Reform of foreign assistance in the USA will work to integrate long-term development with shorter term political and security goals to “get everybody... pointed in the same direction”, Randall Tobias, the new US Agency for International Development (USAID) Administrator, whose appointment was confirmed last week, told the Senate Foreign Relations Committee at his nomination hearing in early March.

Humanitarian aid efforts will remain untouched. “Absolutely nothing is going to change about the humanitarian aspects of what we do”, Tobias assured.

Tobias was addressing the concerns of many in the global-health community who fear that the increased association between USAID and the US Department of State envisioned under the reforms could result in diversion of funds from economic and social development to more immediate political issues.

Tobias will serve as both USAID administrator and the first Director of Foreign Assistance, a new position developed by Secretary of State Condoleezza Rice to oversee foreign aid programmes. The new position is at a level equivalent to Deputy Secretary of State.

The reforms are intended to consolidate and streamline what many view as fractured and inefficient US foreign assistance. While foreign aid is spread over several federal agencies, USAID and the State Department oversee 75% to 80% of the funds, Tobias said. Previously managed separately, those funds, about US$19 billion yearly, now will be guided by Tobias.

Better coordination of foreign assistance is part of a post 9/11 move toward “transformational diplomacy”. Secretary Rice defines the shift as an effort to “work with our many partners around the world to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system.”

Tobias told senators that his plans for USAID include continued engagement in Iraq, Afghanistan, and Pakistan, which he said is “clearly very crucial in the short term”. He is also planning to review USAID’s organisational structure to improve its efficiency and to enhance the expertise of USAID staff.

“We need desperately to build up the technical skills that once existed but do not exist to the degree they need to in the agency”, he said.

While the Bush Administration is indicating support for development programmes, the ability of the low-profile, generations-long projects to hold their ground with more compelling and immediate political concerns under the new construct depends heavily on the person in the director’s chair, according to Global Health Council President and CEO Nils Daulaire. “The real challenge here is going to be ensuring that whoever is in that position...is willing and able to stand up to the internal political pressures within the State Department and within the foreign policy establishment of the US government, as well as external pressures that have less to do with national security interests and are more driven by ideology”, Daulaire says.

Without that independence, he added, “I think we’re going to be misdirecting an awful lot of money and there will be a high price to pay in terms of human suffering.”

Tobias is a former drug industry executive who, as US Global AIDS Coordinator, has been in charge of the President’s Emergency Plan for AIDS Relief (Pepfar). He is viewed as an able manager, a good listener, and a quick learner. “It’s clear that [Tobias] knows something about how to move money and the nuts and bolts of USAID depends very much on the ability to do that”, Daulaire says. He adds that Tobias is trusted by the President and likely to be in the inner circle at the White House, which could raise the profile of development issues.

Lael Brainard, vice president and director of the Brookings Institution Global Economy and Development Center, described Tobias as a “can-do manager” who did a “terrific job with a tough mandate” as AIDS Coordinator.

But some question whether Tobias’ corporate background might influence
his actions in his new role. Paul Zeitz Executive Director of the Global AIDS Alliance says AIDS advocates had to battle Tobias to gain PEPFAR funding for generic drugs. "They were bludgeoned into moving toward the right thing", Zeitz says.

Concerns about use of generics and transparency in the PEPFAR drug-purchasing process has been an issue with some lawmakers and was raised at the nomination hearing by Senator Russell Feingold (D-Wisconsin).

Tobias responded that he supports the use of generic drugs once their safety and effectiveness is proven. Some advocates have questioned the pace and possible duplication of efforts under PEPFAR’s approval process.

Zeitz and others also criticised Tobias for steering PEPFAR dollars toward abstinence programmes rather than giving equal weight to condom promotion, a move pushed by conservative members of Congress and the religious right. While PEPFAR officials say Congress mandated the change, some advocates say Tobias did not fight it. “Tobias has been all too willing to accede to the demands of the extreme right in developing policies and programmes based on ideology rather than evidence”, says Jodi Jacobson, Executive Director of the Center for Health and Gender Equity. The group said it is concerned that the same attitude could be applied to reproductive health and family practice programmes worldwide under Tobias’ watch.

Ideology and politics in foreign aid are older than USAID itself. In the fierce competition for limited funds, Brookings’ Brainard says, programmes based on need often are the losers, a trend that could be exacerbated as USAID and the State Department become more enmeshed.

Egypt and Israel have been receiving the bulk of US foreign aid since the Camp David Accords of the late 1970s. More recently, Afghanistan, Iraq, and other middle-eastern countries have been big beneficiaries. Funding to Latin America has been decreasing. Aid to Africa is on the rise, but mainly tied to humanitarian emergencies and disease-specific programmes.

Brainard says that “straight development funding” is only a small proportion of the foreign-assistance budget. “Development has been given short shrift”, she argues. “We’re clearly not giving according to need, we’re giving according to other criteria.”

Ensuring development aid gets to the poorest populations ruled by ineffective governments could be further complicated by reform, Brainard suggested, since the State Department and USAID have different cultures and goals.

“State is a government-to-government kind of an entity and their primary task is diplomacy. Especially when they start talking about democratisation which inherently requires working with non-state actors for those places where you have a totalitarian regime you can’t rely on the use of state-to-state channels”, Brainard says. “So there are concerns about the diplomacy function getting overlaid on top of the development function rather than doing them in separate channels.”

Without Congressional involvement, the Bush Administration can achieve only a partial reform, further linking USAID and the State Department, but not engineering a complete foreign-assistance overhaul. The move is unlikely to assuage aid interest groups. Those who believe foreign assistance should be used solely for strategic purposes will find that the current move does not go far enough in giving the State Department control over USAID’s resources. Those supporting development are concerned that USAID may be subsumed by the State Department.

“I think that…only by elevating [development aid] and making it a strong independent entity on its own is it going to have the kind of stability it needs to be successful”, Brainard said, reflecting the view of many involved with development work.

But foreign development doesn’t have much of a political base in the USA. Many feel that the funds have been misspent in the past and its successes are difficult to quantify and sustain. Nevertheless, development professionals argue that long-term aid is crucial partly because it is the ultimate guardian of national security. Aid critics, says Nan Borton, former USAID director of Foreign Disaster Assistance, “don’t realise the extent to which poverty [induces] extremism of every sort.”

With education and employment, she adds, individuals “don’t have time to pry up all those stones they’ve been throwing.”

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