

STATEMENT

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Renewing the Commitment to Victims of Human Trafficking
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Good morning. I'd like to thank Chairman Leahy, Senator Grassley, and all the members of the Committee for the opportunity to testify today. I am Ambassador Lou de Baca. As President Obama's Ambassador-at-Large to Combat Human Trafficking, I direct the State Department's Office to Monitor and Combat Trafficking in Persons (G/TIP) and I am responsible for leading our efforts in the global fight against modern slavery.

In addition to the production of the annual *Trafficking in Persons Report* and a range of direct diplomatic and public engagement on human trafficking issues, one of the primary responsibilities of our office is the administration of foreign assistance funds for international anti-trafficking programs.

Our grantees operate in all regions of the world and are advancing all three Ps of the 3P Paradigm—prevention, prosecution, and protection—that guide our efforts to fight modern slavery here at home and around the world. That means the work of our grantees runs the gamut of anti-trafficking efforts, whether victim protection and rehabilitation, training for prosecutors and law enforcement officials, or prevention efforts, including partnerships with civil society and the private sector, that look to address this crime and curb demand before it takes place. These efforts are closely linked to the mandates and purposes laid out in the Trafficking Victims Protection Act (TVPA) and its subsequent reauthorizations. The provisions in the TVPA help to prioritize the allocation of our anti-trafficking funds.

Because the three Ps function as an interlocking paradigm, no single P stands alone. For example, it is not enough to prosecute traffickers if we do not also provide assistance to the survivors and work to ensure that no one else is victimized. Thus, many of G/TIP's projects are cross-cutting in their approach to combating trafficking, and we place a particular emphasis on programs that address victim protection. Ninety percent of projects we have funded last year include a protection component and 61 percent provide direct services for victims. Just over half of the projects build capacity of local law enforcement and prosecutors to apprehend and prosecute traffickers; victim protection is a critical component of these projects as well because justice for the most vulnerable begins with a robust victim-centered approach. More than 90 percent of prevention

programs include victim protection activities. Fifty-nine percent of all protection programs include activities to increase prosecutions and convictions, and nearly three quarters of projects focus on both labor and sex trafficking to ensure a comprehensive response to all forms of trafficking.

As I hope to demonstrate today, the programs we help fund are successful, but our foreign assistance budget is modest relative to the global scale of the crime of trafficking in persons. Our final foreign assistance appropriation for this fiscal year was \$16.2 million. While we put every penny of that sum to good use, that total stands in stark contrast to a crime exploiting as many as 27 million victims worldwide.

My testimony will demonstrate that the appropriation for our international programs is money well spent, both in terms of the transparency of our grant selection process and in terms of the effectiveness of these funds in advancing U.S. foreign policy.

A good starting point is to explain how we decide to spend our foreign assistance funds. Responsible administration of foreign assistance funds is a top priority for our office. That's why we've implemented a rigorous, transparent, and competitive application process for our grants.

Our foreign assistance and programming priorities are strategically linked to the country-specific tier rankings and diagnostic assessments included in the annual TIP Report. To maximize our limited funding, we identify priority countries for funding each year. We generally target our foreign assistance to Tier 3, Tier 2 Watch List, and, in some cases, Tier 2 countries, where governments have the political will to improve the response to trafficking but lack the economic resources to address the problem. In addition to targeting Tier 3, Tier 2 Watch List, and selected Tier 2 countries, we also consider a country's financial resources and need for technical support, political will to address trafficking in persons, and other funding that may be already used to address trafficking in the country.

At the start of the process, our office posts information about funding priorities and the availability of funds for anti-trafficking projects on our website. We convene a half-day bidders' conference for potential applicants, which in the past has been attended by nearly 150 representatives of NGOs, universities, and international organizations, among others. For those not able to attend the conference, we publish the material presented on our website.

We solicit proposals via www.grantsolutions.gov and www.grants.gov, the portals for U.S. government grants, and through a global call for proposals through U.S. embassies abroad. Solicitations conducted via www.grantsolutions.gov and www.grants.gov involve applicants submitting their proposals through the systems managed by OMB and HHS. The global call for proposals is a partnership between U.S. embassies and G/TIP, as we ask U.S. embassies to inform organizations working on trafficking how proposals may be submitted to G/TIP.

Grant proposals that are submitted to G/TIP in response to solicitations for bilateral or regional projects are reviewed for technical requirements. Proposals that meet the minimum technical standards (English language, figures in U.S. dollars, and published page limits) are forwarded to U.S. embassies for review by the TIP country team, which may include the political officer, USAID, and other relevant offices. The country team reviews applications and provides feedback to the Department on proposals for bilateral projects that are submitted to G/TIP.

Proposals are then subjected to a competitive interagency regional review panel that provides an opportunity for input from representatives of G/TIP; the relevant Regional Bureau; other offices within the Department that fund anti-trafficking programs; the USAID regional representative; and, as appropriate, other U.S. government agencies.

G/TIP anti-trafficking projects are primarily funded as grants, cooperative agreements, or Interagency Agreements and managed by the G/TIP Grants Officer and International Programs Officers. However, some projects are awarded at State Department posts abroad if G/TIP and post determine that this would facilitate more effective management of the project.

The selection of proposals for funding is based on program priorities and requirements conveyed in the solicitation for proposals. In an ongoing effort to improve the design and effectiveness of anti-trafficking projects, in FY07, G/TIP began to explicitly require applicants to clearly articulate goals and objectives, activities to support each objective, as well as indicators to measure success. The FY07 revised solicitation format was recognized as a model for other offices within the Department.

To further improve the competitive process, in FY10, our office initiated a two-stage grant application process that streamlined the application for organizations seeking funding and reduced the U.S. government resources required to review hundreds of 30-page proposals, while preserving fairness and transparency. In the first stage applicants submit a two-page proposal or concept note and following the review described, selected applicants are invited to submit a full proposal for competitive review.

The required proposal elements stated in solicitations constitute the basis for evaluating proposals. Each panel recommends to me proposals for funding. The results of the review panels are compiled for my review and consideration. I select proposals that best reflect the programming needs for the specific country as identified in the *TIP Report*, as well as global and regional program needs. Following review and approval of recommended projects by the Director of Foreign Assistance, all projects are sent for Congressional Notification. Abstracts of recommended proposals are distributed to the members of the Senior Policy Operating Group (SPOG) for a final review and comment. The review process is thorough and transparent, involving numerous partners within the State Department and across government, and of course concluding with Congressional consultation. Such diligence is necessary given the demand for our international program funding. In the last two years, the Office received 998 applications requesting a total of \$547 million.

In recent years, G/TIP has taken several steps to shorten the time from proposal submission to project award, including hiring more program officers (from five in 2009 to nine in 2011) and establishing the grants officer and budget officer positions within G/TIP. In contrast to previous years, almost all of foreign assistance funds were obligated in 2010 and we expect the same this year.

Our thorough pre-award review process is necessarily coupled with effective monitoring and evaluation of international programs. The program and grant officers within the Department have monitored anti-trafficking grant projects to provide technical assistance to grantees and to ensure that project goals and objectives are implemented; that Federal grant funds are expended consistent with the provisions of pertinent statutes, regulations, agency administrative requirements; and, that Federal funds are used responsibly.

Grantees are required to submit program progress and financial reports throughout the project period and final reports within 90 days of the end of the project.

The U.S. embassy officers are partners in program monitoring. G/TIP notifies the appropriate officer at post when a new grant is awarded; the guidance from G/TIP provides key project information and recommends procedures for embassy participation in monitoring which are subject to embassy staffing and workloads. When G/TIP Program Officers conduct site visits they use a standardized format for review of administrative and programmatic aspects of the project and the TIP point of contact at the embassy accompanies the officer on the site visit, if available. This practice facilitates close collaboration between the post and G/TIP and strengthens follow-on monitoring by posts.

We take great care in ensuring that we are responsible custodians of the taxpayers' money, and I believe G/TIP has succeeded in our efforts to make the administration of our programs funding as transparent and accountable as possible. But the true success story here is the programs themselves. Whether in Cote D'Ivoire, where Prosperite is providing basic shelter and services to young girls; or in Thailand, where TRAFCORD has coordinated a series of successful rescues of labor and sex trafficking victims and serves as a model in the region; or in Mexico, where Casa Alianza is working to increase the identification of TIP victims among highly vulnerable street children; or in India where projects demonstrate best practices in raising awareness of government services for freed bonded laborers and aftercare following their release; or in Ghana where a U.S. expert provided technical assistance to local prosecutors leading to a path-breaking conviction, the first of its kind in a forced child labor case, the true success of our programs is the results we are seeing.

The sad reality is that without the modest funding G/TIP is able to provide, many of the projects we support would have to close their doors. That would mean more than just the end of a victim identification initiative or the shuttering of a shelter for survivors. In

many instances, it would mean the end of all such services in that country. That must not be the mark of our foreign policy.

The President and Secretary Clinton have made the effort to combat modern slavery a priority because it is in our strategic interest to combat modern slavery. Human trafficking thrives in places where vulnerable populations slip through the cracks and live without the protection of law. The places where we support anti-trafficking programs are the places where we need to show that the United States will stand up for those who cannot stand up for themselves.

But fighting slavery is more than good foreign policy. It's part of who we are as a nation. We cannot walk away from that responsibility here at home or in our conduct around the world.

I thank you again for the opportunity to testify today. We look forward to working with you further to provide information or answer questions that would provide additional clarity or background.