

# Smarter foreign aid: How to fix USAID

by [David Beckmann](#) in the [December 29, 2009](#) issue

After traveling by airplane and boat from Maputo, I arrived at the hut of farmer Pedro Kumpila in the village of Mtimbe, Mozambique—100 miles from the nearest road. His mud hut was among 40 others, each with its own cassava field.

Kumpila, my host for this trip, had spent half a lifetime forging a path to his life here. When war was raging in Mozambique, he fled Mtimbe and was a refugee. Then a peace treaty was signed in 1992, and he returned to Mtimbe to rebuild. More disaster came: a mysterious wave of disease drove parents from their cassava fields to their deathbeds, and children became orphans.

Aid came when Kumpila heard about a new program at his Anglican church: Equipa de Vida (Life Team), funded in part by the United States. The U.S. Agency for International Development (USAID) provides education and HIV/AIDS training for teams like Kumpila's in 160 villages. Participants learn how to identify and treat HIV and then go door to door offering support to families impacted by the disease. These volunteers are reclaiming their communities from the scourge of AIDS by teaching disease prevention and urging people to get tested, by caring for children and by administering antiretroviral drugs.

In this and many other situations, U.S. foreign assistance does work—when it's targeted and funded properly. With U.S. funding, nongovernmental organizations—including many faith-based groups like Equipa de Vida—have helped millions of mothers to immunize their babies in newly built health facilities and have helped farmers learn strategies to improve their crops. Thanks largely to debt relief, the great majority of children in Africa are in school, and in the past six years, the number of people receiving medicines to treat HIV/AIDS in developing countries has increased tenfold.

Credit for much of Equipa de Vida's success goes to President George W. Bush. His \$15 billion President's Emergency Plan for AIDS Relief (PEPFAR) has supported care for more than 10.1 million people worldwide, including more than 4 million orphans. Under the Millennium Challenge Account (MCA), nearly \$1 billion in funding for long-

term development projects has been disbursed to nations like Mozambique and Malawi that have met rigorous eligibility requirements.

Following in his predecessor's footsteps, President Obama has signaled that Africa will be a priority for U.S. foreign policy. Both the president and Secretary of State Hillary Clinton traveled to Africa last summer—the earliest visit to Africa ever made by a U.S. president during his term in office. After proposing to double U.S. poverty-focused development assistance, President Obama convinced world leaders at the recent G8 Summit to pledge \$20 billion over five years to address global hunger.

But it will take more than money to get aid to the people who need it most; the United States must get smarter about how it delivers foreign aid. Our country provides assistance to the world's poorest nations through the Foreign Assistance Act of 1961, signed into law by President John F. Kennedy. But the world has changed dramatically since then.

USAID, established by the Foreign Assistance Act to lead our nation's development efforts, rose to become the premier development agency in the world. But foreign aid has lost the clear focus that was provided in 1961 by the cold war. After years of benign neglect and proliferating aid programs across the spectrum of government departments, USAID has lost much of its professional capacity, expertise and authority.

After September 11, 2001, politicians recognized that hunger and poverty are catalysts of instability. The Bush administration articulated a national 3D Security Initiative that named development as one of its three Ds, along with defense and diplomacy; as a result, overall foreign assistance funding more than doubled between 2001 and 2007. This is good news.

But inserting development into a national security policy has not improved the structural problems with U.S. foreign assistance, nor has it addressed the disproportionate focus on defense among the three Ds. From 2002 to 2007, the U.S. Department of Defense (DOD) increased its management of U.S. development assistance from 6 percent to 20 percent. But at the same time USAID's full-time staff shrank by 40 percent. Secretary of Defense Robert Gates has remarked that there are more musicians in military bands than foreign service officers in USAID and the Department of State. The post of USAID administrator sat unfilled for more than nine months, in part because several candidates declined to head the weak agency.

Who is doing development work? The DOD is carrying out activities that have traditionally been the responsibility of USAID, such as building schools, clinics, water systems and roads. This is less than ideal, as the image of people in military uniforms coming into villages—even if it is to build a well or extend a road—does not always elicit trust or cooperation.

There is no single agency or person responsible for all U.S. development programming. The resulting fragmentation of responsibility for U.S. foreign aid is reflected in an organizational chart of stunning complexity. Decisions about aid are scattered across 12 departments, 25 agencies and almost 60 government offices—each with its own goals and administrative procedures. In Mozambique and Malawi, for example, I met staff who were uninformed about what other American aid agencies were doing in the same city.

Our foreign assistance system is broken. We need a fresh approach, and can start by elevating global development to a more prominent role alongside defense and diplomacy. Poverty reduction must be a specific goal in U.S. foreign policy, as distinguished from political, military and security goals, and with distinct and secure funding.

Second, we can give developing countries more of a say in how U.S. assistance is used. When poor countries are allowed to express their own priorities, they almost invariably opt to put resources into infrastructure and agriculture.

I saw the tremendous importance of agriculture to the world's poorest people in Mtimbe, Mozambique. If a family's cassava field flourishes, family members are fine. If it fails, they go hungry for a long time. Dictating program priorities from Washington doesn't help countries become self-reliant. Empowering recipient country teams to shape programs based on local needs gets better results.

A third goal is to link a comprehensive strategy for global development to an ongoing monitoring and evaluation system in order to determine what works and what does not. Poverty-focused development assistance should focus on measurable goals and objectives, including systems of accountability to Congress and the American people. Requiring funding agencies to post information on a public Web site would encourage citizen involvement in global poverty reduction.

Efforts to reform foreign assistance are gaining attention and momentum on Capitol Hill. Secretary of State Hillary Clinton and Secretary of Defense Robert Gates

publicly recognize the necessity of making our foreign assistance more effective. Members of Congress firmly agree that we can do better and get more for our tax dollars. More than 120 representatives have signed on to the Initiating Foreign Assistance Reform Act of 2009 (H.R. 2139), introduced by representatives Howard Berman (D., Calif.) and Mark Kirk (R., Ill.). In the Senate, the Foreign Assistance Revitalization and Accountability Act of 2009 (S. 1524), introduced by three Republicans and three Democrats, has already passed through the Foreign Relations Committee.

These bills would establish new mechanisms for monitoring and evaluating the effectiveness of aid programs and make all information on those programs publicly available. While there are differences in the bills, both constitute a significant first step on a full rewrite of the Foreign Assistance Act of 1961.

In an encouraging development, the White House recently issued a presidential study directive mandating a comprehensive review of our nation's global development policy. If Congress and the new administration succeed in overhauling U.S. foreign assistance, U.S. taxpayers will be able to do more good for decades to come, and communities like Pedro Kumpila's will have a better shot at working their way out of poverty and becoming self-sufficient.