SUBCOMMITTEE ON STATE, FOREIGN OPERATIONS, AND RELATED PROGRAMS Departments of State and Treasury, USAID, MCC, United Nations Programming TESTIMONY of MIRIAM SAPIRO, PRESIDENT AND CEO --- INTERACTION

Chairman Díaz-Balart and Ranking Member Lee, Members of the Subcommittee, thank you for the opportunity to provide testimony concerning the FY 2024 State, Foreign Operations, and Related Programs bill. My name is Miriam Sapiro, and I am the President and CEO at InterAction. My previous experience includes working at the State Department, the National Security Council, and the Office of the U.S. Trade Representative, during two Republican and two Democratic administrations. In my testimony I will highlight the challenges we face and the importance of investments in development, humanitarian, democracy, and global health programs at the State Department and USAID, which necessitate increases in over 50 accounts 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.

InterAction is the largest alliance of international NGOs and partners in the United States. Our more than 170 members work to eliminate extreme poverty, strengthen human rights and citizen participation, safeguard a sustainable planet, promote peace, and ensure dignity for all people. Since 1984, InterAction has helped mobilize hundreds of international NGOs to think and act collectively, enabling NGOs to promote more effective policies and action.

On behalf of the InterAction coalition, I want to thank the subcommittee for its leadership and continued support for foreign assistance programs. Every day InterAction members see how U.S. foreign aid saves and improves lives. It helps communities around the world as they work to end extreme poverty, assist refugees and internally displaced people, advance human rights, promote resilient democratic societies, and spur inclusive economic growth. As the Subcommittee knows, investing in foreign assistance is both a moral and strategic imperative, and essential to advance American leadership around the world.

InterAction appreciates the supplemental funding Congress provided to address the crisis in Ukraine and additional humanitarian disasters; however, more is needed in Ukraine and beyond. We would like to see the U.S. invest more resources to address the lingering economic effects of the pandemic, stem the global food crisis, and increase annual appropriations for development, humanitarian, and operational accounts. To address the rising challenges facing the world, we are recommending funding increases above the FY 2023 enacted levels and the President's FY 2024 Request.

We make these recommendations because foreign assistance investments have not kept pace with global needs, even before recent events such as the COVID-19 pandemic, the war in Ukraine, and broader awareness of the climate crisis. With forced displacements consistently rising and inequality growing, global poverty reduction efforts have been set back. Communities around the world will be grappling with this situation and related challenges for years to come.

As noted, our funding recommendations are laid out in *Choose to Invest*, a public tool created by InterAction and its members, which covers 56 development, global health, democracy, and humanitarian assistance programs—50 of which are funded in the State, Foreign Operations bill. Allow me to highlight a few examples of the critical importance of increased investment in these areas.

<u>Development.</u> The need for increased funding for <u>Development Assistance</u> and the <u>Economic Support Fund</u> has never been greater. Vulnerable populations are left dealing with intensified conflicts, a growing food security crisis, limited water resources, disrupted education, and increased vulnerability for women and children. The World Bank estimates that these trends will result in 574 million people – nearly 7% of the world's population – still living on less than \$2.15 a day in 2030. These multiple global crises risk a <u>further deterioration</u> of the global labor market.

The Global Food Security Strategy program, known as "Feed the Future," plays a vital role in addressing the root causes of poverty, hunger, and malnutrition. It has adapted to meet new and future challenges through agriculture development programs, research, resilience building and food system strengthening, yet there is still significant unmet need, and the number of people living without adequate food continues to rise.

Water, sanitation, and hygiene (WASH) programs are significantly underfunded given their importance to health, nutrition, and economic growth. Over half of healthcare facilities in the least developed countries lack clean water, and 29% of schools globally do not have basic water service.

Increased support for Basic Education will provide children in marginalized communities with safe and equitable access to quality, inclusive education. In low-income countries, only one in five children have access to quality preschool and, once in school, many are not learning adequately. It is estimated that worldwide about 387 million children cannot read or do basic math, even though more than two-thirds of them have attended four or more years of school.

<u>Democracy, Human Rights, and Governance.</u> Robust funding is critical to ensure countries are equipped to sustain development gains, particularly among marginalized groups. Strong democratically led political institutions and governments are more stable, more responsive to their citizens' needs, and more adaptable to change. The rise in unstable democracies and decline in democratic freedoms have created an environment where authoritarian influences continue to undermine democratic norms, spread disinformation, and crack down on citizen's rights and freedoms. On average, countries undertaking the process of democratization experience an increase in <u>life expectancy by 3%</u> within 10 years and a 20% increase in <u>GDP over a 25-year period</u>.

Gender-based violence (GBV) continues to increase and further burden women and girls suffering from the effects of climate change, food shortages, and ongoing conflicts and crises. Millions of these women and girls worldwide are subject to physical, sexual, economic, psychological, or emotional abuse, yet they lack basic access to essential health services and information. Currently, one in three women are estimated to experience GBV and women with disabilities ten times more likely to experience GBV. It is vital that Congress increase funding to protect vulnerable populations, including women and girls, LGBTQI+ people, ethnic and religious minorities, people with disabilities, and others facing discrimination or violence.

<u>Global Health</u>. Increased investment in all areas of <u>Global Health</u> strengthen the health systems necessary to save lives and advance the stability of local communities. Besides preparing for and preventing emerging diseases, increased funding is sorely needed to address the interwoven impact of climate change and food insecurity that have caused additional pressure on health systems. Attention to ongoing global health issues, including <u>tuberculosis</u>, <u>HIV/AIDS</u>, <u>nutrition programs</u>, <u>malaria</u>, <u>neglected tropical diseases</u>, and <u>maternal and child</u> healthcare has fallen by the wayside as

a result of the pandemic. Overburdened healthcare systems continue to struggle to keep the spread of disease under control.

<u>Humanitarian Assistance</u>. Funding increases for humanitarian accounts, including International Disaster Assistance and Migration and Refugee Assistance are necessary to address persistent conflict, the catastrophic food crisis, and climate-related events. In 2023, 339 million people are projected to need humanitarian assistance and protection – an increase from 274 million in 2022.

Millions of people were being pushed into food insecurity prior the war in Ukraine, but now we are facing the largest food crisis in modern history. With conflict still being the biggest driver of hunger, 70% of starving people are living in areas affected by war and violence. The most marginalized people in low-income countries, including women, children, and refugees, are the hardest hit. In addition, border closures, disrupted supply chains, and high fertilizer prices have prevented farmers from accessing markets and harvesting crops. Unfortunately, this situation will only get worse – the rising operational costs and commodity prices coupled with high inflation is increasing the cost of humanitarian response. As an example, the World Food Programme's monthly food costs are 44% higher than before the pandemic.

<u>Climate Change.</u> Climate change is an existential threat that exacerbates poverty and must be funded accordingly. More frequent and intensified climate-related disasters will only increase conflict, food insecurity, humanitarian crises, and other socioeconomic challenges. Extreme weather events like drought and monsoon floods have already driven an upwards of <u>216 million people to be internally displaced by 2050</u>, and children bear the greatest burden. Currently, <u>1 billion children</u> are at 'extremely high risk' from the impact of climate change.

Increases in both bilateral and multilateral climate channels are therefore sorely needed. Specific programming and increases directed at Adaptation are necessary to help communities build resilience against the detrimental effects of climate change that threaten their security and livelihoods. Funding increases are also needed in Sustainable Landscapes and Biodiversity to protect natural habitats and prevent even further decline in wildlife populations and ecosystems that provide food and shelter to more than 1.6 billion people. Increases in Renewable Energy are needed to promote energy transitions to not only decrease harmful greenhouse gas emissions, but also to support increased energy access. Finally, investment in the Global Environment Facility, Green Climate Fund and the Climate Investment Funds will send a strong signal to the world that the U.S. will both lead and follow through on its climate commitments to support countries most vulnerable to the devastating effects of climate change.

Multilateral Development Banks. Greater investment in multilateral development banks is also an investment in climate. Approximately 1/3 of funds to the International Development Association (IDA) support climate programming. Additionally, increased funds to clear arrears at IDA and the African Development Fund and the Asian Development Fund will be used in the same manner as ordinary resources to reduce poverty while buttressing U.S. leadership at those institutions.

In conclusion, U.S. current investment in critical foreign assistance is not meeting global needs, despite such assistance being a strategic and moral imperative for the United States. Between multiple global conflicts, a decline in democratic norms, the worsening climate crisis and other developments of significant concern, the need for increased investment in foreign assistance

accounts has never been greater. It is vital that the United States do its part as a global leader to invest in helping vulnerable people and communities around the world, or we risk facing even greater challenges in the years ahead.

Thank you.

ACCOUNT (\$ in thousands)	Recommended	ACCOUNT (\$ in thousands)	Recommended
Adaptation	683,733	Int'l Fund for Agricultural	81,833
		Development	
African Development Fund	224,000	Int'l Organizations and Programs	646,500
Asian Development Fund	107,220	Int'l Disaster Assistance	5,274,434
Basic Education	1,100,000	Int'l Peacekeeping Activities	2,577,000
Biodiversity	700,000	Malaria	900,000
Clean Technology Fund	550,000	Maternal and Child Health	1,012,000
Complex Crisis Fund	66,000	Microfinance	284,250
Conflict and Stabilization Operations	5,000	Migration and Refugee Assistance	5,200,000
Conventional Weapons	295,800	Millennium Challenge Corporation	1,073,000
Destruction		N	
Democracy Fund	400,000	National Endowment for Democracy	330,000
Democracy, Rights &	3,200,000	Neglected Tropical Diseases	150,000
Governance			
Development Assistance	5,425,697	Nutrition	300,000
Development Finance	1,100,000	Peacekeeping Operations	553,000
Corporation			
Economic Support Fund	5,391,491	Prevention and Stabilization Fund	200,000
Emergency Refugee & Migration Assistance	2,000,000	Reconciliation Programs	40,000
Family Planning and	850,000	Renewable Energy	700,777
Reproductive Health			<u>_</u>
Global Agriculture and Food	125,000	Sec. 7059, 7046 Gender	728,000
Security Program			
Global Environment Facility	168,700	Sustainable Landscapes	415,595
Global Food Security Strategy	1,200,000	Transition Initiatives	112,043
Global Fund AIDS, TB & Malaria	2,000,000	Tuberculosis	525,000
Global Health Security	1,245,000	U.S. Dept. of State Diplomatic Programs	10,439,739
Green Climate Fund	2,000,000	U.S. Institute of Peace	55,000
HIV/AIDS (State)	6,870,000	USAID Operating Expenses	2,200,000
HIV/AIDS (USAID)	379,500	Vulnerable Children	35,000
Int'l Development Association	1,767,000	Water, Sanitation and Hygiene	600,000