

Friday, July 20, 2018

The Honorable Lindsey Graham
Chairman
Senate Subcommittee on State, Foreign
Operations, and Related Programs

The Honorable Hal Rogers
Chairman
House Subcommittee on State, Foreign
Operations, and Related Programs

The Honorable Patrick J. Leahy
Ranking Member
Senate Subcommittee on State, Foreign
Operations, and Related Programs

The Honorable Nita Lowey
Ranking Member
House Subcommittee on State, Foreign
Operations, and Related Program

Dear Chairmen Graham and Rogers and Ranking Members Leahy and Lowey:

On behalf of the Modernizing Foreign Assistance Network (MFAN), a reform coalition comprised of international development and foreign policy practitioners and experts, we thank you for your longstanding commitment to advancing effective U.S. foreign assistance. United States engagement is critical to confronting the full range of challenges we face around the world. We at MFAN express our gratitude and urge your continued efforts to uphold American leadership by rejecting disproportionate cuts to poverty-fighting foreign assistance. We applaud your ongoing engagement with the Trump Administration to ensure that any reforms or reorganization of U.S. development and diplomacy agencies enhance the effectiveness of our investments abroad in reducing poverty and promoting inclusive economic growth.

In crafting a final Fiscal Year 2019 (FY19) bill, we see opportunities to strengthen Congress's role in federal reorganization and aid effectiveness via MFAN's two mutually-reinforcing pillars of reform: *accountability* through transparency, evaluation, and learning, and *country ownership* of the priorities and resources for, and implementation of, development.

First, we would like to thank you for incorporating several of MFAN's recommendations throughout this process and for reinforcing progress made in previous years. We particularly commend you for advancing MFAN's aid effectiveness priorities in the following FY19 report language:

1. Domestic Resource Mobilization (House and Senate Reports). MFAN greatly appreciates the inclusion of language in both the House and Senate reports encouraging the U.S. government to help countries increase domestic revenues, and we strongly support the use of resources in this bill to help countries find a long-term path toward fiscal sustainability. MFAN also thanks both houses for including funding for the Department of Treasury's International Affairs Technical Assistance in the bills. Treasury's activities are an important part of the U.S. government's commitment to double technical assistance for Domestic Resource Mobilization (DRM) by 2020. We also endorse the reports' recognition of the USAID Administrator's lead role in coordinating among development agencies to create an overarching DRM strategy. Please see MFAN's "[Principles of Public Sector Domestic Resource Mobilization in Developing Countries](#)" for guidelines to ensure that these resources are catalytic for broad-based economic growth and poverty reduction.

2. Oversight, monitoring, evaluation, and data transparency (House and Senate Reports). We applaud both the House and Senate's emphasis on foreign assistance oversight, transparency, and accountability. We further support Senate bill text (Section 7034(m)), making funds available for local beneficiary feedback, and Senate report language directing the Secretary of State and USAID Administrator to jointly report on evaluation quality, utilization, and resources needed, as well as the extent to which program sustainability is measured. MFAN notes with concern that even after unanimous Congressional adoption and enactment of the "Foreign Aid Transparency and Accountability Act" (P.L. 114-191) in 2016, the ForeignAssistance.gov website still requires additional attention to improve the quality and comprehensiveness of U.S. foreign assistance data. Moreover, pursuant to the FATAA legislation, the U.S. Government should reconcile the existence of multiple aid data platforms to [ensure uniformity](#).

Second, as you prepare a final FY19 appropriations package, we urge you to consider our request to:

1. Adopt modified House and Senate bill text to strengthen reorganization transparency and congressional consultation (Section 7069, House; Section 7075, Senate). MFAN commends Congress for enacting provisions in FY18 and proposing provisions in FY19 that assert the importance of an independent USAID and Congress's role as partner to the Executive Branch in any reform and reorganization of foreign assistance. MFAN believes reforms that improve the United States' ability to conduct global development and humanitarian response should be grounded in: meaningful and regular consultation with Congress and the development community, adherence to widely-endorsed [guiding principles of aid effectiveness](#), and a coherent U.S. Global Development Strategy. We specifically recommend that you adopt the House language requiring detailed analysis and reporting on agency reorganization, including information on how the proposed changes would impact efficiency, effectiveness, and accountability.
2. Adopt the Senate-proposed topline levels for USAID's Capital Investment Fund and USAID Operating Expenses. MFAN welcomes both the House and Senate's support for USAID's critical operations accounts and urges the adoption of the Senate's topline funding levels for USAID's Capital Investment Fund and Operating Expenses as you reconcile these two bills. These accounts are essential for aid effectiveness and support USAID's efforts to drive innovation and retain Foreign Service, Civil Service, and Foreign Service National talent; oversee program implementation; improve transparency; and evaluate results. In particular, the Capital Investment Fund supports the establishment of USAID's Development Information Solution, a comprehensive system to manage and report on the agency's global portfolio.
3. Adopt merged House and Senate bill text to restore State Department and USAID personnel to sufficient levels (Section 7069(a), House; Section 7075(c), Senate). Foreign and civil service officers at the State Department and USAID are central to accomplishing the United States' diplomatic and development goals overseas. MFAN is heartened to see that both the House and the Senate account for this critical issue of adequate personnel, particularly considering the extended hiring freeze that was only recently lifted for the diplomatic and development corps. We encourage the Committee to adopt bill text which emphasizes the vital importance of ensuring sufficient staffing levels across the State Department and USAID to carry out this important work effectively.

In addition, we recommend that the Committee adopt House bill text to strengthen transparency and congressional notification (Section 7069(b), House) of staffing plans. Given the inordinately high number of personnel vacancies, Congress should ensure that adequate levels are restored so that the State Department and USAID are equipped to fulfill their vital missions.

4. Adopt House bill text for strategic transitions (Section 7069(b), House; Senate Report). MFAN applauds the eventual goal of turning responsibility for development over to local actors, and we are encouraged by

the serious attention that USAID Administrator Mark Green is devoting to this issue. We appreciate that the transition language in the House bill and Senate report emphasizes the outcome of helping partner countries achieve sustainable fiscal self-reliance and a new level of partnership with the United States, and we encourage the adoption of the House bill text. Transition plans should include the identification of transition-readiness milestones, as well as a strategy to support country-led efforts to achieve self-reliance. Such transition strategies should include investment in helping countries increase public and private sector domestic resource mobilization.

5. Strengthen reporting requirements for funds disbursement (Senate Report). International development and humanitarian implementing organizations have experienced increased funding delays over the last fiscal year. These delays significantly impact the staffing, logistics, and efficiency of a program, which can undermine the effectiveness of foreign assistance programs. We recommend adopting the Senate report language on funds disbursement to track delays that may impede the progress and impact of programs.

We applaud your leadership on the FY19 State and Foreign Operations Appropriation bill and thank you for considering these recommendations for inclusion in a final package. MFAN's Deputy Director and Senior Policy Advisor Stephanie Cappa (scappa@modernizeaid.net; 202-971-1486) is available to answer any questions you or your staff may have.

We look forward to working with you to advance U.S. values and economic and national security interests by supporting a more just, prosperous, and secure world through effective foreign assistance.

Sincerely,



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MFAN Co-Chair
Senior Fellow, Brookings Institution



Tessie San Martin
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