

Consensus Principles & Recommendations for the Future of U.S. International Assistance

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Signatories

- **Lisa Bos**, Vice President for Policy and Advocacy, InterAction
- **Elizabeth Hoffman**, Executive Director for North America, ONE Campaign
- **George Ingram**, Senior Fellow, Brookings Institution
- **James Kunder**, former Deputy Administrator, U.S. Agency for International Development (George W. Bush Administration)
- **Nancy Lee**, Senior Policy Fellow and Director for Sustainable Development Finance, Center for Global Development
- **Joseph Lemoine**, Senior Director, Freedom and Prosperity Center, Atlantic Council
- **James Mazzarella**, former Senior Director for International Economics, National Security Council (Trump Administration)
- **Robert Mosbacher Jr.**, former President, Overseas Private Investment Corporation (George W. Bush Administration)
- **Lester Munson**, MFAN Co-Chair and Principal, BGR Group, and former Staff Director, Senate Foreign Relations Committee
- **Larry Nowels**, MFAN Co-Chair
- **Tod Preston**, Executive Director, Modernizing Foreign Assistance Network
- **Susan Reichle**, former Counselor, U.S. Agency for International Development
- **James Richardson**, former Director of the Office of Foreign Assistance, Department of State (Trump Administration)
- **Daniel F. Runde**, Senior Advisor, Center for Strategic and International Studies (George W. Bush Administration)
- **Conor M. Savoy**, Non-Resident Fellow, Center for Global Development
- **Ritu Sharma**, MFAN Co-Chair and Vice President for Policy Advocacy, CARE
- **Michele Sumilas**, former Acting Deputy Administrator for Management and Resources, U.S. Agency for International Development (Biden Administration)
- **Noam Unger**, Director and Senior Fellow, Center for Strategic and International Studies, and former Policy Office Director and Acting Chief Strategy Officer, U.S. Agency for International Development

Consensus Principles

The United States faces a rapidly evolving global landscape marked by mass migration, persistent food insecurity, threats of future pandemics and mounting disaster risks, and rising geopolitical forces opposed to American values. These challenges demand strategic, forward-looking policy choices.

For many years, U.S. international assistance has been a vital tool to save lives and advance U.S. national interests—reinforcing America’s leadership, strengthening alliances, and promoting stability and shared prosperity. As global risks intensify, executing a robust and effective international engagement and assistance strategy is essential to U.S. security and influence in the world.

The current administration’s decision to dismantle the U.S. Agency for International Development (USAID), eliminate most of its staff, and merge its remaining functions into the State Department represents a dramatic shift in how the U.S. delivers international assistance. Paired with plans for a broader State Department reorganization, these changes aim to align assistance with an “America First” foreign policy focused on making the country safer, stronger, and more prosperous.

Done right, international assistance can advance these objectives. It strengthens supply chains, counters adversaries, supports stability, improves health at home and abroad, and creates new markets for U.S. businesses. While the merger of assistance functions into the State Department mirrors reforms in allied countries, the complexity of this transition demands careful implementation. The State Department’s expanded mandate must be matched with operational capacity, strategic coherence, and clear accountability.

Executive Summary

To help shape a more effective and sustainable reorganization, the Modernizing Foreign Assistance Network (MFAN) convened a bipartisan group of former Republican and Democratic officials, policy experts, and leading development practitioners.

This document presents a set of consensus principles and recommendations to guide the process—ensuring that U.S. international assistance is impactful, accountable, and aligned with American interests and values. The consensus principles are:

1. Forge Strategic Frameworks That Deliver

Mutual Value: The United States should build a new framework for international assistance that seeks to deliver a dual mandate approach that prioritizes projects that provide both a clearly understood return on investment for the United States and economic and social development benefits for recipient countries. The United States will need to be more selective in the sectors and countries it engages in and will need to develop an appropriate framework to guide selection.

2. Eliminate Bureaucratic Silos Through Unified

Leadership: The State Department should empower the new Under Secretary position to manage and provide strong coordination, planning, budgeting, and allocation of international assistance within the Department, and coordination across other departments and agencies that provide international assistance, including the U.S. International Development Finance Corporation (DFC), Millennium Challenge Corporation (MCC), U.S. Trade and Development Agency (TDA), Export–Import Bank (Ex-Im), and others.

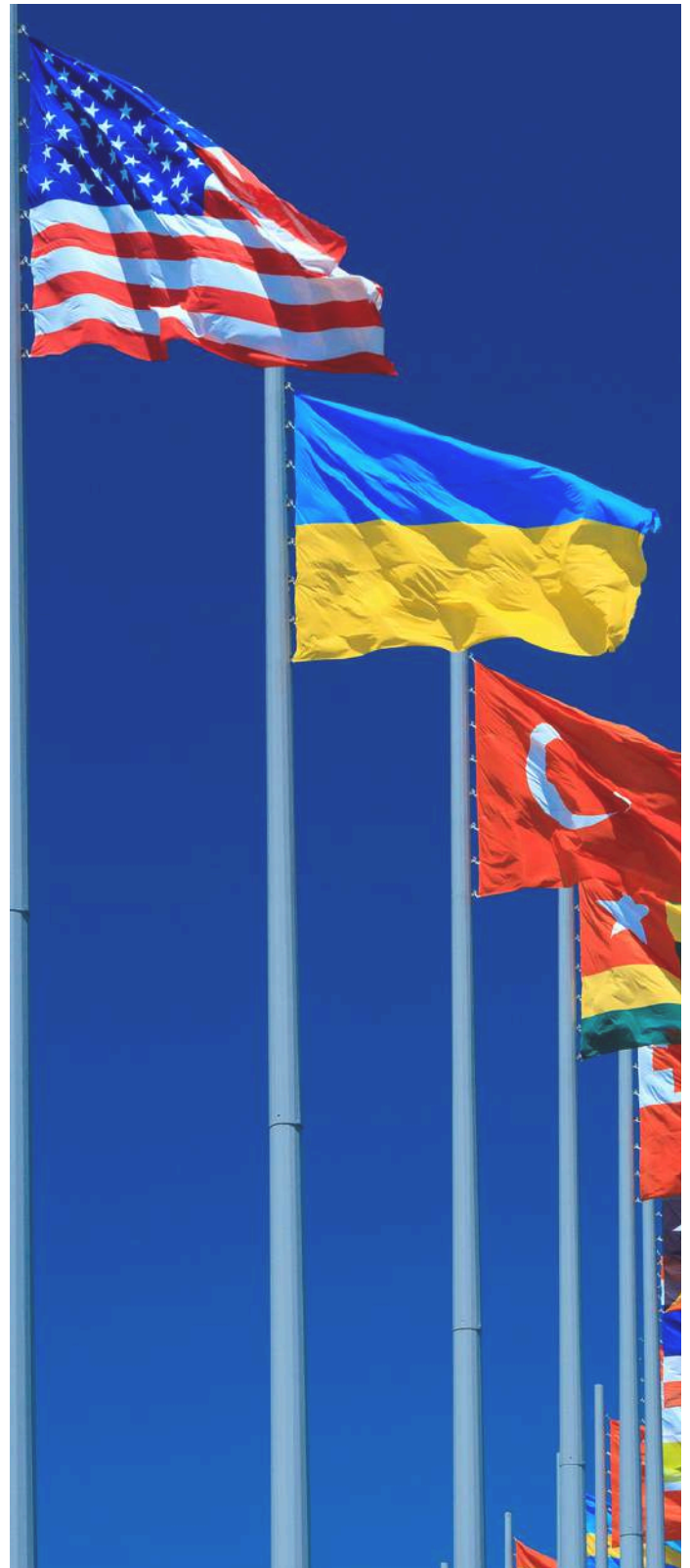
EXECUTIVE SUMMARY - continued

Remaining fragmentation within the State Department should be reduced by consolidating functional international assistance under the newly proposed “F” Family.

3. Match Ambition with Resources: The administration should increase its proposed Fiscal Year 2026 international assistance budget to achieve its stated foreign policy goals of a stronger, safer, and more prosperous America. The State Department also should hire more than the proposed 738 staffers to support the transparent and accountable implementation of international assistance.

4. Align Strategy, Spending, and Results: The State Department should lead an inter-agency process in coordination with the National Security Council (NSC) – with consultation with outside experts – to develop an international assistance strategy that identifies how these programs advance American foreign policy, economic security, and humanitarian objectives.

5. Modernize Delivery Mechanisms for Maximum Impact: The administration should maintain flexible USAID contract and grant mechanisms, continue to focus on innovation and cost effectiveness, and strengthen private sector engagement.



Principles and Recommendations

1. Forge Strategic Frameworks That Deliver Mutual Value

The Trump administration has repeatedly stated that it wants to fully align international assistance with its foreign policy. Assistance has long been an important instrument of American foreign policy, and the administration should build on this legacy. The administration needs a toolbox – beyond military power and trade policy – to achieve its broader foreign and economic policy goals abroad. Events abroad, often not in this country’s control, will show the need for these types of tools.

- **Recommendation:** The United States should build a new international assistance framework that delivers a dual mandate: programs and projects that provide a clear and understandable return on investment for the United States, while also delivering continued economic and social development benefits for partner countries. Such an approach would require that Congress provide greater flexibility to the State Department in allocating budget resources. In return, Congress should require regular briefings and updates on the framework from the State Department and clearly identified metrics of success. To construct this at the country-level, the United States should engage countries in a dialogue that identifies core U.S. interests in a country and determine what the country needs to grow their economy and improve their human welfare. The U.S. and the country in partnership should then design a program of assistance around these twin priorities.
- **Recommendation:** The United States will need to be more selective in the sectors and countries with which it will engage and partner. During the first Trump administration, USAID developed the Journey to Self-Reliance that included country road maps that sought to identify where countries were on a path to ending their need for assistance. The road maps plotted countries against two primary measures: capacity and commitment. To inform their approach, the administration should improve on the road maps to better identify priority countries and the gaps and needs in their development.
- **Recommendation:** The United States should engage countries through “development compacts” that establish long-term assistance commitments, local government investment, private sector and civil society buy-in, and a plan to transition from aid. Inspired by the MCC’s compacts, these could build off USAID’s existing Development Objective Agreements (DOAGs) that were often, though not always, vehicles to park unobligated funds at risk of expiration, and could serve as the basis for a compact approach that provides committed assistance levels, mutually agreed objectives and reforms, and a long-term plan to phase out assistance.
- **Recommendation:** The United States should advance an outcome-oriented approach to lifesaving humanitarian assistance, in which aid is leveraged to reduce humanitarian needs. Not all countries are at a stage in their development journey that lends itself to a development compact. Some countries – even those deemed “strategically” important – will, at times, need lifesaving humanitarian assistance, more direct support for basic human needs and economic growth, assistance targeted to reduce violence and coercion, and other types of assistance to address fragility and drivers of conflict.



2. Eliminate Bureaucratic Silos Through Unified Leadership

The administration has proposed creating a new “F” Family within the State Department headed by a new Under Secretary of State, which will house some of the remaining international assistance currently spread across the Department. This proposed structure includes the existing Office of Foreign Assistance (“Old F”), which would provide the new Under Secretary with the nucleus of an office to provide budget formulation, strategy development, resource allocation, and monitoring and evaluation. This is a marked improvement over earlier iterations, but there are important changes that could be made to further enhance this new function. The proposed Under Secretary of State for Foreign Assistance, Humanitarian Affairs, and Religious Freedom must be equipped and empowered to provide unified leadership and responsibility for all development and humanitarian assistance, through strong management, accountability, policy direction, and clear reporting lines on international assistance.

To strengthen this position and maximize the impact of international assistance, the administration should take the following steps:

- **Recommendation:** Reduce remaining fragmentation within the State Department by consolidating functional international assistance under the proposed “F” Family. This would require transferring the Bureau of Global Health Security and Diplomacy from the “E” Family and management of country-based programs to the “F” Family. Organizationally, this would unify all assistance under one family within the State Department and allow for a more integrated approach.
- **Recommendation:** The administration has proposed creating assistance coordination offices within each regional bureau that would control allocation and programming of regional facing assistance. There is a risk that this approach will lead to a focus on short-term projects that are not strategic and that may run counter to the administration’s stated desire to align assistance with foreign policy.

To reduce this risk, the State Department should empower the new Under Secretary to manage and provide strong coordination, planning, budgeting, and allocation of international assistance within the State Department and provide coordination across departments and agencies, including DFC, MCC, TDA, Ex-Im, and others. This will require providing the existing Office of Foreign Assistance with adequate staff with the required skills and experience and the authorities to provide stronger direction and management of international assistance with the State Department and coordination in the inter-agency.

- Within the State Department, “F” should serve as the hub between regional bureaus and functional bureaus to lead strategic planning, funding allocations, programming decisions, and evaluation to maintain a long-term focus on outcomes that align with the overall foreign policy of the United States. Practically, staff assigned to regional bureau assistance coordination units should be dual-hatted to also report to “F” to provide an even stronger tie-in between the regionals and “F”.
- Outside of the State Department, “F” should provide strong coordination of other departments and agencies that provide international assistance. This should include DFC, MCC, TDA, Ex-Im, and others as appropriate. “F” should work to align the initiatives of these agencies – where appropriate – with the overall direction of the administration’s international assistance approach.

- **Recommendation:** The administration’s proposed reorganization will close all USAID missions, terminate all existing U.S. direct hire overseas staff, and terminate current USAID foreign service nationals (FSNs). Regional bureaus may base their allotted assistance slots in embassies, but this is not a requirement. This approach risks centralizing too much power in Washington that is too far removed from the countries where assistance will be deployed. The State Department should maintain an appropriate on-the-ground presence, including engaging local expertise, to provide local input and oversight of projects and programs.
 - Each embassy with assistance should have an assigned senior assistance advisor. This advisor, along with an experienced and knowledgeable development team, would be responsible for all in-country assistance, coordination with other bilateral and multilateral donors, and engagement with relevant local actors, including the government. This advisor should report directly to the deputy chief of mission, with a dotted line report to the “F” Family.
 - To constitute in-country assistance teams, the State Department should assign an appropriate number of U.S. direct hire staff to provide policy and program design, oversight, monitoring & evaluation, and engagement on other assistance related issues. Staffing levels should be determined based on the size of the assistance program, strategic context, and other country-level factors.

- Through these teams, the State Department should seek to retain USAID’s former FSNs—who bring deep technical knowledge of their local contexts and give them added authorities as made necessary by the reduced number of direct hire Americans. FSNs have long been an important multiplier for American international assistance, and there are reports that China and others are actively seeking to recruit them given their knowledge.

3. Match Ambition with Resources

The administration’s actions thus far in 2025 have yielded a significantly reduced budget through cancellations of existing contracts and grants, a proposed rescissions package, and additional proposed cuts in its Fiscal Year 2026 budget request to Congress. If these are enacted, they would result in the lowest international assistance budget in a generation and it would undermine the progress made in recent years in reducing poverty, saving lives through the provision of medication, vaccines, and humanitarian assistance, and advancing and reinforcing democratic gains. Further, the administration has also proposed reducing the number of staff responsible for international assistance from USAID’s 10,500 to 738. Averaged out across current staffing levels, each staff member at USAID managed approximately \$1.7 million in assistance; dropping to 738 increases this number to \$12.5 million. Such a decrease in staff would undermine the administration’s ability to achieve its stated foreign policy goals, to monitor impact, and to ensure adequate oversight and accountability.

- **Recommendation:** The international assistance budget needs to be increased to achieve the administration’s stated goals of a stronger, safer, and more prosperous America. At present, the budget proposed for Fiscal Year 2026 does not meet those requirements; Congress should provide the resources needed to achieve the objectives of U.S. foreign policy. The deep cuts proposed risk the administration’s own stated goals in the face of multiple on-going international crises (e.g., irregular migration, Ukraine, Iran, and Israel-Gaza) and could create openings for America’s strategic competitors to gain ground.
- **Recommendation:** The proposed number of 738 staff to support international assistance at the State Department is grossly inadequate. The administration should hire an appropriate number of staff based in Washington, DC and overseas with the right experience to provide transparent and accountable program management and oversight of international assistance programs and projects. Staffing numbers need to be determined by the amount of international assistance, program priorities, and technical requirements.



4. Align Strategy, Spending, and Results

Under its proposed reorganization, the Trump administration must align strategy, budget, and evaluation. There has been significant progress over the past decade in improving these areas, but international assistance still remains fragmented across multiple departments and agencies often with overlapping missions, largely inflexible due to layers of Congressional hard and soft spending directives, and, in some contexts, focused on quantifiable outputs instead of measurable, long-term outcomes.

- **Recommendation:** The State Department should lead an inter-agency process, in coordination with the NSC and with consultation from outside experts, to develop an international assistance strategy that identifies how to advance American foreign policy, economic security, and humanitarian objectives. This should be led by the newly formed “F” Family and incorporate DFC, MCC, TDA, Ex-Im, and other departments and agencies as appropriate. The strategy should support other important national security documents such as the National Security Strategy and National Defense Strategy. Ideally, the final product would: 1) identify the goals and objectives of international assistance; 2) identify priority sectors, countries, and efforts for international assistance; 3) create clearly defined roles and responsibilities for departments and agencies; and 4) identify needed resources to achieve goals and objectives.

Like the Quadrennial Defense Review (QDR), this strategy would be a 4-year document that would be revised on that schedule. The administration should seek Congressional authorization for this strategy.

- **Recommendation:** The administration has already proposed reducing the number of existing assistance accounts, including Development Assistance (DA), Economic Support Funds (ESF), and other long-standing accounts. In its place, the administration has proposed creating one account that would control remaining non-global health and humanitarian assistance. Such an account would allow for a significant amount of flexibility. To strengthen this approach, the administration should also identify clear objectives tied to metrics of success, a defined approach to allocating resources across priority sectors and regions, and a reporting methodology that provides transparency and accountability to Congress, the American taxpayer, and recipient countries. The consolidated fund and these efforts should be led by the State Department with specific responsibility residing with the new Under Secretary for Foreign Assistance, Humanitarian Affairs, and Religious Freedom. Congress should require this approach in exchange for approval of consolidation of existing assistance accounts.

- **Recommendation:** The administration has rightly stated a desire to focus more on the outcomes of our international assistance rather than outputs. This would reflect a continuation of thinking that had existed at USAID and across the U.S. government. To do so, the administration should maintain a robust monitoring, evaluation, and learning (MEL) function. USAID had significantly enhanced its ability to undertake MEL over the past 15 years and the administration should prioritize maintaining and transferring these capabilities to the State Department. The State Department should also incorporate the best in class MEL experience of MCC; this could be accomplished through an inter-agency program transfer or through the secondment of MCC experts to State. This is especially important as the State Department remains weak in these areas, and it will need to build this function out if the administration wants to meet its stated goals of outcomes as opposed to outputs. Finally, the State Department should maintain and strengthen the Department's (and the former USAID's) commitment to data transparency to ensure strong accountability to Congress, the American taxpayer, and other vital stakeholders.



5. Modernize Delivery Mechanisms for Maximum Impact

Over the past decade, there has been a steady shift toward improved contract and grant mechanisms that focus on paying for results as opposed to simply paying for promised outputs. USAID had also sought to fund greater innovation through its Development Innovations Ventures (DIV) initiative, support greater use of evidence in project design, provide continued support for science and technology, and provide an increased focus on cost effectiveness through the Office of the Chief Economist (OCE). These reform efforts largely sprang from an understanding that, due in part to the compliance requirements from the U.S. government, traditional for-profit and non-profit implementation partners did not always yield optimal results. Alongside this approach, previous reforms have sought to improve the ability of the U.S. government to partner with the private sector either through public-private partnership, support from the DFC, or by providing resources to de-risk investments in partner countries.

- **Recommendation:** The State Department should maintain the most flexible of USAID contract and grant mechanisms to enable an increased use of pay-for-results projects. This would include fixed-fee, broad agency awards, and other performance-based approaches, as well as flexible, multi-year awards. This would help strengthen the administration's stated goal of increased efficiency and effectiveness, as well as transparency and accountability of international assistance programs.

- **Recommendation:** The State Department should also maintain USAID's previous efforts to increase innovation, science and technology, and cost effectiveness by transferring the functions of DIV and OCE. These initiatives are largely in line with the administration's stated goals of shifting toward an outcome rather than an output-based approach.
- **Recommendation:** The administration should explore introducing a renewed concessional loan program for an appropriate set of countries that could responsibly absorb new debt as part of its approach to increase the amount and flexibility of resources available. Such a program should incorporate appropriate safeguards such as debt sustainability, clear need for a loan rather than grant, and strategic rationale. The administration should develop a framework that would be shared with Congress and provide regular updates and briefings on the use of concessional loans. This should be pursued only if the administration creates an adequate framework to provide concessional finance in a responsible and catalytic fashion.
- **Recommendation:** Strengthen and continue private sector engagement to increase opportunities for U.S. trade and investment and bolster economic growth in recipient countries. The U.S. private sector can provide valuable financing, training, and knowledge transfer with partner countries, but it frequently needs strong support from the U.S. government to operate in environments that they perceive as riskier.

The administration should retain and transfer USAID's Private Sector Engagement (PSE) Hub to the State Department to provide one node of contact on PSE related issues. This would allow the PSE Hub to continue its work in building partnerships that also connect to the DFC and MCC, enabling both these agencies to tap into additional resources needed to accomplish their objectives.



CONCLUSION

In this moment of significant transition and uncertainty for U.S. international assistance, these principles and recommendations represent an uncommon alignment across ideological, institutional, and partisan lines. They offer a practical, bipartisan roadmap to ensure that the reorganization of development and humanitarian aid enhances its effectiveness, accountability, and strategic value to the American people.

By preserving what has worked, strengthening what is needed, and innovating where required, this framework will help ensure that international assistance remains a vital tool to advance U.S. national interests—reinforcing America’s leadership, strengthening alliances, and promoting stability and shared prosperity.

About MFAN

The Modernizing Foreign Assistance Network (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. MFAN works to strengthen the effectiveness of U.S. development and humanitarian aid in order to build more resilient societies, promote democratic approaches to development, improve the lives and opportunities of the most vulnerable populations, and maximize the sustainable impact of U.S. taxpayer dollars.