

THE ROLE OF FAITH-BASED ORGANIZATIONS IN UNITED STATES PROGRAMMING IN AFRICA

HEARING

BEFORE THE

SUBCOMMITTEE ON AFRICA, GLOBAL HUMAN
RIGHTS AND INTERNATIONAL OPERATIONS

OF THE

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INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES

ONE HUNDRED NINTH CONGRESS

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THE ROLE OF FAITH-BASED ORGANIZATIONS IN UNITED STATES PROGRAMMING IN AFRI- CA

THURSDAY, SEPTEMBER 28, 2006

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON AFRICA, GLOBAL HUMAN RIGHTS
AND INTERNATIONAL OPERATIONS,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:03 p.m. in room 2200, Rayburn House Office Building, Honorable Christopher H. Smith (Chairman of the Subcommittee) presiding.

Mr. SMITH. The Subcommittee will come to order. Good afternoon everyone. Following his inauguration as President in January 2001, George W. Bush issued Executive Order 13199, creating the White House Office of Faith-Based and Community Initiatives. Soon after, a series of four more Executive Orders, created centers for faith-based and community initiatives at 10 cabinet departments and three agencies. One of those agencies was the U.S. Agency for International Development. In the April 2002 White House ceremony to promote what he called his faith-based initiatives, President Bush said that the Federal Government should not discriminate against faith in decisions on funding for programs to provide help to people in need. "When we have Federal moneys, people should be allowed to access that money without having to lose their mission or change their mission," the President explained. "Government can write checks but it can't put hope in people's hearts or a sense of purpose in people's lives."

The President's defense of the role of faith-based organizations made some people uneasy about what they believed to be the principle of separation of church and state. Fears were expressed about government money building churches, and services provided only to those who participated in religious ceremonies. This fear has been stoked by concerns over the inclusion of a charitable choice program in the 1996 Welfare Reform Act, which allowed taxpayer-financed social service funding of churches in some welfare programs. However, those expressing such concerns ignored the long and very successful history of partnership between government and faith-based organizations, a history that did not include government sponsorship of religion or forced conversions. From the founding of the republic, government has worked with faith-based organizations to build and operate schools and provide other social services where government was less capable of doing so. After the civil

war, the Freedoms Bureau, for example, established to provide services for the millions of newly emancipated African-Americans, went into partnership with faith-based organizations, such as the American Missionary Association, to build schools, supply food and deliver other vital services for people adapting to life after slavery.

For more than 150 years the Young Men's Christian Association has offered health and fitness programs, shelter and child care and other programs to people of all creeds and races. Today the 2,617 YMCAs comprise the largest not-for-profit community service organization in America. Catholic Charities founded in 1910 has worked diligently to eliminate poverty, support families and empower communities across America and serve the needs of more than 7 million people each year.

Catholic Charities provides such services as food banks and soup kitchens, educational enrichment, counseling and mental health, temporary and permanent housing and many other community interventions. And I would note, parenthetically, that in my own home State of New Jersey, particularly the City of Trenton, the work of Catholic Charities is invaluable. Without them, many of the poor would go unnoticed, lacking many basic services.

Beginning in the 20th century, government engaged in partnerships with faith-based organizations on overseas programming to deliver famine and disaster relief, refugee aid and other assistance in other development programs. One such organization is Catholic Relief Services, one of our witnesses today, which has been providing services through government funding for more than 60 years.

Beginning in the 1950s World Vision, a Christian relief and development organization has concentrated on tackling the causes of poverty worldwide and provided food, education, health care and economic opportunities to people around the world. An estimated 87 percent of World Vision funding goes directly to programs and not overhead. Despite this record of success, without mixing government and religion and without widespread discrimination in services, critics continue to express doubts about the ability of faith-based organizations to provide services due to limitations based on the very faith they profess. These doubts are expressed most often in terms of services provided to victims of HIV/AIDS, and I believe wrongly so.

The Government of Uganda, under the leadership of President Museveni, has pioneered the ABC model of dealing with AIDS. ABC stands, as we know, for Abstinence, especially for the youth, Be faithful for committed couples and Condoms where sexually active people are unable or unwilling to practice celibacy or fidelity. In the early 1990s, an estimated 30 percent of adult Ugandans were HIV-positive. Through the ABC program, the rate of HIV infection declined to 12 percent by 1999, and is estimated to be 5 percent today. This past January, my staff and I visited Uganda to see firsthand how effective the President's Emergency Plan for AIDS Relief and this program in particular have been. Among the many impressive programs that we visited was the Mbuya Reach Out, a faith-based organizations working under the auspices of Our Lady of Africa Church in Kampala. This program cares for over 1,800 HIV-positive clients and their families. Parent support is mainly

provided by community volunteers, 70 percent of whom are HIV-infected themselves. The program has a multiplier effect in that those who are assisted in turn are assisting numerous other people. The program has multiple dimensions, including education, assistance for clients, children, a microfinance program for clients and skills training for unemployed HIV-infected women. Another effective program that we saw was the Uganda business coalition children AIDS fund initiative, the UBC. The UBC aims to mitigate the impact of HIV/AIDS among workers and in the workplace due to PEPFAR, the UBC business coverage scheme was expanded in 2004 to include the provision of free care and treatment to individuals, including individuals in the community, who could not afford to pay or who not otherwise have access to UBC services.

What we found in Uganda was a partnership not only between government and faith-based organizations but also a complementary system in which faith-based organizations concentrated on the behavior modifications elements of the AIDS control program in Uganda, the A and the B, while a secular organization handled the C by distributing condoms. This program works in Uganda because organizations are allowed to do what they do best and are not forced to betray their ideals or provide services in which they do not believe. Secular organizations that do not believe in the behavior modification elements of the ABC program and the like manner would be as reluctant to engage in them as faith-based organizations would be in delivering condoms. While the HIV/AIDS programs in Uganda managed by the PEPFAR program had a cooperative relationship with faith-based organizations, sadly, that was not and apparently is not the case with the Global Fund in Uganda and perhaps everywhere else.

In Uganda, as well as other countries, the Global Fund somehow fails and fails miserably to fund faith-based organizations in proportion to the services they provide. In most African countries, faith-based organizations deliver the majority of health care services and, in some cases, more than $\frac{2}{3}$ of health care services received, yet only 5 to 6 percent of the Global Fund support is given to faith-based organizations and that, my friends, has to change.

USAID Administrator Randall Tobias, formerly the U.S. Global AIDS Coordinator, has said, faith-based and community organizations have a reach, authority and legitimacy that make them critical partners in the fight against HIV/AIDS. Faith-based organizations also have another role to play, and an integral part—they are an integral part of civil society in African nations. I would just note parenthetically that not just on the HIV/AIDS issue but a host of other interventions. I remember a trip I offered the amendment that established the child survival fund back in the early 1980s, putting it at \$50 million to treat preventable diseases to immunize children around the world.

If it had not been for the Catholic Church particularly in Latin America, El Salvador and in other countries, the massive vaccinations that occurred, mostly with United States money but mostly because of the work that was done by churches, those children would not have been vaccinated against ptosis, diphtheria, polio and a number of other diseases. I went down there myself in 1984, 1985, and 1986, and saw that the churches provided the network

not only to inform and to empower the women to bring their children to those vaccination posts and to go back even when junior got a little fever from the original vaccinations, which often happens which is to be expected, but to keep it up so that other children as they are being born would go back and the church gave that sustainability aspect to it which I found very, very encouraging and not to include that infrastructure I think is wrong and unconscionable and that is unfortunately in some cases the case in Africa and especially with the Global Fund.

Last year Gregory Simpkins of my staff visited Zimbabwe the midst of one of the cruelest campaigns against a population ever initiated by a government. In an operation whose name translates to “take out the trash,” the Government of Zimbabwe destroyed tens of thousands of homes and businesses in a relentless effort to eliminate the informal sector. When nearly $\frac{3}{4}$ of a million people found themselves homeless and without a means of earning a living and nongovernmental organizations were prevented from providing assistance, Zimbabwean churches took the lead in helping the homeless.

In country after country in Africa, churches and mosques deliver services as part of their regular activities. When they and their affiliated organization receive government funds to help those in need, government is actually building on existing networks of service. The multiplier effect allows aid dollars to go much further than they might ordinarily do. Moreover as Ambassador Tobias said, faith-based organizations possess a reach and an authority and a legitimacy that makes them natural allies in any effort to provide help to those in need as a grassroots level. Far from being a western intrusion in African life, working with faith-based organizations in Africa is actually a means of connecting with African heritage. African nations have a long history of integrating religion and spiritual awareness and anyone who has spent time in Africa understands that faith is not considered outside the realm of public life there.

As long as faith-based organizations adhere to the rules concerning the separation of publicly funded activities and religious proselytizing and do not discriminate in the provision of their taxpayer-funded programming, the alliance of government and faith-based organizations should continue and as a matter of fact, it should expand to continue this successful tradition. Though we have little, if any, empirical evidence quantifying the success of this public-private partnership, its very longevity attests to its success. If you just talk to people who have been well served in any one of our districts, and if you go travelling around the country and talk to people who have been well served, it makes the case that they have been helped because of that partnership.

Our hearing today is intended to examine whether the President’s faith-based initiative is indeed opening public space for religious organizations or whether this initiative contains a hidden glass ceiling, as one of our witnesses today describes it. United States aid programs in Africa and elsewhere should be effective and compassionate. The partnership between government and faith-based organizations and government has historically achieved those goals and we need to build on it and to expand it. I yield to

my good friend and colleague, Mr. Payne, for any opening comments.

[The prepared statement of Mr. Smith follows:]

PREPARED STATEMENT OF THE HONORABLE CHRISTOPHER H. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY AND CHAIRMAN, SUBCOMMITTEE ON AFRICA, GLOBAL HUMAN RIGHTS AND INTERNATIONAL OPERATIONS

Following his inauguration as President in January 2001, George W. Bush issued Executive Order 13199, creating the White House Office of Faith-Based and Community Initiatives. Soon after, a series of four more executive orders created Centers for Faith-Based and Community Initiatives at 10 Cabinet departments and three agencies. One of those agencies was the U.S. Agency for International Development.

In an April 2002 White House ceremony to promote what he called his faith-based initiative, President Bush said that the federal government should not discriminate against faith in decisions on funding for programs to provide help to people in need.

"When we have federal monies, people should be allowed to access that money without having to lose their mission or change their mission," the President explained. "Government can write checks, but it can't put hope in people's hearts, or a sense of purpose in people's lives."

The President's defense of the role of faith-based organizations made some people uneasy about what they believed to be the principle of separation of church and state. Fears were expressed about government money building churches and services being provided only to those who participated in religious ceremonies. This fear had been stoked by concerns over the inclusion of the charitable choice provision in the 1996 Welfare Reform Act, which allowed taxpayer-financed social service funding of churches in some welfare programs. However, those expressing such concerns ignored the long and successful history of partnership between government and faith-based organizations—a history that did not include government sponsorship of religion or forced conversions.

From the founding of the Republic, government has worked with faith-based organizations to build and operate schools and provide other social services where government was less capable of doing so. After the Civil War, the Freedman's Bureau, established to provide services for the millions of newly emancipated African Americans, went into partnership with faith-based organizations such as the American Missionary Association to build schools, supply food and deliver other vital services for people adapting to life after slavery.

For more than 150 years, the Young Men's Christian Association has offered health and fitness programs, shelter, child care and other programs to people of all creeds and races. Today, the 2,617 YMCAs comprise the largest not-for-profit community service organization in America.

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Beginning in the 20th century, government engaged in partnerships with faith-based organizations on overseas programming to deliver famine and disaster relief, refugee aid and other assistance in development programs. One such organization is Catholic Relief Services, one of our witnesses today, which has been providing services through government funding for more than 60 years.

Beginning in the 1950s, World Vision, a Christian relief and development organization, has concentrated on tackling the causes of poverty worldwide and provided food, education, health care and economic opportunities to people around the world. An estimated 87% of World Vision funding goes directly to programs.

Despite this record of success without mixing government and religion and without widespread discrimination in services, critics continue to express doubts about the ability of faith-based organizations to provide services due to limitations based on the very faith they profess. These doubts are expressed most often in terms of services provided for victims of HIV-AIDS.

The Government of Uganda, under the leadership of President Yoweri Museveni, has pioneered the ABC model of AIDS. ABC stands for Abstinence (especially for youth), Be Faithful for committed couples and Condoms where sexually active people are unable or unwilling to practice celibacy.

In the early 1990s, an estimated 30% of adult Ugandans were HIV-positive. Through the ABC program, the rate of HIV infection declined to 12% by 1999, and

is estimated to be five percent today. This past January, my staff and I visited Uganda to see firsthand how effective this program has been.

What we found was a partnership, not only between government and faith-based organizations, but also a complementary system in which the faith-based organizations concentrated on the behavior modification elements of the AIDS control program in Uganda—the A and B—while secular organizations handled the C by distributing condoms. This program works in Uganda because organizations are allowed to do what they do best and are not forced to betray their ideals or provide services in which they do not believe. Secular organizations that do not believe in the behavior modification elements of the ABC program would be as reluctant to engage in them as faith-based organizations would be in delivering condoms.

While the HIV–AIDS program in Uganda, managed through the President’s Emergency Program for AIDS Relief had a cooperative relationship with faith-based organizations, sadly, that was not the case we found with the Global Fund in Uganda. In Uganda, as well as apparently other countries, the Global Fund somehow fails to fund faith-based organizations in proportion to the services they provide. In most African countries, faith-based organizations deliver a majority of the health care services—in some cases more than two-thirds of the health care services received—yet only 5–6% of Global Fund support is given to faith-based organizations.

USAID Administrator Randall Tobias, formerly the U.S. Global AIDS Coordinator, said: “Faith-based and community organizations have a reach, authority and legitimacy that make them critical partners in the fight against HIV–AIDS.” Faith-based organizations also have another role to play—as an integral part of civil society in African nations.

Last year, Gregory Simpkins of my staff visited Zimbabwe during the midst of one of the cruelest campaigns against a population ever initiated by a government. In an operation whose name translates to “take out the trash,” the Government of Zimbabwe destroyed tens of thousands of homes and businesses in a relentless effort to eliminate the informal sector. When nearly three-quarters of a million people found themselves homeless and without a means of earning a living, and non-governmental organizations were prevented from providing assistance, Zimbabwean churches took the lead in helping the homeless.

In country after country in Africa, churches and mosques deliver services as part of their regular activities. When they and their affiliated organizations receive government funds to help those in need, government is actually building on existing networks of service. This multiplier effect allows aid dollars to go much further. Moreover, as Administrator Tobias said, faith-based organizations possess “a reach, authority and legitimacy” that makes them natural allies in any effort to provide help to those in need at a grassroots level.

Far from being a Western intrusion in African life, working with faith-based organizations in Africa is actually a means of connecting with African heritage. African nations have a long history of integrating religion and spiritual awareness, and anyone who has spent time in Africa understands that faith is not considered outside the realm of public life there.

So long as faith-based organizations adhere to the rules concerning the separation of publicly-funded activities and religious activities and do not discriminate in the provision of their taxpayer-funded programming, the alliance of government and faith-based organizations should continue this successful tradition.

Though we have little, if any, empirical evidence quantifying the success of this public-private partnership, its very longevity attests to its success. Our hearing today is intended to examine whether the President’s faith-based initiative is indeed opening public space for religious organizations or whether this initiative contains a hidden “glass ceiling,” as one of our witnesses today describes it.

U.S. aid programs in Africa and elsewhere should be effective, but compassionate. The partnership between government and faith-based organizations and government has historically achieved these goals. We must see that this record of achievement is continued.

Mr. PAYNE. Thank you. Thank you very much, Mr. Chairman for calling this very important hearing on the role of faith-based organizations in United States programming in Africa. Members of the faith community and faith-based institutions, as has been clearly mentioned by the Chairman, have been at the forefront of development in Africa and in many developing nations, in Latin America and in the Caribbean. United States faith-based organizations, FBOs, have a long history of providing services in Africa. Whether

it is providing safe water to rural communities or convening occasional youth training, these organizations have been directly involved in grassroots efforts to eliminate poverty and improve the quality of life.

United States faith-based organizations have established themselves in Africa, filling the gap of government and international community organizations. They have been credited with improving health statistics and timely delivering of disaster and humanitarian assistance, among other things in many countries throughout the world.

One reason faith-based organizations have been so successful in Africa, in my opinion, is due to the pivotal role of the church, and the role that the church has played in serving as an advocate for justice in many countries. Even during colonialization, the church was a beacon of hope for people who were trying to have their nations thrust off the cloak of colonialism and the church stood usually on the right side of those issues.

As an example, the role of the church in dismantling apartheid was very important, and even the demonstrations led by the church, especially in divestment in South Africa, which really was led by many church organizations. The Riverside Church in New York and others that led the way in divestment in South Africa was one of the goals, one of the various means that was used to finally dismantle apartheid.

Faith community can be a positive force for fostering peace, in fighting the war against oppression and religious discrimination. Christian groups in Sudan and the United States work together to get attention of President Bush in order to raise the level of United States engagement in Sudan. As a matter of fact, it was the faith-based community that led the way in the appointment of Reverend Danforth, the former Senator, to be the special envoy for the comprehensive peace agreement between the north and the south, that civil war that raged for 20 years and took the lives of 2 million people and 4 million displaced was primarily by the evangelical community and we have had tremendous support.

Congressman Wolf, probably the single most important person in the struggle against Sudan for decades, and Congressman Tancredo and Royce, who, in the past, have really been there and of course our Chairman now, we have had strong support from the evangelical community. It was also in the evangelical community that I think raised the awareness of HIV and AIDS to the President of this country. When the Bush Administration came in, HIV and AIDS was not an overwhelming priority, and as a matter of fact, the office on HIV and AIDS from the previous Administration was dismantled and taken out of the area of the White House. But because of strong support from many of the evangelical community, especially from child to parent, parent to child transmission, and the retroviral drugs that were suggested, we have seen a total metamorphosis where we have seen PEPFAR and \$15 million being designated by the Administration to deal with HIV and AIDS over a 5-year period, strictly a push from the evangelical community to change the policy.

And so there has been much support from Samaritan's Purse that flies around in places in Africa where you can't get to. They

took me into southern Sudan recently to go to a memorial service for Dr. John Garang who died a year ago in July from a helicopter crash, and it was Samaritan's Purse who was able to provide a plane to get me into Juba where there were no planes going at the time. So they have been involved for so many years. As a matter of fact, I felt very comfortable because Samaritan's Purse, when they take off, the pilot comes and says a prayer. I kind of didn't know whether—how to take it—but I certainly accepted it, and we got in and out safely.

But there is no question that these organizations have done so much. And of course Catholic Relief Services has been on the scene forever and doing outstanding work throughout the world. I would also like to mention and amplify what the Chairman said about the YMCA. Their headquarters in Geneva—had the privilege to serve as chairman of the World YMCA's Refugee Rehabilitation Committee in Geneva from 1973 to 1981, and went to many, many countries, including Uganda, to meet with Idi Amin about the expulsion of the Asians in 1972 from Uganda; about the fact that this was wrong, that a race of people would be expelled in total from a country. And so the YMCA is currently in about 30 countries doing work with refugees and rehabilitation and has been doing so since its founding, actually, in the 1840s. So we know the importance of faith-based organizations. Christians, Muslim, Jewish, whatever the faith, these organizations continue to provide essential assistance to the world's community worldwide.

It is important to ensure that our policies encourage collaboration and dialogue among the different organizations and communities of different faiths. We should also recognize that there are numerous countries in Africa where Islam is a major religion. Our policy should thus also reflect balanced support for all established faith-based organizations that give priority to poverty elimination and development.

It is equally important that these organizations have a keen awareness of the local value system where they operate. This is especially important in their education program, such as in their HIV/AIDS prevention programs. These organizations have a responsibility to provide comprehensive information to their respective communities.

I wish you the best in your development activities, and let us all be partners for peace, justice and the elimination of poverty. It is one of the millennium goals of the UN to halve abject poverty by 2015, and I know your organizations will be very helpful in those goals. Thank you.

I am going to have to leave to attend a meeting we have called with the Arab League dealing with Sudan. We believe that the Arab League has not been positive in their relations to the genocide in Darfur. I will have to leave. I hope to be back before the meeting is adjourned.

Mr. SMITH. Thank you very much. Mr. Tancredo.

Mr. TANCREDO. I have no comments.

Mr. SMITH. Ms. McCollum.

Ms. MCCOLLUM. Thank you, Mr. Chairman. I am anxious to hear the testimony. I too in my travels have been very proud, especially being a person of faith myself, of the Catholic Church when I have

traveled and seen some of the Catholic mission work in Africa. I used to hear about it as a little child when I would be in Mass sometimes. The opportunity to see that the work is still going on and the wonderful people who have dedicated their lives to it in Africa and I know in other places around the world.

But, Mr. Chair, I do hope that what we also can get out of this hearing is a better understanding of how grants are awarded and how sometimes when certain groups had been ruled as not acceptable, then they still end up with a grant; and more oversight from Congress on what organizations have submitted grants and which organizations have received grants, and then follow-up as to how we really tracked how well the grant was lived up to.

Thank you, Mr. Chair for having this hearing.

Mr. SMITH. Thank you very much.

I would now like to introduce our first very distinguished witness, Ms. Terri Hasdorff, who is the Director of the Center for Faith-Based and Community Initiatives for the United States Agency for International Development. Prior to her current position she worked to establish the Alabama Governor's Office of Faith-Based and Community Initiatives and served as its Executive Director. Ms. Hasdorff also served in the White House as an assistant to the chief liaison for the President to the faith-based community, and has had various positions on Capitol Hill, and that is where I got to know her originally; and I wanted her to know how deeply I respect the work she has done and the competence she brings to the job. Ms. Hasdorff.

STATEMENT OF MS. TERRI HASDORFF, DIRECTOR, FAITH-BASED AND COMMUNITY INITIATIVES OFFICE, UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

Ms. HASDORFF. Thank you, Mr. Chairman.

Mr. Chairman and Members of the Committee, as the director of the Center for Faith-Based and Community Initiatives, I am pleased to have the opportunity to speak with you today and to update you on our work at the United States Agency for International Development with faith-based organizations in sub-Saharan Africa. I would like to ask if my entire statement can be submitted for the record.

Mr. SMITH. Without objection, so ordered.

Ms. HASDORFF. I have had the privilege of working with the Faith-Based and Community Initiative and the charitable choice language when I worked here on the Hill for Congressman J.C. Watts and Congressman Mark Souder. In addition, I was asked to establish the first Governor's Office of Faith-Based and Community Initiatives for the State of Alabama, and was able to see firsthand through that experience how the Faith-Based and Community Initiative is making an impact on the lives of individuals and communities.

I have only served in my current position for a little over a month, but I look forward to this exciting new challenge and believe this initiative can be used to make a difference in the lives of people around the world.

In today's testimony, I would like to address our experience working in partnership with faith- and community-based organiza-

tions to achieve our foreign assistance objectives and describe the results we are seeing.

As you are aware, sub-Saharan Africa is the world's poorest region. Over half of its 700 million people live on less than \$1 per day. The HIV/AIDS pandemic has completely overwhelmed many health systems and impoverished families. The aftermath of lingering conflict and armed strife have exacted a huge toll on the people of this region, severely limiting economic growth and challenging the delivery of much-needed social services.

USAID learned early in its history that faith-based and community-based organizations are on the forefront of meeting human needs around the world and are excellent implementing partners for development programs because of their dedication to result, their ability to reach the grassroots level of society, and their capacity to mobilize societies for positive change.

Rick Warren, Pastor of Saddleback Church in Lake Forest, California, talks about how no matter where you are in the world, even if there is no electricity, no running water and no real infrastructure, even if they are meeting under a tree, you can still always find a church. This is a resource that cannot be ignored when working with hard-to-reach populations.

In Executive Order 13279, President Bush established a Center for Faith-Based and Community Initiatives at USAID. The Center has worked to fulfill the President's Executive Order in several ways. First, we respond to direct inquiries. Faith-based and community organizations call the Agency almost daily asking for information on how to obtain USAID funding for their projects around the world, many of which are to provide services in Africa. My staff also meets regularly with these organizations and groups, or individually whenever possible.

One of the primary functions of the Center is to provide outreach, training and technical assistance. In addition, we work to build intermediary relationships so that small faith- and community-based organizations that lack the capacity to manage large sums of Federal dollars can partner with larger organizations that are already receiving USAID funding.

It is important to note that USAID partners with groups representing diverse faiths in its work in Africa. Because of the fact that Africa is host to the largest Muslim population in the world, USAID is utilizing partnerships with many Muslim as well as Christian and non-faith-based organizations, in addition to building many interfaith alliances.

One example of upcoming work with faith-based organizations is beginning to occur in West Africa through the Trans-Sahara Counterterrorism Partnership. USAID, while in the initial phases of programming for Niger and Chad, is seeking to expand our partnerships to work with local indigenous faith-based organizations.

In Uganda faith-based organizations also play unique roles in providing home-based care for people and families affected by HIV/AIDS, mobilizing and referring people to service delivery points, spearheading HIV prevention with particular emphasis on abstinence and mutual fidelity, as well as providing end-of-life care and post-bereavement support to families.

In Angola, since the end of the civil war in 2002, USAID has worked with faith-based organizations, both international and Angolan, to help the country rebuild, reintegrate and reconcile. And finally, in Sudan the role of churches and faith-based groups, not only as mediators but also as advocates, have played a pivotal role in the north-south conflict as well as in the ongoing Darfur conflict.

Agencywide, in fiscal year 2005, USAID made 347 awards totaling over \$591 million to faith-based organizations. This amount is up from the 235 awards for over \$521 million made in fiscal year 2004. It is important to note that in almost every case, the implementing organizations competed with other organizations for funding. This is an increase of more than 13 percent from the prior year. In fiscal year 2005, specifically in the area of HIV/AIDS, USAID has provided faith-based partners with over \$23 million in assistance, with the vast majority of that aid going to sub-Saharan Africa. This total does not take into account the many subpartnerships with FBOs that would add considerably to the overall amount. Despite this positive trend, we also see that the vast majority of faith-based awards are made to a small number of groups. Therefore, it remains an important role for the Agency to continue its proactive efforts to bring on new partners to the Agency.

Mr. Chairman, I sincerely appreciate this Committee's continuing interest in the use of faith-based organizations and USAID's critical role on the Continent of Africa. I am grateful for the opportunity to share with you how the Faith-Based and Community Initiative is making a difference in the lives of people all over the world. I cannot overstate my support of this initiative because I see on a daily basis how it draws diverse groups into incredibly innovative partnerships that can truly transform lives, communities, and even nations.

I feel very blessed to have the opportunity to serve in my current position and would now be happy to answer any questions you may have.

Mr. SMITH. Ms. Hasdorff, thank you very much.

[The prepared statement of Ms. Hasdorff follows:]

PREPARED STATEMENT OF MS. TERRI HASDORFF, DIRECTOR, FAITH-BASED AND COMMUNITY INITIATIVES OFFICE, UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT

INTRODUCTION

Mr. Chairman and members of the Committee, I am pleased to have the opportunity to appear before you as the Director of the Center for Faith-Based and Community Initiatives to update you on our work at the United States Agency for International Development (USAID) with faith-based organizations in sub-Saharan Africa. In today's testimony, I'd like to address our experience working in partnership with faith-based organizations to achieve our foreign assistance objectives and describe the results we are seeing.

As you are aware, sub-Saharan Africa is the world's poorest region: over half of its 700 million people live on less than \$1 per day. The HIV/AIDS pandemic has completely overwhelmed many health systems and impoverished families. The aftermath of lingering conflict and armed strife have exacted a huge toll on the people of this region, severely limiting economic growth and challenging the delivery of much-needed social services. As a United States Government Agency (USG), we engage with a wide variety of partners to advance our work and we find faith-based organizations to be critical to this effort.

USAID'S RATIONALE FOR WORKING WITH FAITH BASED ORGANIZATIONS

The Agency's underlying rationale for working with faith based organizations (FBOs) is simple: in many of the difficult contexts in which we work, FBOs have proven to be effective. The following quote provided by Samaritan's Purse points to several comparative advantages of FBOs:

"The Church (or other FBOs including traditional healers) can be viewed as the largest, most stable and most extensively dispersed non-governmental organization in any country. Churches are respected within communities and most have existing resources, structures and systems upon which to build. They possess the human, physical, technical and financial resources needed to support and implement small and large-scale initiatives. They can undertake these actions in a very cost-effective manner, due to their ability to leverage volunteer and other resources with minimal effort."

USAID learned early in its history that faith-based and community-based organizations are on the forefront of meeting human needs around the world, and are excellent implementing partners for development programs because of their dedication to results, their ability to reach the grassroots level of society and their capacity to mobilize societies for positive change. Rick Warren, Pastor of Saddleback Church in Lake Forest, CA talks about how no matter where you are in the world, even if there is no electricity, no running water and no real infrastructure . . . even if they are meeting under a tree, you can still almost always find a church. This is a resource that cannot be ignored when working with hard to reach populations.

I am amazed at the willingness of faith and community based organizations to join together with one another as well as private and public sector agencies in order to combine their strengths to confront critical issues. When properly implemented the Faith-Based Initiative brings together unique collaborative partners who design and deliver effective and efficient social service delivery systems. To say it more simply, when properly implemented the Faith-Based Initiative frees average people to join with other average people to do extraordinary things in their communities . . . extraordinary things that are so unique to their village or hometown that no government agency or political body could ever construct or mandate a solution so exquisitely tailored to heal individuals & families and the communities in which they live.

Because of this, USAID has been partnering with faith-based and community organizations since its inception. When it comes to meeting human needs in far away and hard to reach places, faith-based and community organizations get results. Therefore, USAID is putting the vast capabilities and resources that faith-based organizations provide to good use in Africa.

OUTREACH TO FAITH-BASED ORGANIZATIONS

By Executive Order (13280), dated December 12, 2002, President Bush established a Center for Faith-Based and Community Initiatives (CFBCI) at USAID. At that time the President also issued an Executive Order (13279) "to guide Federal agencies in formulating and developing policies with implications for faith-based organizations and other community organizations, to ensure equal protection of the laws for faith-based and community organizations, to further the national effort to expand opportunities for, and strengthen the capacity of, faith-based and other community organizations so that they may better meet social needs . . . and to ensure the economical and efficient administration and completion of Government contracts. . . ." (Executive Order 13279, Introduction).

The USAID CFBCI has worked to fulfill this portion of the executive order through a multi-faceted approach. First, we respond to direct inquiries. Faith-based and community organizations call the Agency daily asking for information on how to obtain USAID funding for their projects around the world. My staff also meets regularly with these organizations in groups or individually whenever possible. This assistance takes place primarily through facilitating meetings with appropriate USAID staff either in Washington or in our overseas missions. These meetings help build institutional working relationships with the Agency; and assist FBOs in their efforts to secure USAID funding. This service provides these potential new partners, and those existing partners who would like to expand their relationship with USAID, with essential, up-to-date information on USAID and its programs.

Feedback provided to Faith-Based or Community Organizations (FBCO) is practical and honest, and often includes some form of technical assistance. FBCOs that lack the capacity to manage large sums of federal dollars are encouraged to partner with larger organizations that already receive USAID funding. We also encourage

partnerships and the formation of consortiums to enhance the ability of FBCOs to compete when applying for federal assistance.

Another important aspect of outreach is CFBCI participation in conferences that target faith-based and community organizations. CFBCI has co-sponsored, with the White House Office of Faith-Based and Community Initiatives, conferences for Faith-Based and Community Organizations. Over a dozen conferences have been held in cities across the U.S. with attendance ranging from 500 to 1,700. Participants are given an overview on CFBCI and answers to frequently asked questions, including what they can and cannot do with government funding. Participants are able to get specific questions answered on funding opportunities from Agency staff. These conferences provide a unique opportunity for FBOs to interact and exchange valuable information. Contacts are often made that help smaller FBCOs in the competition process.

CFBCI produces materials that highlight opportunities of particular interest to smaller and medium sized faith-based or community organizations. Examples include American Schools and Hospitals Abroad (ASHA), Ocean Freight Reimbursement, Limited Excess Property Program and micro enterprise development. Each opportunity includes a web link for more information and contact information for a person representing each program.

POLICY CHANGES TO IMPLEMENT THE INITIATIVE

As with all of USAID's partners, faith-based organizations must comply with the same rules and regulations as any other non-government entity that receives Federal funding from USAID to provide critical services. These include the Federal Acquisition Regulation (FAR) and Office of Management and Budget (OMB) rules and regulations governing federal grants and contracts. In addition to the rules and regulations applicable to all USAID contractors and grantees, faith-based partners are prohibited from using federal assistance for inherently religious activities, including proselytizing, prayer services and religious study. A faith-based organization may still engage in these activities, but they must be privately funded, separate in either time or location from the secular activities funded with federal assistance and voluntary for program beneficiaries. USAID currently funds faith and community-based organizations that represent a wide variety of faiths and denominations including those of no faith affiliation at all.

USAID's CFBCI makes itself available as an ombudsman to which faith-based or community organizations can turn if they feel that they are being discriminated against by the agency or contractors. However, the number of complaints has been few, and those rare instances were resolved quickly. Where a compliance issue is raised about a USAID-funded organization, it may be directed to the USAID mission in country, the USAID regional Bureau, the Office of Acquisition and Assistance (OAA) in Washington, or the USAID Inspector General. All complaints received by USAID are investigated, and if warranted, the program in question may be subjected to financial review or formal audit.

MEASURING RESULTS

Agency wide, in Fiscal Year (FY) 2005, USAID made 347 awards totaling over \$591 million to Faith-Based organizations. This amount is up from the 235 awards for over \$521 million made in FY 2004. It is important to note that in almost every case, the implementing organizations competed with other organizations for funding. This is an increase of more than 13% from the prior year. In FY 2005, specifically in the area of HIV/AIDS, USAID's Office of HIV/AIDS provided faith-based partners with over \$23 million in assistance, with the vast majority of that aid going to Sub-Saharan Africa. This total does not take into account the many sub-partnerships with FBOs which would add considerably to the total amount.

Despite this positive trend, we also see that the vast majority of faith-based awards are made to a small number of groups. Therefore, it remains an important role for the Agency to continue its proactive efforts to bring on new partners to the Agency.

Four examples of the USG's efforts to bring on new partners in Africa are detailed below. These programs implement the requirement set forth in Executive Order 13280 Sec. 3(d), to "propose the development of innovative pilot and demonstration programs to increase the participation of faith-based and other community organizations in Federal as well as State and local initiatives."

CORE Initiative—(Community Responding to the HIV/AIDS Epidemic). USAID provides strategic assistance, organizational development, direct grants, and other support to community and faith-based groups in developing countries. Geared to uti-

lizing faith networks, priority is given to groups who commit their own resources and demonstrate the ability to meet needs for care, support, and stigma reduction.

President's Emergency Plan for AIDS Relief (PEPFAR) Annual Program Statement for Abstinence and Healthy Choices for Youth (ABY). Through this procurement, \$100 million in new grants will be utilized by faith-based organizations, community-based organizations, and other groups to mobilize rapidly to help adolescents, teens and young adults avoid behaviors putting them at increased risk of HIV/AIDS infection in the 15 focus countries of the President's Emergency Plan. The focus countries, which are home to more than 50 percent of HIV infections worldwide, are: Botswana, Cote d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam and Zambia.

President's Emergency Plan for AIDS Relief (PEPFAR) Annual Program Statement for Orphans and Vulnerable Children affected by HIV/AIDS (OVC). \$100 million in new grants to support orphans and vulnerable children as a part of the President's Emergency Plan for AIDS Relief. Eleven organizations, including a number of faith-based organizations, won the five-year grants through a competitive awards process. In 2003, more than 15 million children worldwide under age 18 had lost one or both parents to AIDS. By 2010, it is estimated that more than 25 million children will have lost at least one parent to AIDS. Each U.S. grant will provide care and support to orphans and vulnerable children affected by HIV/AIDS in at least two of the 15 focus countries of the President's Emergency Plan.

New Partners Initiative (NPI). This Initiative was announced by President Bush on Dec. 1, 2005. Through NPI, the President's Emergency Plan for AIDS Relief will provide \$200 million for grants to new partners to provide HIV/AIDS prevention and care services. The Emergency Plan will reach out to organizations through NPI, working to help build their capacity and assist them in becoming new partners with the U.S. Government. USAID, along with other USG agencies, is an implementing partner of this initiative.

EXAMPLES OF "SUCCESS"

To more fully illustrate USAID experience in working with and through FBOs, I'd like to provide some concrete examples drawn from four African countries.

Uganda

Uganda is largely a religious country with 97% of its people claiming to be one of the following: Catholics, Anglican Protestants, Muslims, Seventh Day Adventists, or Orthodox Christians. In order to reach the mostly rural population, USAID works with organizations of faith, especially in education and health. Through support of Madrasa schools, Islamic religious education has been integrated with secular early childhood education in order to help needy three-to-five year olds better prepare for further education.

Through networks reaching into the farthest and smallest communities, religious and faith-based organizations are in a unique position to capitalize on the trust of their constituencies to provide guidance to people about health and behavioral change. The dramatic decline in HIV/AIDS prevalence recorded in the mid-1990's is partly attributed to the involvement of religious and faith-based organizations at grassroots levels and the ability of these networks to mobilize communities. Since the early 1990's, USAID/Uganda has collaborated with faith-based organizations to utilize their established networks to raise awareness, influence behavior change and fight stigma.

Faith-based organizations also play unique roles in providing home-based care for people and families affected by HIV/AIDS, mobilizing and referring people to service delivery points, spearheading HIV prevention with particular emphasis on abstinence and mutual fidelity as well as providing end-of-life care and post-bereavement support to families. The spiritual and end-of-life support is particularly critical in the context of a culture that fears speaking about death and dying.

USAID/Uganda's partnership with faith-based organizations is currently being expanded through the Inter-Religious Council of Uganda (IRCU), which unites all five traditional religious faiths in Uganda. With USAID/Uganda support since 2001, IRCU has evolved into a nationally accredited coordination mechanism for the faith-based HIV/AIDS interventions in Uganda. Using PEPFAR resources over the last two years, IRCU has provided sub-grants and technical assistance to over 100 FBOs reaching 30,000 people affected by HIV/AIDS including orphans and vulnerable children. In June 2006, USAID/Uganda signed a three year direct contract of \$15 million with IRCU to further roll out prevention, care and treatment services, by targeting underserved areas and populations including those ravaged by armed conflict.

Angola

Since the end of the civil war in Angola in 2002, USAID has worked with faith-based organizations, both international and Angolan, to help the country rebuild, reintegrate and reconcile. Two prominent FBOs among the organizations that have been active partners with the USG in this effort are World Vision (WV) and Catholic Relief Services (CRS). Through the \$75.5 million Consortium for Developmental Relief in Angola program (March 2003–December 2005) WV and CRS, along with three other non-governmental organizations, supported the resettlement and agricultural recovery process in the Planalto provinces of Kwanza Sul, Benguela, Huambo, and Bié, helping 210,000 vulnerable and food insecure households transition from emergency to development assistance.

The recovery process included activities such as distributing seeds, tools and animals for traction; strengthening extension services; rehabilitating rural infrastructure including roads, bridges, irrigation systems, community storage structures, schools and meeting centers; reforestation activities; and establishing and training community based organizations to lead conflict resolution and broad-based community participation in decision-making processes. Another project funded by the Mission enables CRS to work on grassroots reconciliation in the province of Benguela by enhancing and broadening citizen participation in local-level decision-making, community initiatives, and conflict management. Finally, the Mission supports the work of the Center for Economic Studies and Scientific Research, an independent think-tank housed in the Catholic University of Angola, which has resulted in new market oriented analyses and the development of several new publications promoting policy reform dialogue.

Kenya

Shortly after losing his wife to AIDS in 1992, Ugandan Canon Gideon Byamugisha became the first African clergyman to openly declare his HIV-positive status. Since then, he has sought to eliminate HIV/AIDS-related stigma and discrimination by advocating the 4 Es—empathy, empowerment, equipment, and engagement; and the 6 Ps—prayers, policies, plans, programs, personnel, and partnerships. With support from the President's Emergency Plan for AIDS Relief through USAID, clergy have recently begun to implement Canon Byamugisha's approach in Kenya.

The Kenya Network of Religious Leaders Infected and Affected by HIV/AIDS (Kenerela), the first such network in East, Central, and Southern Africa, was established in February 2004 by 44 religious leaders at a retreat in Limuru, Kenya.

While religious leaders wield significant influence in Kenya, where the vast majority of people are members of faith communities, Kenerela's pointed out that "a deafening silence permeates religious communities with regard to HIV and AIDS." In April 2004, Kenerela members were given technical guidance and financial assistance from USAID via World Vision that enabled them to define their mission and begin work on a plan of work to take them through 2007. Goals include establishing eight regional branches to work "with stakeholders in the fight against HIV/AIDS-related stigma, denial, inaction, and discrimination in our congregations, thus reducing the [HIV] prevalence to 20% within the age group of 15–49 years."

The POLICY Project, also in collaboration with World Vision, helped bring together 52 religious leaders from five African countries, all of whom are living with or affected by HIV/AIDS. They shared a common vision of a Kenya "where stigma, denial, and discrimination are nonexistent" and religious leaders "are witnesses of hope and forces of change in their congregations and communities." In August 2004, Kenerela members met with members of faith-based organizations and with people living with HIV/AIDS to discuss ways to work together to reach their shared goals.

Kenerela membership now totals 1,000 in eight provinces and includes pastors, HIV-positive religious leaders, clergy who have lost or are caring for close relatives and congregants. Kenerela encourages congregations to provide home-based care, counseling, and peer education for people living with HIV/AIDS, and for local orphans and vulnerable children. Kenerela also teaches local groups how to effectively manage their projects. Perhaps Kenerela's most important function is to provide accurate information, communication, positive role models, and nonjudgmental support to people living with HIV/AIDS.

Sudan

In Sudan, churches and faith-based groups have played a critical role in the last 35 years, pushing for national, regional and inter-communal peace. Since the 1972 Addis Ababa Agreement which concluded an extended peace process to end a 15-year civil war between the dissident Anyanya group and the Sudanese government, and brought relative peace to the country for a 10 year period, church groups have

worked to parley issues of church and state, religious, cultural and ethnic diversity and formal mediation methodology into reconciliation processes. The role of churches and faith-based groups, not only as *mediators* but also as *advocates*, has continued in recent years, both in the North-South conflict, as well as in the ongoing Darfur conflict.

In the South, church groups have played a part in reconciling various factions of the Sudan People's Liberation Movement (SPLM), and even more actively in facilitating reconciliations between warring tribes and clans. The classic example of the Wunlit Peace—brokered by the New Sudan Council of Churches with assistance from international churches through their “people-to-people peacemaking” methodology—reconciled the Dinka and Nuer people in 1999 and stands as a symbolic model for other ethnic groups in the South to follow.

USAID's programming has bolstered support for this methodology to be applied in reconciling other ethnic groups in conflict, particularly against the backdrop of a North-South conflict which exacerbated these tensions and divided these communities further. Sudanese faith-based groups, with support from their international sister organizations, have continued to be critically involved in quelling tensions in Upper Nile and Bahr el Ghazal, where they are seen as a credible, legitimate mediators for inter-communal conflict.

On this side of the ocean, FBOs continue to remain engaged in advocacy for support to the implementation of the Comprehensive Peace Agreement and respect for human rights. Most recently, with the Darfur crisis, the world has witnessed how a broad-range of faith-based groups from all religions have coalesced around the Darfur cause and become a powerful advocate on the US political stage for their counterparts in Sudan.”

CONCLUSION

A particularly meaningful resource of the faith-based community to the work of USAID is its deep connections to the most vulnerable people in Africa. FBOs have been and continue to be on the front lines in places like Sudan, Angola, Rwanda, and Uganda. As faith-based organizations have a long history of working with vulnerable populations and an overall successful track record in these areas, we feel it is sound development policy to continue to support them to achieve our mutual objectives. I am encouraged by the steps that have been taken to ensure their participation and look forward to strengthening our relationships with the faith-based community as we seek to pursue our common goals.

Mr. Chairman, I sincerely appreciate this Committee's continuing interest in the use of faith-based organizations and USAID's critical role on the continent of Africa. I am grateful for the opportunity to speak to you today and share with you how the Faith-Based Initiative is making a difference in the lives of people all over the world. I cannot overstate my support of this initiative because I see on a daily basis how it draws diverse groups into incredibly innovative partnerships that can truly transform lives, communities and perhaps even nations. I feel very blessed to have the opportunity to serve in my current position and now would be happy to answer any questions you might have for me at this time.

Mr. SMITH. Let me ask you firsthand—and thank you for this data. This is really encouraging and very, very helpful to the Subcommittee. You mention, agency wide, 347 awards totaling \$591 million to faith-based organizations; \$591 million out of how much? Do you have that?

Ms. HASDORFF. The agency gives out about \$15 billion a year total, between \$3 billion and \$4 billion in assistance.

Mr. SMITH. Do you know to what extent of that \$3–4 billion, the subcontractors turn out to be faith-based?

Ms. HASDORFF. We do not track the subgrants. We only track the grantees that are direct. We are putting in place tracking systems that will allow us over the next year to start tracking subgrants.

Mr. SMITH. Does that include governments too? When a government gets money for a certain program to ensure that they themselves are not, you know, excluding, for example, a faith-based organization?

Ms. HASDORFF. I will have to get back to you on that.

Mr. SMITH. Okay. If that can be—and perhaps what we are doing is to ensure that faith-based groups are not discriminated against. We hear sometimes complaints that some USAID grants—and some of them are very, very large, \$150 million to this organization, \$60 million to another organization—that some of the faith-based indigenous organizations have a heck of a time, and they are very, very often unsuccessful, in applying for a grant from that or subgrant from that organization. What do we do to ensure that there is complete transparency so that they are not excluded?

Ms. HASDORFF. So that faith-based groups are not excluded?

Mr. SMITH. Yes.

Ms. HASDORFF. Well, in line with what the White House faith-based initiative has implemented across the board for all agencies that are affected by that, we make sure that it is a level playing field and that faith-based groups are given the same opportunity to compete for government grants as any other nongovernment entity. So all of the grant opportunities that are available through USAID that would be eligible for faith-based organizations to apply would be made open—

Mr. SMITH. Is there any kind of monitoring system other than the IG, perhaps GAO, that we would ask for? But is there any other kind of systematic monitoring system, either contemplated or currently in operation to ensure that if I am a subgrantee, I am living in Uganda or would like to be one, I make application for money that a local provider has money for, whatever the issue may be, and then find out that I am just shown the door summarily. What do we do to ensure that that doesn't happen?

Ms. HASDORFF. The faith-based office at USAID works with each of the offices that USAID funds across the world to make sure that they are aware of making certain that the grants that we give out are eligible for faith-based organizations to apply for. So it would be through the Center that that type of outreach would be done. In addition to that, all of the information that is through the White House Faith-Based Office that is for more of the domestic faith-based outreach that occurs, that would make sure that they understand the grants are open to them to apply for.

Mr. SMITH. Can you tell us how we can be sure that the USAID mission personnel in the field who have considerable control over how money is spent, as to whether or not they have been adequately trained and understand that the clear unmistakable congressional intent is not to exclude? I mention this for a reason. When the PEPFAR program was under consideration, and I was one of the original sponsors of Henry Hyde's bill which he considers one of his greatest triumphs in terms of legislation, I offered a number of amendments. One of them had to do with the conscience clause. We found that during the 1990s many faith-based organizations in Africa where shown the door, were told you need not apply, because they didn't want to be part of a condom distribution program. Notwithstanding the fact that they had very effective behavioral change programs, very energetic efforts to try to push the abstinence message to especially the young people in elementary and secondary schools, they literally were told, you need not apply.

I used some of those examples during the debate on the Floor because I did offer the amendment, and it passed, to provide complete

conscience for those who would prefer not to take that part of it, leaving that to someone else. We hear, anecdotally, that that still is a problem and I am wondering what is being done to ensure—I mean, this isn't a matter of just my opinion now. This is now backed with the imprimatur, if you will, the full support of the Congress of the United States, that conscience is to be respected and that an NGO or a grantee can't take it upon themselves to go their own way on this. If you are going to be a U.S.-funded contractor, these are the rules, clear and simple. You can't discriminate based on the fact that you didn't want to include some other aspects of the ABC.

Ms. HASDORFF. Mr. Chairman, let me just say that while I know that the Agency has been making great strides with this initiative, and I am pleased with a lot of the work I have seen in the past, one of my goals as the director of this office—

Mr. SMITH. And you have only been on it for a month.

Ms. HASDORFF. But it is exciting because I think there are some opportunities for additional outreach, and that is one of my goals is to work more closely with some of the mission directors. I know that that has been occurring in the past, but I think there is even more that can be done and that is one of the things I look forward to.

Mr. SMITH. One of the things that I found when I visited Uganda, and I have been to several African countries, and Greg and I saw it firsthand, many of the USAID people who were absolutely skeptical of the A and the B had come around, because they saw that young people who were given the right kind of message with the right kind of reinforcement were able to change their behavior, which obviously benefits their health and their well-being. I mean, I met young people who were dedicated themselves that they would wait until marriage before engaging in sexual activity, thereby practically eliminating—unless they used bad needles—risk of contagion by AIDS. But they came around. They told me, as candidly as they could possibly say, that they were skeptical. And I remember in the 1990s there were people who laughed at it. They laughed at Museveni and the ABC model and the First Lady for what they were trying to do. It didn't fit into their paradigm on what a fight against AIDS should look like. I still think there needs to be some educating done along those lines.

Let me ask you, if I could, what weight the churches and mosques and synagogues get, in the fact that they have such considerable infrastructure? What always impresses me when you go to a faith-based effort is it is not something that has to be started from the ground up, and people employed who had not been doing this before or don't have, you know, the passion that so many of the churches and faith-based health organizations have. And especially as it relates to the volunteer base. I mentioned Our Lady of Africa in my opening. Their volunteer base is almost, you know, within limits but you know it is just—if they need people to do something, they have them and they meet every week not just for Mass but there is this constant number of people willing to engage in this effort. So in terms of dollars spent by the U.S. Government, we get such bang for the buck in terms of good things happening on the ground.

And I am wondering when grants are being reviewed, does that kind of infrastructure have—add to points or whether or not they get the grant? And I would add to that, I only made brief mention of what I saw for years, but the massive immunization efforts—that wasn't just in Latin America. That was all over Africa and all over the world. And had it not been for churches, volunteers and the base that they provided, that would have been, you know—UNICEF and our USAID would have been ineffective in getting the world's children immunized. So the weight given to infrastructure that a church brings with it.

Ms. HASDORFF. I think in the grant process at USAID, basically what they are looking for is the best partner for whatever social service it is to provide, and many times faith-based organizations are that partner. Obviously the leverage they have with resources, volunteers, all the things that you mention, would definitely be taken into consideration. I know that you know they are just looking for the best partner to work with for whatever service it is. And many times that is a faith-based organization.

Mr. SMITH. One final question. Local indigenous organizations that may not be the most adept at writing grants but may be the best individual or group to actually implement a grant, what kind of technical assistance is being provided to them to overcome what some of the more savvy K Street grant writers have over them in writing a grant for USAID or anywhere else? And I do have another question. If you could speak to the New Partners Initiative and how well that is going.

Ms. HASDORFF. One of the things that the office—that the Center for Faith-Based and Community Initiatives does is address that very concern that you were talking about. A lot of times for the smaller local NGOs, it is very difficult for them to have the same leverage for receiving grants. What we encourage them to do is partner with larger intermediary organizations who can assist them with that technical assistance that they need, or our office will work with them as well if they are applying directly for a grant. But we encourage that type of collaboration quite a bit.

Mr. SMITH. Do you help marry them up with the other organization?

Ms. HASDORFF. We do.

Mr. SMITH. Now, from the evidence you see in the field, does the Global Fund do this? Maybe you are not the right person to ask on this—it might be somebody from HHS or USAID that handles the Global Fund—but as I said at the outset, the message we are getting back—and as a matter of fact, the Catholic bishops of Africa recently complained bitterly that they provided 40 percent of all the health care in Africa and they get 4 to 6 percent of all the Global Fund moneys. And that is by design, not by default.

I am wondering whether or not we are finding that out in the field as well, because obviously we want to work side by side with the Global Fund.

Ms. HASDORFF. I would have to take that one for the record because I have only been there for a month so. I am not sure about that, but I think that it is. And as far as the New Partners Initiative, I know that that has been very successful and I am once again still delving into that, but from everything that I am hearing, it is

welcoming a lot of new faith- and community-based groups to the grants process that were not being—that we were not receiving or we were not accessing that in the past.

Mr. SMITH. And our mission in getting the message out that these potential moneys are out there for them?

Ms. HASDORFF. Yes. Outreach has been conducted very heavily on that. And our office has done been quite a bit on that well as well.

Mr. SMITH. Thank you. Ms. McCollum.

Ms. MCCOLLUM. Thank you, Mr. Chair. You mentioned Healthy Choices Initiative in your testimony. And when I was getting ready for the hearing, one of the things we do is go on the Internet and we pull down articles and talk to other Members of Congress. When USAID awarded the AYB grants in 2004, there was an organization that made a grant and was named Children's AIDS Fund. It was headed by a Ms. Anita Smith. And USAID did an independent review board that makes recommendations on this grant that deemed that the Children's AIDS Fund was not suitable for funding due to their lack of experience in international aid.

And I do agree with the Chairman. We need to figure out a way to nurture and move along indigenous groups so that they can apply and do that. So I am not—I think that that is a noble role for us to do. But this group—and this person, her name was Anita Smith—applied for that.

It appears from your testimony you are in the process of awarding new grants. Now, considering the Children's AIDS Fund was ruled not eligible for funding, yet it turned out it received a grant anyways, what are the criteria, and could you provide to this Committee the criteria that the board, that the panel—I think it would be interesting for the Chair and I, how you determine whether or not a grant is awarded. And then maybe some goals and objectives you have in order to help nurture and sponsor indigenous groups to be able to be at a place where they can receive a grant.

So if you could provide that for us, that would be good because one of the things that—with some of the other funding we are doing for development funding, we are saying you have to meet all these goals, these objectives, these specific measures. And I have been out in the field, as others, when we have traveled the country and saying no, we are very, very serious about this accountability here. And so I would like to see how we are holding people accountable.

So do you have a report on the first \$100 million that has been awarded on this program that you could provide for the Committee along with that?

Ms. HASDORFF. Absolutely. We will have to get back to you.

Ms. MCCOLLUM. I am curious as to how the money was used and how you have tracked your results, so that if there is a program out there that maybe has a C grade, USAID can maybe interject some way to get that up to a B-plus to keep—especially if it is an indigenous or local-run program, so that we make sure we are doing that.

I had another question, too, and it seems like you are struggling with getting tracking. So I would be interested in knowing how many grants were actually made to Muslim groups and in what

countries. And then you mention this terrorism. Would you—what was that again. Terrorism—

Ms. HASDORFF. What I mentioned was the Trans-Sahara Counterterrorism Partnership and that is a new program that we started up in West Africa.

Ms. MCCOLLUM. Did that fund money come out of USAID's funding program?

Ms. HASDORFF. I will have to take that question for the record.

Ms. MCCOLLUM. And could you take a look at that, please? And could you also provide to the Committee and the membership of the panel on how it is selected for USAID to go over these grants?

Ms. HASDORFF. Yes, ma'am. I will take that question.

Ms. MCCOLLUM. That would be great. And welcome. You have only been there a month?

Ms. HASDORFF. Yes.

Ms. MCCOLLUM. I am sorry for all the questions. Thank you, Mr. Chair.

Mr. SMITH. Mr. Tancredo.

Mr. TANCREDO. Thank you, Mr. Chairman.

I think my question is just a continuation, in a way, of what you have heard, because in your testimony you talk about the concern you have is that a relatively small number of faith-based organizations obtain the bulk of the grants. And so I wondered what you could tell us is the exact problem.

I know it is the same as—the question about well, how do we get indigenous groups in there too? But can you tell there is some common element to the grantee—the grantees—that we can identify as being either a positive or a negative situation? And it is really, I suppose, all of our concern that we have had a lot of information given to the Committee, given to individual Members of the Committee at various times about the hostility that exists out there in the field, hostility toward the faith-based organizations on the part of other NGOs. And somewhat understandable I suppose. Here is a new group coming in to essentially take part of the action that they have—that these other organizations had been used to having to themselves. But are there things that you can do—well you know, first of all, what is the reason for this small number? And are there things you can do to ameliorate the kind of hostility that may actually still be out there?

Ms. HASDORFF. Well, Congressman, I think the Faith-Based and Community Initiative as a whole has seen—basically you have small faith- and community-based groups that are small nonprofits that many times have a hard time accessing grants just because of their lack of knowledge or capacity.

Mr. TANCREDO. Sophistication.

Ms. HASDORFF. So that is across the board. What we are trying to do at USAID is reach out and do more outreach, training and technical assistance, looking for ways of building smaller and community-based groups to allow them to have access; also partnering them with larger groups that are already receiving funding that can work as intermediaries so they can partner with that group. Those are all things that are being done to try to address that issue.

But as far as the hostility, I have not seen that during my time there at USAID. It seems there is a real excitement to welcoming new partners, and I think that the New Partners Initiative and many other things that are being done there are opening up the doors for smaller groups to have access.

Mr. TANCREDO. Well, although I am encouraged to hear about the fact that you may not have seen that in the brief time that you have been there, I will assure you that there is a great deal of—some anecdotal, some quite objective—information available to lead us to the conclusion that there are tensions that exist out there. So as your tenure develops, I just hope that you are sensitive to this potential problem. Whether it is real or perceived incorrectly, that is the thing I would like you to be able to tell us the next time we meet.

Mr. SMITH. Dr. Boozman?

Mr. BOOZMAN. I don't have anything.

Mr. SMITH. Thank you so very much for your testimony. We look forward to staying in touch with you. We will have you back in a few months, maybe by the middle of December if that would work.

Ms. HASDORFF. Okay. Thank you.

Mr. SMITH. Thank you.

I would like to now ask to the witness table our second panel, beginning with Mr. Ken Hackett who is the President of Catholic Relief Services, the official international relief and development agency of the U.S. Catholic community. He oversees operations in 99 countries and commands a global staff of more than 4,000. Mr. Hackett joined Catholic Relief Services more than 30 years ago and has served on posts throughout Africa, as well as a variety of positions in Catholic Relief headquarters in Baltimore. In July 1993, Mr. Hackett was named Executive Director of Catholic Relief Services and he was appointed President in 2003.

We will then hear from the Reverend Edward Phillips who was ordained as a Roman Catholic priest in 1974, currently serves as the Managing Director of the Archdiocese of Nairobi, Eastern Deanery AIDS Relief Program. He also serves as the country administrator for a Marquette University nursing college in Kenya where he runs a national training program for HIV/AIDS care. As a long-term resident of Kenya, Reverend Phillips has also been appointed to Kenya's Ministry of Health, HIV/TB National Steering Committee.

And finally we will hear from Mr. Ken Isaacs, who currently serves as the Vice President of Programs and Government Programs for Samaritan's Purse, a Christian relief organization with activities in over 100 countries worldwide. Mr. Isaacs also served as International Program Director for 17 years. In between his two positions with Samaritan's Purse, Mr. Isaacs served as the Director of the Office of Foreign Disaster Relief Assistance within the U.S. Agency for International Development.

Mr. Hackett, if you could begin, please.

STATEMENT OF MR. KEN HACKETT, PRESIDENT, CATHOLIC RELIEF SERVICES

Mr. HACKETT. Thank you very much, Mr. Chairman. It is an honor to appear before this Committee to discuss this most impor-

tant of issues. And I would also like to take a moment to thank this Committee, and you in particular, for the work that you have done on the Darfur Peace and Accountability Act and on the Democratic Republic of Congo Relief, Security and Democracy Act. This is tremendously beneficial to the people in those two countries. Thank you.

If I may, I would like to summarize my prepared statement that could be entered for the record.

Mr. SMITH. Without objection, your full statement will be entered as a part of the record.

Mr. HACKETT. As an organization of the Catholic Church in the United States, and one that has been the recipient of U.S. Government foreign assistance for over six decades, we found the Faith-Based and Community Initiative to be a very positive development. However, from the perspective of Catholic Relief Services, we cannot conclude with any empirical evidence that more funding has come to us directly as a result of the Faith-Based and Community Initiative. And I did a little survey earlier in the week among the other major faith-based organizations—World Vision, Lutheran World Relief, UMCOR of the Methodist, the Adventist Development and Relief Agency—and basically everybody felt the same way. Funding did not come because we were faith-based or religiously grounded. We compete for U.S. Government money like anybody else, or any of the for-profits.

If I may, I would like to offer a few perspectives on the Faith-Based and Community Initiative and a few suggestions on where it might go for the future. While we recognize that the primary intent of the Faith-Based and Community Initiative was not directed to large religiously based groups like ourselves or the Lutherans or the Salvation Army, I would suggest that all of us have noticed an increased openness to religious organizations at different levels within the Administration. The fact that there is in each Cabinet office and department someone specifically designated with a faith-based organization portfolio is what we deem a very constructive change.

And the related conscience clause provision in the HIV authorization has also helped to ensure that faith-based organizations can compete on a level playing field without sacrificing our moral values. And I commend you, Mr. Chairman and Members of the Subcommittee, for your leadership in that regard.

Second, we have witnessed an increase in smaller churches' and religiously inspired groups' engagement in Africa. These groups had limited contact with Africa, and now have been able to increase their presence. I won't directly attribute that to the Faith-Based and Community Initiative, but there may be some linkage. This reality, in our view, offers a hope that these groups may be able to bring back to the United States a more profound understanding of the African people and contribute in a deeper way to the dialogue about foreign aid programs for Africa.

Further, the great diversity of American values represented by this broad array of churches and faith-inspired groups itself embodies, in a way, our democratic traditions and values. The Faith-Based and Community Initiative has brought opportunities for many smaller organizations with little experience working abroad,

much less in Africa. But at the same time, their learning curve is steep and their missteps often confusing to many.

Third, the foreign aid bureaus of the government have demonstrated increased sensitivity that the faith-based organizations bring values and approaches that the U.S. Government itself sometimes forgets. So there is some positive change there.

When I look back over my 35 years of dealing in this type of work, I see that in the past, sometimes the U.S. Government foreign aid bureaucracy often didn't give much credence to such values as social justice or the role of civil society or the dignity of the individual.

A fourth concern for me lies with the fact that some contractors look to partner with faith-based organizations to increase their competitiveness. The money is obviously an attraction to many faith-based organizations, both American and African. But the consequences of the often fundamentally different approaches between contractors and faith-based organizations can often lead to fractured relations, hard feelings, and possibly even compromised missions. It is the relationships with local affiliates and branches and partners that make American faith-based entities effective in their outreach and assistance to groups in Africa.

A fifth concern is the desire of the U.S. bureaucracy, something you were just talking about, to deal directly with religiously affiliated institutional partners. I want to see African indigenous agencies grow and flourish and develop, but there are some problems along the way. And I will give you an example. Recently one very troublesome case happened in Tanzania, involving a longstanding AIDS program of the Catholic Archdiocese of Dar es Salaam that CRS had been funding for over a decade. The Archdiocese was informed that whether they liked it or not—and they didn't like it—if they wanted PEPFAR funding, they would have to agree to accept it directly from USAID and not from Catholic Relief Services. As members of the same church family, we don't intend to sever our relationships with such partners merely to meet USAID's or the U.S. Government's short-term funding approaches.

And lastly I would like to comment on the direction of foreign assistance overall. Obviously, as we all know, terrorism is a deep concern for our country, and it is understandable that a significant portion of overall foreign assistance must be directed toward helping countries deal with that threat. But our increased attention to terrorism has produced a distinct decrease in attention to the worst impacts of poverty.

As a member of the board of the Millennium Challenge Corporation, I am very proud of the strides we have made in that unique effort to help countries deal with poverty reduction. We achieve that goal through conscious and deliberate investments in economic growth, as well as social infrastructure and policy changes that are truly integral to the overall process of growth in poverty reduction.

As I hear and read statements of our higher-level government officials concerning the approach being taken to foreign aid that deal with human development as well as stability and security, I appreciate them. However, I am troubled by reports coming out of some U.S. Embassies and USAID missions that all programs need to be justified solely on the basis of counterterrorism. There appears to

be a disconnect. We see deep cutbacks in support for food aid programs, safety net programs and United States Government programs that reach the poorest segments of African societies.

And I was wondering to myself as I prepared this, how I would ask the Missionaries of Charity in Ethiopia to justify their severely reduced appeal for any food aid allotment, which they use to feed the most destitute in Addis Ababa and elsewhere, in counterterrorism terms. However, I remain hopeful that our Government bureaucracy will recognize that it can be effective when it supports the expression of the most profound American values expressed by the broad array of American faith-based and civil society groups.

When the government attempts to impose its motivations and agendas on private faith-based and nongovernmental groups, it risks compromising the good work they do and it lays open the perception they are merely tools of our government. Worst of all, the erosion of basic values in foreign assistance diminishes the U.S. goal of building peace, justice, and stability in our world. I thank you very much for this opportunity.

Mr. SMITH. Thank you very much.

[The prepared statement of Mr. Hackett follows:]

PREPARED STATEMENT OF MR. KEN HACKETT, PRESIDENT, CATHOLIC RELIEF SERVICES

Good Afternoon, I wish to commend Subcommittee Chairman Smith, Ranking Member Payne, and Members of the Subcommittee for calling this hearing and offering Catholic Relief Services (CRS) the opportunity to testify on the Faith-Based and Community Initiative (FBCI). In my testimony I will:

- First, discuss our impressions of the FBCI;
- Second, describe some examples of how we work with the local Catholic Church and other faith-based partners in Africa;
- Third and most importantly, outline the challenges facing faith-based organizations like CRS as a result of the shift in U.S. foreign assistance policy toward a narrow focus on security and anti-terrorism.

Let me open by stating that the faith-based initiative is a positive development that recognizes the history of good work and vast potential of this nation's religious institutions. We believe it gives credence to the effectiveness of faith-based humanitarian organizations like CRS, Lutheran World Relief, Church World Service, the American Jewish Joint Distribution Committee and our many other colleagues in the field who have provided decades of assistance to poor people around the world. At CRS, we believe that our grounding in our faith is an asset in our work, because it gives us an ability to project values that flow from religious convictions that other non-faith-based organizations have difficulty articulating.

A great part of CRS' operational advantage is our ability to engage an extensive network of local faith-based organizations, including local Catholic dioceses and parishes, as well as social service agencies, through which we carry out our work. We have seen that as a result of the FBCI, some of our local partners have greater access to funding, have increased dialogue with donors, and have formed other partnerships.

However, progress in this regard is threatened by broader changes in the U.S. Government approach to foreign assistance. We fear that it will be difficult to preserve a role for faith-based and community organizations in this changing context that appears to place a greater value on contracting and short-term deliverables over long-term, sustainable development.

1. THE IMPACT OF THE FAITH-BASED INITIATIVE

We understand that the primary focus of the FBCI was to increase access to federal funding for faith-based groups that had not previously had access, and that its focus has been more domestic than international. Therefore, it is not surprising that there has been little or no growth in the CRS public resources portfolio that can be directly attributed to the FBCI. Grants are not offered to CRS because we are

a faith-based organization. However, CRS has seen some expansion of opportunities and increased receptiveness of governmental actors, not only for CRS, but for other faith-based organizations as well.

CRS has been using U.S. taxpayer-provided resources in relief and development programs for more than 60 years. We work with a wide range of U.S. Government departments and agencies, including the Department of State, USAID (including Food for Peace and OFDA), USDA, the Department of Labor, the Department of Health and Human Services and others.

We do not seek preferential treatment because we are a faith-based organization. We only want a level playing field. The merits of our programs and our stewardship of resources are sufficient to make us competitive. Our faith-based network of partners makes us a superior choice as a cooperating sponsor or grantee.

Despite the fact that larger, established faith-based organizations were not a primary target of this initiative, we have felt welcomed at high levels within the Administration, and we believe our input has been valued. For example, we have been able to present our perspectives on the importance of poverty alleviation in the context of the Millennium Challenge Account, where I serve on the Board of Directors. We have been able to meet and discuss issues with the Director of the White House Office of Faith-Based and Community Initiatives as well as with officials in the faith-based initiative offices in various U.S. Government departments and agencies.

We have seen greater sensitivity from the U.S. Government to the approaches of the faith-based community. Organizations such as CRS and others attempted to improve the terms under which we work for many years. Some changes were made grudgingly before the FBCI—such as lifting the informal ban on funding non-condom distributing organizations. We are happy to report that the US Government is open to a wide variety of effective and proven approaches to women's reproductive health and HIV and AIDS that center on combinations of nutrition, hygiene, health care, education and moral behavior.

2. FAITH-BASED PARTNERSHIPS IN AFRICA

For decades, CRS has sought to build the capacity of local organizations, faith-based and otherwise, to assist them in identifying and addressing their own needs. The work of CRS is grounded in Catholic Social Teaching, which stresses the dignity of the human person and the profound ties that unite all humanity. It also promotes the concept of subsidiarity, which holds that decision-making should not be centralized, but should flow down to the appropriate local level.

At the same time, CRS does represent fundamental American values. Americans expect the active involvement to the fullest extent of all recipients of our aid. This means that people are participants, not just beneficiaries or bystanders, in development and relief programs. It means that we must partner as equals with all the dignity afforded a true partner.

Let me briefly highlight how we work with the Catholic Church and other faith-based partners in Africa.

- The work of faith-based organizations like CRS goes far beyond implementing so many specific 2- or 3-year projects. On a visit this past April to Juba in southern Sudan, Vice President Salva Kiir told me how important it was to the people of south Sudan that CRS stayed with them to help them gain a right to self determination. We have been in Sudan and we will stay as long as we are needed.
- CRS has supported the Catholic Bishops of the Democratic Republic of Congo in educating voters as to their voting rights and the need for them to participate in the ongoing electoral process in that high-potential but war-torn country.
- In Benin, with support from a U.S. Department of Labor grant, we are working with the Church to address the problem of child trafficking. The trafficking project we have there has provided community outreach and support for vocational training for 10,000 trafficked and at-risk children and their families.
- Finally with the support of CRS private funds and the President's AIDS initiative (PEPFAR) we are working through a variety of networks in Africa, including the faith-based networks, to provide (as of August 31, 2006) a total of 47,323 people living with HIV with life-preserving anti-retroviral drugs and another 100,401 people living with HIV with related medical care.

These examples underscore that one key to CRS success in promoting development and relief is forming partnerships with local organizations. These links pro-

vide continuity for development programs and promote greater effectiveness in aid implementation.

3. THE CHALLENGE TO FAITH-BASED ORGANIZATIONS

I fear that the positive potential for the FBCI to influence both the actors in foreign assistance and the programs being carried out may be overshadowed by recent changes in foreign assistance. I see a shift in U.S. foreign policy and overseas aid toward a narrow focus on security and anti-terrorism that could undermine the tenets of partnership and sustainable development.

The current State Department model stresses the 3-Ds: Diplomacy, Defense and Development. In principle, it is a solid model whose merits can and must be debated. In practice, what troubles me most at the outset is the lack of attention to our traditional core constituency: the poorest of the poor. The Foreign Assistance Framework, in its July 11 version at least, makes no mention at all of poverty or hunger. Instead, the overarching emphasis underpinning Transformational Diplomacy, the State Department's new philosophical foundation for foreign assistance, seems to be counter-terrorism. We have heard from our representative in Ethiopia that "the number one priority for all U.S. Government programming in Ethiopia is counter-terrorism." Therefore, all USAID programs need to be justified in terms of working towards this goal. Where does such an approach leave the most destitute served by groups like the Missionaries of Charity? Where is the attention to alleviating poverty and addressing the root causes of hunger, which one could argue are significant contributing factors to instability and the conditions that foster conflict and terrorism?

This emphasis leaves CRS to wonder how we, as a faith-based organization, can find an appropriate place for ourselves and our partners in future foreign assistance efforts. We simply cannot sign onto an initiative that subsumes our mission as an agency serving extremely poor people in the developing world into a security paradigm.

The U.S. Government's increasing preference for providing assistance through contracts focuses on the short-term results without supporting a long-term process of building up local organizations. These contracts or awards are often based on physical infrastructure built—such as wells dug, schools built or clinics supplied. What this approach does not measure is the impact on disease prevention, opportunities for girls in education, or indices of health promotion. For instance, a school feeding program does nothing to improve education if it is not linked to teacher training and compensation, water and sanitation at the school, curriculum improvement, parent-teacher associations and child de-worming. We see programs increasingly split into discreet contracts or having such a narrow focus and timeframe that will ultimately result in no sustainable change in people's lives. Unless U.S. government-supported programming takes a wider focus, a longer time frame and more people-centered approach, it will not be sustainable.

Moreover, we are increasingly forced to treat partners as if they are subcontractors. This goes against our nature. There are growing numbers of solicitations requiring U.S. Government approval of sub-recipients and "fair and open competition" for sub-recipient participation in receiving resources from the prime awardee. This requirement effectively undermines our long-term commitment to our community-based partners of all faiths, and potentially requires us to make our traditional Church partners compete against other faith communities.

To conclude, from CRS' perspective, the greatest impact of the FBCI has been increased sensitivities in U.S. Government agencies toward the issues and values espoused by faith-based organizations. In the broader context, CRS believes that the most important foreign aid issues are maintaining a focus on long-term development and ensuring that poverty reduction isn't sacrificed in the increasing emphasis on national security.

Thank you, Mr. Chairman. I would be glad to respond to any questions.

Mr. SMITH. Father Phillips.

STATEMENT OF THE REVEREND EDWARD PHILLIPS, CHAIRPERSON, EASTERN DEANERY COMMUNITY-BASED HEALTH CARE & AIDS RELIEF PROGRAM

Rev. PHILLIPS. Mr. Chairman, Members of the Committee, first I would like to thank you for inviting me to attend this meeting and to tell you a story, not from a major donor or world league out of Washington or Baltimore, but out of the slums of the City of

Nairobi, and give a different focus on what the U.S. Government is doing. I have a prepared statement which I have submitted and request to be put into the record.

Mr. SMITH. Without objection, so ordered.

Rev. PHILLIPS. Thank you. I spent over 30 years living in Africa, and actually more of my biological life has been in Africa than still in the United States. Although most people say I still come from Boston, I never lost the accent.

Thirteen years ago we began in the city of Nairobi to set up an AIDS program in the slums on the eastern side of the city. It was supported by the late Cardinal Otunga, because we were seeing in the early 1990s many of our poor folks in the slums were sick and dying of AIDS. They weren't resourcing—people weren't talking about AIDS—they weren't resourcing health services of the government, and so we discussed, as a group of priests outside of the city, what we must do.

So in 1993 we finally received some funding from two church-based organizations to try to respond through the communities and the slums, to reach out to people that are sick and dying with HIV/AIDS and also put into place prevention. As time went on and our program continued to develop, we started to seek out additional ways of getting funding.

And one of the things in the AIDS world, there is a word called "stigma," and AIDS patients and AIDS families feel the sense of being stigmatized for others because they are HIV-positive and have AIDS. And I had felt the same form of stigmatism being directed toward me as a Catholic priest, running an AIDS program in the slums of the city of Nairobi. When the word was on the ground Catholics were not welcome at the table to seek out money if it was for AIDS, and the main player at that time with money was USAID—this was pre-PEPFAR—well known on the ground that Catholics are not welcome. So I go running around with my tin cup, begging people for money in the United States. I figure, where am I going to find my salaries for the next month? But the word was Catholics are not welcome in the AIDS field.

Then in 2002, the Center for Disease Control, who has a Nairobi office, had a different approach. They came to me, and they were setting up voluntary counseling and testing centers, and they started to look at the relationship of HIV and tuberculosis. And all they could offer was technical support to us, and every year, they had tried to find a little bit of money within the government grant and the National AIDS Control Program to allocate us some money for TB studies, and we did a pilot study on tuberculosis and delivery of services within the slums. From PEPFAR, I was able to get a direct cooperative agreement through the Center for Disease Control for a comprehensive AIDS care, TB care, counseling, and we began offering pediatrics care this year.

Now, the strange dynamic is, for a person who is a Catholic priest—and Catholics weren't welcome at the table—the AIDS Relief Program is presently the Number two individual supplier of antiretroviral care in Kenya with PEPFAR. Eastern Deanery did the national study for testing and counseling in relationship to tuberculosis. And it is now the government policy, a faith-based organization that wasn't welcome at the table. The Eastern Deanery

Program at the present time is working through Marquette University, the College of Nursing, who also had problems getting funding. We ran a national program for the upgrading of nurses and the HIV/AIDS scare, and actually we have developed a model for nurses, a model of antiretroviral care.

The same program is the present largest individual supplier of antiretroviral drugs in Nairobi Province, all to the poor and the slums in the City of Nairobi, and we are the Number 1 TB clinic in the city of Nairobi, as approved by the Kenyan Government. We test over 3,000 patients every month, and clients, through our VCT sites and through our diagnostic testing and counseling sites, and presently, we have over 700 children receiving comprehensive AIDS care, including antiretroviral care. At the present time, our total patient population is over 6,500 patients, all of this for someone who wasn't welcome at the table because we are faith-based, and we are Catholic. But PEPFAR and the CDC believed in us. Until this day, the CDC respects us. There is no pressure placed on us, on the Catholic traditions, as to what might be.

I work at the national level of the Episcopal Conference. I work at the Vatican. I am actually a pontifical advisor to the Vatican on health issues, and one of the things we find in the work in the Church around Africa, especially in Kenya, is the formation of young people. I think we all know, when were young, our parents told us "no," but kids have to know the skills and how to negotiate relationships with other young people, and so we have done a lot of work on life skill development, the formation of young people so that they have the skills to help them to grow and develop.

I think the Church has been hit over the head with what I think is one of the key things, which is positive formation of young people. And I have worked at the universities as a chaplain, at the same time running a program and a lecture at the University. I know the hurts of the young university students that they go through.

As we move forward I have some concerns, and these are economic concerns. Let's start with the Global Funds. The Chairman mentioned it. In January of this year, actually, I was in Geneva. I was invited to give a paper for the major Catholic donors around the world, and actually the people from the Global Fund came in, and they admitted between 4 to 6 percent of the Global Fund money is going to faith-based organizations. It is scandal, and they wipe it off. Today it is a country issue. We are sitting in Geneva. That is not our issue. I said, "Come on. It is a scam. It is all part of the same system."

I really believe that there is really a glass ceiling, and they don't want to look at it, and there is probably also issues of secularism that are up in it. I have actually prepared a paper for the Episcopal Conference in Kenya to try to even deal with the Kenyan Government. Because what happens is you put your proposal in; what you put in doesn't always come in the final agreement they put through because of the amount of changes that go on.

So how can you justify 4 to 6 percent, worldwide, of Global Fund money when, across Africa, church-based organizations are doing a phenomenal amount of work? It makes no sense, and no one wants to ask the question. So you know, there is some form of bigotry or

elements of that in that, and I think that really has to be looked at.

Secondly, I have heard a lot of discussions about how we are going to take PEPFAR money, and we are going to put it in the Global Fund. I have been overseas for over 30 years. I know the good of American politics and American foreign aid, and I know the bad of it.

Now, there is one thing. Whether you are a Democrat or a Republican, PEPFAR is one of the few times that I have seen the moneys really get down to folks. I mean, I am taking care of the poorest of the poor who don't even access health care, and you know, I am keeping them alive, and I am a huge supplier in the country. PEPFAR is doing that. It is what, with the American taxpayer when you go back to your constituency, you talk about. This time the money is going there. It is not going to the \$500 hammers or the \$700 toilet seats or, you know, X amount of money coming back to Washington.

So I think as a Government, as the U.S. Government operation, we should be happy. And I find it bizarre that we are getting good outcomes. You know, you are tracking what is going on. The suppliers are always there. The suppliers aren't always there in PEPFAR. We were threatened—no, we weren't threatened, but in April we were called to a meeting in Kenya because of the lockout of antiretroviral drugs in the Kenyan Government, and we were told to slow up on the scaling up of our patients, because drugs had to be released to go over to the Kenyan Government so they could keep people alive who were on medication. Well, you know, PEPFAR is doing well. Well, you know, anybody in the business world—if you have got a good thing going, you make sure it goes better; but if you are thinking about taking some from there and putting it there, it makes no sense. And I think that is something you really have to look at.

And then, finally, I guess the question—the two questions we have are there is a concern that the glass ceiling is coming back in on the U.S. Government side. It is already there on, I think, the Global Fund side; but there is a glass ceiling there on the U.S. Government side that is hard to find a lot of ways around, but I just kind of wonder if it is coming back up again.

Another concern I would have is what is going to happen post PEPFAR. It is a question a lot of us have on the ground: What are we going to do? Because it is only a 5-year program, and after that, what is going to happen? And I have got 6,500 patients. My target next year is going to be over 9,000 patients who enter antiretroviral care. I don't have that money, so it is another thing you are going to have to look at as we move down the line.

But with that, I would like to thank all of you for, you know, letting me share a little bit of my experiences in Africa. And I am open at any time for any questions you might have, Mr. Chairman and all Members of the Committee.

Mr. SMITH. Thank you, Father Phillips, very much.

[The prepared statement of Reverend Phillips follows:]

PREPARED STATEMENT OF THE REVEREND EDWARD PHILLIPS, CHAIRPERSON, EASTERN DEANERY COMMUNITY-BASED HEALTH CARE & AIDS RELIEF PROGRAM

For over the last 30 plus years I have spent my life working in Africa. I have spent more of my biological life in Africa than the United States.

In 1993 I was appointed by the late Cardinal Maurice Otunga to develop the Eastern Deanery AIDS Relief Program. The term deanery is a church term for a section of the archdiocese so in political terms you might consider the deanery to be like a district of the House. The Eastern Deanery AIDS Relief Program developed because many of the parishes on the eastern side of the city had slums as part of their parishes and were encountering people dying from HIV/AIDS related illnesses with no care being offered to them. The priests saw the suffering of their people living in the slums and said that we should try to respond in what ever way we could to these people. At that time most people were not talking about HIV/AIDS. Initial funding came from a German Catholic development organization called Misereor and my own community Maryknoll Fathers and Brothers. Both of these church groups have continued to fund us with their limited resources.

As HIV/AIDS became more of issue prior to the President's Emergency Plan for AIDS Relief, United States government funds were coming mostly through the United States Agency for International Development (USAID). However though it was not official USG policy, the Catholic Church was not welcomed at the funding table for HIV/AIDS. In point of fact, I felt stigmatization by being a Catholic priest and running a Catholic run AIDS care program.

In the year 2002, I felt the complete opposite attitude coming from the US agency Center for Disease Control (CDC) through their Kenya office. CDC Kenya wanted to work with us as they were developing Voluntary Counseling and Testing (VCT) in Kenya and tuberculosis services. CDC did not have the funding stream at that time and initially could only offer technical services. When they began to receive more funding they tried to assist as they could. With the implementation of PEPFAR, I was able to obtain a five year cooperative agreement with CDC in the area of HIV/AIDS care, counseling, HIV/TB and next year orphans and vulnerable children. CDC has respected the traditions of the Catholic Church and has never tried to impose conditions on our work that would be in conflict with the Church.

Now from the situation of not being welcomed at the table by some people within the USG system, Eastern Deanery AIDS Relief Program is currently the number two individual supplier of anti-retroviral treatment (ART) in Kenya under PEPFAR. We are the number one individual supplier of ART in Nairobi province. Our tuberculosis service was awarded the number one TB site in Nairobi Province in the year 2006. Our TB services are only one of two sites nationally allowed by the National Leprosy and Tuberculosis Program (NLTP) to offer Isoniazid prophylaxis as part of comprehensive AIDS care. We were also allowed by NLTP to do a pilot study on Diagnostic Testing and Counseling for in relation to tuberculosis care. This study had now become the national protocol for TB care.

Through the assistance of PEPFAR and CDC, the USG has been able to reach poor people living in the slums which are what the U.S taxpayers believe their tax dollars should be. At present, we have over 6,500 patients receiving comprehensive AIDS care. Out of these 6,500 patients, over 700 of them are children receiving AIDS care. We are presently testing an average of 3,000 clients every month in our VCT centers and through clinical Diagnostic Testing and Counseling. At our antenatal clinic, all our pregnant mothers accept to be tested because we believe that any mother wants the best for their baby and if testing is communicated properly the mother will accept. The sadness is that 22% of our mothers are being tested HIV Positive but at least now we can offer these mothers and children various treatments to keep them alive.

What USG money had done through Eastern Deanery is keep poor families alive. Poor children as any children need the love and support of parents. Through the use of anti-retroviral treatment parents are being kept alive. Thus a hidden outcome from PEPFAR is that we are supporting the strengthening of the family unit which is crucial for any society. As the family unit breaks down, children become vulnerable and also societies become more vulnerable because of manipulation of vulnerable children for unhealthy activities.

HIV/AIDS needs to be viewed in all its components including prevention. The Catholic Church has been in the forefront on abstinence and prevention programs even though not recognized by many.

The basis of Church policy on abstinence is in the formation of people and in particular young people. Young people around the world face the same struggles as young people in the USA trying to understand themselves as young men and women with issues around sexual identity and sexual feelings. The Church is trying to help

young people know themselves better and develop appropriate life skills so that they can positively say no to inappropriate activities. It is easy to tell someone to say no to sex but it is another to help that person to develop internal skills so they can say no to sex before marriage. Young people feel at times that they are being pressured into sex even though they want to say no. By helping children develop life skills, the ability is there to say no.

Many of our young women are being infected by older men because of issues around poverty and psychological seduction. The Church is trying to challenge the adult male population on the role of a real man. Does a real man have sex with a young woman who could be the age of his daughter? This challenge is also a challenge to the cultural dynamic of the superior/inferior relationship in the male/female relationship.

As the Church has been marginalized pre PEPFAR, the same marginalization can be seen in relation to the Global Fund. Global fund figures show that approximately only 6% of all Global funds go to Faith Based Organizations. Why should only 6% of the funds go to FBO when in many of these countries the FBO are major suppliers of health care? The Global Fund will claim that it is a national problem and not theirs. However if the Global Fund has guidelines on many parts of their program why deny the problem with the FBO? As it is the FBO are categorized in the same category as any local NGO which might not have any credibility. I have written a paper for the Kenya Episcopal Conference on this issue so that the Bishops can question the Kenya government on local allocation of Global Fund funds.

We must acknowledge that PEPFAR has tried to address the issue of FBO as well as attempt to track outcomes for all that receive PEPFAR funding. PEPFAR also works hard that supplies are there so there will not be a break in services. The same cannot be said for the Global Fund. I personally believe that it makes no sense if you have an effective program that is reaching people that you fund a program that will be at the cost of PEPFAR. You know the positive outcomes of PEPFAR, and if anything, funding should be increased instead of decreased. This is what a good business person would do.

As PEPFAR comes to an end, my concern is what will happen after PEPFAR? Who is going to meet the costs of all these poor patients?

Another concern that I see post PEPFAR is that the glass ceiling being put in place so that FBO are not allowed at the table. The Global Fund percentage shows that the glass ceiling is already in place and the risk is that personnel within the USG might also follow in the same direction.

Mr. SMITH. Now Mr. Isaacs.

STATEMENT OF MR. KEN ISAACS, VICE PRESIDENT OF PROGRAMS AND GOVERNMENT RELATIONS, SAMARITAN'S PURSE

Mr. ISAACS. Thank you, Mr. Chairman.

I would like to also request that my written record be—that my written transcript be turned in to the record, and I will just speak in summary here.

Mr. SMITH. No objection.

Mr. ISAACS. Thank you.

Chairman Smith and distinguished Representatives, I want to thank you for giving me the opportunity to appear before you today.

I work with Samaritan's Purse, which was founded 35 years ago, to bring emergency assistance to people living in poverty, famine, disease, and more. Today our current budget is \$256 million. Less than 3 percent of that comes from the government. We have had a long and strenuous attempt over the 17 years that I have been with Samaritan's Purse to access that 3 percent of the money. Today, we still find that we face ongoing and substantial bias from USAID on too many occasions. Globally, we now have a staff of 2,500, including 500 Americans. Approximately 2,100 of these are in foreign locations, including members of my own family who are serving in Sudan.

These are committed, highly trained professionals who, because of their Christian faith, are moved to bring relief to suffering people. They frequently accept assignments that put them in difficult and dangerous situations without regard for their personal safety or financial gain. They are motivated by the belief that Jesus Christ is the Son of God and that He suffered death on the cross to bring eternal life to those who believe in Him. They also believe they have a responsibility to share this good news with others while fulfilling the biblical mandate to help people in need, without consideration for what those people believe.

Regardless of what one believes religiously, what we do has significant human meaning. Even in strongly Muslim countries such as Afghanistan and Indonesia, we have received the full support of host governments who value our compassion and the excellent quality of our work. We never make any effort to hide our Christian identity, as I just didn't to you. I just told you. We have never used any government money to support evangelism or religious activities, and we are fully accountable to every donor, including the U.S. Government.

I have worked with Samaritan's Purse since 1988, and I also lived in Africa for a number of years. I resigned from Samaritan's Purse to accept the position of the Director of Office of Foreign Disaster Assistance—and, by the way, I want to say that I am proud to have led OFDA throughout the tsunami in Ethiopia in 2005, and I want to say that OFDA is an organization that I feel does not receive as much attention as it should from our Government. I believe that it is a personification of some of the best qualities of the American people, and that is compassion and generosity to people in time of crisis.

In December 2005, I returned to Samaritan's Purse, and because of my experience in both worlds, I feel like I have a unique perspective on the relationship between faith-based organizations and the U.S. Government. And I would say that the government needs to engage more vigorously with faith-based organizations and also that those organizations need to better understand and appreciate what it means to work with the government.

The government witness here, the Director of the Office of Faith-Based and Community Initiatives, a moment ago I just met her, as you folks did, and I worked with that—I was the token evangelical at USAID, so anytime Christians came in, they would say, "Hey, Isaacs, come on down here. We want to get in a meeting with you," you know? They have a very limited capacity. Substantial things have been done to improve the situation, but she has a staff of five, six, maybe eight. I don't know what it is, but it is not so many people, and there are 3,000 people that work in USAID.

I believe that no qualified organization should be excluded from funding on the basis of their statement and practice of faith. While this is not the policy of the U.S. Government, it is too often the reality. More needs to be done to ensure that the implementation of the President's Faith-Based and Community Initiative is not thwarted because of the personal prejudices of individuals within government agencies.

With more than 25 offices in Africa and a network of tens of thousands of pastors and churches, Samaritan's Purse has helped

impoverished people throughout Africa. Our work includes feeding programs in Uganda, Sudan, Mozambique, Liberia, and Kenya. We support 121 hospitals in 29 African countries, and every year we put more than 200 doctors on the Continent to provide critical medical care and professional training.

Today, I want to talk a little bit about two of our program areas, major program areas, so that will give you some insight into how it might operate with the Faith-Based and Community Initiative as a faith-based organization. Those two areas are Sudan in our work in fighting AIDS.

Our hearts are broken for the people of Sudan. We opened a hospital in Lui, South Sudan in 1997. We did that because we had a moral compunction to go where the need was and not where the permissions were. Today, this hospital is a primary facility for over 400,000 people. We also have activities going on in East Sudan in partnership with OFDA and Food for Peace, and we are heavily involved as well in Darfur, where we are feeding over 350,000 people who are beneficiaries of our program.

I just want to comment quickly on Sudan, that while the world focuses on Darfur—of which I want to thank you, Mr. Chairman, for your leadership in helping to pass the Darfur Accountability Act, and all of the Members there. That is something that was greatly needed. I think that it is important and we must not forget the people in other areas of Sudan. The East is under heavy persecution, and I want to point out also that I think this Comprehensive Peace Agreement is in grave danger, particularly with the building tensions that are going on in Darfur.

We received in 2005 funding from the President's Emergency Plan for AIDS Relief. That is in four countries: Ethiopia, Kenya, Uganda, and Mozambique. This work is changing lives and preventing the spread of AIDS, especially among youth. In the first round of the PEPFAR funding, we were turned down but we were never told why, and it took 14 months later before we heard back from USAID. So, obviously, they were reconfiguring how they were doing things, and as I said, it has improved.

We are training thousands of church leaders, who in turn are teaching their congregations and communities about AIDS and how to make healthier, more responsible choices. To reduce stigma, church congregations have immeasurable value and are educating their folks and communities to better understand the facts about the disease and those who suffer from it.

I would like to point out that in 2004 to 2006, our Church Mobilization Program in Mozambique, which was funded by the core initiative program of USAID, has worked in 49 communities, 24 denominations and 310 churches in just one district, the Chicualacuala District.

A recent statistical study on our work by Johns Hopkins University of Public Health provides strong evidence that significant behavior change can and does take place when people are empowered to choose abstinence and faithfulness. The practice of abstinence increased among both unmarried males and females. The percentage of females who reported choosing abstinence was 34 percent in 2004, but by 2006 the data shows that that number had increased

to 49 percent. The number for males was also impressive: 34 percent in 2004 versus 41 percent in 2006.

Now, no matter what your beliefs are, there is no way to deny that this behavior change will have an impact on the spread of the disease, and I would like to emphasize that this was accomplished in just 2 years of programming.

I know that there is a strong resistance in many quarters to the programs of Christian organizations that promote abstinence and faithfulness. I have seen firsthand the prejudices that organizations like ours—and it is also interesting to hear the Father here, he has run into it as well—have and continue to encounter when we apply for grants for these activities. However, from a public health perspective, the data proves that when people embrace the values of abstaining from sex before marriage, remaining faithful to one partner or reducing their number of partners, their risk of contracting HIV decreases significantly.

As a government and as organizations, I believe to do anything less than to try to share these values is to deny that people have the power to make choices. Teaching this kind of sexual responsibility will significantly reduce the spread of the AIDS pandemic. Yet substantial resistance remains in USAID country missions. Some of the ranks of the USAID bureaucracy and the Global Fund have been earlier mentioned.

A recent study by the Global Accountability Office suggests that abstinence and faithfulness in marriage programs have not made a significant impact. We strongly disagree with this for three reasons. One, the conclusions are very premature. Behavior change in societies does not happen in months, it may take a generation; and the PEPFAR money has only been, really, in the field for about 3 to 4 years.

The second disagreement point is that the assessment is flawed and the data is incomplete and shallow. For example, Mr. Chairman, we were interviewed in Ethiopia in late July 2005 before we had an approved work plan. We were not interviewed, however, in Mozambique where we had positive quantitative data from a prestigious medical school on the effectiveness of our work.

And the third point is that there is significant institutional resistance within the government, the academic community and non-governmental organizations to the concept of teaching values; and in fact, broader, there is resistance to concepts of helping or working with faith-based organizations. It still exists in these societies.

I have often heard that the teaching of values will not stop the spread of AIDS, it won't work. But learning happens with repetition over time. A sufficient amount of time has simply not passed for people to make judgment on the long-term effectiveness of these types of activities.

I believe that faith-based organizations bring tremendous value to the United States Government's assistance programs throughout the world, and especially in Africa. Faith-based organizations are always on the frontlines of meeting human need. Because of our faith, we go to the far corners of the world, and will continue to do so with whatever resources we have, as was said by Mr. Hackett a moment ago. Partnering with faith-based organizations should not be about politics. It should be about leveraging resources and

capacity for the greatest benefit to the African people. To not wholeheartedly implement the spirit of the President's Faith-Based and Community Initiative is a disservice to millions of desperate people.

I, too, have concerns about what happens after PEPFAR. And having been in the government for a year, I know a little bit about budgets and supplementals; and things change, but I think that we all need to be looking down the road past 2008 of how some of these programs can continue.

And I want to thank you for allowing me to testify today.

Mr. SMITH. Thank you so very much as well.

[The prepared statement of Mr. Isaacs follows:]

PREPARED STATEMENT OF MR. KEN ISAACS, VICE PRESIDENT OF PROGRAMS AND
GOVERNMENT RELATIONS, SAMARITAN'S PURSE

Chairman Smith, distinguished Representatives, and fellow guests of the committee, thank you for giving me the opportunity to highlight the value of the longstanding relationship between Faith-Based Organizations and the American people in bringing aid to Africa.

My name is Ken Isaacs, and I am Vice-President of Programs for Samaritan's Purse, a Christian International Relief Organization. Samaritan's Purse was founded over 35 years ago to bring emergency assistance to people living in poverty, famine, disease, and war. Today, we are bringing desperately needed aid such as food, medical care, vocational programming, and emergency shelter to millions of people in over 100 countries. Our current budget is \$256 million. Less than 3% of this figure comes from U.S. government support. We have ongoing funding relationships with the U.S. Agency for International Development (USAID) through the following: the Office of Foreign Disaster Assistance (OFDA), Food for Peace, the Bureau of Global Health, American Schools and Hospitals Abroad (ASHA), and various country mission offices. We have also received support from the U.S. Department of Agriculture (USDA).

Globally, we have a staff of about 2,500 people, including 500 Americans. Approximately 2,100 of these work in foreign locations, including members of my own family who are serving in Sudan. These are committed, highly trained professionals who, because of their Christian faith, are moved to bring relief to suffering people. They frequently accept assignments that put them in difficult and dangerous situations without regard for personal safety or financial gain. They are motivated by the belief that Jesus Christ is the Son of God and that He suffered death on the cross to bring eternal life to those who believe in Him. They also believe they have a responsibility to share this Good News with others while fulfilling the Biblical mandate to help people in need.

Regardless of one's religious beliefs, what we do has significant human meaning. Even in strongly Muslim countries such as Afghanistan and Indonesia, we have received the full support of host governments who value our compassion for their people and the excellent quality of our work. Though we make no effort to hide our Christian identity and faith, we respect local laws and customs. We have never used government money to support evangelism or religious activities. We are fully accountable to every donor, including the U.S. government.

I have worked for Samaritan's Purse since 1988, serving in poor, war-torn, and disaster-ridden countries throughout the world. I lived with my family under the communist regime in Ethiopia during the last three years of their civil war. I have traveled to Sudan more than 100 times over the course of my career. In 2004, I resigned from Samaritan's Purse to accept the position of Director of OFDA. I am proud to have led OFDA because it is the personification of the best qualities of the American people—compassion and generosity. It deserves more support and recognition from all of us.

In December 2005, I returned to Samaritan's Purse. Because of my experience in both worlds, I have a unique perspective on the relationship between the U.S. government and Faith-Based Organizations. The government needs to engage more vigorously with Faith-Based Organizations, and these organizations need to develop a better understanding and appreciation of working with government agencies.

The U.S. Government has a long history of working with some Christian organizations. Catholic Relief Services, World Vision, World Relief, and Food for the Hungry International are a few of the organizations that have established a comfortable

partnership with government agencies. I believe that other Christian organizations should also have the opportunity to establish the same kind of ongoing partnerships. No qualified organization should be excluded on the basis of their statement and practice of faith. While this is not the policy of the U.S. government, it is too often the reality. Congress needs to ensure that the implementation of the President's Faith-Based Initiative is not thwarted because of the personal prejudices of individuals within government agencies.

Christian organizations have years of practical experience in addressing the physical needs of suffering people. We are guided by the Christian imperative to deal with a person's—and a community's—emotional and spiritual needs. The Bible challenges us to love others unconditionally, to forgive, and to care for those in need, even our enemies. This is why Christians have always been at the forefront of providing humanitarian aid. History is full of examples of personal sacrifice by people of faith such as Mother Teresa.

With more than 25 offices in Africa and a network of tens of thousands of pastors and churches, Samaritan's Purse has helped millions of impoverished people. Our work includes feeding programs in Uganda, Sudan, Mozambique, Liberia, and Kenya. We support 121 hospitals in 29 African countries, and we send more than 200 doctors to the continent each year to provide critical medical care and professional training. Today, I will highlight two of our Africa programs: our relief projects in Sudan and our work in fighting AIDS.

Our hearts break for the people of Sudan. In 1997, at the height of the civil war between north and south, we opened a hospital in the southern town of Lui. We had a moral compunction to go where the need was, even when access was denied by the Government of Sudan. This hospital is the primary healthcare facility for over 400,000 people. Two years later, during the siege of the Nuba Mountains, we delivered emergency food aid to starving people at great risk to our staff and aircraft. With private support, we are helping to restore communities by rebuilding churches and schools throughout southern Sudan.

In 2003, we began working in East Sudan in partnership with Food for Peace and OFDA. The Beja, a closed Muslim tribe, allowed us to distribute food and provide medical treatment in their communities. We were able to build a hospital for the Beja in this rebel-held town of Hamesh Koreb. On January 10, 2006, the Government of Sudan's armed forces overran the area, and we were forced to flee. Despite the impassioned pleas of the Beja people for the Christians to return—and our own persistent efforts—we have not received permission from the Government of Sudan to continue our work there.

We are heavily involved in relief work in Darfur. I want to congratulate Congress—and you Mr. Chairman and Mr. Payne for your leadership—for passing the Darfur Accountability Act. We appreciate this important legislation to support the people of Sudan in their struggle for freedom. In partnership with OFDA, we are providing relief supplies and implementing agricultural and protection programs that benefit more than 350,000 people. We are also working with the World Food Program to feed over 125,000 people per month in Darfur. We are UNICEF's major implementing partner in south Darfur, and together we have built more than 40 schools.

While the world focuses on Darfur, we must not forget people in other areas of Sudan. The east is under heavy persecution with restricted access. The Comprehensive Peace Agreement between the north and south is in grave danger. The war in Sudan is a fight for liberty. We must all be diligent in ensuring that the Sudanese government is held accountable for its efforts to suppress freedom.

A Christian Response to HIV/AIDS

In 2002, I had the honor of serving as Project Director of the Samaritan's Purse Prescription for Hope Conference in Washington, D.C. Among the more than 900 people who attended this event were Senator Bill Frist, Senator Jesse Helms, and the former Administrator of USAID, Andrew Natsios. Two years later, *Foreign Affairs* magazine described this event as a "turning point in American AIDS policy" (January/February 2004). The intent of the conference was to mobilize the church worldwide to become actively involved in the fight against AIDS and to create greater awareness among government leaders about the role of Christians in stopping the spread of the disease.

Many of our AIDS programs are conducted in partnership with the President's Emergency Plan for AIDS Relief (PEPFAR). This work is changing lives and preventing the spread of AIDS, especially among youth. We are training thousands of church leaders who in turn are teaching their congregations and communities how to avoid HIV by making healthier and more responsible choices about their sexual behavior. To reduce stigma, church congregations are being educated to better un-

derstand the facts about the disease and those who suffer from it. Thousands of church members are providing compassionate homecare to vulnerable households because of the information they received.

From 2004 to 2006, our Church Mobilization Program in Mozambique worked with 49 communities, 24 denominations, and 310 churches in the Chicualacuala District. A recent statistical study on our work by the Johns Hopkins University School of Public Health provides evidence that significant behavior change can and does take place when people are empowered to choose abstinence and faithfulness.

The practice of abstinence increased among both unmarried males and females. The percentage of females who reported choosing abstinence was 34% in 2004 but by 2006 the number had increased to 49%. The figures for males were also impressive: 34% in 2004 versus 41% in 2006. No matter what your beliefs are, there is no way to deny that this behavior change will have an impact on the spread of the disease. I want to emphasize that this was accomplished in just two years in one area.

In addition to our prevention programs, we are actively involved in the fight against the widespread stigma that too often keeps people from receiving the physical, emotional, and spiritual aid they need. The Johns Hopkins study found that after our program was implemented in Chicualacuala, the percentage of vulnerable households receiving care rose from 57% in 2004 to 84% today.

I know that there is strong resistance in some quarters to the programs of Christian organizations that promote abstinence and faithfulness. I have seen firsthand the prejudices that organizations like ours face in applying for grants for these activities. However, from a public health perspective, the data proves that when people embrace the values of abstaining before marriage, remaining faithful to one partner, or reducing their number of partners, their risk of contracting HIV decreases significantly. To do anything less than to try to share these values is to deny that people have the power to make choices. Teaching this kind of sexual responsibility will significantly reduce the spread of the AIDS pandemic.

A recent study by the Government Accountability Office (GAO) suggests that abstinence and faithfulness in marriage programs have not made a significant impact (*Spending Requirement Presents Challenges for Allocating Prevention Funding Under PEPFAR*, April 2006, GAO). We strongly disagree with this for three reasons.

1.) The conclusions are extremely premature. Behavior change in societies does not happen in months. It may take a generation. 2.) The assessment is flawed, and the data is incomplete and shallow. For example, Mr. Chairman, we were interviewed in Ethiopia in late July 2005—before we had an approved work plan. We were not interviewed in Mozambique, however, where we had positive data on the effectiveness of our work. 3.) There is significant institutional resistance within the government, the academic community, and non-governmental organizations to the concept of teaching values. I have often heard that the teaching of values will not stop the spread of AIDS, but learning happens by repetition over time. A sufficient amount of time has not passed for anyone to make a judgment on the long-term effectiveness of these programs. Where would any of us be if our teachers had decided we could not read in the third grade and therefore stopped trying to teach us?

Faith-Based Organizations bring tremendous value to the U.S. government's assistance programs throughout the world—and especially in Africa. They are always on the frontlines of meeting human need. Because of our faith, we go to the far corners of the world, and we will continue to do it with whatever resources we have. Partnering with Faith-Based Organizations should not be about politics. It should be about leveraging resources and capacity for the greatest benefit to the African people. To not wholeheartedly implement the spirit of the President's Faith-Based Initiative would be a disservice to millions of desperate people.

Thank you for allowing me to testify today.

Mr. SMITH. Let me just begin the questioning, but first let me preface it by expressing my and this Subcommittee's deep gratitude for the work you have done and continue to do against so many odds. It is just extraordinary and encouraging, and beyond that, it is inspiring. Thank you so much. Let me begin, if I could, with Mr. Hackett.

In your testimony, you pointed out—and it is very disconcerting to hear you phrase it so strongly—that the foreign assistance framework, in at least its July 11th version, makes no mention at all of the poverty or hunger, leaving out that the emphasis on counter terrorism seems to—you know, that is the newest fad. Of

course, we have to be involved with counterterrorism; but as you point out so aptly, what about the poorest of the poor? USAID should be all about the poorest of the poor, and if it happens to coincide with the counterterrorism effort, well then so be it. But for the poor person who is dying of hunger or disease, they are not concerned about politics; they are concerned about survival.

Could you elaborate on that, because this is a very serious new course, I think, for us to be taking.

Mr. HACKETT. And if you listen to the Secretary of State and her policy advisors, in my opinion, as I mentioned, the right conceptual approaches are there. You have to deal with security and stability, and it goes hand in hand if you are going to try to improve poverty, the situation of poverty and the opportunity for people, so it is seen as a whole. How that gets interpreted down into the field is a completely different matter, and it is about communication and putting the right emphasis on things. And the case I mentioned about Ethiopia was striking, and it was very recent orientation that every program that is funded by the United States Government is underscored by how it contributes to counterterrorism actions. And I think these kinds of things have to be rectified because they just don't make any sense.

Mr. SMITH. You know, it is interesting you picked out Ethiopia, because I have legislation now that we are trying to get on the Floor called the "Ethiopian Human Rights Act." As we all know, Mellis has imprisoned many of his own parliamentarians. The election was not judged free and fair, and the opposition did well nevertheless, and the use of bully-boy tactics have increased, not decreased, by the Mellis government. And for us to count on that government to be a partner in counterterrorism when they are engaging in serious human rights abuses themselves, it certainly begs the question: Feed the hungry in Ethiopia; provide for, you know, the women who need help, micro credits and everything else, but to again look at them.

Part of what our bill would do, as I think you may know, it would limit security aid based on whether or not they have made significant changes in their human rights abuse path. So that is very, very discouraging to see that.

Mr. HACKETT. And, if I may, I just would hate to see American foreign assistance, which has really always in part been concerned about the poorest, change in any dramatic way. And this is going to play out in the future of PEPFAR, which does reach some very poor people, and it is playing out in the cutting back of food assistance programs for the poorest, so—

Mr. SMITH. And I think it also, in a philosophical and in a very real way, in a tangible way, compromises both the sect-based and the secular humanitarian-based efforts. You are not pawns of U.S. foreign policy initiatives as it relates to terrorism or anything. I mean you, hopefully, are not working counter to that; but it is supposed to be, you know, our humanitarian efforts to help the poorest of the poor. So that is a very dangerous trend, I would think.

Let me just ask you, Father Phillips, with regards to—and you note in your testimony that you have been working in Africa for 30 years, and I couldn't agree more when you said as the Church has been marginalized pre-PEPFAR—and I hope that is not coming

back that you, perhaps, are concerned about—but in the same organization in the same relation to Global Fund, it is 6 percent. Now, of that 6 percent, which is a paltry amount of money compared to what capacity the Church and faith-based organizations can provide and are providing, what about the 6 percent? Who are they? Are any of those front groups or groups that, you know, will hang out a shingle tomorrow that somehow suggests there is a faith component when, really, it is not part of the genuine fabric of, say, the African society?

Rev. PHILLIPS. I know of one in Zambia, actually, where the Global Fund is directly involved in an effective way. Between the Zambian Catholic Sectarian Episcopal Conference and the Protestants, they are getting the money directly there. I mean, that is a good story as far as being a positive effect of what is going on in Zambia.

I know in South Africa, the South African Episcopal Conference walked away from the Global Fund because they felt they were being manipulated. I know the Bishop from Abusa. We were together at the SECOM meeting in Nairobi back in June of this year, and he was just fed up with it. People at the Catholic Sectarian Episcopal Conference in Kenya have spoken to me, and I said, “Well,” you know, “this is really all a local issue,” and this is why I wrote the paper for the bishops, to try to push on the national level that the proposals go in from the faith-based organizations, that it gets into the counter operational plan.

In point of fact, I asked—in the Durban meeting of PEPFAR in June, to one of the key people of the Global Fund, I asked the same question: Do you know how much of the FBO world is going to get FBO money? She didn’t know what FBO was. Kevin DeCock had to tell her FBO was a faith-based organization. “Oh, yeah, we are funding them.” And so that also shows the mindset, but I have not seen the breakdown of the data; but, see, what is going to happen is PEPFAR only funds so far, and in many situations if you are into PEPFAR you are in, but I don’t—from what I see going on, if you are not into the system right now, you are probably not going to get in under this funding, so it is going to mean where else do you go. And so I think how it is going to wind up for other faith-based organizations is if you are not in PEPFAR and you don’t know how the funding is coming out, it is going to have to be the Global Fund; the money isn’t there in the Global Fund.

And then I think what Ken was alluding to are the new methodologies of—even on PEPFAR funds, is how it is coming out. I mean I know in Kenya, USAID went into this tendering on a regional basis; and in point of fact, they couldn’t even tender the first tender because they put reproductive health in as part of the whole thing. So, say, for the Catholics, if you wanted to get into a group, you would have to go in as a secondary group. You couldn’t go as a primary because of the problems.

So I don’t know, you know, but I think that we have got to watch where things are going, is what my feeling is, and that is where I think—I don’t want Global—the PEPFAR money has to move forward, but I don’t think it is going to meet all the needs in all of these countries; but Global Fund isn’t doing it either, and I think

they have to honestly challenge, and what PEPFAR isn't picking up, they should be picking up.

Mr. SMITH. Perhaps you could speak to this or any of our witnesses. We have been concerned about the lack of transparency at the Global Fund, that there seems not to be—usually you can get a printout, perhaps, of some of the recipients—but there is not that transparency that would allow any one of us to know exactly where it is going, what it is being used for, and how the process was used to get them there. Which raises serious questions after the Oil-for-Food diversion, or scandal, and numerous other scandals with money that there could be, you know, real problems here, both ideologically as well as an accountability from a misuse of funding.

Tom, did you have any questions before you leave?

Mr. TANCREDO. I don't have time.

Mr. SMITH. I will yield right now.

Mr. TANCREDO. Well, quite quickly because—I'm sorry, I am late for something else. But in the discussion of the issues involved, it seems to me clear that—it seems clear to me that there has been—this is a realization to a certain extent of all of the concerns that were brought to light when this whole issue was debated here in Congress as to whether or not there would be this kind of discrimination and, on the other hand, the potential effect and, in a negative way, the effect on the organizations themselves, the faith-based organizations, by the allure of the money that is available and the potential strings that would go along with it. I guess I am as concerned about the latter as I am about the former, and it is not something that we have discussed at any great length so far.

I guess I am wondering how you build a defense against that, because everybody is shaking their heads here and saying, yeah, that is true, but how do you build a defense against that internally, structurally, because there is a great fear, certainly on my part, that it is—you know, like so many things we do here, the intentions are all good or, for the most part, good. The effects have both negative and positive ramifications. So how do you build the structural sort of defense against that?

Mr. HACKETT. Well, part of it is what Father Ed just mentioned, this whole procurement mechanism which favors, basically, comprehensive approaches, in USAID's terms, to dealing with AIDS or to dealing with something else. So, in that way, a contractor from K Street, as you say, can say, "We will be a comprehensive approach. We will do reproductive services. We will do condom distribution. We will do stigma. We will do this and that." And then they look to attach themselves to faith-based organizations, and as a faith-based organization, you have to be pretty certain of what you believe before you enter these arrangements. And I think we have all had it dangled, all the money dangled in front of us, and sometimes we say yes, and many times we say no.

So there is a structural problem, I think, in the procurement in the first instance, and you can look at it from the USAID government perspective. They are saying, "We would rather deal with a couple of very large contracts than a whole bunch of small ones, and all of you small agencies"—and CRS isn't necessarily small—"are a problem. We don't know how to deal with you. You have dif-

ferent motivations. You don't understand things in the right—in the language we are using.”

I think it is a challenge, but I think Congress should keep holding the government agencies to task about making sure we are about American values, and let's not lose those for efficiency and things like that.

Mr. TANCREDO. Well, I think that that is a slippery slope, and the other—you lead me to the other question. Part of your response leads me to the second question I have, and that is about the government themselves. And so you feel that the reaction of the government of the countries in which you are working, to the extent that they have been—maybe the relationship hasn't been the best between faith-based organizations, the government itself—that it is based primarily on this idea that they are just—they don't want to deal with a lot of smaller organizations? Or is there any inherent problem there similar to the one that we were talking about with the bigger, non-faith-based organizations?

Mr. HACKETT. I was referring mostly to our own Government.

Mr. TANCREDO. I see.

Mr. HACKETT. Its preference is to deal with a couple of big agencies rather than with small ones. Maybe I will ask Ed to speak to local government.

Rev. PHILLIPS. You know, we relate directly, as I said in my presentation, to—you know, I am involved on the national level of the Kenyan Government, and I am out of the national church, so there is not a problem there.

I do know there are tensions right now in Kenya between the Episcopal Conference and the Christian Health Association of Kenya on the Prevention of Maternal-Child Transmission Program, because there was a Catholic group that had the grant for 5 years—and it is going to run out in February of next year—and now they have gone into this provincial—which is really the way to get all of the big boys and big girls back into the operation. And I must be honest, you know, and so now both sections, the Catholics and the Christian Health Association of Kenya, they don't know where they stand because 20 percent of all Prevention of Maternal-Child Transmissions in the country was being done through this one grant that actually went to the Catholic Medical Mission Board, and it is going to run out in February.

Now, I was told in Toronto by Jack Galbraith during the AIDS Conference, He said, “Father, come February, no money.” Now, I am lucky because I have a direct contract with the CDC for my main operation. Well, man, I got off the plane in Nairobi, and the next day I had the e-mails going on, trying to figure out where am I going to find the money—because the cops were going in in September, and if you are late, there is no money. So I knew how to negotiate, and ultimately the CDC made sure that that component would fit into next year's budget. But now all the Protestants and the Catholics are all kind of wondering are they going to be picked up underneath this, you know, division into the provinces. And I know Buck Buckingham is doing his best—he is the PEPFAR coordinator in Kenya—and he is trying to get the pieces back together and see what is going to happen.

But I do know there is a lot of discontent on both the national level because—and it might just be oversight, but all of a sudden, 20 percent of PMTCT around the country is up in the air, and supposedly it is going to be absorbed by these new organizations. But no one has really come to dialogue with them on it, and so there are a lot of unhappy troopers out there. So it could present—I gave you some—that is why Buck, I think, is positively trying to, internal to the U.S. side, get the people in USAID to get out there, talk to the church people, make sure it is—you know, they are going to be integrated in but it hasn't been a smooth transition so far, that I can guarantee you.

Mr. TANCREDO. Thank you. Would you like to say something?

Mr. ISAACS. May I speak to that a little bit?

Mr. TANCREDO. Surely.

Mr. ISAACS. I have seen where large organizations have gone right to the grassroots level, organizations that if you had gone on their Web site, let's say in 2000 or 1995 or 2002, there was nothing faith-based about them. But now they have faith-based programs, and it is not just that they are dangling that money in front of organizations such as Catholic Relief Services or Samaritan's Purse, but they are using the money to cherry-pick within—and I am thinking right now of a specific example down in South Ethiopia of a Protestant church that has a great program, and an organization came by, and they just wanted to fund one component of it that fit into their faith-based portfolio.

Mr. TANCREDO. I see.

Mr. ISAACS. So they took this money, and once they did, then they had to sort of start compromising who they are a little bit in order to meet the ideals.

The foreign government—I have never detected any problem in Africa about being a faith-based organization within a foreign government. They don't resist that.

Mr. TANCREDO. I see.

Mr. ISAACS. It is a different level of resistance that is in the mind and in the culture of—and one other point I just want to say.

There is a bit of a difference between being a faith-based organization and being an organization that is known for religious activity. If you are a faith-based organization that is sort of neutral and you don't profess your faith or you don't get too haughty with the whole religious thing, they are much more comfortable. If you actually profess what you believe or—and I can imagine the Catholic church would have this a lot because you have a lot of religious activity—whoa, you will get a cold shoulder and a little bit of a stiff arm.

Mr. TANCREDO. And you are talking about that cold shoulder and stiff arm being from—

Mr. ISAACS. Well, that is coming from our Government. That is coming from the U.S.A.—

Mr. TANCREDO. Yeah.

Mr. ISAACS. And it is also very different, too, mission to mission. You know, as to our PEPFAR Program in Kenya, the AIDS Office there doesn't even want to talk to us. They don't even want to know what we are doing in Kenya. In their mind, that is a Washington, DC, thing.

Mr. TANCREDO. That is certainly a problem, I think, Mr. Chairman, we must deal with to the extent we are able to on this Committee. And I want to thank you very much both for having a hearing and also allowing me the opportunity to ask some questions.

Mr. SMITH. And on that point, that is part of what I was trying to get at with Ms. Hasdorff, that the mission directors in some cases have a diametrically opposed view as to what their mission is, and notwithstanding a law that makes it very clear what it ought to be. So I think your point was very well taken.

Any instances that you know of, if you could let us know, it would be very helpful because, again, we are a government under laws, and they should not be—they don't have that latitude to discriminate against religiously based organizations.

I was beginning to ask about the whole transparency issue if any of you would like to answer that one. Now there are a couple of more—whoever would like to touch on it.

Mr. HACKETT, for sure, if you could touch on that one. You gave us some cautionary words on indigenous groups, this idea of funding directly with the one that was then peeled off from Catholic Relief Services. That is certainly not the intent of trying to find—you know, I think the intent is to find new and innovative religiously based groups that have not been part of the process before—

Mr. HACKETT. Sure.

Mr. SMITH [continuing]. Not to cherry-pick someone who is working with you and say, "Oh, now that is a local group that we need to work with directly." Well, it really is directly when they work with you, so your point was very well taken there.

And, Mr. Isaacs, if you could just maybe elaborate on the GAO report. I read that GAO report very carefully, and was shocked that they didn't even visit Uganda, the country that has pioneered against severe criticism in the 1990s by the so-called "international community" that thought it was foolhardy to push abstinence and faithfulness, and yet they didn't even visit there. And you made a point about Mozambique and the fact that information was not included. If you could elaborate on that whole issue a little more, if you would—

Mr. ISAACS. Well—

Mr. SMITH [continuing]. And also the Johns Hopkins study you mentioned.

Mr. ISAACS. Yeah. I have got a hard copy of the Johns Hopkins study, and I would like to have it attached electronically. It is a rather voluminous study—

Mr. SMITH. Sure.

Mr. ISAACS [continuing]. But I still think that it would be good to get it on the record.

Mr. SMITH. No objection. We will do that.

Mr. ISAACS. We were surprised in Ethiopia that we were interviewed there for effectiveness of abstinence and faithfulness in the ABC curriculum when we weren't doing a program, and we were likewise disappointed when we tried to encourage them to go to Mozambique where we were doing the same program, but yet they didn't show there. And just on that one anecdotal, we felt like the information was—it is shallow. I mean, they didn't penetrate down and look at it. The conclusions—I think they are far-reaching to

have drawn those conclusions, so we just—and you know in summary, we just totally disagreed with the report.

Mr. SMITH. Thank you.

Mr. HACKETT. Just on the question of how you get the messages that our policy message is sent here out into the field, there is no easy way, obviously; it is a tremendously complex bureaucracy, but you have got to set up systems of rewards so that the mission director knows what is the important thing that she or he is going to be rewarded on. And if this week it is we are going to read you a whole bunch of new indigenous agencies, he will go out and find them any way he or she can. And I think that system is something that I think—I hope that Ambassador Tobias can look at, too. It is not just about the numbers. It is about how it is done and the integration of a lot of different actions together to make a real impact on many people.

Rev. PHILLIPS. I think another thing you might want to just look at it is, you know, a lot of overseas—you know, especially on the USAID side, they are not civil servants. You have a few civil servants, and many of the people are contractors; and then the question of are they coming out of the broader NGO community, out of Washington and whatnot, into this system and back, so you might have a swinging doors type of an operation going on sometime, you know, in the system. And that might have an impact, because I think a lot of your decisions are really being made not by the civil servant who is, you know, officially employed by the USAID—you know, I am on the CDC side, but I have been around long enough, I know what is going on. But I think a lot of it—you know, these are really contractors who are coming out of the NGO world, and they are running the health sectors in a lot of these countries, and it might be that the top health sector person might be a civil servant from USAID, but a lot of them are contractors coming in. So, you know, it could be unintentional or unconsciously making sure and taking care of our own, and if there is a bias amongst the secular NGOs against the FBOs—remember, they are all fighting for the same money, so they are all—so, you know, if someone is coming into the turf and taking a little bit off from the folks, that is probably not a dynamic that anybody wants to talk about.

Mr. SMITH. Real quick. A previous witness had said that the money has gone up to—I think 591 was the amount she had given us—Ms. Hasdorff, yes—and yet you don't detect that that is any really qualitative increase for the faith-based organizations?

Mr. HACKETT. We don't see a causal link between the Faith-Based and Community Initiative and our money. We feel that there are more smaller agencies—and many of them contact us and say, "Will you help us get a grant?" and we do. But I don't think the President's initiative was meant for us or World Vision or CARE or the Lutherans or Methodists, I think it was meant to engage many smaller groups for whom the playing field was not balanced. They just did not have the ability to access money.

Mr. SMITH. One of the criticisms for years has been that USAID has been getting rid of more and more of its people to oversee programs, which is why they give out these mega-grants to organizations, and then they essentially become U.S. Government surrogates. Is that your sense, too? I know that Andrew Natsios, when

he was USAID Administrator, that was a concern of his; that Congress, in its shortsightedness, keeps cutting back on personnel, particularly in the home office, who could administer these grants and break them out, perhaps, much better.

Mr. ISAACS. May I address that?

The contracting process at USAID, from my experience with it, is extremely laborious.

Mr. SMITH. It is what?

Mr. ISAACS. It is laborious. It is heavy—

Mr. SMITH. Right.

Mr. ISAACS [continuing]. And there is a tremendous move within the Agency to get people to pool their efforts to get organizations—NGOs to pool their efforts so that the contracting section has less work to do. Whether a contractor is giving out \$50 or \$50 million, the fact is he has got to go through the same paperwork. And I know that during the tsunami, it was incredibly difficult to get the money out the door fast enough to save lives. I think that is what is creating the pressure.

I think Mr. Hackett has an excellent point that the Faith-Based and Community Initiative was intended to engage new organizations, grassroots organizations. They don't have the capacity to meet the formality that is required within USAID, so the pressure then is on them to pool or to give money to a contractor who then wants to subcontract it. And they become tools, and I don't really know what the answer is. It is like trying to carry 5,000 pounds of bricks across the yard, and somebody wants you to carry a few more. It is a very difficult situation.

But I want to agree with one thing that Mr. Hackett also said. We have not seen any substantial increase to us because of the faith-based organization. I don't know that it was intended for us. I don't think it was. The only exception to that is the PEPFAR money. I think that we got about \$10 million or \$11 million on that, but we have thousands of partners around the world, and they have tried repeatedly to access U.S. Government money, and they can't.

Mr. SMITH. As those denials proliferate; could you let us know as part of our oversight?

Mr. ISAACS. Yes, sir.

Mr. SMITH. We only get them anecdotally, and then it is—you know, when you raise it, they seemingly have a good answer, but maybe not.

Mr. Fortenberry.

Mr. FORTENBERRY. Thank you, Mr. Chairman.

Mr. Chairman, again, thank you for your willingness to conduct a hearing to provide information on a topic that is not often talked about, and the insights that you have provided today I am grateful for. I regret missing the entirety of your presentations.

I confess, Mr. Chairman, in addition to my great admiration for you and my desire to be a part of your Subcommittee and important work, I had an ulterior motive for coming today. Mr. Hackett sends me a piece of mail about every 2 or 3 weeks from his organization.

You have an incredible—I don't want to call it a marketing program—but an educational outreach, you know, so I want to congratulate you on that, and I assume it is quite successful for you. I must not be on your list.

Mr. ISAACS. Let me have your address.

Mr. FORTENBERRY. Thank you all for the work you do. It has got to be extraordinarily meaningful in your willingness to come today to share your testimony. I very much appreciate it. Everything that I had on my mind has basically been covered by the Chairman and Mr. Tancredo, but let me try to summarize it right quick if I could.

There are three key points, I think, that have been made since I have been here.

First of all, the distribution of funds to organizations such as yours, or other like organizations, are inhibited by three factors. One is the institutional barriers that simply militate toward giving grants to bigger organizations instead of smaller; secondly, the more difficult problem of perhaps identifying cultural resistance within the government to organizations such as yours, who are openly professing a particular faith and unashamedly pursue that as the core of your mission and, yet, at the same time are making a clear attempt to separate your humanitarian outreach efforts from your proselytizing efforts.

And third, I would say—well, those are actually the two key points. I think that, if I am walking away with what you are saying correctly, those are the two key barriers, I think, for perhaps a more just or equitable distribution or a different distribution that might change the outcome here.

Actually, there is a third point. There may just be a greater comfort level because of the relationships that already exist between certain NGOs and government officials as well. But roll all of those things together, and I think you have the three fundamental factors that tend to diminish the prospects for more faith-based opportunities to be an active partner in what is the fundamental goal of helping the poorest of the poor, the marginalized, the sick, and those who are hopeless. And ultimately, that is the purpose; and I would think that would be completely consistent with the ideals that the taxpayers have sent us here to achieve. That is ultimately the purpose of what you are doing. Not who does it, but to that end is why we are here.

Mr. HACKETT. And if I may amplify—

Mr. FORTENBERRY. Is that assessment correct?

Mr. HACKETT. Basically. I would say, on your first point, there is a bias against those groups, faith-based or whatever, who will not do this total comprehensive package, which includes condom distribution and everything else. And so, if they can give it to one contractor who can then subcontract out the pieces, that is a preferable mode.

Mr. FORTENBERRY. That is because of workload, but it is also because of—as a resistance—

Mr. HACKETT. Yes.

Mr. FORTENBERRY [continuing]. To your culture versus a governmental culture?

Mr. HACKETT. Certainly some of that.

Mr. FORTENBERRY. Okay.

Mr. ISAACS. I agree. I think it is some of each culture, but I believe the primary driver, though, on the—you know, everybody getting into groups is a workload issue. It seems to be a trend in the way of conducting business.

In addition to that, you get into institutional bias. And I wouldn't want to say it in a public forum right here, but I can tell you that I have been—when I was in USAID, I know firsthand of institutional bias where the proposals didn't receive, let's say, as much review as they should have; but at the field level it is even more unleashed, it can be even more unleashed.

Mr. FORTENBERRY. Is that due to a lack of understanding or an unwillingness to try to understand?

Mr. ISAACS. I think it is probably—my personal opinion is it is probably a bias and a desire to do what they want to do. It is an exercise of independence. I am getting some subtle nods over there, so maybe I am not the only one who has seen that.

Mr. HACKETT. I mean, it is a combination of things, but if you have long-term government employees who have been doing something in the same way for a couple of decades and all of a sudden there is a new approach that says you are going to start talking to these groups that really don't have a history of collaboration—they use different language; their motivations and inspirations they wear right on their sleeves; they talk about their beliefs—there are some bureaucrats who are very uncomfortable with that, and that is the field we play on.

Mr. FORTENBERRY. Again, I am trying to just unpack the questions so I can understand it more clearly.

Rev. PHILLIPS. I think it can blow up, to be very honest with you, you know, and I think it has the potential—that is what I was saying in my presentation. The potential is there for the glass ceiling. I don't personally—see, I work with CDC, and it is a completely different operation, you know, and they are a small player in the whole PEPFAR.

Mr. FORTENBERRY. When you say “glass ceiling,” it is your ability to rise to a certain level, and that is it?

Rev. PHILLIPS. Well, you never know where it is going to hit you, you know, because most of the PEPFAR money is under USAID. Very little of the PEPFAR money is under CDC. Now, I happen to work directly with CDC. I don't have those problems, but the CDC doesn't function that way, and even with the beginning of PEPFAR—I think it was last year—CDC went out again to try to find smaller groups to get them into the system. And I know they had to subcontract them out, and the Catholic Sectarian was one of them on an abstinence program. They just didn't have the capacity to handle it. They were subcontracted out, but they took some strong activities on their part.

But see, it is a different thing because CDC works directly with me, so you are working with professional people from Atlanta, you know: HIV specialists, counseling specialists. They hire Kenyan specialists. Mostly, they are the staff from the Kenyan nationals—physicians and whatnot—so they have a real involvement, direct involvement, with what is going on with their partners, and in the same way, I am a larger partner.

So, you know, we also—I am involved in writing. You know, we are going to do another pilot study, and it is going to start off next week because we have the capacity, and they saw that. But it is a different mentality where the others are more into these bigger groups, and I do know the Church—I know the Catholic church is very upset right now on this whole Prevention of Maternal-Child Transmission. I just think it is going to straighten itself out, but it is just that they were clueless, and they kind of let it float, and so now the Church is wondering what is going to go on.

But it is a different mentality if you have got someone who is running 20 percent of the Prevention of Maternal-Child Transmission through faith-based organizations in Kenya and, you know the tendering system is to go into provinces, and before you had a faith-based group that was handling all the faith-based because it is new tender, and they couldn't tender all over the country. So that is all hanging up, but I still think it is part of the, you know, "we are going to take care of each other" system.

Now everybody is—the big boys and the big girls are all going to gather round, and that is my guess, folks, and I don't get the money on that side, but I have been around the world a bit. You know, I have been overseas. I think that is probably also behind it a bit, but you will never be able to prove it.

Mr. FORTENBERRY. Well, obviously, there are a lot of dynamics here, and it is a complex answer. But it certainly may be understandable that as the government looks toward some new models of efficiency that, because of economies of scale, they are simply looking at dealing with bigger organizations. What you don't want to see, though, is—as you were alluding to, Mr. Chairman, and you confirmed—that if you are studying the successful outcomes of countries who have reduced age transmission rates, for instance—and you have skipped Uganda because they have emphasized a couple—their first priorities are value-based—it begins to raise the question in your mind of why. And to the degree that it might bleed over into some institutional bias against a values-based approach, whether it is faith-based or not, is a concern. But I recognize what you are saying. There are a lot of levels of complexity here, and all of these things are potential factors.

Thank you, Mr. Chairman.

Mr. SMITH. Thank you very much. You have been very kind with your time. If I could just ask one or two final questions and then, perhaps, submit some additional ones for the record.

On the Global Fund, if any of you would like to speak to the issue of whether or not the U.S. Government—that would be Secretary Leavitt and the Bush Administration and Congress. Have we done enough as providers of a third of that budget to demand not only accountability and transparency but also a breakout for faith-based organizations?

Mr. HACKETT. I will start. I don't think we have done enough. I think that—

Mr. SMITH. Have we done anything?

Mr. HACKETT. I can't say that. I think there is a great opportunity for the Global Fund to be successful, and the fact that we don't—none of us can speak to you quickly about how well they have done, other than to say the percentages are measly, I think

tells part of the story. We don't know. As Father Ed said, the Catholic Church, from even the Vatican level, has held discussions with the Global Fund that about 30 to 40 percent of health capacity in the poorer countries is provided by the Catholic church. That seems like a wake-up call, but they have made no headway so far. So I think our Government should do more.

Mr. SMITH. Thank you.

Rev. PHILLIPS. I think it is a moral obligation, and you all are Representatives, and you have to go back to get voted on in the next 6 weeks or so, and the folks—

Mr. FORTENBERRY. 40 days.

Rev. PHILLIPS. Huh?

Mr. FORTENBERRY. 40 days.

Rev. PHILLIPS. 40 days. All right. Let's be honest. Hey, I have lived overseas for years, but I know the mindset of the ordinary citizen. They are going to say that U.S. Government money is going for the poor around the world, and how can we stand there and then say to the folks that we put all this money over in Geneva? Geneva, for their own reasons, kind of denies the fact that faith-based organizations are involved, and they don't want to get the money there, so I mean—I think—to be very honest with you, I think it is a political risk to stay quiet, whether you are a Democrat or a Republican.

To me, it is a political risk to stay quiet on this because the ordinary taxpayer—it doesn't matter what their party is, they want their money to go the right way and be used. And for some reason, this Global Fund machination is not working. And I believe it was Ken who said it previously: It is crucial that the Global Fund works effectively because PEPFAR can't do it all.

Even if we increase funds, which, you know, I am really going to be pushing, it can't do everything, and it should be part of the element of the Global Fund. It should be able to pick that up even with the FBOs, but it is not doing it. So, for me, it is good politics. Also, to me, it is a moral question and should be done.

Mr. SMITH. Mr. Isaacs.

Mr. ISAACS. Well, just on the Global Fund, I would say that we haven't done enough. From the field, I have met with ministers who have helped, who are quickly forming their country-coordinating mechanisms. They have got 2 weeks to get it together, and they are trying to put together a \$70 million program.

I think that in addition to what the Father was just saying, I think it is also an issue—to bring faith-based organizations in is an issue of practicality and good business. They have networks that cannot be compared to anyone else, and to just reject that or to try to appease Washington rather than to wholeheartedly and sincerely engage those networks is shorting the system, and it is going to come up with an inferior product. And people are going to die. That is the net result.

Whereas, when I use those networks, if there is some way to get over this bias so that there is not an attitude of appeasement, but hey you know what, that is a network of Catholic churches, it actually would be valuable. We could do something with that. Look, those guys have got 300,000 people going to church here—what if

we could do something with it? But I have never heard that people are thinking like that, not at the CCM level.

Rev. PHILLIPS. Mr. Chairman, maybe just to add on that, FBOs are put on the Global Fund—at least I can tell you from Kenya, and I think it is around the world—Global Fund has decided that faith-based organizations are the same as any local NGO. They make no difference. Now, I can tell you a lot of NGOs in Kenya—we call them “briefcase NGOs”—you know, they get a piece of paper, and they try to chase the money down. If it works, it works. So, if you are in a situation—why do you take faith-based organizations that have tremendous health care systems around Africa and that are doing a tremendous amount and just kind of throw them in the general public NGOs? Again, this isn’t rocket science, but there is something else that I think is behind it.

Mr. SMITH. One final question, and I asked this to Ms. Hasdorff earlier.

Do faith-based programs have any comparative advantage in the awarding of grants because of the infrastructure, the networks, as you call them, Mr. Isaacs—that is, people resources, physical plant, physical infrastructure—and if not, why not?

It seems to me, when grants are being awarded, you know, rather than suitcase NGOs, why isn’t that taken into consideration? Or is it?

Mr. HACKETT. I think it is. I don’t know how broadly it is, but I know that we won a very large PEPFAR grant, \$365 million and in nine countries, and people were looking at what were we bringing as a network for outreach to the table. So I can say that in some cases, it certainly is.

We just bid something in Nigeria, and it was because of the contacts that we had there that others did not have. But it is kind of a business decision. It is not necessarily because we are faith-based. It is that Catholic Relief Services has this network that it can work with.

Rev. PHILLIPS. I am kind of on the ground. I am not the big players. I don’t know how to answer that particular one. I think that—to be very honest, I think the challenge is a lot of faith-based organizations that need some capacity-building—and I think Ken would agree with me, and you know, to be honest, and I think there are positive ways—if you can’t handle a lot of money, there are systems that could be put into place. And I think they are out there, and I saw that with CDC; and the USAID has done it, too, to try to find somebody to take that money and kind of work with them. And I think that that is going to be an effective way.

But see, the principle really is do you want to work with those people, do you appreciate that they have another whole network, as Ken would say, that takes you all the ways down to the grass-roots, all the ways out to the far-off village? And if you believe in that and the network that is there, then—again, any businessman would say, you know, if I am going to sell Coca-Cola and I have got somebody who can take it out to the furthest village, I am going to make sure I am going to partner with them because—but that doesn’t work sometimes in the more sociopolitical world that we have to deal with.

Mr. ISAACS. I would agree with that.

Sometimes it has been a benefit, and sometimes it has been of no consequence that you can represent within a proposal that you have a substantial infrastructure network. I think that that comes back to these proposals are very sophisticated. They are very technical. They go through a tough review process, and it is a bit of a star chamber. You don't know what went on in it. It is hard to get any feedback on what they liked or didn't like about your proposal.

Mr. SMITH. Are there no post-award debriefings?

Mr. ISAACS. I would say that on the first PEPFAR round, we were rejected, and we weren't even asked—they asked for concept papers, and then you get approved to submit a proposal—we didn't even get asked to submit a proposal. And we were shocked, so I wrote a letter to some people that I know up here on the Hill and to former Administrator Natsios. And I got a phone call about 4 months later and got a 4-minute briefing over the phone. And they basically said, because of Federal contracting laws, we can't answer any of your questions. It will interfere, they called it, with the integrity of the procurement process.

So to answer your question, no, we didn't get objective feedback to help understand it.

Mr. SMITH. Because it is routine with a number of domestic grants that a want-to-be grantee gets a debriefing. I have sat in on many of those from my district when Youth Build and a whole host of other grant requests were denied during one year; and then the next year they learned what they did wrong or what could be done to improve next year's request, so—

Mr. ISAACS. Well, it is a very competitive process, and there has been no evidence, in my observations, that being a faith-based organization or having a faith-based initiative has, in any way, reduced that level of competition.

Mr. SMITH. Father Phillips, you indicated that there is concern and I guess among the 6,500 people that you deal with every day that PEPFAR may not be continued, is that?

Rev. PHILLIPS. My folks are in the slum. They don't know much about international politics. I am the only one in charge, and I am the only foreigner. My whole operation is completely Kenyan. I am the only foreign person in the whole operation. I mean, yeah, the people I am taking care of, they are not working or they are working as temporary laborers, things like that. So there is no way that they are going to be able to, and that would be a general concern for a lot of us because the good thing about PEPFAR—and you have to appreciate it has gone out to—I mean I am dealing with the poorest of the poor in the slums but it is getting out to lower income people and poorer people and those folks are not going to be able to meet the costs of antiretroviral drugs as well as the lab tests and as long they are on treatment because they will go on the second line treatment and the second line drugs. The protease inhibitors are much more expensive than the first lines. So I am going to tell—you know, I worry about it but at the end of that it is in God's hands. But you also have to be positively political and say this is a serious issue because it is a moral issue. Once you put people on treatment, you are obligated to keep them and that is why the United States Government, they slowed us down in April

on enrollment of our patients because of a problem of funds for the global funds and the Kenya Government and there was a stockout on the government's side. So they made the right decision. They released drugs to keep people going on the treatment on the Kenya Government side until the drugs came in. This is lifetime treatment, you know.

Mr. HACKETT. I could not agree with you more. This is a big issue for an institution like ourselves, half a billion dollars, that we keep the people that we have started on antiretrovirals on them is, I will tell you, it is discussed at the level of my board and they want to know, what does it cost us, CRS, if we have to keep those 40,000 people on antiretrovirals without the U.S. Government's PEPFAR money? And they are nervous, as you can imagine.

Mr. SMITH. Thanks for the alarm because my own personal sense is PEPFAR will be authorized and, if not in an actual bill on the authorizing side, it will be done so through the appropriations process probably through current plus a little plus-up level. My hope would be that since it has worked so well and some of those new drugs to follow on the antiretrovirals people that are already on them will be more expensive that we need to significantly ratchet this up. I would also—this is conjecture but so long as President Bush is there the next 2 years, there is no doubt this is one of his key foreign policy initiatives. I can't for the life of me think there would be any diminution on his part. Hopefully whoever follows on in the White House will also, but as long as I am here and Jeff and I think other Members of the Subcommittee will do our part to say as you have pointed it out, we made a commitment. We can't stop treatment or else people will die. Plus it is a program that is working.

Chairman Hyde summed it up so well, this is the equivalent of the bubonic plague. This is our modern day black death. That is why he was so aggressive in making sure the bill got passed in the first place, notwithstanding its \$15 million price tag. Every dollar is worth it and then some.

So thank you for that caution because we need to be out there telling people that this is not something that can slip and, you know, not get reauthorized and if we fail that because of some policy differences on the appropriations side, we have to make sure that money is there. And Mr. Hackett, I will always be appreciative not just for all the work you do personally and Catholic Relief Services, but even in the tsunami crisis when we met in Sri Lanka with Cardinal McCarrick, you had a paper prepared about your concerns of the diversion of funds from Africa and educational and other programs to meet the immediate crisis but it was not coming from new money. It was coming from existing moneys so that the Africans would have been worse off without replenishment, and I think your points were extremely well taken. And Mr. Isaac, when I was in Darfur met with Samaritan's Purse, as I think you may know, and was greatly impressed by the bravery being out there on the front line providing care for the Darfurians. So thank you so much.

Jeff, do you have anything to follow up? Any final comments?

Mr. HACKETT. Just the observation, we are very happy to hear that this Committee will fight for the continuation of PEPFAR and that it is a commitment of our President. There is also in the con-

text of providing this kind of assistance what they call the wrap-around services, people need food, particularly the poorest. They need other types of assistance, and I hope we won't lose sight of those things as well.

Mr. SMITH. That is a good point. We held a hearing recently in our Subcommittee on the problem of you can't take these drugs, the antiretrovirals on an empty stomach. It is like if you are taking aspirin on an empty stomach or an antibiotic, especially that so many of us take from time to time. You get sick. And I thought the point was very well taken by our witnesses that that has to be wrapped around, as you so adequately put it. So thank you for that reminder.

Anything else? If not, thank you, and the hearing is adjourned. [Whereupon, at 4:10 p.m., the Subcommittee was adjourned.]

