

What is Poverty-Focused Development Assistance?



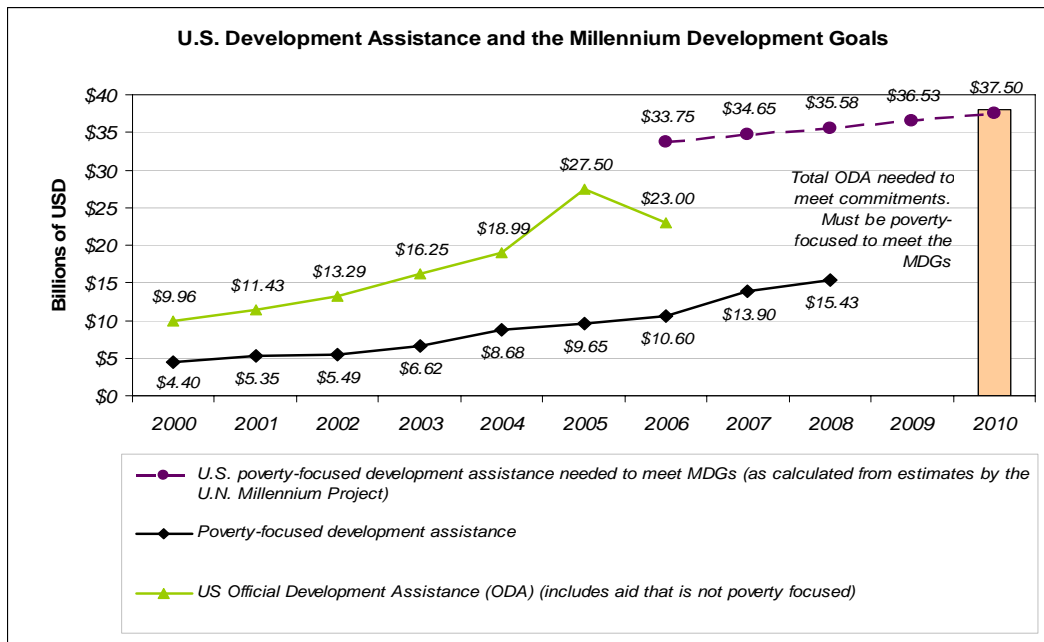
breadfortheworld
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In 2008, Bread for the World's Offering of Letters will push for more and better development assistance. We're asking Congress to meet the commitments we've made to hungry and poor people by increasing our funding for those programs most directly addressing the root causes of poverty by at least \$5 billion in fiscal year 2009. We will also be working to improve this assistance to ensure the maximum benefit reaches those in greatest need.

Nations around the world, including the United States, have already agreed to the Millennium Development Goals (MDGs), a set of eight international development goals combating poverty, hunger, disease, illiteracy, environmental degradation, and discrimination against women. The U.N. Millennium Project and others estimate that to achieve the MDGs, the international community must significantly increase poverty-focused development assistance so that it is contributing an additional \$75 billion annually by 2010. For the U.S. to meet its proportionate share, this will require regular increases of \$5 billion a year or more.

In 2005, President Bush promised to double U.S. assistance to Africa by 2010, as well as dramatically increase foreign assistance globally, in order to ensure progress toward the MDGs. This additional aid must be focused on poverty reduction to achieve such progress. And Congress must find the political will to appropriate the funds.

About half of U.S. foreign assistance is focused on reducing poverty. The other half is directed toward economic assistance for political allies and purposes, military training and equipment to countries, and funding for the war on drugs. Bread for the World has analyzed U.S. foreign assistance and identified accounts that are focused on poverty reduction and will help us reach the MDGs. Poverty-focused development assistance includes bilateral aid for agriculture, nutrition and clean water initiatives, investments in schools and teacher training, anti-retroviral medications for people suffering from HIV/AIDS, and investments in economic development to break the cycle of poverty over the long term. It also includes U.S. contributions to multilateral organizations that combat poverty such as UNICEF, the World Health Organization, the World Bank, and the International Fund for Agricultural Development. Most are funded through the annual appropriations for State and Foreign Operations. The full list of accounts is described on the reverse side.



Poverty-Focused Development Assistance Accounts and Funding Levels for FY2008

BILATERAL

Global HIV/AIDS Initiative (PEPFAR) (\$4.66 billion): Prevents, treats and cares for orphans and those affected by HIV/AIDS, malaria and tuberculosis in 15 focus countries.

Millennium Challenge Account (\$1.54 billion): Funds country-proposed grants to reduce poverty and promote economic growth in countries that are governed justly, invest in their people and have sound economic policies.

Child Health and Survival (\$1.71 billion): Expands basic health services and strengthens national health systems to improve people's health, especially that of women, children, and vulnerable populations.

Development Assistance (\$1.62 billion): Builds long-term, sustainable capacity, such as agriculture improvement, safe reliable water, and basic education and training.

Migration and Refugee Assistance (\$823 million): Responds to needs of refugees by protecting people from conflict, providing humanitarian relief, and promoting sustainable solutions through established organizations.

USAID Operating Expenses (\$630 million): Funds the administrative costs of managing Agency programs.

Refugee Resettlement (\$656 million): Provides resources and services for refugees adjusting to life in the USA.

Freedom Support Act (\$397 million): Stabilizes Eurasia with humanitarian assistance and programs for democratic and economic reform.

Global Health funding in Health and Human Services (\$371 million): Funds research for disease treatment and prevention, primarily through NIH and CDC.

Disaster and Famine Assistance (\$320 million): Responds to manmade and natural disasters, including aid for health interventions, agriculture and food security, nutrition, water and sanitation.

International Organizations and Programs (\$317 million): Funds 26 international organizations to address global challenges, such as the UN Development Fund for Women and the UN Development Program.

Peace Corps (\$331 million): Promotes inter-cultural exchange, business development, advances in information technology, agriculture, environment, healthcare and education.

Support for East European Democracy (\$294 million): SEED promotes democratic reform, economic development and stability in Southeast Europe.

Debt Restructuring (\$30 million): funds U.S. contribution to the Heavily Indebted Poor Countries Initiative to forgive debts owed by the poorest countries to the World Bank and IMF, freeing up resources for poverty reduction and economic growth.

Emergency Refugee & Migration Assistance (\$45 million): Provides resources and services to people displaced by unforeseen disasters and emergencies.

Transition Initiatives (\$45 million): Builds governance capacity, promotes economic growth, improves key social services and institutions of civil society, advances peace building, and supports reconstruction initiatives.

African Development Foundation (\$30 million): Offers small grants to African community-based and non-governmental organizations for self-help initiatives and sustainable development.

Inter-American Foundation (\$21 million): Provides grants to non-governmental and community-based organizations in Latin America and the Caribbean for sustainable and participatory self-help programs.

Development Credit Authority (\$8 million): Offers partial guarantees so that private sectors can offer credit for investment in agriculture, micro-finance, infrastructure and development programs.

MULTILATERAL

International Development Association (\$942 million): Lends and grants funding for programs aimed at boosting economic growth and improving living conditions.

The Global Fund for Malaria, TB and AIDS (\$476 million): Funds global initiatives to prevent, treat and end malaria, tuberculosis and AIDS.

African Development Bank & Fund (\$136.6 million): Lends and grants capital for programs aimed at boosting economic growth and improving living conditions in Africa.

Asian Development Fund (\$74.5 million): Lends and grants money to reduce poverty and improve the quality of life in the poorer countries of Asia.

Global Environmental Facility (\$81 million): Provides loans and grants to developing countries for projects that benefit the global environment and promote sustainable livelihoods in local communities.

UN International Fund for Agricultural Development (\$18 million): Funds rural development projects specifically aimed at assisting the poorest of the poor, increasing food production, raising incomes and improving health, nutrition, and education standards on a sustainable basis.

Enterprise for the Americas (\$25 million): Lends and grants money and provides technical cooperation for economic and social development projects in Latin America and the Caribbean.

Total Poverty-Focused Development Assistance in 2008: \$15.43 billion
Total State/Foreign Operations Budget: \$32.8 billion Total U.S. Budget: \$2.9 trillion

*Some would argue that food aid should be counted as poverty-focused development assistance but we do not include this. While food aid provides urgently needed humanitarian relief and development, it also supports U.S. agriculture and shipping as well U.S. foreign policy interests.