

CONGRESSIONAL TESTIMONY

AMERICA'S BROKEN FOREIGN AID APPARATUS

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My name is Max Primorac. I am a Senior Research Fellow at the Margaret Thatcher Center for Freedom at The Heritage Foundation. I held several senior positions at the U.S. Agency for International Development and U.S. Department of State. The views I express in this testimony are my own and should not be construed as representing any official position of The Heritage Foundation.

Introduction

The U.S. government has spent hundreds of billions of dollars on foreign aid to support our national security objectives around the world. Our foreign aid apparatus was launched during the Cold War to curb the appeal and spread of communism. During the post-Cold War, foreign aid helped integrate former Warsaw Pact allies of Moscow into Euro-Atlantic structures, countries that would later join us in the fight against Islamic terrorism. The United States has rescued tens of millions of people from natural disasters, epidemics, and ravages of war. I have witnessed many of these achievements as an NGO practitioner, State Department official, US government contractor, think tank policy leader, and senior official at the U.S. Agency for International Development. I have worked in and on crises in Central America and the Caribbean, Balkans, Eastern Europe, Middle East, Sahel, and Central Asia.

Unfortunately, foreign aid budgets have grown so large that our federal agencies can no longer fulfill their management and oversight duties to prevent waste, fraud, and abuse of taxpayer funds. A powerful and politicized aid industrial complex lobbies Congress to achieve two self-serving goals – secure ever larger foreign aid budgets and stymie aid transparency and accountability. Today, we are spending more on foreign aid than ever before, yet the world is poorer, more unstable and corrupt, less well governed, and increasingly beholden to our adversaries. The Trump administration addressed these challenges by adopting a strategy to end the need for foreign aid by focusing on increasing trade and investment relationships over aid dependency. Many reforms instituted have since been undone by the Biden administration. Worse, the sector has been taken over by a fringe group of radicals unrepresentative of America, who undercut the effectiveness of our aid programs, and damage the

American brand overseas to the benefit of Communist China, Putin's Russia, Iran and its proxies, and other global actors that mean to do us harm.

Below I outline the importance of foreign aid in combating threatening efforts by Communist China to impose its totalitarian model on the world. I review why our foreign aid system is too broken and corrupt to fulfill its critical mission. I then offer a set of suggestions on how we can restore our foreign aid instruments into effective tools of soft power to better confront this era of great power competition.

The China Challenge

Through its trillion-dollar infrastructure-centered Belt and Road Initiative, China's Communist Party-controlled banks and enterprises issue loans and investments throughout the developing world. Beijing leverages these financial transactions to strengthen its global political influence, isolate Taiwan, monopolize control over rare earth minerals and critical supply chains, and gain port access for its expanding navy to project military power worldwide. According to the Center for Naval Analysis, in the past 20 years, China has provided Africa with over \$170 billion in loans, credits, and grants, mostly for infrastructure¹ while U.S. Government efforts to support similar projects are mired in bureaucratic regulations. Similarly, throughout Latin America and Asia, China has become the dominant trade and investment partner.

The Trump administration built a robust counter-China architecture to provide developing countries a clear choice between a model of economic growth based on freedom, prosperity, and sovereignty as opposed to China's model based on predatory financing, corruption, substandard labor and environmental practices, repression, and subordination to Beijing's political diktats.² The U.S. International Development Finance Corporation (DFC) and the U.S. Agency for International Development (USAID) coordinated their respective efforts to tap into the West's massive capital markets to meet the infrastructure needs of the global south while decreasing our reliance on failing grant-based development programs. Importantly, we strengthened our partnerships with low-cost, high-impact local faith-based organizations instead of with high-cost, low-impact contractors and international organizations. Given the outsized development importance of Churches in the delivery of critical social services in poor countries, we made international religious freedom a core pillar of our development approach.³

This administration has dispensed with much of that architecture. Instead, it has teamed up with foundations that partner with Communist China such as the Bezos Earth Fund.⁴ Good governance

¹ Tim Ditter, Pamela G. Faber, Tsuu-Kai Tsae, Kaia Haney, and Benjamin DeThomas, "PRC Lending in Africa: Impacts in a Time of Global Shocks." *The Center for Naval Analysis*. December 2023.

<https://www.cna.org/reports/2024/03/PRC-Activities-in-Africa-Lending-and-Debt-Distress.pdf>.

² "USAID 2017-2021: The Journey to Self-Reliance," edited by John M. Roberts and Max Primorac. *The Heritage Foundation Special Report* No. 249. November 18, 2021.

³ Max Primorac, "Agency for International Development," Chapter 9 in *Mandate for Leadership: the Conservative Promise* (pages 255-256). Project 2025: Presidential Transition Project." *The Heritage Foundation*, April 23, 2023. https://thf.media.s3.amazonaws.com/project2025/2025_MandateForLeadership_FULL.pdf.

⁴ Max Primorac, "Why Is the Biden Administration Partnering With a Chinese Proxy to Help Africa?" *The Heritage Foundation*, Issue Brief No. 5270. May 31, 2022. <https://www.heritage.org/sites/default/files/2022-05/IB5270.pdf>. See also Schmad and Philip Lenczycki, "Liberal Foundations Poured Tens of Millions of Dollars Into Influential Environmental Org Tied to Chinese Government," in *Daily Caller*, January 12, 2024. <https://dailycaller.com/2024/01/12/liberal-foundations-poured-tens-of-millions-of-dollars-into-influential-environmental-org-tied-to-chinese-government/>.

practices have been replaced by ideologically driven political agendas, such as diversity, equity and inclusion, transgenderism, and climate alarmism. Together, these policies have undercut the effectiveness of our economic tools of soft power and enabled China and other malign actors to strengthen their strategic position in the global south.

Radicalization of Foreign Aid

Like elsewhere in the federal government, progressive extremists have taken over the foreign aid industry that could once boast of strong bipartisan support. That bipartisanship has evaporated. Our foreign aid agencies, and the industry it finances, have lost all semblance of nonpartisanship, creating hostile work environments for those who do not subscribe to their political ideology, negatively infecting agency hiring and promotion criteria, and driving away professional talent we need to counter our adversaries. Worse, foreign aid has become a global platform to transmit a radical cultural agenda to poor countries in violation of their beliefs, even conditioning desperately needed assistance on compliance. This approach is building anti-American sentiment with national security consequences.

An example of the radicalization of our aid is USAID's \$45 million, five-year program to promote "human rights, social justice, democracy, and inclusive development around the world" based on the social movement theories of an Italian Marxist professor.⁵ Far from defending democracy overseas, this and other such programs undermine it, giving sustenance to anti-American forces that would otherwise wither on the vine for lack of domestic support. Our government's democracy promotion programs that once advocated for natural-based rights, election integrity, civil society, independent media, and economic freedom have become disfigured to support a global network of radical NGOs that seek to undermine U.S. interests and adopt positions espoused by our adversaries, such as support for Palestinian terrorist group Hamas.

Political extremism has permeated the aid bureaucracy. At USAID, an entire edifice of racial, sexual and gender ideological requirements have been imposed. Diversity, Equity, and Inclusion (DEI) committees have been established "in all Bureaus, Offices, and [overseas] missions." USAID has created "an agency-wide dashboard and DEI scorecard for all bureaus, offices and missions" to track staff compliance with the Administration's DEI directives.⁶ The State Department has expended \$77 million over the past two years to build its DEI platforms and it plans to expend another \$83 million this fiscal year. Representative Mike McCaul, Chairman of the House Foreign Affairs Committee, recently described how DEI is enforced when he said "Now, foreign and civil service officers must pledge allegiance [to the DEI agenda] or else risk not being promoted."⁷

⁵ Max Primorac and James M. Roberts, "Congress Must Stop Biden's Misuse of U.S. Foreign Aid to Impose His Radical Social Agenda on the World." *The Heritage Foundation Backgrounder*, No. 3706. May 10, 2022. <https://www.heritage.org/sites/default/files/2022-05/BG3706.pdf>. See also USAID Press Release: "USAID Announces \$45 Million to Support Efforts Advocating Human Rights, Social Justice, Democracy, and Inclusive Development," October 16, 2023. <https://www.usaid.gov/news-information/press-releases/oct-16-2023-usaid-announces-45-million-support-efforts-advancing-human-rights-social-justice-democracy-and-inclusive-development>.

⁶ Ibid.

⁷ Spencer Lindquist, "State Department Forces to Disclose Multi-Million Dollar Cost of Biden's Diversity Agenda," in *dailycaller.com*. March 14, 2023. <https://www.dailywire.com/news/exclusive-state-department-forced-to-disclose-multi-million-dollar-cost-of-bidens-diversity-agenda>.

In fact, all policies and programs must be vetted through DEI politics. Former colleagues still working in the government have told me how they are forced to list their “pronouns” as a public display of DEI commitment and follow these political edicts or be passed over for performance awards and career advancement. Some have been forced out of public service altogether. The fight for fairness – a noble and necessary objective – has been turned into a political cudgel to enforce ideological conformity. It is anti-democratic, distracts from the good management of our foreign aid portfolio, and undermines our national security interests.

Such aggressive ideological conformity may be codified in a new rule proposed by the U.S. Department of State under the Orwellian title “Nondiscrimination in Foreign Aid”⁸ that will require faith-based organizations to accept new categories of sexual identity in their work, categories that violate their core religious tenets. Not only does this rule discriminate against people of faith, but it will also dissuade them from working with U.S. federal agencies on a wide range of issues. Such an outcome would upend our global aid delivery systems in countries where Churches are the principal providers of social services. Conversely, it would increase our reliance on the aid industrial complex.

The foreign aid implementing community is no better. After leaving USAID, the head of one international development association told me that “the biggest contractors got together to commit to not hire former Trump administration officials...the humanitarian organizations were the most strident.” The foreign aid industry has purged those failing to adhere to this toxic ideology. The Society for International Development, an association of professional development experts, promotes a DEI agenda to advance those that “self-identify as Black, Indigenous, and People of Color (BIPOC), women, genderqueer, nonbinary, LGBTQIA+, people with disabilities, *and those from formerly or currently colonized countries.*” InterAction is a global alliance of humanitarian aid providers, such as the American Red Cross, CARE USA, Catholic Relief Services and World Vision. Its DEI Compact states that anti-Blackness is “rooted in white supremacy,” and refers to a “white gaze” that “places people of color against a model of whiteness.”⁹ DEI policies pervade the aid industry, signaling to people of faith, conservatives, even political moderates – most of America – that they need not apply.

Recently, a researcher successfully sued the US government-funded Center for Global Development for discrimination after she was fired for tweeting that transgender women cannot change their biological sex, a statement of fact but one that violated industry orthodoxy.¹⁰ Few, however, will go to the expense, pain, and professional risk of confronting such systemic discrimination and so they will either keep quiet, resign, or avoid seeking a career in the sector to our detriment. As a result, freedom of speech, even free thought, is being prohibited, while recruitment and retention of talent is curbed.

The resulting sector’s skewed political sociology is staggering. My former colleague at USAID Tim

⁸ “Department of State Acquisition Regulation: Nondiscrimination in Foreign Assistance, A Proposed Rule by the State Department on 01/19/2024.” *The Federal Registry, National Archives*. [Federal Registry: Department of State Acquisition Regulation: Nondiscrimination in Foreign Assistance](https://www.federalregister.gov/documents/2024/01/19/2024-01-19-department-of-state-acquisition-regulation-nondiscrimination-in-foreign-assistance).

⁹ Tim Meisburger, “False Aid: Why Congress Must End Funding of the InterAction Nonprofit.” *The Heritage Foundation Backgrounder* No. 5326. August 17, 2023. <https://www.heritage.org/sites/default/files/2023-08/IB5326.pdf>.

¹⁰ Haroon Siddique, “Maya Forstater was discriminated against over gender-critical beliefs, tribunal rules.” *The Guardian*. 6 July 2022. <https://www.theguardian.com/society/2022/jul/06/maya-forstater-was-discriminated-against-over-gender-critical-beliefs-tribunal-rules>.

Meisburger has meticulously researched the disturbing impact that taxpayer funded partisanship within the foreign aid industrial complex has had on our domestic elections. Using data pulled from the Federal Elections Commission website, Meisburger found gross disparities in political contributions from employees in the U.S. Department of State and USAID, with 93 and 97 percent of political contributions directed to Democratic Party causes respectively.¹¹

Reviewing political donations from the top partners of the U.S. Government's President's Emergency Plan for AIDS Relief (PEPFAR), a \$7 billion per year global health program, Meisburger found similar disparities with over 97 percent of political donations from its implementing partners directed to the Democratic Party.¹² Similarly, the top USAID contractors, recipients of billions of dollars in taxpayer-funds, give nearly 100 percent of political donations directed to Democratic Party causes. Of the top 17 grantees and partners of USAID's Office of Democracy, Human Rights and Governance, 14 saw 100 percent of their political donations during the 2019-20 election cycle directed to Democratic Party causes with only one (the International Republican Institute) under 90 percent.

Tim concludes: "The politicization of foreign assistance also damages U.S. foreign policy [as] U.S. assistance is increasingly tied to social and political "reforms" that aid beneficiaries view as neocolonial and oppressive. This policy risks driving nations into the arms of China and Russia, which impose no such conditions on their bilateral relationships."

The political corruption of our foreign aid system also threatens our own democracy. Not only are federally funded jobs being determined by political litmus tests, but billions of taxpayer dollars are being improperly leveraged to provide one political party a powerful and media savvy stable of issue advocates and campaign financing during elections at the expense of other parties. That must end.

From Global Health to Abortion Stealth

In a June 6th letter to the U.S. Congress last year, 127 African parliamentarians, religious leaders, and health and education experts from fifteen countries praised Congressional leaders for the "millions of African peoples [that] have benefitted from PEPFAR...that has allowed our countries to prevent and treat HIV/AIDS and reduce the scourge of this disease." PEPFAR (President's Emergency Plan for AIDS Relief) has saved millions of lives and built substantial goodwill throughout Africa. However, these African leaders asked Congress to "respect our values...on protecting and preserving life" suspicious that "this funding is supporting so-called family planning and reproductive health principles and practices, including abortion, that violate our core beliefs concerning life, family, and religion."¹³

Empowering African communities by designing programs collaboratively has been the calling card of the foreign aid sector. It is the right approach to take, especially if we are to assist them in their journey to self-reliance, end the indignity of aid dependency, and cut the costs of delivering aid during a period of severe budget constraints. But this pro-life message from African leaders is not welcomed by the aid establishment. PEPFAR, and other U.S. government global health programs -- that cost us \$10

¹¹ Tim Meisburger, "Political Discrimination Threatens U.S. Foreign Assistance," *The Heritage Foundation Backgrounder* No. 3781. August 15, 2023. <https://www.heritage.org/sites/default/files/2023-08/BG3781.pdf>.

¹² Tim Meisburger, "Reassessing America's \$30 billion Global AIDS Relief Plan." *The Heritage Foundation Backgrounder* No. 3765. May 1, 2023. <https://www.heritage.org/sites/default/files/2023-05/BG3765.pdf>.

¹³ Lisa Correnti, "African Leaders Ask Congress to Cease Abortion Funding in HIV/AIDS Program," *The Center for Family and Human Rights (C-FAM)*, June 8, 2023. https://c-fam.org/friday_fax/african-leaders-ask-congress-to-cess-abortion-funding-in-hiv-aids-programs/.

billion annually -- have become beholden to the administration's aggressive pro-abortion agenda.¹⁴ The American body politic is deeply divided over this issue. Moreover, most of the countries where we provide aid are steadfastly pro-life. PEPFAR is an example of how aid programs, propped by an army of aid industry lobbyists on Capitol Hill, never end and become entitlement programs, irrespective of the development distortions they create. For PEPFAR, an emergency program now in its 21st year, its higher-paying salaries have drawn away scarce African medical talent to do AIDS work, leaving maternal and other health sectors in shambles.

The administration's obsession with abortion ("sexual and reproductive health") ignores the need to focus our global efforts on family-centered health. Families are the core constituent of any society and the most effective way to treat endemic health crises in these countries is to build their resilience against external stress. Family centered support, including directing more resources to pregnancy centers, will achieve better long-term health results, strengthen the stability of vulnerable communities, and lead to more productive and self-reliant citizens.

Green Agenda for the Rich and China

Nothing has undercut foreign aid's objective of reducing poverty, mitigating hunger, and pulling the developing world into the community of democratic-capitalist states more than the green agenda. Climate activists do not dispute this causal relationship but see the remedy as "more aid."

President Biden's decision to "put the climate crisis at the center of U.S. foreign policy and national security" followed by USAID's self-declaration as "a climate agency" sounded the death knell for prospects of building prosperity for the world's poorest countries.¹⁵ The administration's aggressive and radical climate agenda has been incorporated into all foreign aid initiatives. The DFC, designed to catalyze large-scale private sector responses to Communist China's Belt and Road Initiative, refuses to finance oil and gas projects. The administration vetoed the Inter-American Development Bank's consideration of Guyana's request for a loan to develop its massive oil and gas reserves, passing on a near-shore strategic opportunity to strengthen the Western hemisphere's energy security and giving Chinese state-owned energy companies an opening near America's shores.¹⁶

This anti-fossil fuel agenda has hit the developing world hard, leading to spikes in energy prices that force poor countries to divert scarce foreign exchange earnings on their development priorities. This is a deliberate development of underdevelopment. The ensuing inflation, which has upended domestic politics in the West, has been devastating for countries where millions of people spend a higher proportion of their low incomes to purchase food. Food yields have shrunk as farmers in the global south can no longer afford the high costs of natural-gas-derived fertilizers. Developing countries naturally endowed with fossil fuel resources that could provide their citizens with clean, cheap fuel and finance social services in health, education, clean water, and basic infrastructure, are directed not to do so. Commercial banks and international financial institutions deny financing to develop their

¹⁴ Office of Congressman Chris Smith [R-NJ] Press Release, "House Passes one-year critical PEPFAR extension with strong protections for unborn children and their mothers," September 10, 2023.

<https://chris-smith.house.gov/news/documentsingle.aspx?DocumentID=411699>.

¹⁵ Max Primorac, "Biden's Climate Agenda Destabilizing Latin America." *The Washington Times*, July 12, 2022.

<https://www.washingtontimes.com/news/2022/jul/12/bidens-climate-agenda-destabilizes-latin-america/>.

¹⁶ Office of U.S. Senator Pete Ricketts Press Release, "Ricketts Questions Biden's Short-Sighted Refusal to Back Oil and Gas Projects, Opens Door for CCP." March 31, 2023. <https://www.ricketts.senate.gov/news/press-releases/ricketts-questions-bidens-short-sighted-refusal-to-back-oil-gas-projects-opening-door-for-ccp/>.

fossil fuel industries, sacrificing the future of millions of Africans, Latin Americans, and Asians on the altar of net zero carbon emissions.¹⁷

Pressures from bilateral donors and multilateral financial institutions to go green are destabilizing the world. Joining the climate craze, Sri Lanka banned chemical fertilizers absent replacement strategies to maintain high crop yields, resulting in widespread hunger, political instability, and the collapse of the government. USAID, whose green policies contributed to the crisis responded to it with another \$40 million in food assistance.¹⁸ South Africa depends on coal-powered energy for most of its power needs. The sub-Saharan country would need over \$26 billion in foreign aid to fully transition from coal.¹⁹ Encouraged by the White House, Colombia, one of Latin America's major oil exporters, has ceased issuing permits for future fossil fuel investment, sparking economic decline, drops in national revenue, capital flight, immiseration, higher cartel violence, and emigration to the United States.

The green energy agenda is incompatible with efforts to counter Communist China's growing influence in the global south. Indeed, Beijing is the main benefactor of these climate programs as our aid agencies promote dependency on Chinese renewable energy technologies, courtesy of the U.S. taxpayer. We are literally financing Beijing's global expansion. It is a gross misallocation of our resources when USAID's own data shows that climate-related deaths from droughts, floods, and fires saw a 97 percent drop over the past century.²⁰

Diversion of Humanitarian Assistance to Bad Actors

For decades the United States has responded to global catastrophes through large-scale emergency humanitarian responses, saving millions of lives. But whereas natural disasters, such as earthquakes, hurricanes, floods, disease outbreaks once constituted most of our humanitarian responses, today our humanitarian attention is mostly directed towards man-made crises that demand ever-increasing amounts of food and nonfood aid that endures for years.

Following Hamas' genocidal attack on the Israeli people last October, the American public became aware how our decades-long humanitarian support to the Palestinian people has become a permanent inter-generational entitlement program. The United Nations Relief and Works Agency (UNRWA), the main conduit for billions in U.S. aid, has come under severe criticism for employing Hamas attackers and sympathizers, and allowing taxpayer funding to be diverted to support a terrorist infrastructure that facilitated the brutal October 7th slaughter.²¹

¹⁷ Yemi Osinbajo, "The Divestment Delusion: Why Banning Fossil Fuel Investment Would Crush Africa." *Foreign Affairs*. August 31, 2021. <https://www.foreignaffairs.com/articles/africa/2021-08-31/divestment-delusion>.

¹⁸ U.S. Agency for International Development News Release, "Administrator Samantha Power Announces Additional \$40 Million to Sri Lanka to Help Farmers Purchase Fertilizer and Other Vital Agricultural Inputs." September 10, 2022. <https://www.usaid.gov/news-information/press-releases/sep-10-2022-united-states-providing-additional-40-million-sri-lanka>.

¹⁹ Alexandra Wexler and Gabrielle Steinhausen, "South Africa Can't Afford to Quit Coal. Will Rich Countries Pay for the Transition?" *The Wall Street Journal*. November 11, 2011. <https://www.wsj.com/articles/south-africa-cant-afford-to-quit-coal-will-rich-countries-pay-for-the-transition-11636643299>.

²⁰ Bjorn Lomborg, "We're Safer From Climate Disaster Than Ever Before." *The Wall Street Journal*, November 3, 2021. <https://www.wsj.com/articles/climate-activists-disasters-fire-storms-deaths-change-cop26-glasgow-global-warming-11635973538>.

²¹ Victoria Coates and Brett Schaefer, "Joe Biden's Sham UNRWA Funding Freeze," in *The National Interest*. February 7, 2024. <https://nationalinterest.org/feature/joe-biden%E2%80%99s-sham-unrwa-funding-freeze-209177>.

But misuse and diversion of U.S. humanitarian assistance is not limited to Gaza. It has unfortunately been a constant in U.S. humanitarian aid programs. Diversion of U.S. assistance is widespread and systematic, financing terrorist organizations, endless wars, criminal regimes, government corruption, and the permanent immiseration of millions.

The Special Inspector General for Afghanistan Reconstruction has testified before Congress that U.S. humanitarian aid is financing and consolidating Taliban control. Recent SIGAR reports document how USAID continues to fail to comply with its vetting requirements and cannot account for \$3 billion in cash disbursements made through the United Nations.²² In Afghanistan, we have no Embassy officials on the ground to oversight how and where our aid is distributed. During my term as a contractor in Afghanistan, a USAID program officer addressed my concerns about aid theft with “if we lose 20% of our aid to get the other 80% gets in, that is a good deal.” That is illegal, immoral, and a bad deal for the U.S. taxpayer. That permissive attitude has permeated deeply throughout the humanitarian aid industry worldwide.

For years Houthi rebels in Yemen have routinely attacked our regional allies and more recently international shipping lanes. Yet, billions in U.S. humanitarian aid have flowed to areas under their control despite USAID’s own commissioned report revealing that little emergency aid reaches those most in need, with only 26 percent surveyed saying they received aid, indicating that much aid is being seized by the rebels.²³ Diversion has consolidated the Houthi’s grip on power in the country and it is fueling a war economy that is “enriching an entrenched militant elite who monopolize the distribution of aid and use food and supplies as political capital.”²⁴ The Trump administration had cut aid to Yemen, but this administration renewed it despite clear evidence of its damaging impact.

Syria has received over \$15 billion in mostly humanitarian aid since civil war broke out in 2012. The murderous dictatorship of Bashar al-Assad skims half of donor assistance through inflated exchange rates, diversion of food baskets to his military units, and procurement arrangements with regime contractors.²⁵ A quarter of U.N. procurement funding in Syria “were sourced from individuals sanctioned by the U.S., U.K., and E.U.”²⁶ Inspector General investigations have revealed “complex fraud schemes affecting the quality and effectiveness of humanitarian assistance delivered to refugee

²² Special Inspector General for Afghanistan Reconstruction. “Cash Shipments to Afghanistan: The UN Has Purchased and Transported More than \$2.9 Billion to Afghanistan to Implement Humanitarian Assistance.” SIGAR-24-12 Evaluation Report. January 2024. <https://www.sigar.mil/pdf/evaluations/SIGAR-24-12-IP.pdf> and Special Inspector General for Afghanistan Reconstruction, “Implementing Partner Vetting in Afghanistan: The USAID Mission to Afghanistan Complied with Vetting Requirements but USAID’s Bureau for Humanitarian Assistance Did Not. SIGAR-24-11 Audit Report. January 2024. <https://www.sigar.mil/pdf/audits/SIGAR-24-11-AR.pdf>.

²³ Paul Harvey, Abby Stoddard, Monica Czwarno, and Meriah-Jo Breckenridge, “Humanitarian Access SCORE Report: Yemen,” *Humanitarian Outcomes*. March 2022. https://www.humanitarianoutcomes.org/SCORE_Yemen_March_2022.

²⁴ Asher Orkaby, “Benefitting from the Misery of Others,” in the *Middle East Research and Information Project*. May 2026, 2021. <https://merip.org/2021/05/benefitting-from-the-misery-of-others/>.

²⁵ Natasha Hall and Karam Shaar, “How the Assad Regime Systematically Diverts Tens of Millions in Aid,” Center for Strategic and International Studies. October 20, 2021. <https://www.csis.org/analysis/how-assad-regime-systematically-diverts-tens-millions-aid>.

²⁶ “The Troubling Reality Behind the UN’s Procurement Contracts in Syria,” *Middle East Institute Webinar*, October 25, 2022. <https://www.mei.edu/events/troubling-reality-behind-uns-procurement-contracts-syria>.

camps.²⁷ International NGOs have been fined by the U.S. Department of Justice for aid diversion yet continues to be funded by the U.S. Government.²⁸ Worse, by taking on the social sector obligations of the Syrian regime we are indirectly financing Russia's and Iran's power projection in the Middle East.

Meanwhile, the impact on these countries' ability to feed themselves has been devastating. Yemen was once the breadbasket of the Arabian Peninsula. It now depends on foreign aid to feed itself. A recent report claims that two-thirds of Yemenis need humanitarian support, or over 21 million people, despite spending \$15 billion.²⁹ In Syria, where the conflict ended years ago, 14.6 million people need assistance and are more dependent on aid than ever before."³⁰ Once these large-scale humanitarian responses begin, they never end and they prop up regimes that threaten the national security of the United States and its allies.

Today, Haiti is not only a failed state but a failed society, threatening the U.S. with yet another massive migration crisis. In 2020, I was tasked by Agency leadership to visit Haiti and analyze why, after the country had received billions of dollars in U.S. aid, it remained among the poorest countries in the world. I asked a local entrepreneur why Haitian farmers could not produce enough food and feed the country. His dry response was "it's hard to compete against free food." The country continues to receive tens of millions of dollars in food aid.³¹ In sum, the more humanitarian aid we disburse the more it is needed as we destroy the ability of local farmers to produce food locally.

To stop this nonsense, Congress must stop jamming billions of dollars more in emergency aid that our federal officials cannot manage, our embassies cannot oversee, that undercuts local food production, finances war economies, and consolidates the power of regimes that mean to do us harm.

Improving the Effectiveness of our Foreign Aid:

Cut the International Affairs Budget: Congress must make deep cuts in the international affairs budget. Federal aid agencies lack the staff, oversight ability, and talent to ensure good stewardship of current levels of funding. It has spawned a self-dealing industry that is corrupting our political system. Cutting the budget reflects the reality of America's unsustainable debt levels. Our European allies such as the United Kingdom, Germany, France, are already making deep cuts to their aid budgets.

It is time that Congress cut humanitarian aid outlays where most appropriated funds are spent on overhead rates, logistics and security, and diversion to bad actors. Redirecting emergency aid through

²⁷ USAID, OIG, "Weaknesses in Oversight of USAID's Syria Response Point to the Need for Enhanced Management of Fraud Risks in Humanitarian Assistance," Audit Report 8-000-21-001-P. March 4, 2021. <https://oig.usaid.gov/node/4625>.

²⁸ U.S. Attorney's Office, District of Columbia Press Release, "The International Rescue Committee ("IRC") Agrees to Pay \$6.9 Million to Settle Allegations That It Performed Procurement Fraud by Engaging in Collusive Behavior and Misconduct on Programs Funded by the U.S. Agency for International Development." <https://www.justice.gov/usao-dc/pr/international-rescue-committee-irc-agrees-pay-69-million-settle-allegations-it-performed>.

²⁹ U.N. Office for the Coordination of Humanitarian Assistance, "Overview of Humanitarian Assistance Response in Yemen." <https://www.unocha.org/yemen>.

³⁰ International Federation of Red Cross and Red Crescent Societies Press Release, "Syria Remains in Crisis – the world, and donors, must not turn away now." 10 May 2022. <https://www.ifrc.org/press-release/syria-remains-crisis-world-and-donors-must-not-turn-away-now>.

³¹ See <https://www.foreignassistance.gov/cd/haiti/> for a yearly breakdown of foreign assistance to Haiti.

local organizations, such as local Churches, can cut costs by half and produce better results. Where we lack the ability to prevent diversion, we must reevaluate the wisdom of continuing these programs. We must end funding to the UNWRA, corrupt international organizations, and NGOs that commit procurement fraud. Similarly, the global health budget has become an endless entitlement program. Beneficiary countries must take an increasing financial stake in these programs which should be eventually closed out. It makes no sense, for example, to provide South Africa, a member of the G-20 of wealthy countries, nearly one billion dollars a year in aid.

Greater Transparency and Accountability: The Trump administration directed the aid bureaucracy to publicize all awards and subawards but was met with resistance. Congress should require full award disclosure before authorizing more aid. Transparency must extend to obtaining and reducing the high overhead charges of contractors and grantees.³² A recent government audit found that “despite managing over \$142.5 billion in awards, [USAID’s NCRA team] did not have a system in place to collect or analyze indirect cost rate data.” opening gaping holes for abuse.³³ Contractors deeply oppose transparency of their indirect costs. Public scrutiny will incentivize implementers to cut their cuts.

End Green Programs: Defunding the climate agenda will have the most positive impact on alleviating global poverty and set many countries back on a path to wealth creation, self-reliance, political stability, and new alliances against China. It would end the absurdity of forcing countries to rely on Communist China for technology and deny them the sovereign right to exploit their own natural resources. Climate adaptation and market-driven energy transition are valid; policies based on climate alarmism are not. Relatedly, our aid agencies must cease funding entities that work closely with the Chinese regime.

Deradicalize Aid. Nothing does more to erode public support for foreign aid than using aid as a global platform to promote divisive political and social agendas. Congress should direct the Government Accounting Office (GAO) to investigate systemic hiring and promotion discrimination throughout the foreign aid industry. It should assess the negative impact that DEI programs are having on talent recruitment and retention.

End the Crackdown on Faith-Based Partners: The Biden administration has proved the most antagonistic towards faith-based organizations that are the backbone of global assistance delivery systems, viewing them as political obstacles to their radical social agenda rather than as able partners. For example, the aid bureaucracy has been resolute in refusing to provide technical support to Churches confronting the onslaught of jihadist extremists in northern Nigeria.³⁴ USAID Administrator Samantha Power had set a goal for USAID to fund 30 percent of all contracts and grants to local

³² House Foreign Affairs Committee Press Release. “McCaul, Ernst Fight for Accountability in Foreign Aid at USAID.” April 25, 2023. <https://foreignaffairs.house.gov/press-release/mccaul-ernst-fight-for-accountability-in-foreign-aid-at-usaid/>.

³³ Elissa Miolena, “USAID overhead policies criticized by government watchdog.” *Devex.com*, February 27, 2024. <https://www.devex.com/news/usaids-overhead-policies-criticized-by-government-watchdog-107078>. See also USAID-OIG. “Negotiated Indirect Cost Rate Agreements: Opportunities Exist to Improve Procurement Data Management,” Audit Report 3-000-24-001-U. January 26, 2024. [Negotiated Indirect Cost Rate Agreements: Opportunities Exist to Improve Processes and Data Management \(usaid.gov\)](https://www.usaid.gov/press-releases/2024/01/26/negotiated-indirect-cost-rate-agreements-opportunities-exist-to-improve-processes-and-data-management).

³⁴ House Foreign Affairs Committee Press Release. “McCaul, Huizenga, James Demand Answers from State Department Over Christian Deaths in Nigeria.” January 12, 2024. <https://foreignaffairs.house.gov/press-release/mccaul-huizenga-james-demand-answers-from-state-department-over-christian-deaths-in-nigeria/>.

implementers. Yet this goal is unachievable without the participation of faith-based partners. Congress must renew its statutory protections for faith-based organizations – both American and overseas – against requirements forcing them to violate their religious tenets.

Term Limit All Programs: As practiced, there are few incentives for aid agencies and the aid industry to “work themselves out of a job.” Aid dependency undercuts the sovereign stability of the countries we support. All development programs that have existed for over five years must be reevaluated for effectiveness and if not effective terminated. New programs should be limited to five years with a clear close-out strategy and measurable annual metrics of progress during the program’s term. If those metrics are unmet, the program should also be ended. For humanitarian responses, we must press governments to reintegrate their refugee and displaced populations once conflict has subsided.

From Traditional Development to Trade and Investment. Our traditional foreign aid programs are no longer effective in alleviating global poverty, nor do they help us confront China’s global threat. Congress should amend the Build Act to bolster the U.S. International Development Finance Corporation as a counter-China financial instrument of soft power. The Millenium Challenge Corporation, which rewards good governance reformers and prepares countries for attracting foreign investment and increasing trade, needs to expand its remit. Engagement with America’s unmatched private sector is what the developing world wants. This approach will more effectively bind the global south to the United States and its allies. It is what will end the need for foreign aid.

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