

**Calendar No. 283**

113TH CONGRESS }  
*1st Session* }

SENATE

{ REPORT  
113-131

**FOREIGN AID TRANSPARENCY AND  
ACCOUNTABILITY ACT OF 2013**

DECEMBER 20, 2013.—Ordered to be printed

Mr. MENENDEZ, from the Committee on Foreign Relations,  
submitted the following

**R E P O R T**

[To accompany S. 1271]

The Committee on Foreign Relations, having had under consideration the bill S. 1271, to direct the President to establish guidelines for United States foreign assistance programs, and for other purposes, reports favorably thereon, with an amendment, and recommends that the bill, as amended, do pass.

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**I. PURPOSE**

The purpose of S. 1271 is to direct the President to establish guidelines for United States foreign assistance programs.

**II. COMMITTEE ACTION**

S. 1271 was introduced by Senators Rubio and Cardin on July 10, 2013. On November 14, 2013, the committee considered S. 1271 and ordered it reported, with amendments, by voice vote.

The committee took the following action with regard to amendments:

An amendment in the nature of a substitute was offered by Senators Rubio and Cardin, and was agreed to by voice vote. The Rubio/Cardin substitute amendment made technical changes to various parts of the introduced bill. The amendment also extended

the deadlines to submit and publish information. Additionally, the amendment exempted the Secretary of State from implementing monitoring and evaluation guidelines established under the Act for certain security sector assistance to the extent that the President is taking steps as of the date of enactment of the Act to implement measures with respect to security assistance that are similar to such guidelines. The amendment also added requirements for congressional briefings if the Secretary waives the implementation of monitoring and evaluation guidelines for security sector assistance, and in the event a federal department or agency fails to comply with the requirements to submit and publish information.

### III. DISCUSSION

Senators Rubio and Cardin introduced the Foreign Aid Transparency and Accountability Act of 2013 to update current efforts to monitor and evaluate United States foreign assistance programs by directing the President to establish a robust transparency and accountability framework for United States foreign assistance programs, and by requiring periodic analyses by the Comptroller General of the Administration's implementation of transparency and accountability standards.

The committee considered the appropriate level of scrutiny necessary for United States foreign security sector assistance. In 2012, nearly \$20 billion of \$55 billion in U.S. foreign assistance went to security assistance programs. As introduced, S. 1271 authorizes the Secretary of State to exempt security assistance from the Act's monitoring and reporting requirements if such efforts are "detrimental to the national interests of the United States."

The State Department requested amendment of the provision to ensure it was consistent with monitoring and evaluation efforts underway in accordance to Presidential Policy Directive 23 (PPD 23) issued in April 2013. Although it was difficult to ascertain how the Administration's ongoing efforts compare to the Act's requirements, some of the policy guidelines in PPD 23 appear to closely mirror the bill's requirements for cross-program coordination and rigorous assessment and evaluations, among other things.

The committee believes that applying substantive monitoring and evaluation standards to security assistance programs is consistent with recommendation of the General Accountability Office for the Departments of Defense and State to develop performance indicators for security assistance programs in certain countries, as well as with a January 2013 report by the State Department's International Security Advisory Board that called for a "comprehensive review of all security assistance."

At the administration's request, the committee amended subsection 2(f) of the Act to exempt the Secretary of State from implementing security sector assistance programs according to the monitoring and evaluation guidelines established by the President pursuant to the Act, to the extent the administration is already conducting similar monitoring and evaluation measures at the time of enactment. The committee accompanied this waiver authority with a requirement for a congressional briefing in cases where the Secretary uses such authority. In the view of the committee, such a briefing should occur within 30 days of the issuance of a waiver under subsection 2(f).

As reported by the committee, the Act would authorize federal departments and agencies administering foreign assistance programs to use up to 5 percent of authorized foreign assistance funds to carry out the provisions of the Act. The committee urges the Secretary of State to report to the appropriate congressional committees within 180 days after the date of enactment of this Act: (1) the amount of funding required in the current and following fiscal year to fulfill the requirements of this Act; (2) the activities and outcomes the funding will support; and (3) whether any activities covered in the report are otherwise funded through existing activities or requirements. The committee also urges the Secretary of State to, not later than 30 days after the end of each fiscal year, submit to the appropriate congressional committees: (1) a financial report that provides for the preceding fiscal year: (2) the actual percentage of funding allocated to carry out this Act; (3) the total dollar amount of such funding; and (4) detailed information regarding the appropriations accounts from which such funding was allocated and the amounts of such allocations by appropriations account.

Section 1 of S. 1271 provides the Short Title: the “Foreign Aid Transparency and Accountability Act of 2013.”

Section 2 requires the President, within 18 months of the enactment of the bill, to establish monitoring and evaluation guidelines to set measurable goals, performance metrics, and monitoring and evaluation plans that can be applied with reasonable consistency to United States foreign assistance programs. It outlines specific objectives that the guidelines must meet, including employing best practices in the monitoring and evaluation field, requiring a plan for the training of relevant staff, and the dissemination of guidelines for development and implementation of monitoring and evaluation programs and the dissemination of knowledge and lessons learned from such programs. Section 2 also sets a requirement for federal departments and agencies administering foreign assistance programs to implement the guidelines within 12 months of their promulgation. Section 2 provides a waiver for security sector assistance programs provided the administration is already conducting similar monitoring and evaluation measures. It also requires congressional briefings regarding the use of the waiver. Among other things, section 2 also requires the GAO to report on current efforts to monitor and evaluate U.S. foreign assistance programs, and, three years after the date of enactment, biennial reports for the next ten years on the implementation of the guidelines.

Section 3 requires federal departments and agencies to submit information on foreign aid programs under their administration to the Secretary of State, including country assistance strategies, annual budget documents, congressional budget justifications, obligations, expenditures, and reports and evaluations. It requires the Secretary of State to publish this information on a semi-annual basis. Among other things, section 3 also exempts the publication of information that would jeopardize the health or security of an implementing partner or program beneficiary or be detrimental to the national interests of the United States, as determined by the Secretary of State.

Section 4 expresses the sense of Congress that Congress shall take into account the Comptroller General’s reports under section 2(f)(2) when making decisions regarding the appropriation of funds

for each department or agency that administers United States foreign assistance.

Section 5 authorizes Federal Agencies to use up to 5 percent of authorized funds to carry out the provisions in this Act.

Section 6 defines “appropriate congressional committees,” “United States foreign assistance,” and “United States security sector assistance”.

#### IV. COST ESTIMATE

In accordance with Rule XXVI, paragraph 11(a) of the Standing Rules of the Senate, the committee notes that the cost estimate provided by the Congressional Budget Office was not available for inclusion in this report. The estimate will be printed in either a supplemental report or the Congressional Record when it is available.

#### V. EVALUATION OF REGULATORY IMPACT

Pursuant to Rule XXVI, paragraph 11(b) of the Standing Rules of the Senate, the committee has determined that there is no regulatory impact as a result of this legislation.

#### VI. CHANGES IN EXISTING LAW

In compliance with Rule XXVI, paragraph 12 of the Standing Rules of the Senate, the committee states that no changes in existing legislation will be made by S. 1271.