
Remarks by Adolfo Franco, USAID Assistant Administrator for Latin America & the Caribbean

The Private Sector's Role in Disaster & Development Assistance

**America's Relief Team
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Introduction

Ambassador Cobb, Dr. Babún, ladies and gentleman, it is my pleasure to be here today to speak with you about USAID's disaster assistance to the Caribbean Basin as well as the tremendous value the private sector can add to relief and reconstruction efforts in the region.

I would like to address two points this afternoon:

- How USAID responds to disasters; and
- The role of the private sector in disaster response and reconstruction assistance.

Last year, an unprecedented 13 hurricanes successively battered countries in the Caribbean Basin. Five of those—along with Tropical Storm Stan—were particularly deadly, devastating parts of Mexico, Central America and several Caribbean islands. By November 2005, more than 800 people had lost their lives and a half million individuals had been displaced.

The region sustained more than a billion dollars in damages, affecting homes, clinics, and schools. Livelihoods were severely interrupted as the storms created major setbacks in agriculture and transportation systems. Fortunately, the U.S. government's experience with previous disasters in the region—like Hurricanes Mitch and Georges in 1998 and a major earthquake in El Salvador in 2001—resulted in the development of critical measures that reduced the amount of time needed to respond quickly and effectively during last year's incredibly active hurricane season.

Equally as important, the private sector and nongovernmental organizations have increasingly embraced a call to action that grows stronger every year. That is why, again, I'm pleased to join you today.

I. USAID Disaster Relief to the Caribbean Basin

First, I would like to begin by taking a brief look at USAID's role in disaster relief and reconstruction in the Caribbean Basin over the past several years.

In 1998, Hurricanes Georges and Mitch devastated the Caribbean and Central America. Hurricane Mitch is reported to have caused up to 10,000 deaths, affected an estimated three and a half million people, and destroyed nearly 100,000 homes. In response to Hurricanes Georges and Mitch, the U.S. Government invested \$563 million in USAID relief alone, and over \$1 billion in overall recovery and reconstruction efforts.

In 2001, catastrophic earthquakes decimated large parts of El Salvador. USAID responded by initiating a three-year \$170 million reconstruction program that focused on the rural poor by restoring basic community infrastructure and reinvigorating the local economy—accomplished with the mandate of "Building Back Better." In partnership with the Salvadoran Government, USAID constructed more than 26,000 homes, built or rebuilt nearly 70 schools and childcare centers as well as five major public health centers. The program helped Salvadoran Micro-, Small-, and Medium-scale enterprises to increase exports by more than seven million dollars.

The battery of hurricanes that hit the region last year affected 10 countries. Hardest hit was Guatemala—Tropical Storm Stan was responsible for the death of 669 people and damaged or destroyed 35,000 homes when it swept through the country last October.

Upon a formal disaster declaration from the U.S. Ambassador, the USAID Office of Foreign Disaster Assistance (OFDA) springs into action, supplying food, water, shelter and health care while coordinating closely with the U.S. Embassies and USAID Missions.

The U.S. military also participates in disaster relief. On October 10, General Craddock, head of the military's Southern Command, visited Guatemala and committed to keep nine U.S. military helicopters working on emergency relief activities, to bring in transport planes and more equipment, and to continue search and rescue efforts. The U.S. Department of Defense donated 120,000 gallons of jet fuel to the Guatemalan Air Force for disaster response operations. SOUTHCOM deployed nearly 140 personnel and delivered more than 600,000 pounds of critical supplies and equipment to 50 affected areas of the country.

While OFDA meets the immediate needs of affected areas, the Latin America and Caribbean Bureau prepares to provide longer-term recovery and reconstruction assistance. As part of the reconstruction program in the most affected areas of Guatemala—San Marcos and Solola—USAID will strengthen local government responsiveness, promote rural economic growth and safeguard public health. Activities will include assisting municipal leaders to plan and implement reconstruction programs, increasing rural income and economic assistance for affected families, and rebuilding water and sanitation facilities.

To date, the U.S. Government has invested nearly \$34 million in disaster relief efforts for those countries affected by last year's hurricanes.

II. USAID Welcomes Partners in Relief Efforts

USAID welcomes and encourages partners to join in relief, recovery and reconstruction efforts. In January 2005 USAID started a multi-million-dollar activity to fund public-private alliances to greatly increase access to basic health, nutrition and education services in Guatemala. Established in January 2005, Alianzas represents a USAID commitment of \$9 million dollars that is leveraging a contribution of more than \$12 million from the private sector. The combined total of nearly \$22 million will provide basic health, nutrition and education assistance to the country. To date, the program has produced 38 public-private alliances.

By the time Tropical Storm Stan swept into Guatemala, Alianzas was already well-positioned to help coordinate a quick and impressive response by the private sector and the Guatemalan government for storm-ravaged communities. USAID authorized the program to direct one million dollars in its portfolio to disaster relief for projects focused on clean water, rehabilitation of wells, and disease prevention and management. The corporate sector there is expected to contribute another \$2 million.

Thirty years ago, 70 percent of the development resources the United States sent to the developing world were from official assistance funds—only 30 percent were private. Today, 85 percent of resources from the United States to the developing world are private—15 percent are public. This immense shift reveals the emergence of the private and non-governmental sectors as considerable and welcome participants in the development process.

Through the Global Development Alliance (GDA), USAID mobilizes the ideas, efforts and resources of governments, businesses and civil society by forging public-private alliances that stimulate economic

growth, develop businesses, address health and environmental issues, and expand access to education and technology.

An innovative example of the U.S. Government and the private sector partnering to raise awareness and resources to help hurricane survivors rebuild their lives and communities is the Central America and Mexico Hurricane Relief Fund. Under the leadership of executives from Sun Trust Bank, Deere and Company, American Electric Power, and PepsiCo, the Fund focuses on education for displaced children, microfinance, infrastructure and reconstruction to help those affected by the storms in Central America and Southern Mexico.

In early December of 2005, Karen Hughes, U.S. Under Secretary of State for Public Diplomacy and Public Affairs, traveled to Guatemala with two of the business leaders from the Central America and Mexico Hurricane Relief Fund to meet with and offer support to hurricane victims. While there, Ambassador Hughes stressed the essential relationship that exists between the U.S. Government and the private sector, saying "One of the very unique things about America is that we do not rely on Government to do everything alone. Our government works in partnership...Our military came in and helped and our private sector, our private citizens also want to help."

With support from USAID and the State Department, the private sector Hurricane Relief Fund has partnered with the non-profit organization Global Impact to manage fundraising and disbursement activities. The Fund has a goal of raising \$5 million and has already pledged approximately \$3 million, with a large portion intended for a reforestation and conservation project.

III. Conclusion

Speaking from the White House on January 13, 2006, President Bush urged private donors to contribute to hurricane relief efforts for Guatemala and Honduras, saying, "Ours is a nation that when we see human suffering, we respond, and we responded at the governmental level because we had our military help provide infrastructure and logistics and get supplies to people who were hurting. We helped through USAID. And now it's time for the private sector in our country to step up and support the efforts of those Guatemalans struggling to get their lives back together." I am proud of the response of John Deere, Pepsi, Sun Trust Bank, American Electric Power and others to the President's call to arms by the private sector.

For many years, USAID has led disaster relief and reconstruction efforts in cooperation with other U.S. Government agencies, NGOs, and the private sector to overcome huge logistical and institutional obstacles. GDA programs and U.S. Government-facilitated endeavors like the Central America and Mexico Hurricane Relief Fund are also meeting the challenges that developing countries face head-on, helping people rebuild their lives and communities.

Americas Relief Team partners, I commend your dedication to providing and distributing rapid relief to disaster victims in the Americas. I encourage you now to take your immense resources and capabilities a step further-to play an even more critical role in helping with the longer-term reconstruction efforts that follow nearly every natural disaster.

President Bush and USAID continue to emphasize that an essential component of disaster response is the continuation of assistance after immediate humanitarian needs have been met. You have already helped forge a network of knowledge, technology and cooperation. I hope you will all take that next stride in helping to cement the enduring spirit of friendship between the United States and other countries of this hemisphere.