OFFICE OF THE DIRECTOR
OF UNITED STATES
FOREIGN ASSISTANCE

FACT SHEET

U.S. FOREIGN ASSISTANCE REFORM: ACHIEVING RESULTS & SUSTAINABILITY IN SUPPORT OF TRANSFORMATIONAL DIPLOMACY

"Nations are capable of defeating corruption; they are capable of investing in health and education for their citizens; and they are capable of supporting market-oriented economies. If you believe that, then why shouldn't our aid say, you get aid in return for fighting corruption, investing in the health and education of your citizens, and putting market-oriented economic measures in place?"

– President George W. Bush
March 29, 2006

The Benefits of Reform – *A Strategic, Coherent Approach to Achieving Our Goals*

- The U.S. is the world's largest single country donor of foreign assistance.
- Annual official development assistance nearly tripled from $10 billion in 2000 to $27.5 billion in 2005.
- Reform will focus foreign assistance on one overarching goal: "Helping to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system."
- The reform aims to provide a comprehensive foreign assistance strategy for the U.S. against which to measure success and upon which the U.S. Government will report to all stakeholders both at home and abroad.

Why Now? – *Stove-Piped Approach Risks Waste and Ineffectiveness*

- The 2006 National Security Strategy lays out our goals – promoting freedom, justice, human dignity, and confronting the challenges of our time – all of which require effective foreign assistance.
- Under the current structure, where and how we spend money is not strategically tied to our overarching goal.
- With foreign assistance processes fragmented across numerous bureaus and agencies, our efforts lack the coherence necessary for maximum impact, and accountability becomes increasingly difficult.

Getting from Here to There – *A New Strategic Framework*

- The new framework is built around five priority objectives that, if achieved, support our overarching goal by helping move countries toward self-sufficiency and strengthening strategic partnerships.
- The priority objectives are:
  - ***peace and security*** – preventing, mitigating, and recovering from internal or external conflict;
  - ***governing justly and democratically*** – making governments accountable to their people by controlling corruption, protecting civil rights, and strengthening rule of law;
  - ***investing in people*** – including appropriate expenditure on health, education, and environment;
  - ***economic growth*** – including reduction in barriers to entry for business, suitable trade policy, fiscal accountability;
  - ***humanitarian assistance*** – emergency relief and rehabilitation following catastrophes.

Country Categories – *Shared Characteristics, Common Goals*

- Applying best practices and lessons learned on the ground is vital to achieving our objectives
- Our framework includes five categories based on shared country characteristics to make common goals clear:
  - ***Rebuilding countries*** – states in or emerging from and rebuilding after internal or external conflict;
  - ***Developing countries*** – states with low or lower-middle income, not yet meeting performance criteria;
  - ***Transforming countries*** – states with low or lower-middle income, meeting performance criteria;
  - ***Sustaining partner countries*** – states of importance where U.S. support is necessary to sustain partnerships, progress, and peace;
  - ***Reforming countries*** – states of concern where there are significant governance issues.

Sustainability – *Partnering With Host Countries to Make U.S. Efforts Yield More than the Sum of Their Parts*

- Only when led by host countries – empowered to build on successes and achieve further economic and social progress on their own – will results be sustainable.
- Achieving those results requires leveraging talents and resources – and speaking with one voice – across the U.S. Government, both in the field and in Washington.