

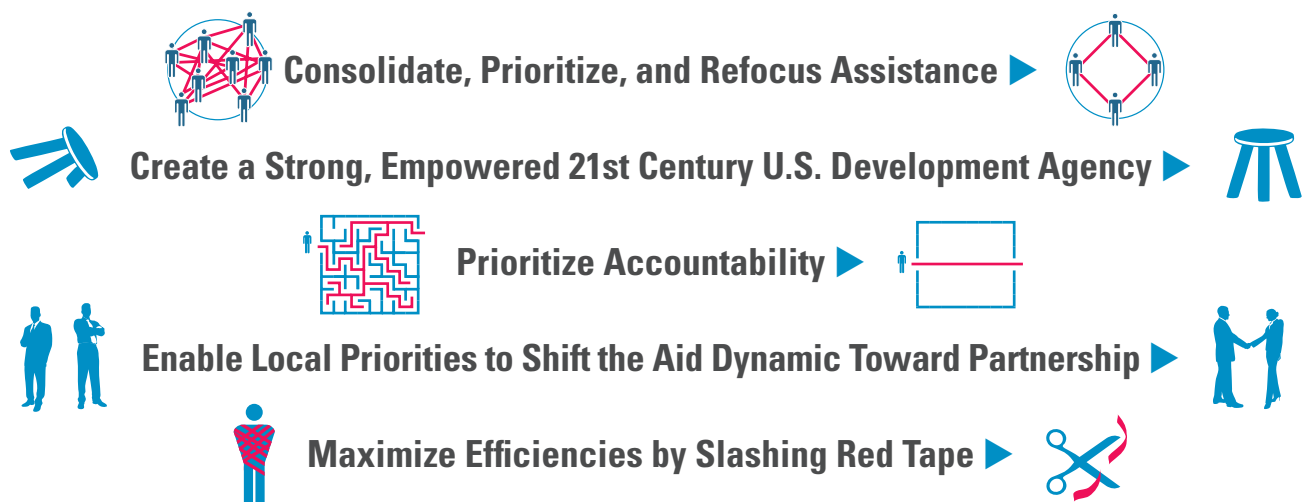
CRAFTING MODERN LEGISLATION

Fifty years ago, President John F. Kennedy embarked on a major campaign to build support for a politically risky multi-billion dollar foreign aid program. Addressing Congress on the subject on March 22, 1961, President Kennedy made a passionate case for foreign assistance that underscored the U.S.' moral, economic, and political obligations to promote development abroad:

"To fail to meet those obligations now would be disastrous; and, in the long run, more expensive. For widespread poverty and chaos lead to a collapse of existing political and social structures which would inevitably invite the advance of totalitarianism into every weak and unstable area. Thus our own security would be endangered and our prosperity imperiled. A program of assistance to the underdeveloped nations must continue because the nation's interest and the cause of political freedom require it."

Those words are just as relevant today as they were a half-century ago. However, the system that President Kennedy created to manage U.S. foreign assistance is still governed by the Foreign Assistance Act of 1961, legislation that was crafted to address the challenges of a very different world. In the intervening half-century, we've seen the fall of the Soviet Union, the rise of China, the acceleration of globalization, and the new dangers posed by failed states and global terrorists. Yet our foreign assistance system has not kept pace with these changes. Quick fixes and workarounds have rendered our outdated system less nimble, responsive, and innovative at a time when it needs to be more so.

How can modern legislation set things right?



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The impact of our country's commitment to global development is measured in lives: famines averted, dramatic declines in maternal and childhood deaths, and millions more people who are kept alive thanks to U.S.-supported antiretroviral treatments. Two recently-proposed pieces of bipartisan legislation build on efforts by Presidents George W. Bush and Barack Obama to alleviate poverty, improve health, and drive economic growth for citizens in poor countries.

The **Global Partnerships Act**, draft legislation recently released by Representative Howard Berman (D-CA), represents one potential way forward. This comprehensive legislation would replace the Foreign Assistance Act of 1961 and overhaul the U.S. foreign assistance system to ensure that taxpayer dollars are spent wisely, deliver the maximum results, and advance America's interests. The Global Partnerships Act will make our policies and funding more consistent and enhance the effectiveness of our investments.

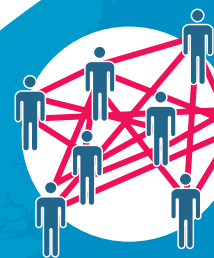
The **Foreign Aid Transparency and Accountability Act**, sponsored by Rep. Ted Poe (R-TX), is a key component of this approach. This legislation—which has been incorporated into the Global Partnerships Act—would require the President to establish guidelines on monitoring and evaluation for all U.S. agencies involved in foreign assistance, and would require these reports and other foreign assistance-related information to be made publicly available online. The bill would codify ongoing reforms within the U.S. Agency for International Development (USAID) to improve accountability and ensure adequate Congressional oversight.

Both pieces of legislation will make U.S. foreign aid investments even more effective: the Executive Branch will increase consultation with Congress and be more transparent about how foreign aid dollars are spent, while Congress will provide the Executive Branch with greater flexibility to accomplish agreed-upon objectives without interference.

While the last two administrations have made progress toward modernizing foreign assistance, the Foreign Assistance Act of 1961 remains a barrier to optimizing effectiveness and accountability. Without new legislation, any reforms undertaken today can easily be undone. The 21st century has new challenges and new actors, and modern legislation must be designed to seize the opportunities—and guard against the threats—of the present moment.



TRANSPARENCY



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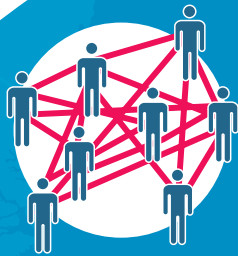
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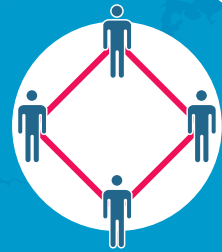
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Consolidate, Prioritize, and Refocus Assistance ►

Today, foreign assistance is “guided” by a muddle of more than 140 goals, mandates, and overlapping directives—far too many to deliver foreign assistance in a focused and strategic way. A dizzying array of agencies (+27) and offices (+60) manage U.S. foreign assistance. Modern legislation must bring **ORDER** to the **CONFUSION** of America’s outdated foreign assistance statutes by creating clear lines of authority and working to **CONSOLIDATE**, **PRIORITIZE**, and **FOCUS** the government’s foreign assistance infrastructure.



FLEX



Create a Strong, Empowered 21st Century U.S. Development Agency ►

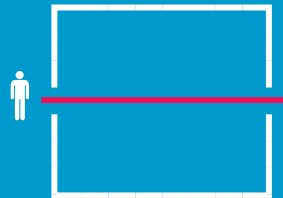
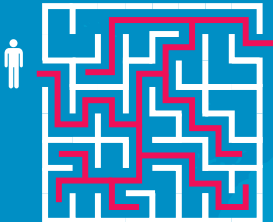
Our former and current Secretaries of State are fond of saying that the stool of U.S. foreign policy contains three legs: defense, diplomacy, and development. A stool can only stand upright if all three legs are secure. While our nation’s defense capability is enduring and our diplomatic corps is strong, USAID is continuously starved of resources and personnel and relegated to a secondary role in the formulation and execution of U.S. foreign policy. USAID has made significant progress in transforming itself to meet the challenges of the 21st century, but the agency’s internal reforms cannot succeed without external support. Modern legislation must **ELEVATE** USAID’s voice in policy and resource debates, and strengthen development’s role as **KEY PILLAR** of U.S. foreign policy.



Prioritize Accountability ►

For decades, lawmakers and the public were frustrated when trying to track down information on U.S. spending on foreign assistance, making it difficult to gain a clear picture of where assistance was going, for what purposes, and to what results. Partner nations that were the recipients of U.S. aid also lacked access to this critical information. The creation of the Foreign Assistance Dashboard, a public database that publishes data from USAID and the State Department, was a positive first step towards increasing transparency. However, other agencies that are involved in foreign assistance must be included, along with more detailed information on funding levels, evaluation metrics, and results. These efforts will strengthen accountability by streamlining Congress’ ability to evaluate the impact of development policies and programs.

Modern legislation should build on progress already made to move away from a confusing **LABYRINTH** to a **ONE STOP SHOP** for information on U.S. foreign assistance.



Enable Local Priorities to Shift the Aid Dynamic Toward Partnership ►

For too long, mismatched priorities between donor and recipient countries have hindered development progress. U.S. foreign assistance programs must create the conditions for better engagement with the governments and civil societies of developing countries. This will ensure that U.S. activities and policies sustainably address the priorities of our partners in the developing world. Modern legislation will shift the aid dynamic toward **PARTNERSHIP** by ensuring that countries move from dependence on aid towards self-sufficiency.



Maximize Efficiencies by Slashing Red Tape ►

Today, Congressional funding directives and Presidential initiatives—often created with the best intentions—tie the hands of our development experts in the field. Congress and the Executive Branch together can remove burdensome conditions on aid, harmonize our priorities with those of our partners in the developing world, and makes aid flows more predictable. Modern legislation must reduce the **STRAIGHTJACKET** of reporting requirements and focus on **SLASHING RED TAPE**.



EFFICIENCY



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The Modernizing Foreign Assistance Network (MFAN) is a reform coalition composed of international development and foreign policy practitioners, policy advocates and experts, concerned citizens and private sector organizations. MFAN was created to build upon the bipartisan consensus that has emerged over the last decade that the U.S. should play a leadership role in achieving economic growth and reducing poverty and suffering around the world, and that we can play this role more effectively, efficiently, and transparently.

To learn more, please visit www.modernizeaid.net.