

INTRODUCTION OF GLOBAL PARTNERSHIPS ACT OF 2012
CONGRESSMAN HOWARD L. BERMAN
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Today I am pleased to introduce the Global Partnerships Act of 2012, a bill to establish a framework for effective, transparent, and accountable United States foreign assistance.

This legislation represents the culmination of nearly five years of effort, starting in March 2008 when I assumed the chairmanship of the Committee on Foreign Affairs. In reviewing the vast array of issues and problems that demanded the Committee's time and attention, I decided that reform of our antiquated foreign aid system should be high on the agenda.

At a time when our headlines are dominated by urgent crises and new openings abroad – whether it's the rebellion in Syria, the humanitarian catastrophe in Congo or the transition in Burma – some have questioned why I would choose to focus on foreign aid reform. The answer is really quite simple: because our foreign assistance laws have a significant impact on our ability to respond to all of those events.

Regrettably, over the past few years we have witnessed an increasingly destructive and divisive assault on our foreign assistance program and on U.S. international engagement more broadly. It is easy to find fault with the current system, but rather than taking cheap shots and mindlessly slashing programs, I believe it is incumbent upon us to find a responsible way to fix them.

It makes no sense that, under the current system, it is almost impossible to give small grants directly to local groups that are leading the way towards peaceful, democratic change. Our diplomats and development professionals shouldn't have to sit at their desks writing reports that duplicate information that is easily available on the Internet. There ought not to be situations where two agencies are doing the same thing in the same place and aren't even aware of it – or worse yet, undermining each other's efforts.

I recognize that there have been many attempts over the years to correct the problems with U.S. foreign assistance, which include bureaucratic fragmentation, program incoherence, and obsolete, inconsistent and rigid laws. I regret that this process has taken much longer, and proven much more complicated, than I originally anticipated. The easy road would be to leave foreign aid reform to the Administration, and wash our hands of any responsibility to update and repair the laws under which these programs are carried out. But such inaction is neither wise nor consistent with our obligations as lawmakers.

The bill I submit today lays the foundation for real progress. It sets forth a comprehensive framework for advancing American interests by working in cooperation with other countries to make our world a better, safer place.

The Global Partnerships Act of 2012 replaces both the Foreign Assistance Act of 1961, which covers economic and development assistance, and the Arms Export Control Act, which deals with arms sales and military aid. Together, these Acts, like this proposed rewrite, cover the full spectrum of foreign assistance programs, from development and democracy to peace and security. Each type of assistance has its own title in the bill, which describes the specific purposes, goals and objectives to be achieved.

This bill is the result of a long and complex process involving repeated consultations with interested groups, relevant committees, international partners, and federal agencies. We held hearings and roundtable discussions, issued concept notes and discussion papers, solicited written feedback, visited programs in the field, and read the academic research. Last September, we posted a draft bill on the Committee website and received detailed comments from hundreds of organizations, both individually and as coalitions. This bill encapsulates not only the direct feedback we've received in those forums, but also many of the recommendations of the Presidential Policy Directive on Global Development and the Quadrennial Diplomacy and Development Review, or QDDR.

The most fundamental change that this bill would make is to transform the donor-recipient relationship to one of equal partners working toward mutually agreed and mutually beneficial goals. Instead of dictating what needs to be done from Washington, we will listen to what our local partners and our own development professionals are saying, and we will hold both sides accountable for achieving results. Instead of doing things "for" another country, we will build their capacity for self-reliance. Sometimes our partners will be national governments; other times we will join up with non-governmental organizations, businesses or local communities. But our aid is unlikely to have a long-lasting impact unless the people most directly affected feel they have a stake in its success. That's what we call "country ownership", and that's why we're calling this the "Global Partnerships Act".

Second, this proposal would convert assistance from an input-oriented process, where the primary issue is how much we spend, into an outcome-oriented process, where the focus is on what we achieve. Two programs that were initiated by the Bush Administration – the HIV/AIDS effort known as PEPFAR, and the Millennium Challenge Corporation or MCC – have successfully pioneered this approach. Congress would be consulted from the outset, to build consensus over goals and priorities and establish agreement on what would constitute success.

To make this transformation, this bill brings more facts and evidence into the foreign aid process. Whether the purpose of our aid is to promote economic growth, stabilize a fragile peace, or ensure that a long-time ally is able to defend itself, our funding decisions should be based on reliable information about impact and performance rather than on hunches and intuition. Without solid empirical data about what works, it is impossible to ensure that our money is being effectively spent and achieving the desired results. And without evidence that our programs are having a significant, positive impact, we will lose the support and confidence of the American people.

There is a danger, of course, that the desire for tangible results could be misconstrued as a preference for short-term gains that can be quantitatively measured. This would be a grave mistake. Development is a long-term process, and no amount of goal-setting, indicator-selection, or measurement will give us a quick win. Objectives like promoting democracy are notoriously difficult to measure, and impossible to impose from without. We must always remember that monitoring and evaluation are tools to an end, not substitutes for good policy.

The bill also aims to make aid more strategic, in the sense of having a clear goal and a plan and timetable for pursuing it. We still need to preserve flexibility to respond quickly to changing situations on the ground. But for the most part, our aid suffers from a lack of clarity on what constitutes success and how we will know when we achieve it.

We also need to provide much greater transparency about what we are doing – not only for the American public, who deserve to know how their taxpayer money is being spent, but also for the intended beneficiaries, who can tell us whether the aid is reaching them and meeting the agreed objectives.

Let me say a few words about what is not included in this legislation. The first thing is spending levels. The bill contains no authorizations of funds, no mandatory spending, no entitlements, no recommended levels of appropriations. It is designed to change the way we provide assistance, rather than to dictate how much or to whom. It would not supersede the regular authorization and appropriations process.

Second, for the most part we did not include country-specific or region-specific provisions, which would distract from the main purpose of creating a new structure for assistance. Except for a few key sections, most of which were part of the old Foreign Assistance Act and required continuation, we have tried to write a generic framework that can withstand the test of time.

It is true that some of the reforms I have mentioned are already being implemented by the Administration. USAID has reinstated a process for developing 5-year country strategies, with clearly defined goals and indicators. The Millennium Challenge Corporation has just released its first set of rigorous, independent impact evaluations, which provide important lessons for the broader development community. And under the policy guidance of the National Security Staff, the Department of State and USAID created the Foreign Assistance Dashboard, a website that enables users to examine, research, and track aid investments in a standard and easy-to-understand format.

But each of these initiatives needs to be codified, accelerated and expanded. Without legislation, these improvements could be terminated or rolled back at any time. And none of them contain any requirement or standards for congressional consultation.

Through legislation, we engage in a process of give-and-take, consensus and compromise that is absent when the Administration charts its own course. Proceeding without congressional buy-in only increases the chances that each initiative will be second-guessed, blocked or

reversed. And it risks triggering the same vicious cycle that created this vast web of convoluted rules and tortuous procedures, leading to waste, inefficiency, and increasing paralysis.

To overcome the fear and inertia that have made progress on reform so elusive, we must begin by building public awareness and clearing up misperceptions about foreign assistance. Many Americans think that foreign assistance accounts for 15 to 20 percent of the federal budget, when in truth it's just 1 percent, and less than half of that goes for humanitarian and development programs. People who don't understand what foreign assistance does or how it helps them, or who have no confidence that it works, are unlikely to support it, particularly in this economic environment. The failure to communicate the importance of foreign assistance only leads to calls for more cuts while ignoring the real solutions.

In this period of belt-tightening and economic uncertainty, some seem to think that foreign assistance is a luxury we can no longer afford. However, with one out of five American jobs tied to international trade, and our fastest growing markets – accounting for roughly half of U.S. exports – located in developing countries, America can't afford a course of isolation and retreat. Our economic fate is interconnected with the rest of the world, and the collapse of developing economies will unavoidably mean our own decline.

For all these reasons, it's time to overhaul not just the legislation, but also the terms of the debate on foreign assistance. We must recognize the historic achievements that have occurred with the help of our foreign aid programs – the eradication of smallpox from the face of the earth, the Asian miracle that began with the Green Revolution, the millions of lives that have been saved and the human rights that have been won. Of course, aid alone cannot solve all the world's problems, but it is one of the best, safest and least expensive tools at our disposal.

Today, more than ever, our health, security, and prosperity depend on a world in which basic human needs are met, fundamental rights and freedoms are respected, conflicts are resolved peacefully, and the world's resources are used wisely. There is no escaping our obligations to help foster this environment. Not only are we morally bound to do so, but our economic and political interests demand that we address widespread poverty and chaos in the world.

Our creditors and competitors understand this. China is aggressively investing in the very countries that steep budget cuts may force us to abandon. We will soon come to regret it if we fail to share our knowledge and promote our values in the very places where they are in greatest demand.

I have said it before but it bears repeating: aid is not a gift. The United States provides foreign assistance because it serves our interests. Helping countries become more democratic, more stable, more capable of defending themselves and better at pulling themselves out of poverty is just as important for us as it is for them. Our task therefore, is to make sure that we provide this assistance in the most efficient and effective way.

The Global Partnerships Act of 2012 is the first comprehensive proposal to adapt our laws to reflect the lessons we've learned over the past 50 years. Previous reform efforts in the early 1990s sought to revise and streamline our statutes and repeal Cold War barnacles, but they did not fundamentally alter the way that we plan, manage, and carry out assistance programs. I recognize that there is not enough time to consider and pass this legislation in what remains of the 112th Congress. However, I believe this legislation offers a valid and constructive starting point for the future, and that is why I am so pleased that my distinguished colleague and good friend from Virginia, Mr. Connolly, is joining me in introducing the bill today. He is well-acquainted with the Foreign Assistance Act of 1961 and acutely aware of the need for reform, and I am confident that he will take a leadership role in moving this process forward in the next Congress.