

TITLE 22 - FOREIGN RELATIONS AND INTERCOURSE
CHAPTER 32 - FOREIGN ASSISTANCE
SUBCHAPTER I - INTERNATIONAL DEVELOPMENT
Part I - Declaration of Policy; Development Assistance Authorizations

§ 2151–1. Development assistance policy

(a) Principal purpose of bilateral development assistance

The Congress finds that the efforts of developing countries to build and maintain the social and economic institutions necessary to achieve self-sustaining growth and to provide opportunities to improve the quality of life for their people depend primarily upon successfully marshalling their own economic and human resources. The Congress recognizes that the magnitude of these efforts exceeds the resources of developing countries and therefore accepts that there will be a long-term need for wealthy countries to contribute additional resources for development purposes. The United States should take the lead in concert with other nations to mobilize such resources from public and private sources.

Provision of development resources must be adapted to the needs and capabilities of specific developing countries. United States assistance to countries with low per capita incomes which have limited access to private external resources should primarily be provided on concessional terms. Assistance to other developing countries should generally consist of programs which facilitate their access to private capital markets, investment, and technical skills, whether directly through guarantee or reimbursable programs by the United States Government or indirectly through callable capital provided to the international financial institutions.

Bilateral assistance and United States participation in multilateral institutions shall emphasize programs in support of countries which pursue development strategies designed to meet basic human needs and achieve self-sustaining growth with equity.

The Congress declares that the principal purpose of United States bilateral development assistance is to help the poor majority of people in developing countries to participate in a process of equitable growth through productive work and to influence decisions that shape their lives, with the goal of increasing their incomes and their access to public services which will enable them to satisfy their basic needs and lead lives of decency, dignity, and hope. Activities shall be emphasized that effectively involve the poor in development by expanding their access to the economy through services and institutions at the local level, increasing their participation in the making of decisions that affect their lives, increasing labor-intensive production and the use of appropriate technology, expanding productive investment and services out from major cities to small towns and rural areas, and otherwise providing opportunities for the poor to improve their lives through their own efforts. Participation of the United States in multilateral institutions shall also place appropriate emphasis on these principles.

(b) Form of assistance; principles governing assistance

Assistance under this part should be used not only for the purpose of transferring financial resources to developing countries, but also to help countries solve development problems in accordance with a strategy that aims to insure wide participation of the poor in the benefits of development on a sustained basis. Moreover, assistance shall be provided in a prompt and effective manner, using appropriate United States institutions for carrying out this strategy. In order to achieve these objectives and the broad objectives set forth in section 2151 of this title and in subsection (a) of this section, bilateral development assistance authorized by this chapter shall be carried out in accordance with the following principles:

- (1) Development is primarily the responsibility of the people of the developing countries themselves. Assistance from the United States shall be used in support of, rather than substitution for, the self-help efforts that are essential to successful development programs and shall be

concentrated in those countries that take positive steps to help themselves. Maximum effort shall be made, in the administration of subchapter I of this chapter, to stimulate the involvement of the people in the development process through the encouragement of democratic participation in private and local governmental activities and institution building appropriate to the requirements of the recipient countries.

(2) Development planning must be the responsibility of each sovereign country. United States assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.

(3) United States bilateral development assistance should give high priority to undertakings submitted by host governments which directly improve the lives of the poorest of their people and their capacity to participate in the development of their countries, while also helping such governments enhance their planning, technical, and administrative capabilities needed to insure the success of such undertakings.

(4) Development assistance provided under this part shall be concentrated in countries which will make the most effective use of such assistance to help satisfy basic human needs of poor people through equitable growth, especially in those countries having the greatest need for outside assistance. In order to make possible consistent and informed judgments in this respect, the President shall assess the commitment and progress of countries in moving toward the objectives and purposes of this part by utilizing criteria, including but not limited to the following:

- (A) increase in agricultural productivity per unit of land through small-farm, labor-intensive agriculture;
- (B) reduction of infant mortality;
- (C) control of population growth;
- (D) promotion of greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers;
- (E) reduction of rates of unemployment and underemployment;
- (F) increase in literacy; and
- (G) progress in combating corruption and improving transparency and accountability in the public and private sector.

(5) United States development assistance should focus on critical problems in those functional sectors which affect the lives of the majority of the people in the developing countries; food production and nutrition; rural development and generation of gainful employment; population planning and health; environment and natural resources; education, development administration, and human resource development; and energy development and production.

(6) United States assistance shall encourage and promote the participation of women in the national economies of developing countries and the improvement of women's status as an important means of promoting the total development effort.

(7) United States bilateral assistance shall recognize that the prosperity of developing countries and effective development efforts require the adoption of an overall strategy that promotes the development, production, and efficient utilization of energy and, therefore, consideration shall be given to the full implications of such assistance on the price, availability, and consumption of energy in recipient countries.

(8) United States cooperation in development should be carried out to the maximum extent possible through the private sector, including those institutions which already have ties in the developing areas, such as educational institutions, cooperatives, credit unions, free labor unions, and private and voluntary agencies.

(9) To the maximum extent practicable, United States private investment should be encouraged in economic and social development programs to which the United States lends support.

NB: This unofficial compilation of the U.S. Code is current as of Jan. 8, 2008 (see <http://www.law.cornell.edu/uscode/uscprint.html>).

(10) Assistance shall be planned and utilized to encourage regional cooperation by developing countries in the solution of common problems and the development of shared resources.

(11) Assistance efforts of the United States shall be planned and furnished to the maximum extent practicable in coordination and cooperation with assistance efforts of other countries, including the planning and implementation of programs and projects on a multilateral and multidonor basis.

(12) United States bilateral development assistance should be concentrated on projects which do not involve large-scale capital transfers. However, to the extent that such assistance does involve large-scale capital transfers, it should be furnished in association with contributions from other countries working together in a multilateral framework.

(13) United States encouragement of policy reforms is necessary if developing countries are to achieve economic growth with equity.

(14) Development assistance should, as a fundamental objective, promote private sector activity in open and competitive markets in developing countries, recognizing such activity to be a productive and efficient means of achieving equitable and long term economic growth.

(15) United States cooperation in development should recognize as essential the need of developing countries to have access to appropriate technology in order to improve food and water, health and housing, education and employment, and agriculture and industry.

(16) United States assistance should focus on establishing and upgrading the institutional capacities of developing countries in order to promote long term development. An important component of institution building involves training to expand the human resource potential of people in developing countries.

(17) Economic reform and development of effective institutions of democratic governance are mutually reinforcing. The successful transition of a developing country is dependent upon the quality of its economic and governance institutions. Rule of law, mechanisms of accountability and transparency, security of person, property, and investments, are but a few of the critical governance and economic reforms that underpin the sustainability of broad-based economic growth. Programs in support of such reforms strengthen the capacity of people to hold their governments accountable and to create economic opportunity.

(c) Worldwide cooperative effort to overcome aspects of absolute poverty

The Congress, recognizing the desirability of overcoming the worst aspects of absolute poverty by the end of this century by, among other measures, substantially lowering infant mortality and birth rates, and increasing life expectancy, food production, literacy, and employment, encourages the President to explore with other countries, through all appropriate channels, the feasibility of a worldwide cooperative effort to overcome the worst aspects of absolute poverty and to assure self-reliant growth in the developing countries by the year 2000.

(Pub. L. 87–195, pt. I, § 102, as added Pub. L. 95–424, title I, § 101, Oct. 6, 1978, 92 Stat. 938; amended Pub. L. 96–53, title I, § 104(a), Aug. 14, 1979, 93 Stat. 360; Pub. L. 99–83, title III, § 301, Aug. 8, 1985, 99 Stat. 213; Pub. L. 106–309, title II, § 203(b), Oct. 17, 2000, 114 Stat. 1092.)

References in Text

This chapter, referred to in subsec. (b), was in the original “this Act”, meaning Pub. L. 87–195, Sept. 4, 1961, 75 Stat. 424, as amended, known as the Foreign Assistance Act of 1961. For complete classification of this Act to the Code, see Short Title note set out under section 2151 of this title and Tables.

References to Subchapter I Deemed To Include Certain Parts of Subchapter II

References to subchapter I of this chapter are deemed to include parts IV (§ 2346 et seq.), VI (§ 2348 et seq.), and VIII (§ 2349aa et seq.) of subchapter II of this chapter, and references to subchapter II are deemed to exclude such parts. See section 202(b) of Pub. L. 92–226, set out as a note under section 2346 of this title, and sections 2348c and 2349aa–5 of this title.

Amendments

2000—Subsec. (b)(4)(G). Pub. L. 106–309, § 203(b)(1), added subpar. (G).

Subsec. (b)(17). Pub. L. 106–309, § 203(b)(2), added par. (17).

1985—Subsec. (b)(13) to (16). Pub. L. 99–83 added pars. (13) to (16).

1979—Subsec. (b)(5). Pub. L. 96–53, § 104(a)(1), inserted applicability to energy development and production.

Subsec. (b)(7). Pub. L. 96–53, § 104(a)(2), inserted applicability to promotion of development and production of energy.

Effective Date of 1985 Amendment

Section 1301 of Pub. L. 99–83 provided that: “Except as otherwise provided in this Act, this Act [see Short Title of 1985 Amendment note set out under section 2151 of this title] shall take effect on October 1, 1985.”

Effective Date of 1979 Amendment

Amendment by Pub. L. 96–53 effective Oct. 1, 1979, see section 512(a) of Pub. L. 96–53, set out as a note under section 2151 of this title.

Effective Date

Section effective Oct. 1, 1978, see section 605 of Pub. L. 95–424, set out as an Effective Date of 1978 Amendment note under section 2151 of this title.

Delegation of Functions

For delegation of functions of President under this section, see Ex. Ord. No. 12163, Sept. 29, 1979, 44 F.R. 56673, as amended, set out as a note under section 2381 of this title.