

Pillars of Effective U.S. Assistance

Recommendations for Accountability & Ownership

The United States faces significant challenges around the world – from humanitarian crises to political instability exacerbated by extreme poverty – making effective foreign assistance more important than ever. Over the past two decades, bipartisan leadership has advanced **accountability** and **country ownership** and strengthened the ability of U.S. foreign assistance to confront threats, reduce poverty, and advance American interests.

These two pillars of development effectiveness together help create a world in which developing country stakeholders have the tools to make smart decisions about their own development priorities and the power to implement those decisions. To maximize aid impact that lasts, the U.S. must focus on the development priorities that partner countries and their citizens have identified and build capacity in partner countries to sustainably address them.

Accountability

Transparency

Over the past decade, aid transparency has been significantly enhanced across the U.S. Government. The State Department created the ForeignAssistance.gov website that reports to the International Aid Transparency Initiative and hosts foreign aid program data from 13 of the more than 20 U.S. agencies that carry out aid programs, and combined represent 98% of U.S. foreign assistance funds.

The U.S. Agency for International Development (USAID), the Millennium Challenge Corporation (MCC), and the President's Emergency Plan for Aids Relief (PEPFAR) have studied and initiated improvements to the use of data by local partners. State and USAID have begun to improve their internal information management systems. The Department of Defense (DoD) is now required to present an annual budget for its security cooperation programs.

Next steps:

- ▶ All agencies should meet their transparency requirements – such as reporting to ForeignAssistance.gov – and improve the quality, usefulness, and use of data in order to more effectively track and manage assistance.

- ▶ Congress should ensure full funding for ForeignAssistance.gov, USAID's Operating Expenses, and the USAID Capital Investment Fund (CIF), which are essential to accountability. For instance, the CIF supports the establishment of the USAID's Development Innovation Solution (DIS) to ensure higher-quality foreign aid data.

Evaluation

USAID, MCC, the State Department, and most recently the Department of Defense – as required by the 2017 Defense Authorization bill – have all released policies requiring independent evaluations of foreign assistance and are making their full evaluations or summaries public. In July 2016, Congress and the President enacted the bipartisan "[Foreign Aid Transparency and Accountability Act](#)" (PL 114-191), institutionalizing ForeignAssistance.gov and requiring foreign aid transparency as well as centralized guidelines for monitoring and evaluating U.S. assistance.

Next steps:

- ▶ The White House and aid agencies should develop robust guidelines for carrying out the "Foreign Aid Transparency and Accountability Act."
- ▶ All agencies should fully implement their evaluation policies, especially State and DoD for their security sector programs.

Learning

After conducting [a study](#) of evaluation utilization, USAID revised its internal guidance in 2016 to ensure that evaluations are used to inform programs and decision-making. MCC released a [new strategic plan](#) that will invest in greater learning for adaptation and greater impact. Both DoD and State have established processes for ensuring that evaluation recommendations are implemented.

Next step:

- ▶ All foreign aid agencies – in particular USAID, MCC, PEPFAR, the State Department, Defense Department, and OPIC – should improve systems for developing learning agendas, sharing findings, and informing budgets and program design.

Country Ownership

Priorities

MCC continues to be a leader in co-creating programs with country partners to reflect local needs. USAID, despite numerous earmarks and initiatives, has completed Country Development Cooperation Strategies with nearly every partner country, and [revised operational guidance](#) in 2016 directing Missions to better align with local priorities. The “[Global Food Security Act](#),” signed into law in 2016, states that the U.S. Government’s food security strategy should be aligned with partner country plans and include input from local stakeholders. Despite this progress, congressional directives and presidential initiatives continue to channel resources away from local priorities.

Next step:

- ▶ Congress and the administration should substantially increase the percentage of aid that is programmed consistent with country priorities, and identify the constraints to doing so.

Implementation

To improve development results, USAID has [increasingly partnered](#) directly with the local private sector, civil society, and government. MCC continues to work through its country-specific and locally-led Millennium Challenge Accounts. PEPFAR is integrating its Sustainability Index 2.0 into Country Operational Plans to better ensure that partner countries can maintain epidemic control themselves.

Next steps:

- ▶ U.S. agencies – especially USAID, MCC, and PEPFAR – should design, adopt, and implement metrics to consistently measure the quality of country ownership and the sustainability of impact.
- ▶ Food assistance should be reformed by Congress and the administration to better utilize local systems and enable greater reach, efficiency, and impact.

Resources

Recognizing the importance of catalyzing partner country resources for development, the United States pledged to significantly increase support for domestic resource mobilization (DRM) by 2020. USAID has since announced a new DRM program in [Liberia](#), and MCC has completed successful initiatives in the [Philippines](#). PEPFAR’s Health Financing Initiative plans to invest \$63 million over three years in strengthening partner countries’ own contributions to local health systems.

Next steps:

- ▶ Aid agencies – led by Treasury, USAID, PEPFAR, and MCC – and Congress should seek opportunities to substantially increase DRM, helping partner countries increasingly channel their own public and private resources for development.
- ▶ The U.S. Government should strengthen its development finance mechanisms, such as by establishing a Development Finance Bank, and review the effectiveness of U.S. public-private partnerships to determine how to increase their development impact.
- ▶ Congress should pass the “Economic Growth and Development Act” to strengthen the U.S. Government’s ability to partner with the private sector and catalyze partner country resources for development.

MFAN is a reform coalition composed of international development and foreign policy practitioners, policy advocates and experts. 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.