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**THE TSUNAMI TRAGEDY: HOW THE US IS RESPONDING
AND PROVIDING RELIEF**

WRITTEN TESTIMONY FOR THE RECORD BY

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House International Relations Committee

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Mr. Chairman, Congressman Lantos, and Members of the Committee, thank you for the opportunity for Oxfam America to submit written testimony for the record. We appreciate your interest in gathering a variety of perspectives on the important issues of how the US is responding and providing relief in the wake of the terrible tsunami tragedy.

Oxfam America is an international development and relief agency committed to developing lasting solutions to poverty, hunger, and social justice. We are part of a confederation of 12 Oxfam organizations working together in more than 100 countries around the globe with an annual budget over \$400 million dollars.

In response to the tsunami, Oxfam has assisted over 300,000 people across the disaster zone: in Indonesia, Oxfam and UNICEF have been appointed the lead providers of clean water in Banda Aceh; in India, we are assisting 60,000 people by digging latrines, repairing water sources, and providing temporary shelter; in Sri Lanka, we have also been appointed as the lead organization in the north, providing clean water and sanitation to over 100,000 people. We also have programs and are providing assistance in Thailand, Maldives, Andaman and Nicobar Islands, and Somalia.

The US Response

The United States government, local charities, and the American public have responded to the tsunami with unprecedented promises of aid and donations demonstrating our country's compassion and generosity.

It is now one month after the tsunami, and more than one million people living in the Indian Ocean region remain displaced. The death toll is over 175,000 and could still increase unless the humanitarian response reaches all those in need with appropriate and effective life-saving assistance.

It is important to remember that beyond the immediate threats to life, nearly two million people may face the threat of living in poverty unless the massive reconstruction effort of the next few months and years specifically aims to reduce poverty.

Appropriate and life-saving assistance

Key to an effective response to this crisis is the quality of aid, not just the quantity. National governments with the support of the UN need to implement processes immediately to accredit international agencies and ensure their work is suited to their experience in terms of scope and duration. Information needed for effective planning must be assembled and made available to all national and international actors as soon as possible. Currently, there is a danger that many organizations are planning their work with insufficient information and knowledge of where the real needs may be.

Some governments like Sri Lanka are initiating processes at the national level to rationalize and coordinate the aid delivery process from the national level down through the district level. This is something NGOs should strengthen and support. At the local level, it is imperative that communities be engaged in the planning process for the intermediate and longer term rehabilitation process and that participation not be sacrificed to expediency. People should be given choices and agencies should insist on local consultation.

Beneficiaries of aid must not be limited to those living on the coast. In reality, the tsunami is having impacts on the livelihoods of families from surrounding communities whose family members worked along the coast or in other cases persons who delivered produce from interior communities to the coast. Given the amount of funding available, agencies should think broadly about the application of funds looking at rebuilding of livelihoods in all affected communities, and in so doing avoid creating or exacerbating regional inequities.

Civil society organizations in some of the countries affected lack the management capacity to absorb a massive influx of aid funds. Therefore, aid agencies must avoid overtaxing a fragile system, overfunding irresponsibly, and hiring away key staff from the national NGO sector. Rather, it might be more prudent to recruit highly trained

national expatriate professionals to return to their country on a fixed contract basis to work on intermediate and long-term development projects.

Bilaterals must avoid overfunding private contractors for projects that NGOs are already undertaking. Bilateral monies would best be spent on large infrastructural improvement, business investment, tourism, manufacturing, and permanent housing projects—areas that are not within the competency of international or local NGOs.

Agencies should stick to their core competencies and not reinvent their missions simply because the money is available. The bulk of the funding needs are for long-term rebuilding, not short-term relief. The relief phase will be coming to a close soon, and work is shifting toward the intermediate recovery and rehabilitation phase.

Quality standards must not be sacrificed in the rush to expend money and secure a position in the recovery process. Agencies must guarantee adherence to internationally recognized standards of humanitarian response, such as the “Sphere Humanitarian Charter and Minimum Standards for Disaster Relief” and the International Committee of the Red Cross Code of Conduct for Disaster Relief.

Humanitarian aid must be distributed on the basis of impartial assessments, according to the fundamental humanitarian principles of humanity and neutrality. Special attention should be paid to the needs of minority groups, indigenous people, members of opposition groups, and low-caste people affected by the tsunami, ensuring that they receive aid without discrimination. Others—including children, women in vulnerable situations, and migrant workers—who often miss out when aid is distributed, must not be excluded.

Despite the tsunami, lasting peace in Aceh and Sri Lanka remains elusive. All parties should guarantee safe, continued access for UN agencies, and international and national NGOs, who are contributing to immediate humanitarian relief, rehabilitation, and reconstruction work. Both governments and all warring parties should ensure the end to violence and commit to negotiating a long-term settlement to Aceh’s conflict. Sri Lanka’s displaced people need their leaders, on all sides, to show the same commitment to ensure that life after the tsunami is not the same as before. In the near future, displaced people will want to return to rebuild their homes and livelihoods. They must be given a genuine choice: to return home with the necessary support—or to remain in the camps for as long as necessary.

Efforts should be made to promote a highly transparent process of investment and delivery of all aid. Donors should consider what mechanisms might be put in place to assure transparency and accountability at all levels. With the volume of aid available, countries have the potential to not only recover from this tragedy but to put their population on a solid course toward sustainable development and the achievement of all the Millennium Development Goals. Every effort should be made to assure that the high volume of funds coming in are not wasted on a range of duplicative activities that have

little long-term merit but rather are invested in solid programs with long-term sustainable potential.

Reconstruct Livelihoods, Not Poverty

Reconstruction must do more than recreate the poverty that existed before the tsunami. It must aim for ‘reconstruction plus’, specifically focusing on poverty reduction, environmental sustainability, and reducing vulnerability to future disasters. Implementing this principle does not have to wait until the emergency response is over. Employing affected people immediately in building shelters and in other humanitarian work can also help them to rebuild their own livelihoods. Such cash-for-work programs are already planned in Indonesia, and should be urgently considered in Sri Lanka and other affected countries. Good-quality humanitarian work and the beginnings of ‘reconstruction plus’ should go hand in hand. That imperative is not yet recognized in the UN Flash Appeal, which sets aside only 1.4 per cent of its total budget, for example, for rebuilding agriculture and fishing.

The livelihoods of fisherfolk, small-scale farmers, artisans, and others have all been devastated by the tsunami. Reconstruction plans must support the recovery of affected sectors and, as with humanitarian aid, scrupulously avoid discrimination. Most of the affected coastlines were home to poor fishing communities and indigenous settlements whose legal title to ownership of their land is unclear. They should be allowed to rebuild their lives where they have lived in the past. In Sri Lanka and the Maldives particularly, many poor people depend on tourism. Governments, the local business community, and tour operators should work to ensure that tourism recovers as swiftly as possible.

Donor governments must swiftly fund these strategies—quickly enough to avoid another problem: the gap between the short ‘emergency phase’ and the under-funded ‘reconstruction phase.’ Twelve months after the earthquake that struck the Iranian city of Bam in December 2003, only five per cent of the planned new houses had been built. According to its Governor, Ali-Mohamad Rafizadeh, speaking on January 11, 2005, his town had so far received only \$55 million of the \$120 million that had been promised when international attention had focused on the disaster a year before.

The international response to the tsunami disaster must therefore be swift and sustained over at least five years. As with humanitarian aid, pledges for reconstruction should be honored as needs are enormous. According the Government of Sri Lanka, they will need almost \$3 billion for reconstruction alone. Although more than \$4 billion has been promised by donors for reconstruction, will these promises mean more than previous massive promises of aid in Iran, Mozambique and Central America? Governments should publish clear timetables, showing when they will distribute their aid. Aid should be given as grants, not loans, and not tied to benefit commercial companies in donor countries—a common feature of international assistance that substantially reduces the amount of money available for the real benefit of poor people.

Equally important, aid provided in response to the tsunami should be genuinely new money, not recycled from previous commitments nor taken from budgets that would otherwise be spent on humanitarian or development aid elsewhere in the world.

Debt Relief

Debt relief for some of the tsunami-affected countries could potentially release billions of dollars for reconstruction. This should be a vital priority, provided that all proceeds from that relief are spent on 'reconstruction plus' and for the reduction of poverty.

When the Paris Club of creditors met in Paris on January 12, 2005, they offered to freeze debt repayments from tsunami-affected countries. Sri Lanka, Indonesia, and the Seychelles indicated that they would take advantage of this offer, the terms of which should now be negotiated with each of them.

But the Paris Club failed to go beyond agreeing to a temporary suspension of debt repayments. The members should commission an urgent assessment to determine what level of debt repayments is now sustainable, after the tsunami, for each of the indebted countries. Any debt above that sustainable level should be cancelled as long as the proceeds are spent on 'reconstruction plus' and to reduce poverty. Such cancellations should be negotiated between each affected government and its creditors.

Trade Barriers

In order to ensure that the people in the countries that were affected by the tsunami can begin the process of reconstructing their lives and economies, the US should reduce textile and apparel tariffs for those countries. According to calculations from the US International Trade Commission, in 2003 alone, the US levied \$244.31 million in duties on imports of textiles and clothing from Sri Lanka, where clothing exports account for more than half all export earnings. The clothing sector employs 450,000 workers, 85 percent of whom are women. In the same year, the US also earned \$426.39 million in duties on imports of textiles and clothing from Indonesia, which suffered the worst loss of life in the disaster. The Maldives is among the world's poorest countries, and it, along with other poor exporting countries such as Bangladesh and Cambodia, depends heavily upon textiles and apparel manufacturing for export earnings.

Before the earthquake and tsunami struck on December 26th, Sri Lanka, the Maldives, and Indonesia were already facing the threat of significant job losses due to major restructuring within the global textile and clothing industry. To help alleviate the colossal economic burden these countries now face, the US should join in similar efforts by the European Union by granting immediate preferential market access to these affected countries. Immediate market access opportunities in the form of tariff preferences should be extended to all the least developed countries in the South and Southeast Asia region, because this region has yet to benefit from duty-free market access preferences for textiles and clothing, such as those enjoyed by most sub-Saharan African countries and beneficiaries of the Caribbean Basin and Trade Partnership Act.

Conclusion

In the face of this terrible tragedy, we commend the United States for its leadership and hope that you will consider these thoughts to ensure a comprehensive and effective response for the millions of people who are victims of this catastrophe. Thank you again for this chance to share Oxfam's perspectives.