

Testimony of James Kunder

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Palestinian Education

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Mr. Chairman: Thank you for the opportunity to testify today on behalf of the U.S. Agency for International Development. I would like to begin by echoing the words of Deputy Assistant Secretary Satterfield: We appreciate the importance of education as a force for peace and progress in the world, and share the concern of this Subcommittee whenever the education of children is perverted to serve as a platform for violence and hatred.

Program Overview: In order to provide context for the Subcommittee's inquires today, I would like briefly to summarize the U.S. foreign assistance program in the West Bank and Gaza. In general terms, the Mission responds to the humanitarian situation, providing relief to the poorest segments of the Palestinian population, while at the same time implements longer term development projects, supporting the road map and other U.S. foreign policy goals in the region.

Consistent with Congressional guidance and in support of U.S. foreign policy priorities, the U.S. foreign assistance program in West Bank and Gaza consists of several elements. First, we are addressing basic human needs resulting from the severe economic downturn of the past three years. Our programs provide food, medical care and emergency water and create jobs for those who have lost them as a result of the depressed economy and the limited employment opportunities within Israel. Working with U.S. partners such as the YMCA, Save the Children, ANERA, CHF Inc. and local NGOs, we have created more than 1.9 million person days of employment since 2001. In addition, our support to food aid delivery through WFP and ICRC has ensured that more than 650,000 of the most vulnerable Palestinians have received a nutritional food basket on a regular basis. We also support vaccination projects, supply clinics and health NGOs with emergency medicines, and fund special training for doctors and nurses through our grants with CARE International.

Second, we are promoting a wide range of reform efforts within the Palestinian Territories. Since the 1996 national elections, we have been the lead donor working with the Palestinian Legislative Council, which within the last 12 months has challenged the

PALESTINIAN Executive Branch on issues relating to the designation of a Cabinet and delineation of the Prime Minister's responsibilities. In 1999, we initiated a rule of law program, which has trained scores of Palestinian judges and prosecutors and has led to the formation of two commercial Alternative Dispute Resolution Centers. We have also funded programs to develop the capacity of the Palestinian Monetary Authority, to assist the Minister of Finance in strengthening the internal audit capacity of the Palestinian Authority, and to restructure the new Ministry of National Economy. We are poised to support a Palestinian election process, having already conducted a comprehensive electoral assessment and provided technical assistance to the Central Election Commission. Lastly, we have a robust civil society program that funds Palestinian NGOs, which are advocates for reform and democratization.

Third, our Mission has supported the "revitalization" of the private sector. Activities include direct technical assistance at the firm level to assist in their internal restructuring, grants to repair damaged business premises and providing loan capital for mid-size businesses. Our emergency micro lending programs have provided much needed cash to small business owners, mostly women. With \$3 million of USAID funds, we have leveraged funds for small loans from two commercial banks in the amount of \$17 million.

Fourth, I would like to emphasize that we have maintained some of our longer-term development projects. These include the construction of much needed water infrastructure, which has provided potable water to much of the population in the Southern West Bank. We are also repairing small scale water infrastructure in several cities, working closely with the municipal governments. Our community services projects, which build schools, clinics, agricultural roads, youth centers, and other small infrastructure, are active in 50 per cent of the villages in the West Bank and Gaza.

Fifth, through our scholarship and training programs, we are developing the human capital that a democratic Palestinian state will require. Since 2000, 90 Palestinians have received or are in the process of receiving Masters Degree scholarships from] U.S. universities. In addition to their academic studies, many of the returned scholars serve to educate their fellow-citizens about the reality of life in the United States. The Mission also has provided more than 300 full scholarships to Palestinians for study in local universities and funds short training programs in the IT sector that has benefited more than 115 Palestinians to date.

Lastly, using the \$50 million we received as part of the FY 2003 emergency wartime supplemental appropriation, we responded quickly to acute problems on the ground, repairing roads in 5 cities in the West Bank and repairing bridges, greenhouses, damaged business premises, and agricultural wells in Northern Gaza. Of this Supplemental, we used \$20 million as a cash transfer to the Palestinian Authority. With the very tight restrictions and safeguards we attached to this cash transfer, I am happy to report that it is being used in a transparent manner to pay utility bills owed to the Israeli Electric Company and to make municipal infrastructure repairs throughout the West Bank and Gaza.

These results have been achieved, notwithstanding the on-going violence, because of the dedication and commitment of our contractors, grantees and Palestinian partners, and with the full support and cooperation of the Government of Israel. Through creative mechanisms, which I will describe below, we have maintained adequate oversight to ensure that US taxpayer resources are well spent and support the foreign policy goals of the Administration.

Having provided general background on the USAID program, let me now address the specific issues covered by this hearing related to Palestinian education and other issues related to the promotion of peace and moderation.

Education: Palestinians put a very high priority on education for children. USAID does not work specifically on curriculum development or textbooks. We do fund significant training programs for teachers and students, which help students deal in alternative ways with trauma and anger. Our "psycho-social" training project has reached over 32,000 students between the ages of 6 and 18 and their teachers. Activities under this project, which is implemented by Save the Children, include play and art activities for children, geared towards helping them deal with the tension of the situation on the ground, and group discussions with parents and teachers. This program is implemented throughout the West Bank and Gaza, including such urban centers as Jenin, Ramallah, and Gaza City. The project is also active in rural areas. We also improve the learning environment by building and repairing classrooms, libraries, and labs. The 800 classrooms that USAID has remodeled and rebuilt provide improved learning environments for children. Among other things, these new classrooms provide the opportunity for girls to go to school in areas that they previously were unable to because of space limitations.

In addition, our NGO support project, TAMKEEN, implemented by U.S. contractor CHEMONICS, has awarded some grants related to education. One NGO in Gaza supports university students' work on issues of democratic practice, including peer mediation and conflict resolution. Another NGO has provided extremely high quality civic education to thousands of people (mostly high school students) throughout the West Bank and Gaza. Our Moderate Voices program has awarded NGOs to work with teachers, Ministry of Education, and school administrators on a peace curriculum integrated with the regular school curriculum. It has also supported an initiative with high school students promoting democratic dialogue, attitudes, and skills, and an ongoing project in the Gaza Strip to enrich and emphasize democratic and human rights oriented values in the standard curriculum. Also in Gaza, a peer mediation and conflict resolution program conducted in UNWRA schools disseminates desired values and identifies and training peer leaders to act as mediators in conflict situations.

One part of the the Wye-funded People to People program, being implemented by Professor Dan Bar-On of Ben Gurion University and Dr. Sami Adwan of Bethlehem University, works with Palestinian Ministry of Education and Israeli public school teachers on developing a curriculum that recognizes the views, values, narrative, and humanity of the each side in the conflict.

Media - Since 1998 USAID has been prohibited from supporting the Palestinian Broadcasting Company. Still, through activities in our democracy and governance portfolio, we have funded various media programs produced by the independent television and radio stations and prepared for daily newspapers that provide outlets for voices of moderation and peace. For example, our "Moderate Voices" NGO project has funded the development and broadcasting of a popular soap opera series, which examine the daily conflicts inherent to Palestinian life, including, but not entirely focused on the interface with Israel and Israelis. Our flagship civil society support project, TAMKEEN, provides grants to Palestinian NGOs for media programs that provide voice to marginalized groups, including women and the disabled, and recently convened a workshop for eight media broadcasting outlets and teaching institutes to improve professionalism and competency. Lastly, our legislative assistance program has included a televised series regarding the role of women in the Council and in politics, televised proceedings of the Council and widely broadcast town hall meeting events with Council members. Through these programs and others, we have helped Palestinian media outlets provide information about democratic processes and facilitated debate among democratic actors.

In a situation like the West Bank and Gaza, there is always a concern that U.S. assistance dollars may be diverted from their intended purposes and inadvertently be used to foment hatred or violence, in educational programs or in some other way. To counter this possibility, USAID has instituted a number of safeguards in our programs. I would like to describe briefly two such safeguards: our system of vetting program partners, and our system of program oversight.

Vetting: The Mission is well aware of the dangers associated with providing assistance to terrorist organizations or those who are affiliated with such organizations. Consequently, beginning in November 2001, the Mission implemented a program whereby Palestinian grantees and contractors must be vetted by the U.S. Country Team. This applies to all contracts in excess of \$100,000 and to all grants regardless of dollar value. In each case, the organization and its key personnel are reviewed to determine whether they are engaged in terrorist activity. Also, individuals applying for scholarships or to participate in USAID funded training programs are similarly vetted. To date, the Mission has vetted more than 1000 Palestinian organizations and individuals.

Oversight - To oversee the USAID Mission's large portfolio, project managers and contracting officers at Mission headquarters and local staff work closely together, even when travel restrictions preclude face-to-face meetings. The Mission's staff includes three engineers residing in Gaza and another three in the West Bank, ensuring visits to construction sites during periods when U.S. staff are unable to enter the West Bank and Gaza.

The Mission also utilizes information communications technology to ensure effective oversight. Telecommuting is common-place for staff unable to travel to Tel Aviv on a regular basis, and video-conferencing is used to maintain contacts between project officers in Tel Aviv and contractors/grantees with offices in Ramallah or Gaza. Our

engineers often make use of digital photography to help keep the home office suitably informed of construction project progress.

The Mission has pioneered a GIS-based performance monitoring system under which project information data are entered by project managers. This system allows almost immediate retrieval of data on any given activity. The system has been implemented for the Mission's largest strategic objective and will soon be applied to all the others.

The Mission conducts portfolio reviews several times a year, and publishes a report detailing the status of each activity twice a year. In addition to periodic audits, the Mission, with congressional encouragement, has developed a robust risk assessment strategy. All Mission institutional contracts and grants - approximately 100 - are audited on an annual basis by local accounting firms under the guidance and direction of USAID's Inspector General. Preliminary findings on the first 10 auditable units appear to indicate that except for some questioned costs, general compliance and internal controls appear to be adequate.

Mr. Chairman: Once again, I appreciate the opportunity to testify today and the interest of this Subcommittee in the work of the U.S Agency for international development. We believe our stewardship of the U.S. foreign aid program in West Bank and Gaza has been a force for peace, and not for war; a force for moderation, and not for conflict. I welcome the Subcommittee's questions on our programs and oversight mechanisms.