

USAID Announces *USAID FORWARD* Reform Agenda

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Press Office: 202-712-4320

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WASHINGTON, DC - The United States Agency for International Development (USAID) has embarked on an ambitious reform effort, *USAID FORWARD*, to change the way the Agency does business-with new partnerships, an emphasis on innovation and a relentless focus on results. It gives USAID the opportunity to transform its agency and unleash its full potential to achieve high-impact development.

Announced by USAID Administrator Dr. Rajiv Shah, *USAID FORWARD* is critical to achieving President Obama's vision of the United States as the global leader in international development. This initiative is an early outcome of the Quadrennial Diplomacy and Development Review (QDDR) led by Secretary of State Hillary Rodham Clinton, and will help modernize and strengthen USAID so that it can meet the most pressing development challenges and work more efficiently towards its ultimate goal-creating the conditions where its work is no longer needed.

USAID FORWARD is a comprehensive package of reforms in seven key areas:

1. Implementation and Procurement Reform: USAID will change its business processes-contracting with and providing grants to more and varied local partners, and creating true partnerships to create the conditions where aid is no longer necessary in the countries where the Agency works. To achieve this, USAID is streamlining its processes, increasing the use of small businesses, building metrics into its implementation agreements to achieve capacity building objectives and using host country systems where it makes sense.

2. Talent Management: USAID will explore ways to leverage the enormous talent that lies within the broader USAID family of foreign and civil service officers, and Foreign Service Nationals. To solve the world's biggest development challenges, it will improve and streamline processes so it can quickly align its resources to support the Agency's strategic initiatives, with better hiring and training tools as well as incentives. USAID must attract and retain the best people who reflect global diversity and who share the ability to be innovative problem-solvers.

3. Rebuilding Policy Capacity: To make smart, informed decisions, USAID has created a new Bureau of Policy, Planning and Learning (PPL) that will serve as the intellectual nerve center for the Agency. PPL will promulgate cutting-edge creative and evidence-based development policies-leveraging USAID's relationships with other donors, utilizing its strength in science and technology, and reintroducing a culture of research, knowledge-sharing and evaluation.

4. Strengthening Monitoring and Evaluation: Learning by measuring progress is critical for high impact, sustainable development and therefore must be an integral part of USAID's thought process from the onset of its activities. That requires USAID to do a much better job of systematically monitoring its performance and evaluating its impact. USAID will be introducing an improved monitoring and evaluation process as part of these reform efforts, and it will link those efforts to its program design, budgeting and strategy work.

5. Rebuilding Budget Management: USAID is rebuilding our budget capacity to allow for increased responsibilities and capacity to manage constrained budget resources and ensure the Agency will be able to align resources against

country strategies, make difficult trade-offs, and re-deploy resources toward programs that are demonstrating meaningful results. In consultation with the Department of State, USAID has created an Office of Budget and Resource Management in the Office of the Administrator that will provide increased responsibilities over execution of its budget. With these increased responsibilities, USAID will have to propose difficult funding tradeoffs in order to continue robust funding of key operational and program priorities.

6. Science and Technology: USAID has a proud history of transforming development through science & technology (S&T), from the successful use of oral rehydration therapies to the green revolution. As part of these reform efforts, USAID will upgrade its internal S&T capabilities, supporting the expansion of technical expertise and improving access to analytical tools like Geospatial Information Systems. It will also develop a set of Grand Challenges for Development, a framework to focus the Agency and development community on key scientific and technical barriers that limit breakthrough development progress. Finally, USAID will build S&T capacity in developing countries through cooperative research grants, improved access to scientific knowledge, and higher education and training opportunities.

7. Innovation: USAID is putting into place a structure for fostering innovative development solutions that have a broad impact on people, wherever they may arise. As part of these reform efforts, USAID is creating opportunities to connect its staff to leading innovators in the private sector and academia, and it has created the Development Innovation Ventures Fund-where creative solutions can be funded, piloted and brought to scale.