026, we respectfully urge you to provide robust funding for the Maternal and Child Health (MCH) account, including Gavi, in GHP for FY 2025.

World Health Organization (WHO).—The WHO plays a key role in fostering scientific collaboration, providing global surveillance for new diseases and outbreaks and supporting the sharing of vital data and clinical samples. To protect lives, both at home and abroad, the U.S. and global research community needs this information-sharing system and the data that are generated to develop vaccines and treatments.

U.S. Government Coordination With Global Health Agencies and R&D Entities.—Stronger and more permanent links between USAID, CDC, BARDA, NIH, and ARPA–H and multilateral global health organizations and product development groups would create a strong added value for US researchers and global health agencies and, more importantly, for partner ministries and their surveillance and laboratory programs.

CONCLUSION

The vast majority of infectious diseases do not emerge in the U.S.; instead, they thrive elsewhere, often long before a catalytic event occurs that rapidly brings the threat to the U.S. It is not a question of whether a new infectious disease outbreak will occur—it is a matter of when and which dangerous disease it will be. For this reason, Congress needs to support sustainable investments in U.S. global health R&D to increase our knowledge, understanding, and tools to confront infectious diseases. ASTMH appreciates the opportunity to share its expertise and we hope you will provide the requested FY25 resources to the programs identified.

[This statement was submitted by Linnie Golightly, MD, President.]

PREPARED STATEMENT OF ARMENIAN ASSEMBLY OF AMERICA

Chairman Coons, Ranking Member Graham, and distinguished Members of the subcommittee, the Armenian Assembly of America (Assembly) welcomes the opportunity to provide the following testimony regarding U.S. assistance and policy for the South Caucasus region generally and to Armenia and the Armenian people specifically for Fiscal Year 2025.

ASSISTANCE TO ARMENIA

A landlocked and centuries-old Christian nation, Armenia continues to face existential threats from autocratic Azerbaijan and Turkey with Azerbaijan's president boasting that "We have destroyed Armenia," and warning Armenia "that the iron fist is in place." In lockstep with Azerbaijan, Turkish parliamentarian Mustafa Destici publicly threatened Armenia: "I remind you once again that the Turkish nation has the power to erase Armenia from history and geography, and that they stand at the limit of our patience."

Security Assistance & Democratic Reforms ($50 Million)—.As Armenia continues to deepen relations with the West while still under great threat and peril, we were encouraged by NATO Secretary-General Jens Stoltenberg's visit to Armenia this March and his statement that "NATO supports Armenian sovereignty and territorial integrity." In addition to NATO, the United States is uniquely positioned to ensure that Armenia has the necessary tools and resources to protect its people and defend its borders. Therefore, the Assembly strongly supports the bipartisan request of 66 of your colleagues to include not less than $20 million in Foreign Military Financing (FMF) and $10 Million in International Military Education and Training (IMET) to bolster Armenia's security and increase defense cooperation between the United States and the Republic of Armenia. In addition, the Assembly also supports the bipartisan request for $10 million in International Narcotics and Law Enforcement (INCLE) funding "to support ongoing law enforcement and internal security reforms in Armenia." Per the bipartisan request to assist Armenia "in advancing ongoing executive branch reforms, government transparency programs, reducing corruption, and supporting public administration reforms in e-governance," the Assembly also supports $10 million in funding within USAID's Office of Transition Initia-

tives (OTI) account 'to support democratic reforms in Armenia." Further, the Assembly strongly urges Congress and the Administration to provide defensive weapons to further assist Armenia in protecting its sovereignty. We are sure Americans would stand behind the United States providing Armenians with the means to defend themselves to prevent another Armenian Genocide.

Humanitarian Assistance ($250 Million)—.On September 6, 2023, the Tom Lantos Human Rights Commission convened an emergency hearing sounding the alarm on the impending catastrophe in Nagorno-Karabakh. The Commission heard expert testimony from Professor David L. Philips, Director of Columbia University's Artsakh Atrocities Project, and Luis Moreno Ocampo, former Prosecutor at the International Criminal Court. Mr. Ocampo testified that "there is a reasonable basis to believe that a genocide is being committed against Armenians living in Nagorno-Karabakh in 2023," and spoke of "the ongoing genocide by starvation." On September 14, 2023, the Senate Foreign Relations Committee held a hearing on Nagorno-Karabakh wherein Acting Assistant Secretary of State for European Affairs Yuri Kim stated, "the United States will not countenance any action or effort—short-term or long-term—to ethnically cleanse or commit other atrocities against the Armenian population of Nagorno-Karabakh. The current humanitarian situation is not acceptable."

Despite these and similar warnings, just days later, on September 19, 2023, Azerbaijan with the support of Turkey and in coordination with Russia, launched a military offensive against Nagorno-Karabakh resulting in the death and injury of innocent civilians and the forced displacement of some 120,000 indigenous Christian Armenians, including 30,000 children who fled to Armenia. This assault was the culmination of Azerbaijan's genocidal campaign against the Armenian people that started with the illegal blockade of the Lachin Corridor in December 2022, during which regrettably the Humanitarian Aid Corridor Act was not enforced and placed the entire Armenian population of Nagorno-Karabakh under siege and threat of starvation. Section 620I of the Foreign Assistance Act of 1961 (22 USC 2378–1), also known as the Humanitarian Aid Corridor Act (HACA) States that: "No assistance shall be furnished under this chapter or the Arms Export Control Act to any country when it is made known to the President that the government of such country prohibits or otherwise restricts, directly or indirectly, the transport or delivery of United States humanitarian assistance." To address the ensuing humanitarian crisis caused by Azerbaijan's ethnic cleansing, the Assembly urges the subcommittee to allocate not less than $250 Millon under the Assistance to Europe, Eurasia, and Central Asia (AEECA) account, of which funds should be made available to Armenian American private voluntary organizations that have a proven most cost effective. U.S. assistance can also play a role in preventing further genocide.

THE RIGHT OF RETURN

Ignoring the long-standing international peace process under the auspices of the Organization for Security and Cooperation in Europe's Minsk Group (co-chaired by the United States, France, and Russia), of which the final status of Nagorno-Karabakh was to be determined and violating the 1994 ceasefire agreed upon by Azerbaijan, Armenia, and Nagorno-Karabakh, Azerbaijan ignited a full-scale war against Artsakh and the Armenian people in September 2020. As a result, Armenians, having already faced a genocide in the 20th century, were forced yet again to rebuild in the wake of serious human losses and structural devastation. Upwards of 100,000 people—mainly children, women, and the elderly—were forcibly displaced from their homes, while hospitals, schools, and churches were destroyed by missiles, cluster and white phosphorus munitions, and drone strikes. The 2020 War followed by the September 2023 offensive upended decades of U.S. efforts and support for a peaceful resolution to the conflict on the basis of the Helsinki Principles. American Enterprise Institute Senior Fellow Michael Rubin laid bare Azerbaijan's public disdain for the United States in a May 9, 2024 article: "In December 2020, just a month after President Ilham Aliyev completed the first phase of Azerbaijan's conquest of Nagorno-Karabakh, Andrew Schofer, the lead U.S. diplomat on the crisis, traveled to Yerevan and Baku. Aliyev humiliated Schofer on live television, bragging about how Azerbaijan's military prowess achieved what American diplomacy did not and then asking, "'Why are you here?'" Former Ambassador Sam Brownback during a June 2023 Congressional hearing on "Safeguarding the people of Nagorno-Karabakh" put it this way: "This is a question of the rights of the Armenian Christians of Nagorno-Karabakh: does this religious minority have a right to survival in their ancestral homeland? The only just answer is yes, they have the right not to be driven out, starved out or blockaded by the government of Azerbaijan."

The Assembly urges Congress to help ensure that the fundamental right of return as well as the fundamental principles of democracy, the right to self-determination,

and the universal human rights of the people of Artsakh are upheld. Additionally, the United States can and should do more to hold Azerbaijan accountable for its gross human rights violations.

SECTION 907 OF THE FREEDOM SUPPORT ACT

Congress took a principled stand against Azerbaijani aggression with the adoption of Section 907 of the FREEDOM Support Act in 1992 and needs to do so again. Section 907 of the FREEDOM Support Act States that U.S. funds "may not be provided to the Government of Azerbaijan until the President determines and so reports to the Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh." In the aftermath of the September 11, 2001, terrorist attack on American soil, a national security waiver was added to Section 907. The exercise of the waiver is valid so long as it "will not undermine or hamper ongoing efforts to negotiate a peaceful settlement" to the Nagorno Karabakh conflict or "be used for offensive purposes against Armenia." In exercising the waiver, Congress required a report within 60 days "specifying in detail the following: (A) the nature and quantity of all training and assistance provided to the Government of Azerbaijan [pursuant to the waiver]; (B) the status of the military balance between Azerbaijan and Armenia and the 3 impact of United States assistance on that balance; and (C) the status of negotiations for a peaceful settlement between Armenia and Azerbaijan and the impact of United States assistance on those negotiations." A 2022 U.S. Government Accountability Office Report found that the State Department did not "provide Congress with all required information—such as the impact of aid on the military balance between Azerbaijan and Armenia."

The 44-day War against Artsakh in 2020 resulted in a death toll of thousands of soldiers some brutally beheaded according to Human Rights Watch, and as documented by Columbia University's Institute for the Study of Human Rights and its "Project on Atrocities in Artsakh." In addition, Azerbaijan's ongoing destruction of Armenian cultural and religious heritage sites has been condemned by the European Parliament and thoroughly documented by the Caucasus Heritage Watch (a research program in heritage forensics led by archaeologists at Cornell and Purdue Universities). The Assembly therefore urges that no U.S. taxpayer dollars be used to support Azerbaijan, and that starts with upholding the letter and spirit of Section 907 of the FREEDOM Support Act and ensuring that Azerbaijan does not receive any U.S. military or security assistance. We also fully support H.R. 7288, the Armenian Protection Act of 2024, introduced by Congressman Michael Lawler and urge that its language be incorporated into the Bill.

Additionally, we support the bipartisan request by 66 of your colleagues for a report by the Secretary of State to the appropriate congressional committees on "how the Department of State coordinates with the Department of the Treasury and other relevant Federal departments and agencies to achieve behavioral change through sanctions on individuals from the Republic of Azerbaijan that are involved in corruption [and] human rights abuses . . . "

The Assembly previously welcomed a House-passed amendment to the Fiscal Year 2022 National Defense Authorization Act that authorized "the President to impose sanctions on individuals accused of committing human rights abuses or engaging in corruption." The level of corruption and repression of the Aliyev regime in Azerbaijan is widely reported, whether the "Azerbaijani Laundromat" scheme with a $2.9 billion slush fund to whitewash its human rights record or the "Pandora Papers" revelations exposing even further its breadth-taking scope. Further, based on credible reports that Azerbaijani forces committed gross human rights violations during and after the 44-day war, the Leahy Law and Global Magnitsky Human Rights Accountability Act should be implemented to hold Azerbaijan accountable.

Azerbaijan should not be rewarded for its blatant and ongoing violations against the Armenian people. The Assembly strongly urges the inclusion of report language calling for the immediate release of all POWs and captive civilians held by Azerbaijan, including Artsakh's leaders who are being subjected to sham trials.

CONCLUSION

As Ambassador Brownback testified last June before Congress "Armenia is the Israel of Christendom. The first Christian nation on Earth. Persecuted over several millennia by multiple empires, yet they remain. Their tenacity and sheer pluck inspire every religious minority around the world." History has shown that appeasing dictators only serves to further embolden them. In this instance, the lack of sanctions and the immediate enforcement of Section 907 as well as the failure to implement HACA allowed, instead of preventing, ethnic cleansing and genocide. The

United States has taken a strong stand in support of democracy in Ukraine and should do the same for the Armenian people who also face existential threats. The Assembly's position is clear: stand up for democracy and human rights; oppose genocide and hold Azerbaijan accountable by imposing sanctions.

[This statement was submitted by Bryan Ardouny, Executive Director.]

PREPARED STATEMENT OF THE ASIA FOUNDATION

Chairman Coons, Ranking Member Graham, and Members of the subcommittee:

I am honored to submit this testimony on behalf of The Asia Foundation (TAF). We are deeply grateful for the confidence the Committee has shown in TAF. For 70 years, The Asia Foundation has advanced the interests of the United States in supporting democracy, effective and responsive governance, political rights and economic participation of women, climate resilience, free markets and economic growth, and peaceful relations in the Indo-Pacific.

TAF is a non-profit, non-governmental organization established in 1954 and headquartered in San Francisco. An annual appropriation is authorized under The Asia Foundation Act of 1983 (22 USC 4402). The act acknowledged the importance of sustained funding for TAF and endorsed its ongoing value and contributions to U.S. interests in the Indo-Pacific. We pledge to you that, with your continuing support, TAF will sustain and expand its impactful work across the Indo-Pacific. To build on Congress's investment, The Asia Foundation is requesting $23,000,000 for Fiscal Year 2025, one million above the level as enacted in FY2024 and the President's budget request.

TAF operates on the ground in more than 20 countries in Asia and the Pacific Islands through 17 permanent country offices. Our sustained presence in the countries where we work enables us to be a deeply trusted partner and to build relationships with reform-minded individuals and organizations that merit our help as they seek to advance shared goals and interests. We are confident that the relationships we nurture and the capabilities we expand today will ensure future security cooperation, development partnerships, rule of law, and fair trade between the U.S. and the Indo-Pacific.

Appropriated funding is critical to TAF' s ability to continue operating as a unique American asset across the Indo-Pacific region. TAF is an especially cost-effective investment for the Congress in a time of budget constraints. Making the most of and leveraging taxpayer dollars, TAF continues to diversify its funding, raising roughly four dollars from other sources for every dollar of direct appropriation it receives.

Sufficient appropriated funding is essential to maintaining TAF's robust and persistent footprint across the Indo-Pacific, specifically in countries of priority interest to the United States. No other organization has the long history, presence, and commitment to localization of The Asia Foundation in critically important countries such as the Philippines, India, Indonesia, Vietnam, Malaysia, Thailand and Sri Lanka. TAF's regional office in the Pacific Islands contribute to expanding democratic and effective governance and values in a priority area for the U.S. Trust is built on continuity and deep understanding of local context. TAF is a steady and highly trusted partner to local civil society organizations and individual reformers.

The U.S. has prioritized support for democracy, human rights, and climate resilience in its work to advance prosperity, transparency, and adherence to a rules-based order in the Indo-Pacific. TAF's ability to help achieve these goals is more important than ever. New challenges to U.S. interests in the region and TAF's unique ability to respond to those challenges justifies the request for an appropriation of $23 million.

How is The Asia Foundation Unique Among Organizations Operating in the Indo-Pacific?

The Asia Foundation is first and foremost a field-based organization. Through a cost-effective combination of grant-making and direct program operations managed by our 17 permanent offices in Asia and the Pacific, TAF maximizes program impact while keeping costs low. Our highly qualified teams in our country offices undertake policy-savvy research to inform pragmatic activities across the region, including perception surveys, surveys on conflict and violence, analyses of gender equality, economic scorecards, rapid assessments of pandemic effects, and assessments regarding natural disaster relief and other critical issues. These types of research and analysis enable us to craft and implement evidence-based solutions.

TAF promotes reform by providing training, technical assistance, support for pilot projects, and seed funding to hundreds of established and emerging Asian and Pacific partner organizations, reform-minded individuals, and future leaders. These

longstanding investments in human capital have paid off. TAF has built important relationships with Asian and Pacific governments and leaders and at the same time maintains strong links to local communities based on decades of trust and ongoing engagement. Former TAF grantees have become leaders and change-makers in government, industry, academia, and an increasingly diverse civil society.

As country specialists, our staff based in Asia and the Pacific act as a substantive resource for program partners and implementers. TAF also serves as a resource on political and economic trends and issues for U.S. Embassies across Asia and the Pacific, including in places where U.S. officials' movements and outreach have been circumscribed due to security concerns.

TAF also frequently responds to U.S. Embassy requests for American Centers through TAF' s innovative digital and print library *Let's Read!* This freely accessible library fills an important void in advancing childhood literacy and critical thinking skills by providing unprecedented access to new children's books in English and local languages across Asia and the Pacific, especially in remote locations. TAF has enabled the creation of over 10,500 books in 60 languages with nearly five million readers over the last 12 months, and the reach continues to grow. TAF Book Labs provide a venue for local writers and illustrators to develop new books. For example, in Pakistan, two Let's Read Corners, a unique digital library program in Karachi, serve five under-resourced schools with over 1,200 primary school students to digitally access books. The program also reaches school libraries, supports read aloud at-home programs and sessions to increase literacy.

How Does The Asia Foundation Contribute to U.S. Interests in the Indo-Pacific Region?

The U.S. has vital economic, political and security interests in the Indo-Pacific. TAF focuses on country and regional programs that promote stability and advance U.S. interests. TAF's work has led to better governance, stronger economies, and empowered citizens in many parts of the region. In turn, these development results have helped deepen economic relationships and increase security cooperation between Asian and Pacific Island countries and the United States. The core areas of TAF's work directly contribute to U.S. strategic goals.

TAF programs reinforce U.S. policy priorities and interests by improving the business policy environment in Asian countries through better economic governance, procurement practices, and transparency. TAF convenes dialogues with American and Asian policymakers to discuss common approaches to development assistance and partnership-building. TAF works with partners to address the conditions facing countries with growing economies that have progressed beyond being development assistance recipients but still face governance and other challenges and which are key economic and security partners of the U.S., such as Malaysia, Vietnam and Thailand. Development takes time, and appropriated dollars allow TAF to make long-term investments.

For instance, TAF is the major partner of the Department of Commerce in the Indo-Pacific Economic Framework's Digital Skills Initiative. TAF cooperates with Google.org on Go Digital ASEAN, an initiative designed to equip micro, small and medium enterprises and participants in the emerging workforce with digital skills and tools that expand economic opportunity across all 10 ASEAN countries. The initiative has so far trained nearly 160,000 individuals across the region, 63% of whom are women from underserved communities, and has been praised by APEC for its high impact. TAF also cooperates with other U.S.-based companies on digital skills training through its Future Skills Alliance, improving digital literacy and career-ready skills for the region's most marginalized communities.

What Would the Foundation do with the Requested Funding?

FY 2025 funding at $23 million would position The Asia Foundation to maintain and expand programs in countries struggling with corruption, internal conflicts, and weak democratic processes and institutions. TAF' s programs have deepened over the years to improve governance at the National and sub-national levels, and advance women's empowerment. TAF conducts primary research and uses evidence-based approaches to inform our own programs, research work that also is shared, valued and used by other organizations and donor governments. *GovAsia*, our quarterly publication, provides a platform for TAF and its partners to examine the critical social, economic, and political problems facing citizens and governments across Asia and the Pacific, drawing on the results TAF programs produce and the methods we innovate.

In FY2025, TAF will expand its programs even further in the Pacific, an area of key U.S. interest. TAF is currently operating in six Pacific countries, Fiji, Papua New Guinea, Palau, Republic of Marshall Islands, Tonga and Vanuatu. With addi-

tional funding, we will expand programs and research to 11 countries, including the Solomon Islands, Kiribati, Federated States of Micronesia, Tuvalu and Nauru. TAF is well positioned to bolster democratic institutions, build civil society, expand economic growth through technology, and expand opportunities and protections for women, including through a major counter-trafficking initiative. TAF will also expand climate resilience initiatives in this vulnerable region of the world.

Also in FY2025, TAF will deploy new technology-driven programs to address economic empowerment. We will expand digital skills and workforce training opportunities, particularly for women and marginalized populations in Pacific Island nations. TAF has embarked on a new cybersecurity effort in partnership with Google in 13 Asian countries to bolster cybersecurity capabilities of 300,000 underserved micro and small businesses, non-profit organizations, and social enterprises. TAF's technology program also offers innovative solutions to problems of unequal access to e-commerce and cooperates with APEC on the annual APEC App Challenge, which aims to address economic priorities using technology for small business owners to participate in and benefit from the global digital marketplace.

Just a few varied examples of our many successful programs implemented in the Indo-Pacific during FY2023 include:

1. TAF's "Pacific RISE–CTIP" program, with funds from USAID, is combatting trafficking in persons, working with governments, civil society organizations, and businesses in Fiji, Palau, Republic of Marshall Islands, Tonga and Papua New Guinea to raise awareness about human trafficking, embed standard operating processes, upgrade national action plans, provide protection services, and craft guidance on prosecution pathways. The Pacific is now a transit, source and destination area for sex and labor trafficking. Resources, shelter and legal services are provided, along with skills training for women and girls who have been sex trafficked, so they have alternative sources of income. TAF also strengthens civil society organizations leading counselling, collection of documentary evidence, and work with prosecutors and police.
2. TAF played a pivotal role in reopening opportunities for unskilled Bangladeshi workers in the Maldives. TAF supported civil society organizations in Bangladesh and the Maldives to devise policies to mitigate the impact of irregular migration and curb the exploitation and unlawful detention of migrants. The initiative led to a track 1.5 dialogue conducted in Malé in July 2023, where stakeholders engaged on ways to solve labor migration challenges. Giving credit to TAF efforts, the Maldives Ministry of Homeland Security and Technology in August 2023 announced the re-opening of opportunities for workers, addressing challenges such as exploitation, discrimination, and limited access to health and justice, improving the lives of Bangladeshi workers while also strengthening bilateral relations between Bangladesh and the Maldives.
3. TAF launched its 8th *Tatoli!* national public perception survey in Timor-Leste. The launch took place 3 months after a change of government in Timor-Leste. During the launch, The Vice Prime Minister emphasized the importance of *Tatoli!* to understanding and developing policies that address the priorities of Timorese citizens, and the planned utilization of *Tatoli!* findings to influence policy.

CONCLUSION

Funding at $23 million will allow The Asia Foundation to invest in innovative programs that have received Congressional encouragement. We believe TAF's track record demonstrates that we can leverage appropriated dollars to secure greater resources and make efficient use of appropriated funds to advance U.S. interests in the Indo-Pacific region. We appreciate the Committee's longstanding trust in and support for The Asia Foundation. We respectfully urge that the Committee support FY2025 funding for the Asia Foundation at $23 million.

[This statement was submitted by Laurel E. Miller, President.]

PREPARED STATEMENT OF BASIC EDUCATION COALITION

Chair Coons, Ranking Member Graham, and Members of the subcommittee,

I am pleased to submit testimony on behalf of the Basic Education Coalition, a group of leading international development organizations and academic institutions working together to promote global peace and prosperity through education. My name is Eric Eversmann, and I am the Co-Chair of the Coalition's Board of Directors as well as the Senior Director of Education at Save the Children. To enhance U.S. foreign assistance efforts and improve educational opportunities for children in

need, we urge Congress to provide $1.1 billion for Basic Education in the Fiscal Year 2025 State, Foreign Operations, and Related Programs bill, with at least $900 million provided as bilateral U.S. Government assistance. Such investments should not come at the expense of other poverty-focused development and humanitarian assistance programs.

Our Coalition is grateful for the subcommittee's longstanding bipartisan commitment to fight extreme poverty and improve access to education for children around the world, and we thank you for your efforts to protect the Fiscal Year 2024 topline funding levels for the Department of State, the U.S. Agency for International Development (USAID), and other important programs throughout the House and Senate conference process. While the overarching funding bill maintains U.S. leadership in development and humanitarian assistance, Basic Education ultimately received $922 million, or a $48 million cut to the Fiscal Year 2023 enacted level, for Fiscal Year 2024.

Despite the extremely tight fiscal environment, now is not the time to scale back our efforts. To respond to increasing global need, reaffirm the United States' commitment to the Sustainable Development Goals, and combat competitors seeking to promote non-democratic ideals, we urge that you prioritize funding for Basic Education to expand access to and improve the quality of education in our partner countries in Fiscal Year 2025.

U.S. Government leadership is needed now more than ever before. According to the World Bank, we are in the midst of a global learning crisis: over 70 percent of children in low- and middle-income countries are unable to read and understand a basic text or demonstrate basic mathematical proficiency by age 10.[1] We are also facing an unprecedented democracy crisis. According to Freedom House, global freedom declined for the 18th consecutive year in 2023. Authoritarian adversaries, including China, Iran, and Russia, continue to threaten the sovereignty and self-determination of countries around the globe. The U.S. has, and must continue, to play a leading role in promoting democratic values, processes, and institutions.[2] Education is paramount to tackling the democracy crisis.

Access to quality, inclusive basic education is integral to advancing U.S. foreign policy goals, and we therefore urge the full funding of the recently updated U.S. Government Strategy on Basic Education, which will guide U.S. international education efforts for the next 5 years.[3] Adapting from the experience of COVID, the U.S. Government has transformed its approach to Basic Education assistance to ensure that education systems around the world are prepared for future shocks—whether they come in the form of a global pandemic, conflict, humanitarian crisis, or natural disaster. In Fiscal Year 2022 alone, the U.S. Government was reached over 32 million learners in 97 countries around the world, distributed over 12 million textbooks and other learning materials, and trained and provided professional development to over 820,000 teachers and educators.[4]

Education helps to empower communities and societies to prosper and thrive. It promotes economic growth and reduces poverty while addressing harmful social norms and inequalities. In fact, the most recent United Nations Sustainable Development Report suggests that providing quality education (SDG 4) for all children is the most important key to achieving sustainable development in the long term.[5] As such, the future development of nations around the world is predicated upon children and youth acquiring the skills needed to lead their countries into more prosperous, equitable, democratic, and inclusive societies.

The COVID–19 pandemic caused the largest disruption to education in modern history, impacting the lives and education of over 90 percent of the world's children and youth.[6] Now, more than ever, U.S. leadership in international Basic Education is required to allow USAID and its partners to expand Basic Education programs to vulnerable populations, address gaps in education service delivery, and strength-

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[1] World Bank. (2022, June 23), the State of Global Learning Poverty: 2022 Update, https://thedocs.worldbank.org/en/doc/e52f55322528903b27f1b7e61238e416-0200022022/original/Learning-poverty-report-2022-06-921-final-V7-0-conferenceEdition.pdf.

[2] Freedom House, "Freedom in the World 2024," https://freedomhouse.org/sites/default/files/2024-02/FIW__2024__DigitalBooklet.pdf.

[3] USAID, "U.S. Government Strategy on Basic Education," https://www.usaid.gov/sites/default/files/2024–04/USG-Education-Strategy__FY2023-2024__FINAL__digital__single-508.pdf.

[4] "Fiscal Year 2022 U.S. Government Strategy Report to Congress," USAID, https://www.edulinks.org/resources/fiscal-year-2022-us-government-strategy-report-congress.

[5] United Nations, "Sustainable Development Report 2023: Implementing the SDG Stimulus", https://s3.amazonaws.com/sustainabledevelopment.report/2023/2023-sustainable-development-report.pdf.

[6] United Nations Educational, Scientific and Cultural Organization, "COVID–19 Impact on Education.".

en international education systems. These investments will lay the foundation for improved health and nutrition outcomes,[7] slower population growth,[8] democracy and political stability, and promotes greater gender equality, understanding, tolerance, and hope.[9]

In many low- and middle-income countries, too many students arrive at primary school off track developmentally and lacking the foundation that best supports classroom learning. A study conducted before the pandemic estimated that 250 million children globally were at risk of failing to meet their developmental milestones,[10] meaning nearly one-third of the world's children have entered elementary grades without the cognitive, social-emotional, motor, and language skills needed to fulfill their potential. U.S. foreign assistance must expand programs that improve early childhood care and education, including pre-primary education and multi-sectoral early childhood development interventions for children ages 0–8. While inclusion of children with disabilities and marginalized populations is essential to quality education at all levels, it is especially important during the early years, as they are the foundation and gateway to fruitful, lifelong learning. If the early years are exclusive of these populations, future schooling will continue to be exclusive as well. Every child deserves the best possible foundation for lifelong learning, and the U.S. government should seize this opportunity to do more for more the world's youngest children and their families.

Further along the educational pipeline, U.S. Government leadership is also critical for children making the transition from primary to secondary school so that the growing youth population has the opportunity for gainful employment and personal achievement.[11] Higher-level skills that are acquired in secondary school should prepare students for participation in the fast-paced, rapidly changing global economy. Automated technologies will continue to replace low-skilled labor and employers will increasingly demand technical, social, and critical-thinking skills. Digital literacy and information engagement skills (for example, the ability to identify misinformation, build emotional resilience to it, and reflect on one's own information consumption), will be necessary for the positive development of children and youth moving forward.

It is also imperative that U.S. foreign assistance helps tackle gender-related barriers to educational attainment, especially in countries with persistent gender disparity in school enrollment and completion, particularly in secondary school when girls are most likely to drop out. In many contexts, entrenched social and cultural norms can limit girls' access to quality learning opportunities. Girls face risks of child marriage, gender-based violence, seclusion during menstruation, and greater responsibility for household labor than boys. Further barriers to girls' attendance and success at school include lack of access to water and sanitation facilities during times of menstruation, unsafe passage to and from school, school-related gender-based violence, inequitable teaching practices, and prohibitive school fees. To address these barriers, girls' education programs must promote holistic and multi-sectoral solutions that prioritize gender equity and broaden support for girls' education at every level of society.

As COVID–19 has shown, resilience relies on the capability, empowerment, and ingenuity of people and leadership at the familial, communal, regional, and national levels. Local leaders and educators can engage families and communities, respond quickly to changing demands, and innovate in real time to adaptively meet local needs such as distance learning, remedial learning, girls' education, and skills development. Local leadership enables communities to respond to crises and emerge stronger and more resilient. U.S. foreign assistance should continue to support locally led, people-first approaches that develop leadership skills in USG-funded program participants and partners, including by elevating the voices of adolescents and youth.[12] To ensure that aid leads to sustainable change, leadership development programs should be created at the country level in consultation with communal, re-

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[7] Mondal, Md Nazrul Islam and Mahendran Shitan, "Factors affecting the HIV/AIDS epidemic: an ecological analysis of global data," African Health Sciences (2013): p.: 301–310.

[8] Murray, Sam, "How Education Can Moderate Population Growth," World Economic Forum (July 27, 2015).

[9] Sperling, Gene, and Rebecca Winthrop, "What works in girls' education," The Brookings Institution (2016).

[10] Black, Maureen, Susan Walker, Lia Fernald, et al., "Early childhood development coming of age: science through the life course," The Lancet, October 4, 2016.

[11] The International Commission on Financing Global Education Opportunity, "The Learning Generation: Investing in Education for a Changing World," 2016.

[12] Adelman, Melissa, Anshul Arora, Wendy Kopp, et al., "Unlocking sustained outcomes with a 'people first' approach to development," 2020.

gional, and national stakeholders, with the goal of spurring local innovation and knowledge sharing.

Further developing the education workforce will also be necessary to sustainably improve a global education system that supports learners and learning for the future. U.S foreign assistance should seek to strengthen the education workforce (including through the recruitment of diverse talent) and address the quality of teacher pre-service and in-service training and certification programs. The Education Commission recommends that support for education should focus on improving teacher professional development, provide new roles and pathways for advancement, develop learning teams of educators who have distributed expertise, and build networks to facilitate skill and knowledge sharing.[13]

Finally, we've learned from COVID–19 and other recent crises that school systems need to be prepared and resourced to facilitate and support extended periods of remote learning. Lack of access to technology, the internet, toys, books, and other learning materials furthers the learning equity gap for children living in low-income households, those from marginalized communities, and those with disabilities, and should be addressed to ensure that learning can continue for all children in future emergencies. We applaud the commitments made in the recently updated U.S. Government Strategy on International Basic Education to include education as part of the immediate response to an emergency, including by fostering improved collaboration across U.S. humanitarian and development departments and agencies.

Funding for Basic Education through the SFOPS bill enables USAID and implementing partner organizations to work together in some of the world's most challenging contexts. This assistance is critical from an educational and development standpoint while also promoting long-term domestic and international security and economic prosperity.

The Basic Education Coalition looks forward to working with Congress to ensure that quality education remains a core pillar of our foreign assistance and that the recently updated U.S. Government Strategy on International Basic Education is implemented successfully. Together, we can help strengthen education systems, alleviate poverty, foster stability and security, and spur economic growth, both abroad and here at home.

Thank you for your continued support and for your consideration of our request.

[This statement was submitted by Eric Eversmann, Co-Chair of the of Directors and Senior Director of Education at Save the Children.]

PREPARED STATEMENT OF BETTER WORLD CAMPAIGN

Thank you for the opportunity to provide written testimony for the record in support of a robust foreign affairs budget in FY2025. The accounts funded by this legislation support U.S. assessed and voluntary contributions to the United Nations. Within the State Department, we request $1.676 billion for the Contributions to International Organizations (CIO) account and $459.8 million for the International Organizations and Programs (IO&P) account. We also recommend $1.673 billion for the Contributions for International Peacekeeping Activities (CIPA) account and $420.6 million for the Peacekeeping Operations (PKO) account. We support bill language that enables us to pay our contributions to UN peacekeeping at the fully assessed rate. In addition to peacekeeping-related funding, we hope you will also consider funding important bilateral and multilateral health programs, including family planning programs ($1.740 billion, including $116 million for the UN Population Fund), the U.S. President's Malaria Initiative ($925 million), the Global Fund to Fight AIDS, Tuberculosis and Malaria ($1.2 billion), Gavi, the Vaccine Alliance ($340 million), and USAID's polio program ($165 million).

THE IMPORTANCE OF U.S. ENGAGEMENT WITH THE UN

The State Department's CIO account funds U.S. assessments for the UN Regular Budget (UNRB) and more than 40 other international organizations. Last year, the CIO account was dramatically cut in the House and included for the first time ever, a zeroing out of the UNRB. The Senate Committee on Appropriations rightly rejected the funding prohibitions, and we sincerely hope this subcommittee will again push back on similar efforts in the House and provide the necessary resources. Despite the size of the organization and its global reach, the UNRB is equivalent to just one-quarter of the annual budget of the state of Rhode Island.

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[13] The Education Commission, "Transforming the Education Workforce: Learning Teams for a Learning Generation," 2019.

The UN Regular Budget supports efforts to address threats to international peace and security by monitoring global implementation of legally-binding multilateral sanctions measures adopted by the UN Security Council. From its seat on the Council, the U.S. has successfully pushed for the adoption of robust sanctions—including asset freezes, travel bans, arms embargoes, trade restrictions, and other measures—targeting the malign activities of terrorist groups (Al-Qaeda and ISIS) and rogue States that seek to obtain weapons of mass destruction (North Korea). This work—critical to the National security of both the U.S. and its allies—would decrease, as would our ability to mobilize coalitions if the U.S. cuts off all funding for the UNRB. The UNRB is also a key source of funding for the UN's human rights work, including investigatory mechanisms that seek to document and expose human rights violations in a host of contexts, from Russia's invasion of Ukraine, to Iran's suppression of political dissent, to the Taliban's escalating suppression of women's rights. Cutting our UNRB contribution would also give countries hostile to international human rights norms—especially Russia and China—ammunition to call for all funding for these activities to be cut from the UN budget entirely.

It is equally essential to ensure the timely delivery of U.S. contributions to UN agencies and activities. Since the 1980s, the U.S.—unlike almost every other country—has put forward a policy of paying UN Regular Budget dues at least 9 months late, even though the UN's fiscal year begins on January 1. This practice has exacerbated major liquidity challenges at the UN, repeatedly threatening the organization's ability to pay staff and administrative costs and forcing the UN Secretary-General to periodically institute hiring restrictions and tap cash reserves set aside for peacekeeping. This practice undermines the ability of the UN to operate, ultimately hurting U.S. interests abroad.

In addition to supporting the U.S. contribution to the UNRB and all other international organizations funded by this account, our recommendation for CIO includes $100 million for the UN Educational, Scientific, and Cultural Organization (UNESCO), which the U.S. defunded in 2011 and withdrew from entirely in 2018, but formally rejoined in July 2023. Our funding recommendation would allow for $75 million in dues and a $25 million down payment to be made to begin addressing U.S. arrears to UNESCO, matching the President's request. It is also important that FY2025 State/Foreign Operations legislation extends waiver authority allowing the U.S. to make financial contributions to UNESCO beyond the current sunset date of September 30, 2025.

We were heartened by the U.S. decision to rejoin UNESCO. The organization works to promote a number of U.S. priorities, including international Holocaust education, press freedom, and the protection of threatened cultural heritage sites. Our absence from UNESCO threw the organization into turmoil, threatening many of these programs and providing an opening for China—which became UNESCO's largest financial contributor—to exert greater influence over its work. It is a clear example of how counter-productive U.S. withdrawal from UN entities remains. Now that the U.S. is back, we can drive the agenda once again, including how to ensure the ethical development and use of artificial intelligence (AI).

Another key aspect of the UN's global footprint is its peacekeeping operations. Each and every day, tens of thousands of UN peacekeepers serve in some of the world's most volatile conflict zones, charged with ensuring stability, protecting civilians from violence, facilitating the delivery of humanitarian aid, training local police forces to ensure order, and supporting democratic elections. These efforts promote core U.S. foreign policy interests because peacekeeping operations are effective at reducing the intensity of civil wars, preventing them from spilling over borders, and preventing dormant conflicts from reigniting, all while not requiring the U.S. to put its own soldiers in the field. They are also cost-effective, having been found on several occasions by the Government Accountability Office to be one-eighth the cost to American taxpayers of deploying U.S. forces.

Unfortunately, in recent years that influence has been tested by the emergence of new global powers and the U.S.'s own failure to fully meet its commitments to the organization. Since FY2017, our Nation has accrued more than $1.3 billion in arrears because of Congressional enforcement of the legislative cap on peacekeeping contributions. This growing debt negatively impacts U.S. interests in several ways. U.S. arrears help reduce and delay reimbursement payments to the low- and middle-income countries that provide the vast majority of uniformed peacekeepers currently serving in the field as well as critical equipment that allows peacekeeping missions to fulfill their mandates. Our arrears also alienate allies who do pay their dues on time and in full, making it less likely that our agenda around peacekeeping reform is taken seriously.

More needs to be done to address this issue. I am therefore hopeful that in addition to fully funding the CIO, this subcommittee will support waiving the peace-

keeping cap and provide additional funds under the CIPA account to begin paying down our arrears, as it has so generously done in the past. BWC's recommendation for CIPA includes sufficient funds to pay the estimated FY25 peacekeeping dues at the full assessed rate (approximately $1.329 billion), plus an additional $344 million as a down payment to begin paying our cap-related arrears.

INVESTING IN GLOBAL HEALTH

The World Health Organization (WHO) plays a central role in amplifying U.S. investments in global health. With direct relationships in 150 health ministries throughout the world and the ability to engage with countries in ways that no single country can replicate, the WHO plays a lead role as a technical partner and implementor in key U.S. programs like the President's Emergency Plan for AIDS Relief (PEPFAR), global immunizations, malaria, and ongoing pandemic preparedness and response efforts. Our FY25 CIO figure includes slightly increased funding for WHO, matching the President's request, in recognition of the agreement at the 2023 World Health Assembly (WHA). At WHA, Member States agreed to a gradual increase in WHO assessed contributions to increase predictability in financing to address pressing global health challenges and ensure maximum impact of U.S. government health investments.

The U.S. also provides voluntarily funds for a variety of WHO programs that are vital to U.S. foreign policy, global health, and national security priorities. Paying our dues and strengthening the organization through partnership (the U.S. contributes more scientists through secondments than any other country) gives us leverage to help reform the organization and the larger pandemic preparedness architecture. U.S. engagement is also critical to reforming the WHO and holding it accountable.

The work of the WHO has unquestionably saved millions of lives and improved the quality of life for billions more. Through its partnership with the U.S. and all Member States, it has achieved extraordinary success, including the eradication of smallpox and dramatically reducing vaccine-preventable diseases and all-cause mortality. Moreover, because health extends beyond the clinic walls, the WHO can be credited for navigating the intersection of global health, politics, and socioeconomics in ways no other health agency can—largely because no other body is centrally positioned within a larger organization where its influence ensures consideration of health in all policies. No equivalent organization exists with the WHO's scope to coordinate disease surveillance, enhance global health research and development, procure health commodities, set global technical standards, or prevent the spread of cross-national infectious disease.

As COVID–19 has shown us over the last 2 years, health systems around the world can be threatened in the time it takes a plane to round the globe. U.S. investment in the Global Polio Eradication Initiative (GPEI) has strengthened country health systems and provided vital tools, infrastructure, and skilled workers capable of not only eradicating polio but fighting other vaccine-preventable diseases, like measles and yellow fever. We have an urgent opportunity to End Polio once and for all. Endemic transmission continues to be very restricted in Afghanistan and Pakistan and was 60% lower in 2023 than the previous year. The genetic diversity of wild poliovirus is shrinking in these two countries, with only two clusters circulating in 2023 down from 16 in 2020. An outbreak of wild poliovirus of Pakistani origin in Malawi and Mozambique in early 2022 was also stopped thanks to aggressive GPEI outbreak response. But as long as polio exists anywhere, it is a threat anywhere. Supporting the State and Foreign Operations contributions to GPEI at $165 million will be important to ending polio by supporting vaccine procurement, outbreak response, immunization campaigns, and disease surveillance.

Since its founding in 2000, Gavi, the Vaccine Alliance, has played a vital role in the purchase and delivery of life-saving vaccines for children in the world's poorest countries. During the pandemic, Gavi co-led the global solution to accelerate the manufacture and distribution of COVID–19 vaccines, in addition to its usual work to reduce preventable childhood deaths through routine immunizations. Gavi has delivered more than 1.5 billion vaccines, many of which were donated by the U.S. While routine immunizations and other global health activities suffered at the beginning of the pandemic, Gavi has been able to make up for the disruptions and ensure that 78% of the world's children get their shots. In addition, Gavi is working to ensure that two new malaria vaccines are available to children in regions hardest hit by malaria. These vaccines not only save lives from malaria, but data also show they result in a 13% reduction in all-cause mortality among children. Ensuring Gavi is funded at $340 million, and including a new multi-year pledge, will help it expand to cover new vaccines, including the malaria vaccines, and support its core operations during its next Strategic Cycle from 2026–2030.

Despite strides in expanding access to insecticide-treated nets and medicines to help prevent malaria, particularly for young children and pregnant women, the number of malaria cases has surpassed pre-pandemic levels, according to the WHO's 2023 World Malaria Report. In 2022, there were an estimated 249 million malaria cases globally, an additional 16 million cases over the 2019 level. The global malaria response has faced a number of mounting threats, such as drug and insecticide resistance, layered humanitarian crises, resource constraints, new invasive mosquito species on the African continent, and the impact of more severe and frequent natural disasters exacerbated by climate change. To date, malaria investments have averted nearly 12 million deaths and more than 2 billion cases of disease and represent one of the biggest-if not the biggest-returns on investment in global health in recent years. While this tremendous progress should be celebrated, it is also a stark reminder of how much more must be done. Still today, malaria is responsible for the death of one child every minute.

Malaria already places a strain on health care systems throughout the WHO Africa Region. The continent accounts for 93.6% of malaria cases and 95.4% of malaria deaths globally, with 78.1% of all deaths from malaria in this region among children aged under 5 years. The Seventh Replenishment of the Global Fund set an ambitious goal of $8 billion over 3 years to jumpstart progress in ending the world's three most ancient diseases. The U.S. committed $6 billion over 3 years-$2 billion annually-which is matched with $2 from other donors. The U.S. fulfilled its first tranche of a $2 billion contribution in FY2023 and funded $1.65 billion in FY2024, fulfilling its commitment to fund up to $6 billion within the U.S. matching requirements set in statute. The Global Fund works with the President's Malaria Initiative (PMI)-currently operating in 27 countries in sub-Saharan Africa and the Greater Mekong Subregion in Asia-National Malaria Control Programs, and Gavi, the Vaccine Alliance, to optimize and scale up proven, cost-effective interventions such as bed nets, indoor residual spraying, anti-malarials, rapid diagnostic tests, and vaccines.

Within the IO&P account, the UN Population Fund (UNFPA) provides safe birthing and dignity kits after disasters, helps install solar lighting in refugee camps to help prevent gender-based violence, and provides contraceptives in more than 150 countries to prevent maternal mortality and improve the status of women. In Ukraine, the UNFPA has undertaken a number of actions to help women escaping the horrors of Russia's invasion, from helping expectant mothers who have seen their maternity wards bombed to dispatching mobile hospitals to provide sexual and reproductive health services around the country. By fully funding access to contraceptives, unintended pregnancies would drop by 70%, maternal deaths would drop by 67%, and newborn deaths would drop by 77%. To meet the unmet need, the U.S. share of international reproductive health and family planning funding would be $1.74 billion (including $116 million for UNFPA). With respect to the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), it will have a key role in managing civilian life in the Gaza Strip after the war concludes. There will need to be a massive reconstruction effort undertaken, in addition to meeting ongoing humanitarian needs, and UNRWA remains an essential humanitarian actor in the region. We call for the funding prohibition to be lifted and funding restored in the FY2025 State/Foreign Operations bill.

[This statement was submitted by Peter Yeo, President, Better World Campaign.]

PREPARED STATEMENT OF BREAD FOR THE WORLD

Members of the Committee, I am Reverend Eugene Cho, President and CEO of Bread for the World. I want to start by thanking you both, Chairman Chris Coons and Ranking Member Lindsey Graham, for your years of support for critical food assistance programs. You both, alongside the United States Agency for International Development (USAID) and the United States Department of Agriculture (USDA), have been champions of addressing hunger, and we are so grateful for your bipartisan support for this work. We look forward to continuing to work with you both in strengthening bipartisan support for food assistance.

Hunger, and our response to it, can completely change lives—I know, because I have seen this in my own life. My father was born in what is now North Korea, in a small village outside Pyongyang. As one of six children, he faced hunger and poverty. His family fled south in search of a better life but were hampered in that pursuit by the Korean War. In 1977, my parents made the impossibly difficult decision to come here to the United States in hopes of providing more opportunities for my two older brothers and me. Their courage and faith in God changed the trajectory of my life. I am grateful and proud to be an American today. Unfortunately,

far too many others face the same dire situations my parents experienced all those years ago.

The organization I lead, Bread for the World, is a Christian advocacy organization urging U.S. decision-makers to do all they can to pursue a world without hunger. For nearly five decades, Bread has advocated for government policies and programs that will end hunger in the United States and around the world. Bread for the World's 250,000-strong network of advocates, churches, and partners in every U.S. congressional district works to address hunger, poverty, and malnutrition around the world.

On October 7, 2023, the Hamas attack on Israel and the subsequent war upended the lives of millions of innocent men, women, and children and set in motion an extreme food crisis. This crisis has compounded ongoing global challenges that have threatened decades of progress toward ending hunger and malnutrition. In fact, according to FEWS NET, the U.S. supported Famine Early Warning Network, 66 million people needed lifesaving humanitarian assistance because of acute hunger 6 years ago. Today, in 2024, the number has almost doubled, reaching 130 million people in need. Hundreds of millions of children, women and families are facing food insecurity in hunger hotspots including Haiti, Sudan, Yemen, the Democratic Republic of Congo, Nigeria, and Ethiopia. Northern Gaza is said to be at famine phase five, which means there is an expected emergence of hunger-related deaths in line with internationally recognized thresholds for famine.

This food crisis comes as the world continues to reel from multiple other crises, including in Ukraine. In the Horn of Africa, we are witnessing the sixth consecutive failed rainy season. Without rain, the region is experiencing its worst drought in 40 years. Crops have largely failed, pastoralists have lost their animals, and nearly 5 million people in Somalia are likely to face acute food insecurity. Nearly half of Somalia's under-five population, or 1.4 million children, are likely to suffer from acute malnutrition.

In 2024 we have been encouraged by the historic bipartisan support for global food assistance programs. We applauded the $10 billion supplemental funding to respond to the global food price crisis, passed by overwhelming bipartisan support in both chambers this year, and we thank Chairman Coons and Ranking Member Graham for their leadership in getting these needed funds passed into law. As a Christian faith organization, we praise God that the delivery of humanitarian assistance to millions of people in Gaza and other hunger hotspots will aid in saving lives.

Consistent assistance remains imperative for saving lives as these complex conflicts continue.

As you discern priorities in the FY25 appropriations process, we urge you to continue to fund critical hunger, malnutrition, and poverty-focused programs. These programs provide a strong return on investment to the U.S. taxpayer because they help to create a healthier, more prosperous, and more stable world for everyone—all for less than one percent of the Federal budget. They save lives and enable children to grow up healthy and able to lead productive lives.

Bread for the World urges this Congress to prioritize funding in the following appropriations accounts:

—*$300 million for Nutrition in Global Health Programs at USAID.*— These programs at USAID focus on evidence-based interventions that affect children's survival and their physical and cognitive development. The modest increases of recent years are losing ground to the unconscionable rates of severe malnutrition due to rising food prices, the ongoing economic consequences of COVID–19, climate shocks, and many other problems. An increase to $300 million could prevent stunting for more than 553,000 people, cure more than 12.1 million women of anemia, support mothers to breastfeed more than 5.5 million additional children and provide life-saving treatment for 3 million children experiencing wasting. This account is also essential to the effective implementation of the Global Malnutrition Prevention and Treatment Act, enacted in October 2022.

—*$1.2 billion for Feed the Future's Global Food Security Strategy.*—Feed the Future is a key U.S. government global hunger and food security initiative. Currently, 20 countries around the world are participating. Feed the Future has helped more than 23 million people escape poverty and more than 5 million families live free from hunger. Congress reauthorized the program in 2022 and provided a moderate increase in funding to $1.2 billion, which has yet to be met in annual appropriations.

—*$180 million for International Agricultural Research and Development.*—Agricultural research funded by Feed the Future helps farmers adapt to extreme weather and pests. U.S. investment supports research innovations that drive

critically important agricultural productivity, nutrition, employment, and economic transformation in developing countries.

—*$5.66 billion for International Disaster Assistance.*—The International Disaster Assistance account provides humanitarian assistance to countries impacted by natural disasters, conflicts, and other crises, including funding for treatment of acute malnutrition. This funding is key to fighting hunger and malnutrition in the many crises our world faces this year. On average, USAID responds to 75 crises in more than 70 countries each year.

—*$75 million for the Vision for Adapted Crops and Soils (VACS) Program.*—Launched in late 2022, VACS works to identify the most nutritious crops in each of the African Union's five subregions and mobilize resources to improve their resilience to climate change.

—*$54 million for the International Fund for Agricultural Development (IFAD).*—Funds from IFAD help rural people build resilience, improve their food security, and contribute to poverty reduction. During the IFAD–11 replenishment period (2019–2021), an estimated 77 million rural people increased their incomes, and more than 60 million people increased their food production. This request is for installments of the U.S. commitment to IFAD–13.

—*$125 million for the Global Agriculture and Food Security Program (GAFSP).*—The Global Agriculture and Food Security Program (GAFSP) is a multilateral platform that provides financial assistance to governments, farmer and producer organizations, and the private sector in the form of grants, concessional loans, and blended finance. It also provides technical assistance and advisory services and, in 2022, supported 16.6 million farmers, including nearly 7 million women, to achieve higher agricultural productivity, increased incomes, and improved nutrition security.

—*$1.43 billion for the International Development Association (IDA) at the World Bank.*—The International Development Association (IDA) at the World Bank is the largest single source of assistance for the world's 75 lowest-income countries. In FY23, nearly 87 million people were reached with health and nutrition services through IDA. This request includes the third and final installment of the U.S. commitment to IDA–20 (2022–2025). Every dollar in U.S. contributions to IDA leverages $4 in contributions from other donors and internally generated resources. Fully funding this pledge would position the United States well to lead in the ongoing 21st replenishment of IDA, set to be finalized in December of this year.

—*$197 million for the African Development Fund (AfDF).*—The African Development Fund (AfDF) provides grants and concessional loans to 37 low-income countries on the African continent. In the past 5 years, AfDF has helped 74 million people improve their agricultural practices. This request includes $197 million toward the second installment of the U.S. commitment to AfDF–16 (2023–2026). Every dollar in U.S. contributions to the AfDF leverages more than $16 in contributions from other donors and internally generated resources.

—*$43.6 million for the Asian Development Fund (AsDF).*—The Asian Development Fund (AsDF) provides grants to the Asian Development Bank Group's 25 lower-income member countries to promote poverty reduction and quality of life improvements. From 2017–2019, AsDF enabled more than 150,000 farmers to gain access to quality farm inputs. This request includes the U.S. pledge to AsDF–13 (2021–2024).

—*$1 billion for the Green Climate Fund.*—The Green Climate Fund (GCF) works in developing countries to lower greenhouse gas emissions and build resilience, including among smallholder farmers through climate-smart agriculture. The GCF allocates a minimum of 50 percent of its funds to help communities adapt to climate change, and two-thirds of those resources are invested in small island developing States, least developed countries, and the African continent. This request includes an installment toward the U.S. pledge to the second replenishment of GCF and funds to reduce unmet U.S. commitments.

—*$1.1 billion for Climate Adaptation Fund.*—Climate adaptation programs support country response to adapt to and build resilience against the effects of climate change. These funds support bilateral adaptation efforts to build resilience to storm surges in coastal communities, provide early warning systems, improve soil health, and reduce food insecurity through sustainable agriculture. USAID partners with more than 30 countries to strengthen their resilience to climate change.

Thanks in part to this subcommittee and your support of humanitarian and international development programs through the years, the United States has led the global response to the needs of the world's most vulnerable people. God's love in

Jesus Christ compels us to love our neighbors—in action as well as expression. We are all made in God's image and carry a sacred dignity and immeasurable worth, as laid out so clearly in Genesis 1:27. Whatever your personal and faith motivations, I hope that you continue to expand your legacy of promoting human flourishing, addressing the needs of the most vulnerable, partnering with countries for shared goals of prosperity, and investing in communities around the world. Now more than ever, the world needs U.S. commitment to poverty- and nutrition-focused development.

Thank you for your continued support. May God continue to bless each of you and your work.

PREPARED STATEMENT OF CARE USA

On behalf of CARE USA, a humanitarian and development NGO that has operated in over 100 countries for almost 80 years, we are grateful for the continued bipartisan leadership in support of a robust international affairs budget. The State, Foreign Operations, and Related Programs budget reflects critical investments in America's global leadership, from addressing the global hunger crisis to supporting poverty alleviation around the world. Over the last several years, our development and humanitarian assistance has truly been put to the test. But America has continued to lead by supporting those suffering the most around the world and responding to natural disasters like flooding in Afghanistan, the crises in Sudan and Haiti, providing small business loans to women, and investing in small-holder farmers to help them increase their yields. And a majority of Americans support investing in foreign aid.

I am also grateful for the robust humanitarian assistance included in last month's National Security Supplemental. This is lifesaving aid, and a key example of the generosity of spirit of the American people, both in the quantity and flexibility of funding.

Given the fact that the international affairs budget not only directly saves lives but also launches catalytic investments from other donor countries that can improve global hunger, health systems strengthening, protection for women and girls, and humanitarian assistance, I strongly urge that these accounts are retained, at a minimum, at FY23 funding levels. The foreign assistance budget is small but mighty. Every dollar is stretched to maximize effectiveness and hollowing out resources from one of the smallest budgets is an alarming and ineffective way to attempt fiscal responsibility.

The impacts of this budget can feel far away, but our experience in the countries in which we operate confirms how relatively small U.S. investments can change lives. Recently, my team was in Honduras where they met a woman participating in a U.S.-funded program to counter gender-based violence. She told our team: "Thank you for this program. Because of it, I was able to get a divorce from my husband and now my kids are safe." Whether keeping families safe in their communities, helping women help themselves by supporting entrepreneurship opportunities, or ensuring that kids are able to eat enough to learn in school, U.S. assistance is saving lives.

In particular, I wish to highlight the accounts below, which are especially important to improve the lives of the most vulnerable among us.

FUNDING RECOMMENDATIONS

Topline International Affairs Budget.—$61.7 billion (no less than FY23 levels)

—Global Food Security Strategy: $1.2 billion
—Women's Economic Empowerment (GEEA Fund): $400 million
—Global Health Workforce Initiative: $200 million
—Bilateral and Multilateral Family Planning and Reproductive Health: $1.74 billion total, including $116 million for UNFPA
—Remove language codifying the Mexico City Policy/Global Gag Rule, a harmful policy rider that limits access to sexual and reproductive health care.
—International Disaster Assistance (IDA) $5.274 billion
—Migration Refugee Assistance (MRA): $5.2 billion

Lastly, I encourage you to adopt mechanisms across accounts that prioritize direct funding to local organizations, with a particular focus on women-led organizations. Every President since President George W. Bush has recognized that U.S. foreign assistance is more effective and sustainable when it is driven by local priorities and implemented by local partners.

Together, each of these accounts enable us to respond to acute crises while helping to address the underlying causes of global suffering. As CARE approaches 80 years of work in the field, across over 100 countries, we have seen not only the tremendous impact of these programs, but have also been pleased to be a part of hard-won gains in effectiveness and sustainability. This Committee has been a tremendous leader in ensuring that every single dollar allocated to global development and humanitarian response is well spent, well justified, and pays dividends over the long term. Failing to fully fund and support these vital programs now would put those achievements at grave risk and lead to greater global challenges. The inevitable impact would include increased food insecurity, higher maternal mortality, fewer girls in school, and greater risk of global pandemics. CARE urges Congress not to jeopardize decades of gains with funding cuts that would only result in greater suffering and cause increased costs in the long run.

[This statement was submitted by Ritu Sharma, Vice President of U.S. Programs and Policy Advocacy.]

PREPARED STATEMENT OF CATHOLIC RELIEF SERVICES

Chairman Coons, Ranking Member Graham: Catholic Relief Services (CRS), the international relief and development agency of the Catholic community in the United States, along with the United States Conference of Catholic Bishops (USCCB) requests that you increase international poverty-reducing humanitarian and development assistance in Fiscal Year 2025 (FY25) appropriations. We ask Congress to increase the international affairs budget to $64.4 billion, including $62.4 billion for the FY25 State-Foreign Operations bill, to support poverty-reducing international assistance. We urge you to prioritize the accounts below to at least the levels indicated.

Accounts	**Administration's FY25 Request ($)**	**CRS/USCCB FY25 Request ($)**
Maternal and Child Health (USAID)	940,000,000	940,000,000
Nutrition (USAID)	160,000,000	172,500,000
Vulnerable Children (USAID)	30,000,000	32,500,000
Malaria (USAID)	795,000,000	820,000,000
Tuberculosis (USAID)	394,500,000	469,000,000
Neglected Tropical Diseases (USAID)	114,500,000	114,500,000
Global Health Security (USAID)	900,000,000	1,000,000,000
HIV/AIDS (State PEPFAR and USAID)	4,725,000,000	4,725,000,000
Global Fund to Fight HIV/AIDS, Malaria, and Tuberculosis	1,191,600,000	2,000,000,000
Development Assistance (USAID)	4,534,697,000	4,769,787,000
International Disaster Assistance (USAID/BHA)	4,543,362,000	4,850,000,000
Migration and Refugee Assistance (DOS/PRM)	3,827,236,000	4,211,188,000
Emergency Refugee and Migration Assistance (DOS/PRM)	100,000,000	100,000,000
Complex Crises Fund (USAID)	60,000,000	60,000,000
Millennium Challenge Account (MCC)	937,000,000	937,000,000
Atrocities Prevention Fund (DOS)	-----	6,000,000
Contributions for International Peacekeeping Activities (DOS/IO)	1,234,144,000	1,234,144,000
Peacekeeping Operations (DOS/IO)	411,050,000	411,050,000
Green Climate Fund (State)	500,000,000	1,000,000,000
Anti-Trafficking in Persons (USAID and DOS)	-----	123,900,000

AN OPPORTUNITY FOR RENEWAL

Pope Francis calls on us to confront our current global challenges—such as hunger, climate change, and ever-growing humanitarian need—as opportunities for re-

newal. In the lead up to Easter, the Pope's Lenten message reminded us to "keep seeking and be ready to take risks. At this moment in time, we face enormous risks...let us find the courage to see our world, not as being in its death throes but in a process of giving birth, not at the end but at the beginning of a great new chapter of history. We need courage to think like this." [1]

CRS works in this spirit of restoration, supporting communities in their efforts to enter more hopeful chapters of their lives. CRS answers Pope Francis' call to "keep seeking," as we pursue solutions to the seemingly insurmountable challenges of our time. In order to do so, Congress must provide robust funding to address these issues head on. Strong funding must be complemented by a continued openness to, and oversight of, locally-led development and humanitarian responses, to ensure sustainable results by placing local actors at the forefront of program design and implementation. CRS encourages Congress to build on this willingness to confront challenges, not out of fear, but with the courage that Pope Francis deems necessary to bring about a more just and peaceful world.

HUNGER

This year, almost 300 million people are projected to face "acute" levels of food insecurity in Gaza, the Sudan, Ethiopia, Haiti, the Democratic Republic of Congo and beyond.[2] The U.S. government has a history of investing in long-term solutions to combat hunger in such places. *Feed the Future*, a USAID-led initiative, addresses the underlying drivers of hunger by bolstering agriculture-led growth, building livelihoods and supporting nutrition in target countries. CRS implemented a *Feed the Future* project from 2013 to 2018 in Nigeria, where households still benefit from the project: in 2023, 5 years after the close of the project, 80 percent of participating households said they felt able to withstand rising food prices, changing weather patterns, and disrupted livelihoods to maintain their levels of food security. In response to the current global food crisis, the U.S. government launched the global initiative "*Vision for Adopted Crops and Soils*" (VACS), which aims to boost agricultural productivity and nutrition through the cultivation of climate-resilient indigenous crop varieties and the promotion of activities to rejuvenate healthy soils. CRS has championed elements of the VACS approach for years and can attest to the enduring returns. By increasing funding to the Development Assistance account, Congress can help communities be more resilient to such setbacks that continue to confront these communities and sustainably address global hunger.

While the global food crisis has re-vitalized our understanding of the need for sustained development investments like Feed the Future, it also requires Congress to invest in new, innovative humanitarian programs that help the most vulnerable communities prevent overwhelming humanitarian need in the face of emergencies. CRS' *PRO–RAICES* project in Guatemala does just that. While farmers in the region experience drought and irregular rainfall, leading to unpredictable harvests, *PRO–RAICES* works with local partners to create agricultural systems that can withstand the pressures of a changing climate. CRS helps farmers increase yields by training them in techniques that improve soil moisture retention and minimize the use of chemical fertilizers. Simultaneously, at the municipal level, CRS staff and partners collaborate with local governments to facilitate their own investment in disaster risk reduction. Since the 2023 launch of *PRO–RAICES*, two municipalities have established Offices for Disaster Risk Reduction that help communities identify and mitigate the risk of natural disasters. Institutional improvements like these, which are driven by local stakeholders and supported by CRS, make communities less vulnerable to food insecurity. Increasing funding for the International Disaster Assistance account, which supports *PRO–RAICES* and other such projects, will make the necessary investments now, to prevent greater humanitarian need in the future.

CLIMATE CHANGE

In 2021, speaking about the imperative to be good stewards of the Earth, Pope Francis exhorted the world to "take our proper place as a 'Restoration Generation'." CRS and local partners respond to that call through climate adaptation programming around the world, including the Climate Resilient Cities project in the Phil-

[1] https://www.vatican.va/content/francesco/en/messages/lent/documents/20231203-messaggio-quaresima2024.html.

[2] According to the 2024 Global Report on Food Crises, 281.6 million people are projected to experience Phase 3 or higher on the International Food Security Phase Classification (IPC) scale (3-Crisis, 4-Emergency, 5-Catastrophe). Populations in Crisis or worse face high levels of acute food insecurity and are in need of urgent assistance.

ippines, funded by USAID through the Development Assistance account. CRS, with six local governments, implements urban-focused nature-based solutions—such as mangrove-planting along coastlines to mitigate harms from storms. The projects' longevity will depend on building strong local leadership, so CRS is building the capacity of municipalities to access climate data, as well as to secure financing for future adaptation projects. We ask Congress to scale up bilateral investment in climate adaptation and reinforce the vital work embodied by the Climate Resilient Cities project. Additionally, CRS recommends that Congress complement bilateral investments with funding to multilateral entities like the Green Climate Fund, Adaptation Fund, and Least-Developed Countries Fund.

To ensure the effectiveness of increased adaptation funding, CRS asks Congress to require Federal agencies, including USAID and the Department of State, to establish a data baseline of bilateral climate adaptation investments. Year-over-year data will allow U.S. government stakeholders and non-governmental organizations like CRS determine the scale and scope of current programming and identify the most effective approaches to support climate-vulnerable communities. CRS also urges Congress to ensure that the multisectoral impacts of climate change—for example, impacts on food systems and infectious disease rates—are recognized and integrated into long-term planning. We appreciate current efforts led by USAID and the Department of State to do so.

HUMANITARIAN CRISES

Pope Francis reminds us that "global crises . . . could be the occasions to bring about beneficial changes." And while CRS staff witness great suffering, they also see glimmers of hope. CRS works tirelessly in crisis-affected areas like Gaza and Ukraine, where devastating conflicts have captured international attention. In Gaza and the West Bank, with funding from the International Disaster Assistance account, CRS provides food assistance, health kits, psychosocial support, and shelter materials for conflict-affected families. This assistance aims to ensure that families survive and can begin their journey to recovery after conflict subsides. At the same time, we provide emergency relief to hotspots that are often overlooked, like the Sudan, Haiti and the Sahel region. We urge Congress to increase funding for International Disaster Assistance and Migration and Refugee Assistance to save lives today, and lay the groundwork for a better tomorrow.

Humanitarian assistance alone will not resolve these crises. Rather, solutions must ultimately come from within, and require our support. In the Sudan, where ongoing conflict has displaced over eight million people, CRS implements the *People 2 People* project, which began in October 2022 in Central Darfur. *People 2 People* works with local citizens and peace actors to build cohesion among groups that have historically clashed. These efforts have been crucial in mitigating the intensity of the Sudanese conflict. Similarly, around the world, those affected by conflict and crisis are not giving up; instead, they are leaning into Pope Francis' call to create a brighter future. Therefore, we urge Congress to fund peacebuilding and social cohesion activities through the Complex Crises Fund and Economic Support Fund to support communities like those in the Sudan.

GLOBAL HEALTH

The world has made substantial progress combatting infectious diseases like malaria, tuberculosis, and HIV, but we find ourselves at an inflection point. Progress on malaria, for instance, has stalled due to insufficient funding and growing humanitarian crises. CRS urges Congress to advance the Pope's vision of a renewed world by investing in global health accounts such as the Global Fund to fight HIV/AIDS, Malaria, and Tuberculosis. In 2022, CRS programs funded by the Global Fund distributed 55 million bed nets and reached 21 million children with preventive malaria vaccines. Through these efforts, CRS has prevented more than 75,000 malaria deaths among children under five since 2020.

Moreover, Global Fund investments support locally-led health programming through the "High Performing Implementers" (HPI) initiative. Through HPI, CRS assists government partners to build institutional capacity to become strong implementers of Global Fund grants, which increases the effectiveness and sustainability of such activities in the future. After CRS' capacity strengthening support through the HPI initiative in Guinea, the Minister of Health commended the National Malaria Program to be the best national health program in the country. Investments like these not only help save lives, but also foster stronger systems to advance development.

As the U.S. strives to revitalize gains in global health, CRS strongly urges Congress to maintain the Helms Amendment in FY25. CRS has grave concerns about

utilizing taxpayer funding for activities inconsistent with the Catholic faith. Further, integrating such programming elements is not in the best interest of the U.S. and would exclude providers that are sometimes the most credible and trusted amongst local communities. CRS asks that lawmakers prioritize the dignity of human life across all aspects of humanitarian and development assistance.

KEEP SEEKING

Pope Francis calls us to confront poverty, hunger, and suffering, and to "keep seeking"—in other words, we must not remain paralyzed by despair or indifference in the face of our global challenges, but seize opportunities for renewal and rebirth. CRS urges Congress to respond to this call, confident that the U.S. has what it takes to lead the way toward a "great new chapter in history."

[This statement was submitted by Sean Callahan, President and CEO.]

PREPARED STATEMENT OF CENTER FOR INTEGRATION SCIENCE

Chairman Coons, Ranking Member Congresswoman Graham, Members of the subcommittee, thank you for the opportunity to submit written testimony on the FY25 State, Foreign Operations and Related Programs Appropriations bill and specifically in support of our request for funding under the U.S. Agency for International Development (USAID) Global Health Program to advance PEN-Plus Programs for the treatment of severe childhood-onset noncommunicable diseases (NCDs) in Africa. We are very grateful to be working with Rep. McGovern and Senator Markey to advance this funding request.

FUNDING REQUEST AND RECOMMENDATION

Thousands of children and young adults in Africa live with severe, chronic noncommunicable diseases such as type 1 diabetes, sickle cell disease, and rheumatic and congenital heart disease, causing heartrending pain and frequently death. These diseases disproportionately impact the poorest individuals, families, and countries on the continent. Left unaddressed, they represent a devastating burden on lower-income countries and a roadblock to economic development.

Historically these children and young people fall through the cracks of global health financing because their conditions require complex care and specialized provider training. There is no "silver bullet"; care demands an evolution of entire health systems. In response, a coalition of expert organizations developed the PEN-Plus Strategy, a framework that builds on WHO guidelines and country-specific infrastructure to increase access significantly and sustainably to care for individuals living with these diseases.

Forty-seven (47) African countries have already endorsed PEN-Plus as the official strategy to reach children living with severe non-communicable diseases on the continent; 22 of these countries are already at varying stages of implementation.

I have just returned from the Inaugural International Conference on PEN-Plus in Africa (ICPPA) that was held April 23–25 in Dar es Salaam, Tanzania. ICPPA solidified momentum around the scaling of PEN-Plus across Africa and brought together over 400 stakeholders from 52 countries, including strong U.S. representation from the American Heart Association, Juvenile Diabetes Research Foundation, St. Jude's Research Foundation, American Society of Hematologists, and Mass General Brigham.

The consensus among the Conference's experts, leaders, and partners is clear: the time is now to scale PEN-Plus as a proven package of interventions that will save children's lives, advance health systems towards universal health coverage, and meet a historically neglected burden of disease on the continent. As of 2024, the PEN-Plus Partnership is already supporting lifesaving treatment for approximately 10,000 people living with severe NCDs in 14 lower-income countries. Yet financial limitations hamper the expansion of these programs to more facilities and countries.

On behalf of the PEN-Plus Partnership, Mass General Brigham (MGB) is seeking up to $15 million annually to match and leverage these private sector investments in PEN-Plus programs on the African continent. MGB estimates this matching support will engage at least 15 member States in successful launch and/or scale of PEN-Plus programs; and increase the number of children and young people enrolled in care by at least 5-fold. By supporting PEN-Plus interventions, the U.S. will save thousands of young lives and demonstrate its technical prowess, innovative capacity, and moral leadership in this strategically critical region of the world.

THE NEED

—Severe NCDs cause more than half a million avoidable deaths every year among the world's poorest children, adolescents and youth. Nearly 100,000 of these deaths are caused by just four conditions—type 1 diabetes, sickle cell disease, and rheumatic and congenital heart disease. Most of the medications needed to manage these conditions are off-patent and have been used for decades in wealthier countries—or, in the case of insulin, for more than a century.
—In most low- and lower-middle-income sub-Saharan African countries, treatment for severe chronic NCDs is available only at referral hospitals in major cities, leaving the rural poor without access to affordable care. Without access, individuals and families incur catastrophic costs seeking care or forgo care altogether, risking disability and even death.
—In addition to reducing life expectancy, these conditions significantly impair patients' quality of life and economic productivity while greatly increasing their healthcare costs and adversely affecting their social and cultural well-being. The resultant loss of productivity has dramatic economic impacts on families, social structures, and community stability.

Countries most in need of these interventions are least able to afford them or put in the up-front costs to progressively move towards this level of care.

THE PEN-PLUS SOLUTION

PEN-Plus is a set of clinical and health system interventions aimed at delivering high-quality care for people living with severe, chronic NCDs in rural and near-urban areas. Specifically, PEN-Plus introduces management and care for type 1 diabetes, sickle cell disease, and rheumatic and congenital heart disease into lower-level health facilities in low- and lower-income health systems. It complements and strengthens the World Health Organization's Package of Essential Noncommunicable (PEN) Disease Interventions for Primary Health Care.

PEN-Plus programs train nurses, clinical officers, and community healthcare workers in the skills they need to care for people with these severe chronic conditions at the district level. These providers learn to offer diagnoses, lifesaving medications, patient education, psychosocial support, palliative care, and referrals for surgical and other specialty care. They are trained to manage crucial medications with narrow therapeutic windows, such as insulin, hydroxyurea, heart-failure medications, and anticoagulants. These providers also gain access to important diagnostic technologies, including glucose monitoring, hemoglobin evaluation, and echocardiography. Social support is a critical component of disease management in resource-poor settings, so PEN-Plus clinics provide that support for patients and their families who may struggle to pay for regular, healthy meals and transportation to clinic visits.

Partners In Health and the Rwandan Ministry of Health first introduced PEN-Plus more than a decade ago at two rural hospitals in Rwanda. There, the model succeeded so well that the ministry since expanded it to every district hospital in the country.[1] Since then, and with support from the PEN-Plus Partnership, Malawi has begun its national scale-up of PEN-Plus, and nine additional African nations—Ethiopia, Kenya, Liberia, Mozambique, Sierra Leone, Tanzania, Uganda, Zambia, and Zimbabwe-have initiated PEN-Plus implementation by establishing their first clinics and training sites. An additional six African countries—Benin, Burkina Faso, Cameroon, the Democratic Republic of the Congo, Ghana, and Nigeria-are conducting the preliminary planning essential to implementing PEN-Plus.

IMPACT OF U.S. INVESTMENT IN EXPANDING PEN-PLUS

According to the Lancet Commission on Reframing NCDs and Injuries for the Poorest Billion, less than 0.3 percent of global health spending—not even $100 million a year—is allocated to NCD care in countries where the world's poorest billion people live. The U.S. is uniquely positioned to play a leadership role in addressing some of the most devastating and largely untreated diseases afflicting children and young persons in sub-Saharan Africa. Direct funding will position the U.S. government as a major and influential player in the NCD space and expanding PEN-Plus will:

[1] Implementation outcomes of national decentralization of integrated outpatient services for severe non-communicable diseases to district hospitals in Rwanda—PMC (nih.gov).

Save/Improve the Lives of Thousands of Children and Young Persons in Sub-Saharan Africa

—Estimated 5x increase in the number of persons receiving high-quality, sustained, integrated care for these conditions

Spur Economic Growth and Reduce Poverty on the Continent

—Alleviates family, community, and health system costs exacerbated by acute events due to poorly controlled conditions
—Disproportionately increases quality-adjusted life-years, as these are conditions that primarily affect children and young persons
—Provides an "on-ramp" for local health systems to progressively take on costs associated with integrated care for these conditions over time
—Creates demand and incentivizes future private investments in supply chain and medicines/consumables

Reinforce the U.S. Government's Larger International Development Strategies

—Help ensure that USAID realizes its Vision for Health Systems Strengthening 2030 which "shifts the focus from strengthening individual functions—inputs or building blocks—of the health system to a focus on the health system outcome goals of equity, quality, and resource optimization"
—Significantly builds local human resources capacity and self-sufficiency/resiliency of health and management systems within target countries benefitting overall global health security goals
—Leverages existing private investments and public investment commitments made by partner countries

Strengthen the U.S. Government's Diplomatic Goals on the Continent

—Demonstrated leadership in addressing a priority set of conditions and interventions across at least 20 countries in sub-Saharan Africa
—Sophistication of the response reinforces the unique value-add to other governments of close ties to the United States and its intellectual, financial, and technical resources

Recognizing that the limited U.S. funds available for global health must and should support multiple goals, this proposal will do so by reducing child mortality, delivering meaningful near-term improvements to children's and young adults' health, strengthening health systems, and continuing to advance U.S. leadership globally. PEN-Plus programs directly save vulnerable lives while advancing all these aims. Thank you for your careful consideration of this request.

[This statement was submitted by Gene Bukhman, PhD, MD, Executive Director.]

PREPARED STATEMENT OF CHRISTIAN CONNECTIONS FOR INTERNATIONAL HEALTH (CCIH)

To the honorable Members of the Senate Appropriations subcommittee for State, Foreign Operations, and Related Programs (SFOPS), I would like to thank each of you for your continued leadership in global health. The tens of millions of lives saved by your support of global health investments demonstrate the importance of U.S. leadership to the world, and the achievements made against diseases such as HIV/AIDS, malaria, and many more are directly attributed to the decisions you have made to fund these needed programs.

The economic and social gains for individuals, families, and communities worldwide are significant, with returns on investment exceeding 20 or 30 times the original investment. These programs are not charity, they are investments that provide stability, promote economic growth, and preserve human dignity around the globe. As you determine the funding levels for these initiatives for Fiscal Year 2025 (FY25) I hope you will consider that providing robust funding to these base accounts will reduce the need for supplemental funding packages to address global challenges as they arise.

STATE DEPARTMENT

President's Emergency Plan for AIDS Relief (PEPFAR) $5.15 billion

I would like to thank the members of this committee for including a 1-year reauthorization for PEPFAR as part of the legislative package for Fiscal Year 2024. PEPFAR is the flagship program for foreign assistance programs, especially in glob-

al health. Through the support of PEPFAR programs, more than 5.5 million babies were born HIV-free. Additionally, care and support were provided to over 7 million orphans and vulnerable children through PEPFAR. Since its creation in 2003 under the leadership of President George W. Bush and bipartisan leaders in Congress, as well as the strong support of evangelical and other Christians, PEPFAR has saved the lives of over 25 million people. I am thankful for the continued bipartisan support of this unequivocally pro-life initiative.

However, I remain gravely concerned about the vulnerability of the PEPFAR program. For the first time in its history, PEPFAR did not receive a 5-year reauthorization, raising questions about U.S. leadership and commitment to ending HIV/AIDS. I am especially disturbed that the program, whose mission is to save lives, was falsely accused of subverting U.S. law and funding abortion procedures. As many of you know, the Helms Amendment, signed into law more than 60 years ago as an amendment to the Foreign Assistance Act of 1961, explicitly prohibits the use of U.S. taxpayer dollars in the foreign assistance account to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortion.

I just returned from meeting faith-based health leaders in one of PEPFAR's priority countries and discussed this topic. They could not believe anybody would say PEPFAR promotes abortion.

But that is unfortunately the case: organizations that have no interest, attachment, or support of foreign assistance programs sought to undermine the credibility and bipartisan support for this life-saving initiative.

I urge this committee, and your colleagues on the Foreign Relations Committee as well as your counterparts in the House of Representatives to support and pass a 5-year clean reauthorization bill to allow PEPFAR to continue its work to save lives.

We can see the end of HIV/AIDS in the next decade, if we keep our focus on the goal.

Global Fund to Fight AIDS, Tuberculosis, and Malaria (Global Fund) $1.65 billion

The complementary relationship between the Global Fund and PEPFAR allows for better-coordinated efforts to achieve an AIDS-free generation. With FY25 being the last year of the Replenishment cycle, the leveraging power of the U.S. contribution to the Global Fund carries even greater importance. Where the U.S. leads, the world will follow. If the world perceives that the U.S. is taking a step back from its leadership role in global health, the world will follow that example, or worse, look to partners whose motives are unclear (such as China) in order to fill that void. I hope this committee will not allow that to take place. In the event that a $1.65 billion contribution to the Global Fund is not matched by other donor countries, I would ask this committee to grant the authority to the Department of State to redirect any funding into bilateral programs.

USAID

Family Planning $575 million

CCIH defines Family Planning (FP) as "enabling couples to determine the number and timing of pregnancies, including the voluntary use of methods for preventing pregnancy, not including abortion, harmonious with their values and religious beliefs." FP programming lowers maternal mortality and morbidity rates as well as infant and child death rates. Globally, one-third of women are affected by illness or death due to poor reproductive health. Every year more than half a million women die in childbirth, with over 95% of them in Africa and Asia. The deaths of these women leave behind children who are more vulnerable to disease and death themselves.

The use of voluntary family planning, which gives women and couples the tools to time and space their pregnancies in ways consistent with their faith and values, allows families to have the number of children they wish to have in the healthiest and safest way possible. By spacing pregnancies, women have a greater opportunity to recover from a prior pregnancy and grow their families in a safe environment. Any fully functioning health system must include a strong system of family planning provision. I urge this committee to continue supporting these critical life-saving initiatives.

Importance of Localization

As a coalition of faith-based organizations, many of which are locally owned and operated around the world, I would like to applaud the leadership of USAID in setting targets of 25% of USAID funding directly obligated to local partners by 2025, and to have 50% of funding obligated to local organizations by 2030. It is a smart

policy to engage local authorities who are accountable for results in the decision-making process. It is my hope that this committee will continue its oversight role to ensure these goals are met.

We must underscore that empowering and providing resources to local entities does not mean that international non-governmental organizations (INGO) serve no role in modern development. INGO's bring expertise and scale that local organizations do not often possess, especially in the short term. INGOs provide lessons learned and promote regional learning opportunities. We must not create the expectation that localization is a "blank check" that can solve every development or humanitarian crisis. Nor can we give the impression that INGOs are no longer valued and needed partners in foreign assistance.

I applaud the suggested actions in the Locally Led Development and Humanitarian Response Act (S. 3994 and its companion bill HR 7710). These common-sense changes would allow local organizations to more easily access USAID resources and technical expertise to build more resilient health systems and graduate from needing foreign assistance resources to address health issues. These structural changes would allow new and underutilized organizations to partner with USAID and create strong, resilient health systems.

Some of these suggested changes include:

—Accept applications or proposals in languages other than English;
—Increase the de minimis indirect cost rate to 15% for local entities;
—Allow a 180-day delay for local entities to register in the System for Award Management;
—Award contracts or other acquisition instruments in which competition is limited to local entities if doing so would result in cost savings, strengthen local capacity, or enable more sustainable programs.

Another critical piece to the success of localization is to know where these new and underutilized organizations work. The Christian Health Asset Mapping Consortium (CHAMC) seeks to compile and store this valuable data. CHAMC is a voluntary association of organizations that work to address urgent needs for information and help improve the quality of data about the Christian health asset landscape. Faith actors can make or break a global health strategy; excluding them from planning and resources fosters distrust and may even leave people in communities believing "health" and "faith" are at odds. Strategic investments in faith engagement, such as USAID's Building Bridges, may help accelerate these programs to scale.

Intersection of Climate and Health

Faith-Based Organizations (FBOs) are often the first to respond to emergencies and remain long after the emergency has subsided. While we have most often seen this in response to epidemics and pandemics in global health, we have also seen this in response to natural disasters. There is an increasing intersection between the impacts of climate undermining the resilience of health systems strengthened by investments in global health.

As demonstrated by the recent floods in Kenya, many countries face longer and more intensive rainy seasons. These natural disasters create headlines that will be seen by the international community, but will need local actors, often in the faith community, to address the aftermath. The destruction and disruption of roads and the influx of patients injured by these disasters place additional stress on health systems that are still developing.

Ignoring these impacts undermines the investments this committee makes to address global health concerns. Disrupting the transportation infrastructure makes it harder for patients to travel and receive treatment if they are HIV/AIDS positive, stagnant water becomes breeding grounds for mosquitoes carrying the malaria parasite, and shipping commodities to support family planning, tuberculosis treatment, or vaccinations becomes more expensive.

To address these issues from a local perspective, CCIH has established the Faith for Climate Health Resilience (Faith4CHR), which will officially launch in June 2024. Faith4CHR aims to increase climate resilience with faith-based health partners in low- and middle-income countries (LMIC). Faith4CRH envisions a world where all communities: (1) have consistent access to quality healthcare and prevention services in the face of climate change, (2) are prepared for the impacts of climate change, and (3) have the tools they need to adapt. To achieve that, we need to elevate the voice of the communities and generate momentum across health systems.

Impact

The general consensus is that every $1 invested in global health programs yields a return of $35 to society in reduced health expenditure and improved productivity. This, of course, does not take into account the true scope of the human element; the 25 million lives saved by PEPFAR, the 11.7 million lives saved by the President's Malaria Initiative, and the 154 million lives saved from global immunization programs. For people worldwide, these programs represent the character and leadership of the United States.

Thank you for your consideration.

[This statement was submitted by Doug Fountain, Executive Director.]

PREPARED STATEMENT OF ELIZABETH GLASER PEDIATRIC AIDS FOUNDATION

Chairman Coons, Ranking Member Graham, and distinguished Members of the subcommittee, thank you for the opportunity to submit testimony in strong support of the foreign affairs budget, in particular the President's Emergency Plan for AIDS Relief (PEPFAR) and the international organizations and partners critical to its success. My name is Charles Lyons, and I am the President and CEO of the Elizabeth Glaser Pediatric AIDS Foundation (EGPAF). EGPAF implements a comprehensive response to the global fight to end HIV and AIDS through research, global advocacy, strengthening of local health care systems, and growing the capacity of governments and communities in the world's most affected regions to respond to urgent needs. I am proud to be leading a mission-driven organization, working closely with families, communities, countries, and donors fighting for an AIDS-free generation. I am asking you today to not only substantially increase funding to end the global HIV and AIDS epidemic, but also to ensure that children are at the forefront of the U.S. global AIDS response.

EGPAF was founded over 35 years ago by Elizabeth Glaser. Elizabeth started the then Pediatric AIDS Foundation after losing her daughter Ariel to AIDS. In a moment when many mothers would rightfully be lost in grief, Elizabeth resolved to spare other families her heartache and ensure children were not forgotten in the HIV and AIDS response. Elizabeth's work was grueling, but because of her advocacy, researchers funded by the organization, and fellow advocates and activists, pediatric HIV cases domestically are now thankfully rare. Since our inception in 1988, there has been a 95 percent decline in new pediatric HIV infections in the United States.

In the late 1990s, our Board of Directors decided that Elizabeth's legacy would extend far beyond the borders of the United States. EGPAF was determined that results for pregnant women and children in the United States could be replicated in countries experiencing the widespread devastating impacts of HIV and AIDS. As this committee knows well, the PEPFAR program soon followed due to historic bipartisan cooperation. As an organization already working in the region, we were grateful to partner with PEPFAR to dramatically scale up successful interventions. Over 20 years later, EGPAF is an established implementing partner working across 17 African countries. One of our organizational strengths is that almost the entirety of our staff is local to the country in which they work, ensuring that our programming is locally led, locally managed and building a sustainable global AIDS response.

It can be hard now, after 20 years and twenty-five million lives saved, to remember the urgency behind the creation of the PEPFAR program. I want to remind the Committee of the challenges being faced by communities two decades ago, using the words of Felicity Maya, a nurse working with EGPAF in Eswatini. When Nurse Maya began her nursing career 20 years ago, she walked into the center of Eswatini's raging HIV epidemic-with few weapons to fight the deadly virus. After graduating from the University of Swaziland in 2003, Nurse Maya was posted to the Mankayane Government Hospital, working primarily with pregnant women and infants. At that time, there were no means to prevent mother-to child HIV transmission in Eswatini.

In 2003, when PEPFAR was created, Eswatini had the highest HIV prevalence in the world. Four in 10 adults, including pregnant women, were estimated to be HIV-positive. Sixty-four percent of Eswatini deaths in 2002 were due to AIDS-related illness, according to the World Health Organization.

Nurse Maya recalled one of her first young patients: "I think she was around 3 or 4 years old. She was HIV-positive, [but] there were no ARVs [antiretroviral medication] at that time. She had been taking antibiotics for some time." However, antibiotics are not ARVs, and they are inadequate to fight off advanced HIV disease,

AIDS. But they were the best tool available in Eswatini at that time to prolong a life. "There came a time when she told us, 'Please, I don't want the [antibiotic] injections again. Mommy has already told me that the angels will be coming to pick me up at night.' We convinced her that she should take the medication-but then we didn't find her the next morning." She had died in the night.

"That was really something that I took from then until today. It was so painful to lose her because we were so close to her. We really thought that maybe she would have some few [more] days with us. But then she didn't [survive]." This small girl, like almost all HIV-positive children, acquired HIV during pregnancy, childbirth, or breastfeeding. Thankfully today 82 percent of women globally are receiving the services and medicines they need to prevent transmission to their children, and new HIV infections in children have been reduced by 58 percent since 2010, translating to hundreds of millions of women being tested and, if needed, treated for HIV during the pregnancy and breastfeeding period. But we can't take these successes for granted.

As Dr. Caspian Chouraya, our Country Director in Eswatini notes "We're seeing that there have been huge improvements; however, there's still a gap when we compare adults and children [with HIV]. It has become better, and we should be able to celebrate that-but let's not become too complacent. Our children are still not getting the optimal formulations that we want them to get. Our children are still not being diagnosed at a rate we want them to be diagnosed."

For nearly a decade, the number of women reached with prevention of mother-to-child transmission of HIV services has remained steady [1], meaning almost no new progress has occurred in driving down new infections in children. Also extremely concerning is the growing treatment inequity for children living with HIV, as compared to adults. The fact that children represent 4 percent of people living with HIV, but 13 percent of AIDS-related deaths is frankly unconscionable. Currently only about half of HIV positive children are accessing the treatment they need to survive, which is especially egregious since without treatment half of children infected with HIV during pregnancy and breastfeeding will die by the age of two and 80 percent by the age of five. To put it plainly, this means too many families are still losing far too many children, facing the same pain Elizabeth and Nurse Maya had to endure decades ago, even when the tools exist today to save these children's lives.

Thankfully this Committee has time and again recognized the importance of prioritizing children in the global AIDS response, in FY24 asking PEPFAR for pediatric specific strategy. This strategy should include specific and measurable targets for children and adolescents that go beyond the generalized "epidemic control" or 95–95–95 UNAIDS targets. Lofty, high-level targets often mask uneven progress and the increasingly inequitable outcomes faced by children. For example, of the 20 countries that had reached "epidemic control" by 2022, 13 still had less than 60 percent of children living with HIV on treatment.[2]

Simply put, children are harder to reach than adults, and the first step in ensuring children are linked to treatment is understanding where they live so they can be tested. This is why data on pediatric HIV is so critical. Our organization is concerned that PEPFAR is not prioritizing pediatric data collection to inform program-decision making. We encourage the Committee to once again ask that children have their own strategy and be included in PEPFAR-funded population surveys like the Population-based HIV Impact Assessment Studies (PHIAS). Collecting better data is essential for better outcomes.

Two things are clear after 20 years of the PEPFAR program. First, PEPFAR has been and continues to be transformative for the lives of children and families impacted by HIV. Second, there is still so much more work to be done. I am shocked and saddened by the political attacks the program has faced over the last year. These baseless attacks work to undermine the legacy of bipartisan support this program maintains and is the foundation of its success. I know many members of this Committee have visited countries where PEPFAR works and met with healthcare workers like Nurse Maya, and those who have received services through the program. You understand its profound impact on communities and families. If you have not been yet, I strongly encourage you to do so.

I want to also express support for our global partners—the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Health Organization (WHO), the Joint United Nations Programme on HIV and AIDS (UNAIDS) and the United Nations Children's Fund (UNICEF). PEPFAR's success—and in turn EGPAF's success as an international organization working at national and local levels—is due in large part

[1] UNAIDS, The path that ends AIDS: UNAIDS Global AIDS Update, 2023, pg. 60.
[2] PEPFAR, 2022 Annual Report to Congress and www.aidsinfo.unaids.org.

to the collaboration of countries, communities, related U.S. supported programming, and international partners. The prospect of ending AIDS in children will be jeopardized without a range of actors to provide program support, technical expertise and institutional commitment.

I hope this Committee does not rest on the successes of the PEPFAR program to date but recognizes that with continued robust investments we can help countries, communities and families avoid the grief Elizabeth had to face. In the words of Nurse Maya, who has been working in PEPFAR supported clinics since the program's inception "I've been practicing [medicine] for more than 20 years," she says. "It's so satisfying seeing that you delivered this baby, and you did all that you could for that baby to be alive." Now is the time to double down on our commitment to do all we can for children living with HIV, finish the job Nurse Maya and others have been working so diligently to achieve and realize an AIDS-free generation once and for all.

PREPARED STATEMENT OF EYELLIANCE

Clear vision is essential for full participation in educational and economic opportunities. Globally there are nearly 1 billion children and adults who are living needlessly with poor vision that can be easily corrected with a pair of eyeglasses. Without proper vision they are unable to realize their full potential; the cost to the global economy due to lost productivity alone is $410 billion every year.

For children, the link between vision correction and improved educational and economic outcomes is clear. The provision of eyeglasses improves educational outcomes, increases literacy rates, reduces absenteeism and dropout rates, and according to a recent UNESCO study, every $1 invested in ensuring school children have the eyeglasses they need generates $6–$26 in benefits derived from potential increase in lifetime earnings.

For adults, uncorrected presbyopia (inability to see up close after the age of 40) harms people's quality of life and productivity. A recent study finds that 80% of patients with uncorrected presbyopia have difficulty performing near-vision-related tasks, like reading and sewing. This corresponds with a 22% decrease in quality of life. Presbyopia also decreases worker productivity. Recent randomized controlled trials show that correcting presbyopia can lead to a 22% increase in relative productivity, and a 33% increase in income.

Additionally, vision correction results in safer drivers and safer roads. For all these reasons, and with ever-increasing demands on limited resources, funding to improve access to eyeglasses has a very high return on investment.

EYElliance is grateful that the US Congress has recognized that eyeglasses help individuals live up to their full potential and become self-reliant. Dedicating $5M to the provision of low-cost eyeglasses across the world is a powerful first step. Although this clearly represents progress, the resources are limited so it becomes contingent on EYElliance, as the neutral broker in this space, to ensure they are used strategically to their best and highest purpose.

We support the continued emphasis on empowering national governments and private sector entrepreneurs to deliver optical services and eyeglasses to the people in need. Below is a summary of results from this effort.

Priority (1) Government-led and implemented expansion of access to eyeglasses within public health and education systems.

In Cambodia, USAID has funded an international eye care NGO to support fully functioning government-managed vision centers—where trained professionals perform comprehensive eye exams, dispense eyeglasses, and treat basic eye conditions. The resources are also being used to develop school-based eye health programming.

—317,493 school children and teachers received vision screenings through schools, and 4,771 received eyeglasses.
—38,074 beneficiaries received vision screenings through community outreach, and 21,257 received eyeglasses.
—139 eye care personnel trained; new programs established for pediatric refraction and ongoing professional development.
—27 public vision centers have been equipped with upgraded equipment and are operated by newly trained staff.
—National policy outcomes included endorsing a vision centre manual, a school eye health curriculum, and an eyeglass supply chain scheme.

In April 2023, USAID awarded a grant to support the expansion of government eye health services in Zambia to include community-level workers and school-based programming.

USAID has appropriately funded initiatives that are working to address the biggest barrier to widespread access to prescription eyeglasses—the training of new eye health professionals. By emphasizing government-led initiatives, USAID is increasing the likelihood that Ministries of Health will assume responsibility for costs over the long term.

Priority (2) Growing the number of for-profit optical businesses serving low-income customers.

USAID recently awarded $350K to Lapaire, a private optical company based in Kenya that sells affordable eyeglasses to low-income consumers in six African countries. Approximately 65% of Lapaire's customers are purchasing eyeglasses for the first time despite having poor vision for years. While USAID learned about Lapaire independently of EYElliance, Lapaire's founder launched the venture after reading about the business opportunity in a 2016 report authored by EYElliance and published by the World Economic Forum. EYElliance has been working with Lapaire since 2021, providing business-building support and advising on a new investment opportunity (debt & equity), enabling the business to add 500 new optical stores. Alongside this investment, USAID's funding will:

—Strengthen Lapaire's training program to ensure quality services are available and train at least 24 new eye health professionals.
—Open 13 peri-urban optical shops and provide 20,000 eye exams annually at these locations.

Vision is a public good with clear, high impact, social and economic benefits. It is a powerful example of a problem that impacts 1 billion people that we can solve in one generation. We have the solution; and we know how to deliver that solution at a low cost tapping into the power of both the public and private sectors. We applaud the US Government for their leadership and implore its leaders to deepen their commitment. We envision our great country leading an effort that results in a world where every person who needs a pair of glasses, has a pair of eyeglasses. We envision a day when no girl or boy falls out of school, nor no woman or man falls out of the workforce because that do not have pair of eyeglasses.

[This statement was submitted by Elizabeth Smith & Jordan Kassalow, Co-Founders.]

PREPARED STATEMENT OF FIRST FOCUS CAMPAIGN FOR CHILDREN

Dear Chairman Coons and Senator Graham,

I am writing on behalf of First Focus Campaign for Children to thank you for your leadership on the State, Foreign Operations and Related Programs subcommittee of Appropriations. First Focus Campaign for Children is a bipartisan advocacy organization working to make children the priority in Federal policy and budget decisions. This testimony relates to the U.S. Agency for International Development and the State Department Bureau of Global Health Security and Diplomacy.

We appreciate the Committee's expanded funding for Maternal and Child Health/GAVI the Vaccine Alliance in FY24 and for the modest plus up of $1.5 million for Vulnerable Children programs. Given the number of challenges facing children worldwide, these investments were very welcome.

U.S. FOREIGN ASSISTANCE HAS ACHIEVED GREAT THINGS FOR CHILDREN, BUT MORE IS NEEDED

It is in large part thanks to this subcommittee's investment in poverty-focused development and humanitarian assistance over the past three-and-a-half decades that the deaths of children under 5 years old due to preventable disease and malnutrition have fallen from more than 12 million a year in 1990 to roughly 5 million today. Further, over the past 20 years, this subcommittee's investment in PEPFAR has enabled 5.5 million babies to be born HIV-free and 25 million men, women and children to be saved from HIV.

While these are huge triumphs to be celebrated, recent global setbacks including the COVID–19 pandemic, advancing climate change, new and ongoing conflicts, and mounting global food insecurity are putting these achievements at risk and heightening the urgency of refining our efforts. It is critical that the U.S. do all it can

to ensure maximum impact of the limited pot of money spent on foreign assistance, especially the dollars spent on behalf of the most vulnerable children.

The fact is, like elsewhere in the U.S. budget, children have never received the attention or share of foreign assistance resources they deserve. Children have specific developmental needs and investing in them delivers an outsized return on investment. Yet our spending on kids is miniscule. First Focus on Children's 2023 Children's Budget documents that just 9 cents of every $1 of U.S. foreign assistance goes to babies and kids worldwide despite the fact that they make up a third to a half of the population globally.

CHILDREN ARE IN CRISIS

The imbalance of our investment in children internationally is unfair and out of alignment with the facts on the ground. According to UNICEF, children are more likely to live in poverty than adults and more vulnerable to its effects. Poverty, and everything that comes with it, has a devastating impact on child development.

In addition to shortening their life spans, absolute poverty inflicts sickness and suffering on children that stunts the growth of their bodies and brains—robbing them, their families and their nations of their full potential. According to a report in The Lancet "a staggering 43 percent of children under 5 years of age—an estimated 250 million—living in low- and middle-income countries are at risk of suboptimal development due to poverty and stunting. The burden is currently underestimated because risks to health and wellbeing go beyond these two factors."

CONGRESSIONAL ACTION ON BEHALF OF CHILDREN WORLDWIDE

As acknowledged above, the leadership of the U.S. Congress has contributed to the dramatic drop in deaths of under 5-year-olds globally from preventable diseases and malnutrition.

Then in 2021, in an attempt to increase the impact of U.S. efforts and ensure that kids were not just surviving but thriving, you, Chairman Coons (D–DE), along with former Senator Roy Blunt (R–MO) and Representatives Joaquin Castro (D–TX) and Brian Fitzpatrick (R–PA), secured passage of the Global Child Thrive Act (GCTA) mandating the integration of Early Childhood Development (ECD) into U.S. foreign aid programs serving kids. By integrating ECD into current interventions, you were following the science and multiplying the positive impacts of already successful U.S. international programming. Incorporating an ECD tactic like parent training on responsive caregiving into a maternal and child health program, for example, elevates that program and ensures that children not only live beyond their fifth birthday but that their brains and bodies develop to their full potential too.

WHERE IS USAID ON IMPLEMENTATION OF THE GLOBAL CHILD THRIVE ACT (GCTA)?

Unfortunately, implementation of the Global Child Thrive Act has been slow. Since its passage, the U.S. Agency for International Development (USAID) has released implementation guidance designed for easy use by U.S. missions around the globe. This is a good step in the right direction, but funding and leadership from the top of USAID is desperately needed to successfully implement the law.

Part of the holdup is that implementation of the act falls to the vastly underresourced Children in Adversity Office at USAID. (This office is funded each year by the Vulnerable Children Account.) The Children in Adversity Office does some of the most important child-focused work in the world by promoting care for the most vulnerable children, protecting children from violence and neglect, and supporting family care (as opposed to orphanages or institutions, which tend to impede child well-being and development). But, due to its small staff and lack of resources, the office's reach has been limited, as is its ability to ensure the implementation of the GCTA all on its own. Last year's $1.5 million increase for the account will certainly help, but $35 million is needed in FY25 to facilitate further implementation of the GCTA and enable the Children in Adversity Office to continue its other critical work.

A CALL TO ACTION FOR CHILDREN

First Focus Campaign for Children urges the prioritization of children's needs in your FY25 State, Foreign Operations bill and respectfully requests the following appropriations levels:

—$35 Million for Vulnerable Children
—$5.15 Billion for PEPFAR (Including $1.65 Billion for the Global Fund)
—$1.15 Billion for Maternal and Child Health
—$300 Million for Nutrition

—$1.1 Billion for Basic Education
—$925 Million for Malaria
—$500 Million for WASH
—$175 Million for UNICEF
—$4.85 Billion for International Disaster Assistance
—$4 Million for Lead Exposure/Toxic Chemicals

The legacy of this subcommittee is one of real-world impact: saving millions of lives and reducing needless suffering globally. First Focus Campaign for Children urges your continued leadership in this area. Thank you for your consideration.

[This statement was submitted by Leila Nimatallah, VP, Advocacy & Mobilization.]

PREPARED STATEMENT OF FOOD FOR THE HUNGRY

Chairman Coons, Ranking Member Graham, and distinguished members of the subcommittee, thank you for your leadership and the opportunity to provide written testimony. My name is Mark Viso, and I am the President & CEO of Food for the Hungry, a Christian humanitarian organization providing life-changing relief and development programs since 1971. At Food for the Hungry, we design, develop, and deliver catalytic solutions that build resilience so that children, families, and communities can flourish. In light of growing global needs, I respectfully ask the subcommittee to provide robust funding for critical development, humanitarian, and global health programs at USAID and the Department of State, including no less than $1.2 billion for the Global Food Security Strategy, also known as Feed the Future; $300 million for Nutrition within Global Health Programs; $1.15 billion for Maternal and Child Health; $500 million for Water, Sanitation, and Hygiene; and $985 million for Basic Education. I also request $4.85 billion for International Disaster Assistance; $4.77 billion for Development Assistance; and $4.30 billion for the Economic Support Fund in Fiscal Year 2025.

Inspired by our Christian faith, Food for the Hungry is honored and privileged to serve vulnerable families and communities in many of the world's most fragile contexts. In the face of spiraling global conflicts, a worsening hunger and malnutrition crisis, ongoing climate shocks, and growing economic uncertainty and political instability, we remain committed to transforming lives "so the poor have hope, and injustice shuts its mouth" (Job 5:16).

In my role, I am honored to meet global brothers and sisters overcoming extraordinary challenges and humbled by their remarkable resolve to forge a better, brighter future for themselves and their families. From Ethiopia to Haiti and beyond, I am profoundly moved by the steadfast and selfless commitment of our staff and heartened to see the transformative impact of our programs and partnerships. As the needs of those suffering from poverty, marginalization, and injustice have grown in scale and complexity in recent years, I have been grateful to lead Food for the Hungry on a journey to reimagine international development and our role within it, questioning long-held assumptions, seeking creative and innovative solutions, and recommitting ourselves to centering the experiences, needs, and desires of those individuals, families, and communities we are privileged to serve.

The deep, trusted relationships enjoyed by our local staff enable Food for the Hungry to catalyze transformational change in even the hardest of places, encouraged and sustained by Micah 6:8 "to act justly and to love mercy and to walk humbly with your God." By partnering with the communities we serve, we deliver shareholder-led development that prioritizes local needs and sustainable solutions that result in resilient, flourishing communities.

Just as the depth of our longstanding local relationships distinguishes Food for the Hungry, informing our innovative program model and animating our future state, so too our diverse partnerships with individuals, churches, corporations, foundations, the U.S. and other donor governments, and various United Nations agencies is a defining feature of Food for the Hungry, enabling us to leverage the resources entrusted to us for greatest impact. In 2023, Food for the Hungry reached nearly 10 million people in 18 countries experiencing extreme poverty, creating more than $14 million in assets, delivering improved nutrition to over half a million young women and mothers, ensuring access to clean water for over 700,000 people, and training over 40,000 community change agents in gender dignity and child protection. Through the tireless commitment of our staff, over 99% of whom serve in their country of origin, we are transforming broken relationships and systems, and restoring vulnerable communities and families to lives of health and hope.

Still, we are reminded daily that the polycrisis continues. Right now, 783 million people face chronic hunger, with nearly 300 million people experiencing acute food insecurity requiring immediate assistance. More than a third of the world cannot afford and access sufficient nutritious food. Estimates suggest that 19 million children missed out on routine but life-saving immunizations due to the pandemic. 70% of children in low and middle-income countries experience learning poverty, unable to read and comprehend a simple text by age 10. Over 2 billion people lack access to safely managed drinking water. Current estimates suggest over 130 million people will be forcibly displaced from their homes this year. Globally, nearly 150 million children suffer from stunted growth and development due to a chronic lack of essential nutrients, while more than 45 million children suffer from wasting, the most severe and life-threatening form of malnutrition. The number of people on the brink of famine has doubled since just last year, and every day, more than 13,000 children and 800 women die from preventable causes.

These figures are heartbreaking, and each one of them represents a real person currently being robbed of the resources and agency needed for a full, flourishing future. But we can change the status quo. With the political will and public courage of lawmakers like you, the U.S. government can increase foreign assistance investments to save lives and livelihoods now while building the long-term resilience necessary to better insulate vulnerable communities and families from future shocks and stresses. The subcommittee's past support for critical relief and development programs confirms that you, too, are moved by present injustices and motivated to mobilize the full force of the U.S. government to fight poverty and human suffering. Your continued partnership in empowering the most vulnerable members of our global community is indispensable to the work of Food for the Hungry. Toward that end, we respectfully request the following specific funding amounts in Fiscal Year 2025.

We request $1.2 billion for the Global Food Security Strategy, also known as Feed the Future. A multiagency effort focused on addressing the root causes of hunger, poverty and malnutrition, Feed the Future works in 20 high-need, low-resource, focus countries to develop and deploy agricultural innovations, unlock financing for food security, and empower people to feed themselves and nourish the next generation. Feed the Future also supports research and technical assistance aimed at reducing communities' vulnerability to food shocks and stresses, thereby building capacity and resilience. Since its inception, Feed the Future has helped smallholder farmers generate more than $28 billion in sales, and just last year the program reached over 29 million people with food security interventions and 32 million children with nutrition-specific interventions.

We request $300 million for the Nutrition subaccount within Global Health Programs. Though nearly half of all deaths in children under five are attributable to malnutrition, less than 0.4% of U.S. foreign assistance is spent on its prevention and treatment. The Nutrition subaccount plays a central role in turning the tide against malnutrition by targeting action during the important 1,000-day window between pregnancy and a child's second birthday. Focusing on low-cost, high-impact interventions such as nutrition education, breastfeeding support, multiple micronutrient supplementation, and the prevention and treatment of stunting and wasting, this funding supports the long-term physical and cognitive development of some of the world's most vulnerable women and children.

We request $1.15 billion for Maternal and Child Health within Global Health Programs. This funding supports programs aimed at ending preventable maternal and child deaths through the strengthening of health systems and routine immunizations as well as the treatment of disease and integration of safe water, sanitation, and hygiene practices. Maternal and Child Health funding also provides access to skilled birth attendants and quality obstetric care, as well as training for frontline health workers.

We request $500 million for Water, Sanitation, and Hygiene (WASH). Key for improved health and poverty reduction, WASH funding increases access to safe drinking water and adequate sanitation, while promoting the adoption of key hygiene behaviors. It also supports climate-resilient conservation of freshwater resources, as well as efforts focused on reducing water-related conflict and fragility.

We request $985 million for Basic Education. Basic education programs increase access to and improve the quality of education in low- and middle-income countries. Through teacher training, expanded education delivery, and other supports designed to aid children's acquisition of reading, math, and other foundational learning skills, this funding helps ensure children and young people fulfill their full potential and lead productive, successful lives.

We request $4.85 billion for International Disaster Assistance (IDA). IDA funds provide critical humanitarian services including food, water, shelter, health care and

protection in times of natural disaster, conflict, and insecurity. They also help improve countries' response to crises and reduce underlying risks and vulnerabilities. Food for the Hungry is proud to have partnered with the U.S. government to implement IDA-funded Emergency Food Security Programs as well as non-food security responses such as water, sanitation, and hygiene.

We request $4.77 billion for Development Assistance (DA). DA funds support long-term poverty reduction programs focused on food security; water, sanitation, and hygiene; livelihoods; education; and climate programs. These funds are critical to the development of resilient, self-reliant, equitable, and democratic societies worldwide.

We request $4.30 billion for the Economic Support Fund (ESF). ESF funds provide economic assistance to help countries meet urgent political, economic, development, and security needs. This includes programs to combat human trafficking, fight corruption, increase transparent governance, and protect fundamental human rights. Food for the Hungry is proud to have partnered with the U.S. government to implement innovative COVID–19 response programs through ESF.

We find ourselves at a pivotal moment in history, confronting climate chaos, growing economic and social injustice, and a worsening hunger and malnutrition crisis. Rising instability, democratic backsliding, and current donor trends seriously jeopardize our ability to meet the Sustainable Development Goals. This new reality has shocked our collective conscience and forced many of us to confront the same uncertainty that many of the world's most vulnerable have known for far too long. But with a bold vision, shared purpose, and continued U.S. leadership, we can meet the moment and overcome these global challenges.

Robust funding for international relief and development programs saves lives and creates a safer and more prosperous future for us all. It serves as an important reflection of our values and a critical reminder of American strength and generosity, while galvanizing increased investment and engagement from partners and allies. Now is the time to continue such leadership. As an organization called to "feed the hungry and satisfy those who are in need" (Isaiah 58:10), Food for the Hungry stands ready to partner with you in this urgent work.

PREPARED STATEMENT OF FRIENDS COMMITTEE ON NATIONAL LEGISLATION

Chairman Coons, Ranking Member Graham, and Members of the Committee, thank you for the opportunity to testify in support of robust funding for the State Department and the U.S. Agency for International Development in the Fiscal Year 2025 State, Foreign Operations, and Related Programs Appropriations bill.

Today, the world is experiencing the highest number of armed conflicts since World War II[1]. It was during World War II that members of the Religious Society of Friends, also known as Quakers, founded the Friends Committee on National Legislation (FCNL) to be a voice for peace on Capitol Hill. For more than 80 years, FCNL has continually advocated for a world free of war and the threat of war, a society with equity and justice for all, a community where every individual's potential may be fulfilled, and an earth restored. Guided by the Religious Society of Friends' historic Peace Testimony[2] and the voices of hundreds of Quaker meetings across the country, we work to inform lawmakers, influence policies, and support peaceful solutions to violent conflict that address the root causes of war and injustice.

To that end, I urge your support for robust funding in the FY25 appropriations bill for accounts that help prevent mass atrocities, support urgent humanitarian needs, and strengthen climate resilience globally. These include: $25 million for Atrocities Prevention at the State Department; $344 million for the United Nations Relief and Works Agency for Palestine Refugees; and $270 million for USAID's Adaptation programs. You can find a full list of FCNL's FY25 SFOPs priorities in the chart at the end of my testimony.

These efforts are more crucial than ever, and in my testimony today, I will urge you to invest deeply in the tools needed to prevent mass atrocities, alleviate human suffering and respond to the climate crisis. We continue to witness horrific violence in Gaza, renewed atrocities in Sudan, grinding war in Ukraine, and ongoing deadly conflicts in Haiti, Yemen, Syria, Somalia, Myanmar, and many other countries. Globally, we have seen that contemporary violent conflicts inflict disproportionate

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[1] "With Highest Number of Violent Conflicts Since Second World War, United Nations Must Rethink Efforts to Achieve, Sustain Peace, Speakers Tell Security Council." United Nations Press Office. https://press.un.org/en/2023/sc15184.doc.htm. Accessed 2 April 2024.

[2] "Our Peace Testimony." Religious Society of Friends (Quakers) in Britain." https://qfp.quaker.org.uk/chapter/24/. Accessed 2 April 2024.

harm on civilians through the deployment of indiscriminate weapons such as banned cluster munitions, the use of starvation as a weapon of war, conflict-related sexual violence, and systematic targeted attacks against ethnic, racial, and religious groups. The United States can and must do more to prevent, mitigate, and respond to violent conflict.

All too often in today's world, these instances of violent conflict are compounded by other global threats, such as climate change and forced migration. Last year shattered all previous records and was named the hottest year since recording began.[3] Combined with the current El Niño effect warming sea surface temperatures in equatorial regions of the planet, 2023 saw truly striking levels of both droughts and extreme flooding. Additionally, last year, more than 345 million people faced high levels of food insecurity, more than double the number in 2020, according to the World Food Program.[4] From 2022–2023, the world suffered the largest single-year increase in forced migration in the history of the United Nations High Commissioner for Refugees (UNHCR), with over 114 million people displaced globally due to persecution, violent conflict, human rights violations, and climate and environmental disasters.[5] The tragedy continues, UNHCR anticipates more than 130 million people will experience forcible displacement or statelessness in 2024.[6]

The invasion of Ukraine has only exacerbated this suffering as it has driven food prices up and created further economic shocks. And, for the 18th consecutive year, 2023 saw a decline in global freedom,[7] with 72% of the world's population now living in autocracies.[8]

None of these crises can be resolved in isolation, as each can trigger and worsen the others. The rise of authoritarianism often exacerbates the drivers of violent conflict, including economic, social, and political marginalization and exclusion, while reducing avenues for nonviolent conflict resolution. Conflict-affected communities are often under-equipped to respond to climate shocks, which loom large over other crises. These shocks often drive further displacement and food insecurity, which in turn can drive new violent conflicts.

Collectively, these compounding crises highlight the increased urgency to invest in peacebuilding, violence prevention, and resiliency. Failing to do so is too costly a choice, in dollars and in lives. When the United States waits until the seeds of violence bear fruit, its available tools are fewer, more expensive, and less effective, often based on securitized approaches that aim to enforce order rather than ensure justice, and which can exacerbate instability in the long run.

One critical tool for addressing humanitarian crises that the U.S. has championed for decades has been the United Nations Relief and Works Agency (UNRWA). This February, I was humbled to join a peace delegation of faith leaders to Israel, Palestine, Jordan and Lebanon organized by Churches for Middle East Peace. In the region I met with a wide range of religious, political, and civil society leaders, including human rights defenders, humanitarian aid workers, peacebuilders and students. I was inspired by so many of them working on the frontlines for peace.

On the trip, it became even more clear to me that the only way to save the hostages, Gazans and all Palestinians and Israelis from escalating horrors in the region, is with a comprehensive, permanent cease-fire. I want to pause here and thank every Member of Congress who has spoken out for a ceasefire and urge every Member who has not yet to do so.

At the same time, the urgent and growing famine in Gaza[9] must be addressed immediately. FCNL was greatly alarmed by Congress choosing to cut all funding to UNRWA in the FY24 Further Consolidated Appropriations Act (Public Law 118–47). UNWRA not only continues to provide critically needed food assistance to families

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[3] "NASA Analysis Confirms 2023 as Warmest Year on Record," Roxana Bardan https://www.nasa.gov/news-release/nasa-analysis-confirms-2023-as-warmest-year-on-record/Accessed 2 May 2024.

[4] "A Global Food Crisis," World Food Programme, www.wfp.org/global-hunger-crisis. Accessed 2 April 2024.

[5] "Six humanitarian crises that impacted refugees and displaced communities in 2023," UNHCR. https://www.unrefugees.org/news/six-humanitarian-crises-that-impacted-refugees-and-displaced-communities-in-2023/. Accessed 2 April 2024.

[6] UNHCR Global Focus. https://reporting.unhcr.org/. Accessed 2 April 2024.

[7] Gorokhovskaia, Yana, et al. " The Mounting Damage of Flawed Elections and Armed Conflict." Freedom House, Feb. 2024, https://freedomhouse.org/report/freedom-world/2024/mounting-damage-flawed-elections-and-armed-conflict. Accessed 2 April 2024.

[8] "Democracy Report 2023: Defiance in the Face of Autocratization," Varieties of Democracy (V-Dem). www.v-dem.net/documents/29/V-dem__democracyreport2023__lowres.pdf. Accessed 2 April 2024.

[9] "Gaza: Halt the War Now to Save Children from Dying of Imminent Famine, UN Committee Warns," UNHR. https://www.ohchr.org/en/press-releases/2024/03/gaza-halt-war-now-save-children-dying-imminent-famine-un-committee-warns. Accessed 3 April 2024.

and children in Gaza who rely on them for daily survival, but also provides primary and vocational education, primary health care, and social services, among many areas of work.

In response to allegations that several of UNRWA's thousands of employees may have played a role in the horrific October 7 Hamas attacks in Israel, UNRWA has taken action to address the allegations.[10] In late April, independent panel appointed by the UN Secretary General, reported that UNRWA has "robust" procedures to uphold UN neutrality principles but mentioned implementation gaps, partly due to funding issues.[11] The report made dozens of recommendations to improve neutrality, which UNRWA pledged to implement. The panel also found that Israel has provided no evidence to its claim that UNRWA staff in Gaza are members of Hamas or participated in the October 7 attacks. The U.S. government cutting off funding for this critical aid to millions of civilians who are suffering, over the alleged actions of some, is cruel, unjust, and profoundly immoral. As such, I urge that you restore funding to UNRWA and provide at least $344 million in funding to UNRWA to address what has become the world's most urgent humanitarian crisis.

Further, I feel compelled to mention as well that it is unjustifiable for the United States and other nations to provide further arms and military assistance to the Israeli government. With over a million people in Gaza on the brink of famine and the risk of regional conflict growing, more weapons of war will only exacerbate tensions, worsen the humanitarian suffering in Gaza, and send a message of impunity to the Netanyahu government as it violates international humanitarian law. Rather than greenlighting more bomb sales, I urge Congress to work to secure an immediate and permanent ceasefire to end the violence.

Tragically, mass violence against civilians is occurring in many other places around the world as well. Secretary Blinken's December 2023 determination that war crimes, crimes against humanity, and ethnic cleansing are being committed in Sudan[12], is a stark call for us all to do more to prevent such mass atrocities. The United States has been a global leader in atrocities prevention policy for over a decade, and I urge you to match this with robust investments. In 2011, the United States was the first nation to establish an interagency body dedicated to atrocities prevention; in 2019 it was the first to pass a Federal law mandating reporting on government-led atrocity prevention efforts (the Elie Wiesel Genocide and Atrocities Prevention Act Public Law 115–441); and in 2022, it was the first to release a public strategy for atrocities prevention.

Atrocities Prevention funding is an essential tool at the disposal of the U.S. government to ensure these efforts move from policy to action. The 2022 U.S. Strategy to Anticipate, Prevent, and Respond to Atrocities[13] calls for the White House-led Atrocity Prevention Task Force to identify up to 30 priority countries most at risk for atrocities, and "develop targeted response plans for priority countries." However, in FY23 and FY24, Congress appropriated just $6 million for Atrocities Prevention. As the State Department's only funding dedicated solely to the prevention of mass atrocities and genocide, $6 million cannot match the ambition of the Strategy.

Atrocities Prevention programs work to prevent mass atrocities and genocide by funding projects that engage in early warning, early response, and long-term conflict transformation efforts. Atrocities Prevention funding helps communities develop early warning networks to alert communities of encroaching danger from non-state armed groups. It helps community leaders strengthen their mediation and conflict transformation skills to reduce tensions and prevent rumors from becoming riots.

We urge Congress to match its financial support for atrocities prevention to this legacy of global leadership. We greatly appreciate the inclusion of $6 million for the Atrocities Prevention in FY24 appropriations, and we hope the Committee will act to increase this critical funding. I urge you to appropriate at least $25 million for Atrocities Prevention.

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[10] "Serious Allegations Against UNRWA Staff in the Gaza Strip," UNRWA. https://www.unrwa.org/newsroom/official-statements/serious-allegations-against-unrwa-staff-gaza-strip. Accessed 20 March 2024.

[11] Independent Review Group. Independent Review of Mechanisms and Procedures to Ensure Adherence by UNRWA to the Humanitarian Principle of Neutrality. New York: Office of United Nations Secretary General, 2024. Web. https://www.un.org/sites/un2.un.org/files/2024/04/unrwa__independent__review__on__neutrality.pdf.

[12] "War Crimes, Crimes Against Humanity and Ethnic Cleansing Determination in Sudan," U.S. Department of State. https://www.state.gov/war-crimes-crimes-against-humanity-and-ethnic-cleansing-determination-in-sudan/. Accessed 20 April 2024.

[13] U.S. Department of State, Bureau for Conflict and Stabilization Operations, Public Affairs. (2022). United States Strategy to Anticipate, Prevent, and Respond to Atrocities. https://www.state.gov/wp-content/uploads/2022/07/CSO-2022-SAPRAv2b-FINAL__2022-06-03__508v9-Accessible-06292022a.pdf.

Further, the crucial first step in prevention is the recognition of the early warning signs and risk factors of mass atrocities. To ensure U.S. policy and programming can best be implemented, our diplomatic and development professionals assigned to countries experiencing or at risk of mass atrocities must receive training on recognizing and responding to these early warning signs, as mandated in the Elie Wiesel Genocide and Atrocities Prevention Act. As such, I urge you to make available $500,000 each for the State Department and USAID to conduct Atrocities Prevention training for Foreign Service Officers.

Perhaps one of the most successful resilience-building tools available to the Federal Government lies within funding for USAID's Adaptation program. Adaptation funding assists developing countries with reducing their vulnerabilities to climate change's impacts—impacts like increased hunger, intensified conflict, forced migration, and exacerbated poverty. From floods to droughts to extreme heat and rising sea levels, climate impacts are affecting communities worldwide with increasing frequency, disproportionately impacting developing countries and those who have done the absolute least to contribute to the climate crisis in the first place. Examples of adaptation funding include the building of sea walls to counter sea level rise, the planting of drought-resistant crops in the Horn of Africa, and investments in weather monitoring and early warning systems in rural areas.

Adaptation funding is a crucial component of the President's Emergency Plan for Adaptation and Resilience (PREPARE), a whole-of-government plan to assist half a billion people around the world in managing climate change's effects on their communities. Non-profit and faith-based partners, as well as the private sector, have enthusiastically jumped at this opportunity to work with the U.S. government, mobilizing an estimated $2.3 billion in additional finance from 21 private companies just in the past 2 years alone. By investing in USAID's Adaptation account, you are investing in true U.S. global leadership to counter the climate crisis. I urge you to appropriate at least $270 million for Adaptation.

Advancing nonviolent ways of resolving disputes and ending climate injustice is a moral, strategic, and financial imperative. It is past time for the United States to begin investing in the world we all seek—a world free of war and the threat of war. We urge Congress to invest in, and lay the foundations for, peace in all its forms.

Chairman Coons, Ranking Member Graham, and Distinguished Members of the Committee, I thank you for your work to build peace and for giving me the opportunity to testify.

Account Name	FY24 Enacted	FY25 Request
Atrocities Prevention	$6,000,000	$25,000,000
Atrocities Prevention Training, State Department	500,000	500,000
Atrocities Prevention Training, USAID	.....	500,000
Complex Crises Fund	55,000,000	75,000,000
Reconciliation Programs	25,000,000	40,000,000
International Disaster Assistance	4,779,000,000	4,850,000,000
Emergency Refugee and Migration Assistance	100,000	100,000,000
Migration and Refugee Assistance	3,928,000,000	4,450,000,000
Renewable Energy	247,000,000	260,000,000
Sustainable Landscapes	175,700,000	185,000,000
Adaptation	256,500,000	270,000,000
UN Relief and Works Agency for Palestine Refugees	.....	344,000,000
Middle East Partnership for Peace Programs	50,000,000	100,000,000

[This statement was submitted by Bridget Moix, General Secretary.]

PREPARED STATEMENT OF FRIENDS OF THE GLOBAL FIGHT AGAINST AIDS

Thank you to Chairman Coons, Ranking Member Graham, and members of the Senate Appropriations subcommittee on State, Foreign Operations, and Related Programs for your longstanding, bipartisan support for the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund). As you know, the Global Fund is a multistakeholder partnership that raises and invests more than $5 billion per year to fight HIV/AIDS, tuberculosis (TB), and malaria. U.S. leadership and support—driven for two decades by Congress—has provided the Global Fund with the resources, partnership, and oversight to save 59 million lives since 2002.

Since the establishment of the Global Fund at the height of the AIDS epidemic, the U.S. has played a crucial role in its success. Congress mandated that U.S. contributions make up no more than one-third of the Global Fund's resources, ensuring that dozens of other donor countries around the world match your generous and farsighted appropriations two-to-one. Today, I ask you to continue this proven approach by fulfilling the United States 3-year pledge to the Global Fund and leveraging twofold investments from our international partners. On behalf of Friends of the Global Fight, I respectfully request that Congress appropriate a minimum of $1.2 billion for the Global Fund in Fiscal Year 2025.

RESULTS

The Global Fund has made astonishing progress in the fight against these three epidemics. Since the U.S. helped establish the Global Fund in 2002, the combined death rate from AIDS, TB and malaria declined by 55% in countries where it operates. In that same period, life expectancy in 15 high-burden countries in Africa increased by 26%. Behind those figures are now multiple generations of people given the opportunities to live healthy, productive, and dignified lives.

The Global Fund is achieving more and more every year. In 2022, Global Fund investments provided 24.5 million people with antiretroviral therapy for HIV, treated 6.7 million people living with TB, and distributed 220 million bed nets to prevent malaria. Compared with the year before, the Global Fund increased HIV prevention services by 22%, increased TB diagnosis and treatment by 26%, and treated 11% more people for malaria.

Despite this progress, the fight against HIV/AIDS, TB and malaria is far from over. Fortunately, the Global Fund is equipped to anticipate and adapt to new challenges. The Global Fund invests in bringing new technologies to market, promotes access to care for marginalized populations by partnering with those communities, and is highly attuned to shifting dynamics in-country, thanks to its model of local implementation and country ownership. Some of the progress to control TB has been reversed by increasing drug resistance and by the spread of COVID–19, which is a respiratory disease like TB. Using innovative models and technologies, the Global Fund fought back, registering dramatic increases in TB coverage after 2 years of COVID-related declines. Drug and insecticide resistance, and the emergence of new mosquito dynamics in Africa, threatens to worsen the malaria epidemic. In response, the Global Fund helped bring new types of insecticide-treated bed nets to market and is improving surveillance of malaria vectors. It also invests in promoting health equity—a major obstacle to providing HIV services, especially in countries like Uganda, where shrinking civic space is putting pressure on vulnerable communities most at risk of suffering from HIV.

WHAT U.S. INVESTMENT BUYS

In 2022, the U.S. made a bold a bold pledge to contribute up to $6 billion during the 3-year Seventh Replenishment of the Global Fund, the final year of which is FY25. I thank Congress for supporting that pledge in FY23 and FY24. Based on current and expected contributions by other donors, $1.2 billion in FY25 would complete the 3-year pledge, accounting for 33% cap on U.S. contributions. Fulfilling this pledge would send a powerful statement of the U.S.'s enduring commitment to strengthening global health and leading the fight against HIV/AIDS, TB and malaria.

That investment would enable the Global Fund to continue its lifesaving work in an increasingly challenging global health environment. $1.2 billion from the U.S. would save an estimated 1.4 million lives and avert 30 million new cases of the three diseases. Any additional contribution above that level could catalyze new short-term investments from other donors and strengthen the investment case for others to increase pledges for the Global Fund's 8th Replenishment in FY26. Most importantly, additional funding will save more lives.

LEVERAGING AND STRENGTHENING U.S. INVESTMENTS

U.S. contributions don't just help pay for the Global Fund's lifesaving work. They also leverage and reinforce a wide range of health programs to respond now surging needs among the world's most vulnerable people—maximizing value for money and return on investment. As mentioned previously, every dollar the U.S. invests in the Global Fund mobilizes two dollars of investment from our international partners. The Global Fund also works with partner countries to incentivize their own increased domestic investments in health systems. The Global Fund works closely with implementing countries to realize a transition to sustainability and self-sufficiency. The Global Fund is also exploring supplementing its resources with innova-

tive financing mechanisms, such as facilitating debt relief in exchange for countries' own health investments.

The Global Fund works strategically with U.S. bilateral health assistance programs like PEPFAR and the President's Malaria Initiative. Through this collaboration, the Global Fund accelerates the effectiveness of U.S. bilateral programs and fills gaps in service delivery.

The Global Fund has demonstrated keen agility to fight the three epidemics and deliver care in challenging operating environments such as Ukraine and Nigeria. That is because the Global Fund has built trusted relationships and resilient supply chains in partnership with local faith, civic and private sector partners, and invests in community health workers. Since 2002, the Global Fund has disbursed more than $15 billion in challenging operating environments, complementing U.S. efforts to increase stability and security in conflict zones and fragile States around the world.

The Global Fund's work to fight the three epidemics also contributes to global health security, reinforcing the U.S.'s own emphasis on pandemic prevention, preparedness, and response. An independent study published in the Lancet concluded that one-third of Global Fund investments also support health security. By building health systems that can fight against epidemics today, the Global Fund is contributing to preventing the pandemics of tomorrow.

EFFICIENCY AND OVERSIGHT

Thanks to the Global Fund's operational effectiveness, efficiency and unique partnership model, it is an outstanding steward of U.S. taxpayer dollars. The Global Fund has no paid staff in any implementing country. Instead, local Country Coordinating Mechanisms—which include government and non-government partners—design and implement programs with rigorous oversight by the Global Fund. This ensures that countries are empowered to take ownership of health programs, while keeping Global Fund operating costs to a minimum. In fact, the Global Fund's operating expenditure as a percentage of donor contributions has steadily decreased, and is 5.1%, significantly below most comparable organizations. The U.S. exercises oversight of its investments through a permanent seat on the Global Fund Board and detailed reporting to Congress.

The Global Fund also ensures value for money by working with the private sector to shape markets so that it can procure and deliver high quality interventions affordably and efficiently. The private sector, which is represented in a permanent seat on the Global Fund's board, works closely with the Global Fund on procuring commodities, incentivizing and deploying innovations, and strengthening supply chains. It is no surprise, then, that 20 leading American and global corporations recently wrote a letter to you supporting a $1.2 billion contribution to the Global Fund for FY25. As they note, Global Fund programs greatly improve operating environments for U.S. companies—including by making workers and consumers healthier and more prosperous-and produce $31 in economic gains for every dollar invested.

CONCLUSION

For more than two decades, the U.S. has invested in the Global Fund with historic impact. It is no exaggeration to say that millions of women, children, and other vulnerable people owe their lives to the generosity of the American people and their representatives in Congress. Today, I ask you to keep up the fight. A $1.2 billion contribution to the Global Fund, along with robust appropriations for the bilateral health assistance programs with which it coordinates so closely, will save lives and reinforce U.S. global leadership. With your continued support, the world can rid itself of these terrible epidemics. This is not only the right thing to do—this investment keeps all Americans safer and demonstrates our values in other countries. It is also a preeminent sign of American leadership based on unique comparative advantages. Truly, we cannot afford to step back. Thank you for your lifesaving leadership in support of the Global Fund and global health investments.

[This statement was submitted by Chris Collins, President and CEO.]

PREPARED STATEMENT OF GAVI, THE VACCINE ALLIANCE

Thank you for the opportunity to provide testimony to the subcommittee on behalf of Gavi, the Vaccine Alliance (Gavi). I respectfully request the Committee to provide $340 million as the U.S. contribution in Fiscal Year 2025 to Gavi and to increase USAID's Maternal and Child Health account commensurately. Fiscal year 2025 is a foundational and signal-setting year for the United States' commitment to Gavi's next strategic funding cycle (2026–2030). We appreciate the commitment to a 4-year

pledge to Gavi's next strategic period articulated in the President's Budget FY25 request. A commitment by the United States to provide $340,000,000 to Gavi in fiscal year 2025 in anticipation of its replenishment in 2026 will allow Gavi to maximize its ability to provide life-saving vaccines and to leverage contributions from other donors and increase partner countries' self-financing.

A commitment from the United States at this level will help to achieve Gavi's goal of reaching an additional 300 million people with vaccines by the end of 2025—saving an additional 7–8 million lives. As detailed in this testimony, it will help support critical immunization efforts around the world and strengthen global health security, which has become a critical priority for the US government. It will also help to support prevention of backsliding and progress in routine immunization, which was impacted severely by the COVID–19 pandemic. It will also promote the stability in vaccine markets and drive innovation in global health.

I would like to thank you, Chairman Coons, Ranking Member Graham, and the other members of the subcommittee for your strong support of Gavi, and for providing funding to Gavi at $300 million in fiscal year 2024. This Committee has been the leader, since our inception in 2000, in the United States-Gavi partnership. You have been and continue to be an essential part of our success in bringing vaccines to the world's most vulnerable and in helping to keep the world safe from infectious diseases. Your support for our routine immunization work in low-income countries helps protect millions of children from vaccine-preventable diseases every year.

A CRITICAL TIME FOR ROUTINE IMMUNIZATION

Since 2000, Gavi has driven unprecedented progress in global health through one of the most cost-effective public health interventions available—vaccines. With support from the United States and other donors, Gavi works alongside a range of partners to expand routine immunization access in low- and middle-income countries, while also strengthening health systems and building stockpiles of vaccines against potential disease threats like Ebola and yellow fever. In just over two decades, this work has helped immunize more than 1 billion children, averting an estimated 17.3 million deaths. With support from the United States, Gavi expanded global access to COVID–19 vaccines and delivered more than 2 billion doses to the world's lowest-income countries, including hundreds of millions of U.S.-donated doses, averting 2.7 million deaths.

The efforts of Gavi and its partners have protected millions of children against deadly yet preventable diseases and have been a major factor in nearly halving child mortality since 2000. But the COVID–19 pandemic has reminded the international community that global health gains remain fragile. Pandemic-related disruptions led to the largest sustained decline in childhood vaccine coverage in three decades, resulting in deadly outbreaks of vaccine-preventable diseases like polio and measles. With millions of children missing out on the benefits of vaccination—including more than 10.2 million "zero dose" children in Gavi countries who have not received the most basic vaccines—there is now a humanitarian and global health security imperative to respond.

Disease outbreaks and increasing fragility and displacement jeopardize national routine immunization programs and threaten global health security. Increasing birth rates in Gavi-supported countries also means that a greater number of children must be immunized each year just to maintain the same coverage rates overall. The COVID–19 pandemic created new challenges, having disrupted vital immunization services in the low-income countries Gavi supports and reducing the number of planned immunization programs.

Without continued investment and support, disruptions like these could lead to concurrent outbreaks of other deadly infectious diseases, further stressing already weakened health systems and jeopardizing decades of progress in immunization. Despite these challenges, Gavi has set ambitious goals to reach even more children and, with continued support and partnership, is well-placed to reach these goals and make further progress on closing the immunization gap. Gavi continues to play a critical role in supporting routine immunization and preventing global infectious disease outbreaks by expanding vaccine access and strengthening health systems in low-income countries, work that would not be possible without the continued support of the US

THE ALLIANCE'S 2026–2030 STRATEGY AND THE ROAD AHEAD

Strong U.S. support for Gavi in FY25 is critical to help achieve its goal of reaching an additional 300 million children with vaccines by the end of 2025—saving an additional 7–8 million lives. Specifically, an additional $40 million above last year's budget would have a clear programmatic impact and additional return on invest-

ment, directly supporting Gavi's ability to implement new tools to save lives, including:

—Accelerate availability of malaria vaccines, enabling Gavi to buy about 10.3 million doses of the new (unbudgeted) R21 malaria vaccine, of a forecasted programmatic need of between 50–60 million doses. Malaria killed over 600,000 people in 2022, and was responsible for an estimated 470,000 preventable child deaths in Africa alone. An early study of the malaria vaccine's impact shows it has the potential to reduce all child mortality by an impressive 13%.
—Expand investments in Human Papillomavirus (HPV), a new goal has brought groundbreaking momentum in the first steps against cervical cancer. By 2025, Gavi aims to reach 86 million girls and young women with the vaccine, which will avert 1.4 million deaths from cervical cancer.
—Accelerate support for polio eradication, through the introduction of a hexavalent, a single dose vaccine for six diseases. By adding polio to the existing pentavalent vaccine (which protects against five diseases diphtheria, tetanus, pertussis (whooping cough), hepatitis B and Haemophilus influenzae type b (Hib)), hexavalent will tackle more diseases more efficiently.
—Keep pace with programmatic needs due to population growth, as Gavi needs to reach more children every year just to maintain coverage levels. To catch-up and to increase coverage will require even more resources, while currency fluctuations have reduced Gavi's buying power.

Continued support will also help build strong, sustainable health systems and enable additional countries to transition out of Gavi support and begin fully self-financing their immunization programs. Furthermore, continued support from the US will allow Gavi to expand access to its portfolio of vaccines to as many as 20 diseases and invest in critical emergency stockpiles. Gavi programs have been a major factor in reducing the number of deaths due to vaccine-preventable disease by as much as 70% since 2000.

THE GAVI MODEL

Gavi's impact draws on the strength of its partners, all of whom play a critical role in the Alliance. This unique model brings together donors, including sovereign governments like the United States; implementing country governments; private sector partners, international organizations such as UNICEF, WHO, and the World Bank; and civil society partners to build sustainable, country-led immunization programs in lower-income countries.

Empowering countries to take ownership of their vaccination programs is a core component of the Gavi model. Every country that receives Gavi support shares the responsibility of vaccinating their children and co-finances vaccine costs. As a country's income grows, their co-financing obligation also grows until they reach a specific Gross National Income cap, at which point they begin to transition out of financial support from Gavi. Throughout this process, Gavi provides technical support and guidance to ensure transitioning countries have the capacity to continue implementing sustainable and equitable vaccine programs. Currently, 19 countries have fully transitioned from Gavi support with more expected to transition in the coming years.

Building healthy markets is critical to the long-term success of the Gavi mission. Since its inception in 2000, Gavi, its partners, and the private sector have been working to improve vaccine market certainty by pooling demand from Gavi-eligible countries. Gavi's purchasing power covers more than half of the annual global birth cohort, enabling it to provide a large and reliable market when negotiating vaccine prices, which also allows Gavi to leverage pooled procurement and preferential pricing with manufacturers. These market shaping strategies have also helped attract new manufacturers across the world to support Gavi-eligible countries, starting from five firms in 2001 to 19 firms today. Partnership with the private sector is also integral to Gavi's model, leveraging their financial resources, operational expertise, and innovation helps the Alliance to deliver on its ambitious coverage and equity goals.

GAVI'S CONTRIBUTION TO GLOBAL HEALTH SECURITY

Immunization is among the most cost-effective ways to prevent epidemics and is a crucial component of any global health security strategy. As the COVID–19 pandemic has demonstrated, investments in global health security are crucial to protect Americans, prevent loss of life, and protect the global economy. Gavi plays an important role in disease control and strengthening global health security by maintaining

emergency vaccine stockpiles to respond to outbreaks of cholera, meningococcal disease, yellow fever, and Ebola.

Gavi also works to improve global health security and infectious disease prevention and control by building strong health systems in Gavi-eligible countries. These investments enable countries to better identify, track, and respond to infectious disease threats and to reach more children with routine immunization services. Continued contributions from the US help ensure this work continues in Gavi-supported countries, and in turn, makes the world safer for everyone.

In the current strategic period alone, Gavi will invest $2 billion in Health Systems Strengthening, including through cold chain (e.g. freezers, refrigerated trucks), electrification (e.g. solar), electronic records, and healthcare worker training. Gavi's largest cold chain program, launched in 2015, ended up being instrumental in preparing countries for the COVID–19 rollout. The numbers demonstrate the payoff of Gavi's health systems investments: in 2022, 2.6m more children received basic routine immunizations than in 2021. This demonstrates both the resilience of health systems and how Gavi core programming helps prepare for pandemic response.

CONCLUSION

Continued U.S. investment in global health programs is essential to protect people from rising health threats and reducing preventable deaths. These programs complement the impact of Gavi- supported immunization efforts and are crucial to maintaining health security in the United States and around the world.

A U.S. contribution of $340 million to Gavi for fiscal year 2025 and a commensurate increase for USAID's Maternal and Child Health account are critical to maintain Gavi's gains. Continued funding for Gavi will help expand immunization efforts, support country transitions to self-financing vaccine programs, promote program sustainability, and strengthen global health security.

We thank this subcommittee for its long history of protecting global health and other foreign assistance programs.

Thank you for your consideration.

[This statement was submitted by Chloë Cooney, Director of U.S. Strategy.]

PREPARED STATEMENT OF GLOBAL CAMPAIGN FOR EDUCATION—UNITED STATES

FY2025 BUDGET FOR INTERNATIONAL BASIC EDUCATION PROGRAMS, USAID AND STATE DEPARTMENT

As the Secretary of the Board of Directors for the Global Campaign for Education-U.S. (GCE–US), I represent a diverse coalition of more than 80 international nonprofit organizations, faith-based groups, and advocates dedicated to ensuring quality, universal education for all children. We urge you to support investments in education globally by allocating at least $1.125 billion to the Basic Education account—including at least $175 million for the Global Partnership for Education (GPE) and at least $50 million for Education Cannot Wait (ECW), both of which complement U.S. bilateral education efforts.

The power of education is clear: education increases security and stability, spurs economic growth, allows individuals, communities, and countries to become more self-reliant, and provides proven results across development sectors. As outlined in the United States Agency for International Development's (USAID) Education Strategy, "the U.S. government recognizes that its investments in international education serve as a force multiplier for all of its work in international development." [1]

While support for International Basic Education funding is always important, the need for international education assistance has increased exponentially due to humanitarian emergencies. Globally, 224 million crisis-affected children [2] urgently need education and support. Over one billion students in low-and-middle income countries have lost at least 1 year of in-person classroom learning, estimated to reduce global prosperity and future earnings by at least $21 trillion globally.[3]

Foundational learning losses have taken a substantial toll: it is estimated that in low-and-middle income countries, 70% of 10-year-olds are unable to read or com-

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[1] https://www.usaid.gov/education/usg-strategy.

[2] https://www.educationcannotwait.org/resource-library/crisis-affected-children-and-adolescents-in-need-education-support-new-global.

[3] https://openknowledge.worldbank.org/server/api/core/bitstreams/6fb17cf5-1fad-4147-b7bb-691f63c29541/content.

prehend a simple text.[4] This combined measure of schooling and learning is referred to as "learning poverty."[5] In Sub-Saharan Africa, the rate of learning poverty is as high as 89%.[6]

USAID and U.S. government leadership are vital to address global education challenges. Young people—particularly girls, children and youth with disabilities, those in crisis and emergency settings, and historically marginalized groups—need support to access inclusive, quality education. We must fully fund International Basic Education and protect against any possible decreases in these important programs.

Decreasing global education funding could result in a lost generation without education and sharply curtailed opportunities for global and economic stability. Each year of education reduces the risk of conflict by approximately 20%.[7] When children and youth are out of school, they are often exposed to education loss, including regression in foundational knowledge, increased exposure to violence and risks, and increased danger of not completing school.[8] The risks are even higher for girls and youth with disabilities. Teenage girls experience a 65% increased risk of pregnancy when schools are closed during crises.[9] Schools often deliver key health, nutrition, water, sanitation, and hygiene supports.[10]

Despite these challenges, USAID and multilateral partners like the Global Partnership for Education (GPE) and Education Cannot Wait (ECW) have found effective solutions to address evolving education needs. Bilateral U.S. basic education programs focus on strengthening quality inclusive education, providing early learners with foundational skills, and preparing youth for long-term success. This programming is essential for achieving sustainable economic growth, poverty alleviation, social stability, inclusion, and participatory democracy. In FY2022, U.S. international basic education programming reached over 30 million learners in 73 countries.[11] These important efforts include programming foundational literacy and numeracy skills, improving teachers' professional development and training, and partnering with local organizations and governments to adopt public sector policies supporting increased access to inclusive education.

U.S. support for international organizations, including GPE, ECW, and the United Nations Educational, Scientific and Cultural Organization (UNESCO), complements our bilateral programs, increases U.S. reach, and leverages additional resources to address ongoing education challenges. GPE is the largest global fund solely dedicated to transforming education in lower-income countries and operates as a unique, multi-stakeholder partnership. To receive GPE funding, governments must commit to significant domestic educational investments. During FY2023, GPE mobilized $2.7 billion in accelerated funding to help developing countries support educational opportunities for over 227 million students, trained over 481,000 teachers, distributed 48 million textbooks, and built 6,664 classrooms.[12]

Launched in 2016, ECW is the first global fund dedicated to education in emergencies and protracted crises. It delivers rapid, collaborative responses to the educational needs of children and youth affected by emergencies. In some of the world's most challenging crisis settings—including ongoing armed conflicts, forced displacement, refugee exodus, and weather-related emergencies—ECW has reached 8.8 million children and youth, delivered education materials and textbooks to over 2.04 million children; reached 2.1 million girls; supported the training of 72,629 teachers and administrators; increased the number of teachers trained on mental health and psycho-social support; developed 26 Multi-Year Resilience Programs; and disbursed 26 First Emergency Response grants.[13] These programs are designed to meet education needs for crisis-affected children and youth aged 3–18 years old, particularly refugees, internally displaced children, girls, and students with disabilities.

The U.S. government is instrumental to GPE and ECW's transformative work, providing financial assistance and technical support, playing leadership roles in

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[4] https://www.worldbank.org/en/news/press-release/2022/06/23/70-of-10-year-olds-now-in-learning-poverty-unable-to-read-and-understand-a-simple-text.

[5] The State of Global Learning Poverty: 2022 Update (worldbank.org).

[6] 70% of 10-Year-Olds now in Learning Poverty, Unable to Read and Understand a Simple Text (worldbank.org).

[7] https://documents1.worldbank.org/curated/en/504671468762020790/pdf/28137.pdf.

[8] https://www.educationcannotwait.org/covid-19/.

[9] https://www.wvi.org/sites/default/files/2020-08/Covid19%20Aftershocks__Access%20Denied__small.pdf.

[10] Impact & Results | Education Cannot Wait.

[11] https://www.usaid.gov/reports/international-basic-education-strategy/fy-2022.

[12] https://www.globalpartnership.org/blog/new-2023-results-report-persistent-effects-pandemic-and-progress-gpe-grant-achievements#:~:text=GPE's%202023%20results%20report%20points,data%20availability%20and%20education%20financing.

[13] https://www.educationcannotwait.org/impact-results.

GPE and ECW's governance structure, and encouraging and matching ECW's engagement with the private sector. This has been a collaborative effort, with USAID and the State Department/Bureau of Population, Refugees, and Migration (PRM) working together to contribute resources for ECW and share leadership responsibilities.

It is important for the U.S. to rejoin and contribute to UNESCO to re-establish U.S. global leadership; rebuild trust with allies; and support the development of science, culture, and education, which would benefit both people across the globe and in the United States. By not rejoining UNESCO, the U.S. has missed key opportunities to lead in the international and education communities and all aspects where UNESCO leads in the global system. Rejoining UNESCO is critical to promote U.S. interests and counter the increasing influence of China, which became UNESCO's largest donor during the multi-year absence of the U.S.

We urge that funding for International Basic Education not come at the expense of other development or humanitarian accounts. We strongly support sustained funding for the entirety of poverty-focused development accounts, which work together to serve the common goal of building a safer and more prosperous world. At a time when America is facing an array of converging global threats that have significant and increasing security and economic impacts here at home, we ask that you support a strong and effective FY25 International Affairs Budget funded at no less than the Administration's request of $64.4 billion, including $62.4 billion for the FY25 State-Foreign Operations bill, to advance America's security and economic interests at a time of spiraling global crises.

Recognizing that global education is a force multiplier for all our work in international development, it is vital that the U.S. provides at least $1.125 billion for the Basic Education account in the FY2025 State and Foreign Operations Bill, including at least $175 million for GPE and at least $50 million for ECW.[14] We greatly appreciate your consideration of our request and look forward to working together to ensure quality, inclusive education for all children and youth.

[This statement was submitted by Ngozi Lawal, Secretary of the Board of Directors.]

PREPARED STATEMENT OF GLOBAL HEALTH COUNCIL

Global Health Council (GHC) thanks the subcommittee for the opportunity to share this testimony in support of global health-related programs operated by the Department of State and the U.S. Agency for International Development (USAID) within the International Affairs Account (Function 150).

GHC is the leading member organization devoted to advancing global health priorities by uniting advocates, implementers, policymakers, and other stakeholders. Using the power of our community's collective voice, we work across disease areas to drive sustainable funding and equitable policies that improve global health and well-being for all. We work with more than 125 organizations—including associations and coalitions, corporations, foundations, NGOs, academic institutions, and think tanks—that are implementing programs across 150 countries and focusing on a broad range of global health issues.

For Fiscal Year (FY) 2025, GHC encourages robust support for the Global Health Programs account, and related organizations and programs, at a minimum of FY24 enacted levels. To pursue the achievement of critical U.S. global health goals and commitments, we urge the Senate Committee to support a greater investment in global health programs for FY25 contrary to the potentially devastating cuts proposed by the House Appropriations Committee which would see 10–11% cut from the SFOPS budget and drastically harm the ability to address world crises and signal a cessation of U.S. leadership and influence on the world stage. GHC's programmatic funding recommendations can be found in the table below. These investments yield positive outcomes well beyond their intended targets by supporting U.S. and global health security, benefiting the economy, and savinging lives around the world.

U.S. AND GLOBAL HEALTH SECURITY

Estimates show that, if not addressed, future pandemics could cost $570 billion per year in economic losses.[1] With the converging crises of ongoing global conflicts and instability, food insecurity, the rapidly spreading Avian flu, and the continuous

[14] https://www.usglc.org/resources/.

[1] https://www.csis.org/analysis/harnessing-multilateral-financing-health-security-preparedness.

threat of emerging infectious diseases, continued financial support of health systems is critical to prevent acute health crises and bolster stronger, more secure health systems. These investments work well beyond their intended targets by helping to protect the health of Americans via strengthening countries' capacity to better prevent, detect, and respond to infectious disease outbreaks at their source to reduce their threat to the U.S. and the world.

The Global Health Programs account supports a breadth of measures and includes funding for maternal and child health; U.S. contributions to Gavi, the Vaccine Alliance, the Global Fund to Fight AIDS, TB and Malaria, the Pandemic Fund; nutrition; family planning; neglected tropical diseases; and vulnerable children. These investments are key to reaching the finish line on bold global health initiatives, such as achieving an AIDS-free generation; ending preventable child and maternal deaths; and eradicating polio, measles, and malaria, the latter of which are posing increased risk to the American public.[2]

ECONOMIC BENEFITS

Global health investments benefit the U.S. economy, particularly in research and development (R&D). Approximately 86 cents of every dollar spent by the U.S. on global health R&D goes directly to U.S.-based researchers and product developers.[3] From 2007–2022, U.S. investment in global health R&D generated an estimated 600,000 new U.S. jobs.[4] These investments clearly build U.S. research and technological capacity—a boon to the economy, as well as the health of Americans who equally benefit from such innovations. For instance, USAID's investment in next generation HIV interventions—such as research on female-controlled prevention options, like microbicides and multipurpose prevention technologies, and the development of an effective HIV vaccine-is critical to ending the HIV/AIDS epidemic globally. Moreover, this research capacity serves as a crucial component of our global partnerships working to promote collaboration and health equity through shared research and access to critical tools.

U.S. investment in multilateral global health organizations also yields economic benefits. For example, U.S. investments in WHO's work result in a $35 return on investment at least for every $1 invested.[5]

Furthermore, U.S. global health investments draw attention to and prioritize solutions that address non-communicable and other neglected health threats that increasingly affect the economies of key trading partners and encourage investment by peer countries.

IMPACTS OF U.S. INVESTMENT

Global health programs are a critical component of how the U.S. engages with the world and have secured their place as some of the most lifesaving, cost-effective, and successful forms of U.S. foreign assistance. For example, Congress passed the Global Malnutrition Prevention and Treatment Act into law, which authorizes USAID to carry out activities to prevent and treat malnutrition globally. This piece of legislation acutely impacts the approximately 345 million people worldwide who are facing food insecurity. By investing in global health and development, the U.S. is building healthier, more resilient communities, and contributing to economic and political stability, which help to promote American diplomatic goals and values.

Americans consistently support global health and development assistance funding with a 2023 poll showing that a majority of Americans believe the Federal Government should particularly invest more in pandemic preparedness both at home and abroad.[6] Especially in this moment, where global solidarity is needed to invest in bolstering health systems and preparedness worldwide, the U.S. must not roll back its critical investments in global health programs, but drive them forward with increased funding and support. By maintaining U.S. investment in global health, we will continue to build upon the hard work and achievements to prevent persistent global health threats and ensure a healthy future for Americans and people globally.

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[2] https://www.marylandmatters.org/2023/10/14/how-marylands-recent-malaria-case-can-inform-future-detection-and-prevention/#::text=Typically%2C%20there%20are%20about%202%2C000,malaria%20case%20for%2040%20years.

https://www.sciencedirect.com/science/article/pii/S2049080122013231.

https://www.nbcnews.com/health/health-news/us-measles-cases-2024-so-far-rcna145013.

[3] https://www.ghtcoalition.org/why-research-and-development.

[4] ibid.

[5] https://www.who.int/about/funding/invest-in-who/investment-case-2.0

[6] https://www.pandemicactionnetwork.org/news/u-s-national-poll-on-government-investment-in-pandemic-preparedness/.

For more information on U.S. investments in global health, visit http://ghbb.globalhealth.org.

Appendix: Account & Program Recommendations for Fiscal Year 2025 (in thousands)

	FY 2025 Recommended Funding Level (in thousands)
Global Health Programs (USAID & State)	$15,365,000
Maternal and Child Health	1,150,000
of which Gavi	340,000
of which Polio (all accounts including ESF)	165,000
Malaria (PMI)	925,000
Tuberculosis	1,000,000
Family Planning (all accounts)	1,740,000
of which UNFPA (IO&P)	116,000
Nutrition	300,000
Vulnerable Children	35,000
Neglected Tropical Diseases	125,000
HIV/AIDS (USAID)	350,000
PEPFAR	5,140,000
of which UNAIDS	60,000
The Global Fund to Fight AIDS, TB and Malaria	1,650,000
Pandemic Fund (all accounts)	1,000,000
Global Health Security	1,000,000
of which CEPI	200,000
Emergency Reserve Fund	300,000
SIGHT Fund for R&D	250,000
Global Health Worker Initiative	200,000
Health Systems Strengthening	200,000
Development Assistance (DA)	
Water and Sanitation	500,000
Contributions to International Organizations (CIO)	
World Health Organization	134,580
International Organizations & Programs (IO&P)	
UNICEF	175,000
of which FGM	5,000

[This statement was submitted by Elisha Dunn-Georgiou, President and CEO.]

Prepared Statement of Global Health Technologies Coalition

On behalf of the Global Health Technologies Coalition (GHTC), a group of more than 45 nonprofit organizations, academic institutions, and aligned businesses advancing policies to accelerate the creation of new drugs, vaccines, diagnostics, and other tools that bring healthy lives within reach for all people, I am providing testimony on fiscal year 2025 (FY25) appropriations for global health programs at the US Agency for International Development (USAID). These recommendations reflect the needs expressed by our members working around the globe to develop new and improved technologies for the world's most pressing health issues. We appreciate the Committee's support for global health, particularly for continued research and development (R&D) to advance new drugs, vaccines, diagnostics, and other tools for long-standing and emerging health challenges.

I am testifying today because we still do not have the technologies that we need to achieve a future where pandemics are prevented and health is within reach for everyone. In 2022, 1.3 million people were killed by tuberculosis, 1.3 million people were newly diagnosed with HIV, and 249 million people were infected by malaria. In 2019, at least 1.27 million people were killed by antibacterial resistance. Today, more than 1 billion people worldwide are still affected by neglected tropical diseases. Unfortunately, it is women and children who are often the most underserved in the health sector. And as we look toward the future, we cannot afford to sit idly and wait for future pandemic threats with the potential to match or exceed the disruption of COVID–19.

To develop the innovations and technologies that we need to defeat these diseases and to prevent future pandemics, the U.S. government needs to sustainably increase its investments in global health research programs. Public funding is critical for this

sector because companies have little commercial incentive to invest in health areas that impact people in poverty. Not only are innovations and technology greatly needed, but they are also investments that yield incredible benefits outside of global health. Data from the past 16 years show that investments in global health R&D lead to economic gains in the United States and in partner countries. As told in a recent analysis conducted by a partnership between Policy Cures Research and GHTC, between 2007 and 2022, $46 billion in U.S. government investment in global health R&D led to $104 billion in economic activity and the creation of more than 600,000 jobs countrywide. This is not to mention the follow-on effects of the innovations that the United States invested in during that time period, which are projected to generate $255 billion and counting for the U.S. economy.

As the world's leader in biomedical research, the United States has both a responsibility and an opportunity: with relatively small public investments, we have the power to save and improve millions of lives. To continue our progress toward developing lifesaving tools in FY25, we respectfully urge the Committee to support global health research by:

—Increasing or sustaining funding levels for every global health program under the US Department of State and USAID.
—Creating a new, additive Supporting Innovative Global Health Technologies (SIGHT) Fund under USAID for global health innovation at $250 million in FY25.
—Again, including report language directing USAID to increase global health innovation spending.
—Again, including report language requesting that USAID produce an annual report on its global health research programs.

USAID has provided unparalleled support for the late-stage development of global health technologies for decades. It is the only U.S. agency with a mandate to improve global health that supports the development of global health products from early-stage concepts to delivery around the world. USAID identifies innovation gaps, sponsors clinical trials, and scales new technologies to communities in need. Additionally, USAID uses novel financing models, builds interagency and multisectoral partnerships, and applies a business mindset to stretch the US government dollar for maximum impact. The agency's value-add is driving the late-stage research and scale-up of global health products that offer significant public health benefits but are not supported by other public or private funders.

Still, USAID's global health innovation mandate is increasingly constrained by three challenges:

—USAID funding for R&D has not kept pace with total global health spending. In 2006, USAID spent eight percent of its global health budget on R&D. Today, USAID spends 5.5%, and this spending is projected to decline further without a course correction.
—USAID funding for R&D is siloed by disease or health area, limiting funding opportunities for products that are novel or needed for emergencies. Funding for innovation today is drawn from disease- and population-specific appropriations accounts, limiting the ability of USAID to fund products that address multiple health issues or emerging challenges.
—Constrained budgets force leaders in the Global Health Bureau to prioritize immediate impact over innovation. With limited resources, leaders must make difficult decisions between funding programs now and funding innovation that could drive greater impact in the future.

To this end, sustained or increased funding for every global health line and a new, additive approach to funding global health innovation is needed at the agency. With an initial appropriation of $250 million, the SIGHT Fund would raise total annual USAID investments in global health innovation to approximately 10 percent of overall Global Health Bureau funding, slightly above the previous peak of eight percent set in 2006. Filling the cracks, the SIGHT Fund could be tapped for different health challenges as R&D opportunities emerge, especially for products currently without a funding source, such as those for antimicrobial resistance and malnutrition, as well as population-specific tools. The SIGHT Fund would improve health research coordination within USAID and with health research agencies across the U.S. government. USAID has long-standing partnerships with many innovators, and the SIGHT Fund would supplement, not supplant, these existing programs and partnerships—expanding the global health pie rather than slicing it further. It would enable USAID to make bolder investments in new technologies while reducing the trade-off between programming and innovation. The SIGHT Act (H.R. 6424) was introduced on a bipartisan basis in the House of Representatives in November 2023.

It would establish the program area and staffing needs to implement the SIGHT Fund's appropriated budget. GHTC is actively advocating for the passage of H.R. 6424 and a Senate companion bill in 2024.

In addition, we urge Congress to renew its request for an annual R&D investments report from USAID. At the request of Congress, USAID releases an annual report on its health-related R&D investments and programs. These reports provide Congress and the global health community insight into how USAID is investing in global health research and progressing toward its health-related R&D strategy. The strategy is an important articulation of USAID's health innovation mission and (together with the reports) is an essential accountability tool to ensure that USAID is on track to meet its health R&D goals. This request is critical to ensuring that U.S. investments in global health research are efficient, coordinated, and maximally effective. Global health R&D is unique as a foreign policy goal in that it also supports researchers in the United States. From 2007 to 2022, more than $39 billion in Federal funding went to U.S.-based institutions for global health research and development, supporting hundreds of thousands of estimated jobs and generating billions more in economic growth. In addition, many of the tools and technologies developed from this funding benefit people living in the United States, either directly or indirectly, by strengthening national health security and global prosperity.

As we emerge from a global pandemic, it is clearer than ever that increases in investment for global health innovations are critical. Stronger global health R&D positions the United States to be better prepared for the next pandemic, saves lives, and bolsters health R&D capacity in the United States and abroad. Increased funding and an enabling policy environment that supports breakthrough innovation is an investment with documented benefits across multiple sectors and, ultimately, leads to more accessible and equitable health for all. With increased public funding for global health research, we can achieve a world that is healthier and safer for everyone.

GHTC urges the Committee to continue to direct USAID to prioritize science, technology, and innovation to advance its global health and development mission, allocate sufficient resources to support this work, and continue producing detailed, public annual reports on USAID's health R&D strategy.

We urge the Committee to maintain strong support for the Global Health Programs account under the State Department and USAID—supporting, at minimum, sustained funding at fiscal year 2023 levels for each disease- or population-specific program and supporting increases where possible—and create a new SIGHT Fund for global health innovation with a new and additional $250 million investment. Global health innovation and implementation must not be seen as competing priorities, but rather part and parcel of the US commitment to improving global health. Global health research that improves the lives of people around the world—while at the same time supporting U.S. interests, creating jobs, and spurring economic growth at home—is a win-win investment.

I thank you for this opportunity to provide this testimony.

[This statement was submitted by Dr. Kristie Mikus, Executive Director.]

PREPARED STATEMENT OF GLOBAL PARTNERSHIP FOR EDUCATION

Mr. Chairman and members of the subcommittee, thank you for the opportunity to bring you up to date regarding the work of the Global Partnership for Education (GPE) and its 88 developing country partners. On behalf of our partners, I thank you for your steadfast leadership and commitment to international education programs and respectfully request that the subcommittee provide $175 million, under the United States Agency for International Development's (USAID) Development Assistance account, as the U.S. Government's Fiscal Year 2025 contribution to the Global Partnership for Education. I also request that the subcommittee provide $1.125 billion for overall basic education funding, including strong funding for Education Cannot Wait.

THE GLOBAL PARTNERSHIP FOR EDUCATION

GPE is a partnership of donor and developing country governments, UNICEF, UNHCR, the World Food Program, the World Bank, other international organizations, civil society, the private sector and foundations partnering to ensure a more effective and efficient response to the global education challenge. GPE provides financial and technical support to nearly 90 partner countries where eighty percent out-of-school children reside and where the National education systems require the most urgent support. The U.S., through USAID, and other donor governments are

engaged with many local education groups where partners convene in country to provide support for the highest priorities and to monitor progress. GPE features a "compact"-based operating model that strengthens the link between development of national sector plans and identification of key policies to drive system transformation. GPE continues to place strong emphasis on domestic resource mobilization for education and more effective and equitable use of those resources.

GPE'S IMPACT OVER THE LAST 22 YEARS

Access to Education.—160 more children are in school in partner countries since GPE's inception in 2002, including 82 million additional girls. Between July 2022 and June 2023, GPE grants financed the distribution of 48 million textbooks, the training of 481,000 teachers and the construction or rehabilitation of 6,664 classrooms.

Learning Outcomes and Improving Quality of Education.—To improve education and learning outcomes, GPE supports teacher training. As a result, 67 million more children have access to professionally trained teachers in partner countries since 2002. More than 481,000 teachers were trained with GPE funds in fiscal year 2023.

Fragile or Conflict-Affected Countries—Responsive Support.—GPE is committed to making sure no child is left behind, particularly in crises that disrupt education. Millions of children are affected by conflict, natural disasters, complex humanitarian emergencies, and fragility. Increasingly, the world's out-of-school children live in countries facing war and violence. As a result, they are deprived of their education. Ensuring access to education protects the rights of children and youth amid chaos while instilling a sense of normalcy and shoring up resilience.

More than 60% of GPE funding goes to countries affected by fragility and conflict, which have some of the highest rates of out-of-school children and the lowest levels of learning but lack the resources to sustainably build their education systems. GPE has developed flexible, accelerated, and responsive funding policies that enable swift and flexible support when crises unfold that create extensive challenges to education systems. Recent examples include:

—In Afghanistan, where the Taliban has banned girls' education past the sixth grade, GPE continues to convene partners on the ground and has approved grants totaling $110 million to support children's education. GPE support helps children participate in community-based education and learn basic skills in public schools.

—In Ukraine, GPE continues its dialogue with the government to determine how best to stem the learning losses caused by the war. Through GPE's matching fund, the "Multiplier," GPE has matched over $25 million in cash and in-kind support from Microsoft, Google, and UNESCO, totaling more than $51 million in education assistance.

Gender Equality—Ensuring that girls have access to education has been a top priority of GPE since its inception. Gender is now hardwired into every step of GPE's operating model, because investments in school-age girls have the highest returns in tackling future gender inequalities. The results are clear: since 2002, twice as many girls have been enrolled in school in partner countries, meaning 82 million more girls are now on the path to gender equality. Recent examples include:

—The Democratic Republic of the Congo is using a $100 million grant to implement a girls' education strategy to accelerate progress towards gender equality in education. GPE supported a public awareness campaign to promote girls' education and implemented training modules on gender-based violence prevention for teachers and other education stakeholders.

—In Nigeria, where 65 percent of out-of-school children are girls, GPE has supported the country through the Nigeria Partnership for Education Project (NIPEP) to integrate religious schools and train teachers to ensure more children attend and stay in school. More than 417,000 girls from low-income families received scholarships to attend these integrated primary schools. The project also gave female teachers scholarships to update their teaching skills, enabling them to serve as advocates and role models for girls.

Furthermore, GPE opened a girls' education funding window under its current strategic plan, a $250 million Girls Education "Accelerator" Fund to target support to very poor countries which have much progress to make on gender equality. Thirty countries where girls lag the farthest behind boys can access this funding.

Education and Peace.—Education is not merely a means to individual growth; it is a powerful tool that can influence the future trajectory of societies. If inclusive and of quality, it promotes understanding, tolerance and peaceful coexistence among

individuals and communities. The Institute for Economics and Peace and GPE have reaffirmed the potential for education to build peaceful societies through a recent study. The study highlights that higher rates of completion of both primary and lower secondary school shows a positive correlation with factors known to create and sustain peaceful societies. The study also reveals that countries with higher years of schooling experience fewer conflicts and an increase in safety and security. In the face of global challenges like economic prosperity and multiple global conflicts, investments in quality education for every child are needed now more than ever.

Preparing for Instability and Resiliency, including Climate Change.—Extreme weather events threaten children's lives and destroy infrastructure critical to children's well-being and learning. Every year, nearly 40 million children's education is interrupted by natural disasters and the disease outbreaks that follow. With nearly half of the world's children living in 'extremely high risk' countries, the climate crisis is exacerbating the global learning crisis.

At the same time, education can be a powerful pillar of climate action. Education gives people the knowledge and tools they need to adapt to the impacts of climate change, including the risks to their lives and livelihoods. Quality education dramatically reduces deaths from weather-related disasters. Girls' education in particular has been shown to reduce vulnerability to climate-driven disasters. GPE financing supports partner countries to build resilient education systems that are climate smart and can prepare for disasters and provide needed skills to learners to adapt.

—In Vanuatu, 885 schools were partly or entirely destroyed in April 202 when tropical cyclone Harold, the second most powerful cyclone to hit Vanuatu, made landfall. It caused widespread damage of infrastructure and livelihoods, with nearly 51,000 students and 2,400 teachers impacted. With GPE's support of more than $3 million, Vanuatu was able to distribute more than 7,600 teaching and learning materials to ensure the early education curriculum could continue to be taught. Nearly 90 primary schools affected by the cyclone have been provided with water tanks, ensuring hygienic practices, and with this GPE support 13,800 students and 560 teachers have benefited from clean drinking water and handwashing facilities.

GPE launched a new Climate-Smart Education System Initiative with Save the Children and UNESCO, which provides technical assistance to education ministries to mainstream climate change into education sector policy, plans and budgets. In an unprecedented partnership between education and climate funds, GPE has now partnered with the Green Climate Fund and Save the Children to launch the Building the Climate Resilience of Children and Communities through the Education Sector (BRACE) initiative. This $70 million co-financed investment will support greener infrastructure, green curricula and climate early warning systems in schools to prepare for natural disasters. It will also support 20 of the most climate-vulnerable countries to develop their capacities to access more climate finance to build resilient education systems.

School Meals.—Good health and nutrition are critical for children's learning. Approximately 180 million school age children live with malnutrition and 1 billion children are at high risk of suffering from food insecurity. This threatens the education, growth, and development of children and adolescents worldwide. School meals are the largest social safety net in the world, currently reaching 418 million children every day worldwide. School meals also support local economies, create jobs and livelihoods in communities, and ultimately help break the links between hunger, and unsustainable food systems and the learning crisis.

GPE supports countries to deliver school nutrition outcomes, in turn bolstering children's learning outcomes.

—In Haiti, GPE's Multiplier co-financing instrument, working with the World Food Programme, crowded in a total of US $44.2 million from the U.S.'s McGovern Dole Program, Inter-American Development Bank and Education Above All Foundation to support school meal programs and increase their coverage by 20% to 1.5 million children.

—In October 2023, GPE launched the School Health & Nutrition Technical Assistance Facility to support countries to build nationally owned school meal programs with sustained financing, improved legal and policy frameworks, multi sectoral coordination and knowledge and evidence exchange between countries. The Facility will pilot its approach with US $1 million allocated to Kenya and Lesotho.

GPE'S PARTNERSHIP WITH THE U.S.

Through USAID's engagement, the U.S. continues to be an active participant on GPE's Board, a member of the executive committee and is closely engaged at a technical level on the development of GPE's policies and strengthening of its funding and operational model. USAID also serves as a member of local education groups in many partner countries, which are key priority setting and program monitoring bodies. USAID missions work with ministries of education in GPE-supported countries on the formulation of national plans, identification of key priorities for system transformation, and applications for GPE support. This close cooperation enables combining GPE's resources with U.S. bilateral education funding where feasible to improve outcomes.

FISCAL YEAR 2025 SUPPORT FOR GPE AND BASIC EDUCATION

Mr. Chairman, I urge the subcommittee to provide a fiscal year 2025 U.S. contribution to the Global Partnership for Education of $175 million. I also urge you to support an overall fiscal year 2025 level for basic education of $1.125 billion, including strong funding for Education Cannot Wait. Thank you for your consideration.

[This statement was submitted by Laura Frigenti, Chief Executive Officer.]

PREPARED STATEMENT OF THE HALO TRUST (USA)

THE DEPARTMENT OF STATE CONVENTIONAL WEAPONS DESTRUCTION PROGRAM

As humanitarian demining organizations, The HALO Trust (USA), Mines Advisory Group (MAG) U.S., and PeaceTrees Vietnam submit this testimony as partners of the U.S. Government in addressing threats to peace, security, and human lives posed by improvised explosive devices (IEDs), landmines, unexploded ordnance (UXO), and insecure weapons stockpiles. HALO, MAG, and PeaceTrees Vietnam are implementing partners of the Department of State's Conventional Weapons Destruction (CWD) program, and are helping to save lives and restore livelihoods in nearly 40 countries and territories. This testimony is also supported by Legacies of War, a renowned advocacy and educational organization representing the Lao-American, Cambodian-American and Vietnamese-American communities.

State Department humanitarian demining programs play a leading international role in responding to conflicts and humanitarian crises including the war in Ukraine, preventing casualties, allowing displaced families to return to their homes and livelihoods, enabling farmers to till their fields, supporting economic development, ensuring post-conflict stabilization, and promoting safety through securing weapons and explosive materials that could fall into terrorist hands.

Given the importance of global demining and weapons security programs, we respectfully ask that you include the following requests in the FY 2025 SFOPS budget:

1. $290 million for the State Department's Conventional Weapons Destruction program;
2. *Specific allocations for Conventional Weapons Destruction Programs.*—$80,000,000 for programs in Laos, Vietnam, and Cambodia, additional funds above the prior year's level for programs in Sri Lanka, Angola, and Zimbabwe, and sustained support for demining activities in Ukraine.

THE STATE DEPARTMENT CONVENTIONAL WEAPONS DESTRUCTION (CWD) PROGRAM

The State Department CWD program has many benefits, but serves three primary goals: (1) To enhance U.S. and global security by destroying and securing weapons at risk of diversion to terrorists, insurgents, and other violent non-state actors, including MANPADS, (2) To improve stability and prosperity by clearing landmines and unexploded ordnance (UXO) contamination, thereby returning land to safe and productive use, and (3) To promote US foreign policy.[1]

SAVING LIVES

CWD programs save lives. The most recent Landmine Monitor recorded at least 4,710 people that were killed or injured by mines or other explosive remnants of

[1] U.S.A., Department of State, Office of Weapons Removal and Abatement in the Bureau of Political-Military Affairs. (2024). *The United States' Commitment to Conventional Weapons Destruction* (23rd ed., Fiscal Year 2023, pg. 5). Waynesboro, VA: McClung Companies.

war across 49 countries in 2022. At least 1,171 of those killed or injured, 49% of all civilian casualties, were confirmed to be children.[2] This number of casualties is more than twice the number in 2013, with the most casualties taking place in Syria and Ukraine.

Landmines continue to affect families and communities long after conflict has ended, threatening lives and disrupting livelihoods. No parent should fear that their child might be fatally injured simply by walking to school or playing outside. Landmines kill indiscriminately, and we must continue to eliminate these threats.

FOOD SECURITY

Demined land is most often used for growing crops and grazing livestock, thereby advancing food security at a moment when the world is facing a looming famine. In no place is this more starkly apparent than in Ukraine, where the Ukrainian government estimates at least 470,000 hectares of farmland may be contaminated with landmines and other explosives[3], driving global food shortages—and where U.S.-funded demining teams are already hard at work clearing threats to protect farmers and allow for safe harvests.

ECONOMIC DEVELOPMENT

CWD activities also promote economic development that can transform communities after conflict. Within weeks of mine clearance, displaced families can return home and plant crops and communities can build roads, schools, hospitals, and vital infrastructure. A 2019 report conducted by the United Nations Development Program in Lebanon showed that every dollar spent on mine action generated an economic return of $4.15, helping to alleviate poverty in some of the poorest parts of the country.[4] And in Mozambique, which is now mine free, a 2018 National Bureau of Economic Research report indicated that without clearance of mines, Mozambique's GDP would have been 15–25% lower in 2015.[5] Demining is critical to economic recovery, as well—Ukraine's agricultural sector has already lost $70 billion in lost revenue due to the conflict, including production loss from a decrease in sowing areas.[6] Demining is the first step to allowing their economy, and economies around the world, to recover after conflict.

SECURITY AND STABILITY IN FRAGILE STATES

Weapons security management programs funded by the CWD account support security through stockpile storage training and the destruction of obsolete weapons, including shoulder-launched missiles capable of downing aircraft (MANPADS). These programs are essential for preventing unplanned explosions that put thousands at risk, and they keep weapons from falling into the wrong hands. This type of programming is critical in areas like Libya, where a massive buildup of arms during Gaddafi's rule, and distribution of weapons and ammunition in the campaign against him, fueled the proliferation of deadly items across North Africa, the Sahel and Lake Chad Basin. In Mozambique, weapons management programs are also essential to preventing insurgents from overrunning national authorities and seizing weapons. Further, in the Northern Triangle as well as Ecuador, Peru, Paraguay, and the CARICOM region, weapons and ammunition security management programs also help to combat the illicit flow of black-market weapons that fuel violence, a driver of emigration.

In Ukraine and elsewhere, State Department-funded programs are also working to track weapons diversions, ensuring accountability of U.S. advanced conventional weapons provided to Ukraine, and identifying areas of the globe where weapons security management programs are most needed.

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[2] Landmine Monitor (2023, November). *Landmine Monitor 2023.* The Monitor. Retrieved from: https://www.the-monitor.org/en-gb/reports/2023/landmine-monitor-2023/the-impact.aspx.

[3] Roman Neyter, Sergiy Zorya, and Oleksandr Muliar (February 2024). *Agricultural War Damages, Losses, and Needs Review* (pg. 4, 20). Kyiv, Ukraine: Kyiv School of Economics. Retrieved from: https://kse.ua/wp-content/uploads/2024/02/RDNA3__eng.pdf

[4] Hamade, K., & Srour. I. (2019, February 6). 2019, February 6). *Socio-economic benefits of mine action in Lebanon: United Nations Development Programme.* UNDP. Retrieved May 24, 2022, from https://www.undp.org/lebanon/publications/socio-economic-benefits-mine-action-lebanon.

[5] Chiovelli, G., Michalopoulos, S., & Papaioannou, E. (2018). Landmines and Spatial Development. *NBER Working Paper Series.* https://doi.org/10.3386/w24758.

[6] Ministry of Defense of Ukraine. "Oleksii Reznikov: Action plan for demining agricultural land for sowing campaign approved" (2023, March 20). *State Sites of Ukraine.* Retrieved from https://www.kmu.gov.ua/en/news/oleksii-reznikov-skhvaleno-plan-zakhodiv-iz-rozminuvannia-silskohospodarskykh-zemel-dlia-provedennia-posivnoi.

PROMOTING POSITIVE U.S. LEADERSHIP

U.S.-funded demining programs work in regions critical to increasing America's positive influence abroad, taking land that is currently too dangerous to use and transforming it into an economic asset available to often impoverished local populations, thereby advancing our interests and our values as Americans. Deminers across Africa, Latin America, and the Asia-Pacific sport U.S. flags on their equipment and vehicles, while building livelihoods and strengthening ties with both host governments and the general population in regions of growing global economic importance.

SUPPORTING CWD PROGRAMS IN UKRAINE, LAOS, VIETNAM, CAMBODIA, SRI LANKA, ANGOLA, AND ZIMBABWE

Ukraine already contained significant landmine and explosive contamination in the eastern region before the recent invasion. The Ukrainian government estimates that nearly 30% of the country is contaminated with landmines and other UXO[7] that will threaten civilians for years to come, and the risk will be particularly acute as civilians move throughout the country as areas continue to become liberated. State Department implementing partners including the HALO Trust and MAG are already on the ground working to save lives from explosives, and increased funding is urgently needed to enable the elimination of these deadly devices as soon as possible—which is critical to supporting Ukrainian resilience and recovery. Reconstruction can only occur when explosives have been removed from roads, fields, and buildings.

Laos, Vietnam, and Cambodia remain heavily impacted by U.S. cluster bomblets and other explosive hazards. Laos is considered the most heavily bombed country in history, suffering over 50,919 casualties from explosive remnants of war.[8] Cambodia, which contains additional significant landmine contamination has suffered over 65,005 casualties from explosive hazards since 1979.[9] In Vietnam, at least 105,086 casualties from explosive threats have been recorded.[10] More resources are needed to remove these deadly items, demonstrate continued resolve to removing U.S. legacy ordnance, and strengthen diplomatic relations. An appropriation of $80 million in FY25 would expedite ongoing clearance efforts and demonstrate positive U.S. leadership in the region, while allowing the State Department to spend these resources in the region to achieve the greatest humanitarian impact.

Since the end of Sri Lanka's decades-long civil war in 2009, U.S. demining assistance has been critical to allowing thousands of displaced families to return to their homes and develop their land. U.S. demining efforts have also enabled the reopening of schools and hospitals, the reconstruction of thousands of homes, and the reconstruction of the Jaffna railway—enabling access to Sri Lanka's northern ports. More than 280,000 mines have already been destroyed, and increased funding will keep Sri Lanka on track to be mine-impact free by 2028.

Landmines in Angola have injured or killed more than 80,000 people since they were first used in its civil war,[11] but with the help of U.S. foreign aid, over 100,000 landmines have been destroyed. Demining must continue, especially in the rural areas of Angola, where some communities have been waiting decades for assistance. This clearance is also critical to supporting the development of the Lobito Corridor, where more than 100 minefields will hamper expansion of this vital commerce route. Increasing funding for demining in Angola is also necessary for the U.S. to implement The DELTA Act, legislation passed in December 2018 in support of wilderness management in the Okavango Delta region. In southeast Angola, landmines near the headwaters of the Okavango Delta kill elephants and other wildlife, hamper efforts to conduct biodiversity research, and interfere with anti-poaching initiatives.

Zimbabwe possesses very dense, unfenced minefields close to houses, schools, and clinics that kill livestock and separate communities from viable sources of water.

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[7] Ministry of Economy of Ukraine. "Ukraine needs 10 times more humanitarian demining specialists than it has now: Yuliia Svyrydenko" (2023, April 20). *State Sites of Ukraine.* Retrieved from https://www.kmu.gov.ua/en/news/dlia-humanitarnoho-rozminuvannia-ukrainy-potribno-v-desiatky-raziv-bilshe-fakhivtsiv-nizh-ie-zaraz-iuliia-svyrydenko.

[8] Lao PDR—Impact (2023, September 5). The *Landmine Monitor*. Retrieved from https://www.the-monitor.org/en-gb/reports/2023/lao-pdr/impact.aspx.

[9] Cambodia—Impact (2023, December 20). *The Landmine Monitor*. Retrieved from http://www.the-monitor.org/en-gb/reports/2023/Cambodia/impact.aspx.

[10] Vietnam—Impact (2021, February 11). *The Landmine Monitor*. Retrieved from http://www.the-monitor.org/en-gb/reports/2023/Vietnam/impact.aspx.

[11] Angola—Impact (2021, February 10). *The Landmine Monitor*. Retrieved from http://www.the-monitor.org/en-gb/reports/2021/Angola/impact.aspx.

Over 1,600 casualties[12] have occurred due to explosive accidents. Due to the predictable mine-laying patterns along the Zimbabwean borders, demining teams in Zimbabwe have one of the highest mine-destruction rates of any global program. Supporting increased funding for CWD programs in Zimbabwe will allow the country to achieve mine-free status as quickly as possible.

CONCLUSION

Since 1993, the U.S. has led global demining efforts, providing more than $5.09 billion in assistance to more than 125 countries and territories for CWD activities.[13] Thanks to a global effort, over 30 countries and territories around the world are now mine-impact free,[14] and as the single largest funder of humanitarian demining programs, the United States has helped the bulk of these countries reach this milestone. We hope to see many more countries soon join this list.

U.S. demining and weapons security programs save lives, enable stabilization and rebuilding after countries have been ripped apart by conflict, enhance security, and promote U.S. interests while making a tangible difference in the lives of communities worldwide.

For these reasons, we hope the subcommittee will support strong funding for the State Department CWD program, for CWD programs in Ukraine, Laos, Vietnam, Cambodia, Sri Lanka, Angola, and Zimbabwe.

Thank you for your consideration.

[This statement was submitted by Chris Whatley, Executive Director
Ambassador (Ret.) Daniel Clune, Board Chair, Mines Advisory Group (MAG) U.S.
Sera Koulabdara, Chief Executive Officer, Legacies of War
Claire Yunker, Executive Director, PeaceTrees Vietnam.]

PREPARED STATEMENT OF HELEN KELLER INTERNATIONAL

Mr. Chairman, thank you for this opportunity to provide testimony to the subcommittee on behalf of Helen Keller International regarding critical programs in global health. Helen Keller Intl urges the subcommittee to recommend in fiscal year 2025, under the U.S. Agency for International Development's (USAID) Global Health Programs and Development Assistance accounts, at least $4.5 million for the child blindness program; at least $125 million for Neglected Tropical Diseases; at least $300 million for nutrition, including $23.5 million for Vitamin A supplementation; and $1.15 billion for the Maternal and Child Health account, inclusive of $340 million for Gavi, the Vaccine Alliance. Finally, under the Development Assistance account, we request the subcommittee continue strong support for nutrition in agriculture, including providing $1.2 billion for Feed the Future programs.

Helen Keller Intl is a leading nonprofit organization with programs in 20 countries in Africa and Asia, and the United States. We were co-founded in 1915 by Helen Keller, who lost her sight and hearing as a child and was an advocate for the poor and marginalized as an adult. Together with a global community of supporters, we ensure that everyone has the opportunity—as Helen did—to reach their true potential. We fulfill this mission by designing and implementing programs based on science and local collaboration that save lives, improve sight, and improve nutrition for nearly 73 million people each year.

Today, we are as determined as ever to accomplish even more on behalf of children and families in the countries where we work. Disruptions to global food systems due to extreme weather events, supply chain disruptions, and protracted conflict are further compounding global malnutrition. Helen Keller Intl appreciates the actions of Congress to respond to these immediate crises and provide critical emergency and humanitarian response. We also know long-term investments in nutrition and health through USAID's development programs are necessary to build resilience to future crises and to help millions of people create lasting change in their own lives. We have many of the tools we need to address these global challenges, but partnership and political will are essential to deliver proven health and nutrition interventions that will meet the needs of children and families around the world.

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[12] Zimbabwe—Impact. (2022, November 17). Retrieved from https://www.the-monitor.org/en-gb/reports/2023/zimbabwe/impact.aspx.

[13] U.S.A., Department of State, Office of Weapons Removal and Abatement in the Bureau of Political-Military Affairs. (2024). *The United States' Commitment to Conventional Weapons Destruction* (23rd ed., Fiscal Year 2023, pg. 5). Waynesboro, VA: McClung Companies.

[14] "The deadly legacy of landmines" (April 3, 2023). *UN News.* Retrieved from: https://news.un.org/en/story/2023/04/1135252.

Malnutrition drives almost half of child deaths under age five, the vast majority of which occur in sub-Saharan Africa and South Asia. For those who survive, malnutrition during a child's early years often leads to lifelong and irreversible damage, including reduced intellectual development, educational achievement, and earning power. Nutrition investments are only 1% of US global health funding, even though malnutrition claims the lives of approximately three million children under age five each year, more than AIDS, tuberculosis, and malaria combined.

Strong nutrition is foundational to global development, and is necessary to improve health, education, economic participation, and gender equality. In 2022, USAID reached 32 million children through nutrition programs. The US is not alone in this work—45 governments from low- and middle-income countries made strong policy and financial commitments at the most recent Nutrition for Growth Summit and the African Union is committed to increasing domestic nutrition investments. Despite USAID's major investments in health systems, there remain huge gaps in delivering life-saving nutrition interventions. In some instances, mothers attend their prenatal visits but do not receive prenatal vitamins, or bring their children to health centers for checkups but their children are not screened for acute malnutrition and then treated if necessary. The 2021 Lancet Series on maternal and child undernutrition highlighted that closing these opportunity gaps is one of the quickest ways to scale-up lifesaving nutrition interventions.

Many of the most effective interventions to prevent and treat malnutrition among women and children span the course of the critical 1,000-day period during a woman's pregnancy to a child's second birthday. Improving children's diets between the ages of 6–23 months is essential; new evidence shows that one promising solution, a small quantity of lipid-based nutrient supplements, can reduce deaths by 27% in that age group. Four health systems interventions—multiple micronutrient supplementation (prenatal vitamins), breastfeeding support, Vitamin A supplementation, and ready-to-use therapeutic food (RUTF) for the treatment of wasting-are some of the most cost-effective, lifesaving tools to combat malnutrition. Breastfeeding is recognized as a cornerstone of child health because of the essential nutrition it provides for a child's growth and development. Multiple micronutrient supplements, a specific formulation of prenatal vitamins, provide critical benefits such as reducing stillbirth, low birthweight, and preterm birth while also addressing the undernutrition and micronutrient deficiencies experienced by more than one billion women and adolescent girls worldwide. However, across most low and middle-income countries, these interventions, known as the Power 4, have low coverage rates, even as coverage of other complementary health services has increased.

Helen Keller Intl is a recognized leader in distributing vitamin A capsules to children in countries across the world. In the last year, Helen Keller Intl provided vitamin A supplementation to more than 35 million children across 13 countries in sub-Saharan Africa. Vitamin A is essential for healthy eyesight and the optimal functioning of the immune system to protect children from life-threatening diseases. We request that the subcommittee recommend $23.5 million for vitamin A supplementation within the nutrition account to contribute to these lifesaving programs globally.

Helen Keller Intl sees the impact these interventions make on the health and lives of families around the world. In the last year, Helen Keller screened more than 2.1 million children for acute malnutrition. This screening is essential to connect families to the necessary treatment, such as RUTF, to recover from the most severe forms of malnutrition. In places like Cambodia, Helen Keller was able to provide treatment to 88% of the children identified as being moderately or severely malnourished, in addition to supporting families to learn how to cook nutritious meals to support their children's nutrition and ensure the long-term health and wellbeing of their families. USAID's historic investment in 2022 for an additional $200 million to screen and treat wasting, matched by $380 million from other governments and private philanthropies, went a long way toward addressing the increasing need to treat malnutrition due to the global food crisis. Building upon the momentum of USAID's 2022 investment, the recent announcement on May 3, 2024 to commit an additional $200 million for procurement and distribution of RUTF and other specialized nutritious foods, underscores the critical role of continued and expanded investments in combating malnutrition amidst the ongoing global food crisis.

Helen Keller Intl requests the subcommittee recommend $300 million under the nutrition-specific account within global health programs for fiscal year 2025. We support the continuation and expansion of nutrition programs to support infants, young children, and women of reproductive age, as well as ongoing efforts to improve reporting on the scope and impact of U.S. government investments in nutri-

tion-specific prevention and treatment interventions. We applaud Congress for passing the bipartisan Global Malnutrition Prevention and Treatment Act in 2022 to ensure USAID delivers the strongest nutrition support for families across nutrition priority countries, but adequate appropriations are required to realize the ambitions of this legislation. These programs, and those financed under the Maternal and Child Health account, are instrumental to the goal of ending preventable child and maternal deaths. With this forward-looking commitment the US will continue to be a valued global leader in combating the scourge of malnutrition and promoting maternal and child survival.

We also urge the subcommittee to provide $1.2 billion to Feed the Future, the US government's flagship food security program. We request the continued inclusion of report language on a food security and agricultural strategy that promotes improvements in nutrition with measurable outcomes as a core objective, and specifically supports smallholder farmers, particularly women farmers and other vulnerable populations. These programs must focus on improving children's diets, in line with the recent recommendations from the Board for International Agricultural Development to accelerate action on nourishing foods for children. These investments in agriculture are essential to increase food availability and access, improve food security and nutrition, increase dietary quality, raise incomes, and empower women.

NEGLECTED TROPICAL DISEASES

Over one billion people are at risk of Neglected Tropical Diseases (NTDs), which can lead to blindness and other disabilities, chronic pain, and social isolation. NTDs may be life-threatening at a later stage of the disease, and they are related to various clinical complications, such as anemia, malnutrition, and HIV/AIDS. In many cases, NTDs disproportionately impact women, thereby having devastating consequences on families. Research shows eliminating NTDs increases access to education and improves economic performance, essential elements of prosperity and economic growth.

The critical support provided by the United States since fiscal year 2007 has allowed the treatment of more than 1.5 billion people and enabled transformational success. For example, last year the country of Mali was able to stop treating for trachoma—a blinding disease that only a few years ago was widespread throughout the entire country. In 2023, Niger submitted a dossier for elimination of onchocerciasis to the World Health Organization; if approved, Niger will become the first country in sub-Saharan Africa to eliminate this disease. These achievements would not be possible without the support of the US government. USAID was the first bilateral donor to commit significant investments to not only treating diseases, but also providing support to those who did not have access to treatment in time, and need support to manage the resulting morbidity, particularly focusing on surgery for trichiasis and lymphedema.

This funding has enabled large scale access to medicines to prevent and treat the most common NTDs. For every one dollar spent by the United States on NTDs, $26 is leveraged in donated drugs, representing one of the world's most successful public-private partnerships. In the last year, Helen Keller Intl worked with Ministries of Health to administer treatments to over 33.5 million people for at least one NTD, contributing to national efforts toward the control and elimination of NTDs. Like in Mali, the achievement of elimination of blinding trachoma and other diseases such as lymphatic filariasis and onchocerciasis is within reach in many countries over the coming years.

We respectfully request increased support for USAID NTD programs at a funding level of $125 million for fiscal year 2025. With continued commitment to NTD programs, USAID is on track to eliminate at least one NTD in 15 countries within the next 5 years. With increased commitment, this progress can be expanded to additional countries, including morbidity management, and free millions more people from the risk of developing these diseases.

CHILD BLINDNESS PROGRAM

U.S. support and partnership with USAID through the child blindness program helps to save the sight of hundreds of thousands of children in developing countries. USAID leadership has driven tremendous progress on what used to be the leading cause of childhood blindness, vitamin A deficiency. USAID's continued leadership to address other causes of child blindness is essential. Currently, 1.4 million children worldwide are blind, and much of this suffering is preventable. Children who are blind or visually impaired and who live in poverty in developing countries must depend on their families and on government health systems, which in most cases have limited capacity to meet the needs of blind children. These children are at grave risk

of being in ill health, poorly educated, and less productive without access to critical eye health and rehabilitation services.

Most of the blindness in children could be avoided since highly effective preventive and curative measures are available to address visual impairment in children. Children who are blind or have low vision can often be helped through simple and inexpensive operations and vision correction. For example, in partnership with USAID's Child Blindness Program and Cameroon's Ministry of Public Health, and the Ministry of Secondary Education, Helen Keller Intl conducted vision screenings for more than 41,600 students between the ages of 11–15 years in Yaoundé, Cameroon, providing glasses free of charge to those who needed them in 2023. We help students see a blackboard clearly for the first time and fulfill their educational potential by establishing systems for school-based vision screening and providing sight-restoring eyeglasses. Helen Keller Intl requests the subcommittee recommend at least $4.5 million in funding for programming to address blindness and visual impairment in children.

Thank you for your consideration of Helen Keller Intl's testimony and recommendations. We share Helen Keller's belief: *The welfare of each is bound up in the welfare of all.*

[This statement was submitted by Sarah Bouchie, President and Chief Executive Officer.]

PREPARED STATEMENT OF INSTITUTE OF INTERNATIONAL EDUCATION (IIE)

On behalf of the Institute of International Education (IIE), I am pleased to submit testimony in support of the Fulbright Program ($287.8 million) and the Benjamin A. Gilman International Scholarship Program ($17 million), both of which are funded by the Department of State, Educational and Cultural Exchange Programs, and implemented by IIE. I am also pleased to submit testimony in support of Scholar Rescue Programs ($7 million).

The Fulbright Program, operating continuously for over 75 years, is the flagship U.S. government sponsored international exchange program—supporting Americans to study, conduct research, and teach English overseas, and foreign students and scholars who contribute to U.S. universities and communities, while furthering their scholarship. No program reaches as many corners of the world, or the U.S. as the Fulbright Program does. We are seeking the Committee's support for level funding of $287.5 million in FY2025.

As a key pillar of international education and exchange, the Fulbright Program has demonstrated its unique capacity to adapt quickly to address global challenges, while engaging diverse audiences in the U.S. and 160 countries around the world. Some 5,000 visiting Fulbright students and scholars were in the U.S. on new or continuing grants last academic year.

Fulbright encourages participation of people from geographically diverse institutions and disciplines considered underrepresented, as well as from individuals who have traditionally been underrepresented in fellowship programs, including those at HBCUs, HSIs and community colleges. Level funding would support grant opportunities and fund new regional projects, enabling more Americans and U.S. colleges and universities to benefit from the program, and have a subsequent positive impact on more individuals, institutions, and communities at a time when defending democratic values is critical.

Fulbright's sustained commitment to increased institutional diversity makes the program more inclusive and accessible to nontraditional applicants. The commitment to accessibility is also highlighted in the expansion of the network of Fulbright Student and Scholar campus representatives at U.S. colleges and universities to serve diverse populations underrepresented in education abroad and competitive fellowships, and in the prioritization of outreach to MSIs, community colleges, higher education institutions in rural and economically disadvantaged areas, and military academies. Currently, over 1,700 U.S. higher education institutions have a Fulbright campus representative, including more than 350 MSIs and 300 Community Colleges.

Level funding would also allow the U.S. to build upon the Fulbright Program's proven model to address pressing issues that impact both foreign and domestic policy, like climate change, democracy building, and countering disinformation and undue foreign influence. The program operates where others cannot, fostering goodwill toward America, and establishing a scholarly network where research and development can flourish. Fulbright contributes directly to our National security and global economic competitiveness. The Fulbright Program projects American strength, shores up allies, and advances American values of freedom, opportunity,

and open exchange of ideas. It is a long-term investment in building communities and collaboration by advancing individuals' relationships, knowledge, and leadership skills. This is an important role for our government to invest in, as private international exchange programs do not have the reach and bilateral leveraging value of Fulbright.

This year, scholars of the new Fulbright Amazonia initiative worked to begin developing action-oriented policy briefs in three thematic areas. Each group will present their policy recommendations in Washington, D.C. at the conclusion of the program on the topics of climate change adaptation and mitigation, strengthening human and environmental health and security, and bioeconomy and sustainable development. At a Fulbright Enrichment Seminar in Houston, Texas, NASA engineer Dr. Elizabeth Jens spoke to attendees about her own trajectory from Fulbrighter to renowned rocket scientist. Jens came to the U.S. from Australia as a Fulbright Foreign Student to Stanford University, where she earned a master's and doctorate in aeronautics and astronautics. Today, she is a propulsion and systems engineer at NASA's Jet Propulsion Laboratory in California. Based on the research she began during her Fulbright and her subsequent work in the field, Jens published the Hybrid Rocket Propulsion Design Handbook, providing engineers with design methodologies to develop realistic hybrid system designs. In 2018, Jens was honored as a Patron of Mateship, a 100-year old program by the Australian Embassy to promote the strong Australia-U.S. bilateral relationship, looking to strengthen the countries' future cooperation on science and innovation policy. In 2023, Linsey Marr, an environmental engineering professor at Virginia Tech University, was one of two Fulbrighters named a MacArthur Fellow recognized for her work as an environmental engineer who protects public health through researching indoor and outdoor air quality and the transmission of airborne pathogens. As a 2017 Fulbright U.S. Scholar to Taiwan, Marr investigated the potential for long-distance transport of the flu virus.

Fulbright alumni, totaling more than 400,000 globally, have become leaders and contributed greatly to society—including 40 current or former heads of state or government, 62 Nobel Laureates, 89 Pulitzer Prize winners, 80 MacArthur Foundation Fellows, 16 Presidential Medal of Freedom recipients, and thousands of leaders across the private, public, and nonprofit sectors. The Fulbright Program creates an unparalleled sphere of influence—future leaders who benefited from U.S. higher education and gained understanding of American communities and our people.

The Fulbright Program exemplifies successful international cost-sharing. Eighty-nine foreign governments contribute over $90 million annually, with 49 foreign governments matching or exceeding the U.S. government's annual contribution. Increasing U.S. contributions to the Fulbright Program will only compound this unique bilateral financing model and lead other donors to increase their contributions, substantially increasing the impact of program.

Today's Fulbright Program includes students and scholars from all U.S. States and territories at great benefit to the U.S. economy. Over 750 U.S. higher education institutions are both hosting and sending students and scholars—including minority serving institutions and community colleges—making for a well-rounded and inclusive program. Including foreign Fulbrighters, international students studying in the U.S. contribute more than $40 billion to the U.S economy, while creating over 365,000 U.S.-based jobs last academic year.

From its inception, the Fulbright Program has benefited from bipartisan Congressional support. During the last several years of pressure on the Federal budget, Fulbright has proven its value to the U.S. and our relationships internationally. While there are many competing demands and worthwhile investments for the Federal Government, Congress has the opportunity to protect the Fulbright Program and focus expansion into priority areas to further connect the next generation of leaders.

The Benjamin A. Gilman International Scholarship Program enables undergraduate students of limited financial means to study or intern abroad, thereby gaining skills critical to our National security and economic competitiveness since 2001. The award is solely reserved for American undergraduate students who are eligible for a Federal Pell Grant, providing scholarships to more than 41,000 students since its inception.

Gilman Scholars are high-achieving undergraduates who hail from all 50 States and Puerto Rico, representing more than 1,300 U.S. institutions. The Gilman Program supports America's public diplomacy and national security efforts and is the largest and most inclusive study abroad scholarship in the Nation. Nearly 70% of Gilman Scholars identify as racial or ethnic minorities and more than half are first-generation college students. Nearly three-quarters of Gilman Scholars came from small cities, towns, and rural communities, and approximately 30% come from community colleges, HBCUs or other MSIs. By supporting undergraduate students who

have high financial need, the program has been successful in supporting students who have not traditionally had access to international academic experiences which make students more competitive in the workforce and instills a global mindset from a younger age. Gilman Program Alumni have created over 1,000 jobs for the U.S. economy and established more than 400 new organizations, companies, or other ventures, a 20-year impact study showed.

The program also encourages study in a wide array of destinations, growing to over 160 countries since 2001, including countries where languages critical to U.S. national security are spoken. The demand for the program remains high. Over 150,000 students have applied since the inception of the program. More than 10,000 applications from highly qualified students are received every year for approximately 4,000 scholarships making it very competitive.

The Gilman Program continues to demonstrate a commitment to our Armed Services with preference given to Veteran applicants and dependents of active-duty service members through the Congressionally-created the Gilman-McCain Scholarship.

In addition, Gilman Scholars positively impact their communities while carrying out follow-on service projects that aim to inform and encourage more American students to study and intern abroad. They serve as influential role models by their exemplary achievement through their international exchange experience, and many continue to pursue advanced degrees and are active in seeking solutions to global challenges. Maintaining bipartisan support for the Benjamin A. Gilman International Scholarship Program at the FY24 funding level of $17 million will continue to enhance our National security, economic prosperity, and provide access to opportunity for underserved populations.

IIE's Scholar Rescue Fund.—The IIE Scholar Rescue Fund (IIE–SRF) is doing essential work to protect the lives and careers of threatened scholars in a time of unprecedented need. In diverse contexts across the globe, professors and researchers are living amidst the world's worst conflicts, humanitarian crises, and repressive regimes, resulting in threats to their physical security, the indefinite interruption of their scholarly work, and the endangerment of entire disciplines in particular countries. The program has received a record number of requests for support in every year since 2017, an alarming trend that points to the many scholars across the globe who live and work amidst authoritarian regimes or conflict—in Afghanistan, Burma, Ethiopia, Gaza, Russia, Sudan, Ukraine, Venezuela, Yemen, and elsewhere. It is in the interest of U.S. foreign policy to help scholars continue their work in safety, with the hopes that they can one day return home or secure work in a host country. We are seeking the Committee's support for level funding of $7 million in FY2025 for Scholar Rescue activities.

IIE–SRF is currently responding to multiple large-scale higher education emergencies. By keeping these scholars safe and productive in academic roles across the globe, IIE–SRF is preserving and enhancing these countries' intellectual capital—the "brain save" of their best and most promising professors and scientists until it is safe for them to return. If these scholars do not receive support now, many lifetimes of work—and potentially entire academies in countries such as Afghanistan, Sudan, Ukraine, and Yemen—will be lost, a catastrophic impact on generations to come.

IIE–SRF has the global networks, tested model, and reliable track record to respond to crises of this scale. When sectarian and other violence in Iraq was at its worst, IIE–SRF launched the Iraq Scholar Rescue Project, a public-private partnership funded in part through the Department of State, which saved the lives of hundreds of Iraqi scholars. Since August 2021, IIE–SRF has been responding to an Iraq-style avalanche of applications from Afghanistan, as university professors and civil society leaders, many of whom represent the National academy the U.S. helped to build in Afghanistan, face severe threats to their safety and work. This has only compounded as crises in Ukraine, Sudan, and Israel/Palestine have increased the number of displaced persons worldwide and vie for the public's attention.

While we have been able to support more than 100 fellowships for Afghan scholars and their families so far—with placements arranged at universities in the U.S., Canada, Japan, and across Europe—there are hundreds more who have appealed to IIE–SRF. U.S. colleges, universities, and think tanks have demonstrated a remarkable commitment to supporting their Afghan colleagues and continue to seek opportunities to host Afghan scholars. IIE–SRF has developed an extensive network of institutions that welcome the opportunity to host teachers and researchers, but the overwhelming demand for support from Afghan scholars far outstrips private and philanthropic resources. Federal funding would support an existing public-private partnership that can leverage relationships in the higher education community in order to quickly find academic placements for Afghans and other recently displaced scholars, such as from Ukraine. IIE–SRF works with its vast global network

of dedicated university partners to secure placements that meet both scholars' and universities' needs and enable scholars to secure visas to their host countries.

The impact of IIE's work to rescue scholars extends well beyond the immediate lives saved. There are many examples, historical and current. During the 1930s, IIE's Emergency Committee in Aid of Displaced Foreign Scholars supported Dr. Felix Bloch, a physicist who had fled Nazi Germany, to continue his scientific research at Stanford University. Bloch's research on nuclear magnetic resonance would later be applied to develop the MRI and earned him the Nobel Prize.

Many of IIE–SRF's current fellows are engaged in work that promises to also have a wide-reaching impact, including on their home countries. One example is Dr. Marzia Hakimi, an Afghan scholar of mechanical engineering scholar undertaking the IIE–SRF fellowship at the University of Alberta in Canada. In addition to her academic duties, Dr. Hakimi is teaching online science courses to secondary-level students in Afghanistan, especially girls who are currently excluded from school.

IIE–SRF fellows also enrich their host campuses. According to Dr. Sonia Feigenbaum, Senior Vice Provost for Global Engagement and Chief International Officer at the University of Texas at Austin, "IIE–SRF fellows have not only added academic value, but have also enriched the fabric of our campus community, embodying resilience, and the pursuit of knowledge despite adversity. Their presence serves as a reminder of the power of education to transcend borders and unite people despite differences in language, cultures, and backgrounds." UT Austin has hosted six IIE–SRF fellows from five countries, including two currently on campus from Ethiopia and Yemen.

Your continued support for Fulbright, Gilman and Scholar Rescue programs is a testimony to the bipartisan values and critical foresight of this and previous Congressional leaders as you continue to prioritize the investment in the academic and diplomatic future of our great nation.

Thank you for the opportunity to submit testimony before this committee.

[This statement was submitted by Allan E. Goodman, CEO.]

PREPARED STATEMENT OF INTERACTION

Chairman Coons and Senator Graham, Members of the subcommittee, thank you for the opportunity to provide testimony concerning the FY 2025 State, Foreign Operations, and Related Programs bill. The lifesaving, life-changing programs in the State, Foreign Operations bill represent the best of American values and engagement with people around the globe.

My name is Tom Hart, and I am the President and CEO at InterAction. InterAction is the largest alliance of international NGOs and partners in the United States. Our more than 160 members work to eliminate extreme poverty, strengthen human rights and citizen participation, promote peace, and ensure dignity for all people. Our network raises $8–10 billion annually in private donations from Americans each year-putting us collectively among the top 10 donors in the world.

For 40 years, InterAction has united hundreds of international NGOs to collaborate and act collectively, promoting more effective policies and actions that positively impact global communities and benefit America.

On behalf of the InterAction membership, I want to thank the subcommittee for its leadership and continued support for foreign assistance programs. As the subcommittee knows, foreign aid is a tool for promoting U.S. national security, demonstrating American values, driving economic growth at home and abroad, and combating poverty all over the world. America's leadership on the global stage helps build a more stable and prosperous world, which in turn leads to a more stable and more prosperous America. I am grateful to have joined you at various times in Liberia, Ghana, and Rwanda to see the remarkable progress these resources are having on the ground.

I want to begin with our deep gratitude for the supplemental humanitarian funding Congress provided to address the compounding crises happening around the world. The $9.2 billion in global humanitarian funding will provide the vital resources needed to respond to the crises in Gaza, Sudan, Ukraine, the Democratic Republic of the Congo, Haiti, and beyond.

In the long term, we recognize that supplemental funding cannot replace essential base funding for foreign assistance. We also recognize that the subcommittee faces a very challenging situation this upcoming fiscal year. The House's proposed SFOPS allocation for FY2025, if enacted, would likely necessitate emergency funding to support life-saving programs. I agree with your sentiments, Sen. Graham, when you said last week that now is not a good time to take resources off the table that can prevent things from getting worse. We must break this cycle.

As you both know, less than 1% of the Federal budget goes toward global development and humanitarian assistance and that small percentage can go a long way. But we can't do more with less. While we appreciate your efforts so far, we urge you to continue to work with your colleagues and invest adequately in resources that address rising humanitarian and development needs, including the backsliding in poverty reduction and democratic governance, and the worsening global food crises. We look forward to continuing to work with you to ensure that aid is effective, efficient, and sustainable, including through efforts to further localization.

We also urge you to reject further directives to development and humanitarian accounts that add complexity and reduce flexibility. Particularly under the constrained funding levels this subcommittee is working with, further stretching aid dollars—particularly humanitarian assistance—across new funding, directives will only undermine the effectiveness of U.S. foreign assistance.

In my testimony, I will highlight the challenges we face and the importance of efficient and cost-effective investments in development, humanitarian, democracy, and global health programs at the State Department and USAID in the State, Foreign Operations bill. Rather than mention each account, I have included a table at the end of my testimony. A comprehensive list of InterAction's recommendations can be found in our recently released resource, Choose to Invest.

Development.—Development Assistance (DA) advances economic prosperity, supports poverty reduction, and promotes the development of resilient, democratic societies. These resources increase food availability, access to basic water and sanitation services, and household income through enhanced agriculture productivity and the sustainable use of natural resources. Amid global crises, however, funding for development priorities has been squeezed by urgent security and humanitarian needs. It is DA that helps to build resilience, stability, and local leadership needed to break crisis cycles, and ultimately, to defray future costs. For example, every $1 invested in building resilience through programs for WASH, basic education, climate change adaptation, and more saves $3 dollars in humanitarian assistance.

Continued U.S. investment in Development Assistance will spur economic growth, reduce the need for future foreign assistance, and build a more peaceful international order. To maintain our commitment toward long-term development, InterAction requests that you fund the Development Assistance account at $4.77 billion for FY25.

Within Development Assistance funds, USAID implements the Global Food Security Strategy program, known as "Feed the Future," which plays a vital role in addressing the root causes of poverty and hunger in countries facing high rates of malnutrition. Currently, as many as 783 million people face chronic hunger. With the global demand for food projected to increase by 50% between now and 2050, Feed the Future has adapted to meet emerging challenges through agricultural development programs, research, resilience building, and food system strengthening.

Investments in the agriculture sector are up to four times more effective than investments in any other sector spurring economic growth, supporting local agrifood systems, and reducing poverty in low-income countries. To properly address the global food insecurity and malnutrition crisis, InterAction requests that Feed the Future be funded at the authorizing level approved in the 2022 Global Food Security Act (GFSA) at $1.2 billion for FY25.

Democracy, Human Rights, and Governance.—Democracy, Human Rights, and Governance (DRG) programs expand space for a vibrant civil society and independent media; strengthen political and government institutions to be responsive to citizens' needs; promote transparency and accountability; cultivate the rule of law; foster equitable economic growth; advance tolerance and inclusiveness; protect human and labor rights; and support credible elections.

The rise in unstable democracies and decline in democratic freedoms have created an environment where authoritarian influences continue to undermine democratic norms and crack down on citizen's rights and freedoms. U.S. democracy assistance directly counters these illiberal influences by strengthening transparency and democratic governance and equipping civil society with the tools that they need to advocate for democracy.

Investing in DRG assistance is a strategic and cost-effective way to advance U.S. foreign policy goals. Stable democracies are more reliable trading partners, create opportunities for U.S. businesses, and enhance economic freedom and regional security. Simply put, democracy fosters stability during crises and opens up opportunities in their aftermath.

We know it works. For decades, the U.S. has funded DRG programs to strengthen institutions, enabling Ukraine to choose a path toward democracy and freedom. A distinct difference from Russia's tyranny. Through the years the Ukrainian people,

with support from the U.S., have built an independent democratic alternative to Putin's world—and what they built was worth fighting for.

We appreciate Congress' consistent support for democracy assistance and request that you maintain funding for DRG programs at FY24 levels ($2.9 billion) for FY25.

Humanitarian Assistance.—In 2024, nearly 300 million people around the world will need humanitarian assistance due to three main drivers: conflict, natural disasters driven by climate shifts, and economic instability. These factors have also contributed to more than 1 in 73 people being forcibly displaced, marking the highest displacement rate since the turn of the century. These alarming statistics underscore the urgent need for increased funding for humanitarian accounts, particularly International Disaster Assistance (IDA) and Migration and Refugee Assistance (MRA).

The International Disaster Assistance account provides flexible funding to address the basic needs of people in crisis, such as food, water, shelter, and medical care. Migration and Refugee Assistance supports refugee and humanitarian aid that provides basic needs of displaced people, supports durable solutions to migration and displacement, and assists the countries that host them.

I could point to countless crises affecting countries across the globe. However, I want to draw your attention to a crisis that transcends borders and affects us all: the hunger crisis. This issue is not just a statistic; it is a powerful reminder of our shared humanity and the urgent need for collective action.

Prior to the war in Ukraine and the humanitarian crisis in Gaza, millions of people were being pushed into food insecurity. Now we are facing the largest food crisis in modern history. In 2022, 2.4 billion people were moderately or severely food insecure.

With conflict as the biggest driver of hunger, 70% of starving people are living in areas affected by war and violence. It is the most marginalized among us-women, children, and refugees-who suffer the most. Recently, I joined Save the Children on a trip to the Democratic Republic of Congo to see first-hand how armed militias, flooding, and rising poverty are increasing hunger and malnutrition. Unfortunately, current funding levels do not provide enough critical resources for the over 9 million people, including 7.2 million displaced, that are affected.

In addition, climate shocks, disrupted supply chains, and high fertilizer prices have prevented farmers from accessing markets and harvesting crops. This situation is only set to worsen. As the number of those in need rises, so do the operational costs and commodity prices, escalating the cost of humanitarian response. IDA allows USAID to adapt to changing contexts, respond to emerging crises, and promote early recovery.

In FY23, humanitarian resources helped USAID respond to 76 crises in 64 countries. To address humanitarian crises in FY25, InterAction requests that International Disaster Assistance is funded at $4.8 billion and that Migration Refugee Assistance is funded at $4.2 billion.

The scale of need we are witnessing today underscores a new reality. Humanitarian assistance, once designed to address short-term emergency responses, now finds itself responding to more human-caused, protracted crises. This shift demands a new approach, one that recognizes the complexities of our current global landscape. InterAction and our Members are committed to working with you toward effective solutions to address this reality.

In conclusion, the challenges we face today are immense: multiple global conflicts, a decline in democratic norms, and compounding food insecurity. The need for a robust investment in foreign assistance has never been greater. We understand the spending pressures and fiscal realities facing our Nation, and we know that you must make difficult choices.

However, in this era of global competition, investing in development and humanitarian aid pays dividends to the United States in terms of security, prosperity, and goodwill.

As you prepare for FY 2025, it is vital that the United States continues to do its part as a global leader, investing in helping vulnerable people and communities around the world. Let America's actions reflect our dedication to building a safer, more prosperous, and more just world for all.

Thank you.

ACCOUNT ($ in thousands)	Recommended	ACCOUNT ($ in thousands)	Recommended
Adaptation	550,000	Int'l Fund for Agricultural Development	54,000
African Development Fund	197,000	Int'l Organizations and Programs	592,000
Asian Development Fund	87,220	**Int'l Disaster Assistance**	**4,850,000**
Basic Education	985,000	Int'l Peacekeeping Activities	1,962,235
Biodiversity	450,000	Malaria	820,000
Clean Technology Fund	550,000	Maternal and Child Health	920,000
Complex Crisis Fund	60,000	Microfinance	265,000
Conflict and Stabilization Operations	6,000	**Migration and Refugee Assistance**	**4,211,188**
Conventional Weapons Destruction	271,703	Millennium Challenge Corporation	930,000
Democracy Fund	355,700	National Endowment for Democracy	315,000
Democracy, Rights & Governance	**2,900,000**	Neglected Tropical Diseases	114,500
Development Assistance	**4,769,787**	Nutrition	172,500
Development Finance Corporation	1,023,000	Peacekeeping Operations	460,759
Economic Support Fund	4,301,301	Prevention and Stabilization Fund	150,000
Emergency Refugee & Migration Assistance	100	Reconciliation Programs	30,000
Family Planning and Reproductive Health	760,000	Renewable Energy	425,000
Global Agriculture and Food Security Program	20,000	Sec. 7059 Gender	650,000
Global Environment Facility	150,200	Sustainable Landscapes	300,000
Global Food Security Strategy	**1,200,000**	Transition Initiatives	102,000
Global Fund AIDS, TB & Malaria	1,650,000	Tuberculosis	469,000
Global Health Security	1,000,000	U.S. Dept. of State Diplomatic Programs	9,752,263
Global Health Workforce	20,000	U.S. Institute of Peace	60,000
Green Climate Fund	1,000,000	USAID Operating Expenses	1,796,762
HIV/AIDS (State)	6,395,000	Vulnerable Children	32,500
HIV/AIDS (USAID)	330,000	Water, Sanitation and Hygiene	500,000
Int'l Development Association	1,430,256		

PREPARED STATEMENT OF INTERFAITH WORKING GROUP ON FOREIGN ASSISTANCE

Members of the Committee, I am Dr. Christine Sequenzia, testifying on behalf of the Interfaith Working Group on Foreign Assistance. Please accept my sincere gratitude for the opportunity to submit written testimony advocating for the over 800 million people facing complex crises stemming from conflicts, rising costs of living, covid implications and climate change worldwide. I want to thank Chairman Chris Coons and Ranking Member Lindsey Graham for your unwavering commitment to strengthening the United States' role as a leader in both humanitarian assistance and international development programs, honoring the dignity of all, while building flourishing communities. We look forward to continuing to work with you, strengthening bipartisan support for emergency and non-emergency development aid delivery.

Founded in 2013, the Interfaith Working Group on Foreign Assistance (IWGFA) is a multifaith coalition of dozens of organizations committed to saving lives and advancing the dignity of vulnerable and marginalized people around the world. We believe that every human being has inherent dignity and should be fulfilled of basic needs such as food, clean water, shelter, education, and the right to live freely. Through data-driven legislative advocacy in support of robust U.S. humanitarian and poverty-focused development assistance, we strive to build peace and prosperity in the way we help prevent and respond to global crises. As faith-based organizations, we bring together Christian, Muslim, Jewish, Buddhist, Sikh and other faith voices, standing in solidarity with one another centered around our common value of recognizing and upholding our shared humanity.

As the compounding impacts of food price spikes further exacerbate hunger and insecurity, climate change impacts more people, and fall-out from the COVID–19 pandemic continues, U.S. government leadership, funding and technical assistance is more vital now than ever before. House Appropriations Chairman Tom Cole approved topline numbers last week which would cut the foreign affairs budget to levels unseen in well over a decade which would devastate ongoing United States humanitarian efforts and draw communities further into famine. Conflicts and crises in places such as Israel-Palestine, Ukraine, Sudan, and Haiti have intensified over the past year, and innocent civilians have been the most victimized—particularly those with less ability to express personal agency, like women, children and the elderly.

The Interfaith Working Group on Foreign Assistance has been closely monitoring these complex crises leading to hunger and poverty hotspots around the world, and would like to highlight the following areas:

—*Sudan*—.The violence in Sudan between the Sudanese Armed Forces and Rapid Support Forces has doubled the number of internally displaced persons, which now numbers over 7.2 million, and has driven 1.8 million refugees to bordering nations (IOM).

—*Gaza*—.The number of people facing catastrophic levels of hunger in Gaza has doubled since December, with the northern part of the strip already meeting some of the criteria of a full-blown famine, according to estimates by food insecurity experts. Over 1 million people in Gaza are suffering from starvation. (FEWS–NET)

—*Democratic Republic of Congo*—.In addition to the fighting among different armed groups, gender-based violence and sexual exploitation is occurring in the DRC on a very large scale. There is widespread food insecurity, where 5.5 million people are internally displaced and 1.1 million have become refugees due to ongoing conflicts, according to UNHCR data.

—*Horn of Africa*—.Due to multiple conflicts, the East and Horn of Africa and the Great Lakes (EHAGL) region is currently hosting 4.99 million refugees, and the region has 11.71 million internally displaced persons (UNHCR).

—*Yemen*—.The ongoing war in Yemen has left 17 million people food insecure, and "3.5 million pregnant/breastfeeding women and children under 5 are suffering from acute malnutrition" (WFP).

—*Ukraine, Haiti,* and many other conflict-torn nations and territories.

We urge the U.S. Congress to scale up humanitarian investments in these and other highly impacted countries/regions, and to continue to fund critical hunger, malnutrition, and poverty-focused programs. While representing less than one percent of the Federal budget, these programs provide a strong return on investment to the U.S. taxpayer because they help promote a healthier, more prosperous, and more stable world for everyone. These programs also save lives and work toward enabling children to grow up in healthy stable environments.

Specifically, the IWGFA urges members of the subcommittee to prioritize funding in the following appropriations accounts:

—*$ 1.8 billion for Food for Peace (Title II).*—Food for Peace Title II programs provide emergency and long-term development food assistance targeting the most vulnerable populations affected by natural disasters, conflicts, and chronic food insecurity, while strengthening nutrition, water and sanitation services, agricultural productivity, and household income diversification. In 2022, USAID provided commodities such as wheat, split peas, sorghum, and vegetable oil to feed communities affected by the drought in the Horn of Africa, as well as ready-to-use supplemental foods (RUSF) and ready-to-use therapeutic foods (RUTF) to treat acute malnutrition in children. According to food security experts, the scale-up of humanitarian assistance-mobilized primarily by the United States-was integral in preventing the onset of famine in parts of Somalia.

—*$ 265 million for the McGovern-Dole International Food for Education Program.*—McGovern-Dole provides U.S. agricultural commodities as well as financial and technical assistance to low-income, food-insecure countries through establishing school feeding programs for preschool children, while also increasing local access to safe water, improving sanitation, and helping local farmers to bolster sustainable production of nutritious foods. In 2022, thanks to the McGovern-Dole Program, approximately 105,000 children and their families in Sri Lanka received protein-rich take-home rations to cover 3 months of food needs.

—*$ 920 million for the Maternal and Child Health (MCH) Programming.*—The MCH account supports programs aimed at ending preventable maternal and child deaths through strengthening national health systems, treating diarrheal disease, malaria, and pneumonia, improving nutrition and access to safe water and sanitation services, and providing voluntary family planning and immunization support.

—*$ 4.21 billion for the Migration and Refugee Assistance (MRA) Program.*—MRA works to mitigate and resolve conflict-related displacement and support humanitarian action and diplomacy for displaced populations in highly impacted countries/regions such as those mentioned earlier.

—*$ 4.85 billion for the International Disaster Assistance (IDA) Program.*—IDA provides critical humanitarian assistance to civilian populations in response to

natural disasters, conflict and insecurity, and other sudden-onset emergencies in their home or host countries.

—*$ 1.2 billion for Global Food Security Strategy.*—Feed the Future is a key U.S. government global hunger and food security initiative. Currently, 20 countries around the world are participating. Feed the Future has helped more than 23 million people escape poverty and more than 5 million families live free from hunger. Congress reauthorized the program in 2022 and provided a moderate increase in funding to $1.2 billion.

—*$ 60 million for the Complex Crises Fund (CCF).*—CCF allows the U.S. government to prevent and respond rapidly to emerging or unforeseen crises in fragile countries at a heightened risk of conflict and instability. Since its inception in 2010, CCF has provided $340 million to emergent crises in 36 countries, allowing for the quick mitigation of crises and ability to address unforeseen needs arising outside of planned programming.

—*$ 1 billion for the Green Climate Fund.*—GCF works in developing countries to lower greenhouse gas emissions and build resilience, including among smallholder farmers through climate-smart agriculture.

Please find a list of our full requests for each account below:

Appropriations Account Interests	FY25 Request
Food for Peace (Title II Funds)	$1,800,000,000
McGovern-Dole	265,000,000
USDA MG-D Local and Regional Procurement	26,500,000
Maternal and Child Health (USAID Account)	920,000,000
Global Nutrition (USAID Account)	172,500,000
Global Health	4,638,500,000
International Disaster Assistance	4,850,000,000
Development Assistance	4,770,000,000
Global Food Security Strategy	1,200,000,000
Migration and Refugee Assistance	4,210,000,000
Emergency Refugee and Migration Assistance	100,000,000
Democracy Fund & Human Rights and Democracy Fund	2,900,000,000
Complex Crises Fund	60,000,000
Green Climate Fund	1,000,000,000
Economic Support Fund	4,300,000,000

Many of these programs also support human rights, and responsible and effective governance, while addressing complex emergencies and conflicts. These accounts are key to uplifting the lives of millions in poverty and facilitating increased global peace and stability. Any proposed cuts will substantially harm the U.S.' ability to help those most in need of aid, which will not only roll back decades of progress made on these global issues, but also jeopardize U.S. international standing, national security, and economic opportunities.

As faith-based organizations, we stand in solidarity with vulnerable and marginalized populations, centered around our shared humanity and values to uphold one another's humanity. We strive to build peace and prosperity through joint advocacy on U.S. policy and programs related to poverty-focused development assistance, humanitarian aid and crises prevention and response.

May God give us all wisdom and guidance at this critical juncture.

[This statement was submitted by Dr. Christine M. Sequenzia, MDiv., Chair.]

Prepared Statement of the International Council on Monuments and Sites (ICOMOS–USA)

Chairman Coons, Ranking Member Graham and members of the subcommittee, I appreciate this opportunity to present the recommendations for Fiscal Year 2025 State Department appropriations from the United States National Committee of the International Council on Monuments and Sites (ICOMOS–USA). My name is Thomas Cassidy, and I am the Advocacy Chair of the organization's Board of Trustees.

ICOMOS–USA is a privately funded nonprofit organization. As the oldest and one of the largest of the 110 National Committees of the International Council on Monuments and Sites (ICOMOS), ICOMOS–USA has played a critical role in the con-

servation and protection of cultural heritage sites across the world for over half a century. ICOMOS–USA is a proud member of the worldwide ICOMOS alliance and a vital bridge linking preservation professionals in the United States with our counterparts in other countries. As the only U.S. professional preservation organization with a global focus, ICOMOS–USA remains the gateway for U.S. professionals to participate in worldwide heritage conservation. A principal focus of our domestic work is advocacy on behalf of the World Heritage program.

Thank you for the FY 2024 State and Foreign Operations appropriations bill. We were inspired by Chairwoman Patty Murray's March 21 statement that the FY24 State and Foreign Appropriations bill provides "$3.4 billion to meet our commitments and fully fund our dues to the United Nations (UN) and other international organizations." We were also pleased to see robust funding for both the State Department's Contributions to International Organizations (CIO) and International Operations and Programs (IO&P) accounts.

We support the Administration's FY25 request for increases over FY24 enacted for both of these accounts.

Our principal concern, however, is the United States' continued failure to pay its assessed voluntary contribution to the World Heritage fund. This despite our rejoining UNESCO last July. In fact, the last time the United States honored its commitment to the World Heritage Fund was in 2011 when we paid utilizing the IO&P account.

From our conversations with the State Department, we understand that it does not plan to use any FY24 or FY25 CIO funds for payment to the World Heritage fund. Given that, we have urged the Department to utilize the IO&P account for UNESCO's 2024 assessed contribution of $753,989 to the World Heritage Fund.

We request that the Committee direct the Department, at minimum, to pay the 2024 and 2025 assessments from the IO&P account and develop a plan to pay the United States' arrearages from the CIO or IO&P accounts in the near future. Our best understanding is that the total arrearages are about $8,500,000.

BACKGROUND ON THE WORLD HERITAGE PROGRAM

The UNESCO adopted the World Heritage Convention in 1972. The United States was a prime mover in the creation of the World Heritage Convention, which seeks to foster international cooperation to protect globally significant sites and was also the first nation to ratify the convention. The World Heritage Center is responsible for coordinating within UNESCO all matters related to World Heritage, including maintenance of the list of World Heritage Sites. The Committee has three advisory bodies including the International Council on Monuments and Sites (ICOMOS) and the International Union for Conservation of Nature (IUCN).

As the professional and scientific adviser to the committee on all aspects of cultural heritage, ICOMOS is responsible for the evaluation of all nominations of cultural properties made to the World Heritage List with the criteria established by the World Heritage Committee.

The value of the World Heritage Program has been well described by the State Department:

> In 1972, the United States proposed the World Heritage Convention to the United Nations Educational, Scientific, and Cultural Organization (UNESCO), and was the first state to ratify that convention. The World Heritage Program promotes local and international cooperation for the preservation of natural and cultural heritage. Significantly, it is the most widely accepted international conservation treaty in the world, which has resulted in the American concept of national parks being implemented worldwide.[1]

Similarly, the State Department has recognized the importance of World Heritage in multiple reports and statements. For example, in December, 2022 attention was drawn to the Administration's action "withdrawing oil and gas development from the broader Chaco Canyon Landscape, a UNESCO World Heritage Site."[2] The Department's 2022 Report on Religions Freedom reported our Embassy in Iraq's announcement of "an additional $750,000 in U.S. funding for the further renovation of the Lalish Temple, the holiest Yezidi temple and a UNESCO World Heritage Site,

[1] https://2009-2017.state.gov/p/io/unesco/c48319.htm.

[2] "Highlighting U.S. Efforts to Combat the Biodiversity Crisis, Fact Sheet," Office of the Spokesperson, December 15, 2022; https://www.state.gov/highlighting-u-s-efforts-to-combat-the-biodiversity-crisis/.

bringing total U.S. support to more than $2.3 million."[3] And the Department in its 2021 report on foreign terrorism cited the inhumanity of a terrorist group's destruction of UNESCO World Heritage sites in Mali.[4]

We understand the Department's Office of Cultural Heritage has identified over 260 historic structures and properties, including 25 in UNESCO World Heritage Sites, in U.S. embassies, consulates, and residences worldwide. These buildings have been described as "the stages on which our diplomats advance American ideals of democracy and free enterprise around the globe."[5]

WORLD HERITAGE SITES IN THE UNITED STATES

There are 25 World Heritage Sites in the United States, including Yellowstone and Mesa Verde National Parks, which were both among the 12 sites first inscribed in 1978. Other U.S. sites include the Statue of Liberty, Chaco Culture, Independence Hall, Hawaii Volcanoes, Everglades, and Cahokia Mounds.

We are pleased that the State Department—and other Federal agencies—continue to participate in significant World Heritage activities—including traveling to Saudi Arabia for last year's celebratory inscription of Hopewell Ceremonial Earthworks on the World Heritage List. That inscription—like Chaco Culture National Historic Park, Taos Pueblo, Monumental Earthworks of Poverty Point, Cahokia Mounds State Historic Site, and Mesa Verde National Park- is a powerful demonstration of the United States' commitment to the outstanding universal value of Indigenous cultures.

We look forward to this year's expected inscription of the serial transnational nomination of Moravian Church Settlement sites in Bethlehem, Pennsylvania, the United Kingdom, and Germany. And, in future years we look forward to successful inscriptions of both the Okefenokee National Wildlife Refuge and the Serial Nomination of United States Civil Rights Movement Sites.

ADDITIONAL REASONS TO REENGAGE WITH THE WORLD HERITAGE COMMITTEE

ICOMOS–USA believes strongly that continued—and ideally enhanced—engagement by the United States with the World Heritage Committee requires payment of dues. Quite simply, representatives of state parties have openly complained that it is not fair for the U.S. to utilize the system, including consulting with the World Heritage Committee on details of future designations, without helping to meet the costs of the system. Although a number of U.S. nominations have been approved by the Committee, we are concerned that other countries may look askance at future U.S. nominations, thereby jeopardizing acceptance of future U.S. sites when we are not contributing to the costs of the World Heritage program.

This Committee—and the Biden Administration—have recognized for several years that engagement with UNESCO would enable the United States to counter Chinese influence and promote other national interests of the United States. China's involvement in the World Heritage program has accelerated as our participation has decreased. Among other things, the number of World Heritage Sites in China has increased dramatically over the past 20 years, and now includes 57 sites, the second largest total of sites globally just after Italy's 59 sites. China is also using the cultural legacy of the Silk Road to advance its One Belt, One Road initiative and promote its geo-political and economic interests in Asia, Africa, and elsewhere.

There is also a well-recognized need for the United States to broadly counter Russian influence in the international community. We were pleased that in 2022 the United States was one of 46 nations to join the United Kingdom in urging the World Heritage Committee to not hold its scheduled meeting in Russia and stating that the signatories would not attend a meeting in any other nation chaired by Russia.

And last year, the World Heritage Committee, at the request of Ukrainian President Volodymyr Zelenskyy, utilized its emergency procedures to both inscribe the Historic Center of the Port City of Odessa on the list of World Heritage and also to include the site on the List of World Heritage in Danger. In 2022, we were honored that Ukraine's Deputy Minister of Culture and World Heritage joined our annual celebration to describe the destruction and challenges of preserving her nation's heritage resources. We look forward to engaging in international efforts to in-

[3] "2022 Report on International Religious Freedom: IRAQ," https://www.state.gov/reports/2022-report-on-international-religious-freedom/iraq/.

[4] "Country Reports on Terrorism 2021, Chapter 5, Foreign Terrorist Organizations, Africa" https://www.state.gov/reports/country-reports-on-terrorism-2021/.

[5] See "Fund to Conserve United States Diplomatic Treasures Abroad," https://fundtoconserve.org/program-in-honor-of-preservation-month.

vest in programs that can preserve and reconstruct Ukraine's national heritage and other sites damaged by conflict.

With the increasingly visible interests of the U.S. in the Pacific, there is an opportunity to advance four sites on the U.S. Tentative List for possible future inscription, including the Pacific Remote Islands in U.S. Territorial Waters, as a strategic element of our soft diplomacy in the region.

Paying our annual contribution to the World Heritage Fund should be a part of our commitment to promoting our National values on the global stage. As we approach the 1-year anniversary of rejoining UNESCO we believe strongly this is the time for the United States to once again demonstrate its financial commitment to this well-known UNESCO program.

Thank you for considering our testimony. I would be pleased to answer any questions you may have.

PREPARED STATEMENT OF J STREET

Thank you Chairman Chris Coons, Ranking Member Lindsey Graham, and the other Members of the subcommittee for the opportunity to offer the pro-Israel, pro-peace, pro-democracy movement's views on U.S. assistance for Fiscal Year 2025 to our ally Israel, the Palestinian people and to other partners around the world. This testimony addresses provisions of the State, Foreign Operations and Related Programs (SFOPS) appropriations bill affecting the U.S. Department of State and the U.S. Agency on International Development.

I greatly appreciate how the leaders and Members of this committee have worked together for many years, on a bipartisan basis, to ensure robust appropriations in each of these areas. These past 8 months have been some of the most challenging times for the pro-Israel, pro-peace community since the devastating October 7th Hamas attack on Israel, and we look to you all to press for strategic support for our allies and robust assistance to address the humanitarian crisis in Gaza.

MEETING AID COMMITMENTS TO ISRAEL

Maintaining a strong, vibrant U.S.-Israel relationship based on shared values and goals is a core American interest. U.S. support for Israel as a democracy and a national homeland for the Jewish people is a historic and crucial commitment. An enduring relationship between the United States and Israel promotes common interests in the security, economic and strategic spheres.

American security assistance to Israel, including maintaining Israel's defense capabilities, is an important anchor for any viable peace process based on providing Israel with the confidence and assurance to take steps that would lead to a demilitarized Palestinian state next to a secure Israel, fully integrated into the region.

Nonetheless, U.S. support to Israel—as with U.S. security assistance to any country—must be used in compliance with U.S. and international law; when inconsistencies or violations arise, they should be investigated thoroughly and rectified swiftly to minimize harm and preserve the credibility of the U.S. and its partners around the world. That is why, especially in light of the Administration's NSM–20 report, J Street supports the Administration's measured decision to pause certain munition transfers to Israel, in a manner that does not undermine Israel's defense capabilities, to signal deep concerns over a large-scale operation into Rafah, home to over 1.3 million Palestinian refugees.

With the understanding that this Administration is well positioned to make diplomatic decisions to halt certain weapon transfers to Israel, as needed, J Street urges the subcommittee to appropriate $3.8 billion in security assistance for Israel in Fiscal Year 2025 in accordance with the 2016 Memorandum of Understanding agreed to under President Barack Obama.

U.S. BILATERAL ASSISTANCE BENEFITTING THE PALESTINIAN PEOPLE AND UNRWA FUNDING

Just as ensuring the security of Israel is a vital American interest, so is restoring and maintaining robust US assistance benefiting the Palestinian people through both bilateral aid and the United Nations Relief and Works Agency (UNRWA). J Street therefore urges the subcommittee to include in Fiscal Year 2025 appropriations a robust funding level for the Migration, Refugee Assistance (MRA) account in the amount of no less than $4.5 billion and to allow for the immediate resumption of funding to UNRWA, along with no less than $229 million in Economic Support Funds (ESF) available for assistance for the West Bank and Gaza.

U.S. assistance benefitting the Palestinian people has served as an essential component of efforts by previous administrations of both parties to enhance security and well-being to Palestinians and Israelis alike. The direct relationship between U.S. assistance to Palestinians and the security and stability of Israel and its neighbors is undeniable, but far from the only reason previous Congresses and administrations have consistently provided such aid. U.S. assistance to Palestinians is a means of recognizing Palestinians' dignity—their standing as individuals and as a people. It is an acknowledgment that their suffering is real, and a reiteration of the U.S.' commitment to help end the conflict at the root of it.

Moreover, U.S. assistance benefitting the Palestinian people impacts the security not just of Israel, but of the entire immediate region. This is especially true when it comes to the region-wide operations of UNRWA, to which the United States has typically provided around a quarter of the agency's operating budget.

UNRWA provides vital humanitarian and development services to Palestinian civilians, including but not limited to primary and vocational education, health care, and emergency relief. UNRWA operates not just within the West Bank and Gaza, but in neighboring countries which rely upon its efforts to assist millions of Palestinians whom they would otherwise be unable to adequately support UNRWA's protectees. This includes more than two million Palestinian refugees living in Israel's strategic ally Jordan, and nearly half a million Palestinian refugees impacted by conflict in Syria.

We want to see this bipartisan commitment to UNRWA continue. While we were deeply disturbed by the allegations of UNRWA employees' potential involvement in the horrific October 7th Hamas attack on Israel, we were pleased to see UNRWA take immediate remedial steps in light of the allegations, and we supported the Biden Administration's pause in funding for the agency at the time as the investigations proceeded. However, UNRWA plays an unparalleled role in providing assistance to Palestinians in Gaza and the Fiscal Year 2024 ban on funding for UNRWA included in the appropriations bill threatens to undermine the agency at a moment when it is needed the most.

Last month, a high-level independent report into UNRWA's operations, led by former French Foreign Minister Catherine Colonna, was released, and included findings that UNRWA has robust, well-developed internal mechanisms to ensure neutrality and accountability. The report also provided additional recommendations as to steps the agency should take to ensure its commitment to neutrality and to improve operations, and the agency has committed to implementing these recommendations.

We note that even amid the allegations, a senior Israeli official recognized the critical necessity of UNRWA's ongoing operations at this time, saying, "If UNRWA ceases operating on the ground, this could cause a humanitarian catastrophe." The official stated that with no other organization capable of fulfilling UNRWA's functions, "Israel is not pushing to shut down UNRWA."

Therefore, I reiterate my request to this subcommittee to support robust funding for the MRA account and to allow the immediate resumption of funding for UNRWA.

In addition to life-saving support for UNRWA, we urge this subcommittee to prioritize funding for initiatives that support security, peacebuilding and economic development between Israelis and Palestinians. We recommend at least $50 million for the Nita M. Lowey Middle East Partnership for Peace Act in Fiscal Year 2025, in light of the current crisis, to promote dialogue and reconciliation in the region; $33 million for International Narcotics and Law Enforcement security coordination in the West Bank and Gaza to address security challenges that threaten the well-being of both populations; and $27.2 million designated for the Middle East Partnership Initiative to empower civil society and promote democratic values in the region.

FOREIGN ASSISTANCE & DIPLOMACY WORLDWIDE

The same security, strategic and moral considerations informing our support for generous U.S. assistance to Israel and the Palestinian people hold true when it comes to U.S. aid and diplomacy around the world. J Street therefore urges the subcommittee to ensure robust overall funding for global U.S. assistance, State Department personnel and operations, financial commitments to multilateral organizations and related programs supporting peace and diplomacy.

U.S. funding for a strong Foreign Service, the United Nations, humanitarian assistance and cultural exchange programs worldwide significantly impact the ability of the United States to work in concert with our allies and the international community on matters of immense strategic importance that affect every American and Israeli.

As we have seen in previous years, diplomacy has the ability to deliver significant national security payoffs to the United States at a fraction of the cost of military action and without any of the attendant human suffering. As Admiral Mike Mullen, former chairman of the Joint Chiefs, once stated: "It is my firm belief that diplomatic programs, as part of a coordinated strategy, will save money by reducing the likelihood of active military conflict involving U.S. forces. The more significant the cuts, the longer military operations will take and the more and more lives are at risk."

An overwhelming consensus of pro-Israel organizations—including J Street—have long argued for robust US assistance worldwide, and importantly urged that Israel not be treated as a special case, exempted from cuts to foreign aid while programs affecting the rest of the world are put under increasing strain. We urge the subcommittee to continue expanding generous US assistance to other partners and peoples in need, just as it has continued to increase aid to Israel.

Thank you again for the opportunity to provide our views on Fiscal Year 2025 appropriations. I welcome and look forward to answering any questions or requests for information that you may have.

[This statement was submitted by Jeremy Ben-Ami President.]

PREPARED STATEMENT OF JESUIT REFUGEE SERVICE/USA

On behalf of Jesuit Refugee Service/USA (JRS/USA), thank you for the opportunity to present our views on the importance of investing in refugee assistance programs in the FY25 State & Foreign Operations Appropriations bill. Specifically, we urge the subcommittee to oppose any cuts to programs that benefit forcibly displaced persons and to instead support $4.4 billion for Migration & Refugee Assistance and $1.12 billion for the Nita M. Lowey Basic Education Fund, including at least $50 million in funding for Education Cannot Wait (ECW).

We want to extend our sincere thanks to Chairman Coons, Ranking Member Graham, and members of the subcommittee for past efforts to protect funding for refugee assistance programs and for championing access to education especially for refugee and forcibly displaced children. In this challenging fiscal environment, bipartisan Congressional support that assists those affected by conflict and crisis is critical in ensuring that the U.S. remains a leader in offering opportunities for those who have been forcibly displaced to learn and thrive.

The number of people forced from their homes due to persecution, conflict, and violence reached 114 million in 2023, the highest number on record.[1] U.S. engagement and support for refugee assistance programs has a direct impact on the well-being of refugees and other displaced people who are often the most marginalized members of society. Now more than ever, to promote a world of peace and justice where all people can thrive, the U.S. must be a leader in helping those who are among the most vulnerable.

As an organization serving more than 1.5 million refugees and other forcibly displaced persons in 58 countries, we at JRS/USA work daily to support their needs.[2] With support from the State Department's Bureau for Population, Refugees, and Migration (PRM), we can provide life-saving assistance and help improve their quality of life. As the 5th largest PRM NGO grantee, JRS/USA is able to provide access to education, livelihoods, and psychosocial support for refugees who otherwise would have no place to turn in places like Chad, Ecuador, and Iraq.

CRITICAL FUNDING FOR REFUGEES

The Migration & Refugee Assistance account funds lifesaving programs and plays a vital role in asserting U.S. leadership and national interests around the world. U.S. funding—including support for the UN Refugee Agency (UNHCR) and faith-based and civil society organizations—helps meet the basic needs of displaced persons, including access to food, water, shelter, healthcare, and education. These programs assist developing countries that host 75 percent of refugees as well as countries that have significant internally displaced populations.[3]

For example, Chad currently hosts 1.3 million forcibly displaced persons, including more than 550,000 new refugees from Sudan who have arrived over the past

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[1] UNHCR (2024). 2023 Donor Impact Report. https://www.unhcr.org/media/2023-donor-impact-report.

[2] Jesuit Refugee Service/USA (2022). 2022 Annual Report. https://www.jrsusa.org/wp-content/uploads/sites/2/2023/07/JRS-AR-2022-Final-7.1-Small.pdf.

[3] UNHCR (2023). Mid-Year Trends 2023. https://www.unhcr.org/us/media/mid-year-trends-2023.

year due to an eruption of conflict in their home country.[4] As the United Nations designated humanitarian organization lead in the education sector in Chad, among other countries, and with support from PRM, JRS is providing secondary education to more than 35,000 refugee students in Chad. But there are currently still an estimated 200,000 refugee children who are not enrolled in secondary school in Chad. With no end of the conflict in sight, more refugees are expected to cross into Chad and the needs of all refugees inside the country will only increase as resources are stretched.

Ecuador is home to one of the largest refugee populations in the Western Hemisphere—mainly from neighboring Colombia—and to the fourth-largest community of Venezuelan refugees and migrants in Latin America.[5] At the same time, Ecuador is currently experiencing a severe period of violence and political instability, including a significant escalation in homicide rates, which have nearly doubled annually since 2020. This has resulted in an increase in the number of Ecuadorians fleeing in search of safety and security. With resources from PRM, JRS continues to implement life-saving programming for displaced persons in Ecuador as well as Ecuadorians fleeing to neighboring countries.

In Iraq, JRS provides a variety of programs to refugees and other forcibly displaced people including Yazidis displaced by the genocide in 2014. This specialized support consists of home visits and material assistance among other types of aid. JRS runs learning centers that provide structured education for children and young people as well as skills training for adults. JRS has also made particular efforts to provide mental health and psychosocial support (MHPSS) services to survivors of the Yazidi genocide. These types of programs would not be possible without assistance from donors like the United States.

Maintaining stable and humane conditions for displaced persons and host communities during early onset emergencies and protracted crises is critical for ensuring stability and security. Given that we are currently facing the worst displacement crisis on record, it is essential that support for the Migration & Refugee Assistance account is increased to meet the growing needs and remains strong. Not only does U.S. leadership on refugee issues send a signal for other governments to follow our example, but U.S. support for refugee assistance programs has a clear, tangible impact on people's lives, helping them contribute to building a peaceful and hope filled world.

PRIORITIZING REFUGEE EDUCATION

Refugee education is a necessary and critical protection tool. JRS is proud to play an important role in educational programming around the globe. Providing access to education for refugees and others who are forcibly displaced is a vivid example of the impact of U.S. investment and engagement. Not only does education offer an important form of protection for children, but education is also the key to achieving success across the Sustainable Development Goals (SDGs). Without it, how can we expect the displaced children of today to participate productively in building future peace and stability?

Yet, of the nearly 15 million school-age refugees, half are not in school. Sustained enrollment in school for refugees is also a challenge as 38 percent are enrolled in pre-primary school, 65 percent in primary school, 41 percent in secondary school, and only six percent at the tertiary level.[6] An even greater number—224 million—conflict-affected children lack educational services, denying them their right to an education and making them more vulnerable to violence, trafficking, child labor, child marriage, and recruitment by armed groups.[7]

In 2021, only 2.9 percent of global humanitarian financing was allocated to education.[8] Through robust funding of global education programs, and by ensuring that education is a core part of humanitarian assistance, we can ensure that more displaced children are gaining access to a quality education and a hopeful future. This

[4] UNHCR (2024). Global Focus: Chad. https://reporting.unhcr.org/operational/operations/chad.
[5] UNHCR (2024). Global Focus: Ecuador. https://reporting.unhcr.org/operational/operations/ecuador.
[6] UNHCR (2023). "Unlocking Potential: The Right to Education and Opportunity." https://www.unhcr.org/media/unhcr-education-report-2023-unlocking-potential-right-education-and-opportunity.
[7] Education Cannot Wait (2023). "Crisis-Affected Children and Adolescents in Need of Education Support: New Global Estimates and Thematic Deep Dives." https://www.educationcannotwait.org/sites/default/files/2023–07/f__ecw1022__globalestimates__paper__mech2__1.pdf.
[8] United Nations Transforming Education Summit (2023). "Education in crisis situations: A commitment to action." https://www.un.org/en/transforming-education-summit/education-crisis-situations.

includes encouraging bilateral donors, multilateral entities, and corporate donors to take part in these efforts.

The U.S. has begun to recognize the importance of investing in refugee education in recent years as we witness the impact of conflict and crisis on young people. But the need is arguably more important now than ever before. Continued and increased support from the U.S. Government, as well as multilateral partnerships like Education Cannot Wait, play a critical role in helping forcibly displaced people build a future for themselves and the communities in which they live.

EDUCATION CANNOT WAIT

Launched in 2016 with the support of civil society organizations including JRS/USA, Education Cannot Wait is the first global movement and fund dedicated to education in emergencies and protracted crises. ECW gathers international humanitarian and development aid actors, along with public and private donors, to help reposition education as a priority on the humanitarian agenda, usher in a more collaborative approach among diverse actors and foster additional funding to ensure that every crisis-affected child and young person is in school and learning.

The U.S. government has played a critical role in ECW's transformative efforts, contributing over $170 million in financial assistance since its inception, including $25 million in annual appropriations in FY20, FY21, and FY22; $30 million in FY23; and $30.4 million in FY24. The U.S. also provides technical support to ECW and its partners and plays a leadership role in ECW's governance structure. USAID and PRM work together to contribute resources, share leadership responsibilities, and ensure that U.S. resources are put to good use.

To date, ECW has raised $1.6 billion from 23 donors, including the private sector.[9] With both first emergency rapid response and multi-year funding platforms, ECW has reached over 8.8 million children and youth and trained over 140,000 teachers in 43 crisis-affected countries.[10] ECW-supported programs span a wide spectrum of context-specific activities including water and sanitation infrastructure, school feeding, mental health and psychosocial support, learning tools and materials, school infrastructure, and teacher training and incentives. Programs are implemented through UN agencies as well as international, national, and local NGOs, including Jesuit Refugee Service.

With the support of ECW funding in Uganda, JRS has been able to improve educational facilities for refugee girls enrolled in secondary school. This includes building dormitories, separate bathing facilities, additional classrooms, and teacher's quarters. These investments have enabled girls to study and achieve their goals in a safe and productive environment and are critical in Uganda and other refugee-hosting communities. Congress must continue to invest in this innovative partnership which allows the U.S. to contribute to timely and critical programs that make an immediate impact in the lives of young people who have been displaced from their homes and their schools.

CONCLUSION

In a world navigating a growing number of crises, how we respond to the millions of families and children who have been forced to flee their homes impacts not only their future but peace and security around the globe. Now is the time to redouble our efforts and demonstrate U.S. global humanitarian leadership.

We thank Congress for its past support for these critical programs, including its longstanding commitment to, and support for, UNHCR and faith-based and civil society organizations serving refugees in some of the most difficult circumstances. We urge the subcommittee to oppose any cuts to refugee assistance and to instead include $4.4 billion for Migration & Refugee Assistance and $1.12 billion for basic education programs, including $50 million in funding for Education Cannot Wait, in the FY25 State & Foreign Operations Appropriations bill.

Thank you again for your time and consideration.

[This statement was submitted by Kelly Ryan, President.]

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[9] Education Cannot Wait (2024). Contributions by Donor. https://www.educationcannotwait.org/about-us/our-partners/our-donors.

[10] Education Cannot Wait (2024). Main Results Dashboard. https://www.educationcannotwait.org/impact-results/main-results-dashboard.

PREPARED STATEMENT OF THE JOINT BALTIC AMERICAN NATIONAL COMMITTEE, INC. (JBANC)

Dear Chairman Coons, Ranking Member Graham, and Members of the subcommittee:

The Joint Baltic American National Committee, Inc. (JBANC), representing the Baltic-American community, has worked closely with Congress since 1961 to enhance United States policy towards Estonia, Latvia, and Lithuania.

As the subcommittee considers appropriations for the fiscal year (FY) 2025, we remain grateful for the unwavering and enduring support that the United States has shown to the Baltic countries. Foreign Military Financing (FMF) and International Military Training and Assistance (IMET) programs for the Baltic countries have remained core elements of military assistance for nearly three decades, together with more recent, and much-needed Baltic Security Initiative funding. FMF funding, which "enables eligible partner nations to purchase U.S. defense articles, services, and training," has maintained similar investment over recent years. We are pleased that the House report language for FMF legislation is at $29.25 million for the Baltic countries: $9.75 million each for Estonia, Latvia, and Lithuania. We urge the subcommittee to continue to support robust FMF and IMET funding for the Baltic countries.

U.S. security assistance remains critical for Estonia, Latvia, and Lithuania in being able to defend against escalating threats from Russia. The Baltic American community is especially grateful for continued strong language on security assistance to the Baltic countries' capability development and hopes the FY25 National Defense Authorization Act will reflect the same. All these measures help to emphasize the strong connection between the United States and the Baltic countries.

It bears repeating that every Estonian, Latvian and Lithuanian knows that freedom cannot be taken for granted. Besides their ongoing commitment to reach 3% of GDP for defense spending in 2025, the Baltic countries have been outstanding in delivering their own stocks of weapons and materials to Ukraine to help that country continue to defend itself.

Thank you for the opportunity to make these points to the subcommittee, and for your efforts on this important area in transatlantic security. We look forward to working with you on this issue. If you or your staff have any questions, please contact us.

[This statement was submitted by Karl Altau, Managing Director.]

PREPARED STATEMENT OF KIWANIS INTERNATIONAL

Mr. Chairman, it is an honor to provide testimony to the Committee on behalf of more than 430,000 Kiwanis-family members in nearly 16,000 Kiwanis family clubs, with more than half located within the United States. We appreciate the opportunity to provide testimony in support of the Kiwanis/UNICEF program to eliminate maternal and neonatal tetanus and in support of our work related to iodine deficiency and nutrition. We are seeking the support of this Committee to recommend $2,000,000 in the fiscal year 2025 bill for maternal and neonatal tetanus (MNT) and $3,500,000 for iodine deficiency and iodine nutrition. This funding would come from the U.S. Agency for International Development's Global Health Programs, Maternal and Child Health and Nutrition accounts.

I am the elected volunteer president of Kiwanis International. I have the privilege of serving members in the United States and in more than 80 countries around the glove.

IODINE DEFICIENCY AND NUTRITION

Iodine deficiency is the world's leading cause of preventable mental impairment. Iodine deficiency has been kept under control through a global movement to iodize edible salt. Funds provided through USAID and its public/private partnership with Kiwanis International, UNICEF, and the Iodine Global Network are preventing brain damage and other adverse outcomes for millions of children.

Kiwanis International has successfully invested in universal salt iodization to virtually eliminate iodine deficiency disorders for two decades. In partnership with UNICEF, USAID and several governments, global access to iodized table salt increased from less than 20% to 88% today. Kiwanis has raised and invested more than $100 million from its members and clubs for this effort.

We ask for your support for $3.5 million in fiscal year 2025 to sustain existing iodine deficiency programs and to initiate additional programs to address the needs of the few countries that are still at risk.

Iodine, a micronutrient that naturally occurs in some foods, is an essential element for normal growth and development in humans. Iodine is not synthesized by the body and is required to be provided through the daily diet in recommended amounts. It is required for proper functioning of the thyroid gland, which in turn regulates many biochemical reactions and the proper skeletal and central nervous system development in fetuses and infants.

While many of the disorders resulting from severe iodine deficiency in dietary intake have virtually disappeared (e.g. goiter, cretinism, stunting, stillbirth), insufficient iodine during pregnancy leads to brain damage that can reduce a child's IQ by 8 to 10 points. Even mild-to- moderate iodine deficiency at school age can reduce IQ by 3 to 5 points.

Thanks to iodized salt, most infants and children of the world have had correct brain development. Adequate iodine in the diet during pregnancy and until age 5 will greatly improve a child's healthy brain development and readiness to learn as he/she enters primary school grades. Adequate iodine during early life is critical to children's ability to reach their full potential.

The cost of prevention is small—$.05 a year per individual for a lifetime of protection against iodine deficiency. On average, every dollar spent on salt iodization yields a $30 return on investment through improved learning, which leads to greater productivity in later life that boosts economies of the Nations in which these children live.

Recent developments in food fortification, such as double fortified salt (e.g. adding iron, zinc, folic acid), or adding iodized salt to rice, flour, maize, tea, bouillon cubes, and condiments, offer promising results to extend the efficiency of this very inexpensive health intervention.

MATERNAL AND NEONATAL TETANUS

For over 13 years, Kiwanis and its members have been working to eliminate the deadly disease of maternal and neonatal tetanus (MNT). Kiwanis launched its global campaign The Eliminate Project in 2010 to help save or protect more than 61 million mothers and newborns from MNT. Tetanus is a preventable disease that kills one baby every 22 minutes.

Participation and funding by the United States are imperative to the success of eliminating MNT. In many developing countries, women give birth at home without the support of a healthcare worker and without a clean, sterile blade to cut the umbilical cord. This, and other factors, can lead to tetanus poisoning in the newborn baby, causing severe spasms and an excruciatingly painful death.

It is a terrible disease in which human contact exacerbates the baby's pain. A mother's touch hurts, leaving the baby to writhe in agony for days until he or she dies.

MNT results when tetanus spores, which are present in soil everywhere, enter the bloodstream. It is mainly caused by a lack of access to sanitary birthing conditions, unclean instruments used to cut the umbilical cord, and unclean post-partum cord care. MNT is easily prevented by a series of vaccine doses to women of childbearing age, who pass the immunity on to their children.

Women who are properly vaccinated with the tetanus vaccine will have immunity through most of their childbearing years and their babies are protected through the first 2 months of life. . We believe these women matter. They deserve to give birth to healthy babies, and their babies deserve to achieve their full human potential.

In partnership with UNICEF, Kiwanis committed to and has raised $110 million to immunize women in countries where MNT is still a major health threat. More than 6,000 Kiwanis-family members and clubs in the United States alone have contributed to the fundraising campaign. We are now tackling the hardest leg of a difficult journey.

Since 2000, MNT has been eliminated in 48 of the 59 at risk countries. Between 1999 and 2018, more than 169 million women in some of the world's most remote places were vaccinated against tetanus, saving thousands of newborns from death due to tetanus every year. Eleven countries remain where MNT is still a public health problem.

In July 2014, USAID announced that it was joining as a partner with Kiwanis to help eliminate MNT. Kiwanis has been working in partnership with USAID to strengthen its programs on MNT and to provide funding through the UNICEF global effort. Kiwanis' global volunteer network and strength in reaching communities and leaders, along with UNICEF's field staff, technical expertise, and unbeatable

supply chain, are working to eliminate this cruel, centuries-old disease and pave the way for other interventions.

SUPPORT FOR PARTNERS

We have a highly effective partnership with UNICEF and urge you to support UNICEF in its request for a U.S. fiscal year 2025 contribution for the UNICEF core resource budget of $175 million. We also support funding for the Maternal and Child Health account at a level of $1.15 billion.

A PERSONAL EXPERIENCE

I have been a member of Kiwanis since 1993. As the president of Kiwanis, I have had the opportunity to travel and to experience the unique cultures in many of these countries.

I am fortunate enough to work with someone who has benefited from the iodine nutrition initiative (our first worldwide service project IDD).

A young man who is now serving in the top leadership role in our Asia Pacific region grew up in Nepal and has become passionate about Kiwanis because of the funding Kiwanis and others committed to his health and the Kiwanis/UNICEF successful effort to eliminate iodine deficiency disorders (IDD). IDD was one of the leading causes of mental and developmental disabilities in his community.

UNICEF and its partners have immunized more than 161 million women all over the globe, protecting them and their babies, helping to eliminate MNT in 48 out of 59 countries at high risk for the disease, including the Philippines where Kiwanis has more than 5,000 members.

Kiwanis is committed to support both of these global health initiatives and our members are passionate about this part of the work we and they do.

As a mother and grandmother, I am one of those passionate members.

CONCLUSION

Mr. Chairman, I ask you to join us in our efforts working to eliminate MNT and supporting iodine nutrition. Help continue targeting the last countries to be validated for the elimination of MNT and protect the lives of hundreds of thousands of children.

Help us ensure that no baby suffers this excruciating seven-day death ever again by recommending $2,000,000 within the Global Health, Maternal and Child Health account for the elimination of maternal and neonatal tetanus. This funding will help continue targeting the last countries to be certified for the elimination of MNT and protect the lives of hundreds of thousands of children.

Funds provided through USAID and its public/private partnership with Kiwanis International, UNICEF, and the Iodine Global Network, are preventing brain damage and other adverse outcomes for millions of children by supporting new and sustaining existing programs to iodize salt. USAID funding at the level of $3,500,000 in the Global Health, Nutrition account will provide continued funding to keep global attention to this permanent intervention and to address the needs of the few countries that are still at risk of iodine deficiency disorders.

Thank you for your consideration.

[This statement was submitted by Katrina Baranko, President.]

PREPARED STATEMENT OF MERCY CORPS

Dear Chairman Coons and Ranking Member Graham,

As the Vice President for Policy and Advocacy at Mercy Corps, I write to express my support for protecting and increasing U.S. foreign assistance funding to continue carrying out lifesaving and resilience-building work. These investments play a critical role in affirming U.S. global leadership and commitment to vital humanitarian and development programs.

The United States' role in the world stands at a critical juncture-humanitarian and development needs are rising across the globe, democratic gains continue to erode, decades-long progress against poverty and disease are backsliding, and competitors that do not share American values are gaining influence. Foreign assistance provided by the American taxpayer helps maintain global stability, drives economic growth at home and abroad, and combats poverty all over the world. What's more, foreign aid bolsters America's influence and ideals globally-all while delivering at home for the American people. At less than 1% of the total Federal budget, U.S. global development and humanitarian relief efforts deliver an exceptional return on

investment in both economic and security terms. At a time of historic suffering, it is critical to ensure we maintain U.S. humanitarian leadership and don't lose focus on long-term development and resilience priorities that help reduce the need for future foreign assistance and limit the probability of conflict and insecurity.

Mercy Corps is a multi-mandate international NGO that provides humanitarian aid, development, and peace assistance in more than 40 countries around the world. We partner to put bold solutions into action-helping people triumph over adversity and build stronger communities from within. Mercy Corps supports communities—and the most marginalized within them—to emerge from crises and build towards a more inclusive, resilient future. Mercy Corps is a leader in the humanitarian and development NGO space and a major implementing partner for both USAID and the Department of State.

Despite global efforts to address growing food insecurity, conflict, instability and worsening climate shocks, in 2024, 302 million people are expected to need humanitarian assistance across 73 countries; needs driven by conflict, extreme weather events, and economic volatility. By the end of 2023, more than 333 million people were facing acute levels of food insecurity and as many as 783 million people were facing chronic hunger. And by mid-2023, more than 1 in 73 people worldwide remained forcibly displaced, with 88 percent of them in low- and middle-income countries.

These challenges have driven an increase in attention and resources to humanitarian response. The inclusion of humanitarian funding in the recently passed national security supplemental package serves as a vital example to U.S. partners that more can and must be done to address the rapid increase in needs the world has seen over the last several years. Thank you for your consistent commitment and support for humanitarian programs throughout the supplemental process. The inclusion of humanitarian assistance in the supplemental would not have been possible without your persistent championing of those efforts.

However, it is critical that humanitarian assistance is partnered with prioritization of systemic long term development investments and vital resilience-building work. In FY24, despite strong Senate support, cuts to the two primary development accounts—Development Assistance and the Economic Support Fund—could further exacerbate humanitarian needs, disrupt livelihood development, weaken market systems, and contribute to worsening displacement and food insecurity in many parts of the world. Continued Senate leadership and defense of development and resilience building programs remains critical.

In FY2025, Mercy Corps urges the U.S. Congress to support the following humanitarian, development, and peacebuilding accounts in the State, Foreign Operations, and Related Programs (SFOPs), to enable further life-saving humanitarian work and increase resources devoted to long-term resilience building efforts. Many of our recommended funding levels are consistent with Senate FY24 levels.

—International Disaster Assistance (IDA) must be funded at no less than $4.85 billion to meet growing humanitarian needs. The IDA account provides critical humanitarian assistance to civilian populations in response to natural disasters, conflict and insecurity, and other sudden-onset emergencies. IDA-funded programming, overseen by USAID BHA, includes emergency food assistance, nutrition, shelter, safety and protection, water/sanitation/hygiene (WASH), health, logistics, coordination, and livelihoods support. Funds also support investments that promote early recovery, build resilience, and reduce risk in communities vulnerable to recurrent humanitarian crises. As complex conflicts and climate-related disasters increase in frequency, severity, and duration, rising operational costs and commodity prices coupled with high inflation are increasing the cost of humanitarian responses. The IDA account allows for the flexibility needed to adjust to changing contexts and use the right tools in the right place at the right time based on needs. Efforts to condition or add directives to humanitarian assistance undermines the effectiveness and limits the impact of programs.

—*Program Example.*—The Mercy Corps-led VenEsperanza program in Colombia, funded by USAID/BHA, delivers food assistance and complementary nutrition support to vulnerable Venezuelan migrants, Colombian returnees, and host community members. VenEsperanza also supports participants to transition from a State of emergency to more secure and sustainable economic and social integration in Colombia through household financial management skill building, entrepreneurship training, savings groups establishment and access, and employability skill-building.

—The Development Assistance (DA) account must be funded at no less than $4.769 billion to scale up critical resilience-building work. DA focuses on poverty

reduction and promotes the development of self-reliant, resilient, and democratic societies. It supports programming that helps countries and communities accelerate and sustain inclusive economic growth; address chronic poverty; fight hunger and malnutrition; prepare for and adapt to climate change; address root causes of migration; improve education; increase access to WASH; and promote water security. Investing in the adaptability and economic self-reliance of vulnerable communities—especially those prone to conflict and extreme weather-driven crises—is vital to preventing the need for costlier humanitarian interventions later.

—*Program Example.*—The Mercy Corps-led, USAID-funded Small Town WASH program is a 5-year, $13mn program designed to facilitate the economic recovery of select crisis-affected communities in northeastern Nigeria through (1) the rehabilitation and creation of new WASH infrastructure such as piping systems and reticulations, water collection points, and water kiosks, as well as safe restroom facilities; and (2) strengthening the capacity of local institutions to sustainably manage and govern them well after Mercy Corps' program has finished.

—The Economic Support Fund (ESF) must be funded at no less than $4.026 billion to meet economic development needs in countries of strategic U.S. interest. ESF is a critical account which supports development and economic assistance, particularly to countries of strategic importance to the U.S., to meet near- and long-term political, economic, development, and security needs. ESF funds are available to protect human rights and freedom of the press, combat human trafficking and corruption, address shared global challenges like food insecurity and energy security, advance democracy and good governance, and spur economic growth. The ESF account also has a broad mandate to support private sector engagement and to address the threats caused by the climate crisis.

—*Program Example.*—The Mercy Corps-led Informal Livelihoods Advancement Activity in Jordan is a USAID-funded activity aiming to support Jordanian micro and small enterprises (MSEs) to grow, transform, and become resilient to future shocks. Its main objective is to sustainably increase revenues and sustain job creation among MSEs and formal and informal home-based businesses, focused on four economic sectors: tourism, agriculture, manufacturing, and services.

—Feed the Future (FTF) must be funded at no less than $1.2 billion to curb rampant global food insecurity. FTF, America's flagship global food security initiative, is of vital importance to U.S. development and food security policy. FTF programs are active in 20 countries and support country-driven approaches to improving food security and building communities' resilience to shocks, including through agriculture development, nutrition, and resilience programs, as well as research and technical assistance. Given that food insecurity can be a major contributing factor to societal unrest, government instability, and conflict, investing in FTF supports U.S. security and national interests.

—*Program Example.*—The Mercy Corps-led Resilience in Pastoral Areas—North program in Ethiopia (USAID/REFS-funded) is a multifaceted program that aims to improve the resilience capacities of drought-affected households, markets, and governance institutions in the lowland areas to contribute to enhanced food security, inclusive economic growth, and improved sustainable delivery of nutrition services. It deploys a market systems development approach to support intensified and sustained pastoral and agro-pastoral production and marketing, and to provide diversified and sustainable economic opportunities for people transitioning out of pastoralism. RIPA-North has also been layered with three crisis modifiers during the prolonged drought in East Africa to help communities cope during emergencies and sustain development gains.

—The Complex Crises Fund (CCF) must be funded at no less than $60 million in order to maintain peaceful outcomes in fragile contexts. CCF provides resources for preventing and responding rapidly to emerging or unforeseen crises in fragile countries at a heightened risk of instability. Managed by USAID CPS, it provides global, flexible funding, enabling the U.S. to respond outside of planned programming. CCF funds prevent conflict and respond to unanticipated opportunities to build peace and advance democratic progress in fragile contexts. USAID has utilized CCF in 36 countries to date.

—*Program Example.*—The Mercy Corps-led, USAID-funded Securing Peace and Promoting Prosperity program ran from 2017–2023 in the Karamoja region of Uganda, focused on addressing governance, economic, social, and ecological issues that risked igniting conflicts. It brought together deeply divided communities, paved the way for sustainable and equitable land and water man-

agement practices to take place, promoted collective trauma healing, and reduced social tensions. In places affected by fragility and conflict, peace and governance interventions are the first step in creating an enabling environment that supports climate adaptation.

—The Prevention and Stabilization Fund (PSF) must be funded at no less than $200 million to enable the successful implementation of the Global Fragility Act (GFA). PSF aims to avert violence, stabilize conflict-affected areas, and address the root causes of global fragility. Funding supports context specific efforts to strengthen social cohesion, combat corruption, protect human rights, promote conflict reduction and reconciliation, engage private-sector actors in peacebuilding, and reinforce critical governance reforms, transitional justice, as well as enable international coordination and monitoring evaluation and learning. It is critical to the success of the GFA as it funds the development of a number of areas contributing to stability, including justice sector reform, women and youth empowerment, and accountable service delivery. Appropriating the $200 million authorized by the GFA in FY25 will help ensure the successful implementation of this law and provide funding to help "look upstream" to address fragility factors before they significantly impact their countries' future.

America stands at a critical juncture. The world is grappling with escalating conflicts, resulting in devastating consequences. Increasing hunger, disease, migration, and water scarcity—compounded by severe and changing weather patterns—leave a trail of destruction and threaten to upend international stability. Continued Senate leadership and championship of humanitarian, development, and peacebuilding programs is more essential than ever. Sustained investments in U.S. foreign assistance are a crucial component of global leadership, bolstering decades of work done to make the world a safer, more prosperous place with less disease and poverty.

[This statement was submitted by Kate Phillips-Barrasso, Vice President for Policy and Advocacy.]

PREPARED STATEMENT OF THE MILLENNIUM WATER ALLIANCE

Dear Chairman Coons, Ranking Member Graham, and Honorable Members of the subcommittee:

We write in support of funding of not less than $500 million in Fiscal Year 2025 for water supply, sanitation, and hygiene (WSSH) programs administered by the U.S. Agency for International Development under the Sen. Paul Simon Water for the Poor Act of 2005 (Public Law 109–121), as amended by the 2014 Water for the World Act (Public Law 113–209).

This amount reflects our estimate of the need for U.S. assistance in the High-Priority Countries designated by USAID last year pursuant to the Water for the World Act, enacted 10 years ago, combined with an assessment of the capacity of USAID missions to process such funds .for effective catalytic programming consistent with the U.S. Government's Global Water Strategy, also required under the Water for the World Act of 2014.

We fully understand the pressures created by budget caps, reflected in last year's cut of nearly $21 million from the FY 2023 enacted level of $475 million. Since FY 2024 was enacted only recently, we do not know how USAID will specifically distribute this reduction in WSSH programming in the field.

As you know, from FY 2021 through FY 2023, Congress annually enacted $475 million for this programming. We acknowledge again with gratitude the recommendations of your subcommittee for $475 million and up to $500 million over those fiscal years, which recognized the need for significant increase in post-COVID situations in the poorest countries.

USAID in 2020 applied to water and sanitation programming relatively little of the 2020 emergency supplemental COVID funding. Many of our 21 members now work with USAID missions in critical priority countries with more programs with healthcare facilities, and coordination with other partners on health systems strengthening, and intensive hygiene education.

Poor sanitation amplifies the channels for many infectious diseases, some of which can be reduced or eliminated with better sanitation practices and very basic systems. Poor sanitation has a massive impact on the environment, endangers safe food supplies, and in particular affects children's health.[1] Still, each year, more than

[1] WASHData.org May 2021.

297,000 children under five die from diarrheal diseases, which could be prevented by improved water, sanitation, and hygiene.[2]

Now, as then, a strong investment in WSSH helps to safeguard U.S. strategic interests. Improved WSSH can help prevent pandemic disease and build resilient health care systems.

The requested increase over the FY 2024 appropriation would:

—Resume the work begun by missions in concert with NGOs and others to expand the USAID partnership with the private sector in many target countries, where all participants in USAID programs increasingly look to private and public sector partnership to advance the immediate work as well as build locally-owned systems and financing plans to maintain WSSH access long after the catalytic USAID grant or contract has completed.
—Contribute to efforts to provide WSSH in healthcare facilities, prevent infectious disease outbreaks, and help end the transmission of cholera and Neglected Tropical Diseases.
—Assist USAID in much-needed data collection and analysis to increase program efficiency and provide the tools needed for even longer-term sustainable infrastructure and governance in the field, essential in building systems to reduce the impact of future epidemics.

The history of leadership of this subcommittee has been essential to the progress made since passage of the 2005 water for the Poor Act. On behalf of our implementing and donor partners that work in more than 90 countries around the world to alleviate poverty, build democracy, and represent the best of America to hundreds of thousands of grateful people, we thank you.

The Millennium Water Alliance

Acacia Water | CARE | Catholic Relief Services
Center for Affordable Water & Sanitation Technology | Chemonics
Desert Research Institute | Eastern Congo Initiative | Food for the Hungry
Global Water Center | HELVETAS | IRC WASH
Living Water International | Mortenson Center-University of Colorado Boulder
Save the Children | Splash | WaterAid America | The Water Project | Water Mission
World Resources Institute | World Vision

[This statement was submitted by John D. Sparks, Director of Advocacy & Communications.]

PREPARED STATEMENT OF MODERNIZING FOREIGN ASSISTANCE NETWORK

Chairman Coons, Ranking Member Graham, and Members of the subcommittee:

Thank you for the opportunity to submit written testimony on behalf of the Modernizing Foreign Assistance Network (MFAN) regarding aid effectiveness items for the fiscal year 2025 (FY25) appropriations bill. Thank you also for the bipartisan leadership of this subcommittee over the years in ensuring America's global engagement and championing investments in the array of programs that are vital to fostering a more secure, just, and prosperous world.

MFAN is a bipartisan reform coalition created in 2008 to support more effective and more accountable U.S. foreign assistance that advances American interests, delivering greater results for people in need and U.S. taxpayers. Our priorities include:

—Continuing to elevate development as a distinct arm of American global engagement;
—Supporting evidence-based development programs, building on accountability and principles of monitoring, evaluation, and learning;
—Building and expanding the U.S. Government's (USG) partnerships with new and diverse stakeholders, including national and local actors;
—Boosting financing for development, including through greater partnership with the private sector;
—Utilizing new and innovative approaches to development; and

[2] https://www.unwater.org/water-facts/water-sanitation-and-hygiene/.

—Improving coordination and collaboration among all USG agencies involved in foreign assistance, including USAID, the State Department, the MCC, and the U.S. International Development Finance Corporation (DFC).

Thanks in large part to the bipartisan work of this subcommittee, significant progress has been made in recent years in helping to ensure U.S. aid dollars are used in the most effective way possible to prevent disease, save lives, and unlock opportunities for economic growth. From the life-saving work of PEPFAR to mobilizing greater private sector financing through the DFC, there is much to be proud of in the advances in aid effectiveness. That said, much more remains to be done, and MFAN therefore urges the subcommittee to support the following in the FY25 appropriations bill:

—*Agency Transparency and Reporting.*—Directing USG foreign assistance agencies to comply with the quarterly publication requirements of the Foreign Aid Transparency and Accountability Act.
—*USAID Operations.*—Supporting no less than the Administration's request of $1.86 billion for the Operating Expenses (OE) account and the creation of an Acquisition and Assistance (A&A) Working Capital Fund.
—*USAID: Locally Led Development.*—USAID reporting directives detailing the agency's progress in advancing locally led development and the agency's work on Domestic Resource Mobilization.
—*USAID: Reducing Bureaucratic Barriers.*—USAID reporting on how its Private Sector Engagement (PSE) Modernize, Burden Reduction Program (BRP), EDGE Fund awards, and Localization policy are being integrated and are leading to better development outcomes.
—*USAID: Evidence & Innovation.*—Directing USAID to further integrate existing cost-effectiveness evidence into activity design guidance and practice and to use procurement approaches that are open to the ideas of the private sector, social enterprise, and non-profit community.
—*DFC and MCC Administrative Expenses.*—Ensuring these costs keep pace with programming increases.
—*Flexible Funding.*—Modestly increasing the Executive branch's deviation authority from sector directives included in the bill and report tables.

Below we summarize the need for the inclusion of these provisions. Additional details are included in our full list of FY25 recommendations submitted to the subcommittee.

AGENCY TRANSPARENCY AND REPORTING

Good information is key to ensuring that U.S. foreign assistance maximizes accountability and sustainable impact. The Foreign Aid Transparency and Accountability Act of 2016 (FATAA) requires agencies involved in implementing U.S. foreign assistance to publish "comprehensive, timely, and comparable" project level information on ForeignAssistance.gov on a quarterly basis. It also requires agencies to monitor and evaluate their programs and to publicly report all evaluations. Not all agencies are complying with the quarterly publication requirements of FATAA, however, which negatively impacts the ability of agencies to make policies and programming decisions based on transparent facts and evidence. We encourage the subcommittee to ensure all agencies come into compliance with these requirements and provide a plan for avoiding reporting delays in the future.

USAID—OPERATIONS

Robust funding for USAID's OE account is essential for aid effectiveness and supports agency efforts to drive innovation, attract and retain skilled development talent, oversee program implementation, improve transparency and accountability, evaluate results, and apply a strong learning agenda for future programming. USAID, however, has inadequate staffing levels to effectively manage its current workload, much less meet the unprecedented demands placed on it from record levels of procurements. USAID contracting officers manage more than four times the workload of their contracting counterparts at the Department of Defense. This is not a recipe for aid effectiveness. We urge the subcommittee to support the President's request for the OE account so that the agency can address these personnel shortages. We also strongly support USAID's proposal to create an Acquisition and Assistance (A&A) Working Capital Fund; authority for the Fund would be a critical step in addressing USAID's Contracting Officer staffing shortage. Lastly, we note that USAID lacks adequately skilled staff to deliver on the promise of more robust partnering with the private sector. Enhancing the private sector and business devel-

opment experience of its staff, including in the recruitment process, must be prioritized.

USAID—LOCALLY LED DEVELOPMENT

Locally led development, also known as community-led-development or country ownership, is generally a more effective and sustainable way to deliver aid. That is because it helps accelerate country transitions from aid to broader forms of partnership with the United States—and greater self-reliance. Recent (FY22–24) State-Foreign Operations bill reports have included important directives for USAID to report on its progress in advancing locally led development. We urge the continuation of these directives, including reporting on how USAID ensures its local funding methodology does not include funding international organizations as part of tracking progress toward Administrator Power's goal to direct 25 percent of development funds to local entities by FY25. Also, building on report language included in prior years' appropriations bills, we encourage the subcommittee to request a report from USAID detailing the agency's work to develop and implement a Domestic Resource Mobilization (DRM) strategy. With the demands on U.S. foreign assistance programs at exceptionally high levels, assisting recipient countries build the capacity to invest and manage more of their own resources to improve their citizens' health, education, and economic well-being is a vital longer-term investment. Successful models for DRM exist in the work of institutions such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, which outlines specific requirements and expectations for countries regarding domestic financing and resource mobilization as part of its sustainability, transition, and co-financing policies.

USAID—BARRIERS TO PARTNERSHIP

We commend USAID for its efforts to institute reforms and reduce bureaucratic barriers, including its locally led development work. Notably, the Private Sector Engagement (PSE) Modernize and Burden Reduction Program (BRP) initiatives represent important efforts to expand the agency's partnerships with new and diverse stakeholders, including national and local actors and the private sector, which are central to achieving more sustainable impact and spurring long-term self-reliance. However, the degree to which the work of PSE Modernize, the BRP, awards by the EDGE Fund, and the agency's Localization policy are being integrated and are leading to better development outcomes is unclear. We encourage the subcommittee to seek reporting from the agency on this matter.

USAID—EVIDENCE-BASED PROCUREMENT AND INNOVATION

Over successive administrations, USAID has increased its commitment to the use of rigorous evidence—in line with the FATAA and the Foundations for Evidence-Based Policymaking Act. The use of cost-effectiveness evidence—understanding the impact per dollar of a proposed program—is key to achieving results and maximizing the programs' ROI. Benchmarking proposed interventions against the cost-effectiveness of interventions known to be effective promotes good stewardship of taxpayer funds and provides the Agency with critical information about whether and how foreign assistance is achieving its stated objectives. Therefore, we encourage the subcommittee to direct the Agency to further integrate existing cost-effectiveness evidence into activity design guidance and practice and to conduct additional benchmarking activity. We also encourage USAID to regularly use procurement approaches that are open to the ideas of the private sector, social enterprise, and non-profit community. In doing so, USAID is more likely to identify cost-effective solutions to the development problems it seeks to address.

FUNDING FOR THE MILLENNIUM CHALLENGE CORPORATION (MCC) AND U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION (DFC)

The DFC and MCC play invaluable roles in fostering economic growth and poverty reduction. To ensure their work is maximized, it's important that their administrative costs keep pace with rising programmatic activity. MFAN is pleased the final FY24 agreement rejected the House's cuts to the agency's administrative expenses and instead increased funding; we urge the same for FY25. In addition, while we recognize—due to the significant constraints on the subcommittee's 302(b) allocation—the temptation to tap previously appropriated MCC funds as a source of "new" funding for the bill, we oppose the rescission of previously appropriated MCC funds. The decision to rescind funding 3 years in a row, including $475 million in FY24, is a worrying trend that risks undermining the MCC's unique operations model. Ensuring the agency can deliver on its commitments requires careful pre-

planning and partner country commitments, both of which depend on resources being set aside in advance.

FLEXIBLE FUNDING

Lastly, for many years, this subcommittee has maintained the practice of including funding directives in the State-Foreign Operations Appropriations bills that reflect congressional priorities on how these resources should be spent. While it is the prerogative of lawmakers to direct, oversee, and require accountability of taxpayer's money, the number of directives and the mandatory nature of them has grown considerably in the past two decades. These directives limit agencies' ability to respond to rapidly changing circumstances and pivot to opportunities that advance American national interests. For these reasons, MFAN advocates for more flexible foreign aid funding mechanisms on the part of Congress that are paired with appropriate and timely accountability on the part of the executive branch. We are pleased that Congress supported more flexible foreign aid funding in the FY23 bill by expanding the 10 percent deviation authority beyond the committee's tables. For FY25, we recommend additional adjustments to Sections 7019 and 7060(h) to modestly expand the executive branch's deviation authority. While these modest changes for FY25 would enhance efforts to instill more flexibility in exchange for greater accountability, other options are available to consider for current and future appropriations. These could include lessons learned from the relatively flexible funding Congress appropriates for PEPFAR and the MCC.

Thank you again for this opportunity to present our recommendations for the FY25 State and Foreign Operations Appropriation bill and for considering these requests.

[This statement was submitted by Les Munson, Larry Nowels, and Ritu Sharma, Co-Chairs.]

PREPARED STATEMENT OF NATIONAL CENTER FOR STATE COURTS

Thank you, Chairman Coons, Ranking Member Graham, and distinguished Members of the subcommittee for the opportunity for the National Center for State Courts (NCSC) to testify on the importance of the rule of law and the vital role that courts and other justice sector institutions play in upholding democratic principles and safeguarding democracy across the globe, along with protecting the United States' national interests. NCSC, in association with the Conference of Chief Justices (CCJ) and Conference of State Court Administrators (COSCA), urges this subcommittee—in its FY25 State, Foreign Operations bill—to continue and expand efforts carried out by the Bureau of International Narcotics and Law Enforcement Affairs (INL) within the U.S. Department of State and the U.S. Agency for International Development (USAID) to strengthen democracy and the rule of law across the world through judicial reform programs.

More than 50 years ago, U.S. court leaders founded NCSC with the mission of leading and supporting State courts and courts around the world in improving the administration of justice services in the midst of evolving challenges that have impacted justice systems. We support courts through providing evidence-based research, identifying and promoting best practices and programs, providing consulting services to courts and justice system partners, and enhancing the professionalism of courts through education programs. NCSC assists U.S. State courts that handle 97% of all cases filed in the country, including cases presenting important Federal claims, and we also support U.S. international development and security interests through federally funded programs that promote the rule of law and democratic principles in developing countries.

NCSC is the only organization that emphasizes collaborative relationships with the CCJ, COSCA, and other associations of judicial leaders. Through doing so, we hold unique perspectives on the most pressing challenges and opportunities facing courts and the people they serve. NCSC and our partner organizations are deeply committed to the goal of improving lives through justice system reform, working toward ensuring political stability, social harmony, and economic prosperity.

NCSC has worked with many bureaus within the Department of State and with USAID over the last 30 years to implement over 100 rule-of-law programs. These programs strive to build and strengthen democracy abroad; protect vital U.S. domestic interests; combat authoritarianism and disinformation; counter corruption, organized crime, and terrorism; and promote human rights and justice, particularly for marginalized and vulnerable groups. Currently, we implement rule of law programs in more than 30 countries, and our justice partners in developing countries can at-

test to the substantial impacts of U.S.-funded rule of law programs abroad—building stronger justice systems and developing local professional capacity to create helpful and sustainable judicial reforms. Through strengthening local capacity building, U.S. assistance programs stand out in the global donor community as smart, results-oriented investments that create sustainable impacts.

We are in strong support of Federal programs that are essential to promoting and strengthening the rule of law across the globe. We specifically request that the programs outlined below be continued, enhanced, and funded at the highest possible levels in FY25 in order to advance the administration of justice internationally and to provide support to partner countries in doing so:

—The Bureau of International Narcotics and Law Enforcement Affairs (INL), which uses a broad set of tools to fight crime, illegal drugs, and instability abroad. These include foreign assistance, bilateral diplomacy, multilateral engagement, and other tools that foster cooperation between international drug control and cross-border law enforcement. Currently, NCSC partners with INL in over 30 countries in Africa, Asia, the Caribbean, the Middle East/North Africa (MENA), Europe, and South America to implement programs around sustaining the rule of law, justice education, drug courts, law enforcement support, and prosecutorial training. Funding for the International Narcotics Control & Law Enforcement line under Foreign Operations is critically important to continuing and expanding these vital programs that further a wide range of U.S. global interests.

—The U.S. Agency for International Development (USAID), which works with NCSC in Central America to implement the Justice Human Rights and Security Strengthening Activity project. This program aims to enhance citizen engagement with the security and justice sectors, increase the efficiency of judicial systems, and improve the effectiveness of community police working with local partners and communities.

These investments are particularly critical today, given active threats to democratic governance in countries around the world, which threaten the peace and prosperity of the U.S. and our allies. We see these threats through disinformation that spreads mistrust in the legitimacy of elections, through barriers to access to justice that diminish trust in institutions, and through corruption that finances cross-border criminal and terrorist organizations. Programs that maintain government integrity, accountability, ethics, and judicial independence are necessary to prevent, detect, and punish malign actors who make such threats to democracy.

Investments in rule of law programs allow the U.S. to further systems where no one is above the law and where there is equal justice under the law, ultimately bolstering the capabilities of foreign judicial systems to check authoritarianism and arbitrary rule. When judicial systems are strong and well-functioning, they can help counter state-sponsored terrorism, build regional security, mitigate government corruption, reduce refugee migrations that can affect American borders, strengthen the public's trust in governing institutions, and prevent illegitimate regimes from gaining power through undemocratic means.

NCSC is grateful to collaborate with the State Department on initiatives that promote the rule of law across the globe, including the following activities and milestones made possible through critical Federal funding:

—In Morocco, NCSC works with counterparts at the Moroccan Ministry of Justice and Prison Administration and civil society organizations to improve outcomes for youth detainees by evaluating detention conditions; promoting juvenile justice reforms; and supporting interagency coordination, referral networks, and service delivery.

—In Tunisia, NCSC works with the Ministry of Justice to advance justice sector digital transformation and interoperability in line with the National Digital Tunisia Strategy, and also supports civil society actors to improve legal awareness and access to justice.

—In Lebanon, NCSC works with key judiciary counterparts to improve case processing efficiency and retrieval of past case records. By the end of 2023, more than 135,000 case files had been physically reorganized and refiled according to new protocols designed with NCSC assistance.

—In Mongolia, NCSC is currently exploring ways to support the country's growing democracy and market economy by helping strengthen its judicial discipline system, its judicial education programs, and its judicial administration capacities.

—In Bangladesh, NCSC is working with local justice sector institutions to strengthen the rule of law and expand access to legal aid services. In 2023,

NCSC's assistance enabled target courts to dispose of more cases than they received for the first time since program inception in 2018.

—In Bosnia and Herzegovina and Moldova, NCSC is working with law faculties and the justice practitioner community on legal education reform, introducing practice-based learning inside and outside the classroom so that law students are prepared to enter the legal profession with the requisite skills to work ethically as judges, prosecutors, and lawyers—a generational strategy to fight corruption.

—In North Macedonia, NCSC organized a Continuing Legal Education (CLE) program to strengthen the country's Bar Association and its capacity to design, implement, and maintain a functioning CLE program for defense attorneys.

—Across the globe, NCSC conducts research on the impact of anticorruption assistance approaches in countering justice sector corruption and money laundering, and identifies best practices and lessons learned for effective and responsive programming. NCSC also created a four-modules educational program for INL to train international criminal justice actors on identifying personal and institutional risks that give rise to bias and discrimination in a justice system.

Our International Visitors Education Program is also an important part of our efforts to promote justice system reform and to share our American values. In 2023, NCSC delivered a seven-week educational program in the U.S. for judges from Indonesia.

In addition, NCSC continues to support other countries in modernizing judicial systems and improving court administration. We work to find affordable and innovative technology solutions to help courts, law schools, and other justice institutions carry out their mandates and improve institutional performance. One such solution is our cloud-based portal, which supports the testing and development of court case management software for judiciaries in Africa, the Caribbean, and South America. NCSC is partnering with the judiciaries of Nigeria, Trinidad and Tobago, Barbados, Guyana, Namibia, Argentina, and Jersey to automate their court systems and thus increase efficiency and transparency. Our CourTools(c) performance measurement system and court excellence frameworks have been adapted in other countries, including Kosovo, for local leaders to assess how court systems are functioning and to share court performance information with the public.

The U.S.-funded projects that NCSC implements have been successful in promoting the rule of law worldwide. By doing so, these projects help support governments in every region of the world with building stable civil societies rooted in law, tackling corruption, and ultimately ensuring just outcomes. By supporting rule of law programs around the world, the U.S. demonstrates our Nation's fervent commitment to protecting and promoting the rights of all people and to upholding democracy in every corner of the globe. These programs are vital to achieving our policy objectives internationally and protecting our National security and economic interests domestically. On behalf of NCSC, I urge this subcommittee to continue supporting and expanding efforts to promote the rule of law in its FY25 State, Foreign Operations bill. Thank you for your consideration.

[This statement was submitted by Mary C. McQueen, President.]

PREPARED STATEMENT OF THE NATURE CONSERVANCY

The Nature Conservancy (TNC) is a global nonprofit conservation organization whose mission is to conserve the lands and waters upon which all life depends. Our planet faces the interconnected threats of rapid climate change and rapid biodiversity loss. We have years, not decades, to address these existential perils. Grounded by decades of local on-the-ground experience, TNC is maximizing our ability to affect change by bringing together real-world solutions, policy expertise, sustainable financing and collaborative partnerships in over 74 countries and in all 50 U.S. States. TNC is grateful to this subcommittee for its longstanding commitment and investment in prioritizing conservation and climate in U.S. foreign policy and assistance.

Five years ago, a seminal study reported that one million plant and animal species were on the verge of extinction. Between 1980 and 2000, nearly 250 million acres of tropical forest were destroyed. During the same time period, 23% of the Earth's land surface was degraded, reducing productivity of farmland and other ecosystems. In the last 150 years, live coral cover on reefs has been cut in half. By 2035, reefs as an ecosystem may be functionally extinct. The loss of nature is undermining food and water security and human health. With a doubling of human population since 1970, and a fourfold increase in the global economy and a tenfold in-

crease in global trade, our planet faces a crossroads. Threats to the natural world are destabilizing communities and countries, requiring innovative investments in solutions that benefit both nature and regional security. Investing in conservation supports U.S. national security and strategic interests around the world. Leading national security experts agree that global ecological disruptions threaten U.S. national security and must be prioritized in policymaking, as evidenced in The Security Threat that Binds Us, a report developed by the Council on Strategic Risks.

TNC appreciates the leadership of this subcommittee to finance and sustain conservation investments globally. We applaud the momentum behind new authorizing legislation spearheaded by your leadership, S. 618, the U.S. Foundation for International Conservation Act, which underscores the urgency of investing in nature.

The following accounts strategically position the United States to continue investing and partnering with leading on-the-ground conservation efforts internationally. America can advance its foreign policy goals through these foreign aid accounts and policy instruments at the U.S. Agency for International Development (USAID), and U.S. Departments of State and the Treasury, as well as through investments in global natural resource agencies and contributions to multilateral financial and environmental institutions. These agencies and institutions include the U.S. Forest Service (International Program), U.S. Department of the Interior and U.S. Fish and Wildlife Service (International Programs, Wildlife Trafficking, Multinational Species Conservation Funds, and Wildlife Without Borders programs) and the National Oceanic and Atmospheric Administration (International Program). TNC urges the subcommittee to double down on U.S. leadership and investment through targeted foreign assistance in FY2025.

USAID Biodiversity Conservation Programs.—USAID is the largest funder of global conservation in the U.S. government and has been supporting biodiversity conservation for more than 30 years. In March 2014, USAID launched its first-ever Biodiversity Policy with the vision to conserve biodiversity for sustainable and resilient development. This policy helped elevate biodiversity conservation as a core priority of USAID's global mission. The anticipated update to the Biodiversity Policy has the potential to deliver on the transformative change envisioned for a future in which biodiversity is conserved so people and nature can thrive. We appreciate USAID's focus on achieving nature-positive, equitable development across societal systems by implementing the new policy. TNC is partnering with USAID in key biodiversity hotspots, such as in the Cubango-upper Okavango Basin of Angola, where critical resources are supporting community-led governance of water supplies and sanitation services in addition to advancing biodiversity goals. These efforts upstream are helping sustain the basin and foster vibrant economies in Angola, Namibia and Botswana. TNC requests the USAID Biodiversity Conservation Programs be funded at $500 million in FY25.

USAID Sustainable Landscapes Program.—This program focuses on countries where globally important forests are threatened and where degradation of wetlands, peatlands and agricultural land impairs development and drives emissions. For example, TNC is currently implementing a USAID Sustainable Prosperous Communities initiative in Mexico, which promotes sustainable techniques and training for farmers, ranchers and other rural stakeholders to reduce deforestation and incentivize sustainable management practices. The initiative is designed to benefit more than 40,000 people and improve land management across more than 860,000 acres. The USAID Sustainable Landscapes program is augmented by two additional USAID investments in the Climate Adaptation and Clean Energy Program. TNC also supports an additional investment for the Amazon Fund and related efforts to curb deforestation and advance deforestation-free supply chains that also further American business interests. TNC requests $300 million in FY25 for the program along with additional investments in climate adaptation and clean energy.

*U.S. Contribution to the Global Environment Facility (GEF).*The United States' support for the GEF is essential to its efforts to build a safer, cleaner and healthier world, with direct benefits for American jobs and prosperity. Every dollar the U.S. invests in the GEF generates another $40 from other countries and partners. This has helped the GEF deliver over 5,000 projects in more than 170 countries, several of which are key U.S. allies. The GEF is lean and effective, with only 2% of resources being spent on expenses at its headquarters. Over its 32-year history, GEF has invested $23 billion in direct conservation and generated an additional $129 billion in co-financing. TNC has been an implementing partner of the GEF in Africa, Asia, the Caribbean and Latin America, and we appreciate the critical difference the GEF is making to addressing the dual crises of biodiversity loss and climate change. TNC requests the GEF be funded at $150.2 million in FY25 to contribute towards the annual installment of the U.S. contribution to the eighth GEF replenishment.

U.S. International Development Finance Corporation (DFC).—The DFC is advancing U.S. foreign policy interests by mobilizing private sector capital to help communities most in need. Thanks to the BUILD Act of 2018, supported by the leadership of this subcommittee, the DFC is able to focus on key drivers of biodiversity loss and climate change such as infrastructure, habitat fragmentation and natural resources extraction. Thanks to the DFC, TNC has been able to help developing countries reach their critical biodiversity and climate targets by overcoming their debt burdens and lack of access to international capital. Through our Nature Bonds we are helping countries refinance their debt and generate new funding to invest in conservation, and in climate mitigation and adaptation measures. Across the deals completed in the Seychelles, Belize, Barbados and Gabon, we have engaged with governments, financial institutions, NGO partners and community stakeholders to ensure that the project outcomes are a win for both conservation and sound fiscal management. We look forward to more opportunities to partner with the DFC and urge Congress to reauthorize the agency. TNC supports the Administration's requests of $1,008 million in FY25—$245 million for administrative expenses and $763.4 million in program funds-to be flexibly allocated among credit subsidy, equity, technical assistance and other programmatic activities.

Tropical Forest and Coral Reef Conservation Act (TFCCA).—This year marks the 25th anniversary of this debt-for-nature swap program, a highly effective fiscal tool that has helped shape American foreign policy and global commitment to the environment. The TFCCA has brought to life the simple but innovative idea of converting sovereign debt owed to the United States into in-country environmental conservation investments. This has greatly benefited local livelihoods and globally important biodiversity zones, all while bolstering cooperation and relationships with key U.S. allies. The latest deal, announced in December 2023 with Peru, will mobilize nearly U.S. $20 million to support the conservation of the Peruvian Amazon by empowering indigenous peoples and local communities to engage effectively in the management of protected areas and creating economic opportunities that foster sustainable livelihoods. Such examples abound from this innovative fiscal policy investment across all the geographies it has reached. TNC requests $20 million in FY25 for TFCCA.

Science, Finance, and International Cooperation.—Two United Nations conventions— the Intergovernmental Panel on Climate Change (IPCC) and the United Nations Framework Convention on Climate Change (UNFCCC)—have received implementation funding from the U.S. government. Since its creation in 1988, the IPCC has received broad bipartisan support for providing high-integrity science on climate change. Similarly, the UNFCCC has been the primary space for policymakers to mount an international effort to tackle these risks. Continued funding of a modest budget line will signal that America continues to place importance on climate science and wants a place at the table in ongoing and future negotiations.

U.S. Contribution to the Green Climate Fund (GCF).—The GCF is a multilateral fund established in 2010 to help the world's most vulnerable countries reduce their greenhouse gas emissions and enhance capacity to respond to climate change by working with a wide range of partners, including more than 200 private and public sector and national and international organizations. Through this approach, GCF de-risks investments by attracting private-sector financing and mobilizing financing at scale. GCF's investments aim to achieve maximum impact in the developing world by supporting paradigm shifts in both climate mitigation and adaptation. As a member of the GCF Board, the United States is able to demonstrate its leadership on the global stage. TNC is among the newest accredited entities of the GCF, and we look forward to greater collaboration and project implementation. TNC urges Congress to enable the U.S. government to demonstrate its leadership in combatting the climate crisis by supporting continued investment in the GCF.

TNC is proud to partner with several U.S. government agencies to meet the challenges our planet faces. Together with the government of Mongolia, we recently announced Eternal Mongolia, the largest land deal we have entered in to date. Eternal Mongolia will enable new conservation protections across nearly 35 million acres—an area the size of Iowa—comprising intact grasslands, forests, deserts, wetlands and rivers. Through a proven model called Project Finance for Permanence, Eternal Mongolia will unlock $198 million of new conservation investment over the next 15 years. This is TNC's third PFP, and the first to be part of Enduring Earth, a global initiative to accelerate conservation worldwide.

In conclusion, we are working to connect efforts to protect nature and limit climate change globally. We need to rethink economic systems so that they value nature. We must produce food in ways that restore nature. We need to recognize the leadership of Indigenous peoples and local communities worldwide. Strengthening existing global biodiversity and climate change commitments in the face of crises af-

fecting nature and people must be a core component of U.S. foreign policy and aid. TNC sincerely appreciates the leadership of this subcommittee and urges it to continue investing in our shared priorities through conservation and climate foreign assistance programs.

[This statement was submitted by Nav Dayanand, Associate Director, Legislative Affairs.]

PREPARED STATEMENT OF THE ONE CAMPAIGN

Chairman Chris Coons, Ranking Member Lindsey Graham, and members of the Senate State, Foreign Operations, and Related Programs (SFOPS) Appropriations subcommittee, The ONE Campaign is honored to provide you with the following testimony as an outside witness. The ONE Campaign is a global organization that advocates for the resources needed to create economic opportunities and healthier lives in Africa. On behalf of The ONE Campaign, I appreciate the opportunity to raise the importance of continuing core U.S. investments in long-term development priorities, especially those that impact Sub-Saharan Africa, that are funded through the U.S. State Department, U.S. Agency for International Development (USAID), and the U.S. Treasury Department.

Africa is young, vibrant, and the fastest growing continent on the planet.[1] It is also rich in natural resources, with a strong culture of entrepreneurship and innovation, and is the world's largest free trade area by the number of member countries. Many African countries are challenged by high levels of debt that are outpacing how much they are receiving in external sources, while burdened by many economic, health, and conflict related threats. Analysis from the ONE Campaign found that, in 2024, $50 billion will flow out of developing countries, many of which are in Africa. Meanwhile, and as well covered by this subcommittee, Chinese and Russian investments only continue to proliferate throughout Africa. For all of these reasons, it is critical that the U.S. continues its hugely impactful investments in developing countries, especially in Africa.

One of the U.S.' greatest leadership legacies is its investment in global health. One investment of particular significance is Gavi, the Vaccine Alliance (Gavi), managed by USAID. Since 2000, Gavi has partnered with 40 countries in Africa, providing 438 million children with routine immunizations, saving 11.1 million lives—most of them infants.

But far too many children are still dying from vaccine-preventable diseases. Continuing to grow the US investment in Gavi, which will help leverage other donors, is imperative to saving the lives of vulnerable children. Gavi uses most of its funding to purchase vaccines that fight 19 common and deadly infections including pneumonia, hepatitis, and measles, on behalf of lower-income countries; bulk purchasing allows Gavi to access lower prices than countries would be able to negotiate on their own.

Gavi continues to innovate by improving access to new vaccines, such as the currently unfunded rollout of the world's first malaria vaccine, including the RTS,S malaria vaccine, which was borne from the groundwork of the Walter Reed Army Institute of Research. Gavi does all this while strengthening the health systems in recipient countries. Gavi also works closely with private sector partners to lower prices for vaccines globally. A key aspect of Gavi's model and success is the mandate for recipient countries to finance a portion of all vaccine costs based on their ability to pay until they are fully financing their own programs, leading to sustainable immunization programs. As a result, 19 countries have now graduated from Gavi and fully self-finance their routine immunization programs.

But the battle hasn't yet been won—20.5 million children missed out on life-saving vaccinations in 2022 alone. Gavi faces the challenge of maintaining its success while also reaching these children and catching up from other disruptions, and also expanding access to new innovations like malaria vaccines. Increasing the US' contribution to Gavi in FY2025 would uniquely enable the US to take the lead on increasing access to this first-of-its-kind vaccine and catch up the millions of children who have been left behind. Therefore, the ONE Campaign is requesting $340 million in funding for Gavi in FY2025 and that USAID's Maternal and Child Health program be increased commensurately.

There is perhaps no better example of the power of US foreign aid than our work to end the global HIV/AIDS crisis, which took more than 20 million lives in Africa

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[1] "Global Issues: Population." United Nations. Accessed May 15, 2024. https://www.un.org/en/global-issues/population#:~:text=Africa%3A%20fastest%20growing%20continent&text=Africa%20has%20the%20highest%20rate,projected%20to%20double%20by%202050.

between 2000–2022. To put in perspective, this is equivalent to the populations of Michigan and North Carolina put together. Since 2003, the President's Emergency Plan for AIDS Relief (PEPFAR)—managed by the State Department and implemented by seven other departments and agencies—has saved more than 25 million lives, provided life-saving antiretroviral treatment to nearly 20.5 million patients, and enabled more than 5.5 million babies to be born HIV-free to HIV-positive mothers.

Meanwhile, our investments in the Global Fund to Fight AIDS, Tuberculosis, and Malaria (Global Fund)—a partnership between governments, civil society, the private sector, and affected communities to collectively fight to end the risk of HIV/AIDS, tuberculosis (TB), and malaria—have also been lifesaving. Since the Global Fund was founded in 2002, its programs have helped save 59 million lives and cut the combined death rate from HIV, TB, and malaria by more than half. In countries where the Global Fund invests, AIDS-related deaths have been reduced by 72%, TB deaths by 16%, and malaria deaths by 27%. In 2022 alone, the Global Fund provided 24.5 million people with antiretroviral therapy for HIV, treated 6.7 million people for TB, and distributed 219.7 million mosquito nets to prevent malaria. US investments to the Global Fund are capped at 33% of the total, catalyzing a remarkable response from other donors, who pledge to match the contribution at a two-to-one ratio. But our fight against these diseases is far from over. HIV remains the leading cause of death globally among women of reproductive age. Sub-Saharan Africa bears the brunt of this, where two-thirds of all people living with HIV reside.[2] TB continues to be a leading cause of death, with an estimated 10.6 million people falling ill from the disease in 2022 alone.[3] Malaria infected an estimated 249 million people in 2022, with 94% of the cases in Africa, where the vast majority of deaths were in children under 5 years of age.[4] This is why ONE is requesting $6.375 billion in FY2025 for HIV/AIDS programs, provided as $6.05 billion for the State Department's HIV/AIDS programs, including $1.65 billion for the Global Fund and $4.395 for PEPFAR, as well as $330 million for USAID HIV/AIDS programs.

Beyond investments in global health, the US has been a leader in helping developing countries pull out of poverty and better serve their citizens through long-term development investments. The Development Assistance (DA) account, implemented by USAID, is one of the primary bilateral development accounts focused on poverty reduction and the growth of self-reliant, resilient, and democratic societies. DA investments help countries and communities pull out of poverty; fight hunger and malnutrition; address root causes of migration; improve education; increase access to water, sanitation, and hygiene (WASH); prevent conflicts and encourage stabilization; and spur economic growth. With DA funds, USAID is able to implement several key strategies required by Congress, including the Global Food Security Strategy and Global Water Strategy. This account is also critical to Africa, as it supports many critical economic and social development priorities, including, but not limited to, Prosper Africa and Power Africa.

Given the increasing humanitarian suffering the world is facing, the ONE Campaign has been strongly supportive of, and is grateful for Congress' support for, the robust humanitarian aid levels included in the recently passed FY2024 appropriations law and the FY2024 national security supplemental. Yet, it is imperative that we maintain our support for long-term development priorities, as we risk countries sinking further into the cycles of crisis if there are not continued and strengthened investments that enable countries' resilience and stability. As such, we are requesting that the Committee provide no less than $4.4 billion for DA at USAID in FY2025.

We know that support for economic development is crucial to helping countries stand on their own. The International Development Association (IDA) arm of the World Bank serves the world's 75 poorest countries, 39 of which are in Africa, helping to bring clean water, electricity, and sanitation to hundreds of millions of people. Through zero- to low-interest loans and grants, they have helped numerous countries develop their economies without being forced to take on unpayable debts. They also provide rapid crisis funding for countries experiencing economic shocks and environmental disasters. In Nigeria, a country that will soon have one of the world's largest youth populations, economic stagnation and a significant debt burden have

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[2] "The Global HIV/AIDS Epidemic." Kaiser Family Foundation, July 26, 2023. https://www.kff.org/global-health-policy/fact-sheet/the-global-hiv-aids-epidemic/.

[3] "Tuberculosis." World Health Organization. November 7, 2023. https://www.who.int/news-room/fact-sheets/detail/tuberculosis.

[4] "Malaria." World Health Organization. December 4, 2023. https://www.who.int/news-room/fact-sheets/detail/malaria#:~:text=Globally%20in%202022%2C%20there%20were,580%20000)%20of%20malaria%20deaths.

made it extremely difficult for the government to invest in sectors that create growth and opportunity. Over the past 9 years, IDA funding has helped to drive important advancements like reaching over 7 million people with new or improved electricity services and providing thousands with life skills and vocational training. Nigeria is now both an IDA donor and recipient country, contributing for the first time during IDA19.[5]

U.S. contributions to IDA20 through the Treasury Department helped support efforts to drive a resilient recovery for the poorest countries following the COVID–19 pandemic and restore progress toward the 2030 development goals. Since 1960, 36 countries have graduated from being supported by IDA to becoming IDA donors. With nearly 85% of IDA operations and commitments during IDA19 (2020–2022) achieving their objectives, IDA is among the world's most efficient and effective vehicles for international development. Every $1 in donor contributions translates to over $3.50 of financing support. As IDA heads into its next replenishment for IDA21 later this year, it is imperative that the U.S. assert our historic leadership within the body in the next fiscal year. That is why we are asking the Committee to provide no less than $1.43 billion for an IDA contribution through the U.S. Treasury Department in FY2025.

U.S.-led international development programs like the ones mentioned above are not just aligned with U.S. values, they're also a good investment in our economy and national security, all for less than 1% of the National budget. As you go through your FY2025 process, we urge you to prioritize meaningful investments in foreign assistance that bring us closer to a world without poverty or preventable disease. We appreciate your leadership on these issues and consideration of our requests. We look forward to working together with you to make this future a reality.

[This statement was submitted by Ndidi Okonkwo Nwuneli, CEO/President.]

PREPARED STATEMENT OF THE PACIFIC SALMON COMMISSION

Mr. Chairman, and Honorable Members of the Committee, I am Ron Allen, Tribal Commissioner and Chair for the U.S. Section Budget Committee of the Pacific Salmon Commission (PSC). The U.S. Section prepares an annual budget for implementation of the Pacific Salmon Treaty. Funding comes from the Departments of State, Commerce, and Interior. The integrated budget details program needs and costs for Tribal, Federal, and State agencies involved in the Treaty.

> Department of State funding in support of implementing the Pacific Salmon Treaty is part of the International Fisheries Commissions line item. The FY 2023 funding level was $5,600,000. The U.S. Section recommends a funding level of $5,500,000 for FY 2025, which is a $100,000 decrease. These costs provide essential support to implement the revised chapters of the annex to the Treaty.

The Department of State provides funding for the dues to operate the bilateral Pacific Salmon Commission Secretariat office in Vancouver, British Columbia. The United States and Canada kept the dues constant for 11 years. The U.S. Section and the Canadian Section recognized that an annual increase in dues is needed to maintain operations over the next 10 years. The U.S. Section requested funding level is sufficient to maintain Secretariat operations. Canada is expected to match the increase in dues. The Commission's Finance & Administration Committee works closely with the Secretariat staff to keep costs in check. The Secretariat faced challenges in recent years to ensure the operation of test fisheries necessary for the management of Fraser River sockeye and pink fisheries as outlined in Annex Chapter 4 of the Treaty. Declines in the return of Fraser River sockeye and changes in the Canadian Use of Fish Policy have impacted the viability of the test fisheries.

The Secretariat faces challenges regarding funding for the pension liability as the Secretariat staff ages and retires. Our section urges the Department of State to continue covering this liability outside the dues structure, consistent with other International Fishery Commissions.

The Department of State provides funding, through an inter-agency agreement, with Department of Commerce, National Marine Fisheries Service, to support United States participation in the annual meeting process and to support staffing of the U.S. Section office. A hallmark of the PSC process is the input from affected fishing interests from Alaska to Washington, Oregon, and Idaho. Maintaining the funding at current levels is essential to address these challenges.

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[5] "Stories of Impact: IDA, the World Bank's Low Income Fund in Africa," The ONE Campaign, April 2024, accessed May 15, 2024, https://cdn.one.org/pdfs/IDA__Case__Studies__2024.pdf.

Funding to support activities under the Pacific Salmon Commission comes from the Departments of Interior, State, and Commerce. The U.S. Section can provide an additional budget summary and details to the Committee as required. Adequate funding from all three Departments is necessary for the United States to meet its Treaty obligations. The funds are needed for critical data collection and research activities related to the implementation of the Treaty and are used in cooperative programs between Federal, State, and Tribal fishery agencies and the Department of Fisheries and Oceans in Canada. The commitment of the United States is matched by the commitment of the Government of Canada.

Mr. Chairman, the United States and Canada established the Pacific Salmon Commission, under the Pacific Salmon Treaty of 1985, to conserve salmon stocks, provide for optimum production of salmon, and to control salmon interceptions. After more than thirty years, the work of the Pacific Salmon Commission continues to be essential for the wise management of salmon in the Pacific Northwest, British Columbia, and Alaska. For example, upriver bright fall Chinook salmon from the Hanford Reach of the Columbia River are caught in large numbers in Alaskan and Canadian waters. Tribal and non-Tribal fishermen harvest sockeye salmon from Canada's Fraser River in the Strait of Juan de Fuca and in Puget Sound. Canadian trollers off the west coast of Vancouver Island catch Washington coastal and Puget Sound Chinook and Coho salmon. In the Northern Boundary area between Canada and Alaska, fish from both countries are intercepted by the other country.

The Commission provides a public forum to ensure cooperative management of salmon populations. The United States and Canada successfully concluded lengthy negotiations to improve management, building on and adjusting the coastwide abundance-based management regime for Chinook salmon established in the 1999 agreement. The revised Coho Chapter also continues to build on a framework for abundance-based management. The revised Annex Chapters for Chinook, Coho, Chum, Transboundary and Northern Boundary fisheries will be in force for the next 10 years. The United States and Canada completed a revised Fraser River Sockeye and Pink salmon chapter in 2020, which will also be in force through 2028. The U.S. and Canada are beginning negotiations for revised Annex Chapters. The negotiations will require additional resources in future years for the parties to participate in the negotiation process. The U.S. Section will provide cost estimates as the process unfolds.

Before the Treaty in 1985, fish wars often erupted with one or both countries overharvesting fish that were returning to the other country, to the detriment of resource sustainability. At the time the Treaty was signed, Chinook salmon were in a severely depressed state because of overharvest in the ocean as well as environmental degradation in the spawning rivers.

Under the Treaty, both countries committed to rebuilding the depressed runs of Chinook stocks, and they recommitted to that goal in 1999 when adopting a coastwide abundance-based approach to harvest management. Under this approach, harvest management will complement habitat conservation and restoration activities being undertaken by the States, Tribes, and other stakeholders in the Pacific Northwest to address the needs of salmon listed for protection under the Endangered Species Act. The 2018 Chinook Chapter continues these commitments. The revisions to the Chinook Chapter will continue to build on the progress made in previous agreements. The combination of these efforts is integral to achieving success in rebuilding and restoring healthy, sustainable salmon populations.

Finally, I ask you to consider the fact that the value of the commercial harvest of salmon subject to the Treaty, managed at productive levels under the Treaty, supports the infrastructure of many coastal and inland communities. The value of the commercial and recreational fisheries, and the economic diversity they provide for local economies throughout the Pacific Northwest and Alaska, is immense. The Commission recently funded an economic study of fisheries that has determined this resource creates thousands of jobs and is a multi-billion-dollar industry. The value of these fish to the twenty-four treaty Tribes in Washington, Oregon, and Idaho goes far beyond their monetary value, to the cultural and religious lives of Indian people. A significant monetary investment is focused on salmon due to the listings of Pacific Northwest salmon populations under the Endangered Species Act. Given these resources, we can continue to utilize the Pacific Salmon Commission to develop recommendations that help with the development and implementation of solutions for minimizing impacts on listed stocks. We continue to work toward the true intent of the Treaty, and with your support, we will manage this shared resource for mutual enhancements and benefits.

Mr. Chairman, that concludes my written testimony submitted for consideration by your committee. I want to thank the Committee for the support that it has given the U.S. Section in the past. Please feel free to contact me, or other members of

the U.S. Section to answer any questions you or other Committee members may have regarding the U.S. Section of the Pacific Salmon Commission budget.

Thank you.

[This statement was submitted by W. Ron Allen, Chair.]

PREPARED STATEMENT OF PEPFAR

As a family physician, a faculty member in Family Medicine at Boston University, a former chair of the advisory board for the Center for Global Health Initiatives at the American Academy of Family Physicians, and the Immediate Past President of the North America region for the World Organization of Family Doctors (WONCA), I am writing in support of a report language request that the Committee direct the Office of the Global AIDS Coordinator to provide to the Committee an estimate of the current proportion of PEPFAR funding that goes to existing integrated health services for HIV, other priority health conditions, and outbreak prevention and response, and to provide an Administration target for increasing this proportion. This request would also seek that the Committee further directs the program to report this information not later than 90 days after the date of enactment of the act.

I have directly worked in primary care development in Vietnam, Laos, Cambodia, Myanmar and Lesotho in southern Africa, and most recently just completed working as the Executive Director of the Primary Health Care Performance Initiative (PHCPI)—a partnership between the Bill & Melinda Gates Foundation, the World Health Organization, the World Bank, the Global Fund, UNICEF, Ariadne Labs and Results for Development—trying to better measure primary health care in low and middle income countries.

In these contexts, validated by the experience of many American primary care colleagues engaged in strengthening primary care and frontline health services around the world, I have personally seen how valuable programs targeting priority diseases, such as PEPFAR, have been—and also how much promise has yet to be realized.

In settings where patients may only access service settings addressing care for a single issue or disease, the power of these programs to improve overall morbidity and mortality ends up limited, as they are unable to address the range of health issues that most patients face—and simultaneously also fail to achieve the best possible outcomes for the priority disease at issue, in this case HIV/AIDS. In addition, in places where some integrated services are brought into single issue service settings, you may only experience the benefits of these programs if have the priority disease in question, such as HIV.[1] Without a doubt, strong frontline primary health care services can typically address more than 80% of a person's health needs, reduce health inequities, and provide some of the greatest overall improvements in population-based morbidity and mortality.[2] In order to get the greatest overall benefit from PEPFAR program investments, it therefore follows that these disease-based services should be delivered in frontline integrated primary care settings in order to improve both non-HIV and HIV outcomes.

PEPFAR itself has recently recognized this fact. In PEPFAR's 2023 COP/ROP plan guidance, accelerating this type of integration is identified as a key priority:[3]

> *Page 57: PEPFAR recognizes that "accelerating integration of health services and systems is key to sustaining the HIV response . . . Integrated health services, when based on strong primary care and essential public health functions, strengthen people-centered health systems and contribute to the best use of resources."*
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> *"Where appropriate—and in collaboration with national governments and other donors—Operating Unit teams should support accelerating integration of HIV service delivery into existing local health and social service systems (which could include primary care as mentioned above) . . . "*

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[1] Egilman D, Bird T, Mora F, Druar N. Gets AIDS and survive? The "perverse" effects of aid: addressing the social and environmental determinants of health, promoting sustainable primary care, and rethinking global health aid. Int J Occup Environ Health. 2011 Oct-Dec;17(4):364–82. doi: 10.1179/107735211807523972. PMID: 22069935.

[2] Starfield B, Shi L, Macinko J. Contribution of primary care to health systems and health. Milbank Q. 2005;83(3):457–502. doi: 10.1111/j.1468–0009.2005.00409.x. PMID: 16202000; PMCID: PMC2690145.

[3] PEPFAR 2023 Country and Regional Operational Plan (COP/ROP) Guidance for all PEPFAR-Supported Countries https://www.state.gov/2023-country-and-regional-operational-plan-guidance-and-technical-considerations/.

In addition, PEPFAR recognizes how this approach is also essential to meaningfully strengthening human resources for health, so badly needed around the world and especially in Africa as the WHO projects a shortage of more than 6 million health workers across Africa by 2030 (an increase of 45% in this deficit since 2013), undermining access to and provision of health services across the region: [4]

> *Page 63: "PEPFAR HRH support for HIV services should be integrated within country systems for primary health care, rather than provided in standalone models, whenever possible. This shift to greater integration of PEPFAR's health workforce support into country systems will allow PEPFAR investments to be leveraged toward strengthening partner-country HRH capacity for delivering high quality primary health care services and sustaining the impact of HIV investments. Integrated care delivery teams, task-shifting, and expansion of community health worker's roles to include wrap-around services for people living with HIV should be considered."*

PEPFAR acknowledges the importance of such integrated care to overall improvements in morbidity and mortality:

> *Page 84: "Person-centered care for older adults facilitates treating multiple conditions at once, which can reduce unnecessary visits—potentially shortening facility waiting times. This care model also aligns PEPFAR priorities with MOH priorities for primary care and noncommunicable diseases."*

Multiple outside entities and articles have similarly identified the importance of integrating PEPFAR service delivery into integrated settings. For instance, the Kaiser Family Foundation published a policy report looking across four sustainability indicator areas (commitment to HIV, basic health system, economic, and commitment to health indicators) and found that PEPFAR countries scored, on average, highest on "commitment to HIV" and lowest on "basic health system" measures. Overall, PEPFAR countries were most likely to meet or exceed commitment to HIV indicators (66%), which assess how fully countries have adopted internationally-recommended policies for addressing the epidemic. By contrast, only 17% of basic health system measures were met or exceeded. For the other two indicator areas—economic and commitment to health—PEPFAR countries met or exceeded 29% and 30% of targets, respectively. This suggests that the areas of focus for promoting sustainability rest largely in the realm of further strengthening the basic health system and in addressing economic vulnerability.[5]

Further research backs this up, confirming that delivery of HIV services in integrates care settings improves both non-HIV and HIV outcomes. In PLOS Medicine, a systematic review and meta-analysis looking at the existing scientific evidence on the impact of service integration on the HIV care cascade, health outcomes, and cost-effectiveness found that integration of HIV services and other health services tends to improve health and health systems outcomes, offering a valuable strategy to boost the sustainability of the HIV response and contribute to the goal of "ending AIDS by 2030." Of note, across 32 studies, uptake of other (non-HIV) health services was significantly higher in integrated programs. Treatment success for diseases or conditions other than HIV, measured in 21 studies, was significantly higher in integrated programs. In addition, as measured in 10 studies, costs of basic HIV and non-HIV services tended to be lower in integrated programs.[6] Specifically, HIV care outcomes were better in integrated settings, including uptake of HIV testing and counseling, ART initiation coverage, time until ART initiation, retention in HIV care and viral suppression.

A recent viewpoint published in The Lancet including an author from USAID's Office of HIV/AIDS who also works on PEPFAR reinforced these lessons, stating "Ending the HIV epidemic relies in part on integrating stand-alone HIV programming with primary health-care platforms to improve population-level health and ensure sustainability. Integration of HIV and primary health care services in sub-Saharan Africa improves both outcomes." In this piece, the authors call for re-thinking HIV service delivery, calling for "a shift away from vertically siloed, donor-dependent HIV programmes that operate alongside established, sustainable primary health-care systems. Integrated HIV and primary health-care programmes in LMICs prom-

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[4] https://www.afro.who.int/news/chronic-staff-shortfalls-stifle-africas-health-systems-who-study#:~:text=It%20is%20projected%20that%20the,in%20Africa%20has%20daunting%20implications.

[5] Kates J, Moss K, Oum S, Rouw A, Nandakumar A. Sustainability readiness in PEPFAR countries. Global Health Policy. Kaiser Family Foundation. 2023 https://www.kff.org/global-health-policy/issue-brief/sustainability-readiness-in-pepfar-countries/.

[6] Bulstra CA, Hontelez JAC, Otto M, Stepanova A, Lamontagne E, Yakusik A, et al. (2021) Integrating HIV services and other health services: A systematic review and meta-analysis. PLoS Med 18(11): e1003836. https://doi.org/10.1371/journal.pmed.1003836.

ise to improve population-level health and to sustain the gains of PEPFAR. This fundamental change in the structure of global health programmes requires rethinking PEPFAR's existing HIV programming and funding models, including person-centred health services integration, health-care workforce reform, and strategic financing." [7]

Unfortunately, without Congressional guidance, PEPFAR seems unlikely to dedicate meaningful funds to such an effort. USAID has recently embarked on an effort under the leadership of Dr. Atul Gawande to improve USAID's work on primary health care with the advent of the USAID Primary Impact program seeking to utilize many metrics based on work that I previously led at PHCPI.[8] USAID does not yet seem to be funding this with significant support in relation to its global health budget—in part because it has not yet been defined as a Congressional priority—and such an effort remains limited in scope and success until increased funding can be dedicated to it in the future.

PEPFAR may suffer a similar fate without Congressional action, as entrenched interests may seek to reduce the expansion of funding to support HIV care delivered through integrated health services. To counter this, multiple organizations have signed onto a letter to the Committee requesting that the State and Foreign Operations subcommittees of Appropriations require PEPFAR to provide the following information on how it is planning to increase support for integration: the Office of the Global AIDS Coordinator should provide a target for increasing the proportion of PEPFAR funding that goes towards broad-based service delivery covering HIV, other priority health conditions in the community, and outbreak prevention and response in existing integrated health services.[9]

This information is necessary to hold PEPFAR accountable in implementing its own guidance on this issue and monitor its ongoing progress. Only though this type of action can the program be successfully driven to make the necessary transformational changes to bring PEPFAR well into the next millennium and maximize its gains on investment.

Moving towards delivery of HIV care in integrated service settings can help meet the needs of local populations, promote effective coordination with local partners and governments to meet these needs, support more effective integration of health systems strengthening activities and reduce health system fragmentation across the full spectrum of global health programming, contribute to reducing health disparities, and save costs through greater efficiencies in local health systems by funding integrated activities. Most importantly, integration is a win-win: moving HIV care into integrated settings will save more lives from both HIV and non-HIV health issues.

[This statement was submitted by Jeffrey F. Markuns, MD, EdM, FAAFP.]

PREPARED STATEMENT OF PROJECT HOPE

REGARDING FISCAL YEAR 2025 APPROPRIATIONS FOR GLOBAL HEALTH AND HUMANITARIAN AID

Thank you, Chairman Coons, Ranking Member Graham, and members of the subcommittee for your strong support of U.S. leadership in global health and humanitarian assistance and for the opportunity to submit testimony. As you are aware, the world looks to us and often follows our lead in the realm of global health and humanitarian assistance. U.S. leadership has played a critical role in addressing global health and humanitarian challenges around the world, saving millions of lives. Investments in global health and humanitarian assistance have made the world—and the United States—safer, healthier, and more prosperous.

At Project HOPE, we see firsthand the incredible impacts these lifesaving resources have on families and communities, such as when a mother and child emerge through childbirth healthy or when a family finds new shelter quickly after a hurricane. As a global health and humanitarian organization, Project HOPE provides relief and support in 30 countries around the world. We achieve our outcomes through support from private donations paired with U.S. government resources.

I want to thank the Committee for its steadfast support for global health and humanitarian assistance in the most recent, and quite challenging, Fiscal Year 2024

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[7] Goldstein D, Ferris R, Phelps BR, Minior T. Integrating global HIV services with primary health care: a key step in sustainable HIV epidemic control. Lancet Glob Health 2023 https://doi.org/10.1016/S2214-109X(23)00156-0.

[8] https://www.usaid.gov/sites/default/files/2024-02/FINAL%20PI%20TWO%20PAGER.pdf.

[9] https://www.fundforglobalhealth.org/pepfar-integration-with-primary-care.

(FY24). I want to thank you for the continued base funding for humanitarian assistance. And while we were sorry to see some key accounts significantly cut, namely Global Health Security, HIV/AIDS, TB, and Malaria, the remainder of the Global Health Accounts were maintained, which is appreciated.

Given the importance of every aspect of global health and humanitarian assistance, we were quite pleased with the creation of the new Global Health Workforce line item. While the initial funding is at a modest $10 million, we hope it can catalyze key actions to strengthen the health workforce. As a dedicated funding line, it will initiate the creation of policies and accounting pathways within USAID to better track and inform USAID's vital efforts to strengthen the health workforce globally.

Finally, I also want to thank the Committee for its support for the National Security Supplemental which provided crucial increases in humanitarian funding for food, health care, water, and shelter. This support helps bridge the burgeoning gap between donor resources and the unprecedented scale of humanitarian need around the world.

GOING FORWARD: REQUESTING CONTINUED AND SUSTAINED SUPPORT OF GLOBAL HEALTH ACCOUNTS

We hope you can build on these investments in Global Health for Fiscal Year 2025. U.S. global health and humanitarian programs reinforce U.S. foreign assistance priorities to alleviate suffering, reduce poverty, achieve gender equality, promote human rights, and improve national and global security by supporting stable, resilient, and democratic communities. Sustained U.S. investment in global health is crucial for building on existing achievements and accelerating progress toward the collective global goal of ensuring healthy lives and promoting well-being for all.

Today, I write to express support of U.S. investments in global health accounts. Restoring funding to the three accounts that were cut in FY24 should be the highest priority. With more than one million American lives lost to the COVID–19 pandemic, the need to restore funding to global health security is undeniably and tragically self-evident. Doing so will minimize the impact of the next pandemic and save lives and livelihoods, as well as protect U.S. national security interests. In addition, we ask to restore funding to HIV/AIDS, tuberculosis, and malaria, if not through the Global Fund, then bilaterally. There is no better value for money and health impact than these investments. Further, any reduction in the fight against these infectious diseases will invite their dramatic resurgence. I will walk through each of these further, but I must begin with the staff that supports every health investment.

SUPPORT HEALTH WORKERS THROUGH EVERY PROGRAM

The world faces a severe global health workforce shortage. The WHO estimates, even with current progress, the world will still face a shortfall in health workers of 10 million, including in the United States, as we regularly recruit a significant percentage of the U.S. health workforce from the developing world. Supporting frontline health workers is key to achieving U.S. global health goals at the local, community, national, and global level.

I am pleased by the inclusion of the new, dedicated budget line item for "Global Health Workforce" of $10M at USAID in the FY24 budget bill that Project HOPE and our partners have worked so hard to achieve. Many thanks to our Congressional champions. Next year, it is imperative to increase this amount to at least $20M as requested by the Administration. We hope this funding will be used with precision to play at catalytic role in driving improvements in the health workforce until U.S. funding can be increased to have scalable impact.

We are looking forward to working with USAID and partners to further strengthen direct support for health workers, as they serve their communities around the world. In Sierra Leone, for example, Project HOPE helped launch a baccalaureate and graduate degree program in Neonatal Nursing and Pediatrics, which has equipped the next generation of neonatal nurses with the skills needed to provide advanced nursing care to newborns. And in a crisis setting, Project HOPE has supported 138 health care facilities in 23 oblasts in Ukraine since the start of the 2022 invasion, with support from USAID's Bureau for Humanitarian Assistance. This support included medicines, medical supplies, insulin, needles, hygiene kits, emergency health kits, surgical kits, and children kits (worth more than $8.5 million). As part of these efforts in Ukraine, in 2023, Project HOPE trained 3,400 health workers, operated 36 mobile medical units that treated more than 195,000, and provided mental health support to more than 71,000 people.

RESTORE FUNDING TO GLOBAL HEALTH SECURITY

We were disappointed to see a cut in funding for global health security during the final FY24 negotiations. U.S. investments in global health security are working and making progress to bolster the capabilities of partner countries to detect, prevent, and respond to infectious disease threats and build sustainable systems as lessons learned from the COVID–19 pandemic. Now is not the time to reduce investments, return to modes of panic or scarcity, or neglect funding trends for global health security.

We are asking to restore funding in global health security at the Department of State and the U.S. Agency for International Development to the previous level of $900M. Much-needed investments include USAID's bilateral global health security programming, as well as dedicated funding for the Coalition for Epidemic Preparedness Innovations and the Pandemic Fund. These investments all together help build partner country capacity to detect, prevent, and respond to infectious disease threats before they become epidemic and pandemic threats—protecting lives and livelihoods in the United States and around the world.

Project HOPE responded to the pandemic in many ways and saw firsthand how investing now will pay dividends during the next pandemic. In partnership with the Center for Human Rights and Humanitarian Studies at the Watson Institute of Brown University, Project HOPE developed a COVID–19 preparedness and response curriculum to support the rapid scaling up of response efforts, which reached people in 94 countries. As part of that effort, Project HOPE helped train more than 151,000 health care workers and frontline personnel worldwide by the end of 2021. Our team delivered more than 18 million pieces of personal protective equipment and provided surge support in health systems overwhelmed by COVID–19 patients. To tackle burnout and mental health stigma, Project HOPE also trained over 120,000 health care workers in 41 countries through the Mental Health and Resiliency training program to provide essential personnel with stress management, coping, and self-care skills.

RESTORE FUNDING TO HIV/AIDS, TUBERCULOSIS, AND MALARIA

Funding for AIDS, Tuberculosis and Malaria took a significant hit in the recent budget, presumably to meet the lower matching requirement within the Global Fund. However, those resources were critical to the global efforts against these three devastating diseases. These diseases have proven their ability to resurge in many circumstances when our vigilance and proactive prevention measures faltered. Without continued U.S. leadership and support, these diseases will undoubtedly bounce back. This funding should be restored to at least its FY2023 level to be utilized by the Global Fund or, if the required matching is not met, the US bilateral programs. Namibia, for example, has the sixth highest prevalence of HIV in the world, with around 8% of the population living with HIV (approximately 176,000 people ages 15–64). HIV is the leading cause of death in the country. Project HOPE is working in Namibia to mitigate the impact of HIV through ensuring access to quality health care for vulnerable populations. In one effort started in 2013, with funding through PEPFAR, we are working with the government to provide treatment, care, and support to vulnerable groups living with or affected by HIV. We focus on children first—providing services that are responsive to their needs and their family and community contexts.

FUNDING FOR CRITICAL HUMANITARIAN ASSISTANCE

Humanitarian challenges, both man-made and natural disasters, have increased by 260% in just the last 4 years. Almost all of these have implications for U.S. national security as well as a strong moral imperative. U.S. engagement needs to extend beyond financial contributions, utilizing our diplomatic and strategic capacity when appropriate. The American people expect their government to help those in the deepest need. While the U.S. has continued to be generous in its financial support, the requirement to continually seek 'supplemental' funding hamstrings both our stature and ability for impact. Therefore, we recommend a humanitarian base funding of no less than $4.85 billion for the International Disaster Assistance Account (IDA), while recognizing there may still be a need for supplemental funding as well. IDA resources help create stability and reduce suffering in countries around the world. And again, we know what a tremendous impact the U.S. can have by providing supplemental funding to those in need. In neighboring Haiti, for example, Project HOPE among other humanitarian organizations, with support from USAID's Bureau for Humanitarian Assistance, has been able to utilize supplemental funds to support the provision of primary health services; improve water, sanitation, and

hygiene; provides protection through mental health and psychosocial support programs; and strengthens gender-based violence case management and referral pathways to vulnerable Haitians fleeing the conflict in their home country.

CONCLUSION

I thank the Appropriations Committee for its leadership in global health and humanitarian assistance, particularly given the constrained funding environment. I ask the Committee to support health workers through all global health programs, restore funding to global health security and HIV/AIDS, tuberculosis, and malaria programs to maintain progress achieved so far, and to ensure preparedness for future threats. As we continue to face unprecedented global needs, we also support investments to further grow the base for humanitarian assistance, ensure sustained support, and avoid drastic funding swings in protracted crises. We also hope that you will continue to support supplemental funding as needed to address unforeseen or unfunded crises.

[This statement was submitted by Rabih Torbay, President and Chief Executive Officer.]

PREPARED STATEMENT OF PURE EARTH

Chairman Coons, Ranking Member Graham, Members of the subcommittee, on behalf of Pure Earth I am honored to submit testimony in support of United States leadership to help end childhood lead poisoning globally. We ask that the Committee direct $4 million in FY 2025 foreign operations funding to support State Department and U.S. Agency for International Development efforts to address lead exposure around the world.

We all know that lead exposure can be harmful to humans, especially children. Over the past few years, we have better understood the massive scale and impact of lead poisoning globally.

One-third of the world's children have a concentration of lead in their blood at or greater than 5 micrograms/deciliter—the vast majority in low- and middle-income countries (LMICs). While there is no level of exposure to lead that is known to be without harmful effects, the World Health Organization recommends that for an individual with a blood lead concentration ≥5 μg/dL, the source(s) of lead exposure should be identified, and appropriate action taken to reduce and terminate exposure.

For children, exposure to lead can permanently damage their development. Lead poisoning costs children in LMICs 726 million IQ points, and accounts for up to 20 percent of the learning gap between children in rich and poor countries. Lead poisoning affects the health of pregnant mothers, and mothers with elevated blood lead levels pass that along to their developing babies.

Lead exposure also has serious consequences for adults, causing increased risks of cardiovascular disease. Researchers estimate that 1.6 million to 5.5 million premature deaths a year from cardiovascular disease are directly caused by lead poisoning. Even at the lower end, the death toll is more than HIV/AIDS and malaria combined. However, global donor funding targeted at addressing lead poisoning amounts to only about $20 million a year.

In addition to the human costs, these effects have enormous economic consequences. World Bank researchers estimated that lead poisoning costs economies $6 trillion a year due to lost productivity from premature deaths and IQ loss, almost all in LMICs.

Because of its enormous human, social and economic impacts, lead poisoning globally profoundly affects U.S. foreign assistance goals to promote child health and development, education, and poverty reduction; and it has implications for U.S. national security and economic interests, because poverty and marginalization lead to insecurity and conflict.

In the United States, we still face challenges from lead exposure due to lead-based paint and lead water pipes. In LMICs, sources of lead pollution are more varied: in addition to lead paint, other significant causes of lead poisoning include spices adulterated with lead, metal and ceramic cookware contaminated with lead, and improper recycling of lead-acid batteries.

These sources of lead exposure can threaten American children as well. The most recent example is the finding of lead in imported applesauce pouches that resulted in more than 500 reports of lead poisoning across 44 States.

The best way to protect children globally from lead poisoning including children in this country, is to reduce contamination at the source. Pure Earth knows from

experience that there is a proven effective strategy to lower lead exposure, that includes understanding prevalence, severity, and location of exposure; determining the most significant sources of exposure, and working with communities and governments to address those sources, as well as supporting populations already affected. These interventions are well worth the investment.

LMICs are increasingly aware of the threat of lead poisoning and taking actions to address lead exposure, including India, Bangladesh, Philippines, Ghana, South Africa, Colombia, Mexico, and Peru. However, they need help from development partners to stop childhood lead poisoning.

We very much appreciate that the U.S. Government has recently recognized the threat of lead poisoning in developing countries, and committed to address lead contamination of consumer goods. U.S. leadership is absolutely critical to put this issue on the world stage, and convince other governments and institutions to give the scourge of lead poisoning the attention and funding it deserves.

We respectfully request that the subcommittee designate $4 million from environment programs, toxic chemicals funding to address lead exposure. In addition, we ask that the subcommittee include report language that explains why this issue is important, and that requires a report on U.S. Government plans to lower lead exposure in LMICs:

> *The Committee provides not less than $4 million to reduce lead poisoning in low- and middle-income countries by reducing lead exposure risks associated with lead-contaminated sites, the unsound recycling of lead acid batteries, contaminated metal and ceramic cookware, contaminated spices and other foods, lead-based paint, cosmetics, or other exposure sources as appropriate. Lead poisoning affects half of all children in low- and middle-income countries, results in a greater mortality toll than HIV and malaria combined, can cause permanent brain damage in children, harms learning potential, and costs economies up to $6 trillion a year. Lead-contaminated goods that originate from other countries regularly poison children in the United States, requiring the U.S. Government to engage in efforts beyond our borders to protect children in the U.S. and globally. The Committee commends U.S. efforts to address this issue; not later than 90 days after the date of enactment of the act, the Secretary of State and the USAID Administrator shall brief the Committee on their strategies and progress to lower lead poisoning globally.*

Lead poisoning is an overlooked, cross-cutting global development issue that undermines U.S. international development goals and the goals of our international partners. It robs hundreds of millions of children of intellectual capital and economic opportunity, and hurts efforts to address poverty and promote economic growth. Lead contamination in other countries increasingly threatens American children. The United States can lead the world in working to lower the number of children poisoned by lead around the world.

We thank the subcommittee for its continued investment in U.S. humanitarian and development programs that reflect American values and protect American interests, and for its support for lead exposure mitigation in prior appropriations legislation. Pure Earth encourages the subcommittee to allocate not less than $4 million in Fiscal Year 2025 to support cost-effective programs that help children around the world reach their full intellectual potential.

Thank you for your consideration. Please let me know if you have any questions or would like additional information on our efforts.

[This statement was submitted by Richard Fuller, Founder and President.]

PREPARED STATEMENT OF RESULTS EDUCATIONAL FUND

On behalf of RESULTS, and our network of committed grassroots advocates across all 50 States, I would like to thank Chairman Coons and Ranking Member Graham, along with the additional members of the State and Foreign Operations subcommittee, for U.S. investments and commitment to addressing extreme poverty and health equity around the world. The bipartisan support for global health and development programs has made an enormous difference in billions of people's lives and communities. I want to thank the Committee particularly for the FY24 increases for Gavi, the Vaccine Alliance, and the Nutrition Account in Global Health at USAID. Child deaths have reached an all-time low thanks to longstanding investment, but new crises since 2020 have led to a spike in malnutrition and in the number of children missing out on lifesaving routine vaccination, putting this progress at grave risk. We cannot afford to lose momentum in these crucial efforts. Your com-

mitment to increasing funds here is notable, and we urge you to continue to prioritize and increase the funding accounts that contribute to ending preventable child and maternal deaths in your fiscal year 2025 bill, even in the face of proposed topline budget cuts. Truly, these programs save lives and create positive change around the world and your leadership here is imperative across these vital accounts

UNICEF just reported that in the past 50 years immunizations have saved over 154 million lives. Gavi, the Vaccine Alliance, has been a leading driver in saving lives—and U.S. support has helped Gavi to immunize over one billion children since 2000. Measles, pneumonia, and deadly diarrhea caused by rotavirus have all been leading killers of kids under the age of five, and are now all vaccine preventable. With Gavi support over 78 countries have rolled out the newest vaccines in some of the most remote and hard to reach places, and in turn, are driving down child deaths. Under the last administration, the U.S. made an early pledge, and our largest to date, in support of the most recent Gavi replenishment. It was incredibly successful and even exceeded its global target at a critical juncture. This June Gavi is coming out with their "Investment Opportunity" for its next 5-year strategy, which includes an equity agenda of reaching "zero dose children"—those kids who haven't received any vaccines, and who are most likely not being seen by a health system at all—and rolling out the new lifesaving malaria vaccine. An early signaling of the U.S. investment and commitment to Gavi's new strategy is critical for driving other donors to the table. RESULTS urges the Committee to fund Gavi at $340 million for fiscal year 2025 (FY2025) and to send a strong message in the bill/report to other donor countries by including language that this is the first installment of a multi-year pledge, and urging other donors to also increase their multi-year commitments by no less than 20 percent. Language to that effect from this Committee in advance of the last Gavi replenishment helped set the stage for the global success I noted just a moment ago.

The support for Gavi should not come at the expense of other core maternal and child health programs. RESULTS also urges the Committee to increase the Maternal and Child Health account at USAID to $1.15 billion for FY2025 to support other core MCH programs and to account for both the increase to Gavi that is needed, along with the U.S. support for the Global Financing Facility as proposed by the president's budget request. Through critical USAID investments, in 2022 the Maternal and Child Health programs helped almost 12 million women to give birth in a health facility and supported over 11 million newborns with postnatal care. This access is essential—often lifesaving. Investments in high-impact, evidence-based interventions to improve maternal and child health must be prioritized in U.S. foreign assistance.

RESULTS also urges you to increase USAID nutrition programs—which are funded by the global health account and are key to child survival—to $300 million in FY25. Of the five million preventable child deaths annually, malnutrition is still an underlying cause of almost half. USAID nutrition programs support low-cost but highly effective interventions, such as: vitamin A; iron and other micronutrient supplementation; food fortification; promotion of good nutrition and hygiene practices; and treatment for severe, acute malnutrition. This is particularly important during the 1,000 day window starting with pregnancy and through a child's second birthday, when malnutrition can lead to physical and cognitive stunting that has irreversible lifetime effects.

Last year almost 32 million children under 5 years of age had their nutritional intake improved thanks to U.S. funding. This is work we can be proud of: children who get the right nutrition early on are 10 times more likely to overcome life-threatening childhood diseases such as diarrhea and pneumonia and are more likely to achieve higher levels of education.

Building on the profound effect of health programs in a child's life, we cannot forget the impact of a quality education. RESULTS is grateful for this Committee's ongoing commitment for the multilateral education programs, including support for the Global Partnership for Education (GPE). On GPE, Congress has consistently led the way. We have made huge strides to ensure that basic education is equally available for girls and boys, and to eliminate public school fees. But unfortunately for many students, access to school alone does not equal learning. Reading and math are the launching pads for future learning, growth, and development. Still, too many children are not able to access the quality foundational learning they need and deserve. As a result, 70 percent of 10-year-olds in low- and middle-income countries are experiencing "learning poverty." There is a critical need for increased investment in both bilateral education funding and the multilaterals. The world is dealing with numerous crises, and we cannot afford to leave behind an entire generation of learners.

Since 2021, the Global Partnership for Education has reached 227 million children in 68 partner countries with active grants to support national education plans—with a focus on equity and girls. With increased U.S. leadership, and support for USAID and the Global Partnership for Education, we can partner with governments to reach even more children and support education leaders to strengthen national school systems, so all children can fulfill their right to education. That is why RESULTS is calling for Congress to increase support for International Basic Education, and to provide no less than $200 million for the Global Partnership for Education in FY25.

RESULTS also wants to acknowledge the immensely important leadership of this Committee to reauthorize PEPFAR in a critical year. The world continues to watch the U.S. leadership on global HIV/AIDS, and we are so grateful for the bipartisan support of this Committee and for the leadership of both Chairman Coons and Ranking Member Grahamas a longtime champions of the issue. It is thanks to lasting bipartisan support from Congress that the United States was able to make the historic 3-year pledge to the Global Fund and provide $2 billion to the Fund in FY23, and to maintain the high funding of $1.65 billion in FY24. For every dollar from the U.S., we have leveraged two dollars from other donors to end these epidemics and help countries build health systems. The Global Fund supports high impact investments to end the epidemics of TB, HIV and malaria, build primary health services, and better protect us against new pandemics. Our fight here must continue, and we urge you to maintain your support at $1.65 billion in the FY25 bill.

As we further our efforts on global TB, including pushing USAID to set new bold global goals to reach and treat all people facing the disease, the resounding limitation is the severe lack of global resources. TB experts—the epidemiologists, the pulmonologists, the experts in active case-finding, and contact tracing, even the lab technicians for PCR tests—all helped lead the response to COVID. It's now clear: the historically underfunded TB programs and the people who run them are the world's frontline response system for airborne disease control and are central to pandemic preparedness. Many countries have made remarkable strides to integrate pandemic preparedness efforts into their existing TB programs—but this requires the support of donors, to ensure it doesn't come at the expense of people sick with TB.

As COVID–19 deaths are declining, TB is again poised to become the leading infectious disease killer. The funding level for the bilateral USAID TB program should better reflect the magnitude of the nearly 11 million people annually sickened and the 1.3 million people dying every year of this airborne infectious disease. TB cases disproportionately affect low-income and otherwise marginalized communities and are a key driver of poverty. The vast majority of TB cases are curable, but millions of people go without quality treatment each year.

It has been bipartisan leadership in Congress that has driven critical U.S. leadership on TB, pushing USAID to do more and do it faster by increasing resources for our bilateral TB programs year on year. It's urgent that we act on TB and invest in the programs that can and have been the frontlines for pandemic response—just as we saw in COVID. RESULTS again urges the Committee to increase resources to $1 billion for bilateral TB in FY25.

Again, thank you very much for your crucial leadership and for this opportunity to testify. I respectfully request that the Committee fully fund these programs that have enormous impact in ending needless suffering and preventable deaths, and tackling the root causes of poverty globally.

[This statement was submitted by Dr. Joanne Carter, Executive Director.]

PREPARED STATEMENT OF ROTARY INTERNATIONAL

Chairman Coons, Ranking Member Graham, and members of the subcommittee: Rotary appreciates the opportunity to encourage continuation of funding for FY 2025 to support USAID's Polio Eradication Initiative. These efforts support the broader Global Polio Eradication Initiative (GPEI), which is an unprecedented model of cooperation among national governments, civil society and UN agencies working together to reach the most vulnerable children through the safe, cost-effective public health intervention of polio immunization. Rotary International requests the subcommittee provide $165 million for USAID's polio eradication activities to capitalize on the historic opportunity of unprecedented low levels of endemic polio virus transmission. These funds will support the GPEI's priority of stopping all forms of polio virus transmission through high quality immunization campaigns. These funds will also provide vital support for surveillance activities which provide

confidence in both the presence and absence of polio virus transmission. The nearly 300,000 members of Rotary clubs in the U.S. appreciate the United States' generous support and longstanding leadership toward a polio free world. Continued U.S. leadership will help achieve a polio free world and ensure the continued global health contribution of polio eradication infrastructure and resources.

AN URGENT OPPORTUNITY TO ACHIEVE ERADICATION

USAID's leadership within the Global Polio Eradication Initiative (GPEI) has contributed toward a 99.9 percent decline in global polio cases since 1988. Five of the six regions of the world have been certified free from the wild polio virus. Eradication efforts have also successfully wiped out two of the three wild poliovirus strains. Today, Pakistan and Afghanistan are the only two countries in the world with endemic transmission of wild polio virus, and the virus has been cornered to a limited area in both countries.

However, ongoing challenges threaten over thirty years of progress, the US investment of more than $4.7 billion, and the current window of opportunity to eradicate polio. Endemic transmission continues to be very restricted and was 60 percent lower in 2023 than the previous year, with only 12 cases confirmed in 2023 in the endemic countries of Afghanistan and Pakistan (six in each). These two endemic countries are treated as a single epidemiologic block due to the population movement between countries. The genetic diversity of wild poliovirus is shrinking in these two countries, with only two clusters circulating in 2023, down from 16 in 2020.

An outbreak of wild poliovirus of Pakistani origin in Malawi and Mozambique in early 2022 was stopped thanks to aggressive outbreak response. This outbreak was formally closed in May 2024.

Setbacks in routine immunization related to the COVID–19 pandemic have resulted in variant poliovirus outbreaks. These outbreaks can occur if the weakened strain of the poliovirus contained in the oral polio vaccine (OPV) circulates among under and unimmunized populations for a long time. While these outbreaks continued in 2023, there were 40 percent fewer cases in fewer places. The novel oral polio vaccine type 2 (nOPV2) continues to be administered to stop these outbreaks more efficiently. Outbreaks in four key countries, Nigeria, Democratic Republic of Congo, Somalia, and Yemen, are considered of particular concern, accounting for three-fourths of variant polio virus cases since 2022 and sparking outbreaks in neighboring countries. The GPEI is working to stop outbreaks in these countries while also addressing outbreaks in proximate geographies and improving the timeliness and efficacy of outbreak response activities.

Variant poliovirus has appeared in locations long considered to be polio free, including Israel, the United Kingdom, Canada, and the United States. Two individuals (one in Israel and one in the United States) developed paralytic polio in 2022. These incidents were addressed by the health authorities of these countries but are relevant because they were related to the spread of virus from places where the GPEI continues to battle the poliovirus and underscore the need to stop virus transmission in those places.

USAID'S VITAL ROLE IN GLOBAL POLIO ERADICATION PROGRESS

The United States is a leading funder and technical voice among sovereign donors in the drive to eradicate polio. USAID's polio eradication program contributes to the Global Polio Eradication Initiative by focusing support towards national plans to build and sustain population immunity sufficient to stop polio transmission, build and enhance facility and community-based surveillance able to detect and respond to possible polio cases, increase public trust in immunization by working with local partners to address parental concerns, working with civil society to reach the most vulnerable children in high risk areas and along international borders, and assisting in early detection and outbreak response to any new polio cases found in previously polio-free areas.

USAID has remained steadfast in its support for polio eradication and successfully navigated working in a post-pandemic environment despite constraints resulting from the pandemic and ongoing, complex geopolitical challenges in key geographies. USAID also continued to invest in polio surveillance and laboratory networks to support the rapid and accurate identification of polio cases through poliovirus surveillance in human and environmental samples. In some instances, USAID support for surveillance includes transport of polio samples from districts to national laboratories and training of local surveillance teams in early detection and rapid outbreak response to any new polio cases found in previously polio-free areas.

USAID also applied lessons learned from polio eradication efforts and supported partners to build on the polio architecture to motivate demand, planning and coordination, and distribution and management to address setbacks in polio and other routine immunizations. This includes strengthening partnerships at the country level, using polio micro plans in support of routine immunization, supporting the tracking and mapping of newborn and pregnant women, broader behavior change communication and messaging to support immunization, integrated disease surveillance. In Pakistan specifically, USAID supports the Vaccine Logistics Management Information Systems which efficiently tracks the movement of vaccines from central storage facility to the health facility level. The system also provides real-time information on the availability of vaccines at each stage of the supply chain that contributes to making informed decisions in terms of distribution and delivery.

USAID also supports the CORE Group Partners Project (CGPP), a multi-country, multi-partner initiative providing financial and technical support for strengthening host country efforts to eradicate polio by improving polio vaccination uptake, enhancing quality of polio campaigns and routine vaccination, strengthening surveillance, and fostering polio partnerships at all levels through civil societies and community networks that predominantly rely on female community health workers. The CGPP specifically supports NGOs to foster strong community engagement, monitor routine immunization sessions, monitor cold chain equipment and vaccine distribution and collection per guidelines, assist in the rollout of the novel oral polio vaccine (nOPV), and support broader disease surveillance at the community level. The CGPP also works with NGOs to support the certification and containment processes, through community-based surveillance and by helping to inventory materials potentially infectious for poliovirus (PIMs) at Polio Essential Facilities in their project areas.

USAID STAFF AND MISSIONS

USAID staff continued to provide technical support virtually to USAID Missions and Ministries of Health and continued to coordinate with other donors. USAID staff reviewed National Emergency Action Plans, participated in polio oversight and technical meetings, and continued to promote and disseminate lessons learned across countries for overall program improvement. USAID/HQ and Mission staff continue to be actively engaged in working with GPEI partners in support of effective implementation and review of the GPEI Strategy—2022–2026. USAID also provides support for certification and containment committee meetings at all levels. USAID's polio coordinator is a member of the EURO Certification Commission's (in a personal capacity) and participates as needed in document review, advocacy, and meetings. Finally, USAID staff are also involved in legacy and transition planning discussions at the country and global levels to ensure the contributions made by Global Polio Eradication Initiative sustain polio eradication progress and contribute toward broader health objectives, and that the lessons learned in polio eradication are recorded to benefit ongoing health priorities.

FISCAL YEAR 2025 BUDGET REQUEST

Rotary respectfully requests $165 million in FY2025 for USAID's Polio Eradication Initiative.

FY 2025 funding support for USAID for polio eradication will enable robust surveillance for poliovirus and the vaccination of individuals in the hardest-to-reach communities. Additional funding will support the expansion of surveillance activities which provide confidence in both the presence and absence of polio virus transmission, and specifically to provide active subnational and community-based surveillance to detect and investigate cases in 25 countries and five regions including surveillance medical officers in high risk districts, and community-based surveillance officers in high risk conflict/insecure, remote, mobile and border areas.

USAID will also continue to prioritize timely outbreak response, given the increasing unpredictability of polio variant virus outbreaks and the opportunity to apply effective outbreak detection and response tools, such as the novel oral poliovirus 2 (nOPV2) vaccine. USAID will work to implement improvements in response planning, execution and monitoring to ensure rapid, high-quality activities including those which support fixed-site, mobile clinics and house-to-house planned and outbreak response immunization campaigns in high risk and remote areas; combat vaccine hesitancy through Social Mobilization, Community engagement, and social media; and facilitate coordination across UN agencies and integration of polio vaccination with broader immunization for long-term sustainability of polio immunity.

The requested funds would also support integrated services in targeted geographic areas where polio still circulates such as Afghanistan, Pakistan and outbreak coun-

tries. These countries are characterized by multiple, complex challenges including conflict and insecurity and are frequently areas that are unreached by other health interventions. The polio eradication program is working to reach the most vulnerable children in these high-risk areas with value-added interventions. These initiatives are tailored to address local needs and can include delivery of "plusses" such as treated bed nets, or integrated immunization campaigns that deliver other antigens. Such integrated efforts offer children and families some of the broader services they need, while increasing demand and acceptance of polio vaccination.

THE ROLE OF ROTARY INTERNATIONAL

Since 1985, polio eradication has been Rotary's flagship project, with members donating time and money to help immunize nearly 3 billion children in 122 countries. Rotary's chief roles are fundraising, advocacy, raising public awareness and mobilizing volunteers. Rotary's cumulative investment in global polio eradication, including match funding from the Bill & Melinda Gates Foundation, stands at more than $2.7 billion—the largest contribution by an international service organization to a public health initiative ever. These funds have helped countries to buy vaccine and the equipment needed to keep it at the right temperature and support the means to ensure it reaches every child. Rotary also plays a key role in encouraging country level accountability. Rotary has National PolioPlus Committees, in the endemic countries and over 20 outbreak/at-risk countries. These national committees work to keep the spotlight on polio eradication amidst competing priorities from the community level to the National level.

BENEFITS OF POLIO ERADICATION

Since 1988, tens of thousands of public health workers have been trained to manage massive immunization programs and investigate cases of acute flaccid paralysis. Cold chain, transport and communications systems for immunization have been strengthened. The global network of 146 laboratories and trained personnel established by the GPEI also tracks measles, rubella, yellow fever, meningitis, and other deadly infectious diseases including COVID–19 and will do so long after polio is eradicated. $27 billion in health cost savings has resulted from eradication efforts since 1988. Investing in polio eradication now may cumulatively save an estimated $33.1 billion by 2100 in the form of reduced costs of surveillance and vaccination. The costs to control polio at today's low levels, plus costs to treat the survivors, would be over $1 billion per year for decades to come. Furthermore, as many as 200,000 children could be paralyzed annually in the next decade if the world fails to capitalize on the more than $19 billion already invested in eradication.

Polio eradication is a cost-effective public health investment with permanent benefits. A new investment case finds that successful polio transition in the 8 priority countries of the WHO Eastern Mediterranean Region will deliver a return of nearly U.S. $39 for every dollar spent. The study projects economic and social benefits totaling an estimated U.S. $289.2 billion through sustaining polio assets and integrating them into expanded immunization, surveillance and emergency response programs. These findings underscore the opportunity for national governments, donors and stakeholders to use polio assets to sustain a polio-free world and build strong, equitable and resilient health systems.

Continued U.S. leadership is essential to ensuring we capitalize on this historic opportunity to rid the world of polio. To continue this tremendous progress, we respectfully request your support for the polio eradication efforts of the USAID in the FY25 State, Foreign Operations, and Related Programs Appropriations bill.

[This statement was submitted by Johrita Solari, Chair, Polio Eradication Advocacy Task Force.]

PREPARED STATEMENT OF SAVE THE CHILDREN ACTION NETWORK

My name is Christy Gleason, and I am the Executive Director at Save the Children Action Network (SCAN). SCAN is the 501(c)4 advocacy arm of Save the Children U.S. and a political voice for kids. We work to ensure that the issues critical to children's lives and futures are given top priority by our elected leaders. Thank you for the opportunity to testify on the needs of children most impacted by poverty around the world and the indispensable role United States leadership plays in supporting these children to survive and thrive. I am testifying today to express concern about the interim 302(b) allocation for the FY25 State and Foreign Operations Appropriations bill released May 16. I also testify in support of strong investments in Development Assistance, International Disaster Assistance, Migration and Ref-

ugee Assistance, Global Food Security, Maternal and Child Health, Operating Expenses, and the Prevention and Response of Gender-Based Violence globally, including Ending Child Marriage. Finally, I offer testimony in opposition to the inclusion of any new spending directives.

U.S. investments in children and their families around the world are making a difference. Through U.S. funded assistance, we have witnessed dramatic declines in the number of people living in extreme poverty, child and maternal deaths, and childhood stunting (a severe form of childhood malnutrition).

However, years of gains in outcomes for children are at risk. The number of children in humanitarian need continues to rise—the result of both protracted and new conflicts, extreme weather events and market disruption. 1 in 5 children are living in or fleeing armed conflict, and over 150 million children worldwide urgently need critical humanitarian aid to survive. At the same time, chronic hunger afflicts one in five children globally, permanently compromising their physical and cognitive development. And nearly 710 million children currently live in countries at the highest risk of extreme weather events.

U.S. global leadership on behalf of children has never been more essential—for children's futures and for U.S. foreign policy objectives related to global peace, prosperity, and human rights. Overlapping and intersecting global crises require renewed and bolstered U.S. leadership to save lives immediately, while simultaneously investing in prevention and resilience at individual, family, and community levels. Only by responding to today's crises and rebuilding a more resilient, peaceful, equal, and economically prosperous global community will we ensure a world where generations of children can grow up healthy, protected, and educated.

While we understand that Congressional appropriators are facing significant constraints, we are deeply concerned by the disproportionate cut made to the allocation for the FY25 State and Foreign Operations Appropriations bill. A decrease of this magnitude poses unacceptable risks to the lives and futures of children around the world, to hard-fought development gains won over decades, and to U.S. national security and global peace and prosperity. We urge Congress to put children's needs at the heart of U.S. foreign policy to ensure every child can get the healthy and safe childhood they deserve, no matter who they are and where they live. With this frame, I urge the following:

Core Humanitarian Accounts (FY25 requests: International Disaster Assistance at $4.85 billion and Migration and Refugee Assistance at $4.211 billion).—Children are disproportionately represented among people in humanitarian need. At the same time, they face distinct risks and rights violations and have different needs by virtue of their age, relative stage of physical and emotional development, and access to decision-making spaces and resources. A staggering 300 million people worldwide need humanitarian aid in 2024. A record 117 million people are forcibly displaced, 40% of them children—and this number is projected to grow. We are grateful that Congress has answered the call with supplemental appropriations. It is desperately needed, especially as the needs keep growing. There are currently an unprecedented eight crises requiring over $2.5 billion to fully meet the scale of needs: Afghanistan, the Democratic Republic of the Congo, Ethiopia, Sudan, Syria, Ukraine, the West Bank and Gaza, and Yemen. In 2017, there was just one: Syria.

Robust investment in the core humanitarian accounts will ensure continued U.S. global leadership in alleviating the humanitarian needs of children worldwide—and drive greater action and contributions from our allies. Though it constituted less than .15% in FY23 including supplementals, these accounts have an outsized humanitarian impact, providing critical support for tens of millions of displaced persons and children living in crises and conflicts; urgent relief to increasingly frequent weather and natural disasters; averting hunger and famine; and ensuring vital access to education, protection, and clean water for children in crisis. Maintaining our funding to scale with global needs is crucial to prevent loss of life, support stability and well-being in volatile regions, and protect and expand development gains won over decades.

While the 2024 supplemental funding bills brought these accounts to a generous $17.86 billion, continued reliance on supplementals to address humanitarian needs can both hinder the ability to respond to sudden onset emergencies and make it more difficult for humanitarian actors to carry out medium-to-long-term aid for protracted crises where children's needs remain dire. We urge Congress to continue its long, bipartisan history of supporting children in need worldwide by prioritizing strong humanitarian base funding in the FY25 bill.

We also remain extremely concerned about the suspension of funding for UNRWA. UNRWA is irreplaceable—depriving it of critical funding risks the complete collapse of any semblance of a humanitarian response not just in Gaza, but across the re-

gion. We urge Congress to resume funding for UNRWA in FY25 and ensure that every child, wherever they are and whoever they are, has access to lifesaving assistance.

Development Assistance (FY25 request: $4.66 billion).—A strong Development Assistance account is critical to tackling the root causes of poverty and breaking the cycle of humanitarian need. It funds programs to combat child marriage and help farm families be self-reliant, growing economies and creating communities that can manage chronic challenges and bounce back from crises. As such, it is the backbone of U.S. investment in a more stable, prosperous world.

Global Food Security (FY25 request: $1.2 billion).—Feed the Future (FTF) is a dynamic whole-of-government approach that tackles global hunger and malnutrition through programs to improve agricultural productivity, expand markets and trade, prevent child malnutrition, and strengthen the resilience of individuals experiencing the highest levels of vulnerability, particularly children. FTF reached 32 million children under age five with nutrition-specific interventions and leveraged $698 million to support global food security programming. Unfortunately, global hunger is on the rise after decades of steady decreases. As many as 783 million people are facing chronic hunger and 148 million children are stunted by poor nutrition. By emphasizing resilience, FTF addresses the root causes of poverty and hunger by equipping people with the resources needed to feed themselves, reducing long-term reliance on foreign aid. Strongly investing in FTF is critical to help families build resilience to shocks and stresses. Investing in resilience yields benefits of $2.8 for every $1 invested and avoids costly humanitarian efforts in the future.

Maternal and Child Health (FY25 request: $1.15 billion).—Investments in maternal and child health, including U.S. contributions to Gavi, the Vaccine Alliance, cement the foundation for healthy, stable societies. U.S. leadership and assistance contributed to cutting child and maternal mortality around the world in half since 1990. In the past 10 years, USAID's efforts have helped save the lives of 9.3 million children and 340,000 women. In 2022, the annual number of uner-5 deaths dropped below 5 million for the first time ever.

Despite this progress, 4.9 million children under age five still die each year, almost one million of them on the day they are born. Moreover, newborn mortality has not decreased as quickly as child mortality.

Each year, 303,000 women and adolescent girls die from preventable causes related to pregnancy or childbirth, including postpartum hemorrhage, hypertension, infection, and obstructed labor. Complications during pregnancy and childbirth remain the leading cause of death for adolescent girls aged 15–19 across the globe. Maternal health interventions improve health outcomes of mothers and reduce infection risk among newborns and prevent complications from pre-term births. Prematurity is the leading cause of newborn deaths, yet many preterm births can be prevented or managed with feasible, cost-effective solutions. Health interventions throughout a woman's and girl's life, from preconception through labor and in between pregnancies, can help prevent early births. These include improving the nutrition and health of mothers, promoting healthy spacing of pregnancies, and addressing risk factors before and during pregnancy.

Gender Equality (FY25 request $3.1 billion), including Prevention and Response to Gender-Based Violence Globally (FY25 request $414 million), and Combatting Child Marriage Globally (FY25 request $30 million).—We urge continued U.S. leadership on global gender equality and the prevention, mitigation, and response to gender-based violence experienced by children globally.

Gender inequality and gender-based violence are early warning signs of instability and violent conflict and undermine the effectiveness of existing investments in global health, development, and stability. Forms of gender-based violence— such as intimate partner violence, child marriage, and female genital mutilation/cutting— are rooted in structural gender inequality and manifest in gender discrimination affecting women and girls in every country and community in the world. Adolescent girls are particularly at risk of gender-based violence, especially in conflict and crisis settings.

The World Bank estimates that global economic gains from ending child marriage could reach over $500 billion per year, driven in part by the impact child marriage has on a girl's ability to complete her education and earn income over her life. Conversely, girls with a secondary education and access to gender and age-responsive healthcare services are more likely to marry later, earn more income over their lifetimes, and face fewer complications from childbirth. These girls are also more resilient through economic and environmental shocks, contributing to the resilience of their families and communities.

Finally, we urge that Congress mandate increased U.S. investment in sex, age, and disability disaggregated data to measure progress towards gender equality out-

comes and reporting on allocations of funding for all children and/or youth-focused programming.

USAID Operating Expenses (FY25 Request of $1.9 billion).—We are concerned about the 2.75% cut to USAIDs operating expenses from FY23 to FY24 given how critical operational funds are for USAIDs staffing, localization vision, ability to conduct evaluations, and overall learning agenda. Robust funding for USAID Operating Expenses (of at least $1.9) is vital to ensure sustainable program results.

Locally Led Development.—We were glad to see that both the House and Senate FY24 SFOPS reports included strong report language requiring the agency to report on progress in advancing locally led development and humanitarian response. For FY25, we encourage appropriators to request that USAID align its definition of a "local entity" with the Inter-Agency Standing Committee (IASC) definition in accordance with the U.S. government's reporting to the Grand Bargain.

No New Funding Directives.—Save the Children believes strongly, based on our programmatic experience, that the most effective humanitarian response and development programs are based on knowledge of local context and tailored to the local context. This requires that funding streams allow those on the ground with intimate knowledge of the needs, challenges, opportunities and capacities to decide how funds are used. Those decisions should not be dictated from far away. Accordingly, we oppose the inclusion of any new spending directives in the FY25 appropriations bill.

CONCLUSION

We thank the subcommittee for considering our testimony as it makes decisions about how to allocate resources. Save the Children Action Network appreciates bipartisan support for programs that are essential for fighting poverty and ensuring children at home and around the world have the tools and resources they need to survive and thrive. An investment in children is an investment in future peace and prosperity. We look forward to continuing to work alongside you as you champion and invest in the needs of children around the world, so they have what every child deserves-the opportunity to survive and thrive.

PREPARED STATEMENT OF SURFRIDER FOUNDATION

Dear Chair Coons, Ranking Member Graham, and members of the Senate Committee on Appropriations subcommittee on State, Foreign Operations, and Related Programs:

The Surfrider Foundation ("Surfrider") strongly supports the appropriations of at least $69.3 million to the U.S. International Boundary and Water Commission's Salaries and Expenses Account, of which at least $17.5 million be made available to support operations and maintenance of the South Bay International Wastewater Treatment Plant ("SBIWTP"), administered by the Department of State to protect public health, at-risk communities and national military preparedness in the Fiscal Year (FY) 2025 Federal budget.

South San Diego County along the U.S./Mexico border is plagued by binational flows of polluted water from the Tijuana River. In part due to insufficient treatment capacity, mechanical failures, and neglected maintenance of the SBIWTP, sewage-polluted flows are wreaking havoc on the local community, economy, and environment. Since October 2018, the U.S. International Boundary and Water Commission has documented the entry of over 148 billion gallons of toxic effluent into the United States through the Tijuana River,[1] with 28 billion gallons of polluted flows crossing the international border since the start of this year.[2] The southernmost beach in San Diego County has been closed for over 900 consecutive days and counting as a result of this pollution. Nearby, Imperial Beach has been closed 100 percent of 2024, with Silver Strand Beach closed for 96 percent of the year, and world-renowned Coronado Beach closed for 74% of the year due to elevated bacteria in the water.[3]

Exposure to untreated and undertreated sewage poses a significant public health threat. Sewage contains bacteria, viruses, and parasites that can make people sick with gastrointestinal symptoms, rashes, and eye infections, as well as more serious conditions including hepatitis, acute respiratory disease, cholera, giardia,

[1] Email exchange with International Boundary and Water Commission Area Operations Manager, February 6 2024.

[2] Email exchange with International Boundary and Water Commission Area Operations Manager, May 2 2024.

[3] Email exchange with San Diego County Environmental Health Specialist, May 2 2024.

methicillin-resistant staph infections (MRSA), and flesh-eating bacteria from V. vulnificus, among others. A 2018 study estimated that each year, 90 million illnesses are caused by recreating in sewage-polluted waters, which costs the U.S. economy up to $3.7 billion annually.[4] For this study, the primary exposure route was through dermal contact and accidental ingestion of polluted water during recreation. However, bacteria and industrial chemicals in areas chronically polluted with high levels of sewage and industrial discharges, such as coastal waters near the Tijuana River Watershed, also become aerosolized in sea spray, reducing air quality and causing an additional exposure route through inhalation, further threatening public health.[5] Preliminary results from new air quality monitoring stations installed in San Ysidro by the San Diego Air Pollution Control District show levels of hydrogen sulfide, one of the main chemical components of sewer gas, to be above the state standard for protecting against headaches and nausea.[6]

Not only do polluted flows threaten the public health of surrounding communities, the Tijuana River pollution crisis undermines U.S. national security, affecting Navy SEAL training programs and the ability of Border Patrol agents to do their jobs. According to a House Report of the Committee on Armed Services that outlines impacts on Navy readiness and training, pollution from the Tijuana River caused over 250 in-water canceled training events in FY2020.[7] Additionally, Border Patrol agents have experienced illnesses from exposure to toxic water while performing job duties, including flesh-eating bacteria.[8]

Local businesses and economies have also been hit hard and continue to suffer due to increasing water and air contamination. The County of San Diego, with assistance from the San Diego Chamber of Commerce, recently conducted an economic impact study to measure the impacts of border pollution on local businesses. Preliminary results reveal that 74 percent of local businesses have been negatively impacted, 30 percent have laid off staff, 50 percent have lost more than $100,000 in revenue, the City of Imperial Beach has experienced $1–1.5 million in property tax damage, and the estimated revenue loss for tourism is over $500,000 annually.[9] Some businesses have been forced to close, and many residents have lost their livelihoods.

These economic and public health concerns are why the City of Imperial Beach, City of San Diego, and the County of San Diego maintain an ongoing State of Local Emergency related to the impacts of cross-border pollution from the binational Tijuana River. The Tijuana River was also recently designated as one of America's most Endangered Rivers[10] due to the severe level of sewage and industrial pollution threatening local communities and wildlife. A recent white paper published by San Diego State University's School of Public Health summarized the public health impacts of the pollution and noted that the death of three bottlenose dolphins in San Diego from sepsis is likely linked to Tijuana River pollution. "These dolphins serve as sentinels for the risk of possible human exposures to dangerous bacteria", the paper States.[11] Despite local and national attention, toxic flows continue to threaten families, expose Border Patrol personnel, harm ecosystems and wildlife, and impede public access to the coast every day.

The International Boundary and Water Commission is tasked with managing the SBIWTP, yet inadequate funding has led to years of deferred maintenance, plant failures, and a long list of critical repairs needed in order for the SBIWTP to be fully operational. For example, the already struggling SBIWTP became inoperable after damages and inundation sustained from Tropical Storm Hilary in August 2023. Flooding from the storm resulted in the plant receiving flows of 50 to 80 million gallons per day above the plant's permitted design limit of 25 million gallons per day. As a result, the plant intentionally diverted raw sewage into the Pacific Ocean to prevent further damages. The plant has since come back online, but is operating at a diminished capacity due to those damages and the state of affairs preceding that weather event. Insufficient treatment capacity and frequent mechanical

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[4] https://ehjournal.biomedcentral.com/articles/10.1186/s12940-017-0347-9.

[5] https://pubs.acs.org/doi/10.1021/acs.est.2c02312?ref=pdf%20.

[6] https://www.sandiegouniontribune.com/news/health/story/2023-10-08/new-monitors-confirm-what-south-bay-residents-suspected-concentrations-of-wastewater-gases-are-above-state-thresholds.

[7] https://docs.house.gov/billsthisweek/20210920/CRPT-117hrpt118.pdf (see page 108).

[8] https://www.surfrider.org/news/the-impact-of-toxic-border-pollution-on-us-border-patrol.

[9] Preliminary findings presented during testimony by Lauren Cazares, San Diego Regional Chamber of Commerce, to the California Coastal Commission on October 11 2023: https://calspan.org/meeting/ccc_20231011/.

[10] https://mostendangeredrivers.org/river/tijuana-river/.

[11] https://www.sdsu.edu/—files/tijuana-sewage-contamination-public-health-crisis-white-paper-021424.pdf.

failures at the SBIWTP and its distribution system are problems year-round, not just during heavy rain and storm events. Dr. Maria-Elena Giner, U.S. Commissioner of the International Boundary and Water Commission, testified to the California Coastal Commission that the SBIWTP was failing to meet over 15 of 35 water quality parameters regulated by their discharge permit, stating that previous annual funding levels were too low and "did not prioritize this plant [the SBIWTP] as part of the maintenance that was needed." [12]

Thanks to strong support and engagement from local communities, nongovernmental organizations, local decision-makers, scientists, Federal agencies, and Congressional leadership, progress has been made to plan for expanded capacity of wastewater and stormwater infrastructure at the U.S./Mexico border. Federal funding allocated through the United States-Mexico-Canada Agreement (USMCA) as well as the U.S. Border Water Infrastructure Grant Program helped advance development of the Comprehensive Infrastructure Solution, which outlines projects to upgrade treatment facilities at the U.S./Mexico Border. The Comprehensive Infrastructure Solution is designed to eventually increase wastewater treatment plant capacity and the broader distribution system to be able to adequately handle wastewater flows. Once implemented, the Comprehensive Infrastructure Solution is estimated to decrease cross-border flows by 75% year-round and reduce beach closures by 95% in summer months.[13]

However, even with the $300 million provided by the USMCA agreement and contributions from the Mexican Government, there is a several hundred million dollar funding gap to fully implement the Comprehensive Infrastructure Solution. This funding gap does not include the additional funding needed to address current repairs as a result of decades of deferred maintenance at the SBIWTP. The FY2024 Federal budget included elevated funding to help the International Boundary and Water Commission start to address this maintenance backlog, yet elevated annual funding is critical to prevent future deferred maintenance from occurring. The International Boundary and Water Commission requires not just funding to address previous damage, but also increased annual funding in order to provide adequate maintenance and operation of the SBIWTP each year to prevent similar issues from occurring in the future.

Providing FY2025 appropriations of at least $69.3 million to the International Boundary and Water Commission Salaries and Expenses Account, with at least $17.5 million of that allocated to the operations and maintenance of the SBIWTP, will allow the Commission to accomplish its mandate to properly operate and maintain the current SBIWTP in a manner that prevents future mechanical failures and polluted flows that contribute to the severe public health crisis and military preparedness threat occurring at the U.S./Mexico border. Further, Surfrider supports the funding level of $78 million to the International Boundary and Water Commission Construction Account, with at least $40.1 million of that allocated to urgent construction needs and implementation of redundant measures of the SBIWTP, to address ongoing mechanical failures.

Thank you for your consideration of elevated funding to advance public health, water quality, and environmental justice at our Nation's southern coastal border.

[This statement was submitted by Katie Day, Senior Manager of Science and Policy.]

PREPARED STATEMENT OF U.S. GLOBAL LEADERSHIP COALITION

Chairman Coons, Ranking Member Graham: On behalf of the U.S. Global Leadership Coalition, thank you for the opportunity to testify about the important resources provided in the Department of State, Foreign Operations, and Related Programs Appropriations bill. Today, I ask that you support a strong and effective Fiscal Year 2025 International Affairs Budget funded at no less than the Administration's request of $64.4 billion, including $62.4 billion for the FY25 State-Foreign Operations bill.

Our diverse coalition of businesses, NGOs, faith-based organizations, veterans, farmers, mayors, and community leaders across the country is grateful for the longstanding bipartisan support in Congress for America's development and diplomacy tools—including in the recently passed national security emergency supplemental.

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[12] Dr Maria-Elena Giner testimony to the California Coastal Commission, October 11 2023, Minute 38.

[13] https://www.epa.gov/sustainable-water-infrastructure/tijuana-river-watershed-nepa-implementation.

This emergency funding could not be more significant for protecting America's security and economic interests here at home. As China, Russia, and Iran take increasingly coordinated action against our interests, we must ensure our Nation is not only able to compete but is also stopping threats before they reach our shores.

At the same time, it is important to examine the underlying reasons for this significant emergency package and why supplemental resources have become so essential. In recent years, base funding for America's development and diplomacy toolkit has largely remained flat while global threats have escalated. Given this threat-resource mismatch, it is not surprising that Congress has relied on emergency supplementals to bridge the gap.

As we look to the future, it is essential that America confronts these complex and growing global threats with an equally serious response that prioritizes strategic, long-term investments in our civilian national security tools.

GROWING THREATS FROM AMERICA'S ADVERSARIES

As you know better than most, America's adversaries are working to create chaos around the world and here at home—and they are becoming even more brazen in their collaboration.

Russia hosted Hamas leaders at the Kremlin just days following the barbaric October 7 terrorist attacks on Israel. China continues to provide significant economic support to Russia as it assaults Ukraine—and earlier this month Chinese President Xi Jinping rolled out the red carpet for Russian President Vladimir Putin. North Korea is supplying Russia with weapons for its ongoing war in Ukraine. Iran continues to produce weapons to kill Israelis, Ukrainians, and Americans. China continues to purchase Iranian oil and gas, providing Iran the resources to fuel proxy wars across the Middle East. In the Indo-Pacific, grey zone maritime clashes between China and the Philippines continue as Taiwan's future hangs in the balance.

Our adversaries' objective is no secret—it is to directly undermine our security, our economy, and our National interests here at home and in every corner of the world. I have seen this firsthand in my own travels—most recently in South Africa as part of a bipartisan, bicameral CODEL with the Aspen Institute. As expected, we heard and saw the outsized footprint China has throughout the continent. What I didn't expect was how rapidly Russia is also expanding its presence across Africa. AFRICOM briefed us on the presence not only of the former Wagner Group—now rebranded as the "Russian Africa Corps"—but also the economic investments that were at a whole different scale, matching what experts are seeing in Latin America and Asia.

UNRELENTING AND INTERCONNECTED GLOBAL EMERGENCIES

This global nexus of authoritarian collaboration, escalating conflict and instability, and growing humanitarian crises continues to directly impact America's national and economic security—and it shows no signs of letting up. Here are just a few examples:

—The ongoing war in Sudan has resulted in thousands dead and 25 million people at risk of hunger, disease, displacement, and violence. The country now accounts for the largest number of internally displaced people in the world and nearly one-third of the population is on the brink of famine. Not only is this a humanitarian emergency, the security implications for the region and for the world cannot be understated.

—After Burma's democratically elected government was overthrown in a military coup in 2021, the country has been mired in humanitarian catastrophe and civil war. Backing from Russia and North Korea has been vital for the military junta as it clings onto power, while China's influence has fueled a conflict that has sent Burma's economy plummeting and led to more than 2.5 million internally displaced. The spillover across Burma's borders is also destabilizing a key part of Indo-Pacific.

—More than 270,000 Americans have died from an overdose of a synthetic opioid in the last several years. Tragically, much of the supply of synthetic drugs and illicit opioids is produced in and comes through international supply chains from Mexico and China—fueling one of the most devastating public health and geopolitical crises with widespread implications for American families, the U.S. economy, and our National security.

If we fail to address these and so many other challenges using all our tools of national security—including diplomatic, development, economic, humanitarian, and global health—they will continue to spiral at a time when global stability has rarely been more impactful on American stability.

POWERFUL SOLUTIONS TO STEM THE TIDE OF CRISES

While America cannot control the actions of our adversaries and competitors on the global stage, we can determine how we choose to show-up, engage, and lead in the world to advance our security and economic interests. Importantly, U.S. development, diplomacy, and foreign assistance are a proven investment in building a safer, more prosperous America.

We have seen this model pay dividends for America time and again. U.S. foreign assistance, for example, helped move South Korea from economic collapse after the Korean War to our sixth largest trading partner and a key ally today. We now get back $65 billion every year in trade with South Korea—far more than the total we invested there over five decades.

Economic Toolkit

Today, as we confront our adversaries and competitors, we also see the growing nexus of how economic security is national security. It will be increasingly important that we invest in and sharpen America's diplomatic and economic tools to protect American families. This includes how we engage in economic statecraft to create American jobs, strengthen supply chains, bolster infrastructure in emerging economies, leverage technology and diplomacy, and ensure the U.S. is setting the rules of the road on everything from trade to energy to artificial intelligence.

At a time when China has increased its economic development spending around the world by 525% in the last 15 years alone, America cannot take its foot off the gas. China is taking advantage of this moment to expand its global influence and advance its interests—many of which do not align with ours. The U.S. International Affairs Budget is a powerful tool in America's strategy to compete and offer a better alternative by leveraging investments in development financing, economic assistance, infrastructure, and public-private partnerships.

This conclusion was underscored by the bipartisan House Select Committee on Strategic Competition with the Chinese Communist Party in its recent report, which called for an expansion of the "toolkit for global development and strategic investments to counter the Belt and Road Initiative," and specifically urged Congress to "[f]ully fund DFC and USAID... to advance strategic, values-driven, and high-standard infrastructure and investment in low- and middle-income countries."

When I traveled to Kenya last year, America's impressive Ambassador Meg Whitman, former CEO of Hewlett Packard, also made a compelling case. She reminded our delegation that by 2050, 1 out of 3 workers in the world looking for their first job will live on the continent of Africa—and our competitors are everywhere playing to win, especially China. The next day, my colleagues and I visited impactful U.S. economic development programs led by USAID and the Development Finance Corporation (DFC) that are bolstering opportunity in Kenya and here in the United States.

Failure to adequately invest in these critical tools puts America at a disadvantage and could undermine critical resilience-building efforts and ultimately lead to more crises. Unfortunately, the final FY24 spending deal included significant cuts to America's core economic and development assistance accounts that will be important for Congress to reassess in FY25.

Humanitarian Assistance

From Sudan to Gaza to the Democratic Republic of Congo to Haiti, global humanitarian needs have reached a fever pitch. If we ignore these growing humanitarian emergencies, we do so at our own peril.

At the beginning of each year, the International Rescue Committee releases a report on the 20 countries most at risk of new or worsening humanitarian crisis. For 2024, 8 out of the top 10 watchlist countries are in Africa. According to the report, "Watchlist countries are home to just 10% of the world's population but account for approximately 86% of all people in humanitarian need globally." In addition to the human toll, of additional concern is that many of these countries are experiencing growing conflict and turmoil, adding to the growing instability and security risks throughout the world.

The good news is that America's development and diplomacy programs help save lives and alleviate suffering—strengthening global stability and showcasing the best of our Nation's values.

Our coalition is grateful that Republican and Democratic administrations and Members of Congress have a legacy of sustaining and strengthening America's commitment to global humanitarian assistance. Importantly, alongside a slight increase for humanitarian aid in the final FY24 spending deal, Congress reinforced its commitment to helping the world's most vulnerable by including more than $9 billion in the recently passed national security emergency supplemental for global humani-

tarian assistance. These resources will help save millions of lives and go a long way to promote stability at this moment of significant crisis.

EFFECTIVE INVESTMENTS AMID CONSTRAINED RESOURCES

Each year, Congress faces the difficult task of distributing finite resources across many priorities. Given the spending caps imposed by the Fiscal Responsibility Act, this year is certainly no exception. But the consequences of shortchanging America's investments in our civilian international affairs toolkit are simply too great.

Congress's power of the purse is not a responsibility to be taken lightly. Members of Congress have an obligation to ensure taxpayer resources are spent effectively, accountably, and transparently to advance American interests. Over the past decade, Congress has taken this responsibility seriously, passing more than 50 bipartisan bills to strengthen and reform U.S. development and foreign assistance programs on issues from global health to food security to development finance to aid transparency. As a result, the 1% of the total Federal budget provided for development and diplomacy has consistently proven to be a cost-effective investment that delivers a significant return for Americans.

In the coming weeks and months, our coalition looks forward to continuing our bipartisan, bicameral engagement with Congress to underscore why investing in our international affairs tools directly matters for America's security and economic interests and our values.

[This statement was submitted by Liz Schrayer, President and CEO.]

PREPARED STATEMENT OF U.S. OVERSEAS COOPERATIVE DEVELOPMENT COUNCIL

The U.S. Overseas Cooperative Development Council (OCDC) is requesting $50 million for the FY2025 Cooperative Development Program (CDP) of the Development Assistance account in the FY2025 State-Foreign Operations and Related Programs Appropriations bill. For more than five decades, USAID has supported the development of cooperatives as part of its foreign aid program, mainly through the Cooperative Development Program (CDP) which is designed to bring U.S. leadership to the mission of capacity building for the development and growth of cooperative businesses and cooperative systems around the world. This request for $50 million is the same as was requested in FY2024.

WHO IS OCDC AND WHAT IS OUR INTEREST IN USAID'S CDP PROGRAM?

The U.S. Overseas Cooperative Development Council (OCDC) has a membership of 10 U.S. cooperative development organizations (CDOs) with expertise in sectors as diverse as agriculture, finance, health, and energy. These OCDC members are successful U.S. cooperatives who are part of a robust U.S. cooperative sector that contributes more than 2 million jobs and over $65 billion in annual revenue to the U.S. economy. It is estimated that more than 120 million Americans benefit from their membership/participation in one or more of the nearly 30,000 cooperatives that exist throughout all sectors of the U.S. economy.

In addition to being leaders in the U.S. domestic cooperative community, OCDC members have a shared interest in being champions, advocates, and promoters of effective international cooperative development. Individually and collectively, they have an impressive record of achievement, and they bring many resources to this international work from the private sector. They share their business expertise and send members around the world as volunteers to build sustainable cooperative businesses. And they develop trading relationships between cooperatives in the U.S. and those in developing countries, which increases jobs at home and security worldwide. Examples of impacts achieved by OCDC members include:

ACDI VOCA.—In Guinea their CDP is increasing economic opportunities, strengthening local market actors' ability to promote economic growth, and increasing youth and women's entrepreneurship. In the Philippines, CDP is expanding market-driven growth, promoting private sector-led development, enhancing gender and social inclusion, and strengthening civil society.

Equal Exchange.—Fair Trade-certified coffee cooperatives in Ethiopia, Rwanda, East Timor, and Central America link thousands of smallholder farmers directly with global markets and their premium coffee prices.

Frontier Co-op.—Support cooperative member's organic cultivation practices, enhance their socio-economic wellbeing, provide education facilities, and support the economically disadvantaged at-large in member villages in India.

Genex.—Based on a foundation of business consulting provided by Genex through CDP funding, more than $94 million of host government investments has been leveraged for agriculture cooperatives in South Africa.

Global Communities.—Through the establishment of the Agency to Support Housing Initiatives, the organization facilitated the building of 1,140 new units of cooperative housing at 33 sites in Poland, with an estimated 4,560 individuals benefiting from the housing. Participating cooperative members contributed over $39 million to finance their housing projects.

HealthPartners.—46,000 members of health-care co-ops in Uganda now have reliable access to care, including bed nets to prevent malaria and Zika.

Land O'Lakes Venture 37.—Their work with the dairy sector in Rwanda has focused on partnering with cooperatives that have leveraged economies of scale through horizontal or vertical integration working with each partner to improve operational management, organizational governance and business decision-making.

NCBA CLUSA.—The Creating an Environment for Cooperative Expansion project improved enabling environments, enhanced support to cooperatives, and improved business performance of cooperatives, in six countries, building the capacity of more than 15 local support institutions to provide quality cooperative development services, and providing targeted technical assistance to more than 60 agricultural and savings and credit cooperatives.

NRECA International.—Decades-long relationship with the Philippine rural electric community included assistance in the more recovery from Typhoon Yolanda (Haiyan) that has included work to make the Philippines' power distribution infrastructure more storm resilient. 49 rural electrification projects in the Philippines provide power for 4.3 million co-op members.

World Council of Credit Unions.—In its first 3 years, WOCCU's CDP program in South America helped 109,679 individuals obtain formal financial services, 15,120 individuals received financial education and literacy training, 12,278 Venezuelan migrants and locals accessed entrepreneurship or employment opportunities, and 2,037 Venezuelans received support for revalidating their diplomas, or professional or technical degree certifications.

IMPACT OF THE CDP PROGRAM

Compared with other U.S. foreign aid programs, the CDP program has received a modest amount of funding and yet it has achieved tremendous success as a catalyst in laying an effective base for widespread and sustainable locally led international cooperative development. Among the measures of the CDP program's success over the years are the following impacts in 2023:

—314 cooperatives and credit unions assisted with a combined savings to members of $123.7 million.
—The program works in 22 countries across Africa, Asia and Latin America.
—871,173 women and youth directly benefited from the program.
—Over 9.9 million people including cooperative members and their households benefited from the program.
—Reforms to cooperative law and regulation in Mozambique, Tanzania, Uganda, and Kenya.

This is only a representative sample of an impressive track record for the CDP program. The challenge is to use the CDP program to get additional traction for locally led cooperative development that will produce similar impacts in other parts of the developing world. Among the lessons we have learned is that the CDP program is an important resource for demonstrating the positive experience of cooperatives in the developed world that can then be replicated to address the economic and social challenges of developing countries where cooperatives have not had a similar successful history.

WHY COOPERATIVES SHOULD BE AN INTERNATIONAL DEVELOPMENT TOOL

In the quest for a more prosperous, democratic, and inclusive world there has never been a better time to increase U.S. investment in locally led cooperative development. Through a democratic business model, people-centered approach, underlying social justice principles, concern for community, and dedication to equitable economic growth, cooperatives bring a unique set of solutions to today's most difficult development challenges.

Cooperatives are a dynamic force for self-determination, and they contribute to creating communities where all people—including women, youth and the most vulnerable- have an opportunity to improve their livelihoods. Cooperatives go where for-profit businesses will not providing economic opportunities and services in places

that others find unprofitable or too risky. For many poor and isolated people, joining a co-op is the best option to help them escape poverty.

U.S. cooperative development assistance has helped develop cooperatives that serve millions across the globe. What results can be expected if a greater investment is made? This testimony provides evidence that a greater U.S. investment in cooperative development will:

(1) Create Jobs and Economic Growth in Low- to Middle-Income Countries—and the United States

Recent research demonstrates that cooperatives offer a proven way for people to control their economic livelihoods.

—In four countries studied, cooperatives were found to provide members with measurable economic benefits, providing members with higher average incomes than national averages.
—The economic status of women improves considerably by belonging to a cooperative.
—Cooperative development stems migration by providing economic opportunities for people in their home country.
—The cooperative model contributes to the growth of strong and healthy democratic communities increasing trust in institutions.

Public-sector assistance helps fund the formation of cooperatives in developing economies and, as they grow, these well-managed cooperatives develop vital U.S. linkages with corporate foundations, non-government organizations and American volunteers. This makes U.S.-funded cooperative development a win for jobs in the United States:

—Private-sector jobs at companies in the U.S., such as those involved with coffee and cocoa, rely on supply chains anchored by well-organized cooperatives in developing countries.
—In turn, successful cooperatives buy U.S. products, which expands export opportunities.

WHAT DIFFERENCE DO COOPERATIVES MAKE? CENTRAL AMERICA

Studies of Three Central American Countries.—El Salvador, Guatemala and Honduras have found:

—Cooperative members enjoy higher incomes than non-members.
—Women cooperative members are very likely to earn more when compared to non-members.
—Young cooperative members are very likely to earn more when compared to non-member youth.
—There is an overall higher level of social capital and community satisfaction among cooperative members than among non-members.

Final Conclusion.—While migration decisions depend upon many factors, cooperative members are less inclined to migrate than non-members.

(2) Ensure Large-Scale Impact

Cooperatives overseas that have been initiated and nurtured through U.S. funding are thriving. Additional resources will continue fostering development at this impressive scale. For example, U.S. assistance has meant that:

—70 million rural people in the Philippines now have electricity.
—46,000 health-care co-op members in Uganda have access to reliable care.
—15 million producers sell milk to more than 144,000 dairy cooperatives in India.
—Thousands of small farmers in Africa and Central America access global markets through Fair Trade-certified coffee cooperatives.
—39,000 credit unions met the financial needs of 38 million members across Africa.
—36,000 farmer cooperatives provide fertilizer and other critical services to rural India.
—40,000 children in Asia are learning the basic principles of banking. through a cooperative.

(3) Result in Increased Trust, Sustainability, and Growth

Where trust of for-profit companies is low, cooperatives grow. Trust is a basic principle for cooperatives, which are owned, managed, controlled, and patronized by their own members. For example; Cooperative banks and savings and credit cooperatives globally were not damaged during the financial crisis of 2007–08 and

grew in membership because they were seen as more risk-averse, sustainable and trustworthy.

REQUESTED FUNDING

The U.S. Overseas Cooperative Development Council (OCDC) is requesting $50,000,000 for the Cooperative Development Program (CDP) in the FY2025 State-Foreign Operations and Related Programs Appropriations bill.

REQUESTED BILL LANGUAGE

Development Assistance: Cooperative Development Program

"Provided that not less than $50,000,000 shall be made available for USAID cooperative development programs within the Bureau for Inclusive Growth, Partnerships, and Innovation."

SUGGESTED REPORT LANGUAGE

"The Committee has repeatedly recognized the important role that U.S. cooperatives and credit unions play in overseas programs as a means to lift low-income people out of poverty through their own efforts by mobilizing equity and savings for community-based economic growth. The Committee directs the Agency for International Development to increase the budgetary level of the program for the next 5-year agreement to include funding for research on the impact of cooperatives on members and their communities. Due to increased demand for the program and the programmatic impact, the Committee intends to budget for not less than $50,000,000 per year for the next 5 years."

[This statement was submitted by Paul Hazen, Executive Director.]

PREPARED STATEMENT OF UNICEF USA

Mister Chairman, Ranking Member Graham, and Members of the subcommittee on State, Foreign Operations, and Related Programs of the Committee on Appropriations, on behalf of more than 10 million supporters of UNICEF USA across the United States, it is with gratitude for this subcommittee's longstanding bipartisan support that I respectfully ask the subcommittee to provide a fiscal year 2025 contribution of $175 million to the United Nations Children's Fund's (UNICEF) core funding within the International Organizations and Programs Account. This funding will help ensure that UNICEF, which works in the world's toughest places and across more than 190 countries and territories, can continue to meet the growing needs of children worldwide.

UNICEF USA is a U.S. nonprofit organization that rallies its significant supporter base among the American public to advance UNICEF's global mission. I am proud to say that last year, we leveraged the U.S. Government's generous contribution to raise an additional $829M from individuals, foundations and corporations who share our goals to ensure every child is healthy, educated, protected, and respected.

2023 was a catastrophic year for children, and 2024 is expected to see global humanitarian needs remain near record levels. It is estimated that well over 450 million children worldwide are living in or fleeing from conflict zones and 43 million children have been internally displaced due to weather-related disasters over the last 6 years. UNICEF's work around the world has expanded in response to the overlapping and compounding crises—including protracted conflict, natural disasters, disease outbreaks and rising levels of food insecurity—which disproportionately impact children and can drive instability that threatens broader, longer-term impact. These conditions can deepen poverty and hunger and create conditions that can drive irregular migration, stoke conflict, and threaten global stability and U.S. foreign policy interests.

In a time when it feels like bad news is endless, we have some encouraging news, achieved in part due to consistent U.S. leadership in partnering with UNICEF for decades: more children are surviving today than ever before—the global under-5 child mortality rate has declined by 51 percent since 2000. Behind these numbers are stories of midwives and skilled health personnel who help mothers safely deliver their newborns, health workers who vaccinate and protect children against deadly diseases, and community health workers who make home visits to support families in ensuring children receive health and nutrition support. Through its decades of

commitment and collaboration to reach children with low-cost, quality, and effective health services, including in some of the world's hardest-to-reach areas, UNICEF has reliably provided the knowledge and tools to save countless lives. UNICEF remains an essential partner to the U.S. in advancing shared priorities to deliver impact for children, including improving global health by complementing and enhancing bilateral programs, and in many cases working in areas where governments and other partners cannot.

Since its creation in 1946, with U.S. partnership, UNICEF has helped reach more children than any humanitarian organization in the world and provides child health and nutrition services, safe water and sanitation, quality education and skill building, HIV prevention and treatment for mothers and babies, and the protection of children and adolescents from violence and exploitation. UNICEF also invests in emergency preparedness to respond to crises, including climate shocks, faster, save more lives and reduce costs.

UNICEF receives no direct funding from the United Nations; all UNICEF's funds come from voluntary contributions from public and private sources. Almost a third of UNICEF's total funding comes from non-governmental sources. Core resources are flexible funds that UNICEF relies on to ensure it can direct support to areas of greatest need and where it will make the most impact for children. They allow UNICEF's experts to be on the ground and equipped to respond when a crisis occurs and to be there to support communities in rebuilding, and also for UNICEF to support children's needs throughout their childhood and adolescence predictably.

UNICEF's work around the world has continued to expand in response to increasing needs. In 2023, UNICEF responded to 412 new and ongoing humanitarian crises in 107 countries and provided safe water and sanitation for 42 million children and families in humanitarian crises, and these needs are expected to grow. Millions of innocent children need our support:

—The war in Ukraine has robbed the country's 7.5 million children of stability and safety.
—Over 1 million children are in need of humanitarian assistance in Gaza and the West Bank, with both Israeli and Gazan children experiencing terrible trauma from the ongoing crisis—the consequences of which could last a lifetime.
—Sudan is now the largest child displacement crisis in the world, with 13,000 children displaced every day for the last 300 days.
—The escalating crisis in the Democratic Republic of the Congo has put children at increasingly high risk of harm and vulnerability to recruitment by armed groups.
—In Haiti, more than 3 million children require humanitarian assistance. With basic services on the verge of collapse, half of those in need aren't getting it due to insecurity and insufficient humanitarian funding.

Last year, I visited a refugee camp in Turkey just after two devastating earthquakes and thousands of aftershocks hit the country, leaving millions of children in need of assistance. The earthquakes destroyed homes and vital infrastructure, leaving families homeless, vulnerable and without adequate access to essential services. I witnessed first-hand the child-friendly spaces UNICEF created to provide safe environments in the aftermath of the disaster. There, children are not only provided food and shelter, but they're also given renewed access to vital services such as education and psychosocial care. Seeing smiles on children's faces after such a traumatic event was proof of the power of UNICEF's work.

While in Turkey, I also met a young family with three children who had narrowly escaped their building before it collapsed. The parents, already displaced from Syria, lost everything, again. Children in Syria have been struggling to cope after nearly 13 years of sustained conflict, continued displacements, the impact of unprecedented economic crisis, and disease outbreaks. In 2023, UNICEF reached 15.8 million people, including 10 million children, in Syria with safe water, healthcare and education access, nutrition resources, psychosocial support and cash transfers. It is stories like theirs that remind me how important it is to continue our work. Before, during and after emergencies, UNICEF is on the ground to support the most vulnerable. UNICEF works at the intersection of humanitarian aid and international development, and voluntary contributions from champions like the U.S. Government enable UNICEF to provide continuity of service to support families like this one, no matter when or where disaster strikes.

As the largest single vaccine buyer in the world, UNICEF also has unique, longstanding expertise in procurement and logistics to help children in need. Every year, UNICEF procures enough vaccines to reach 45 percent of the world's children under 5 years old, contributing to dramatic cuts in under-five mortality rates. In 2023, UNICEF delivered 2.79 billion vaccine doses to 105 countries, including 6.2 million

doses of the world's first malaria vaccine to 7 African countries. UNICEF is committed to making every dollar go further to save and improve children's lives, using its procurement power to influence key product markets such as vaccines, helping to drive down prices. UNICEF contracts with companies worldwide, including in the U.S., to help meet global needs. In 2023, UNICEF procured $713.43 million in goods and services from U.S. companies.

UNICEF's programs to address wasting, the most life-threatening form of malnutrition, reached over 70 percent of children under the age of five in 47 high-mortality countries in 2023—the most ever—helping turn the tide against the global malnutrition crisis. UNICEF also supported the treatment and care of 9.3 million children with severe wasting, the highest number ever reported. UNICEF continues to reach millions of children in need of lifesaving ready-to-use therapeutic food (RUTF) thanks to generous support from the U.S. Government, which was bolstered by other governments and partners including the Bill and Melinda Gates Foundation and the Church of Jesus Christ of Latter-day Saints, to help ensure that mothers would have healthier pregnancies and births and to offer therapeutic food and micronutrients to their children who might be at risk.

UNICEF also advocates for a child's right to education and a protective learning environment in communities around the world. In emergencies, education is a lifeline for children in crisis, providing stability, security and access to psychosocial support. In response to the ongoing conflict in Myanmar, Rohingya refugees, almost 60 percent of whom are children, have been resettled in Bangladesh. Working with the Government of Bangladesh and partners, UNICEF is helping provide support for access to quality education, including establishing learning centers; and is reaching children affected by violence, abuse and neglect with prevention and assistance.

Amid escalating conflict, insecurity, displacement and poverty across the globe, more positive outcomes are needed. An increase in core funding will help UNICEF continue to draw upon its more than 70 years of experience to respond to the needs of children, alleviate suffering, and help them grow and thrive.

UNICEF is also proud of its incredible backing from the American public, ranging from generous philanthropic and individual donations to cross-country participation in UNICEF USA's annual "Trick-or-Treat for UNICEF" fundraising campaign. UNICEF also maintains important partnerships with organizations like Kiwanis International to eliminate maternal and neonatal tetanus, which has now been eliminated in 48 out of 59 at-risk countries, and to work toward the elimination of iodine deficiency disorders.

As a leader in fighting vaccine-preventable diseases, UNICEF procures vaccines for Gavi and buys all vaccines and related items for global campaigns not covered by Gavi. UNICEF's long partnership with Rotary International and others has nearly eliminated polio, reducing polio cases by more than 99.9 percent since 1988. Only 12 wild polio cases were confirmed worldwide in 2023. Together, UNICEF and Rotary help vaccinate over 400 million children every year and have helped immunize more than 3 billion children in 122 countries as of 2023.

Measles cases increased worldwide from more than 170,000 cases in 2022 to more than 320,000 cases in 2023. With the American Red Cross, UNICEF helps lead the Measles and Rubella Initiative, working with countries, partners, parents and caregivers to create a world free from measles and rubella. UNICEF is also a founding member of the Roll Back Malaria Partnership to support malaria treatment and research, and to expand prevention measures such as long-lasting insecticide-treated bed nets. In 2023, UNICEF procured $27.8 million in long-lasting insecticidal nets which equated to 13.4 million nets for 32 countries.

UNICEF believes in the power of localization to ensure that every child has timely access to life-saving supplies that are compliant with global standards of quality and can help address health and other issues endemic to a region through regional manufacturing and local procurement. UNICEF also values partnerships with civil society organizations as essential for achieving positive outcomes for children and collaborates with national NGOs to tap into local initiatives and community-based organizations to reach marginalized populations. Over 4,000 civil society organizations, most local or national NGOs, work with UNICEF to deliver over $1 billion in programming annually to support communities and children worldwide.

As UNICEF continues to work relentlessly to help meet children's needs no matter where they are or what they face, UNICEF USA also supports fiscal year 2025 funding requested by our partners for Iodine Deficiency and Iodine Nutrition ($3.5 million), Maternal and Neonatal Tetanus ($2 million), and Polio Eradication ($165 million). UNICEF USA also asks the U.S. Congress to provide at least $1.15 billion under the Maternal and Child Health (MCH) account (including $340 million for Gavi), at least $300 million for the Nutrition account, and at least $500 million for Water and Sanitation in fiscal year 2025. We urge you to allocate $35 million to

the Vulnerable Children account. Finally, UNICEF knows that education is critical for children, and can be lifesaving for children in crises. We support at least $1.1 billion for International Basic Education, including $200 million for the Global Partnership for Education and $50 million for Education Cannot Wait.

The subcommittee's support for $175 million for UNICEF's core resources we are requesting would significantly impact UNICEF's ability to address the enormous challenges facing children around the world and help ensure that every child has an opportunity to survive and thrive. Thank you for your consideration.

[This statement was submitted by Michael J. Nyenhuis, President and CEO.]

PREPARED STATEMENT OF WATERAID AMERICA

The world is facing historic challenges, including unprecedented food insecurity, growing levels of displacement, and the ever-increasing impacts of a changing climate. Additional investments in foreign assistance, such as through the Department of State and U.S. Agency for International Development (USAID), are crucial in addressing these challenges, shaping a more prosperous future, continuing gains in poverty elimination, fostering healthy communities, and promoting peaceful societies.

With the leadership of the United States, the past decade has seen many advances in global health and development, including improving access to clean drinking water, hygiene, and improved sanitation that has saved countless maternal and child lives. For Fiscal Year (FY) 2025, WaterAid recommends no less than $59.7 billion for the Department of State, Foreign Operations and Related Programs (SFOPs) appropriations bill, and specifically, that the Water and Sanitation directive at USAID receive no less than $500 million.

WaterAid has a presence in 30 countries and our vision is a world where everyone, everywhere has safe and sustainable access to clean drinking water, adequate toilets, and good hygiene. Our work shows that inclusive access to water, sanitation, and hygiene (WASH) creates healthier and more productive populations, builds resilience in the face of climate shocks and natural disasters, and lays the foundation for long-term, sustainable growth.

WASH access is a primary way that the world's population experiences water insecurity. Achieving water security requires three things: good-quality, well-managed water resources; well-managed water supply services; and management of disaster risks. That said, water resources are of little use without sustainable water supply services. WASH is integral to establishing useful and sustainable water security.

Investing in WASH unlocks billions in economic opportunity and is critical to the functioning of markets and commerce. A 2021 study from WaterAid and Vivid Economics on the benefits of universal WASH access found that general investment in basic WASH services can yield benefits up to nearly 21 times the cost.[1] Basic water investments will generate an estimated U.S. $32 billion dollars annually, while investments in basic hygiene and basic sanitation services will generate nearly U.S. $45 billion and US $62 billion dollars per year, respectively.[2] In fact, access to basic sanitation around the world is currently so low that addressing universal access would result in the highest annual return of the three basic interventions.

The benefits of WASH also come in the form of fewer deaths, reduced human suffering, and greater resilience to shocks and health crises. Our recent research on universal WASH access also found that:

—Hand hygiene can reduce cumulative infections by up to 20%, including in a COVID-like respiratory disease epidemic;
—Simple WASH interventions can prevent up to 1.6 million maternal and natal deaths yearly—including 20 million maternal sepsis cases;[3]

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[1] WaterAid and Vivid Economics. Mission Critical: Invest in Water, Sanitation, and Hygiene for a Healthy and Green Economic Recovery. 2021. Page 20. https://washmatters.wateraid.org/publications/mission-critical-invest-water-sanitation-hygiene-healthy-green-recovery.

[2] WaterAid and Vivid Economics. Mission Critical: Invest in Water, Sanitation, and Hygiene for a Healthy and Green Economic Recovery. 2021. Page 20. https://washmatters.wateraid.org/publications/mission-critical-invest-water-sanitation-hygiene-healthy-green-recovery.

[3] WaterAid. Ending the Water, Sanitation and Hygiene Crisis Together: Policy Priorities for Accelerating Progress. 2023. https://washmatters.wateraid.org/sites/g/files/jkxoof256/files/mettre-fin-ensemble—la-crise-de-leau-de-lassainissement-et-de-lhygine-les-priorits-stratgiques-pour-des-avances-plus-rapides.pdf.

—Safely managed sanitation would prevent up to 6 billion cases of diarrhea and 12 billion cases of parasitic worms over a 20-year period—increasing school and work attendance by a cumulative 3 billion days each year;[4] and
—Every dollar invested in strategic flood resilience upgrades to WASH systems could avoid up to $96 dollars in associated WASH restoration costs.[5]

If the world is to address the immense challenges we face, WASH investments must be increased to mitigate the worst impacts, protect lives, and support a secure future. WASH is a cornerstone for ending preventable maternal and child deaths, improving nutrition and preventing acute undernutrition. WASH is also essential to addressing gaps in global health security and pandemic preparedness and response, as well as infection prevention and control measures, especially in healthcare facilities. WASH is also critical to water security, climate resilience and adaptation, and food security.

Climate change directly threatens water security, further exerting additional stress on water resources. More than a quarter (27%) of the global population currently lives in potentially severely water-scarce areas—and by 2050 this percentage is predicted to rise to between 42% and 95%. Droughts, floods, and other disasters threaten the availability of clean, safe, and sustainable water for domestic use and human well-being, use in institutions such as healthcare facilities and schools, economic growth and livelihoods, and the environment. Conversely, safely managed sanitation and improved hygiene reduce the risk of contamination in times of flooding, averting diseases and reducing the need for migration.

Similarly, without water, there is no food. Currently, 55 million people (about twice the population of Texas) are directly exposed to drought each year, with the food security impacts of that exposure reaching millions of additional people. It is estimated that 72% of the world's freshwater is used for agriculture, and growing populations will require an estimated 15% increase in water withdrawal just to support increased agricultural production alone.[6] The populations of Africa and Asia are predicted to grow by 2 billion and 1 billion people respectively over the next 50 years—and climate-smart efforts must increase to meet the growing demands for WASH and the need for water-dependent food production. Without a holistic approach to these challenges which includes WASH, food supplies may increase but a lack of clean water and sanitation will cost millions of lives and solutions will not be sustainable or durable.

Sustainable, reliable water supply, increased water storage, and resilient and inclusive WASH services are needed to ensure the availability of clean water in times of scarcity. Growing food needs, dietary changes, urbanization, increased irrigation, all exert an increased demand upon water resources. The ongoing need for WASH to maintain, save, and protect lives and livelihoods directly interlinks with the viability of a food-secure world. Access to good quality, climate-resilient WASH services can enable communities living in poverty to withstand longer dry seasons and flooding, and to reduce their overall disease burden. This helps promote health and well-being, education outcomes, food security, productivity, and livelihoods.

It's been 10 years since Congress passed the Senator Paul Simon Water for the World Act, strengthening the United States' leadership in improving access to WASH and ensuring that US investment reaches the least-resourced communities and most vulnerable populations, including women and girls. In FY 2022 alone, USAID support helped 5.2 million people gain access to sustainable drinking services, of which 47% were accessing water services for the first time. In addition, 4 million people gained access to sustainable sanitation services, of which 90% were accessing services for the first time.

U.S. support for WASH programs is about more than infrastructure. Investment in these programs helps to:

—*Strengthen Government Capacity to Provide Services.*—USAID provided technical assistance to the Government of Senegal to implement large-scale WASH investments that fund water and sanitation services to benefit 150,000 people. This project was led by the Senegalese Government, helping to strengthen its systems and processes for providing WASH services to communities.
—*Grow Local Economies.*—In Ethiopia, USAID established a training program for local masons and installers of sanitation solutions. This program provides op-

[4] WaterAid. Ending the Water, Sanitation and Hygiene Crisis Together.
[5] WaterAid and Vivid Economics. Mission Critical: Invest in Water, Sanitation, and Hygiene for a Healthy and Green Economic Recovery. 2021. https://washmatters.wateraid.org/sites/g/files/jkxoof256/files/mission-critical-invest-in-water-sanitation-and-hygiene-for-a-healthy-and-green-economic-recovery__2.pdf.
[6] United Nations. Water Scarcity. https://www.unwater.org/water-facts/scarcity/.

portunities for masons to grow their businesses, while strengthening supply chains, improving the private market and increasing demand for sanitation and hygiene products.

—*Build Resilience in Communities.*—In South Kordofan State in Sudan, USAID provided training and equipment for residents to travel to local communities to repair and maintain water pumps. These individuals ensure that 230,000 residents in a water-scarce and conflict-prone region can continue to access water.

WaterAid applauds USAID's work with national governments to strengthen local governance and the financing of water and sanitation services, leading to increased domestic investment and less reliance on donor assistance. This increased domestic investment provides social, financial, and technical capacity and accountability mechanisms for WASH infrastructure which will better withstand future shocks, including infectious disease outbreaks and climate-related disasters like drought and flooding.

On behalf of WaterAid, I respectfully request an increased investment of $500 million through the FY 2025 bilateral WASH directive to save lives and protect our future. This increase in funding would:

—Build local capacity and aid effectiveness by strengthening countries' tools and abilities to improve water sector coordination, mobilize national and private sector investment, and incentivize local management of water resources;

—Scale-up evidence collection, analysis, and learning to support the expansion of proven WASH interventions to enhance resilience, sustainability, and self-reliance by building local, long-term capacity; strengthen institutions and the rule of law; and share best practices and lessons learned;

—Help communities prepare for future natural disasters and currently changing climate patterns that impact water and sanitation services;

—Provide WASH to often-overlooked healthcare facilities and schools, and thereby strengthen resilience to disease outbreaks and improve pandemic preparedness that protects Americans at home; and

—Support cross-sectoral work USAID is doing as it relates to WASH, including maternal and child health; food security, livelihoods, and nutrition; and economic development programming.

In addition to supporting $500 million for Water and Sanitation, WaterAid also supports robust funding for accounts that WASH plays a critical role for success, such as global health programs, including global health security and pandemic preparedness; global food security programs; and climate resilience and adaptation programs at USAID.

Greater investments in WASH and greater incorporation and prioritization of WASH in various sectors are key components to our collective global future. WASH investments are the often-overlooked ingredient for increasing national security and economic growth, mitigating future costs, and improving humanitarian outcomes. I invite the Committee to leverage this relatively small investment in WASH in the FY 2025 appropriations bill.

[This statement was submitted by Kelly Parsons, CEO.]

PREPARED STATEMENT OF WILDLIFE CONSERVATION SOCIETY

Chairman Coons, Ranking Member Graham, and Members of the subcommittee, the Bronx Zoo-based Wildlife Conservation Society (WCS) welcomes the opportunity to provide FY25 SFOPS testimony on biodiversity conservation, counter wildlife trafficking, global health programs and public-private conservation foundation through the U.S. State Department, Treasury, and the U.S. Agency for International Development. WCS applauds the removal of harmful policy riders from the FY24 Appropriations Act related to international climate finance and the recognition of sound science to guide policymaking. As a key implementing partner of U.S. awards, WCS operates field programs in 60 countries, 16 priority regions and the waters in between. WCS calls your attention to the bipartisan letter of support for biodiversity conservation co-led again this year by Sens. Van Hollen and Tillis; and a letter of support for robust international climate finance co-led again by Sens. Merkley and Cardin.

WCS seeks parity between defense and non-defense discretionary funding and recognizes that a health International Affairs Budget and corresponding SFOPs 302b allocation will advance the U.S.'s strategic global position and counter the influence of coercive and authoritarian governments. U.S. investments in international conservation programs increase the capacity of nations to protect their natural re-

sources from corrupt and malign actors, respond to extreme weather, and buffer against zoonotic spillover thereby strengthening governance and the rule of law. As the U.S. advances the goal to conserve 30 percent of the world's lands and waters by 2030 it can align and harmonize policies to deliver on international climate finance to the most vulnerable communities; halt global forest loss by 2030 and conserve global forests; strengthen enforcement against nature crimes globally; promote One Health to prevent future pandemics at the source of spillover; and safeguard the rights of Indigenous Peoples and local communities. WCS requests support for the following priorities in the FY25 SFOPS Act:

—USAID Biodiversity Program: $500,000,000
—State Department INL/USAID Counter Wildlife Trafficking Program: $140,000,000
—USAID Sustainable Landscapes Program: $451,000,000
—International Climate Finance: Robust bilateral & multilateral finance
—Global Health Security Program: Report Language
—Global Environment Facility: $150,200,000
—Public-Private Conservation Foundation: Report Language

USAID Biodiversity.—The U.S. government is a global leader in biodiversity, forest, and marine conservation investments delivered largely through the USAID Biodiversity Program. These programs conserve and protect some of the largest, most at-risk natural landscapes and millions of livelihoods dependent upon natural resources. The high forest and low deforestation rates typical of the Central African region are often under-valued until an immediate threat of destruction is presented, creating perverse incentives for governments to negotiate the conversion of intact forests and peatlands which play a vital role in regulating temperature, sequestering carbon and providing habitat for elephants. Narco-ranching in Central and South America is the illegal taking of land from Indigenous Peoples and communities to launder drug money through illegal cattle ranches, and accounts for 90% of recent deforestation.[1] Maintaining and restoring natural resources enhances US economic and national security interests, reducing conflict over resources and improving the stability of trading partners. WCS recommends $500,000,000 for USAID Biodiversity Conservation Programs to be allocated in a manner similar to prior fiscal years, and the following report language:

> *Of the Biodiversity funds, the Committee supports the Central Africa Regional Program for the Environment with at least $50,000,000 and $25,000,000 for the Andean Amazon, and to protect great apes in Central Africa and Indonesia. Biodiversity programs include transfers to other Federal agencies with technical expertise, such as $8,500,000 to U.S. Forest Service International, $6,500,000 to USFWS for international conservation programs and the Multinational Species Conservation Funds, $8,500,000 for tropical forest conservation in the Maya Biosphere Reserve of Guatemala, Belize, Mexico, of which not less than $3,500,000 shall be provided by direct transfer to the Department of the Interior's International Technical Assistance Program.*

State INL & USAID's Countering Nature Crimes.—Wildlife trafficking, illegal logging, illegal fishing, and illegal mining are nature crimes linked to other transnational organized crimes such as drug, weapons, and human trafficking, and pose similar threats to national security, economic prosperity, the rule of law, and the environment. With field conservation programs in 20 of the Focus Countries and all six of the Countries of Concern,[2] WCS works in partnership with USAID and INL to implement anti-poaching, law enforcement, and capacity building programs around investigations and border patrols, prosecutions, and convictions from source sites to trafficking bottlenecks to demand countries. The FY24 enacted law included $118,750,000 of which $47,500,000 is directed to INL with emphasis on applying the latest criminology, behavioral, or social sciences practices. In FY25, WCS recommends $140,000,000 split between INL (Title IV) and USAID (Title III) to counter nature crimes.

USAID Sustainable Landscapes.—Mitigates the drivers of deforestation and land degradation in the world's largest and most biologically diverse tropical forests. Forests cover 30% of the planet's land area, house up to 90% of all terrestrial wildlife species, mitigate severity of storms, and directly sustain the livelihoods of 1.6 billion

[1] Radachowsky, J. (2021, April 10). To confront the US border crisis, save Central America's forests. Scientific American.

[2] U.S. Department of State, 2021 END Wildlife Trafficking Report. (Nov. 4, 2021); U.S. Department of State. 2021 END Wildlife Trafficking Strategic Review. (2021, Nov 4).

people worldwide. The U.S. commitment to halt global forest loss by 2030 is being accomplished in part by sustainable land management practices vital to protecting essential storehouses of biodiversity and carbon in intact forests, peatlands, and grasslands. U.S. government support gives developing countries the ability to address the drivers of deforestation and degradation, halt illegal logging, and restore degraded lands. U.S. jobs are protected when products from illegal logging are not able to access U.S. markets and undercut the U.S. timber industry by about $1 billion annually. While the Administration reports in 2022 that the Department of State and USAID projects supporting the Plan to Conserve Global Forests total $547.5 million,[3] annual investments from these and other agencies must be significantly ramped up in FY25 to meet the $9 billion pledge to halt global forest loss by 2030. In FY25, WCS recommends $451,000,000 for USAID Sustainable Landscapes toward the US's $1 billion annual Global Forest pledge.

International Climate Finance.—National security experts recognize the danger that climate change poses and the negative impacts on the U.S.'s economic, humanitarian and development interests abroad. U.S. foreign assistance in the form of both bilateral and multilateral funds for international climate finance serve vital U.S. interests by promoting global stability and security, alleviating global poverty, promoting resilience and disaster preparedness, protecting investments in international development, creating economic opportunities for U.S. businesses and workers, and complementing global health efforts. U.S.-backed programs are incentivizing developing countries to curb deforestation while addressing rural poverty and improving the way lands are managed and harvested—leveraging U.S. funding with up to 39 times more funding from other donors. These and other programs build resilience to drought, flooding, and other extreme weather events, and steward tropical forests and other carbon-rich and biodiverse landscapes and seascapes. In doing so, they also strengthen American alliances, prevent food and water scarcities, help to avoid conflicts, and forced migration, and bolster our own national security. In many cases, these bilateral and multilateral programs have benefitted from years of bipartisan support under both Republican and Democratic administrations and Congresses. In FY25, WCS recommends $500,000,000 to the Green Climate Fund, and robust bilateral and multilateral funding for international climate finance that balances mitigation and adaptation funding while advancing nature-based solutions.

Global Health Security Program.—As we continue to recover from the impacts of the COVID–19 pandemic that has ravaged our families, our Nation, and our global economy, there has never been a more crucial time to prevent and prepare for the next pandemic. Pandemics can also exacerbate local and regional insecurities while undermining U.S. national security interests, the global economy, and supply chains upon which U.S. businesses and consumers depend. Pandemics of zoonotic origins also highlight the critical nexus between healthy environments, animal health, and promoting public health. USAID Global Health Programs have a track record of monitoring, predicting, preventing and responding to emerging infectious diseases that spillover from wildlife and animals to people. Collection and analysis of zoonotic spillover data of both known and unknown pathogens at the source of spillover is an essential but often overlooked component of preventing pandemics. Global Health Security and pandemic preparedness programs enacted by the FY23 National Defense Authorization Act (Public Law 117–263) authorize $1 billion annually in global health security funding. With support from the Pandemic Fund or financial intermediary fund (FIF), Global Health Security Agenda countries can strengthen their policies and practices to prevent spillover of pathogens at the source by developing or expanding existing Zoonosis Plans beyond livestock diseases to pandemic prevention at the source. In FY25, WCS recommends at least $250,000,000 for the US contribution to a Pandemic Fund as authorized by the FY23 NDAA. WCS also endorses Reps. Meng and Malliotakis' report language request:

> *Global Health Security.—The Secretary of State is encouraged to prioritize zoonotic spillover prevention at the source, such as wildlife trade chains, degraded edges of the forest, within the new Pandemic Fund and Pandemic Agreements.*

Global Environment Facility (the GEF).—America's investment in the GEF unites donor and recipient countries, US corporations and NGOs to support projects in 170 countries. The GEF has supported the creation of 3,860 protected areas and the sustainable management of 61 major river basins. The GEF supports efforts to counter nature crimes, conduct wildlife monitoring, promote clean water, remove deforest-

[3] U.S. Department of State. (2022, November 18). U.S. Leadership Advances Global Efforts To Conserve Critical Ecosystems and Protect Carbon Sinks: A Progress Report on Implementing U.S. Efforts on the Plan To Conserve Global Forests Critical Carbon.

ation from supply chains, improve farming practices, and establish payment for ecosystem services programs. Promoting One Health, good governance, plastic circular economies and removing mercury and other toxic chemicals from the environment are also priorities under GEF–8 and Wildlife Conservation for Development Integrated Program. The FY25 PBR is $150,200,000. In FY25, WCS recommends $150,200,000 for the US pledge to GEF8 and supports paying down unmet commitments.

Public-Private Partnership Foundation for Conservation.—Protected areas across the globe conserve critical biodiversity and iconic species, contribute to local economies, and support U.S. development and foreign policy objectives by providing clean water, supporting food security, and promoting governance and economic opportunities. Yet, recent studies show that protected and conserved areas too often suffer from a lack of durable long-term financing, which can cause great projects to fail in developing countries in the face of emerging pressures such as pandemics or civil unrest. Safeguarding "natural security" against the drivers of famine, extreme weather, and authoritarian rule costs far less than suffering the costs of losing vital benefits provided by healthy ecosystems. To leverage greater and sustained long-term financing for protected areas around the world, public-private partnerships can be facilitated by a US international conservation foundation, as outlined in S.618, championed by Sens. Coons and Graham. In FY25, WCS supports previous years' language and endorses Sens. Van Hollen and Tillis' report language request:

> *Public-Private Partnerships.—The Committee directs that, of the funds appropriated by this act and prior Acts under the heading "Economic Support Funds" made available to support a new public-private partnership foundation for conservation are in addition to funds otherwise allocated to the Biodiversity Conservation program at USAID in the act and are not to cause a reduction of total funds available to Biodiversity Conservation at USAID.*

WCS appreciates the leadership of this subcommittee and its bipartisan approach to drafting appropriations bills. Grounded in good science, continued investments in these important programs will deliver on US national and economic security interests.

[This statement was submitted by Kelly Keenan Aylward, Executive Director, Federal Affairs & Policy.]

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