U.S. foreign aid is a tool that advances American interests and values:

**Developing countries account for nearly half of U.S. exports** and represent the greatest opportunity for U.S. export expansion. U.S. assistance promotes a more stable business climate for investment and trade.²

**Fragile states are often at the greatest risk of terrorism and extremism. Aid strengthens our national security** through assistance programs that foster transparent government and educational and economic opportunity that can bring greater stability among nations and help to prevent threats to U.S. interests and expensive U.S. military engagements.

**Inclusive economic growth and good governance can curb migration.** U.S. aid funds programs that directly engage with communities to improve economic conditions, strengthen law enforcement, and improve health outcomes.

**Effective aid encourages country self-reliance.** Developing countries are faced with various options for development, including high interest loans from China that do not position partner countries to become prosperous trading partners. U.S. assistance is transparent, accountable and stimulates countries’ self-reliance.

**Aid promotes U.S. values.** With the help of U.S. foreign assistance, by 2013, new HIV infections had fallen 42% from their global peak in 1997; between 2000 and 2010, malaria mortality rates fell by 26% globally since 1990; and **90 million children have been saved due to global efforts to reduce child mortality.**³

**What is Effective U.S. Foreign Assistance?**

- **Focus on countries where the need is greatest or where it can have the most impact**
- **Create the conditions under which aid is no longer necessary**
- **Be transparent and accountable** to American taxpayers and local stakeholders
Modern U.S. Foreign Assistance is:

**Data-driven**
- The President’s Emergency Plan for Aids Relief (PEPFAR) uses disaggregated data to focus investments in the geographic areas and populations with the greatest HIV/AIDS burden. Data leverages each dollar invested in order to reach more individuals, families, and communities with life-saving treatment.
- The Foreign Aid Transparency and Accountability Act mandated that all U.S agencies involved in aid establish monitoring and evaluation policies, which inform effective program design.

**Transparent and Accountable**
- 17 agencies that account for more than 98% of all U.S. foreign aid report foreign assistance data to the U.S. aid dashboards.¹

**Cost-effective**
- For every $1 dollar invested in malaria commodities, a $36 return is expected in the form of productivity from healthier, better educated, more productive working communities.²
- Programs run by U.S. agencies to help countries raise their own development funds have seen multi-fold returns on investment. In El Salvador, a $5.8 million investment yielded a $350 million increase in annual revenue.³
- The Overseas Private Investment Corporation, which will soon be incorporated into the U.S. Development Finance Corporation, operates at no cost to taxpayers.

**Opportunities for Further Reform:**

**A Smart Global Development Strategy:** U.S.-supported development programs, which are managed by several different government agencies, must work together to achieve clear objectives. An official strategy would work in tandem with the National Security Strategy to ensure that development programs support America’s long-term foreign policy interests, focus on countries where need and/or impact is greatest, and serve as an extension of American values.

**A More Efficient USAID.** USAID is America’s lead development agency. In response to the Trump administration’s call for government-wide reorganization, USAID plans to overhaul the agency to strengthen policy and budget coherence, responsiveness to the field, and sustained impact. Congress has a direct role in approving these plans.

**Effectively Leveraging Development Finance:** Both public and private finance is key to unlocking the benefits of development.

- Upholding development-oriented implementation of the **BUILD Act** will ensure that private finance is working toward sustainable development and American interests.
- Promoting wise investments in **mobilizing a country’s own resources** for development (Domestic Resource Mobilization) has a large return on investment and promotes self-reliance.

¹ Ted Yoho: Ted Yoho: A new economic approach to foreign aid
² USGLC: America’s Global Leadership
³ Interaction: Illustrative Results
⁴ MFAN: Improving Aid Data
⁵ Centers for Disease Control: The President’s Malaria Initiative
⁶ MFAN: Investing in Self-Reliance