



THE UNITED STATES AND INTERNATIONAL DEVELOPMENT:

Fostering Hope Through Growth

“When nations respect their people, open markets, invest in better health and education, every dollar of aid, every dollar of trade revenue and domestic capital is used more effectively.”

– President George W. Bush

The United States is deeply committed to helping the world’s poor. Development depends on putting in place policies to unleash growth. At the International Conference on Financing for Development at Monterrey in 2002, the world articulated a new model for development that called on developing countries to establish sound economic and social policies, and for developed countries to support these efforts through an open trading system, private capital flows, and additional development assistance. The U.S. also believes that our foreign assistance best supports those nations that make necessary political and economic reforms.

The following are integral aspects of the U.S.’s results-oriented approach to development:

TRADE

The United States is the leading importer of goods from developing countries, importing \$604 billion’s worth in 2003. The agricultural sector is a major contributor to developing country GNP, and agricultural liberalization is a direct and powerful antipoverty measure. In July 2004, the U.S. secured agreement in the World Trade Organization to include sharp cuts in agricultural trade barriers in the final phase of the Doha Round of negotiations. The successful completion of the Doha Round could lift 500 million people out of poverty and add \$200

THE U.S. RECORD

- **Top importer of goods from developing countries – \$604 billion in 2003.**
- **Nearly doubled official development assistance worldwide since 2000 – from \$10 billion to \$19 billion in 2004.**
- **In 2004, twice as much global HIV/AIDS funding contributed as all other donor nations combined – \$2.4 billion.**
- **\$2.8 billion in bilateral humanitarian and disaster relief in 2004.**
- **\$6.3 billion in private charitable contributions.**

billion annually to developing economies, by some estimates.

OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

The Bush Administration has dramatically increased official development assistance (ODA) at a faster rate than at any time since the Marshall Plan. U.S. ODA funding increased from \$10 billion in 2000 to \$19 billion in 2004. U.S. ODA to Africa tripled to \$3.2 billion during the same period.

MILLENNIUM CHALLENGE ACCOUNT (MCA)

In 2002, President Bush announced an innovative mechanism for providing development assistance, the Millennium Challenge Account. It is built on the principle that foreign aid yields better results where sound economic policies and good governance promote an enabling environment for economic growth. MCA supports countries that govern justly, invest in their people, and promote economic freedom. Congress (over)



Secretary of State Condoleezza Rice with President Marc Ravalomanana at the signing ceremony for the Millennium Challenge Account compact with Madagascar.

has appropriated \$2.5 billion for MCA thus far, and \$3 billion more have been requested in 2006.

PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF (PEPFAR)

PEPFAR is the largest commitment ever made by a single nation to any international health initiative - \$15 billion over five years. It has already more than tripled the number of people receiving anti-retroviral treatment in sub-Saharan Africa and supported care for more than 1.7 million people infected and affected by HIV/AIDS, including 630,200 orphans and vulnerable children. The U.S. is also the largest contributor to the Global Fund to combat HIV/AIDS, TB, and malaria, providing one-third of its resources.

HUMANITARIAN ASSISTANCE

At \$2.8 billion, the U.S. is the largest donor country of official humanitarian aid for victims of famine, war and natural disasters. We give humanitarian aid to people without regard to political or military relations with their governments, having offered assistance to both North Koreans and Iranians last year. Our emergency relief includes food, water, shelter, and medicines.

AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA)

Because of the special trade concessions to Africa through the African Growth and Opportunity Act, ninety-eight percent of African imports enter the United States duty free. Two-way trade between the U.S. and Sub-Saharan Africa increased by 37% from 2003 to 2004.

PEACE AND SECURITY COOPERATION

The Global Peace Operations Initiative (GPOI), a Presidential initiative approved in 2004, will provide about \$660 million over five years for enhancing peace support capabilities worldwide, a substantial portion of which will go to Africa.

DEBT FORGIVENESS

Under the Heavily Indebted Poor Country (HIPC) Initiative, the U.S. forgives 100% of bilateral debt owed by eligible



U.S. Global AIDS Coordinator Ambassador Randall Tobias delivers a dose of antiretroviral treatment to the first patient at the opening of a treatment site in rural Haiti.

USAID/Amy Cunningham



USAID/ Betina Moreira

A USAID-funded project provided this Sri Lankan woman her cooking pots and a \$150 loan for other materials to start her business.

developing countries. Total debt forgiveness to date under the initiative is over \$1.5 billion. We have also proposed a 100% write off of HIPC debt owed to multilateral institutions such as the World Bank and African Development Bank.

MULTILATERAL CONTRIBUTIONS

The U.S. Government is the single largest donor to multilateral development and relief organizations, such as United Nations agencies, the World Bank, and the International Committee of the Red Cross. In 2004, the US contributed over \$3.8 billion dollars.

PRIVATE CHARITY

Year after year, Americans are among the most generous people, per capita, in the world. During 2003, U.S. NGOs gave at least \$6.3 billion to developing countries, representing 62% of private contributions from major donor countries. Thus far in 2005, American citizens have contributed about \$1 billion to tsunami relief and reconstruction efforts.

PRIVATE FINANCIAL FLOWS

The U.S. is the chief source of private financial flows to the developing world. In 2003, foreign direct investment, imports, and remittances from the U.S. to the developing world totaled almost \$660 billion dollars.

PUBLIC-PRIVATE PARTNERSHIPS

USAID's Global Development Alliance (GDA) was created in 2002 to forge public-private alliances to stimulate economic growth, address health and environmental issues, and expand access to education and technology. More than 1,400 organizations, including international and local businesses, private foundations, NGOs, and governments are alliance partners in 97 countries in the developing world. USAID funded about 290 alliances, with over \$1.1 billion in government funding leveraging more than \$3.7 billion in partner resources.