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U.S. Strategies for Relief and Reconstruction Assistance in Response to the Tsunami

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Chairman Lugar, Ranking Member Biden, and members of the Committee, thank you for inviting me to testify today about U.S. strategies for relief and reconstruction assistance in response to the recent devastating tsunami.

The United States Government (USG) is authorized under section 491 of the Foreign Assistance Act to carry out and coordinate international disaster relief, rehabilitation, and reconstruction assistance. As USAID Administrator, I am the President's Special Coordinator for International Disaster Assistance. In this role, I can direct all of the Agency's resources, as well as call upon the assistance of other USG departments and offices.

I have delegated the operational coordination for foreign disaster assistance down through the USAID structure to the Director, Office of U.S. Foreign Disaster Assistance (OFDA). USAID/OFDA plays a critical role in the international disaster response framework, working at all levels to ensure that an appropriate, effective, and efficient response is provided to those who are suffering. Because the USG provides over 40% of all humanitarian assistance funds worldwide from all donor governments, our role in disaster assistance has been long-standing, extensive, and marked by deep involvement.

USAID has developed systems for immediate response to disasters, including rapidly-deployable Disaster Assistance Response Teams (DARTs), and Washington, DC-based Response Management Teams to support the field operations. In order to respond quickly and effectively, USAID/OFDA has refined the Incident Command System (ICS), which was developed by the US Forest Service to fight forest fires. ICS is a command and control tool in a disaster response. It provides a means to coordinate the efforts of individual agencies as they work toward the common goal of saving lives, property, and the environment.

This system has since been adopted by many response organizations, both domestically and internationally. Through these mechanisms and over forty years of experience in responding to international disasters, USAID is able to incorporate a wide variety of skills and resources in its response. Clearly, the system works.

USAID consistently has received favorable reviews on its disaster relief operations from the General Accounting Office (GAO) and has helped untold millions of people affected by disasters worldwide.

Organizational reforms at USAID, improved interagency coordination, and flexibility have marked our response to the unprecedented devastation of the Tsunami disaster. The U.S. responded

rapidly and as a team - across USG agency boundaries as well as in partnership with non-government organizations (NGOs), corporations, governments, and other relief agencies. This enabled us to mobilize the people and resources that were crucial to saving lives and alleviating suffering. Let me elaborate on these points.

Coordination

The very day the earthquake hit, USAID mobilized Disaster Assistance Response Teams (DARTs) and USAID Mission staff within hours after the disaster hit. Approximately 50 DART members and more than 100 USAID Mission staff in Indonesia, India, Sri Lanka, and Thailand were involved in the overall coordination of relief and reconstruction activities, reviewed NGO, U.N. and host government funding requests, and recommended appropriate USG relief efforts. A round-the-clock Response Management Team (RMT) was established in Washington as a backstop to the field staff and point of contact for information, assistance, and coordination.

In disasters of this magnitude, it is absolutely essential to coordinate civilian response activities with those of the U.S. military. Let me take this opportunity to personally thank the President and the military for rapidly committing the assets that were needed to the region. Without their strong logistical support and the staff and equipment they made available, our response would not have been as effective as it was.

Natural disasters and critical military operations have seen cooperation between USAID and the Department of Defense expand dramatically over the last several years. Key to this cooperation has been the creation of effective coordination mechanisms - from the tactical field level all the way up to the strategic headquarters level - that has involved USAID staff at critical points in the decision making process. What we have witnessed over the past several weeks is substantial progress toward the seamless cooperation of both organizations and is the result of hard work long before the earthquake and tsunamis hit. The efforts of both DOD and USAID to build relationships that bring the capabilities and expertise of each into an effective partnership have proven their worth in this disaster, and we will continue this approach of active engagement and planning with DOD.

Let me explain how the relationship is working by citing what took place in Thailand. Thailand generously offered the use of Utaepao airbase as the humanitarian assistance hub for Tsunami relief. There, the DART established a Military Liaison Cell to validate and prioritize requests for assistance. This helped ensure that U.S. and other coalition military resources were put to use in the most effective and efficient manner, according to accepted humanitarian relief protocols, as opposed to a "first come, first served" basis. Liaison officers from the affected countries' militaries as well as from militaries of other donor nations and the U.N. also participated in the coordination process. The military's willingness to follow USAID guidance on the best use of their assets to support local governments and NGOs was a milestone in our relationship. I am convinced that this coordination was key to saving lives, feeding people, and relieving great suffering. USAID also placed staff at the Pacific Command Headquarters in Hawaii, where much of the planning for the U.S. military's role in the relief effort originated under Admiral Tom Fargo's leadership.

As we move from relief to reconstruction, USAID and DOD are already working to ensure a seamless and smooth transition from reliance on military assets to those of civilian agencies. Towards this end, USAID's Deputy Assistant Administrator for Asia and the Near East, Mark Ward, just returned from a trip with Deputy Secretary Wolfowitz to the region where they discussed concrete steps to ensure that civilian agencies are in position to assume the functions initially provided by the US military.

One of the more remarkable examples of cooperation involved a USAID Food for Peace Officer, Herbie Smith, and the USS Abraham Lincoln. The Abraham Lincoln, offshore at Banda Aceh,

could produce tens of thousands of gallons of potable water. The only problem was that there was no way to get it to people on shore. Herbie immediately went out and bought a huge number of water jugs from local markets throughout Indonesia and arranged with the military to get the jugs transported to the Abraham Lincoln. Military personnel then filled the jugs with clean water, and helicopters distributed the water in Aceh. This is but one example of how USAID's experienced staff, working hand-in-hand with the military, moved assistance to needy people.

Organizational Reforms at USAID Ensure Integrated Response

USAID's relief effort in response to the Tsunami was based on the significant procedural and policy changes that govern how the Agency responds to overseas disasters. We have both revamped our organizational approach and accelerated the time perspective under which we conduct relief operations. These changes have been in the works for the last several years. They are based largely on our experiences with Hurricane Mitch, as well as applying the lessons we learned in Mozambique, Afghanistan, and Iraq.

Until recently, a compartmentalized approach was used in responding to disasters overseas. USAID's Office of Food for Peace (FFP) would handle emergency food needs, while USAID's OFDA would respond to immediate non-food necessities. If the disaster struck in a "country in transition," USAID's Office of Transition Initiatives (OTI) would also be called to respond. After immediate life-saving assistance was provided, USAID's respective regional bureau would step in to work on reconstruction and rehabilitation. This approach was very segmented, both chronologically and organizationally. It resulted in lost opportunities in the use of relief initiatives that could have been used more strategically to accelerate reconstruction, encourage community participation, and build a foundation for development. In contrast to the past, USAID now takes a more holistic approach organizationally and a longer term view operationally.

USAID is now in the position to draw immediately from wide-ranging expertise found throughout the Agency and in the rest of the USG. In effectively spearheading the USG's disaster response, our activities are no longer stove-piped into different offices and bureaus within the Agency. In the Tsunami relief effort, USAID's DART and RMT included staff not only from OFDA, but also from several other USAID offices and bureaus, including FFP, OTI, the Office of Democracy and Governance, the Bureau for Global Health, the Bureau for Asia and the Near East as well as USAID Missions in the affected area and the Bureau for Legislative and Public Affairs. Staff from USAID Missions in Jakarta, Colombo, New Delhi, and Bangkok were embedded into the DART structure from the beginning. In this regard, it is important to note the value of having a preexisting USAID mission in the region. We have also recruited staff for the DART and RMT from other federal agencies, such as DOD, the Department of the Interior, the Department of Health and Human Services, including the Agency for Toxic Substances and Disease Registry, the Department of Agriculture, including the U.S. Forest Service, and the Bureau for Land Management. The DART and RMT also used staff from outside the federal government, including the Fairfax and Los Angeles Search and Rescue teams, the University of Texas, and the Center of Excellence in Disaster Management and Humanitarian Assistance.

Quick Response

USAID has drawn upon its long experience in humanitarian relief to establish the relationships and agreements necessary to quickly mobilize all available assets when a disaster strikes. The Agency worked in partnership with the global civilian humanitarian relief community - NGOs and international organizations - and used its pre-positioned food stocks in Dubai to rapidly mobilize relief operations in affected countries. Bringing together the NGO experience, technical skills, and resources adds tremendous value to our response efforts. In the Tsunami disaster, you have seen the fruits of that labor.

The great size and complexity of the response put flexibility and ingenuity at a premium. This was in evidence in actions that USAID undertook in conjunction with two of its partners, the International Organization for Migration (IOM) and Development Alternatives (DAI). Prior to the earthquake, humanitarian organizations were not permitted into Aceh province without express permission by the Government of Indonesia. As it turns out, a network of staff from IOM and DAI did manage to retain a strong relationship with provincial officials in spite of this restriction. USAID and other donors capitalized on the influence of IOM and DAI by providing them with funding to help move relief commodities into Aceh from Medan. This was done with the help of 80 trucks contracted by USAID/Indonesia.

The Cuny Principle

USAID's policy of consolidating and coordinating relief efforts within the Agency and across the USG is only part of our new approach. Another is our focus on incorporating development objectives for economic and social change into relief efforts from the very beginning of a response. Our policy is to plan and carry out relief, rehabilitation, and reconstruction simultaneously.

More than two decades ago the late, legendary disaster expert Fred Cuny published a groundbreaking book, *Disasters and Development* which laid out his long experience in working with the victims of natural disasters around the world. His vision was revolutionary, yet breathtakingly simple. In a nutshell: the talent and resilience of people struck by disaster are the most powerful forces for the rehabilitation and reconstruction of societies struck by disaster. The people in their communities are the first responders. Moreover, they embody strengths that exist in no other group - strengths that absolutely must be harnessed if we are to build positive change in the affected society.

Natural disasters - earthquakes, volcanoes, hurricanes, tsunamis - hurt people and cripple economies. They kill; they maim; and they destroy. But victims are never helpless. These people know their environment. They know their society. They are very likely to have coped with other disasters in their lives. They, more than anyone, want to recover. And, as the shock of the disaster subsides, new opportunities emerge that can be exploited to build a more sustainable, more equitable, and, in many cases, a less violent society. Disaster survivors are often among the strongest voices for change.

External assistance must capitalize on these opportunities. Immediate physical needs have to be met: clean water and sanitation, health care, food, and shelter. But the best way for outsiders to assist is to provide help that is part of a long-term solution defined by local actors, rather than just a hand-out. In practice, this means that relief assistance efforts should focus on recovery and renewal from the very beginning. While providing life-saving assistance, we need to get markets functioning again through activities such as cash for work that creates a demand for goods and services. In short, a return to normalcy depends on reviving the local economy, and that means restoring local markets.

Relief assistance should help reestablish local government and civil authorities by responding to their priorities in vital relief efforts. Our interventions should aim at restarting social services at the local level - schools, primary health care clinics, water treatment facilities, and so on. And it is vital, early on, that we assist stricken families with the help they need to rehabilitate destroyed housing and restore ruined livelihoods. Again, the assistance effort should focus on development even as it provides short-term relief.

Fred was killed in Chechnya in 1995, almost ten years ago. Yet the Indian Ocean tsunami shows that his vision is as relevant as ever. In brief, we must work to see that something good can emerge out of destruction.

This approach to relief and development assistance forms the cornerstone of USAID's programming strategy. It applies operating principles that I recently codified as USAID's "Nine Principles of Development and Reconstruction Assistance". For example, the Principle of Ownership states that the affected people themselves own their relief and recovery process. The Principle of Capacity-Building requires that USAID interventions strengthen local institutions. The Principle of Sustainability says that program impact must endure after assistance ends. I am attaching a summary of these principles to this testimony.

Relief Efforts also Address Trauma and the Increased Risk of Human Trafficking

USAID's programs are helping survivors to deal with trauma and providing for a return to a sense of normalcy and stability in their communities. The family is the cornerstone of psychological well-being and the focus of many of our efforts. USAID is supporting programs that unite dislocated children with extended family members. We are also funding initiatives that restore a sense of security and stability for children by providing them with a structured environment. In such places, children can be supervised while adult family members engage in rebuilding efforts or income-generating activities.

USAID worked with our partners to initiate public awareness campaigns on the added risks that women and children face and their vulnerability to falling victims to traffickers. These risks increase when people are displaced, when children are separated from their families, when livelihoods are ruined, and when infrastructure is destroyed. While so far there is no evidence to suggest that trafficking has increased, we are redoubling our efforts to educate women and children and relief workers to these risks, and to help government organizations in affected countries address issues of protection and abuse among affected populations. In Sri Lanka, for example, USAID has funded UNICEF and Save the Children/UK to establish a registry of orphans. We are also funding the Solidarity Center to provide training for relief workers and to strengthen collaborative efforts on the part of government and civil society to protect children. In Indonesia, similar public awareness campaigns are being targeted to the displaced and training provided for relief workers who come in contact with these populations.

Helping Countries Rebuild: The U.S. Tsunami Relief, Rehabilitation and Reconstruction Program and USAID's Role

The USG Tsunami Reconstruction Program will support efforts on the part of national governments and local communities to rebuild quickly, restart their economic engines, and harness the unprecedented resources and support that is coming from around the world. The goals are to save lives, support reconstruction priorities of affected countries and regions and to advance a wide range of development needs and foreign policy interests. The United States will continue to work closely with affected countries and other donors as we assess needs and undertake reconstruction activities.

President Bush is seeking \$950 million as part of the supplemental appropriations request to support the rehabilitation and reconstruction of areas devastated by the Indian Ocean Tsunami and to cover the costs of the USG's relief efforts to date. This is the most generous USG response to a foreign natural disaster in American history.

Our reconstruction program is built around five themes:

- One, using relief to foster reconstruction, self-sufficiency and build a foundation for future development. Cash-for-work, micro-finance and livelihood programs are helping to get markets working, building individual and community self-sufficiency.
- Two, providing technical assistance to affected governments with immediate survey and planning work to help them make the best decisions about utilizing the considerable

contributions from the world community. This assistance will include support to assist local authorities, communities and local civil society organizations and ensure their full participation in planning, prioritizing and undertaking reconstruction programs. Proper emphasis is being placed on inclusion, transparency, and accountability in all such efforts.

- Three, financial and technical support to rebuild and improve infrastructure, including important, high visibility transportation and public utilities projects such as schools, roads, bridges, and water treatment plants, which will serve as major USG interventions. A local communities grants program will support small scale infrastructure reconstruction including clinics, schools, markets and other community-level infrastructure identified by communities.
- Four, helping individuals to rejoin the workforce and return to their communities by helping individuals rebuild their homes, replace lost assets, and get back to work. Grants, small loans, and cash-for-work programs will pump much needed money directly into the hardest hit communities. This will allow disaster victims to take control of their own lives and start rebuilding their businesses and communities. The success of our efforts requires us to expand and build upon ongoing partnerships with US and local NGOs in creating these jobs and income opportunities.
- And, five, building the capacity within the affected governments to prepare for and respond to future disasters. This will include US support for a regional tsunami early warning system being designed collaboratively by other countries and donors. We will also support efforts in Indonesia, Sri Lanka, Thailand, and India to strengthen the communications that alert communities to imminent threats, as well as a community-based outreach and training program so that people know what to do when they hear an alarm. We will also aid governments put in place measures to help national, provincial and local government guide reconstruction that will be environmentally-sound and infrastructure that is more resilient to likely natural disasters.

Accountability

As USAID continues to make major improvements in its approach and operations, we have not forgotten one of our fundamental obligations - ensuring the proper and effective use of U.S. Government funding. USAID takes its responsibility as steward of taxpayer money very seriously. For this purpose, USAID meets regularly with host governments and contractors and grantees to ensure that all USAID-funded activities are well coordinated and complement other programs on the ground. USAID staff members make regular field visits to observe the progress of USAID-funded programs. Our missions are also working with civil society organizations in the countries, such as the Forum on Aceh Recovery, to assist efforts of local organizations to track and monitor relief and recovery budgets.

The Office of Inspector General (OIG) has been present from the inception of our response to ensure high levels of accountability for public funds and to help guard against possible waste, fraud, and corruption. As with USAID projects in Iraq and Afghanistan, the OIG has been asked to conduct "concurrent financial and performance audits." These audits are conducted as reconstruction or other activities unfold rather than after they are largely complete so that any accountability or program effectiveness issues can be identified and corrected at an early stage. For example, USAID/Indonesia has already requested that OIG Regional Inspector General Office in Manila perform concurrent audits of work being performed by the contractors and grantees in Aceh and Northern Sumatra. Once supplemental monies for our efforts there are received, auditors will be engaged at all levels of programming for these concurrent audits, from the development of statements of work to implementation of the contracts.

Partnering to Meet the Challenges Ahead

The President, and former Presidents Bill Clinton and George Bush, have asked people to reach deep into their pockets to help those affected by this disaster. And the response of the American people - individuals, as well as civic associations, churches, and corporations - has been overwhelming. Americans have donated more than \$800 million to humanitarian agencies - a total amount second only to 9/11. As one gauge of public response, it is interesting to note that USAID has had more than a million visitors to our Tsunami website. Some days early on in the crisis registered more than 80,000.

The Agency is also actively working with the community of private voluntary organizations, as well as large corporate partners, to build public-private alliances in support of medium to long-term reconstruction efforts in the region. For example, USAID has already initiated a partnership with Mars, Incorporated, which has generously committed \$1 million to assist vulnerable children in the affected area. Their generosity will be met by a matching grant from USAID. The USAID and Mars partnership to fund will focus on meeting the needs of vulnerable children in the tsunami-affected areas of Indonesia and India. Funds will be channeled to international and local relief organizations that are working in the affected areas. This is a great example of the USG helping channel the generosity of the private sector to help vulnerable children during this crisis.

I would like to thank President Bush, and the two former Presidents as well, for mobilizing this remarkable display of public support. And I would like to thank the American people - for showing the world once again what a compassionate people we truly are.

The compassion of Americans is at the very core of what USAID stands for. By giving the citizens of emerging nations a helping hand as they work to improve their societies and economies, we show the world the best of the United States. As the President said, "Well after the immediate danger passes, USAID is still going to be in the hard-hit areas....helping the people improve their schools and develop health services and mitigate conflict and reinvigorate local economies, and help build institutions of democracy, so people can live in peace and freedom."

The policy changes that I have described here today, the results of which you have seen in the remarkable relief efforts underway in South Asia, are all part of living up to the trust that the American people have placed in us. The world is a complex place, and interventions have to be designed accordingly. We have to stay flexible, keep our eye on the long-term objectives, and work together. This is the only way forward. And this is the new USAID. All Americans can be proud of its performance.

Thank you.