An Overhaul of America’s Foreign Assistance Programs Is Long Overdue

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Abstract

America’s foreign and security challenges today are vastly different from what they were during the Cold War. The broad goals of U.S. assistance programs have long been to assist people in crises, enhance market opportunities for American products and investments by catalyzing economic growth in developing countries, and promote U.S. national security and foreign policy by supporting allies and countering adversaries. These are worthy goals. But like any long-term effort, U.S. foreign assistance needs periodic assessment, re-evaluation, and re-orientation to update concepts and priorities, eliminate duplication and waste, and address changing circumstances. For instance, official development assistance from Western governments used to be the primary source of investment for developing countries, but is now dwarfed by private capital flows, and this change needs to be reflected in America’s development assistance programs. Fundamental reform has languished for far too long and, as a result, many U.S. foreign aid programs are no longer fit to effectively help countries in need or to serve U.S. interests.

Although the United States provided assistance to foreign countries before World War II, the establishment and funding of large-scale foreign aid programs for security, humanitarian, and development purposes began after 1945. The broad goals of these programs were to assist people in crises, enhance market opportunities for American products and investments by catalyzing economic growth in developing countries, and promote U.S. national security and foreign policy objectives by supporting allies and countering adversaries. These are worthy goals, but, like any long-term
effort, U.S. foreign assistance needs periodic assessment, re-evaluation, and re-orientation to update concepts and priorities, eliminate duplication and waste, and address changing circumstances. This process has languished and, as a result, many U.S. foreign aid programs are not performing effectively and are in dire need of reform and restructuring.

Programs created by dozens of large and small federal departments and agencies have proliferated over the decades in response to the crisis du jour, and have remained in place due to patrons in Congress and the Washington foreign aid community—even as new ones are established to address the latest concerns. Administrations have launched initiatives that influence aid allocations during their time in office and beyond. The combined effect is that U.S. foreign aid has become diffused—scattered unevenly and thinly in an attempt to achieve an increasing number of disparate goals in an unwieldy number of countries. As a result, U.S. foreign aid is micromanaged and diffuse, lacking the coherence, flexibility, and vision necessary to be most effective.

This is not a groundbreaking observation. Albeit with differing priorities, there has been bipartisan congressional interest for many years in reforming America’s foreign assistance programs, as well as overhauling the legislation authorizing these programs.1 The motivation is clear: Although it remains the primary legislative framework for many of America’s foreign assistance programs, the world has changed greatly since the enactment of the 1961 Foreign Assistance Act (Public Law 87–195). Congress has not conducted a fundamental review and reformulation of it since the 1980s.

America’s foreign and security challenges today are vastly different than they were during the Cold War era. Official development assistance (ODA) from Western governments, which used to be the primary source of investment for developing countries, is now dwarfed by private capital flows. As observed by the congressionally mandated HELP Commission in 2007:

It is shocking that the need for foreign aid reform is so widely recognized yet so little has been done to implement lasting and vital changes. The legislation mandating the U.S. system was written more than 45 years ago and is littered with competing goals, conflicting objectives, and vague directives.... We have witnessed the steady proliferation of aid programs, accounts, instruments, and initiatives across multiple agencies and departments, but we still lack an effective mechanism to coordinate them within the U.S. Government. We also lack the means to ensure that our development assistance programs are definable, achievable, measurable and sustainable.2

The Trump Administration has signaled that it is ready to press for fundamental reforms. President Donald Trump’s nominee, Ambassador Mark Green, was recently sworn in as the 18th Administrator of the United States Agency for International Development (USAID), America’s principal foreign aid agency. He has pledged to make “hard decisions”3 to reshape USAID in particular and American foreign aid in general. As Administrator Green has said, “aid should aim to build institutions that are effective, accountable, and ultimately replace aid.”4 In other words, a successful development strategy is one that renders development assistance unnecessary.

On March 13, 2017, President Trump issued Executive Order 13781, the Comprehensive Plan for Reorganizing the Executive Branch. It requires the

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2. Helping to Enhance the Livelihood of People around the Globe, “Beyond Assistance.”
Director of the Office of Management and Budget (OMB) to propose a “plan to reorganize governmental functions and eliminate unnecessary agencies... components of agencies, and agency programs,” and mandates that heads of agencies propose a “plan to reorganize the agency, if appropriate, in order to improve the efficiency, effectiveness, and accountability of that agency.”

This report provides recommendations to assist Administrator Green, Secretary of State Rex Tillerson, and OMB Director Mick Mulvaney as they conduct their review of USAID and the State Department to prepare proposals to restructure America’s foreign assistance programs.

Elected officials have a responsibility to use American taxpayer dollars prudently and efficiently to support U.S. national interests. Although some reforms were made during the Bush and Obama Administrations, the underlying problems remain. The interest of the Trump Administration in reforming America’s foreign aid programs is an opportunity that should not be squandered. Fundamental reform is not within the sole authority of the executive branch, however, since it will require legislation to amend or replace existing laws. The Trump Administration should consult with Congress early and often to take congressional concerns and priorities into account and work jointly to reform, consolidate, and refocus U.S. foreign assistance programs to maximize their effectiveness for the future, not the past.

**U.S. Foreign Aid: Origins, Evolution, and the Need for Reform**

The history of U.S. government assistance to foreign countries stretches back to the 19th century. President Thomas Jefferson, for instance, supported “smallpox vaccinations for Indian tribes along the route of the Lewis and Clark expedition,” and Congress approved a relief fund “to address the consequences of the struggle for independence of [Domingue, now Haiti].” Assistance to enhance U.S. national security and economic interests has a similarly long pedigree. The massive investment by the United States beginning in 1904 to build the Panama Canal and facilitate a two-ocean navy could be viewed as the first large American foreign aid infrastructure project.

Herbert Hoover’s skillful management of humanitarian food aid programs in Europe during and after World War I ultimately propelled him into the White House. On a more negative note, as New York University economics professor William Easterly reports in his book *The Tyranny of Experts*, early efforts by U.S. and other Western experts in the 1920s and 1930s to help countries such as China modernize established the template for a top-down, authoritarian approach to development programs. In 1934, President Franklin D. Roosevelt created the Export–Import Bank of the United States (Ex–Im), then known as the Export–Import Bank of Washington, initially to facilitate trade with the USSR. Ex–Im was a foreign policy extension of interventionist New Deal economic policies whose aim was “to aid in financing and to facilitate exports and imports and the exchange of commodities between the United States and other Nations or the agencies or nationals thereof.”

U.S. foreign assistance programs for security, humanitarian, and development purposes burgeoned during and after World War II. These included the Lend-Lease Act of 1941, the post-war Marshall Plan through which the U.S. provided billions of dollars to help rebuild Western Europe; and the establishment of the World Bank system.

The success of the Marshall Plan encouraged the U.S. government to replicate it in various ways to advance U.S. interests. President Harry Truman created the Point Four Program in 1950 to provide assis-


tance to developing countries. It was a major component of the U.S. “containment” policy to counter the spread of communism. The goal was to deter the expansion of Soviet influence during the Cold War by promoting capitalism and creating trading partners for the U.S. through increased economic growth that would lead to higher standards of living in developing countries. Other assistance programs were established or expanded during this period. Among them were USAID precursors, such as the International Cooperation Administration, the Mutual Security Agency, and the Foreign Operations Administration. New humanitarian aid programs included the Food for Peace Program (Public Law 480) enacted under President Eisenhower in 1954.

Lack of coordination among these programs prompted President John F. Kennedy to deliver a “Special Message to the Congress on Foreign Aid” upon taking office in 1961. In it, he decried America’s foreign aid programs as “largely unsatisfactory and unsuited for our needs and for the needs of the underdeveloped world,” and noted that no objective supporter of foreign aid can be satisfied with the existing program—actually a multiplicity of programs. Bureaucratically fragmented, awkward and slow, its administration is diffused over a haphazard and irrational structure covering at least four departments and several other agencies. The program is based on a series of legislative measures and administrative procedures conceived at different times and for different purposes, many of them now obsolete, inconsistent, unduly rigid, and thus unsuited for our present needs and purposes. Its weaknesses have begun to undermine confidence in our effort both here and abroad.9

The result of this criticism was the drafting and enactment of the Foreign Assistance Act of 1961, which consolidated many of the existing foreign assistance programs, and the establishment by executive order of USAID.10

If anything, the criticisms voiced by President Kennedy 56 years ago are more relevant today. The Foreign Assistance Act of 1961 remains the legislative framework for many of America’s assistance programs. Until the 1980s, it was regularly updated and amended with new authorizing language. However, is has been decades since a comprehensive legislative reauthorization has been enacted, and major ongoing programs are routinely continued through appropriations bills. Meanwhile, various discrete pieces of legislation have been enacted in a piecemeal fashion to establish new programs and agencies, such as the President’s Emergency Plan for AIDS Relief (PEPFAR) and the Millennium Challenge Corporation (MCC). As summarized in a 2016 Brookings Institution report,

The [Foreign Assistance Act] grew from 49 pages in 1961 to 417 in 2009, and it exists alongside 38 other major foreign assistance laws.... A 1989 report of the House Committee on Foreign Affairs found 33 objectives in the Foreign Assistance Act; the 2009 Oxfam report found 140 priorities and over 400 specific directives. The FAA has not been reauthorized, i.e., updated, since 1985, when the Cold War was alive and well and communism the principal foreign boogeyman for the U.S.11

The result is that America’s foreign assistance programs today are more fragmented and diffuse than they were in 1961. The inability or unwillingness of Congress to review, revise, and reauthorize foreign assistance programs with regularity in

recent decades has further complicated the coordination, utilization, flexibility, and oversight of these programs. As the Economic Growth and Development Act (S. 1274) observes,

With 12 departments, 26 agencies, and more than 60 Federal Government offices involved in the delivery of United States foreign assistance and the promotion of United States investment overseas, it is unnecessarily difficult for United States businesses to navigate this bureaucracy in search of opportunities to partner with such United States agencies.12

Simply coordinating the actions of this vast number of assistance vehicles is challenging. Congress and various Administrations have made the task harder, however, through the imposition of hundreds of earmarks, legislated directives, and executive orders identifying overarching purposes and mandates that heavily influence day-to-day activities, priorities, and allocations of resources. For instance:

- Priorities and instructions are frequently enacted through legislation or amendments. The Foreign Assistance Act specifically notes that U.S. assistance should support “effective institutions of democratic governance.” However, rather than let the executive apply that overarching goal to the peculiarities of individual countries, Congress has passed numerous amendments or separate pieces of legislation mandating that U.S. assistance be used to promote specific aspects of that goal, such as judicial reform, election support, law enforcement, human rights, and the rule of law.13

- Annual appropriations legislation specifically allocates foreign assistance levels for Egypt, Israel, Jordan, Syria, Ukraine, and many other countries to either support U.S. allies, honor historical commitments, or address situations that concern Congress or individual legislators.

- Restrictions have also been enacted by Congress to prohibit the use of U.S. assistance to support specific activities, such as the Leahy amendment prohibiting U.S. military assistance to foreign security forces if there is evidence that they committed human rights abuses.14

- Presidents can also impose their priorities through executive orders and directives, such as President Obama’s Executive Order 13677 that required all government agencies to incorporate “climate resilience” into their development-assistance programs. His 2010 Presidential Policy Directive (PPD) on Global Development launched the Global Health Initiative (GHI), the Global Climate Change Initiative, and the Global Food Security Initiative (Feed the Future).

Some of these goals are worthy and support U.S. principles and interests, but meeting their combined requirements is very burdensome and restricts flexibility for addressing unanticipated concerns. A recent study by the Center for Strategic and International Studies (CSIS) noted that “around 97 percent of the foreign operations budget is directed toward specific projects or line items; at the country level this means country strategies are essentially meaningless and programming must be ‘backed in’ to existing budgetary line items.”15 Looking only at legislative directives, a 2009 USAID report noted that the Foreign Appropriations Act of 2005 contained 254 hard earmarks and 173 soft earmarks, representing 53.4 percent and 19.8 percent of the total funds appropriated. The number of earmarks and the total dollar volume in 2005 was the highest assessed by CRS [Congressional Research Service]

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over a seven-year period. Although it is difficult to obtain reliable current data, anecdotal evidence suggests that earmarks make up an even larger portion of the foreign assistance budget in 2008.  

In 2008, the humanitarian nongovernmental organization (NGO) Oxfam contracted with a law firm to compile an inventory of all congressional directives in U.S. foreign assistance legislation. The result was a list of 400 legislative requirements, directives, or instructions that include promoting human rights, protecting and maintaining wildlife habitats, supporting agricultural research, and improving pediatric immunization and rehydration programs, reducing unemployment, encouraging free markets, combatting terrorism, and many more. Legislation since 2008 has continued the trend. In 2016, USAID published a 31-page memo on changes in law resulting from the fiscal year (FY) 2016 appropriations that listed nearly 100 new or amended congressional instructions as well as notification, reporting, and vetting requirements.

These instructions are well-intended, but can inadvertently hinder effective use of assistance. Instructions enacted to address specific concerns remain the law long after their motivation recedes as a priority. The budget process itself involves months of deliberations and, thus, legislated instructions may be based on outdated circumstances and situations, thereby constraining flexibility to use aid to address emerging emergencies.

On the other hand, legislated instructions can be purposefully crafted to be vague, or include explicit loopholes or waivers, to allow USAID, the State Department, or other foreign assistance agencies to avoid strict adherence to the law thorough creative interpretation designed to preserve “policy flexibility” for continuing assistance even when the recipient falls short of meeting the standard set under law.

Although some of these legislative provisions are worthy, in general they infringe on the authority and discretion of the executive branch to conduct foreign policy, and impede the ability of the U.S. to allocate resources in a timely manner. Worse, these long laundry lists of earmarks, instructions, and priorities in legislation do not ensure that aid advances U.S. national interests, particularly when Congress fails to update and rationalize them regularly.

Structurally, there is considerable overlap and redundancy among aid agencies and programs. The USAID website that tracks U.S. assistance allocations notes that some 30 U.S. government agencies implement foreign assistance. The appendix to this Backgrounder, which lists these agencies (and select major assistance programs) along with a brief description, illustrates their overlapping responsibilities and missions.

For instance, the United States provides food assistance through: (1) the Public Law 480 program (appropriated through the Department of Agriculture and overseen by USAID); (2) the International Disaster Assistance account overseen by USAID; and (3) through State Department contributions to international organizations, such as the World Food Program. Similarly, the State Department’s Bureau of Population, Refugees, and Migration (PRM) funnels American foreign aid dollars to the United Nations High Commissioner for Refugees (UNHCR)—but USAID also funds refugee programs directly and indirectly. Other State Department programs also double-track USAID, such as the Office of Global Food Security, the Bureau of Conflict and Stabiliza-


tion Operations, and numerous offices in the Bureau of Democracy, Human Rights, and Labor as well as in the State Department’s regional bureaus.

This complicated structure impedes coordination and accountability. As noted by the 2001 U.S. Commission on National Security/21st Century (the Hart–Rudman Commission):

Foreign assistance is a valuable instrument of U.S. foreign policy, but its present organizational structure, too, is a bureaucratic morass. Congress has larded the Foreign Assistance Act with so many earmarks and tasks for the U.S. Agency for International Development (AID) that it lacks a coherent purpose. Responsibility today for crisis prevention and responses is dispersed in multiple AID and State bureaus, and among State’s Under Secretaries and the AID Administrator. In practice, therefore, no one is in charge.

Neither the Secretary of State nor the AID Administrator is able to coordinate these foreign assistance activities or avoid duplication among them. More important, no one is responsible for integrating these programs into broader preventive strategies or for redeploying them quickly in response to crises. The Congress, too, has no single person to hold accountable for how the monies it appropriates are spent. Moreover, the majority of AID funding is expended through contracts with nongovernmental organizations (NGOs) who often lobby Congress over various AID programs, further undermining the coherence of the nation’s assistance programs.

The report noted that a U.S. government response to a humanitarian disaster would involve several USAID and State Department bureaus, and that the ability to commit resources or direct the response would be a complex endeavor due to legislated restrictions and shared authorities. Moreover, the report noted that other government agencies, such as the Department of Defense, would not automatically know “where and how to coordinate their activities with those of the State Department.”

Trying to address these problems has led Congress to consider numerous reform proposals over the past 15 years. It has had some successes passing legislation to improve transparency and accountability, such as the Foreign Aid Transparency and Accountability Act that requires more rigorous monitoring and evaluation of foreign assistance programs. Transparency has improved, and data are now more easily available through improved websites and reporting, although utilizing that data remains challenging.

Past Administrations have also pursued reforms. For example, in 2006, former Secretary of State Condoleezza Rice asked how much State and USAID were spending on democracy programs. Due to the fragmented and confused structure of U.S. aid programs, they were unable to answer that simple question. Rice concluded that reform was necessary to ensure that appropriations for U.S. assistance are disbursed more transparently, accountably, and effectively:

The authority to allocate foreign assistance is too fragmented among multiple State Department bureaus and offices, and between State and USAID. This makes it more difficult to plan coherently and it can lead to conflicting or redundant efforts. Multiple lines of authority make accountability more elusive and impede our efforts to integrate our foreign assistance with our broader foreign policy objectives.... The current structure of America’s foreign assistance risks incoherent policies, ineffective programs, and perhaps even wasted resources. We can do better and we must do better. We must align our activities more fully across the State Department and USAID and within the State Department itself. Increasing this alignment will enable us

22. Ibid.
to be better stewards of public resources. We are dedicating record amounts of the American people’s money to our international efforts and it is incumbent upon us to spend that money responsibly and effectively.  

Secretary Rice sought to address this lack of coherence by creating at the State Department the Office of U.S. Foreign Assistance (F Bureau), staffed by USAID and the State Department and overseen by a Director of U.S. Foreign Assistance. The mission statement of “F” is to take a “holistic” approach as lead coordinator of U.S. foreign assistance. For example, by organizing, allocating, and tracking foreign aid spending according to five overarching policy objectives: Governing Justly and Democratically; Investing in People (such as health care and education); Promoting Economic Growth; Humanitarian Assistance; and Peace and Security. 

Under Secretary Rice, “F” Director Randall Tobias also served as Administrator of USAID, managed foreign assistance activities of USAID and State, and provided policy guidance to other U.S. entities providing foreign aid. In addition, Secretary Rice sought to strengthen the partnership between State and USAID through personnel exchanges and new training courses. Director Tobias also made a priority of improving transparency, cataloguing aid data, and evaluation of impact. 

The Obama Administration continued parts of this agenda, but not all. The Bush Administration’s push to centralize foreign aid coordination at the State Department to better align it with foreign policy objectives was reversed. Rather than becoming the center of coordination, the “F” bureau was marginalized as little more than a data collection unit that mostly served as a cheerleader for USAID. Content to operate only within existing statutory authorities, neither the Bush nor the Obama Administration was willing to do the heavy lifting needed to work with Congress to overhaul the underlying legislation—which was necessary to address the very inefficiencies that they desired to correct. Indeed, because the reorganization was solely an executive branch exercise, in some ways this further complicated matters by creating a second foreign assistance tracking mechanism, by purpose, while Congress continued to authorize and appropriate funding by program.

**What Does the U.S. Get for Its Aid?**

According to USAID’s Foreign Aid Explorer database, total U.S. assistance between 1946 and 2015 was nearly $2.5 trillion (in constant 2015 dollars). This is an enormous transfer of U.S. taxpayer dollars overseas. As described above, there are hundreds of “purposes” for aid in U.S. law that guide allocations. This multitude creates confusion, and analysis of the multitude is best accomplished by stepping back and looking at overarching purposes broadly categorized as (1) humanitarian assistance, (2) political and security assistance, and (3) economic assistance.

1. **Humanitarian assistance** is intended to alleviate suffering abroad, a mission consistent with the strong philanthropic and religious beliefs that have been prominent in the American character since the founding of the nation. This effort has long enjoyed broad support among the public.

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29. U.S. Department of State, “Remarks on Foreign Assistance.”


31. These three categories of assistance are funded by the annual International Affairs budget that funds the State Department, USAID, and other foreign affairs agencies. The Department of Defense budget funds a fourth category of assistance, which is linked more directly to U.S. military operations and strategic objectives.
and, unsurprisingly, the U.S. is the world’s largest provider of humanitarian assistance. Notable humanitarian assistance programs include the Food for Peace program focused on addressing short-term crises, such as famines; health initiatives, such as PEPFAR and the President’s Malaria Initiative (PMI); and contributions to international organizations, such as the World Food Program, the UNHCR, and NGOs to support refugees fleeing instability or conflict. The State Department and USAID’s Office of Foreign Disaster Assistance are the primary implementers of humanitarian assistance, but other departments and agencies have prominent programs as well.

2. **Political and security assistance** is designed to advance U.S. strategic or political policies by encouraging countries to support U.S. policies (such as votes in the United Nations32); creating goodwill through bilateral initiatives; assisting allies in addressing mutual threats (such as funding and military equipment to combat terrorism or help NATO allies meet their commitments through the European Deterrence Initiative); or maintaining important political agreements (such as U.S. aid to Israel and Egypt under the Camp David Accords). The Departments of State and Defense are the primary authorities overseeing political and security assistance, although USAID often implements individual programs.

3. **Economic and development assistance** is intended to boost economic growth and development in developing nations through projects, financing, budgetary support, and encouraging policy changes believed to be conducive to long-term growth and development. The largest implementer of economic assistance is USAID. Other major independent U.S. agencies are also involved, such as the MCC and the Overseas Private Investment Corporation (OPIC), as well as international financial institutions, such as the World Bank, and the regional multilateral development banks that receive large U.S. contributions.

It is fair to ask in what ways Americans have benefited from these programs. The answer is complex because the many purposes and vehicles for U.S. assistance make assessment a difficult task.

Perhaps the easiest assessment can be made of humanitarian aid. Although tracking data comprehensively can be challenging, making the connection between U.S. humanitarian aid and those helped by it—starving people fed, refugees housed, children immunized—is fairly straightforward. Overall, USAID, the Defense Department, and other U.S. agencies\(^{33}\) deserve high marks in this area based on the clear metrics that are available for assessing impact and success. Examples of such achievements include:

- “Food for Peace provided approximately 1.71 million metric tons (MT) of Title II food aid valued at approximately $1.8 billion to more than 41 million people in 38 countries.”\(^{34}\)

- “PEPFAR supports nearly 11.5 million people with life-saving antiretroviral treatment, a 50 percent increase since 2014 and up from the fewer than 50,000 people who were on treatment in sub-Saharan Africa when PEPFAR began. With PEPFAR support, nearly 2 million babies have been born HIV-free to pregnant women living with HIV—almost twice as many as in 2013—and their mothers are thriving to protect and nurture them.”\(^{35}\)

The linkages between political and security assistance and advancing U.S. interests can be less cut. In the case of U.S. aid to Israel and Egypt, two of the largest recipients of U.S. assistance, the purpose is clear: Bolster allies in a region of critical interest, preserve the 1979 peace agreement between the two nations, and maintain access to the strategically important Suez Canal. However, the aid is also justified by its proponents on the rather dubious grounds of promoting economic development: Israel is already well developed, and the Egyptian government is not seriously interested in economic reform.

While development aid, and political and security assistance, can be complementary, blurring the lines between the two harms the effectiveness of both. For instance, the State Department says that U.S. assistance to Pakistan is focused on energy, economic growth, community stabilization of underdeveloped areas vulnerable to violent extremism, education, and health.\(^ {36}\) These goals are indeed part of the equation, but most understand that the key motivation is strategic—Pakistan has nuclear weapons, has a population vulnerable to Islamist radicalization, and borders Afghanistan where U.S. troops continue to combat the Taliban and other Islamist extremist groups.

In cases where the U.S. does not make clear that its assistance is intended to garner support for U.S. political and security priorities, it should not be surprised when the recipients fail to make that connection.\(^ {37}\) Moreover, policymakers should not be surprised if improved economic growth rates or other

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TABLE 1
U.S. Top Provider Among NATO Countries in Assistance to Developing Countries

<table>
<thead>
<tr>
<th>MILITARY EXPENDITURES</th>
<th>OFFICIAL DEVELOPMENT ASSISTANCE</th>
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<td>Billions</td>
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<td>Albania</td>
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<tr>
<td>Belgium</td>
<td>4,218</td>
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<tr>
<td>Bulgaria</td>
<td>661</td>
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<tr>
<td>Canada</td>
<td>15,317</td>
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<tr>
<td>Croatia</td>
<td>753</td>
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<tr>
<td>Czech Republic</td>
<td>1,763</td>
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<tr>
<td>Denmark</td>
<td>3,364</td>
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<tr>
<td>Estonia</td>
<td>469</td>
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<tr>
<td>France</td>
<td>55,342</td>
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<tr>
<td>Germany</td>
<td>39,813</td>
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<tr>
<td>Greece</td>
<td>4,948</td>
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<tr>
<td>Hungary</td>
<td>1,131</td>
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<td>Iceland</td>
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<tr>
<td>Italy</td>
<td>25,295</td>
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<td>Latvia</td>
<td>283</td>
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<tr>
<td>Lithuania</td>
<td>471</td>
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<tr>
<td>Luxembourg</td>
<td>52</td>
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<tr>
<td>Montenegro</td>
<td>56</td>
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<tr>
<td>Netherlands</td>
<td>8,668</td>
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<tr>
<td>Norway</td>
<td>5,815</td>
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<tr>
<td>Poland</td>
<td>10,213</td>
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<tr>
<td>Portugal</td>
<td>3,557</td>
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<tr>
<td>Romania</td>
<td>2,581</td>
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<tr>
<td>Slovak Republic</td>
<td>986</td>
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<tr>
<td>Slovenia</td>
<td>401</td>
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<tr>
<td>Spain</td>
<td>14,937</td>
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<td>Turkey</td>
<td>15,881</td>
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<tr>
<td>United Kingdom</td>
<td>53,862</td>
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<tr>
<td>United States</td>
<td>596,010</td>
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NOTES: Figures are for 2015. Spending figures have been rounded. Spending figures are in U.S. dollars.

outcomes targeted by American foreign aid are not realized if the real purpose of that “economic” assistance was mainly to support U.S. political or security interests—regardless of how it was packaged.

The presumption evidenced by continued appropriations for development assistance is that it has been effective. There is little dispute that development-assistance programs have built roads, wells, and schools. It has provided funding for education, health care, and human rights protections. However, the larger question remains: Has this investment directly contributed to the strengthening and deepening of the institutions and the policy changes that are necessary to generate sustainable economic growth and development? Certainly, there have been development-assistance program successes, such as recipients of U.S. assistance graduating from low-income status to middle-income or high-income status as in South Korea. However, it remains difficult to claim with certainty how much of this progress was due to development assistance and how much was due to unique economic circumstances and good economic policy choices by recipient nations.

Indeed, development experts still struggle with the basic questions: Does development assistance work? If so, under what conditions? What are the best means for creating optimal conditions? Some studies point to positive relationships between development assistance and economic growth and other positive development outcomes. Other studies point to positive relationships between development assistance and economic growth and other positive development outcomes.
ies have been inconclusive.\textsuperscript{41} Still others have found a negative relationship.\textsuperscript{42} Some, such as Professor Easterly of New York University, make the case for lowering expectations about development efforts. Others, such as Dr. George Ingram of the Brookings Institution, argue that the United States is becoming increasingly effective and needs to ramp up development support.\textsuperscript{43} Unsurprisingly, an analysis of the studies finds that development experts agree primarily that the relationship is complex and difficult to prove conclusively:

Claims that aid is wholly or largely responsible for impressive improvements in human development in the past couple of decades are not credible. Indeed, it is not difficult to find examples where aid has even been detrimental to countries and communities and where there may be trade-offs in terms of positive and negative impacts. On the other hand, the claim that aid has been entirely useless is equally difficult to sustain.

All of which suggests that it is not only a question of whether aid works but under which conditions it does (or does not). Research has largely suggested (see later discussion) that the average effect of aid on growth is modest. Further, in the types of study we review results can be fragile and dependent on sample and variables used as well as method. There are good theoretical reasons to think that aid may sometimes do harm, or at least have undesirable side effects that could outweigh the good impacts.\textsuperscript{44}

The study concludes that the circumstances, composition, and levels of aid all play significant roles in aid effectiveness.

While studies may be inconclusive, there is a consensus among experts that reform of America’s aid bureaucracy is necessary. Contributing to this consensus is the reality that foreign assistance is no longer the factor that it was historically.

The Hudson Institute has done valuable work compiling data on financial flows to developing countries in its \textit{Index of Global Philanthropy and Remittances}, and has highlighted the fact that private financial flows—from charities, foundations, corporations, churches, and individuals—to developing countries now dwarf ODA.\textsuperscript{45} As former Secretary of State Hillary Clinton noted, “In the 1960s, such assistance represented 70 percent of the capital flows going into developing countries. But today, because of private sector growth and increased trade, domestic resources, remittances, and capital flows, it is just 13 percent—even as development budgets have continued to increase.”

Indeed, notwithstanding very large increases in foreign assistance under the Obama Administration, ODA comprised just 9.1 percent of U.S. financial flows


to developing countries in 2014, with the vast remainder coming from private capital flows, remittances, and private foundations and charitable organizations.

The bottom line is that it has been some time since ODA was the driving force in development finance. In all likelihood, it will be an increasingly diminishing share of the international financial resources available to developing countries in the years to come. Moreover, developing countries themselves are increasingly equipped to finance their own development. As noted in a 2017 CSIS report,

there are now significant sources of domestic resources available in many developing countries: taxes and other government revenues in developing and emerging economies totaled $7.7 trillion in 2012, more than 60 times net foreign assistance for the same year. Even in sub-Saharan Africa, domestic revenues were nearly 10 times larger than foreign assistance.47

This does not mean that all development problems will be resolved, nor does it mean that U.S. interests will not be served through assistance programs. It does mean that the traditional approach to foreign assistance must change. As USAID Administrator Mark Green says:

Private sector–led economic growth is the only sustainable solution to global poverty and our

foreign policy must embrace it as our overarching development goal. Unlike America’s competitors, we have an unrivaled ability to drive growth, with clear benefits abroad and at home. To do so we must reform and modernize our foreign assistance to incentivize growth, reduce barriers to trade and investment, and expand economic opportunity.\textsuperscript{48}

Now is an appropriate time to reorient U.S. assistance to fill gaps and purposes not covered by private resources, such as supporting U.S. policy and security interests; encouraging policy reforms to enable developing countries to access private resources; addressing health and humanitarian crises or preventing conflicts; or intervening to help countries post-conflict, or where other circumstances dissuade entry by private markets.

**An Overdue Overhaul of America’s Foreign Aid Programs**

As stewards of American taxpayer dollars, Congress and the Administration have a responsibility to ensure that foreign assistance dollars are not squandered. Too often, the debate over U.S. foreign assistance devolves into arguments over resources, rather than effectiveness. This default was apparent in the reactions to President Trump’s FY 2018 budget that proposes significant budget reductions to assistance programs.\textsuperscript{49}

While the debate over funding levels is important, it is secondary to ensuring that foreign assistance dollars are spent effectively and in support of U.S. interests. American foreign aid programs can and have advanced U.S. interests, but studies and commissions have repeatedly concluded that these programs underperform, and have called for reform to improve coordination and effectiveness. Rather than debating funding levels for an underperforming and fragmented foreign assistance effort, the priority should be to reform U.S. assistance to align programs with purpose, improve transparency, and generate the data and metrics necessary to make analysis of impact easier. Lines of authority should be clarified to ensure that those making the decisions are accountable, and are using funds in accordance with advancing the goals of that assistance.

The State Department and USAID are currently conducting an organizational review to make reform recommendations to the Office of Management and Budget in compliance with President Trump’s instruction to submit a “comprehensive plan to reorganize Executive Branch departments and agencies.”\textsuperscript{50} This report is aimed at assisting this effort by offering recommendations to reform and redesign U.S. foreign assistance to improve effectiveness and better support U.S. interests abroad. The overarching theme of the following recommendations is consolidation, flexibility, and clarity of purpose. In broad concept, these recommendations echo those made elsewhere. As noted by the Center for Global Development, “No reform process will lead to more productive oversight and fewer earmarks, more funding for development, strategic coherence, or improved effectiveness without truly teasing out which portions of our assistance are the tools of defense, diplomacy, and development.”\textsuperscript{51}

Congress and the Administration should realign U.S. assistance programs by establishing a total of four distinct programs identified by their purpose—(1) humanitarian and health assistance, (2) development assistance, (3) political assistance, and (4) military and security assistance—with a clear lead agency identified for those programs. The proliferation of U.S. foreign assistance programs must be reversed through consolidation to remove duplication and establish clear lines of responsibility and accountability. Other departments or agencies active in these efforts should be merged, cede their operations to the lead, or operate with the consent and coordination of the lead.

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**Start with USAID**

The top 20 USAID contractors usually win about 70 percent of USAID contracts every year, according to the foreign aid industry group Devex. These large contractors succeed because they have the size and experience to navigate the byzantine requirements imposed by USAID and Congress, including by employing former USAID employees to help them secure huge, one-size-fits-all, multicountry, multiyear sectoral contracts. Some of those contracts can be worth billions, as was the case with a $9.5 billion “indefinite delivery, indefinite quantity agreement, or IDIQ” contract awarded to Chemonics in 2015.

These large contracts have major advantages for USAID bureaucrats because they are easier to administer than are more numerous smaller contracts. They can also be very lucrative for the implementing contractors, as there is often limited competition for them, and establishing their market cost is difficult.

There are many drawbacks, however. For example, contracts awarded to fight specific diseases, such as HIV/AIDS, might be overly concentrated on population centers in or close to urban areas. This can allow the USAID/PEPFAR contractors to carry out the projects faster and more profitably by lowering the cost per dose delivered, but it also can cause AIDS sufferers in rural areas to be underserved.

There is evidence that faith-based NGOs, funded by private contributions, can do a better job of reaching more people with treatment. In addition, the sheer size and scope of these contracts make it harder for them to adjust to changing foreign policy needs. They tie the hands of future Administrations and constrain their ability to respond to new challenges or to refocus on other policy priorities.

Not all projects are huge; some are quite small and specialized. This can lead to different problems: difficulty in deciphering actual program costs, even in notifications to Congress; absence of long-term coherent and achievable objectives; and lack of metrics to demonstrate whether objectives have been achieved.

Recently, USAID proudly featured on its home page a program that manages to be both too big and too small in a vignette filled with photos of smiling young people participating in a youth sports program in Honduras. The program appears to be small but is funded by a big multimillion-dollar, multiyear, multicountry contract to Creative Associates International, one of the 20 largest USAID contractors. Creative Associates operates similar projects in Guatemala and El Salvador. Its website boasts that in Guatemala:

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† Ibid.
The movement’s campaigns included “90 Minutes Against Violence,” a series of three soccer matches between teams including former gang members, government officials, politicians, business leaders, community members, artists and professional soccer players. The game…was part of a campaign aimed at involving youth in making violence prevention recommendations and strategies.¹¹

Such programs may generate some short-term political and public relations benefits for the United States, but whether they offer any long-term development benefits for the countries of Central America is highly questionable. They are very similar in concept to U.S. domestic spending on midnight basketball programs, the impact of which is questionable at best.⁸

The revamped approach to future foreign aid contracts should follow the model established by the PEPFAR program: The desired strategic outcomes were established first, and procurement and program design followed them rather than being dictated by them. Robust PEPFAR engagement with host-country NGOs and civil society groups helped to ensure the buy-in, community mobilization, and local implementation support and infrastructure that ensured a successful program.

In the end, three questions must be asked about all proposed foreign aid projects:

- Are the projects achieving their objectives and in the most cost-effective manner?
- Do they adequately serve the individuals in impoverished nations for whom they are designed?
- What are the economic and national security benefits for the United States?


The executive branch must have the latitude, subject to broad legislative instruction, to allocate U.S. assistance to support U.S. interests abroad in a timely manner. This means eliminating many of the earmarks and legislative instructions enacted over the years through which Congress has imposed programmatic instructions on where and how to allocate assistance, and eschewing country-specific allocations unless there are compelling foreign policy justifications, such as supporting the Camp David Accords.

The Administration and Congress should consider the following specific recommendations:

**Replace the Foreign Assistance Act (FAA) of 1961 with new legislation establishing four assistance accounts with clear purposes and well-defined lines of authority.** Congress should draft a comprehensive foreign assistance authoriza-

zation law to modernize foreign assistance programs to align purpose with structure. Targeted programs, such as Assistance for Europe, Eurasia and Central Asia (AEECA), should be eliminated in favor of general assistance funding to State’s regional bureaus to support political objectives or development assistance allocated through the MCC. Likewise, the various health, humanitarian, and refugee assistance programs, such as PEPFAR, food assistance, and Emergency Refugee and Migration Assistance (ERMA), should be consolidated at the State Department according to purpose as offices within a newly established United States Health and Humanitarian Assistance Agency (USHHAA), which would replace USAID and be merged into the State Department and headed by a new Under Secretary of State for Foreign Assistance in the “F” Bureau.
American development assistance should be made explicitly distinct from political and security assistance by providing it solely through an expanded MCC, which would remain independent and focused on promoting economic freedom through government investments to benefit their citizens in areas such as democracy and rule of law, education and energy, human rights, and other policies to enhance good governance.

Consistent with these recommendations, U.S. assistance should be programmed and appropriated according to four overarching purposes: (1) humanitarian and health assistance, (2) development assistance, (3) political assistance, and (4) military and security assistance.

- **Humanitarian and health assistance.** The lead agency for all U.S. humanitarian and health assistance programs should be the United States Health and Humanitarian Assistance Agency. The Under Secretary of State for Foreign Assistance should have responsibility for managing all U.S. international health assistance, including child and maternal health programs, PEPFAR, PMI, and the President’s Health Initiative (PHI). Current offices within the State Department that manage these and similar programs, such as the Office of the Global AIDS Coordinator, should be shifted within the State Department to the USHHAA. USAID’s current bureaucratic structure should be revised and reoriented to fit the USHHAA’s new mission.

  Careful attention should be paid to avoid the current overly complex and duplicative bureaucratic structure whereby USAID’s “pillar” bureaus (such as global health, economic growth/education/environment, democracy/conflict/humanitarian, and food security) often duplicate the work and responsibilities of USAID’s regional and other “headquarters” bureaus. The USHHAA’s foreign aid field offices should be established within U.S. embassies only in countries where the USHHAA’s humanitarian, health, and refugee assistance efforts are concentrated. The formerly designated USAID Mission Director in the field should be re-titled Counselor of Embassy for Assistance Programs, reporting directly to the Ambassador.

  To ensure that its operations do not conflict with broader U.S. foreign policy priorities, Congress should formally and explicitly designate the USHHAA as a component agency within the Department of State, and the new Under Secretary of State for Foreign Assistance (formerly the USAID Administrator) should report to the Secretary of State through the Deputy Secretary of State. To the extent they still exist in the field, separate USHHAA information technology (IT), housing, motor pools, and administrative staff should be eliminated and brought under State Department management.

  Foreign Service Officers in the USHHAA should be designated as State Department “Assistance Cone” officers, pending a complete overhaul of the Foreign Service human resources system model to facilitate the overseas assignments of experts and contract administrators from any appropriate federal agency—or from government contractors—to implement future foreign assistance programs. Removing the constraints of the current system will permit greater scalability and increase the ability of the U.S. government to respond to crises and changes in policy priorities as they arise. The ongoing cost savings from eliminating duplicative State and USAID administrative functions in Washington and in the field will be significant.

  The Under Secretary of State for Foreign Assistance should also lead on addressing international health concerns and coordinate with the Centers for Disease Control (CDC) and the Department of Health and Human Services (HHS), as appropriate, to respond to global health threats, such as Ebola or the Zika virus. To be clear, the experts should be authorized and empowered to work and apply technical and specialized assistance, but coordination is critical to ensuring effective broader application of U.S. government resources and the USHHAA should provide that overarching guidance.
In addition, the Under Secretary of State for Foreign Assistance should assume management of all U.S. refugee assistance, whether bilateral or multilateral, and the State Department’s PRM should be eliminated and its functions and responsibilities merged into USHAA. Similarly, the role of the Department of Agriculture in food assistance should end, as should the Public Law 480 program, with its inefficient shipping and purchase requirements. The Under Secretary of State for Foreign Assistance should oversee all U.S. food assistance.

- Development assistance. As USAID Administrator Mark Green has emphasized, the goal of U.S. development assistance should be to create the circumstances whereby countries no longer need development assistance. Too often, development assistance has been allocated for other purposes, which undermines effectiveness and analysis about what works and does not in terms of advancing development. This assessment is especially important going forward because of the shrinking share that ODA will present in the international financial flows to developing countries in the future. It is critical that U.S. development assistance focus on filling gaps and not competing with or duplicating resourcing available from other sources.

Development assistance should be distinct and separate from other foreign assistance and should focus on encouraging policy changes that will allow developing countries to graduate from dependence on foreign aid and capitalize on increasingly abundant private resources and investment. This is best and most easily achieved by providing development assistance solely through the MCC, which currently exists as an independent agency focused on this exact goal.

The MCC should remain an independent agency, but its structure should be reformed to have two missions. USAID’s development assistance responsibilities should be shifted to the MCC, and the MCC should assume them with the explicit goal of encouraging low-income countries to adopt economic and governance policies that increase economic growth and private-sector investment. All of the other, smaller U.S. development assistance programs that have been created over the years and are listed in the Appendix to this report (e.g. the African Development Foundation (ADF), the Department of Labor’s Bureau of International Labor Affairs (ILAB), the Inter-American Foundation (IAF), the Overseas Private Investment Corporation (OPIC), and the United States Trade and Development Agency (USTDA)) should be eliminated or merged into the MCC.

Development assistance programs of the types that had been implemented in the past by these agencies, such as the Department of Labor’s programs to improve working conditions, raise living standards, and protect worker rights should be undertaken in the future through the MCC, with Department of Labor experts assigned on a temporary detail basis to work on MCC projects where necessary, as part of its new development operations. Similarly, if political insurance or investment financing, such as that currently provided by OPIC, is unavailable in select countries but deemed by necessary to achieve U.S. foreign policy goals, it should be provided through the MCC with the overarching purpose of encouraging policy changes to allow private-sector options to become viable in recipient countries.

The MCC should continue to stress as core principles for all U.S. foreign aid programs the accountability by recipient countries for assistance received from American taxpayers and ownership of the problems necessitating the provision of that assistance. The overarching purpose of this program, consistent with the original MCC

52. A 2016 study by The Heritage Foundation could not find clear benefits from the hundreds of relatively small foreign aid grant programs administered by the Bureau of International Labor Affairs (ILAB) in the U.S. Department of Labor, although future ILAB programs might be feasible as part of a broader development strategy.

vision, would be to put low-income countries on the path to MCC “Threshold” status and increase the number of countries eligible for traditional MCC compacts. Moreover, the MCC should explicitly and immediately graduate middle-income countries, such as Turkey and India, from further U.S. development assistance.

In addition, as the lead on development assistance, the MCC should assume primary responsibility from the Department of the Treasury for U.S. policy positions at the World Bank and the multilateral regional development banks (MDBs) with an eye toward complementarity in aid, that is, focusing U.S. assistance on areas that are less served by the MDBs and vice versa. To enhance coordination, Congress should also amend the authorizing legislation of the MCC to add the new Under Secretary of State for Foreign Assistance as a statutory member of the MCC’s board of directors.

- **Political assistance.** Not all U.S. assistance need have a humanitarian, development, or security purpose. The U.S. also benefits from generating goodwill and support for U.S. foreign policies. The existing State Department–administered Economic Support Fund (ESF) account in the International Affairs budget already serves this purpose in many ways, but would benefit from an explicit mandate. The State Department should continue to oversee this assistance, to be renamed the “Policy Goal Implementation Fund,” with the express purpose of generating goodwill and support for U.S. foreign policy and security objectives, including promoting resilient, democratic, prosperous, and secure societies around the world.

Congress should include specific guidance each year in its authorization legislation regarding high-profile recipients of aid from the Policy Goal Implementation Fund, such as Israel. Where possible, U.S. Ambassadors should have reasonable authority to disburse funds to improve the image of the U.S. and bolster the bilateral relationship. In addition, a key priority of this assistance should be to leverage support for U.S. priorities in international organizations, address regional political concerns, or provide assistance to support free and fair elections, improve human rights, or for similar goals. Moreover, the recent trend of appropriating assistance to the Department of Defense for political, security, or other foreign assistance purposes through programs such as the Commander’s Emergency Response Program (CERP) or the Afghanistan Infrastructure Fund should end, and that responsibility reverted to the State Department, the USHHA, or the MCC, as appropriate.

Critically, the U.S. Ambassador in recipient countries should have authority to guide and approve political assistance and freeze other assistance if political circumstances warrant. This would also shore up the relevance of U.S. Ambassadors with governments. Although modern communication is enormously beneficial for coordination, the reputation and authority of Ambassadors has eroded as decisions are increasingly made in Washington. There should be no question that the U.S. Ambassador is the representative of the U.S. government and has power and authority over issues that matter in the bilateral relationship.

- **Military and security assistance.** The purpose of this account should be made explicit: to support U.S. allies with training and equipment to bolster their military capabilities and address emerging, current, receding crises or conflicts that represent a threat to the U.S., its allies, or international or regional peace and security. Military and security assistance programs, regardless of whether appropriated through the International Affairs budget or in the Defense budget, should be the joint responsibility of the Departments of Defense and State. Programs under this category include International Military Education and Training (IMET); Foreign Military Financing (FMF); International Narcotics Control and Law Enforcement (INCLE); Non-Proliferation, Anti-Terrorism, Demining and Related Programs (NADR); and Peacekeeping Operations (PKO). As mentioned above, Congress should reverse the proliferation of assistance programs in the Department of Defense. In addition, funding aimed at assisting and stabilizing fragile and post-conflict states as well as crisis prevention should be appropriated within this category.
The Administration should propose, and Congress should approve, legislation to:

- **Reorganize the executive branch to align with the new foreign assistance framework.** Currently, there are several independent agencies and State Department bureaus and offices that oversee, manage, or implement foreign assistance programs and accounts that should be eliminated or shifted to the USHAA, the MCC, or the regional bureaus in the State Department. This reorganization should ensure that the budgets of all U.S. government foreign assistance programs at agencies such as Justice, the Interior, and Agriculture (see appendix), are coordinated and overseen by one of the two principal agencies—the State Department/USHAA or the MCC—with the primary responsibility for all coordination residing with the new Under Secretary of State for Foreign Assistance in the “F” Bureau.

Prominent among the other changes that should be implemented to make U.S. foreign assistance more effective are:

- **Establish an Under Secretary for Multilateral Affairs (I) and eliminate the Under Secretary for Civilian Security, Democracy, and Human Rights (J) for more effective policy coordination on multilateral foreign assistance programs.**

Although the U.S. might prefer otherwise, diplomatic, economic, foreign assistance, and security matters are increasingly discussed, negotiated, funded, implemented, and acted upon through multilateral initiatives or in international organizations. This reality is reflected in the proliferation of functional bureaus at the State Department that are charged with addressing many of these issues. These functional bureaus have come into conflict and competition with the Bureau of International Organization Affairs (IO—that is currently grouped with the State Department’s regional bureaus under the authority of the Under Secretary for Political Affairs).

It is the IO bureau that is charged with addressing many of these multilateral matters through the formulation of U.S. policies in the United Nations system. The artificial bureaucratic separation of multilateral issues from the traditional bilateral diplomatic engagement efforts of the regional bureaus can create gaps and conflicts in policy priorities. To remedy this problem, a more effective organizational structure is needed for coordination of U.S. policies on multilateral matters that will balance the thematic and philosophical policies of an administration with more practical diplomatic concerns in such a way as to empower U.S. professionals engaged in these critical activities.

To achieve his goal, the President and Congress should create an Under Secretary for Multilateral Affairs position that will coordinate and direct U.S. policy in international organizations and on multilateral efforts, including foreign assistance. That would end the confusion arising from the current bureaucratic structure wherein responsibility for those policies resides primarily in the functional bureaus (e.g. human rights, democracy promotion, refugees, and international environmental issues). In addition, to improve multilateral policy execution, the U.S. Missions to the United Nations in New York, Geneva, and elsewhere should report to this new multilateral Under Secretary position through the Assistant Secretary of International Organization Affairs.

U.S. assistance to international aid programs such as the Office of the United Nations High Commissioner on Refugees (UNHCR) or the World Food Program (WFP) would be jointly coordinated by this new “I” Under Secretary and the new Under Secretary of State for Foreign Assistance in the “F” Bureau.

- **Re-establish the primacy of the State Department’s regional bureaus and eliminate several functional bureaus.**

Most of the functional bureaus and offices that were overseen by the Under Secretary for Civilian Security, Democracy, and Human Rights focus on global concerns and matters that are being addressed by various international organizations, such as refugees and trafficking, international law enforcement, and human rights. These issues are
important, but the current structure creates an artificial separation from the State Department’s regional bureaus that can lead to counterproductive disputes or result in disregard through “out of sight, out of mind” behavior by regional bureau Desk Officers and their managers.

Instead, bilateral aspects of issues such as human rights and counterterrorism should be fully incorporated into the State Department’s regional bureaus so that they can receive due consideration and be weighed against other priorities to help develop a more robust and well-rounded U.S. policy position.

Several bureaus and offices currently reporting to the Under Secretary for Civilian Security, Democracy, and Human Rights (“J” bureau), including the Office of Global Criminal Justice, should be eliminated and their responsibilities transferred to the Office of the Legal Advisor.

Other “J” bureaus, such as the Bureau of Democracy, Human Rights, and Labor (DRL), should be disbanded and partially reconstituted as distinct offices within the regional bureaus—where their issues can be incorporated into bilateral relationship policies. Similarly, the PRM should be eliminated and the PRM’s assistance responsibilities moved to the USHHA. The PRM bureau’s policy formulation responsibilities should be moved to the regional bureaus or to the new Under Secretary for Multilateral Affairs, as appropriate.

Other restructuring should also be undertaken, always with the goal of eliminating duplication. The Office of Human Rights and Humanitarian (IO/HRH) in the Bureau of International Organization Affairs, for example, should retain the lead on various global rights initiatives only insofar as they are not exclusively bilateral or regional issues that are already being handled (and thus double-tracked) by offices within the State Department’s regional bureaus (and, in some cases, triple-tracked by USAID offices). The MCC should be a U.S. government focal point for stressing the primary importance to development of the rule of law, human rights, and representative government.

- **Rename the Under Secretary for Arms Control and International Security the Under Secretary for International Security.** This new Under Secretary should assume responsibility for broader global security issues and foreign assistance programs, including of these former “J” bureaus and offices: Bureau of Conflict Stabilization Operations; Bureau of International Narcotics and Law Enforcement Affairs; and the Office to Monitor and Combat Trafficking in persons.

In addition, the new Under Secretary should lead on joint Department of Defense and State Department assistance (under either an existing or a newly consolidated arrangement) to combat terrorism, counter violent extremism, and manage other assistance programs, such as Non-Proliferation, Anti-Terrorism, NADR, Weapons Removal and Abatement (PM/WRA), and PKO that are being implemented by the State Department’s Bureau of Political-Military Affairs (PM)—in coordination with the regional bureaus and the Bureau of International Organization Affairs as appropriate.

- **Eliminate the Export–Import Bank of the United States and the United States Trade and Development Agency (USTDA).** There is no shortage of private capital to finance exports, but governments have increased the practice of subsidizing financing in an effort to increase exports. This practice is a harmful distortion of domestic and international economies. The U.S. should set an example for developed and developing countries alike, showing that such practices are anti-market and anti-development, by eliminating the Ex–Im Bank. The USTDA (and similar work by the U.S. Commercial Service—the trade promotion arm of the Department of Commerce) might have been of value when they were

established decades ago, but in a world awash with hundreds of billions of dollars circulating in highly developed global capital markets they are simply no longer necessary.

- **Eliminate OPIC, and shift its remaining loan portfolio to the MCC.** In a global economy, private investment by U.S. business in developing countries has increased to the point that further U.S. government support is no longer warranted. The Trump Administration is correct to question the need for OPIC beyond a few unstable states or least-developed countries that truly lack access to private capital markets. Even in these cases, however, the goal should not be to fill the gap with U.S. government services, but to promote policies and development through the MCC to the point where private options are available.

- **Congress should minimize the “earmarking” of foreign aid.** The level of micromanagement of foreign assistance undermines its effectiveness by spreading it too thinly among recipients and purposes. Congress and the Administration should consult and agree on the broad instructions and goals of America’s foreign assistance within overarching priorities. Earmarks and more directed instructions should be applied only in extraordinary circumstances and always have an explicit expiration to ensure that they continue only as circumstances merit.

The executive branch must be permitted the flexibility and latitude to allocate funding as current circumstances merit and according to best practices. For example, funding for health, nutrition, and sanitation programs should be designed for the general benefit of countries and not provided according only to highly specific goals—such as exclusively for narrowly targeted groups of women, children, or other specific populations, or in support of a certain precise set of small and medium entrepreneurs.

Rather than earmarking, Congress should focus is efforts on enhancing transparency and accountability, including enhancing the resources and power of the State Department’s Inspector General to maintain the accountability of State and USHAA assistance programs. Congress should require more public disclosure of data, and more rigorously exercise its oversight authority through hearings and notifications. In addition, Congress should require a report by each Administration in the fall of its fourth year in office that addresses the problems and challenges of foreign assistance and contains recommendations for consideration by the next Congress and, as appropriate, the next Administration. Events can overwhelm an Administration during its time in office. Such a report would force an evaluation while key personnel and their experiences and insights are available for integration into, in effect, an “after action” report.

Concluding
After decades during which trillions of U.S. taxpayer dollars in foreign assistance have been sent overseas, it is not unreasonable or imprudent of the Trump Administration to assess whether this investment is advancing U.S. interests. The world has changed greatly since the heyday of USAID in the 1960s. Today, private capital flows dwarf official foreign assistance provided by governments. As a result of these very positive global economic developments, U.S. assistance does not have the market share and influence it did in the past. The need to support America’s goals and policies, however, remains undiminished.

Properly designed and directed, U.S. foreign aid can support America’s national interests, be they to address humanitarian crises, to promote policy changes necessary for private sector–led economic growth that is the most reliable and sustainable path to development, or to advance U.S. diplomatic and security priorities through targeted support. Unfortunately, America’s current aid programs are too numerous, fragmented, and micromanaged to efficiently support any of these interests.

It is no longer feasible merely to propose patches and workarounds to the 1961 Foreign Assistance Act, which was itself a restructuring of awkward, haphaz-

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ard, and sometimes ineffective post-war programs established in the 1950s that had become increasingly bogged down by bureaucratic fragmentation and infighting.\textsuperscript{56} It is well past time for the Administration and Congress to work together to reform America’s foreign assistance agencies and bureaucracies with the goal of eliminating duplication, improving coordination, and freeing foreign assistance programs from unnecessary legislative instructions.

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Appendix: U.S. Government Foreign Aid

Tracking and assessing the vast array of U.S. foreign-aid programs is no simple task. Many efforts have been made over the years to improve the transparency and accountability of U.S. foreign-assistance programs. A useful online tool in this regard is USAID’s Foreign Aid Explorer (FAE) “Dashboard,” which “captures all U.S. foreign assistance funding and implementation from over 70 U.S. Government departments, agencies, and offices.” Some of these departments, agencies, and offices no longer exist. In other cases, for reporting purposes, data for offices are consolidated into the overarching implementing agency.

On its website, the FAE lists 21 U.S. agencies that report providing foreign assistance. While these 21 agencies account for the vast majority of U.S. government-funded foreign assistance programs, officials from USAID’s Economic Analysis and Data Services confirmed in correspondence with Heritage Foundation analysts that the FAE database includes foreign assistance for a total of 36 separate implementing agencies.

This appendix first lists the 21 major U.S. foreign-assistance-implementing agencies and then lists the 11 lesser implementing agencies. The Department of the Army, Department of the Navy, Department of the Air Force, and U.S. Army Corps of Engineers are categorized under the Department of Defense (DOD).

**Major Foreign-Assistance-Implementing Agencies: USAID and the Department of State**

From FY 2008 to FY 2016, nearly 80 percent of all foreign assistance funding was administered by the State Department or USAID.

**U.S. Agency for International Development (USAID).** Invoking the authority of Section 101(b) of the Foreign Assistance Act of 1961, President John F. Kennedy established USAID by Executive Order 10973 in November 1961. USAID was later

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59. The 36 separate implementing agencies are the U.S. Agency for International Development, Department of State, Millennium Challenge Corporation, Department of the Treasury, Department of Agriculture, Department of Health and Human Services, Department of Defense, Department of the Army, Department of the Interior, Department of Justice, Department of Labor, Department of Commerce, Department of Energy, Department of Homeland Security, Department of Transportation, Peace Corps, Trade and Development Agency, Inter-American Foundation, African Development Foundation, Federal Trade Commission, Nuclear Regulatory Commission, National Science Foundation, Overseas Private Investment Corporation, Export-Import Bank of the United States, United States Institute of Peace, Open World Leadership Center, United States Postal Service, Executive Office of the President, Environmental Protection Agency, Broadcasting Board of Governors, Department of the Navy, Department of the Air Force, Army Corps of Engineers, National Aeronautics and Space Administration, Securities and Exchange Commission, and National Transportation Safety Board. U.S. Agency for International Development, Foreign Aid Explorer, “FAQ,” https://explorer.usaid.gov/about.html#tab-faq (accessed August 24, 2017), and e-mail correspondence with USAID Economic Analysis and Data Services.

60. Heritage Foundation calculations.


62. Section 102(a) of this executive order specifies that the Secretary of State “shall establish an agency in the Department of State to be known as the Agency for International Development (hereafter in this Part referred to as the Agency).” Executive Order 10973, “Administration of Foreign Assistance and Related Functions,” November 3, 1961, http://www.thecre.com/fedlaw/legal20/eo10973.htm (accessed August 28, 2017).
established as a U.S. government agency in the Foreign Affairs Reform and Restructuring Act of 1998. USAID is the lead U.S. development agency, annually managing and disbursing billions of dollars in humanitarian and development assistance in more than 100 countries.

**U.S. Department of State.** The State Department is the lead U.S. government foreign affairs agency. It operates hundreds of American embassies and consulates around the globe and is the default leader of the interagency process in developing and executing foreign policy. By statute, it oversees the operations of USAID and directly administers other aid programs. The State Department funds programs to respond to humanitarian and refugee crises, manages U.S. contributions to international organizations, and administers a wide range of other assistance programs covering such areas as democracy promotion, combating human trafficking, post-conflict stabilization and reconstruction, international narcotics control and law enforcement, and military assistance.

**Notable Foreign Aid Programs Led by USAID and the State Department**

**Health and Humanitarian Aid**

- **International Organizations.** The State Department provides funding to various international bodies, such as the United Nations, for humanitarian, health, and refugee purposes.

- **International Disaster Assistance (IDA).** IDA provides food and emergency assistance after natural disasters and conflicts and is overseen by USAID’s Office of U.S. Foreign Disaster Assistance (OFDA). IDA is not subject to the same purchase and shipping requirements that apply to Public Law 480 and therefore can apply funding more efficiently.

- **President’s Emergency Plan for AIDS Relief (PEPFAR).** Established in 2003, PEPFAR coordinates the U.S. government response to the global HIV/AIDS crisis by providing drugs, treatment, and health services in more than 60 countries. Managed by the State Department’s Office of the U.S. Global AIDS Coordinator, PEPFAR programs are implemented by eight U.S. government departments and agencies: the Department of State, USAID, Department of Health and Human Services, Department of Defense, Peace Corps, Department of Commerce, Department of Labor, and Department of the Treasury. Substantial federal funding also goes to the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) and to the U.N. Joint Program on HIV/AIDS (UNAIDS).

- **The President’s Malaria Initiative (PMI).** Managed by the Department of State and USAID with funds from the Global Health Programs (GHP) account, PMI malaria prevention and treatment programs are concentrated in sub-Saharan Africa.

- **Public Law 480 Funds for Emergency and Development Food Aid Programs.** Title II of the Food for Peace Act authorizes disbursal of these funds, which are appropriated to the U.S. Department of Agriculture (USDA) and administered by USAID. Public Law 480 is subject to mandatory purchasing and shipping requirements that increase the cost of this U.S. food assistance program.

- **Maternal and Child Health Assistance.** The International Affairs budget includes funding for programs such as the U.N.’s World Health Organization (WHO) and the public–private Global Alliance for Vaccines and Immunizations (GAVI).

- **Migration and Refugee Assistance.** This State Department assistance program funds various efforts to assist the basic needs of refugees in major conflict countries such as Afghanistan.

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Burundi, Burma, Iraq, Somalia, South Sudan, Syria, and Yemen.\(^{66}\)

### Security Assistance

- **Foreign Military Financing (FMF).** The FMF program enhances U.S. national security and improves regional and global stability by “strengthening military support for key U.S. allies and regional partner governments, and countering transnational threats, including terrorism and trafficking in narcotics, weapons, and persons.”\(^{67}\) Although the Department of State is the lead, the Department of Defense also plays a major role in this program.

- **International Military Education and Training (IMET).** IMET assistance is intended to promote democratic values, increase respect for internationally recognized standards of human rights, and improve “regional stability and defense capabilities through professional military education and training” by U.S. military personnel.\(^{68}\) Although the Department of State is the lead, the Department of Defense also plays a major role in this program.

- **Special Defense Acquisition Fund (SDAF).** SDAF “allows the United States to better support coalition and other partners, including those participating in U.S. overseas contingency and other operations, by expediting the procurement of defense articles for provision to foreign nations and international organizations.”\(^{69}\)

- **Peacekeeping Operations (PKO).** Managed by the State Department, PKO support “programs to bolster the capacity of partner nations to conduct critical peacekeeping and counterterrorism operations, support stabilization in countries grappling with violent conflict, enhance maritime security, and promote security sector reform” and fund ongoing Multinational Force and Observers (MFO) missions in the Sinai.\(^{70}\)

- **International Narcotics Control and Law Enforcement (INCLE).** The State Department manages INCLE programs to “strengthen the ability of international partners to cooperate effectively with U.S. law enforcement and address the underlying conditions, such as corruption and weak rule of law, that foster state fragility and spur irregular migration to the United States.”\(^{71}\)

- **Nonproliferation, Anti-Terrorism, Demining and Related Programs (NADR).** These programs are managed by the State Department’s Political–Military bureau to “reduce threats posed by international terrorist activities; landmines, explosive remnants of war (ERW) and stockpiles of excess conventional weapons and munitions; nuclear, chemical, and biological weapons of mass destruction (WMD); and other destabilizing weapons and missiles, including Man-Portable Air Defense Systems (MANPADS) and their associated technologies.”\(^{72}\)

### Economic Assistance

- **Development Assistance (DA).** Managed by USAID, these programs are intended to “invest in partnerships that support ending extreme poverty and to promote resilient, democratic, prosperous, and secure societies around the world.”\(^{73}\)

- **Economic Support Fund (ESF).** Although technically regarded as a development program


\(^{67}\) Ibid., p. 381.

\(^{68}\) Ibid., p. 374.

\(^{69}\) Ibid., p. 386.

\(^{70}\) Ibid., p. 369.

\(^{71}\) Ibid., p. 317.

\(^{72}\) Ibid., p. 338.

\(^{73}\) Ibid., p. 237.
focused on fragile states or those in conflict, ESF is also used to support U.S. political and security interests. Authorized purposes include promoting the expansion of the private sector, rule of law, transparent and accountable government, balance of payments and budget support, improving economic growth, and other similar goals. Significant ESF funding does go these purposes, but assistance allocations reveal that it is also often used to advance U.S. political and security interests. Although dozens of countries have received relatively small ESF grants, the largest amounts of ESF funding go to allies such as Israel (West Bank/Gaza) and to countries of key strategic concern such as Egypt, Jordan, Ukraine, Colombia, and Haiti.74

- **International Financial Institutions (IFIs).** The U.S. provides funding to the World Bank, regional multilateral development banks (MDBs), and the International Monetary Fund (IMF) to conduct development and technical assistance programs.

**Notable Foreign Aid Programs Led by the Department of Defense**

- **Excess Defense Articles.** The Defense Security Cooperation Agency (DSCA) is responsible for administering the Defense Department’s Excess Defense Articles (EDA) program under authorities established in the Foreign Assistance Act of 1961 and the Arms Export Control Act. Defense articles declared as excess by the U.S. military can be offered to foreign governments or international organizations in support of U.S. national security and foreign policy objectives.75

- **Commanders’ Emergency Response Program (CERP).** CERP was established by a special congressional Department of Defense appropriation that is outside of and beyond normal U.S. government humanitarian assistance authorizations and appropriations. CERP programs are used by military commanders for rebuilding and reconstruction in Afghanistan and Iraq and “to meet the urgent humanitarian relief and reconstruction requirements of the civilian population” in “support of theater-specific strategic objectives and desired effects.”76

- **Defense Institution Building (DIB).** DIB efforts aim to establish responsible defense governance in order to help partner nations build effective, transparent, and accountable defense institutions. DIB efforts advance the American ideals of democracy and the rule of law and America’s strategic interests, in addition to securing security cooperation investments.77

- **President’s European Deterrence Initiative (EDI).** EDI funding provides “near-term flexibility and responsiveness to the evolving concerns of U.S. allies and partners in Europe, particularly Central and Eastern Europe,” and increases “the capability and readiness of U.S. allies and part-

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74. Ibid., pp. 179-181.
ners” through (among other things) foreign aid programs to improve “infrastructure to allow for greater responsiveness” and “intensified efforts to build partner capacity with newer NATO members and allied partners.”78

- **U.S. Army Corps of Engineers.** Through its Interagency and International Services (IIS) unit, the U.S. Army Corps of Engineers provides technical assistance to international organizations and foreign governments, mostly “on a reimbursable basis.”79

**Other Significant Foreign-Assistance-Implementing Agencies**

- **African Development Foundation (ADF).** The ADF is a small U.S. government agency that “invests directly in community enterprises, providing seed capital and local technical support to early stage agriculture, energy and youth-led enterprises in Africa.”80 ADF provides grants of $50,000 to $250,000 to provide “sustainable African-owned and led solutions that tackle the effects of poverty with projects that improve food security, generate jobs, and increase family incomes.”81

- **Department of Agriculture (USDA).** In addition to the Public Law 480 program, the USDA administers more than 20 international programs under its Foreign Agricultural Service.82 The three most widely known are the McGovern–Dole International Food for Education and Child Nutrition Program to “support education, child development and food security in low-income, food-deficit countries around the globe”;83 the Food for Progress Program to help “developing countries and emerging democracies modernize and strengthen their agricultural sectors”;84 and the Local and Regional Food Aid Procurement program to collaborate “with private voluntary organizations, cooperatives, and the World Food Program to implement field-based projects that provide development assistance and emergency relief using locally procured commodities.”85

- **Department of Commerce.** The Department of Commerce provides assistance through a number of programs overseen by its International Trade Administration (ITA), such as the Good Governance program and the Special American Business Internship Training Program, to promote exports, train foreign business leaders in U.S. business practices, improve the rule of law and combat corruption, and protect intellectual property.86

- **Department of Energy.** The Office of International Affairs at the Department of Energy has more than a dozen international initiatives and partnerships focused on responding “to the most pressing global energy challenges, ranging from energy security and market volatility to long-term efforts to reduce carbon pollution and the impacts of climate change.”87 The department also provides extensive assistance to other governments to support the

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removal of weapons-useable nuclear material at civilian facilities.

**Department of Health and Human Services (HHS).** HHS plays an important role in implementing PEPFAR through the Centers for Disease Control and Prevention, the Food and Drug Administration, and other operating divisions. As the U.S. government’s principal agency for protecting the health of Americans, HHS also oversees other foreign aid through its Office of Global Affairs and Office of Pandemics and Emerging Threats. These offices serve a diplomatic and operation function, such as liaising with the WHO, overseeing programs on antimicrobial resistance, and working with the Global Health Security Agenda to detect and respond to infectious diseases.88

**Department of Homeland Security (DHS).** Among other international efforts, DHS partners with foreign governments, international organizations, and industry to protect intellectual property and bolster aviation and cyber security.89 It also provides assistance and training for “foreign governments, air carriers, and private companies responsible for transportation security.”90

**Department of the Interior (DOI).** DOI’s International Technical Assistance Program (DOI-ITAP) “builds capacity in other countries by drawing from the diverse expertise of DOI employees.”91 Examples of DOI-ITAP programs include Combatting Wildlife Trafficking (CWT) and energy and minerals projects.92

**Department of Justice.** The Department of Justice administers two significant foreign aid programs.

- **The International Criminal Investigative Training Assistance Program (ICITAP)** “works with foreign governments to develop professional and transparent law enforcement institutions that protect human rights, combat corruption, and reduce the threat of transnational crime and terrorism. ICITAP provides international development assistance that supports both national security and foreign policy objectives.”93

- **Office of Overseas Prosecutorial Development Assistance and Training (OPDAT)** programs are “part of the Department of Justice’s two-pronged law enforcement strategy: first, an operational prong, targeting transnational criminal organizations; and second, a capacity-building prong, designed to increase the ability of our foreign counterparts to investigate and prosecute these criminal groups before their criminal activities reach the United States.”94

**Department of Labor.** The Bureau of International Labor Affairs (ILAB) was established as part of the Department of Labor at the behest of U.S. unions by President Harry Truman “to ensure that workers around the world are treated fairly and are able to share in the benefits of the global economy.”95 ILAB administers a foreign aid grant program.

Department of Transportation. The Federal Aviation Administration (FAA) Academy provides technical assistance and related training for international aviation officials and other “services such as training assessments and consultations.”96 Other FAA programs “promote worldwide seamless connectivity across borders for air travel and help to assure safe and efficient air travel for U.S. passengers flying abroad as well as at home.”97

Department of the Treasury. The Treasury’s Office of International Affairs leads the U.S. government’s foreign affairs work on global financial issues and relations with the international financial institutions, including the IMF and the World Bank, and provides technical assistance to help “finance ministries and central banks of developing and transition countries strengthen their ability to manage public finances effectively and safeguard their financial sectors.”98

Environmental Protection Agency (EPA). The EPA engages with multilateral institutions to address trans-boundary pollution. In particular, its Office of International and Tribal Affairs (OITA) provides “technical and policy assistance for global and regional efforts to address international sources of harmful pollutants, such as mercury.”99 The EPA has numerous global initiatives and is engaged in dozens of countries.100

Federal Trade Commission (FTC). The FTC’s Office of International Affairs works with international organizations and foreign counterparts to promote best practices on antitrust cooperation. In addition, the FTC “assists developing countries in their transition to market-based economies and their development of competition and consumer protection agencies [and] in partnership with the Antitrust Division of the Department of Justice, operates a technical assistance program.”101 FTC technical assistance funding comes from a variety of sources, including the USAID, United States Trade and Development Agency, and Department of Commerce.

Inter-American Foundation (IAF). The IAF is an independent, U.S. government-funded agency created by Congress in 1969 “to channel development assistance directly to the organized poor in Latin America and the Caribbean.”102 Its goals are to promote friendship and understanding between the peoples of the Western Hemisphere, support self-help development, broaden participation in development efforts, and encourage the growth of democratic institutions. Like the African Development Foundation, the IAF provides grants of relatively modest size to support agriculture, small businesses, and community development.

Millennium Challenge Corporation (MCC). Established under President George W. Bush in 2004, the MCC is an alternative approach to the traditional USAID development model. Key MCC principles of aid effectiveness include:

- **Country selectivity.** Eligibility is limited to countries with a strong commitment to good governance and growth-friendly policies to reward them for taking responsibility for their own development. This is designed to create incentives for reform.

- **Focus on results.** The MCC focus on results is designed to ensure that the MCC concentrates on

overcoming constraints to growth; identifies economically efficient projects (those with local benefits that exceed project costs); tracks projects’ progress; and measures their impact.

- Emphasis on local ownership. Partner countries take a lead role in developing and implementing programs to be more effective and sustainable and to strengthen partner governments’ accountability to their citizens.103

Overseas Private Investment Corporation (OPIC). OPIC was established by President Richard M. Nixon in 1969 to “contribute to the economic and social progress of developing nations” by encouraging venture capital to pursue investments that might normally be deemed too risky by placing “the credit of the United States Government behind the insurance and guaranties which the Corporation would sell to U.S. private investors.”104 OPIC provides three types of services: loans and loan guarantees for investments, political risk insurance, and support for investment funds that make direct equity and equity-related investments in new, expanding, or privatizing emerging-market companies.105

Peace Corps. Founded by President John F. Kennedy in 1961, the Peace Corps administers foreign aid through Ruppe Gender Development Fund grants for “community-initiated and Volunteer-led projects such as establishing women’s cooperatives, increasing women’s access to resources and services, exploring gender roles, building shelters, and increasing training programs.”106

United States Trade and Development Agency (USTDA). The USTDA was created in 1961 to help “companies create U.S. jobs through the export of U.S. goods and services for priority development projects in emerging economies.” USTDA pursues this goal by linking “U.S. businesses to export opportunities by funding project preparation and partnership building activities that develop sustainable infrastructure and foster economic growth in partner countries.”107

Other Foreign-Assistance-Implementing Agencies

Broadcasting Board of Governors (BBG). The BBG oversees five media organizations—the Voice of America, Radio Free Europe/Radio Liberty, Radio and Television Marti, Radio Free Asia, and Middle East Broadcasting Networks—with a common mission to “to inform, engage, and connect people around the world in support of freedom and democracy.”108 In pursuit of its goals, the BBG provides media training to journalists, editors, and other related professionals109 and “anti-censorship support to overcome efforts by other governments to jam BBG broadcasts on radio, television, and the Internet.”110

Executive Office of the President. The Office of National Drug Control Policy (ONDCP) provides overall policy guidance and oversight for the award and management of federal resources to Designated High Intensity Drug Trafficking Areas.111

Export–Import (Ex–Im) Bank of the United States. The Ex–Im Bank is the official export credit agency of the United States.112 It provides U.S. government financing for exports by private American companies.

National Aeronautics and Space Administration (NASA). NASA has a number of interna-

tional partnership programs, including support for the International Space Station, joint science investigations, and support for research. It recently “opened a regional data center in the increasingly strategic area of West Africa that will help capacity building and aid development efforts in this region.”

**Nuclear Regulatory Commission (NRC).** The NRC “supports U.S. interests abroad in the safe and secure use of nuclear materials and in guarding against the spread of nuclear weapons.”

**National Science Foundation (NSF).** NSF international operations support “certain oceanographic vessels and Antarctic research stations” and “cooperative research between universities and industry, U.S. participation in international scientific and engineering efforts, and educational activities at every academic level.”

**National Transportation Safety Board (NTSB).** The NTSB “leads U.S. teams assisting in foreign airline accident investigations conducted by foreign authorities under the provisions of International Civil Aviation Organization (ICAO) agreements.” In this capacity, the NTSB provides assistance to support foreign accident and incident investigations in accordance with ICAO and International Maritime Organization protocols and conventions.

**Open World Leadership Center.** Open World was established in 1999 to administer U.S. exchange programs to bring “rising leaders” from former Soviet countries to engage with American counterparts in Congress.

**United States Institute of Peace (USIP).** The USIP “provides a wide range of courses for international affairs practitioners at USIP headquarters, online, and overseas, helping global peacebuilders transform violent conflicts in their communities.” It also administers fellowships and grants to “increase the breadth and depth of the Institute’s work by supporting peacebuilding projects managed by non-profit organizations including educational institutions, research institutions, and civil society organizations.”

**United States Postal Service (USPS).** Among its other international programs, USPS hosted a meeting of more than 40 countries to prepare “for the Universal Postal Union Congress being held in Istanbul, Turkey, in September–October 2016” with the objective of working “collaboratively to discuss and align with other posts in support of the most significant proposals.”

**Securities and Exchange Commission (SEC).** The SEC Office of International Affairs (OIA) provides technical assistance to promote “investor protection, cross-border securities transactions and fair, efficient and transparent markets by advancing international regulatory and enforcement cooperation, promoting the adoption of high regulatory standards worldwide, and formulating technical assistance programs to strengthen the regulatory infrastructure in global financial markets.” Assistance also is used to train regulatory and law enforcement officials in more than 100 countries. Support is provided by the USAID, World Bank, International Monetary Fund, Asia-Pacific Economic Cooperation (APEC) forum, and host governments.

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