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Chairman Sherman, Ranking Member Royce, members of the Committee, thank you for the opportunity to be here this morning, and to discuss the role of U.S. foreign assistance in the war on terror.

InterAction is the largest coalition of U.S.-based international relief and development non-governmental organizations. With more than 185 members operating in every developing country in the world, we work to overcome poverty, exclusion and suffering by advancing basic dignity for all. Our members include service delivery and advocacy organizations, focusing on health, hunger, economic development, the environment, refugee crises, and humanitarian emergencies.

Today I will focus my comments on the role that marking and branding of U.S. assistance plays in the war on terror, its impact on projects on the ground and how it affects humanitarian worker security. Secretary of State Clinton has framed U.S. foreign policy tools as the three D’s: defense, diplomacy and development. I will be addressing one aspect of the third D, “development” and how the U.S. international non-profit community plays a role in promoting a positive American image in very difficult environments and how and when we take steps to mark and brand U.S. government funded foreign assistance efforts.

InterAction members, made up of non-profits reflecting America’s generosity and diversity, were key partners of the U.S. government when the policy on marking and branding was established several years ago. The voice of the U.S. international non-profit community (U.S. NGOs/PVOs) was heard during the deliberations leading to the creation of the current policy, resulting in a marking and branding policy that is workable and that ensures that U.S. foreign assistance resources are properly credited to their source. Whether the projects we implement are funded by taxpayers or by direct charitable contributions, we are proud to express the compassion of the American people. We understand the value of marking and branding U.S. foreign assistance resources but at the same time, with our member staff being killed, threatened

or kidnapped, we should not compromise the safety of U.S. citizens, our national staff, and their partners in the field by misapplying the policy.

Our community supports the marking and branding of foreign assistance resources and recognizes it as an important tool in advancing America's image overseas; we routinely mark and brand the work and products funded by U.S. Agency for Development (USAID) grants and grants from other U.S. federal agencies. We recognize that, in many instances, marking and branding promotes the U.S. as a force for good in our world. For example, many countries – and the U.S. in particular – responded with overwhelming generosity in the aftermath of the dreadful 2004 tsunami. During this response, U.S. government resources were branded as coming from the American people. Billions of dollars of private donations were also clearly understood as coming from Americans. I am confident that properly communicating American's outpouring of compassion and assistance in the wake of this unprecedented natural disaster helped improve America's image in Indonesia.

While there are many positive examples – like the response to the 2004 tsunami aftermath and countless projects across the developing world – there are situations in which the established exemptions to the policy are critical in allowing the U.S. to operate in environments in which marking and branding might put its foreign assistance resources and implementing partners in harm's way. These rare exceptions and waivers remain critical to the success of the U.S. marking and branding policy. They cover a variety of scenarios including:

- When the marking and branding would compromise the intrinsic independence or neutrality of a program or materials where such independence or neutrality is inherently important to the success of the effort.
- When the marking and branding would undercut host-country governments.
- When the marking and branding would offend local cultural or social norms.
- When marking would pose compelling political, safety, or security concerns.¹

These are not just abstract possibilities but represent the realities that many of the U.S. government's partners implementing foreign assistance face. Every year, InterAction recognizes member staff who have lost their lives while trying to advance the charitable mission of U.S. NGOs. Sadly, in 2008, 260 humanitarian aid workers were killed, kidnapped or seriously injured in violent attacks. Twenty-eight of those who lost their lives worked for InterAction members.

I'll use the experience of one of InterAction's member organizations operating in the Saada area of Yemen as an example. After much internal deliberation, this U.S. PVO concluded that marking food on commodities in this area posed a major security risk for staff in the field and the agency generally. In the recent past there have been lethal attacks on various western institutions and politically motivated kidnappings. Extremist groups are active in Yemen and public anti-American graffiti is on display in Saada. After its internal review, the USAID mission in Yemen stated in writing its support for the U.S. NGO's request that commodities should not be marked for security reasons.

¹ http://www.usaid.gov/business/business_opportunities/cib/pdf/aapd05_11.pdf

This story underscores the generally positive relationship that exists between the U.S. government and InterAction members and the wider U.S.-based relief and development NGO community. Then, as now, the InterAction community is supportive of marking and branding when employed with important, and possibly life-saving, exceptions provided by the U.S. government. As the experience of the InterAction member in Yemen exemplifies, U.S. foreign assistance partners often work in politically unstable areas and where virulent anti-American sentiment exists. At times, U.S. NGOs are the only American presence in a particular district. In these environments, the inherent danger of marking and branding U.S. foreign assistance resources is not a matter of ungrateful recipients but rather pressures from extremist political or criminal elements. Hostile third-parties often will identify targets based on a perceived connection to U.S.-national interests.

Just after my tenure as president of Plan USA, the global organization's Mansehra, Pakistan field office was targeted by a coordinated terrorist attack with small arms, hand grenades and explosives. In the attack, four local staff lost their lives and many more were injured. Plan USA is a private voluntary organization and the vast majority of its resources depend on generous private contributions; nevertheless the facilities in Mansehra were targeted for the simple fact that they were occupied by the staff of a 'western' organization.

It is in environments like this where InterAction members who administer public and private U.S. foreign assistance resources must establish themselves as neutral and independent actors simply to remain functioning humanitarian organizations. Indeed, in order to partner most effectively with local communities and ensure that all but a tiny fraction of resources go directly to recipients and their communities, U.S. NGOs do not hire major security firms or otherwise carry guns or other weapons. Instead, our community relies on decades of well-established relationships with local partners and reputations as impartial and independent actors to keep our staff safe and operations secure. The effectiveness of U.S. investments in foreign assistance projects and – in cases like that of Plan Pakistan – the safety of staff and beneficiaries depends on a certain level of neutrality and independence. It is the only way we avoid ceding the dangerous streets of the world to extremist voices.

Criminally-motivated third parties also present a danger to U.S. foreign assistance actors. While visiting InterAction member sites in El Fasher, Darfur, my colleagues and I traveled in dated, dilapidated vehicles that bore no symbols, logos or words other than the red circle symbol with a line through it clearly stating: "NO GUNS." In environments where there is little to no rule of law and criminal elements target those who they perceive to be associated with wealthy international players, it is imperative for the reasons stated above – staff safety and continuity of operations – that U.S. NGOs and other development actors blend in as much as possible.

This is not to say that the goodwill and generosity of Americans should not be properly displayed. These examples are exceptions to the important rule of marking our foreign assistance. Particularly during a time in which Americans are becoming increasingly connected and engaged in the world, we see before us a critical opportunity to harness the power of such American engagement and generosity that advance peace and well-being for all.

This is especially evident when one considers that the Peace Corps just announced at the end of October that the agency had received 15,386 applications in fiscal year 2009, the largest amount of applications since the agency began electronically recording applications in 1998. That number is an 18 percent increase from fiscal year 2008. Millions of American's travel overseas to engage in development and humanitarian efforts. Overall, up to 1.6 million American Christians take part in overseas mission trips each year, with trips averaging about one week in length, according to research by Robert Wuthnow, a sociologist of religion at Princeton University. He estimates churches spend \$2.4 billion on these trips each year, and other researchers put the numbers even higher.² And according to GoAbroad.com, an Internet site designed to help match interested travelers with volunteer opportunities overseas, nearly 1 million Americans search their site each month for opportunities to go abroad and serve the poor through our broader community.

This desire to engage, rooted in American generosity is among the greatest assets the U.S. has in the fight against terrorism. In 2006, the InterAction community received \$5.9 billion from private funding sources – including foundations, corporations, and over 13.6 million donors – and \$2.7 billion from the U.S. government, for a total of over \$8.6 billion for international programs. In addition, for 2006 InterAction members reported spending 92 percent (\$8.0 billion) of that amount for program services in more than 130 developing countries.

Our community is part of the human face of the American people overseas; we show America's compassion when distributing food to an internally displaced family in an Angolan village; we personify American's technical and financial know-how when a Macedonian man accesses critical microcredit financing to start-up his own business. In addition, InterAction members, and their employees, work closely with the U.S. government both in Washington and throughout the world. But our members' most enduring and direct relationship is with individual Americans who, through their private donations, support and sustain thousands programs across the globe. We are entrusted by millions of private donors to educate children, help families improve their livelihoods, and provide clean water to villages.

The generosity of the American people, as well as the resources that the U.S. government distributes through programs to the poor around the world is an important tool in the fight against terrorism. Our work is about changing and saving lives. The byproduct of our work is often increased trust from the villages where we work and a heightened appreciation of the assistance we provide leading to more stable and secure conditions on the ground.

In order to effectively undermine the roots of extremism and suspicion, it is imperative that the beneficiaries of U.S. foreign assistance know the spirit of the American energy for good. To achieve our foreign policy goals – diplomatic, security or humanitarian – we must be strategic in applying policies like marking and branding. In places where displaying overt connections to the U.S. would put lives and programs at risk, there are other, sometimes far better, ways to ensure that populations know that the foreign assistance efforts come from the American people.

² <http://www.faithandleadership.com/features/articles/maturing-missions?page=0.0>

Word of mouth is a powerful tool toward communicating this message. In the wake of Pakistan's devastating October 2005 earthquake, the U.S. launched an overwhelming response. As my fellow witness Ken Ballen found in polling conducted after the tragic event, "79 percent of self-identified bin Laden supporters thought well of the United States because of [this] humanitarian mission."³ I will leave the discussion of these findings to Mr. Ballen except to note that this emergency – and the goodwill it generated – occurred before USAID implemented its comprehensive marking and branding policy in January 2007. Before the current policy went into effect, labeling of U.S. foreign assistance was inconsistent. However, despite the lack of marking and branding, the Pakistani beneficiaries still recognized that the U.S. played a key role in the response.

U.S. NGOs rely on partnerships with local communities to do good development and this in turn promotes positive messages and perceptions of American generosity and compassion. This closeness to the populations we are there to serve enables us to identify the best modes to influence the perceptions of local communities. For example, one of InterAction's member organizations was undertaking water-sanitation activities in an area in Kenya which borders Somalia and considered seeking an exemption from marking and branding requirements given the sensitivities of the location. But before recommending such action, the NGO solicited the views of its beneficiaries. As it turns out, the beneficiaries felt positively about the U.S. NGO using banners and plaques with the USAID brand. The main lesson for this U.S. NGO was that implementers of U.S. foreign assistance are constantly being challenged to deal with the thin line between perceived and real threats. And given the degree to which situations in recipient communities change rapidly and frequently, U.S. NGOs must continue to monitor and evaluate scenarios so that they are not operating on an outdated perspective of the local environment. I use this story to illustrate that there are times when marking and branding is perfectly appropriate, even in difficult environments, when done in a culturally and politically informed way. It also underscores the distinct advantages of partnership between international NGOs and local communities. The beneficiaries of our programs know the U.S. is the source of assistance simply because of the relationship that exists between them and U.S. PVO implementers, oftentimes making marking and branding superfluous.

The InterAction community sees relief and development activities as more than simply handing a bag of rice to beneficiaries; instead, the way we do development – engaging in a dialogue with local communities to best tailor programs to meet their needs and help them build their long-term capacity – ensures that beneficiaries know that American resources are a tremendous force for good in their communities and throughout the world.

Even in locations in which marking and branding isn't prudent for security reasons, we believe it is necessary for U.S. NGOs to continue working, so that over the long term, our presence translates into lasting respect for the generosity of the American government and the American people. In many of the most dangerous places in the world, NGOs are the only American civilian presence. I believe we should do everything in our power to enable the U.S. government's implementing partners to better represent our ideals of compassion and generosity. We must also acknowledge the limitations of marking to influence public opinion. A change in U.S. foreign

³ <http://www.washingtonmonthly.com/features/2008/0805.ballen.html>

policy or actions that are not well received by a population can rapidly undo all the good will that is accrued by the generosity of American aid.

Situations like the one in Yemen that I cited earlier illustrate the importance of the exceptions provided USAID. Without such exceptions, in some of the most unstable and insecure environments, NGOs would be faced with the choice of not implementing programs because of marking and branding requirements, leaving populations insecure and potentially vulnerable to hostile ideologies. Our community is sometimes confronted by difficult circumstances that call for more nuanced approaches than simply printing a logo on a bag of rice or marking a truck with the U.S. flag. If we can make that distinction in very difficult environments and see the presence of U.S. NGOs as part of the American brand, then vulnerable populations will continue to benefit from American benevolence in our complex and diverse twenty-first century world. And our collective development and humanitarian relief efforts will earn us the respect and partnership of populations around the globe.

To conclude, the members of InterAction believe that marking and branding of U.S. government funded programs overseas is important and vital to sharing the goodwill and generosity of the American people. We also believe that we have an important responsibility for the safety of our employees. In cases where the marking of goods and programming as distinctly American places the lives of our employees at additional risk, we will take advantage of the rare exceptions to these requirements provided by U.S. government regulations. We prefer not to cede the dangerous streets of this world to extremists; we see the utility of the programs we run as a powerful tool in fostering a more positive view of the American people. Humanitarian assistance and development aid programs overseas are two very powerful assets that we have in the war on terror. Marking and branding are important but they are just tools to ensure that an American non-profit presence overseas speaks to our nation's character and values.

Chairman Sherman, Ranking Member Royce, and members of the Committee, I thank you for the opportunity to testify today on this important issue. I am happy now to answer any questions you have.