

# Background on Aid Accountability and Effectiveness

Over the past two decades, Republican and Democratic Administrations and Members of Congress have enacted bipartisan, game-changing reforms at agencies like USAID to ensure foreign assistance programs are more transparent, accountable, and data-driven. Agencies and initiatives such as the U.S. International **Development Finance Corporation (DFC)**, the **Millennium Challenge Corporation (MCC)**, **Feed the Future**, and **Prosper Africa** are examples of these reforms at work. Below are key principles that have driven reforms in recent years:

- **Ensuring Transparency and Rigorous Monitoring and Evaluation:** In 2016, Congress passed the [Foreign Aid Transparency and Accountability Act](#), institutionalizing reforms that make U.S. foreign assistance more impactful, transparent, and data-driven. Thanks to Congressional leadership, nearly 100% of foreign assistance is now available to view online at [ForeignAssistance.gov](#), allowing Americans to see exactly where their tax dollars are going. Similarly, this past year, [Results for America](#) awarded USAID a perfect score for its evidence-based evaluation policy and its performance management system.
- **Prioritizing Country Engagement:** New programs in food and climate resilience require country buy-in plans and reforms, ensuring the long-term sustainability of programs. Through [Feed the Future](#) (FTF), for example, the United States is working with host governments to develop national agricultural development strategies that ensure U.S. investments are sustainable. In 2022, FTF was [expanded](#) to eight new target countries in Africa to address global hunger, increasing investments in country-level capacity and resilience.
- **Leveraging Private Resources:** New public-private partnerships have catalyzed taxpayer dollars. Over the next five years, the [Partnership for Global Infrastructure and Investment](#) will mobilize \$200 billion in public and private financing to provide quality infrastructure in low-income countries. Further, since it was founded in 2019, [Prosper Africa](#), the U.S. government's private sector initiative to promote market opportunities in Africa, has helped close 800 deals across 49 countries for an estimated \$65 billion in exports and investments.
- **Emphasizing Return on Investment:** Humanitarian, development, and food assistance are cost-effective tools to prevent and reduce conflict and to grow the economy. For every \$1 the U.S. Trade and Development Agency (USTDA) invests in its programs, it [generates \\$136 in U.S. exports](#). More broadly, for every \$1 the United States spends to prevent conflict, it [saves \\$16 in response costs](#). It is cheaper to invest early.

## SPOTLIGHT: MILLENNIUM CHALLENGE CORPORATION

The [Millennium Challenge Corporation](#) (MCC) is an innovative and independent U.S. foreign assistance agency that provides time-limited grants to reduce poverty through economic growth and strengthen institutions to support global stability and enhance American interests.

Created by the U.S. Congress in 2004, the MCC is a [uniquely bipartisan organization](#) that has led the charge on how to deliver the smartest and most impactful U.S. foreign assistance by focusing on evidence-based policies, country-led solutions, and transparent results. In 2022, the MCC was ranked the [world's most transparent bilateral donor](#) for its commitment to transparent operations, public accountability, and data-driven decision making.

MCC's [results framework](#) has served as a model for aid effectiveness by focusing on learning and accountability. With its emphasis on both interim and long-term impacts through independent evaluations, the MCC is a champion of transparent results reporting. [In nearly two decades](#), the MCC has signed 38 long-term contracts with 29 countries, worth more than \$14 billion and benefitting 190 million people worldwide.