

# UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT(USAID)

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# INTRODUCTION

- **The United States Agency for International Development (USAID)** is an independent agency of the United States federal government that is primarily responsible for administering civilian foreign aid and development assistance. With a budget of over \$27 billion, USAID is one of the largest official aid agencies in the world, and accounts for more than half of all U.S. foreign assistance—the highest in the world in absolute dollar terms.

- Congress passed the Foreign Assistance Act on September 4, 1961, which reorganized U.S. foreign assistance programs and mandated the creation of an agency to administer economic aid. USAID was subsequently established by the executive order of President John F. Kennedy, who sought to unite several existing foreign assistance organizations and programs under one agency. USAID became the first U.S. foreign assistance organization whose primary focus was long-term socioeconomic development.
- USAID's programs are authorized by Congress in the Foreign Assistance Act, which Congress supplements through directions in annual funding appropriation acts and other legislation. As an official component of U.S. foreign policy, USAID operates subject to the guidance of the President, Secretary of State, and the National Security Council. USAID has missions in over 100 countries, primarily in Africa, Asia, Latin America, the Middle East, and Eastern Europe.



# GOALS

- USAID's mission statement, adopted in February 2018, is:
- "On behalf of the American people, we promote and demonstrate democratic values abroad, and advance a free, peaceful, and prosperous world. In support of America's foreign policy, the U.S. Agency for International Development leads the U.S. Government's international development and disaster assistance through partnerships and investments that save lives, reduce poverty, strengthen democratic governance, and help people emerge from humanitarian crises and progress beyond assistance."
- USAID's decentralized network of resident field missions is drawn on to manage U.S. Government (USG) programs in low-income countries for a range of purposes.
- Disaster relief
- Poverty relief
- Technical cooperation on global issues, including the environment
- U.S. bilateral interests
- Socioeconomic development
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# DISASTER RELIEF

- Some of the U.S. Government's earliest foreign aid programs provided relief in crises created by war. In 1915, USG assistance through the Commission for Relief of Belgium headed by Herbert Hoover prevented starvation in Belgium after the German invasion. After 1945, the European Recovery Program championed by Secretary of State George Marshall (the "Marshall Plan") helped rebuild war-torn Western Europe.
- USAID manages relief efforts after wars and natural disasters through its Office of U.S Foreign Disaster Assistance in Washington D.C. Privately funded U.S. NGOs and the U.S. military also play major roles in disaster relief overseas.



# POVERTY RELIEF

- After 1945, many newly independent countries needed assistance to relieve the chronic deprivation afflicting their low-income populations. USAID and its predecessor agencies have continuously provided poverty relief in many forms, including assistance to public health and education services targeted at the poorest. USAID has also helped manage food aid provided by the U.S. Department of Agriculture. In addition, USAID provides funding to NGOs to supplement private donations in relieving chronic poverty.

# GLOBAL ISSUES

- Technical cooperation between nations is essential for addressing a range of cross-border concerns like communicable diseases, environmental issues, trade and investment cooperation, safety standards for traded products, money laundering, and so forth. The USG has specialized agencies dealing with such areas, such as the Centers for Disease Control and the Environmental Protection Agency. USAID's special ability to administer programs in low-income countries supports these and other USG agencies' international work on global concerns.



# ENVIRONMENT

- Among these global interests, environmental issues attract high attention. USAID assists projects that conserve and protect threatened land, water, forests, and wildlife. USAID also assists projects to reduce greenhouse-gas emissions and to build resilience to the risks associated with global climate change. U.S. environmental regulation laws require that programs sponsored by USAID should be both economically and environmentally sustainable.
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# U.S NATIONALS INTEREST

- To support U.S. geopolitical interests, Congress appropriates exceptional financial assistance to allies, largely in the form of "Economic Support Funds" (ESF). USAID is called on to administer the bulk (90%) of ESF and is instructed "To the maximum extent feasible, [to] provide [ESF] assistance ... consistent with the policy directions, purposes, and programs of [development assistance]."
- Also, when U.S. troops are in the field, USAID can supplement the "Civil Affair" programs that the U.S. military conducts to win the friendship of local populations. In these circumstances, USAID may be directed by specially appointed diplomatic officials of the State Department, as has been done in Afghanistan and Pakistan during operations against al-Qaeda.
- U.S. commercial interests are served by U.S. law's requirement that most goods and services financed by USAID must be sourced from U.S. vendors.
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# SOCIOECONOMIC DEVELOPMENT

- To help low-income nations achieve self-sustaining socioeconomic development, USAID assists them in improving management of their own resources. USAID's assistance for socioeconomic development mainly provides technical advice, training, scholarships, commodities, and financial assistance. Through grants and contracts, USAID mobilizes the technical resources of the private sector, other USG agencies, universities, and NGOs to participate in this assistance.
- Programs of the various types above frequently reinforce one another. For example, the Foreign Assistance Act requires USAID to use funds appropriated for geopolitical purposes ("Economic Support Funds") to support socioeconomic development to the maximum extent possible.

# TECHNICAL ASSISTANCE

- Technical assistance includes technical advice, training, scholarships, construction, and commodities. Technical assistance is contracted or procured by USAID and provided in-kind to recipients. For technical advisory services, USAID draws on experts from the private sector, mainly from the assisted country's own pool of expertise, as well as from specialized USG agencies. Many host-government leaders have drawn on USAID's technical assistance for development of IT systems and computer hardware procurement to strengthen their institutions.
- To build indigenous expertise and leadership, USAID finances scholarships to U.S. universities and assists the strengthening of developing countries' own universities. Local universities' programs in developmentally important sectors are assisted directly and through USAID support for forming partnerships with U.S. universities.
- The various forms of technical assistance are frequently coordinated as capacity building packages for development of local institutions.
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# FINANCIAL ASSISTANCE

- Financial assistance supplies cash to developing country organizations to supplement their budgets. USAID also provides financial assistance to local and international NGOs who in turn give technical assistance in developing countries. Although USAID formerly provided loans, all financial assistance is now provided in the form of nonreimbursable grants.
- In recent years, the USG has increased its emphasis on financial rather than technical assistance. In 2004, the Bush Administration created the Millennium Challenge Corporation as a new foreign aid agency that is mainly restricted to providing financial assistance. In 2009, the Obama Administration initiated a major realignment of USAID's own programs to emphasize financial assistance, referring to it as "government-to-government" or "G2G" assistance.

