

*“... the security and well-being of each and every American is tied to the security and well-being of those who live beyond our borders. The United States should provide global leadership grounded in the understanding that the world shares a common security and a common humanity . . . Yet, while America and our friends and allies can help developing countries build more secure and prosperous societies, we must never forget that only the citizens of these nations can sustain them”*

– President-elect Obama, Strategy to Promote Global Development and Democracy

### ***The Problem***

Poverty and injustice can alienate populations from states, increase the risk of civil conflict, and erode weak states' capacity to govern, creating opportunities for domestic and transnational security threats. Addressing these threats is not Oxfam's mission—we are an agency dedicated to fighting poverty because, in a world of plenty, poverty is morally untenable. Yet whether the US fights global poverty for moral reasons or to enhance its own security, Oxfam believes that a commitment to modernizing US government development assistance can have a lasting impact on global poverty, and that over time, doing smart development will enhance US moral standing and national interests, and ultimately, build a safer world for all.

Oxfam America calls for ambitious reforms to US foreign assistance. Development assistance needs to change, from legislation, strategy, organizational structure, and implementation, to a substantive rethinking of development in the field. Our foreign aid should lead global development efforts; it should put developing states, communities, and citizens in the driver's seat; and it should strive to get maximum value for the poor out of every aid dollar. Oxfam believes that there is currently both the will and opportunity to maximize smart development, and we intend to work with others to make reform happen.

### ***Short-term Recommendations – First 100 Days***

Oxfam America, as a member of the Modernizing Foreign Assistance Network (MFAN) recommends the followings steps that can be taken immediately to strengthen US development assistance:

- **Ensure Secretary of State's Commitment to Elevating Development.** An early and critical discussion with the Secretary of State nominee must include the elevation of development as a top foreign policy priority, including rebuilding and rationalizing organizational structures under a strong, independent development agency with a robust budget and staffing.
- **Empower a Single Individual with Broadened Responsibility for USAID, MCC and PEPFAR.** The individual should have development experience and be respected by Congress. The individual could be confirmed as USAID Administrator, and named interim head of MCC and PEPFAR. This confirmation should occur in a timeframe as close as possible to that for the Secretaries of State and Defense, in recognition of the key role for development in a 3D national security framework. This will elevate development and make some initial sensible moves toward coherence without prejudging a decision of ultimate organizational structure and broader consolidation.
- **Name a Deputy National Security and Economic Advisor for Development** with joint NEC/NSC responsibility for interagency and White House coordination and coherence of development policy — including programs and policies regarding democracy, humanitarian assistance, and crisis and conflict response — and its consistency with US trade policy. Two key actions to be coordinated by the directorate with the new development nominee include:
  - Develop a National Strategy for Global Development (in tandem with the new National Security Strategy); and
  - Initiate a review of all foreign assistance and international crisis management authorities, including those in DoD, to determine which authorities are most appropriately civilian and which are most appropriately military.

To reinforce these actions, MFAN is recommending the following:

- Ensure that development policies and interests are strongly represented at interagency Principal, Deputy and PCC level discussions, with the development nominee added to the NSC, chairing development PCCs and attending any Principal and Deputy discussions touching on development.
- Explore options for the permanent structure of a capable, independent development agency that best consolidates programs, enhances policy and operational coherency, and increases the efficiency and effectiveness of US efforts to fight poverty and create economic opportunity worldwide.
- Engage with Congressional leaders on developing a shared vision of foreign assistance, reaching a “Grand Bargain” on management authorities and responsibilities, and enacting a new Foreign Assistance Act that meets today’s challenges. A new Act would outline key objectives of foreign assistance, consolidate development decision making and implementation functions into an independent agency, clarify coordination with other agencies, and reduce political and bureaucratic constraints that have hindered the effectiveness of foreign assistance in the past.

### ***Long-term Recommendations – First Term***

Oxfam believes that the answer to global poverty lies with the people of the developing world and their governments. If we, as the United States, hope to make our development assistance more effective, we need to deliver aid in a way that strengthens, rather than undermines, the relationships between citizens and governments in poor countries. When the US reforms the law, structure, and strategy of its development policy, it should have a functional goal to put effective states and active citizens in charge of their own development.

Oxfam recommends the President and Congress undertake the following specific reforms:

- Make aid more transparent and predictable by increasing multiyear commitments, and providing timely information to recipient governments and citizenries on priorities and funding;
- Strengthen the capacity of states and citizenries to manage their own development in a more cost effective manner by untying aid, particularly for technical assistance; and
- Give recipient states more control over their own development by increasing non-project aid to responsible governments, aligning with their development plans and supporting the MCC.

**For additional information, please contact:**

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**Working together to end poverty and injustice**

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