

Fact Sheet

Office of the Director of U.S. Foreign Assistance
Washington, DC
June 22, 2006

U.S. Foreign Assistance Reform: Achieving Results & Sustainability in Support of Transformational Diplomacy

*"America's foreign assistance must promote responsible sovereignty, not permanent dependency."
– Secretary Rice, January 19, 2006*

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

- *In recent years, America has significantly increased its assistance to our partners around the world. Yet, as Secretary Rice has noted, the current structure of America's foreign assistance risks incoherent policies and ineffective programs and perhaps even wasted resources.*
- 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

A Full Picture – Achieving Country-Level, Regional, and Global Objectives Toward a Shared Goal

- 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;

- **Restrictive countries** – states of concern where there are significant governance issues.
- The new framework also captures those **global and regional** activities that advance the five objectives, but transcend a single country's borders, and are addressed outside a country strategy.

Increased Coherence – Making U.S. Efforts Yield More than the Sum of Their Parts

- Achieving results requires leveraging talents and resources – and speaking with one voice – across the U.S. Government, both in the field and in Washington.
- The reform focuses Washington and the field on their respective strengths and responsibilities – integrated strategic direction and priorities across agencies set in Washington, operational plans and tactics for the achievement of results developed and implemented by the field.