

U.S. FOREIGN ASSISTANCE

101

Foreign assistance is aid given by the U.S. government to support global peace, security, and development efforts, and to provide humanitarian relief during times of crisis. Foreign assistance promotes American leadership and is a strategic, economic, and moral imperative for the United States.

U.S. Foreign Assistance Drives Progress

U.S. investments in antipoverty programs have yielded huge dividends. U.S. foreign assistance programs have a history of bipartisan action and leadership. Programs are data-driven, cost effective, transparent, inclusive and accountable to the American people. At approximately 1% of the federal budget, foreign assistance can continue to make an enormous difference in saving lives, protecting children, improving health, and helping families and communities become self-reliant.²⁶

U.S. leadership and investments impact people around the world, creating healthier, safer, and more stable communities. U.S. investments:

- Save lives and reaffirm the rights of individuals.
- Make communities and our planet more resilient to shocks and stressors.
- Mitigate crises and reduce the need for emergency humanitarian action.
- Increase global prosperity and help to expand markets, supporting U.S. economic interests.

Over the last 30 years, U.S. assistance has contributed to cutting in half the number of preventable deaths of children under 5,²⁷ the number of people living in poverty, and the number of children and adolescents out of school. USAID programming has lifted 23.4 million people in rural communities and mobilized up to \$2.3 billion in private financing for more than 100,000 entrepreneurs. Such results show that U.S. government engagement matters and is consistent with the values and generosity of the American people.

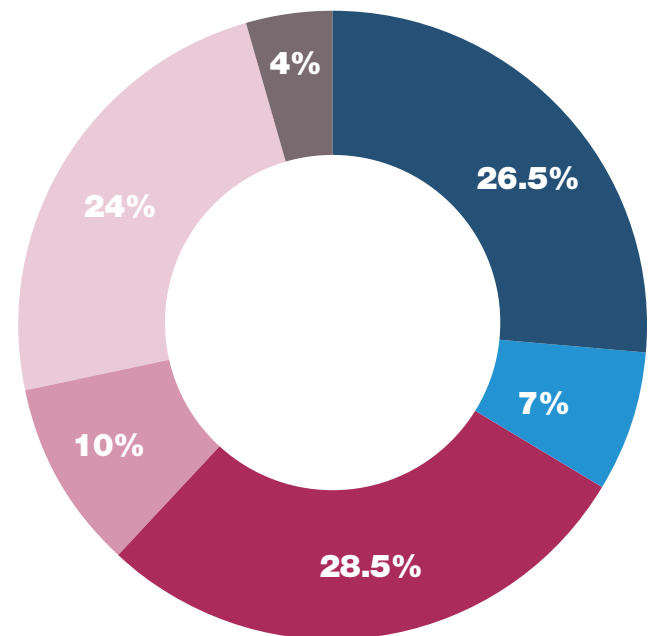
AMERICAN CITIZENS ARE INVESTED IN FOREIGN ASSISTANCE

The American public’s strong support for foreign assistance is consistently evident in polling data. However, the public thinks our official assistance is vastly higher than it is. In a recent poll, the median estimate of foreign aid’s share of the federal budget was 25% while the median preferred level was 10%. The actual level is approximately 1%, only one-tenth of the public’s median preference level.²⁸

On practical grounds, our foreign assistance helps develop and open economies around the world; 11 of America’s top 15 trading partners were once recipients of foreign aid.²⁹ Most Americans agree that assisting those affected by disasters and supporting those pulling themselves out of poverty stem directly from American values, regardless of other U.S. contributions.

U.S. Foreign Assistance Account Funding by Objective

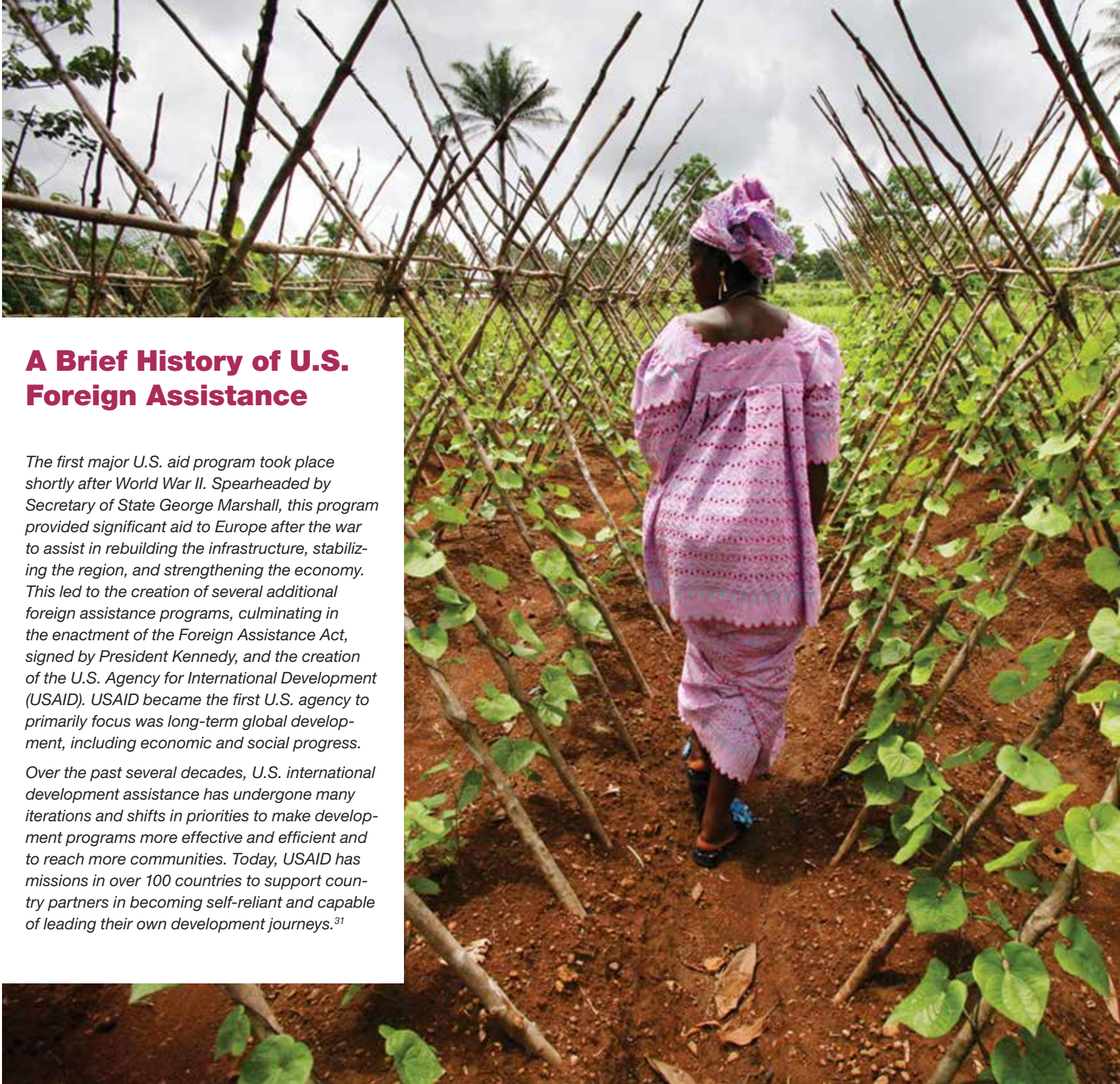
FY2017 Actual - \$38,463,302,000



* Categories of assistance as defined in the Congressional Budget Justification: Department of State, Foreign Operations and Related Programs FY19

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(continued)



A Brief History of U.S. Foreign Assistance

The first major U.S. aid program took place shortly after World War II. Spearheaded by Secretary of State George Marshall, this program provided significant aid to Europe after the war to assist in rebuilding the infrastructure, stabilizing the region, and strengthening the economy. This led to the creation of several additional foreign assistance programs, culminating in the enactment of the Foreign Assistance Act, signed by President Kennedy, and the creation of the U.S. Agency for International Development (USAID). USAID became the first U.S. agency to primarily focus was long-term global development, including economic and social progress.

Over the past several decades, U.S. international development assistance has undergone many iterations and shifts in priorities to make development programs more effective and efficient and to reach more communities. Today, USAID has missions in over 100 countries to support country partners in becoming self-reliant and capable of leading their own development journeys.³¹

Photo by Geoff Olivier Bugbee

U.S. Support for Humanitarian Assistance

With the generous support of Congress, the U.S. government is the world's largest single donor for humanitarian response. While the U.S. government itself rarely provides direct humanitarian assistance, key U.S. personnel assure taxpayer accountability, make policy decisions in Washington, D.C., and help implementing partners through embassies, USAID missions and field coordination teams.

Humanitarian needs are increasingly a result of a changing climate and/or conflict. Conflict prompts more interaction between humanitarian actors and parties to conflict – including the United States military. It is vitally important for the sake of principled and effective response in conflict settings to avoid any appearance of implementing partners supporting or receiving direct support from any military. However, humanitarian and military actors do need to acknowledge shared space, and may sometimes be driven together during a sudden onset emergency. In order to define and facilitate such coordination, InterAction worked with the U.S. military and the U.S. Institute for Peace (USIP) to develop guidelines to address how the US military and US non-governmental organizations should behave towards each other in non-permissive environments like those in Iraq and Afghanistan.³⁰

Partners in Action: U.S. Government Agencies and Nongovernmental Organizations

Countless international and local NGOs, civil society organizations (CSOs), and faith-based organizations are devoted to solving international development challenges. U.S.-based international NGOs are key partners and implementers of U.S. development and humanitarian programs. International NGOs and CSOs are also pivotal connectors to local communities.

Several U.S. government agencies play key roles in U.S. foreign assistance, reflecting the multifaceted impact and investment of U.S. international and development programs. Guided by strategic direction from USAID and the Department of State (DoS), each agency contributes its expertise to the spectrum of international development and humanitarian programs to ensure U.S. foreign assistance is effective and efficient.

The U.S. government directs development support through agencies that often use NGOs' capacities to implement programs abroad. U.S. foreign assistance works across many agencies, from the Centers for Disease Control to the Department of Defense (DoD), to implement its goals in specific ways. This coalition allows the United States to address the full spectrum of development and humanitarian needs.

PRIMARY U.S. FOREIGN ASSISTANCE AGENCIES INCLUDE:

U.S. Agency for International Development

- USAID's mission promotes democratic values abroad and advances a free, peaceful, and prosperous world.
- In-country missions manage partnerships with organizations and act as de facto diplomats for democracy abroad.

U.S. Department of State

- The Office of U.S. Foreign Assistance Resources (F), established in 2006, leads the coordination of U.S. foreign assistance.
- It advances U.S. national interest and development objectives by coordinating policy, planning, and performance management efforts; promoting evidence-informed decision making; and providing strategic direction for the DoS and USAID foreign assistance resources.

Millennium Challenge Corporation

- MCC provides time-limited grants to allow partner governments to refine and implement their own development solutions in alignment with the new SDGs.
- MCC works to fund programs so countries can cement good policies and governmental reach.

U.S. Department of Treasury

- The Department of Treasury supports global development progress as well as U.S. national security and economic interests overseas by promoting strong financial sector stability and governance in developing countries.
- Through Treasury, the U.S. also exercises leadership in international financial institutions such as the World Bank, and other regional development banks.

U.S. Development Finance Corporation

- Created by the passage of the BUILD Act in 2018, the U.S. DFC consolidates the Development Credit Authority (DCA) from USAID and the Overseas Private Investment Corporation (OPIC) to better equip the U.S. government with development finance tools to catalyze market-based, private-sector development, spur economic growth in less-developed countries, and advance the foreign-policy interests of the United States.