The U.S. Agency for International Development was created in 1961 to assist developing countries of Asia and the Middle East, Africa and Latin America in achieving modern levels of health, education and prosperity. It was modeled on the success of the Marshall Plan which assisted the war-torn economies of Western Europe in rebuilding and creating a sound and peaceful economy. Today we work in more than 100 countries around the world, and Congress has given us a budget that increased from $7 billion in 2000 to about $14 billion in 2008.

Operating from 80 missions in foreign capitals, and from the Agency headquarters at the Ronald Reagan Building in Washington, USAID fields about 2,000 direct hire American staff and 6,000 Foreign Service Nationals.

It is our responsibility to see that these funds go for their intended purposes—feeding the hungry, education, training, health and other humanitarian development goals. At the same time we carefully control and audit these programs to assure the American people that the Agency is a responsible guardian of taxpayers' funds.

USAID is the world's largest foreign aid agency and is a trendsetter for other aid groups in research, development and achievements in reducing poverty and disease. A dramatic 25 percent fall in the rate of childhood deaths around the world since 1990 is due largely to USAID and other health assistance programs, UNICEF has reported. Millions of children were vaccinated against polio, measles and other diseases. Millions of the hungry were fed during famines.

A man in Yemen—one of tens of thousands educated by USAID—recently thanked USAID for sending him to earn a college degree in the 1960s, after which he worked 40 years serving his government.

Today, USAID is tackling the global food crisis, working to stop trafficking in persons, supporting the rebuilding of conflict-torn countries, and helping Africa to educate its next generation.

Partnerships and USAID's Engagement

USAID carries out most programs through non-governmental organizations, contractors, foundations and other groups. The Agency's field staff oversees and funds these groups as they, for example, develop new seeds, train health workers, deliver medical supplies, rebuild roads, or monitor elections.

Field staff carries out policy dialogue, write analytical documents, and monitor projects. USAID also coordinates its activities with other donors such as the UN, the World Bank, and other country aid agencies.

Agency Partners Include:
● Private Voluntary Organizations (PVOs): nonprofit charitable, scientific, educational, or service groups—most are U.S.-based. Examples include CARE, Save the Children, Catholic Relief Services, and World Vision.
● Non-Governmental Organizations (NGOs): nonprofit groups based abroad. Examples include Guatemala's Genesis Empresarial, and the Forum for African Women Educationalists.
● Public International Organizations (PIOs): organizations of governments. Examples are UN agencies and the World Bank.
● Contractors: private companies such as Chemonics and Bechtel that supply commodities or services.
● Cooperatives: organizations owned by and operated for the benefit of those using its services. Examples include Land o' Lakes, National Cooperative Business Association, World Council of Credit Unions.

New Partnerships: The Global Development Alliance (GDA)
USAID established the GDA in 2001 to promote public-private alliances that address international development challenges. In GDA activities USAID partners with companies, foundations and others to stimulate economic growth, address health and environmental issues, and expand access to education and technology in the developing world.

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USAID
FROM THE AMERICAN PEOPLE

We Are USAID

Message From the USAID Administrator and Director of U.S. Foreign Assistance

USAID accelerates human progress in developing countries by reducing poverty, advancing democracy, building market economies, promoting security, responding to crises, and improving quality of life. During 2008, the level of USAID's available budgetary resources totaled $13.5 billion in funding from the American people to focus on our mission. We assist governments, institutions and individuals, private sector and civil society to build their own futures by mobilizing the full range of America's public and private resources through our expert presence overseas.

And as we have successfully delivered assistance around the world, I am proud to state that for the sixth consecutive year, USAID earned unqualified opinions on its fiscal year 2008 financial statements. This accomplishment proves that USAID people and systems continue to focus on effectively managing taxpayer resources. USAID has recently reached full "green" scores on all aspects of progress in the President's Management Agenda initiatives.

Over the past year, USAID has been moving ahead to enhance the foreign assistance initiatives of the United States to improve the collaboration among U.S. government agencies, particularly building a strong foundation with the Department of State, the Department of Defense and all other agencies working in the foreign assistance community. We have also worked hard this year to collaborate with all other donor governments and the private sector to improve worldwide development.

Based on these successes, USAID has gained the full support of President Bush and a bipartisan U.S. Congress for significant increases in development assistance as well as commitments to dramatically expand our overseas staffing. Under the Development Leadership Initiative (DLI) launched this past year, we have already hired 157 new Foreign Service Officers and are preparing for planned expansion for up to an additional 300 junior and midlevel hires by the end of the 2009 fiscal year. DLI enhances and improves USAID's leadership, technical and managerial capacity.

The remainder of this report will provide you with some examples of the significant successes of USAID over the course of fiscal year 2008.
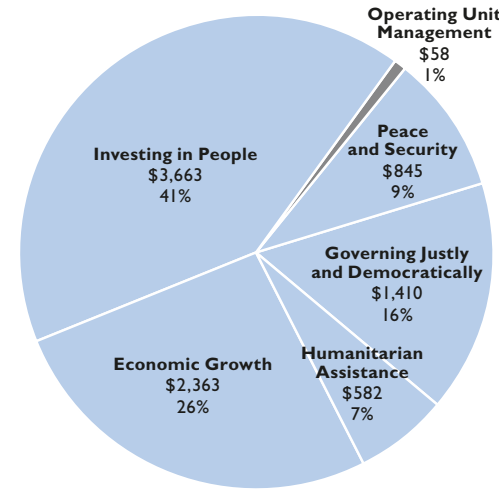
Henrietta H. Fore
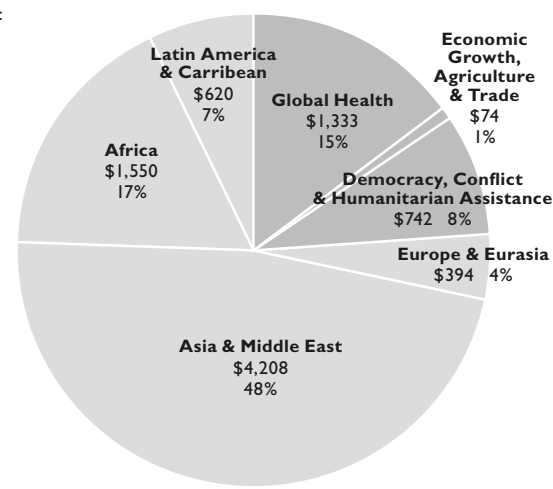*USAID Administrator and Director of U.S. Foreign Assistance*

Where Does USAID's Money Go?

USAID delivered nearly $9 billion in new aid during 2008 on programs in more than 100 countries, mainly through the 80 missions placed in countries around the world. The following two charts present the program objectives against which USAID funds were spent.

Net Cost of Operations
Dollars in Millions

- Operating Unit Management $58 1%
- Investing in People $3,663 41%
- Peace and Security $845 9%
- Governing Justly and Democratically $1,410 16%
- Humanitarian Assistance $582 7%
- Economic Growth $2,363 26%

Geographic Regions & Technical Areas
Dollars in Millions

- Latin America & Carribean $620 7%
- Global Health $1,333 15%
- Economic Growth, Agriculture & Trade $74 1%
- Africa $1,550 17%
- Democracy, Conflict & Humanitarian Assistance $742 8%
- Europe & Eurasia $394 4%
- Asia & Middle East $4,208 48%

Agency Accomplishments

Peace and Security: In Lebanon, USAID is working directly with a local non-governmental organization (NGO) to develop youth-oriented programs in marginalized parts of the country, including conflict resolution training, cultural and artistic activities, and seminars on peace-related concepts. ❶ Through one of its partners in Africa, USAID supports an effort that uses live youth radio to cross borders and combat the negative stereotypes and prejudices among the youth in the region.

Governing Justly and Democratically: USAID continues to be a major force in strengthening democratic political parties, supporting free and fair elections, and most importantly, helping give voice to citizens through support for advocacy NGOs and ❷ independent media. For example, funding from USAID and other donors

built 10 towers in Kosovo that now broadcast signals reaching more than 70% of the population with television and 90% of the population with radio. The fight against corruption is one of the most important expressions of our work.

Investing In People: Globally, the ❸ President's Emergency Plan for AIDS Relief (PEPFAR) supported life-saving antiretroviral treatment for approximately 1.73 million men, women and children as of March 31, 2008. The Agency's malaria prevention programs in Africa have helped millions to avoid this deadly disease. Additionally, USAID deployed an innovative distance learning program involving radio broadcast that is now used in over 20 countries around the world. Interactive radio instruction (IRI) has been used to train teachers in Mali, Zambia and elsewhere to provide basic education to children, youth and adults in fragile states such as Somalia and the Sudan; and has been found to be so successful that Ministries of Education have included IRI as a major component of the sector strategies in countries such as Ethiopia and Kenya.

Promoting Economic Growth and Prosperity: In Colombia, USAID supported a program to provide social and economic assistance to individuals displaced by drug-fueled violence. ❹ A group of these individuals received business skills training and small loans to form a cooperative in their community. The loans proved successful and the business now generates more than 100 jobs.

Providing Humanitarian Assistance: USAID responded to more than 81 disasters in 63 countries, providing over $1.8 billion in emergency assistance. This includes providing more than 700,000 metric tons of emergency food aid (the equivalent of 280 trucks carrying five hundred 110-pound bags of wheat, corn soya blend, or sorghum) and other life-saving assistance to the more than 18 million people in need in the Horn of Africa; more than $28 million for emergency relief commodities and mitigation programs in the aftermath of Cyclone Nargis in Burma; ❺ $29 million worth of humanitarian assistance in response to the recent hurricanes in Haiti; and $21 million of humanitarian aid to 128,000 internally displaced persons in the Republic of Georgia. Following the May 2008 earthquake in Chengdu, China, we lead an unprecedented delegation of U.S. Government and business leaders to mobilize near and long-term assistance.