

KEY QUESTIONS

the big six

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What are the US's strategic priorities for development?

Trump administration plans to link development programs more strongly to US national security and economic interests

To date, the new US administration has not outlined in detail the priorities of its development policy. However, the president's budget request for FY2018, released in May 2017, gives early indications: Programs are likely to be tied more strongly to advancing national security and promoting economic growth in countries of strategic importance to the US. As of August 2017, a draft revised mission statement of the US Agency for International Development (USAID), the US's lead agency for development cooperation, reflects this shifting focus. It places US national security interests and economic prosperity at the forefront of USAID's work.

Areas that are not immediately linked to these issues face cuts. In the president's budget request, climate change, family planning, and humanitarian assistance-related programs and the UN system were particularly affected. The House and Senate Appropriations Committees' budget bills for foreign assistance (the State-Foreign Operations [SFOPs] appropriations bill), however, have not adopted all the president's proposed cuts. Climate change programs, for example, have been cut by both the House and the Senate Appropriations, though less so by the Senate. The Senate Appropriations Committee's SFOPs includes US\$10 million for the UN Framework Convention on Climate Change, though the Green Climate Fund is not allocated funding by either the House or Senate. The Senate has also more fully funded refugee and disaster relief - including famine funding. In addition, both SFOPs reduce family planning funding; however, the Senate bill restores some of the cuts included in the president's request and the House SFOPs. For example, it includes language repealing the 'Mexico City Policy' reinstated through executive order in January 2017, which prohibits any US funding to any organization involved in the promotion or provision of abortion services. It also restores funding to the UN Population Fund (UNFPA), eliminated in the House Appropriations Committee SFOPs and the president's FY2018 budget request. These differences will have to be resolved during the ongoing Congressional FY2018 appropriations process. The Senate SFOPs also includes funding to multilateral assistance, which was significantly cut in the House bill, but does place limits on and reduces funding to the UN.

Overarching priorities for US development policy are set by the White House. In 2010, former President Obama released the first-ever Presidential Policy Directive on Global Development (PPD-6), which elevated global development to be a core component of US international engagement, along with diplomacy and defense. It outlined thematic priorities for a government-wide approach to development cooperation, including economic growth, democratic governance, global health, food security, climate change, energy, and multilateralism.

The president's development agenda is often supported by Presidential Initiatives. These are signature initiatives of some legal force that the president can make (beyond the purview of normally-defined executive powers) and which enable him/her to exercise political leadership and shape the legislative agenda on certain topics. Several of these were enhanced or introduced in the PPD-6 to advance its thematic priorities. For example, President Obama extended the President's Emergency Plan for AIDS Relief (PEPFAR) and the President's Malaria Initiative (PMI), launched by President George W. Bush. President Obama also launched the 'Feed the Future' initiative which aims to improve agricultural productivity and nutrition, and 'Power Africa', an initiative that seeks to increase access to energy in sub-Saharan Africa.

With policy direction from the White House, further priorities are outlined by the State Department, which is responsible for foreign policy, and USAID. The framework for their development assistance is laid out in the 2014-2017 Joint Strategic Plan of the State Department and USAID (see table 1 below), which emphasizes economic growth, global security, climate and energy, and modernizing diplomacy and development. This Plan is currently under review for the 2018-2021 time period.

Since 2010, the State Department and USAID have conducted a joint review every four years. This is called the Quadrennial Diplomacy and Development Review (QDDR). The review is informed by their Joint Strategic Plan and delineates priorities and reform initiatives, and informs budgets and management of the two institutions. The last review was conducted in 2015 and outlines as strategic priorities: 1) preventing and mitigating conflict and violent extremism, 2) promoting resilient, open, democratic societies, 3) advancing inclusive economic growth, and 4) mitigating and adapting to climate change.

ODA funding patterns largely mirror these articulated focus areas: According to OECD data, the largest share of US bilateral ODA goes to global health (US\$7.5 billion, or 27% of bilateral ODA in 2015; see figure). Other funding priorities include humanitarian aid (US\$6.1 billion, 22%), government and civil society (US\$2.7 billion, 10%), and agriculture, including rural development (US\$1.4 billion, 5%).

Development priorities under the Trump administration are very likely to change. The QDDR process was an initiative under Secretary of State Hillary Clinton and the Obama administration and may not occur again. A joint strategic review for the State Department and USAID is also currently underway, the first outcome of which is expected in the fall of 2017 and may impact how US foreign assistance is distributed and implemented.

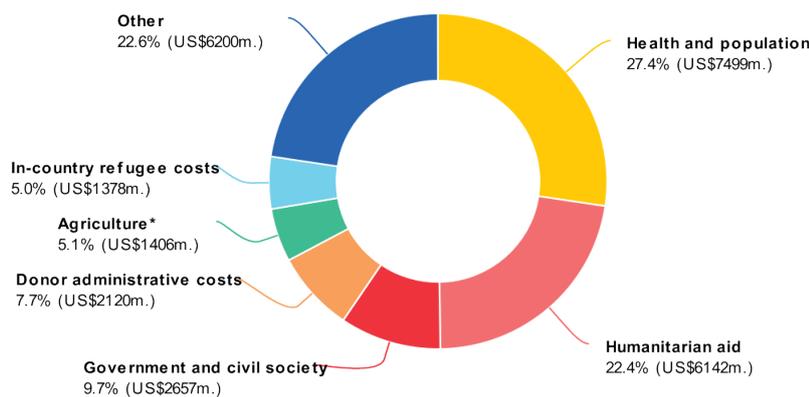
In addition, the new USAID administrator, Mark Green, has indicated his own high-level policy orientations for

US development cooperation: supporting countries in transitioning from development assistance, a continued focus on democracy and human rights, humanitarian leadership, as well as efficiency and accountability and innovative financing. However, it is still unclear to what extent these priorities will be taken up in the overall US development cooperation strategy. If the Trump administration does not present a comprehensive development strategy, then the State Department, under Secretary Rex Tillerson, and USAID, under Administrator Mark Green, may have more room to define their own priorities.

Moreover, in May 2017, Senators Todd Young (Republican) and Jeanne Shaheen (Democrat) introduced bipartisan legislation that would mandate a comprehensive US development strategy from the Department of State. If passed, this would change the way the US government presents its development priorities.

THE US' BILATERAL ODA BY SECTOR, 2015

Total: US\$27 402 million



OECD CRS. *Includes agriculture, forestry, fishing, and rural development. In 2015 prices.

Table 1. United States Department of State and USAID, Strategic Plan 2014-2017 – Strategic goals and objectives

| Strategic Goals | Strategic Objectives |
|--|---|
| 1. Strengthen America's economic reach and positive economic impact | Expand access to future markets, investment, and trade Promote inclusive economic growth, reduce extreme poverty, and improve food security |
| 2. Strengthen America's foreign policy impact on our strategic challenges | Build a new stability in the Middle East and North Africa Rebalance to the Asia-Pacific through enhanced diplomacy, security cooperation, and development Prevent and respond to crises and conflict, tackle sources of fragility, and provide humanitarian assistance to those in need Overcome global security challenges through diplomatic engagement and development cooperation Strengthen America's efforts to combat global health challenges |
| 3. Promote the transition to a low-emission, climate resilient world while expanding global access to sustainable energy | Building on strong domestic action, lead international actions to combat climate change Promote energy security, access to clean energy, and the transition to a cleaner global economy |
| 4. Protect core US interests by advancing democracy and human rights and strengthening civil society | Encourage democratic governance as a force for stability, peace, and prosperity Promote and protect human rights through constructive bilateral and multilateral engagement and targeted assistance Strengthen and protect civil society, recognizing the essential role of local capacity in advancing democratic governance and human rights |
| 5. Modernize the way we do diplomacy and development | Enable diplomats and development professionals to influence and operate more efficiently, effectively, and collaboratively |

Source: US Department of State and USAID Joint Strategic Plan 2014-2017