



MFAN applauds the Senate's FY25 State-Foreign Operations Bill for protecting vital funding and advancing aid effectiveness

September 12, 2024 (WASHINGTON) – *This statement is delivered on behalf of the Modernizing Foreign Assistance Network (MFAN) by Co-Chairs Lester Munson, Larry Nowels, and Ritu Sharma.*

On July 25, the Senate Appropriations Committee approved its Fiscal Year (FY) [2025 State- Foreign Operations \(SFOPs\) appropriations bill](#) by a vote of 24-5. The bipartisan measure provides a total of \$61.6 billion in funding, a 5.6% increase from current levels and nearly \$10 billion above the House bill's funding level.

MFAN applauds the Senate for rejecting [the House's deep cuts](#) to international affairs accounts, which are critical for helping alleviate suffering and building global stability and prosperity, and for increasing by \$52 million (3%) funding for **USAID's Operating Expenses (OE)**. USAID's OE account plays a vital role in enhancing aid effectiveness, including continuing to strengthen the agency's oversight of program implementation, to measure and evaluate impact, and to apply a strong learning agenda for future programming. These funds are also integral to the agency's efforts to attract and retain skilled talent and to adopt more innovative approaches that will boost the return on investment (ROI) for U.S. taxpayers' investments – and to deliver on its efforts to advance locally led development and promote self-reliance.

MFAN is pleased the Committee includes a new section (SEC. 7028) regarding USAID in the bill entitled "FOREIGN ASSISTANCE INNOVATION, EFFECTIVENESS, AND SUSTAINABILITY." The section contains a number of provisions on matters such as localization, innovation, the private sector, and monitoring & evaluation that will help enhance efforts to boost the accountability

and sustainability of U.S. investments, including providing funding for: impact evaluations; scaling innovative efforts that were previously supported through the agency's Development Innovation Ventures program; and benchmarking activities intended to standardize the measurement of the cost effectiveness of development programs. We also thank the Committee for the continued inclusion of reporting requirements regarding how USAID is progressing toward its two locally led development targets and how it plans to reach these targets in the months and years ahead. We do add a word of caution about our concerns regarding the burdens placed on the agency by some of this section's new reporting requirements, and we hope to work with Committee to streamline reporting in a way that can minimize negative impacts on the agency while still ensuring needed information is provided to Congress in a timely and transparent manner.

For the **Millennium Challenge Corporation (MCC)**, we commend the Committee for boosting the agency's budget (by \$7 million) and for not rescinding previously appropriated funds from the agency, as it has done in recent years.

For the **International Development Finance Corporation (DFC)**, MFAN is pleased the Committee provides an increase (\$2 million) in funding for administrative expenses given their importance for enabling the agency to boost its capacity while also effectively managing program resources. We also commend the inclusion of a directive to ensure "timely, accurate, and complete" quarterly reporting of DFC investments on the "[ForeignAssistance.gov](https://www.foreignassistance.gov)" (FA.gov) website, and the Committee's affirmation that the DFC is also expected to post all evaluations of its investments within 90 days of completion on FA.gov. MFAN also applauds the Committee's recommendation of funding to support no less than three full-time equivalent staff for DFC's Office of Accountability [OA], which is responsible for managing the agency's independent accountability mechanism.

Lastly, MFAN thanks the Committee for maintaining (in Section 7019) the current rules that permit USAID and the State Department to "deviate" up to 10 percent from amounts specified in tables set out in the bill's report. While we will continue to press for a deviation level of at least 15 percent and for other flexible funding options that will lead to better outcomes and results, we applaud the Committee for not reducing the deviation level to 5 percent (as was done by the House

Appropriations Committee).

MFAN congratulates Subcommittee Chairman Coons, Ranking Member Graham, and the members of the Committee for assembling this important legislation and working to protect global health, development and humanitarian relief programs from cuts.

About MFAN

MFAN is a bipartisan reform coalition composed of international development and foreign policy practitioners, policy advocates, and experts from the U.S. and Global South. We promote more effective and accountable U.S. foreign assistance that advances American interests, delivering greater results for people in need and U.S. taxpayers. Centered around two guiding principles of accountability and locally led development, we advocate for programs that focus on long-term outcomes and impact, including new and innovative approaches and models for development.

To learn more about MFAN, visit our website.

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