
Preface

Since our beginnings in late 2001, my colleagues and I at the Center for Global Development have been concerned with not just more aid, but with better aid, or what has come to be called by aid insiders, “aid effectiveness.” As it turns out, we have had much to consider right here in Washington. After a long period of relative dormancy in the post–cold war 1990s, aid and aid effectiveness have risen to new prominence following the 9/11 attacks and took firm hold with President Bush’s announcement in March 2002 of a new approach to aid and the creation of a new implementing agency to manage it, the Millennium Challenge Corporation, and his subsequent commitment to more aid as well at a United Nations international conference later 2002 on financing development.

Starting from that moment, the Bush administration has brought, depending on your point of view and your expectations, some combination of transformation and chaos to the U.S. foreign aid system—to use the words in the title of this fine new book by one of the Center’s board members and a visiting fellow, Carol Lancaster. The total volume of U.S. aid has increased in real terms, even without counting the monies that have gone to Iraq and Afghanistan. The Millennium Challenge Corporation focuses on financing programs in a highly select number of poor countries (just fifteen countries are currently eligible or close to eligible) that meet minimum standards of honest and competent government, are friendly to the business sector, and are making serious efforts to address the health, education, and other basic needs of their people. A second entirely new program, PEPFAR (the President’s Emergency Plan for AIDS

AIDS Relief), has put more than 1 million AIDS victims on life-sustaining medicines, again in a limited number of carefully selected poor countries. At the bureaucratic level, the U.S. Agency for International Development, the longstanding and single major U.S. aid agency (since 1961) has been increasingly integrated into the State Department, with the objective of better incorporating development into Secretary of State Condoleezza Rice's approach of "transformational diplomacy" in the world's weak and fragile states. And then there is the Pentagon, which has entered the aid business too and now finances 20 percent of all U.S. foreign aid—in this case including development programs in Iraq and Afghanistan.

Carol tells this tale, bringing to readers the politics, the bureaucracies, the people, the relations between the administration and Congress—and what has worked and what has not in the Bush administration's ambitious foreign aid effort. She also brings insight about why the changes have been transformative but chaotic—and wisdom about the lessons for shaping a better approach in the next administration.

Carol's book follows in a series of books and other contributions of CGD staff in the last six years on aid, aid effectiveness, and in particular on U.S. programs. These include Steven Radelet on the Millennium Challenge Account (*Challenging Foreign Aid: A Policymaker's Guide to the Millennium Challenge Account*, 2003), Ruth Levine on major aid-financed public health programs of proven effectiveness (*Millions Saved: Proven Successes in Global Health*, 2004), a CGD commission report on the shortcomings of the U.S. approach to weak and fragile states (*On the Brink, Weak States and US National Security*, 2004), and ongoing analyses of MCC and PEPFAR implementation by our staff in MCA and HIV/AIDS Monitor programs, and dozens of papers available at (www.cgdev.org/content/publications/).

This book is an easy, even exciting, read. I am confident it will find a broad and influential readership among scholars, advocates, practitioners, and policymakers—and not only in the United States, but in old and new donor countries, including Europe, Australia and Canada, China, and the Middle East.

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