A MESSAGE FROM THE ADMINISTRATOR

Since USAID's founding more than 60 years ago, we have helped tackle many of the challenges of our time. With development partners around the world, we helped lift communities out of poverty, push back against oppression, and secure peace after conflict. We helped spark the Green Revolution and avert an age of global and continuous famine. We helped eradicate smallpox, reverse the spread of AIDS, end Ebola outbreaks, lead the campaign that has nearly eradicated polio, and dramatically decrease the incidence of malaria and tuberculosis. We supported dozens of transitions from autocracy to democracy, enabled tens of millions of girls to attend school, and provided lifesaving aid to communities torn apart by disasters, wars, and other crises.

Yet despite this remarkable progress, the development challenges of today are more formidable than those the world has faced at any time since World War II, with significant implications for America's national security. The COVID-19 pandemic caused mass devastation, resulting in millions of deaths, economic turmoil, and rising global inequality. The climate crisis bears down on us all, with particularly vicious and destabilizing impacts on those least able to withstand its effects—and least responsible for the emissions that caused it. Vladimir Putin's brutal war on Ukraine has led to widespread misery and death and exacerbated a global food crisis to levels not seen in decades. In every region of the world, autocrats have become increasingly brazen, while democratic institutions and governance face a multitude of threats. All of these developments have combined to inflict significant economic harm on the world's most marginalized communities.

These headwinds are occurring at a speed and scale never before witnessed, bypassing borders and affecting nations regardless of ideology or system of government. They are deeply interconnected, with climate change accelerating global hunger, the pandemic exacerbating long-standing economic challenges, and pervasive inequality contributing to democratic decline.

They are also occurring during a relatively new era of geopolitical competition—between a vision put forward by the United States and other democracies to strengthen democratic governance and development cooperation, and an alternative vision advanced by the world's autocracies to build power through coercion and the denial of individual liberties. The People's Republic of China, in particular, is using its technological capacity and increasing influence over international institutions to create more permissive conditions for its own authoritarian model and frequently coercing countries through its economic power, all while seeking to erode U.S. alliances around the world.

This competition inhibits the world's ability to marshal the collective action and broad coalitions we need to solve global problems. Yet if we fail to grapple with these circumstances together, we risk perpetuating greater conflict and instability, rather than making progress toward shared prosperity and peace.

We believe the United States can be a leader in navigating this moment. By taking decisive action against the toughest threats, seeking out new partnerships to drive sustainable change, mobilizing new investments, and embracing necessary reforms, we have the potential to expand human dignity in our rapidly changing world.

A MESSAGE FROM THE ADMINISTRATOR

The United States can be a leader on advancing innovative agricultural practices that boost harvests; we can spur rapid transitions to clean energy and help communities adapt to a changing climate; we can broaden the reach of lifesaving medical treatments and vaccines while strengthening health systems to increase life expectancy; we can marshal critical democracy assistance to nurture democratic movements and reformers, fight foreign information manipulation, and root out corruption; and we can help our partners deliver inclusive economic growth and support for those who have been most deprived and disadvantaged.

USAID is unique in possessing, under one roof, the range of tools, expertise, and experience needed to confront these massive, interlocking problems. But given their immense scale, we cannot do so alone. We must therefore work to extend this Agency's impact beyond our foreign assistance programs. We must align on objectives to drive progress against our greatest challenges and galvanize interagency and development partners, international institutions, and the global private sector toward those same goals. We must do this together with our local partners, elevating their visions and voices to drive change in their own communities, so that development gains are truly sustainable. And we must invest in our own workforce and systems, while cutting back the stultifying bureaucracy that limits our success.

By doing so, USAID will demonstrate the United States' compassion for people around the world, our unmatched competence, and the fundamental connection between the fates of the American people and those of people across the globe.

To these ends, I establish this *Policy Framework* as a roadmap for our work and commitment to building a more free, peaceful, prosperous, and humane world.

SAMANTHA POWER USAID ADMINISTRATOR



EXECUTIVE SUMMARY

We are at a decisive juncture. A set of global, compounding risks imperils development progress, undermines democracy, and threatens stability. At the same time, a competition is underway to shape the international order, testing the global community's ability to work together to confront grave threats. In this moment, the United States must offer inclusive leadership and bold action to extend the reach of human dignity—especially in communities too often excluded or left behind. And we must drive progress in ways that surpass the confines of the budgets we receive or the programs we administer.

USAID was made for this moment, and this Policy Framework is our guide for rising to meet it.

The *Policy Framework* establishes three overarching priorities to drive progress through and beyond our programs: first, to **confront the greatest challenges of our time**; second, to **embrace new partnerships**; and third, to **invest in USAID's enduring effectiveness**. These priorities are connected—achieving our long-term mission depends on confronting the greatest impediments to development today. Marshaling action to address them demands new, inclusive, and ambitious partnerships; investments in our people; and the streamlining of our processes.

We also recommit to the vision for shared progress embraced in the <u>2030 Agenda for Sustainable</u> <u>Development and its Sustainable Development Goals (SDGs</u>). Consistent with that vision—which calls for "bold and transformative steps," but underscores that "each country faces specific challenges in its pursuit of sustainable development"—our priorities are global in scope, but we will tailor them to context, listening to local voices and supporting local action. This *Policy Framework* aims to reinforce progress already underway and to significantly expand our reach and impact.



WHAT IS THE POLICY FRAMEWORK?

The *Policy Framework* is USAID's highest-level policy document. It lays out a collective vision for international development, translates U.S. national security and foreign policy goals into Agency priorities, and promotes coherence among our development, humanitarian, and crisis-response policies and the work we undertake to implement them. It is a resource for both USAID staff and our partners. For staff overseas and at headquarters, it serves as a basis for strategy, program, budget, and operational planning. For partners, it clarifies our objectives and how we aim to achieve them, supporting collaboration and mutual accountability among USAID, our partners, and the people and communities we serve.

The *Policy Framework* is meant to be just that: a framework. By design, it is broad, not deep. It connects policies, initiatives, and reform efforts in one cohesive vision but does not aim to provide the details on implementation. We encourage those interested in our priorities in a given area to explore the USAID and U.S. government policies and strategies linked throughout this document and to check the <u>Policy Registry</u> for forthcoming materials, including policies on *Humanitarian Action* and the *Rule of Law*, among others. Readers also should not infer that issues that receive less emphasis herein are unimportant. In fact, USAID's breadth of programming and technical expertise is an invaluable asset for our Agency. But this *Policy Framework* focuses on the issues that demand elevated ambition and effort, as well as on the reforms necessary to meet the needs of this moment.



USAID has provided emergency support to many countries following natural disasters. Here, volunteers work alongside locals to help Haiti recover post earthquake. Credit: Kendra Helmer, USAID. (*Click this caption for more info.*)

OVERVIEW

I. Confronting the Greatest Challenges of Our Time

Across our 61-year history, USAID has worked to solve the defining problems of each era. Today's challenges are defined by large, intersecting issues that imperil decades of development gains. To drive the progress we seek in the more than 100 countries in which we work, we have to align on specific objectives and adopt new strategies to achieve them. USAID will:

- 1. <u>Respond to complex emergencies, build peace and resilience, and invest in lasting food security;</u>
- 2. <u>Help countries withstand the effects of a changing climate and secure a net-zero future;</u>
- 3. <u>Stem the tide of authoritarianism, counter corruption, fight digital repression and foreign</u> <u>disinformation, and spur democratic renewal;</u>
- 4. Bolster health security, improve primary care, and reverse the decline in global life expectancy; and
- 5. Address economic headwinds and promote inclusive economic growth.

II. Embracing New Partnerships

USAID currently programs nearly \$30 billion in foreign assistance each year, but given the scope of today's problems, aid alone will never be enough. Lasting progress requires us to mobilize collective action with governments and form new linkages with the private sector and local actors. USAID will:

- I. <u>Elevate the practice of development diplomacy;</u>
- 2. Deepen engagement with private companies and organizations; and
- 3. Significantly expand our support for locally led development.

Diversity, Equity, Inclusivity, and Accessibility at USAID: An ambitious agenda for organizational change and inclusive development

III. Investing in USAID's Enduring Effectiveness

To make the maximum impact with our programming and drive significant progress beyond it, USAID must transform ourselves with urgency to meet the moment. Over time, limits to USAID's staffing, funding, and authorities have constrained our ability to adapt or direct resources to emerging priorities. We must rebuild a depleted workforce, inform our work with the latest development thinking and evidence, and dismantle bureaucratic burdens that diminish our impact. USAID will:

- I. Expand, diversify, retain, and empower our workforce;
- 2. <u>Strengthen and modernize our communications;</u>
- 3. Ground our responses in evidence; and
- 4. Reduce burdens so staff can focus on the work that matters most.

IV. Implementing the Policy Framework: Moving from Policy to Practice

To help our staff and partners successfully implement this framework, we will provide them with new tools, improve the processes they rely on, and coordinate their efforts.

<u>A Rubric for Policy Implementation:</u> Applying global priorities to local contexts

When Americans extend aid to those in need, we make the world more free, more peaceful, and more prosperous. Acting on this conviction, President Kennedy established USAID on November 3, 1961. For more than 60 years, U.S. investment in foreign assistance—with USAID at its center—has helped Americans wrestle with the preeminent global challenges of every subsequent decade.

In the 1960s and 1970s, USAID helped newly independent countries establish economic and educational infrastructure while providing food assistance and investments in agricultural transformation to ward off recurring famine. USAID expanded these efforts to support farming, family planning, and meet other basic human needs. In the 1980s, amid debt and currency crises, our assistance promoted economic reforms to help stabilize financial systems. In the 1990s, following the collapse of the Soviet Union, we helped dozens of nascent democracies transition out of autocracy and planned economies. In the 2000s, we ramped up global health investments to turn the tide against HIV/AIDS and malaria, and as violent extremism gained ground in many fragile contexts, we worked to help societies create the conditions for peace. In the 2010s, USAID helped countries capitalize on an era of rapid economic growth with tools to enhance agricultural productivity, build sustainable energy infrastructure, and harness the power of the private sector, data, and digital technology.

These initiatives helped lift hundreds of millions of people out of extreme poverty; cut global maternal mortality by 40 percent and child mortality by 60 percent in the last three decades; put lifesaving HIV/AIDS treatments in the hands of 25 million people; helped tens of millions of children access education for the first time; and led to the most significant expansion of peace, prosperity, and freedom in human history.

Yet the stunning development gains of the past several decades are now under threat. The COVID-19 pandemic prompted the first drop in life expectancy in more than a century, forced millions of children out of school, and generated widespread economic dislocation. A rise in food, fuel, and fertilizer prices, exacerbated by Vladimir Putin's invasion of Ukraine, has sparked a global food crisis, pushing tens of millions of people into acute food insecurity and chronic hunger. The rise of anti-democratic political parties and autocratic governments has led to a prolonged decline in democratic rule—a trend our geostrategic competitors, the Russian Federation and People's Republic of China (PRC), are seeking to accelerate and capitalize on. Hovering above it all, a changing climate has unleashed devastating shocks and brought about a rise in global temperatures that imperils the lives and livelihoods of billions.

Only by responding to the immediate dangers these challenges pose and helping to forge a path beyond them will we be able to deliver on our wider development mission. U.S. development cooperation—inclusive of humanitarian and other crisis-response efforts—is a pillar of our national security, international strength, and principled engagement abroad, as the <u>National Security</u> <u>Strategy</u> and <u>Department of State and USAID Joint</u> <u>Strategic Plan</u> affirm.

While USAID's work overseas may at times feel distant to many Americans, it is an investment in the safety and prosperity of the American people. It helps the United States address transnational threats, including disease outbreaks and climate impacts whose effects cross borders and jeopardize the well-being of Americans at home. Our work also helps expand markets for the companies and consumers who are the backbone of a vibrant American middle class by connecting U.S. workers, firms, and entrepreneurs to commercial opportunities abroad and by improving the regulatory environment and leveling the playing field for U.S. businesses operating in the global economy. And our work promotes the democratic governance that is foundational to global peace and security, supporting democracies that are trying to deliver on behalf of their citizens by expanding access to critical services, economic opportunity, justice, and security.

USAID will therefore elevate our ambition and efforts to confront five pressing, generational challenges:



For each challenge, we will identify clear objectives that will allow us to focus our work and recruit new partners to help us meet shared goals. These challenges are complex and interconnected, so our approach to each must also be integrated. We cannot step-up commitments to feed the world without working to mitigate the carbon emissions released by increased agricultural activity. We cannot help countries spur sustained global economic growth if the world faces continued lockdowns from waves of a pandemic.We cannot pursue new strategies for bolstering democracy without addressing the economic insecurity affecting people's daily lives around the world.

In addressing these urgent matters and the full spectrum of issues within USAID's portfolio, we must always strive for our work to equitably serve and fully embrace the ideas, talents, and actions of all segments of society. Through our commitment to inclusive development, we will work to address the specific challenges faced by distinct historically marginalized groups, as well as pay closer attention to who benefits from—and who may be left out of or even harmed by—our policies and programs. We will broaden our efforts to take into account race, ethnicity, sex, gender identity and expression, sexual orientation, religion, caste, disability status, age, language, social or cultural identity, economic status, displacement, and other factors that may impede access to and uptake of benefits and services related to our programs. And we will elevate the voices and strengthen the skills of young people who are essential to global development. Prioritizing inclusive development approaches will be an integral component of how we seek to make progress on both the Agency's priorities highlighted in this *Policy Framework* and all of the development objectives we pursue around the world.

USAID does much more than is possible to highlight in this document. We work in more than 100 countries in service of a wide range of development goals. In each country, the constraints to progress are unique, as are the locally led drivers of impact. Our versatile toolkit allows us to tailor support to very specific needs and opportunities. In every USAID Mission and in headquarters, we will collaborate across sectors and scale up targeted actions to confront these five pressing, interlocking challenges.



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USAID provides emergency food aid and supports long-term solutions to improve health and livelihoods in Madagascar. Credit: Malala Ramarohetra, USAID. (*Click this caption for more info.*)



Over the past decade, global humanitarian aid has grown by <u>more</u> <u>than 180 percent</u>, six times the rate of growth in development

assistance. Yet humanitarian aid is still not keeping pace with spiraling needs. More conflicts rage today than at any time since the Cold War, and <u>more people are displaced than</u>

ever before. Civil wars are lasting longer, on average, while growing more complex. Russia's unprovoked and unjustified war has not only brought death, destruction, and devastation to the people of Ukraine, it has also exacerbated <u>a global food crisis</u>, accelerating a surge in acute needs in Central America, the Sahel, East Africa, the Middle East, Central Asia, and elsewhere, particularly in countries reliant on wheat and fertilizer exports from Ukraine and Russia. Food insecurity will only worsen as the impacts of climate change become more severe.

In recent years, the United States and international partners have invested heavily to mitigate a number of complex crises. Humanitarian assistance has saved many lives, and stabilization, crisis-response, and development initiatives have helped reinforce health, education, justice, and other critical systems. Too often, however, U.S. engagement has not managed to address the deeper sources of fragility, build lasting resilience to shocks and stresses, or achieve an end to vicious cycles of crisis. The efforts of other humanitarian and development actors in the international system have similarly fallen short in these areas. In some cases, infusions of foreign assistance and state-building programs have undermined local ownership, fed corruption and exclusion, and distorted markets.

We have a proud legacy as the world's largest humanitarian donor and lead coordinator in the U.S. government for international disaster response. With conflicts growing more complex, and the needs of displaced persons extending for decades, the United States must leverage our resources to strengthen the international humanitarian system, not just by expanding the donor pool and more effectively forecasting multiyear planning and funding, but by leading on an integrated approach across humanitarian relief, response, recovery, resilience, and development.

USAID is working with our international partners to mobilize the resources, reforms, and action required to meet people's most urgent needs while leading on initiatives to achieve lasting recovery, peace, growth, and food security. We will deliberately pair immediate disaster assistance with longer-term humanitarian and development efforts that will support early recovery, risk reduction, and resilience, as we strengthen broader coherence among humanitarian, development, and peacebuilding activities. **FIRST**, we will continue to deliver lifesaving aid to millions of people, support coordination and reform across the wider humanitarian community, and be a voice for principled and inclusive humanitarianism in U.S. foreign policy and on the international stage. The forthcoming USAID *Humanitarian Action Policy* reaffirms our commitment to delivering principled, impartial, needs-based humanitarian assistance to those whose lives depend on it, including people forcibly displaced or harmed by climate-related disasters, and we are institutionalizing a unified approach to humanitarian action that accounts for today's complex operating environment.

SECOND, we will further strengthen commitments to help communities manage risks and protect their dignity and well-being through both sudden calamities and ongoing setbacks, especially in areas of recurrent crisis. The forthcoming and updated USAID Resilience Policy draws on lessons from a decade of resilience program implementation, employing an approach that builds on local assets, skills, relationships, and services to strengthen resilience to shocks and stresses from natural disasters, climate emergencies, public health emergencies, economic volatility, conflict and fragility, or natural resource depletion. We will reinforce and expand resilience investments in areas where communities experience large-scale, repeat humanitarian emergencies, and we will integrate resilience and risk-mitigation practices into programs everywhere we work.

THIRD, in the most fragile settings, we will sharpen our focus on conflict prevention, on peacebuilding to help bring persistent violence to an end, and on broader investments to help countries onto paths toward rapid and widely shared development. The <u>U.S. Strategy to Prevent</u> <u>Conflict and Promote Stability</u>, USAID <u>Policy for</u> <u>Countering Violent Extremism through Development</u> <u>Assistance</u>, and USAID <u>Implementation Plan for the</u> <u>U.S. Strategy on Women, Peace, and Security</u> enable us to use our integrated, whole-of-government toolkit—locally led and multisectoral programming, diplomacy, security cooperation, and other tools—to build community resilience to violent extremism and reduce the drivers of fragility such as ineffective or unresponsive governance, weak social cohesion, and corrupt or illegitimate institutions or leaders.

FOURTH, we will continue to invest in lasting food and water security in communities around the world. The U.S. government has expanded Feed the Future, the flagship whole-of-government global food security initiative led by USAID, to eight new countries. Underpinning this initiative is the updated U.S. Global Food Security Strategy, which applies a systems-focused approach to sustainable agriculture, emphasizing not just what crops countries grow but the methods they use to cultivate, store, process, and distribute them in order to boost productivity, strengthen market linkages, and reduce poverty. Through our investments, we will harness the latest technologies in plant genomics to produce crops suitable for diverse contexts and a warming planet. We will embrace advanced methods of farming, soil mapping, and precision agriculture to increase yields while minimizing food and fertilizer waste and lowering carbon emissions-steps that will also address the health of depleted soils, limiting erosion and increasing water retention. And we will expand access to these cutting-edge tools to women and historically marginalized groups who are frequently excluded from agricultural innovations. In parallel, the USAID Implementation Plan for the Global Water Strategy describes our commitment to expanding equitable access to, management of, and financing for sustainable drinking water and sanitation around the globe. We will help 22 million people access new or improved water and sanitation services and help 1,000 water-security institutions across 30 countries improve their performance by 2027.

FIFTH, we will better link our humanitarian assistance and peacebuilding initiatives to our long-term development work. To help resolve protracted or recurrent crises and build lasting resilience, we will better layer, sequence, and integrate lifesaving humanitarian aid, development programming, and peacebuilding activities while supporting multilateral mechanisms to do the same. Integrated teams of humanitarian, development, and peacebuilding experts, including stabilization or other crisis-response leads, will work together to identify common problems, design responses, learn, and adapt. This approach builds on our Programming Considerations for Humanitarian-Development-Peace Coherence, which provides a playbook for aligning efforts. We will also adopt more comprehensive country-level strategies that capture the full breadth of our cooperation in one cohesive framework. This will help better align our activities, while affirming humanitarian principles and safeguarding the needs-based foundations of relief work. We will project these same principles outward in our engagement with bilateral donors, UN agencies, multilateral development banks, and other partners, encouraging and supporting stronger coordination, better tailored programming, and more predictable and flexible financing in crisis contexts. And we will incorporate conflict-sensitivity, human rights, climate, environmental- and social-impact assessments, and other risk-reduction considerations across programs to improve alignment between sectoral approaches and broader peace- and resilience-building goals, as well as reduce the risk that our programs inadvertently have adverse impacts on conflict dynamics.

USAID's work will help create a foundation for sustainably reducing extreme poverty, hunger, malnutrition, and chronic vulnerability to crisis. As the global food crisis demonstrates, persistent vulnerabilities continue to plague food and water systems vital to people's lives and livelihoods. We will not reduce the growing number of those experiencing acute and chronic hunger, or other devastating impacts of today's crises, with humanitarian assistance alone. We must invest in the long-term productivity and resilience of our partner countries even as we respond to crises that set countries and communities back.

INCREASING CROP PRODUCTIVITY AMIDST CRISIS: A multipronged approach in Bangladesh

Following the COVID-19 pandemic, flooding, and other recent natural disasters, the availability of food and other necessities has recently plummeted in Bangladesh, hitting rural communities and marginalized populations hardest. So, in 2022, USAID helped rural and low-income households in Bangladesh access quality agricultural inputs like improved seeds and livestock feed, helping them both to protect their livelihoods and to increase the availability of healthy and affordable food. This program led to an increase in harvests in 62 percent of households. And through a partnership with the Bangladesh Agricultural Research Institute, we also supported the development of new climate-smart eggplant varieties that are more resistant to pests and disease and reduce the amount of pesticides that farmers must use to keep their crops safe. Prior to introducing this new variety, some farmers were applying pesticide as often as 140 times per season, incurring significant cost and putting their health at risk. But after providing nearly 20 percent of all eggplant farmers in the country with this new variety, they were able to reduce their pesticide use and boost their crop yields by 42 percent, earning them nearly 30 percent more revenue.



USAID supports alternative energy sources to reduce carbon emissions in Colombia. Credit: USAID/Colombia. (*Click this caption for more info.*)



The climate crisis is already upon us—and its impacts will only become more severe. Communities around the world are experiencing <u>a</u> surge in powerful droughts,

storms, forest fires, and other extreme weather events. Higher temperatures and unpredictable weather patterns are leading to food shortages, slowing gains in agricultural productivity, and degrading the environment. Models project climate change will continue to inflate cereal prices, reduce the nutritional value of crops, and alter pest and weather patterns in ways that will disrupt food production and availability. The impacts of climate change also drive migration and displacement, including into cities, where rapid urbanization and climate vulnerability increasingly intersect.

For decades, USAID has worked to avert the worst-case scenarios of a climate catastrophe. Over the past decade, we have supported renewable energy auctions across more than ten countries that facilitated nearly \$25 billion of investment in large-scale wind and solar plants. In Southeast Asia, we have mobilized \$7 billion in clean-energy investments since 2016, helping to install 10,000 megawatts of new renewable energy capacity. In Latin America, forest conservation in the Amazon—one of our planet's most vital carbon sinks—has reduced greenhouse gas emissions by 34 million tons per year. The U.S. government's Power Africa initiative, led by USAID, has helped install more than 120 renewable energy projects, generating almost 2,500 megawatts of clean power with another 5,000 megawatts planned and financed. Together, these clean-energy investments will prevent 30.9 million tons of greenhouse gas emissions annually—equivalent to taking six million cars off the road.

But with climate change causing increasingly serious consequences throughout the world, USAID must take ambitious action both to significantly scale our work to mitigate greenhouse gas emissions and to help communities adapt to the shocks and harms already upon them.

USAID is supporting countries and communities around the world in adapting to and managing the impacts of climate change. We are fostering adaptation action around the world and are enabling economic growth without depending on fossil fuels, deforestation, or land degradation while strengthening energy security, independence, the preservation of natural ecosystems, and a just transition. **FIRST**, the USAID <u>*Climate Strategy (2022-2030)*</u> targets climate mitigation and adaptation for the highestpriority communities—those experiencing the most urgent needs or offering the most immediate opportunities. The strategy outlines six ambitious goals that USAID will seek to achieve by 2030: cutting six billion metric tons of carbon dioxide emissions (roughly equal to U.S. domestic emissions for one year); supporting the conservation, restoration, or management of 100 million hectares of forest; helping 500 million people adapt to a changing climate; mobilizing \$150 billion in public and private climate finance; aligning our development portfolios with country-driven mitigation and adaptation plans in 80 countries; and helping 40 countries increase the meaningful participation of Indigenous Peoples, local communities, women, youth, and other historically marginalized and underrepresented groups in responding to the climate crisis.

SECOND, through the <u>President's Emergency Plan for Adaptation and Resilience</u> (PREPARE) the United States aims to help more than half a billion people in developing countries adapt to and manage the impacts of climate change by 2030. PREPARE activates a whole-of-government effort that brings the force of 19 U.S. federal agencies to accelerate adaptation action and support in countries and communities vulnerable to the impacts of climate change by encouraging the adoption of emergency early-warning systems; accelerating the financing of adaptation measures; enhancing engagement with multilateral funds; strengthening the capacity of partner countries to access finance for adaptation; developing bankable adaptation investments; and supporting the development of climate risk finance strategies. Additionally, we have launched the <u>PREPARE Call to Action to the Private Sector</u> to encourage companies to make new, significant commitments to build climate resilience in partner countries.

THIRD, we will continue to play a leading role in reducing global emissions and improving access to climate-mitigation finance through our role in interagency initiatives that include the Just Energy Transition Partnership, the President's Plan to Conserve Global Forests, and Power Africa. In support of the Plan to Conserve Global Forests, we are already working on the ground with more than two dozen countries to protect, manage, and restore globally important forests, as well as wetlands, peatlands, and agricultural lands. In the energy space, we will continue to support key countries with their renewable energy transitions and partner with the U.S. International Development Finance Corporation (DFC), U.S. Trade Representative, Millennium Challenge Corporation, and other U.S. government agencies to develop pipelines of emission-reducing projects for investment; increase access to capital for climate mitigation; and promote enabling environment reforms that help governments and private-sector entities pivot to climate-friendly investments.

FOURTH, we are also doing our part to reduce USAID's own carbon emissions, adapt to climate change, and advance climate justice—and we support and expect our implementing partners to do the same. This includes supporting the Administration's stated goal of reducing emissions from Federal Government operations by 65 percent by 2030.

As we work to achieve our climate goals, we will be guided by a set of principles—embracing solutions that are nature-based and locally led; partnering with the private sector to scale the impact and increase the sustainability of our work; employing innovations and continuing to learn from evidence; and promoting equitable and participatory decision-making that safeguards community health and human rights, including in Indigenous and local communities.



Credit: Fernanda Pineda, USAID. (Click this caption for more info.)

ENGAGING BUSINESSES IN SUSTAINABLE GROWTH: "Paramos and Forests" in Colombia

Conserving global forests is critical to delivering on USAID's goal to help reduce carbon emissions by six billion metric tons by 2030. In Colombia, which is home to about 10 percent of the Amazon rainforest, USAID helped the government design a carbon market whereby businesses pay a reduced tax if they support projects that offset their carbon emissions. Since the market's inception in 2020, it has generated about \$30 million each year for projects that combat climate change and has provided \$25 million to Afro-Colombian and Indigenous communities supporting the conservation of carbon-rich lands. We continue to assist the government in monitoring and verifying carbon credits while connecting private companies to offset projects. We have also awarded 25 grants to Afro-Colombian and Indigenous women to grow deforestation-free cocoa—helping them to generate income while protecting the tropical forest around them. The program connected them to a French-Colombian gourmet chocolate company, forging an essential link to international markets that will bring further sustainable investment into their community.



USAID works to increase participation in social, political, and economic activities to improve the quality of life of communities in Sierra Leone. Credit: Carol Sahley, USAID. (*Click this caption for more info.*)



Democracy is under attack around the world. Freedom has declined globally for the past 17 years, and autocratic forces are undermining the

essential principles that unite all free people—the rule of law; free and fair elections; and freedom of expression, assembly, religion, and the press. Shrewd authoritarians are learning from one another and sharpening their tools for repression. Corruption takes a heavy toll on development progress as well, undermining democracy by destroying confidence in democratic processes and the rule of law, deterring investment, depleting budgets for essential services, and diverting aid from citizens.

Yet after years of worsening trends, autocrats have recently found themselves on the defensive. Democracies are banding together. Conspicuous graft and self-dealing—emblematic of kleptocracies—have inflamed popular resentment and sparked powerful protest movements. Countries reeling from heavy debt burdens are beginning to question the long-term benefits of opaque and often extractive financing deals with the PRC. And the Kremlin's reckless, failed bid to subjugate Ukraine has vividly demonstrated the weaknesses of authoritarian systems that suppress truth and stifle dissenting voices. Democracies are poised for a comeback—but they must demonstrate the ability to deliver for their citizens. Supporting and strengthening a democratic renewal will take a fundamental reorientation of traditional democracy assistance, including a more expansive set of tools and approaches able to address both new and longstanding challenges.

USAID is the leading provider of democratic assistance in the world, and we are turning our focus toward new and crucial fronts in the fight to strengthen democracy. These activities are part of the bold, coordinated action the U.S. government is undertaking with its allies and partners to strengthen accountable governance and the rule of law, fight authoritarian influences, protect human rights, and combat corruption, including through the <u>Presidential Initiative for</u> <u>Democratic Renewal</u>.

FIRST, in countries where reformers are pushing for positive change—so-called democratic "bright spots"—we will not only provide investment in governance, anti-corruption, media freedom, and the rule of law, but will also channel additional resources to support near-term economic dividends and quality-of-life improvements. We will be nimble when democratic openings arise, mobilizing rapid support that is responsive to emerging local needs.



USAID promotes journalism education in Armenia, including in this collaborative space for youth. Credit: Jessica Benton Cooney, USAID. (*Click this caption for more info.*)

SECOND, in line with the USAID <u>Digital Strategy (2020-2024)</u>, we will help fight the growth of new technologies, including surveillance systems, that repressive forces abuse to harm citizens and violate human rights, both within and beyond their borders. This includes initiatives to counter foreign mis- and disinformation, defend the integrity of elections against cyber interference and corrupt foreign influence, and help partners foster the open, inclusive, and secure digital ecosystems that are vital to democratic societies.

THIRD, the forthcoming and updated USAID <u>Democracy</u>, <u>Human Rights</u>, <u>and Governance Policy</u> and <u>Rule</u> <u>of Law Policy</u> will position us to expand our work to promote and defend press freedoms, a vibrant civil society, and other universal human rights. These policies reinforce the growing evidence on the value of democratic systems for development and highlight steps we are taking to modernize democracy, rights, and governance assistance so that it is most responsive to recent trends. Underscoring the benefits of flexible and locally led programs and reforms, these policies detail why these approaches must not only strengthen democratic institutions—including at the regional and district levels—but also support civilsociety, activists, and other community leaders to safely promote democratic values, norms, and systems that are the foundation for sustained democratic transitions and resilience. FOURTH, as outlined in the USAID Anti-<u>Corruption Policy</u>, we are tackling the root causes of corruption-not just its visible manifestationsacross sectors and prioritizing taking on transnational corruption, grand corruption, and kleptocracy, given their outsized impacts on development and democracy. Where we have willing partners, USAID is mobilizing support for measures such as digitization and procurement reform that reduce opportunities for corruption and increase transparency. Where corruption is a substantial risk, we will combat it and its corrosive effects by empowering activists, journalists, and others demanding accountability and pushing to expose corrupt practices. At the same time, we have renewed our focus on safeguarding development and humanitarian assistance from corruption risk to protect valuable resources from being siphoned off by corrupt actors.

We recognize, too, the obstacles imposed by actors who are accelerating authoritarianism and spreading corruption through global engagement that lacks transparency, bolsters surveillance and digital control, and weakens civil society and accountable governance. The PRC, in particular, is attempting to reshape the development landscape along these lines. In contrast, we will reinforce an affirmative, rules-based, and rights-respecting development model through which USAID's efforts support partner countries in preserving their independence.

EMPOWERING WOMEN IN THE POLITICAL ARENA: Diversifying local government in Sri Lanka

Despite Sri Lanka's attainment of universal suffrage in 1931, and its election of the world's first woman prime minister in 1960, only 1.6 percent of local council members were women prior to elections in 2018. The passage of the Local Authorities Act in 2016 created a 25 percent quota for women to be included in party nomination lists for local council elections, and USAID led donor outreach with local groups to support implementation of this law. We provided training to roughly 2,400 women interested in running for office, including sessions on the new law and legal framework, campaigning skills, and communication and leadership coaching for serving in local councils once elected. We also trained media organizations to provide fair coverage of women in politics and helped educate the public about the quota system. Within two years of the law, these activities contributed to a changed political landscape: nearly 2,000 women elected to local council seats, an impressive 23 percent share of all seats.



USAID works with women and marginalized communities in Nepal, to ensure that they have equal access to resources and are included in the governance process. Credit: USAID/Nepal. (*Click this caption for more info.*)



4. BOLSTER HEALTH SECORITY, IMPROVE PRIMART CARE, AND REVE DECLINE IN GLOBAL LIFE EXPECTANCY

AN AND HOLD

USAID collaborates with the government and other partners to increase COVID-19 vaccination rates in Tanzania. Credit: Frank Kimaro, USAID.(*Click this caption for more info.*)



For the first time since World War II, <u>humankind has</u> <u>experienced a global</u> <u>reduction in life</u> <u>expectancy over the</u> **past three years.** The millions of deaths caused

by the COVID-19 pandemic have been the primary driver of this stunning reversal in global health. But even if COVID-19 were wiped away tomorrow, communities around the world would still struggle to recover lost ground due to the pandemic's rollback of development gains and damage to wider health, food, and economic systems.

USAID is taking up this challenge, leveraging our substantial global health presence and investments to meet urgent needs while strengthening health systems for the long term.

FIRST, we must work to make COVID-19 as manageable as other endemic respiratory illnesses. USAID has worked tirelessly to fulfill President Biden's promise that the United States would serve as the world's "arsenal of vaccines" in the fight against the pandemic. We managed the donation of more than 680 million COVID-19 vaccines to over 100 countries, helping to end the global supply shortage of doses. We also launched the Initiative for Global Vaccine Access (Global VAX) to help overcome barriers to delivery and get these vaccines into arms, working with partners to ramp up and customize their public vaccine campaigns. These steps have had a stunning impact. In Tanzania, between June and November of 2022, COVID-19 vaccination coverage jumped from 15 percent to 94 percent. In Zambia, in just one year, the percentage of eligible fully vaccinated people jumped from 4 percent to more than 75 percent. These efforts—along with work to protect health workers, improve surveillance systems, and increase the availability of medical oxygen in more than 50 countries—have helped drive global COVID-19 deaths down 90 percent from a peak of more than 75,000 per week.

To build on this tremendous work, we will continue to support countries as they develop the global, regional, and country-level capabilities needed to control COVID-19, strengthen global health security, and meet future pandemic threats. The USAID <u>Implementation</u> <u>Plan for the U.S. COVID-19 Global Response and</u> <u>Recovery Framework</u> leverages our national and community-level health programming to enable partner countries to prevent the damage of COVID-19 by closing gaps in vaccination, oxygen, test-to-treat capacity, and other critical treatments.

SECOND, we will work on the ground with countries to help them strengthen global health security and be better prepared for the next pandemic or health emergency. To respond to future disease outbreaks and pandemics, we will continue to reorient our commitment to address emerging global health issues. In 2022 USAID established an infectious disease Outbreak Response Team designed to tackle global health emergencies. To aid this team, we will develop our Global Health Emergency Response Management System to respond to a range of health emergencies, including health system impacts of a disaster that fall outside the focus of humanitarian relief actors. These moves will help us manage up to three major health crises concurrently and are in line with the U.S. National Biodefense Strategy and Implementation Plan. We will continue to use our financial resources, technical expertise, and targeted advocacy to

strengthen systems that prevent, detect, and respond to existing and emerging infectious diseases at every level, from community-based care to multilateral institutional efforts.

THIRD, we will go beyond USAID's flagship disease programs to expand our impact and investments in the primary health care systems they rely on. Many countries lack a strong primary health care system that can serve

everyone, and our global health resources are targeted to diseases, not health systems. In 2019, more than half of all external global health funding focused on HIV/AIDS, tuberculosis, and malaria. Yet that same year, governments in low- and middle-income countries devoted only a minority of their health spending to primary care—and did not receive nearly enough external assistance to fill in the gaps. Health workers who provide primary care address the majority of people's essential health services, including preventive measures such as pregnancy care and immunization, sickness care, and control of chronic conditions. They are essential to capable and resilient health systems. But primary health care workers are significantly underinvested in and overstretched in most of the world. Building on the USAID Vision for Health System Strengthening 2030 and in line with the U.S. Global Health Worker Initiative, we will improve integration across global health programming, including in digital health, and invest in a stronger primary health workforce and community health workers capable of adapting to shifting needs, working toward universal health coverage, and ultimately saving more lives.

Focusing on these three imperatives will also add to our ongoing efforts to strengthen service delivery in our core programs to reduce maternal and child deaths, control infectious and neglected tropical diseases, provide voluntary family planning and reproductive health care, and bring an end to HIV/AIDS, tuberculosis, and malaria. In all of these areas, we will strive for improved quality of life and health equity for women, children, adolescents, and historically marginalized groups.



USAID partners with the government to prevent the spread of wildlife-borne viruses in Thailand, including in this study to collect samples from bats and pigs. Credit: Richard Nyberg, USAID. (*Click this caption for more info.*)

TAKING AN INTEGRATED APPROACH ON HEALTH AND THE ENVIRONMENT: "One Health" in Thailand

Biodiversity loss from climate change is bringing wildlife, livestock, and humans into closer contact, increasing the risk of emergent disease. In fact, more than 70 percent of emerging diseases—such as COVID-19, caused by the SARS-CoV-2 coronavirus—are zoonotic, meaning they are transmissible between animals and people. Experts estimate there could be as many as 850,000 as-yet-undiscovered viruses in mammals and birds that could infect humans. USAID's <u>One Health</u> approach in Thailand unifies work to promote biodiversity, sustainable food production, and human health, while building climate resilience, health security, and food security at the same time. Through this effort, USAID partnered with Chulalongkorn University in Bangkok and Thailand's Department of Livestock Development to reduce the risk that the bat-borne Nipah virus could emerge on the pig farms that support the country's \$3 billion pork industry. We helped develop an app, E-Smart Plus, that farmers use to input data about their livestock, understand the disease risks they face, and learn how to manage them. Through the program, 140,000 farms provide early warning for spillover viruses and help safeguard livelihoods, food security, and economic stability in Thailand.



Credit: Thomas Cristofoletti, USAID. (Click this caption for more info.)



After years of economic progress fueled by growth in low- and middleincome countries, the world is being battered by grim post-pandemic economic trends. The UN estimates worsening

inflation <u>pushed more than 75 million people</u> into extreme poverty in 2022. At the same time, <u>60 percent of the world's poorest countries are</u> <u>at high risk of debt distress</u>—or have already crossed that threshold. The total external debt of low- and middle-income countries at the end of 2021 was \$9 trillion—more than double what it was a decade ago. This debt is also harder to restructure. The share of debt owed to non-Paris Club government creditors such as the PRC has soared, and the share of external debt owed to private creditors like banks and bondholders has risen as well.

Greater economic distress and inequality can lead to widening societal cleavages, an unequal distribution of rights and access to public goods, the consolidation of political power in the hands of elites, and increased risk of violence and instability. We already see the cumulative weight of current global crises weakening systems critical to expanding social mobility, equal opportunity, and pluralism, from schools to democratic institutions. Since the onset of the COVID-19 pandemic, the share of children in lower-middleincome countries who cannot read a simple text by age 10 has <u>risen significantly, from just over 60</u> percent in 2019 to an estimated 77 percent today, constituting one of the biggest shocks to global education in a century. Women and girls have been disproportionately affected by the pandemic, with women seeing a <u>larger drop in employment</u> than men.

For any society to reach its full potential, there must be equality of rights and equity in opportunities—for individuals, including women and girls, of all backgrounds and racial, ethnic, and socioeconomic groups. This includes equitable access to capital, land, technology, markets, justice, and essential services. In too many countries, this foundation for inclusive and sustainable economic development is deteriorating.

USAID is drawing on our global presence, partnerships, and versatile toolkit to help partner countries manage economic challenges, while strengthening the rights, opportunities, and systems that underpin inclusive and sustainable development. We are working with partners to help avert economic crises, accelerate reforms, and stabilize economies in the short term, while revitalizing inclusive growth that can help communities rise out of poverty in the long term. We are also working with partners, especially local ones, to help close gender, racial, and other gaps that impede inclusive progress, and we will continue to strengthen the capacity of systems critical to sustainable development.

FIRST, we will help countries dealing with immediate economic distress to strengthen their fiscal sustainability and macroeconomic management through close collaboration with the Department of the Treasury and other interagency counterparts, international financial institutions (IFIs), and other critical partners. We will continue to support countries' efforts to address macroeconomic risks that undermine their abilities to finance government operations and deliver basic services, while providing technical assistance to finance ministries and central banks so they can increase domestic-resource mobilization, amend tax and revenue-collection policies, engage in transparent procurement, and review subsidies and trade policies that affect current account deficits.

SECOND, in addition to increasing our work with the global private sector and other nongovernmental actors to increase employment and investment (see II.2 "<u>Deepen Engagement with</u> <u>Private Companies and Organization</u>"), we will extend support to countries that are working to revitalize job creation and scale up and formalize micro-, small-, and medium-sized enterprises. We will also increase access to cash-transfer programs, which efficiently increase consumer spending and accelerate entrepreneurship.

THIRD, we will prioritize actions that strengthen the enabling environment for inclusive, sustainable, and resilient economic growth and more transparent, rules-based economic systems. This includes incentivizing effective private- and publicsector management and supporting anti-corruption, digitization, trade and investment, and policy or regulatory reform to attract private investment. We will also continue to invest in high-quality education, consistent with our <u>Education Policy</u>, as a key way to develop human capital and spur sustainable economic growth. Additionally, we will work with partners to identify and reduce administrative burdens that create unnecessary barriers for citizens and impose needless bureaucracy that inhibits investment due to processes that are overly timeconsuming, outdated, unproductive, or duplicative.

FOURTH, we will help countries develop their infrastructure through private-public partnerships. Unlike the opaque infrastructure agreements the PRC typically signs with partner countries, often at non-concessional interest rates, we will drive transparent investments through fair procurements that can unlock growth without encumbering governments with burdensome debt, advancing the needs of communities while respecting international standards. Through the Partnership for Global Infrastructure and Investment, Power Africa, PREPARE, and other interagency initiatives, we will help finance clean-energy projects and climate-resilient infrastructure; fund the responsible mining of metals and critical minerals, directing more of the profits to local and Indigenous groups; expand access to clean water and sanitation services that disproportionately benefit women and the disadvantaged; and expand secure and open 5G and 6G digital networks so that countries can avoid relying on PRC-built networks that may be susceptible to surveillance.

FIFTH, we will invest in advancing gender-equitable societies where women and girls, men and boys, and gender-diverse individuals have equal rights and opportunities and equal and safe access to, and control over, resources. Through our <u>Gender</u>. Equity and Equality Action Fund, we will advance economic security for women and girls by increasing their access to resources, services, and leadership opportunities and by addressing the barriers that limit their full economic participation. We will also facilitate more efficient and equitable trade, as well as support countries seeking to deepen economic and trade relationships with other U.S. partners.

The USAID <u>Gender Equality and Women's</u> <u>Empowerment Policy</u> and <u>Strategy on Global Women's</u> <u>Economic Security</u> offer details on how we will do more to invest in and empower women and girls globally.



Through Feed the Future, USAID invests in agricultural productivity in Senegal—for example, this project to improve nutrition. Credit: Clement Tardif, USAID. (*Click anywhere in caption for more info.*)

CUTTING RED TAPE TO REVITALIZE INCLUSIVE ECONOMIES: The "Global Alliance for Trade Facilitation" in Senegal and beyond

Opaque and burdensome trade processes create substantial delays that slow the movement of goods and create opportunities for corruption. These hurdles have massive costs—while tariffs typically hover around 1-2 percent, administrative burdens create de facto tariffs equivalent to 15-20 percent. The Global Alliance for Trade Facilitation (GATF) is a USAID-funded public-private partnership that taps into private-sector expertise to reduce trade-related red tape. The partnership supports efforts to digitize and streamline complex processes, while harmonizing trade requirements in different sectors. In Senegal, for instance, agri-food businesses make up nearly half of the industrial sector, and the need to manage pest-related risks has led to an extensive phytosanitary regulatory regime. These regulations, while important to protect health and agricultural productivity, have also proved burdensome. Prior to 2022, all phytosanitary certificates were produced manually, introducing long delays in processing times and costly reapplication procedures if permits expired or were rejected. Through GATF, USAID supported a wholesale shift from paper to digital certificates, reducing processing time by 39 percent—a model now being replicated in countries including Colombia, Ecuador, Jordan, Madagascar, and Thailand.

We are faced with a stark reality: The needs faced by communities around the globe are accelerating faster than traditional development actors can address them. In particular, climaterelated weather shocks, including fiercer storms, prolonged droughts, and massive floods, are driving more humanitarian disasters around the world, causing damage at a rate governments cannot afford to address. Pakistan's historic flooding in 2022 led to economic losses of \$15 billion, equivalent to nearly half of the global USAID budget generously provided by bipartisan allies in Congress the same year. On the basis of math alone, relying solely on government donor budgets to make an impact means we will quickly be overwhelmed by the scale of devastation.

Yet, much of USAID's work and focus has become oriented around the development *program* as our unit of change. Our business model as a development agency has been based on designing programs to meet discrete goals with the resources available, with our measure of success often defined as the effective execution of that program.

We should not, however, confuse the narrower—albeit important and worthy—goal of successful program management with our broader mission to help our partners drive development progress that will endure. While programs are, and will always remain, core to achieving the results we seek, they are far from USAID's only tool to spark change. And while we will continue to build on existing efforts to make our programs more effective, we have the opportunity to realize broader gains if we look beyond the scope of what our programs can achieve, embracing new strategies to execute on the priorities articulated in Section I.

In many ways, we must return to the earliest days of foreign assistance, when efforts such as the Marshall Plan, the Alliance for Progress, and the Green Revolution relied as much on encouraging beneficial policy reforms, uniting the efforts of bilateral and multilateral partners, unlocking private-sector investment, and strengthening local capacity as they did on providing assistance. We must think of ourselves as problem-solvers, rather than simply as program managers, adopting a different mindset than has been hardwired in our procedures and ingrained in our organizational culture. We must of course use our resources, which are critical, but also our expertise, relationships, advocacy, and policy voice to back reform, catalyze action, leverage even more financing, engage the global private sector, and strengthen local capacity.

USAID must elevate the practice of development diplomacy; leverage new and deeper engagements with the private sector and nongovernment actors; and partner far more often and more deeply with local leaders crucial to creating sustainable change.



Credit: Peru, USAID. (Click this caption for more info.)



Through USAID's convening power, our global footprint, our standing in key multilateral institutions, our linkages to the private sector, our strategic communications channels, and America's influence as a global power, we have the potential to drive collective action far beyond the scope of our programming. We can support beneficial policy reforms, advocate for votes in multilateral bodies, and coordinate our actions with those of other state and international actors. We can use our resources to leverage even greater investment from

others. We can create and support platforms for those who might not otherwise have the chance to elevate their voice. And we can facilitate new relationships that foster new productive partnerships.

USAID is honing and expanding our toolkit so that our global workforce is best positioned to make an even greater and lasting impact in the years ahead. Both in the countries where we work and at a global level, we must use our expansive and often unique on-the-ground presence and relationships with local leaders; multilateral organizations; international financial institutions; fellow donors; and businesses, universities, foundations, and other key partners to mobilize additional resources, synchronize actions, reduce duplication, fill critical development gaps, achieve economies of scale, amplify local voices, encourage policy reforms, and help catalyze more collective action to address the range of shared development priorities we seek to address.

FIRST, within the U.S. government, we will draw on our extensive technical expertise and country-level experience to bring contextual understanding, a development perspective, and our values as an Agency to foreign policy and national security deliberations. At overseas posts and in headquarters, we will coordinate closely with the Departments of State, Defense, and the Treasury; DFC; and other U.S. government counterparts to advance development objectives and shape and support broader foreign policy and national security goals. Foreign assistance is a dynamic, versatile instrument, but ultimately just one component of the foreign policy toolkit. We must strengthen collaboration, embracing our role within the U.S. government country team as the actor most connected to local communities and diverse populations.

SECOND, in multilateral forums and institutions, we will leverage our formal roles—such as seats on the executive boards of UN funds and programs—and informal relationships to shape norms, decisions, and programmatic approaches. Given our substantial contributions to many of these bodies, we should be working to harness and leverage the activities of these multilateral agencies toward our development objectives.

THIRD, we will build connections within and across countries by helping to link local leaders, reformers, organizers, and activists, building networks to share best practices and spur momentum. We will also invest time and resources in training and mentoring staff, providing them the tools and skills needed to think beyond traditional approaches to advancing development progress.



USAID helps connect apple growers to new markets in Moldova, a sector devastated by Russia's invasion of Ukraine. Credit: USAID Flickr. (*Click this caption for more info.*)

MAKING ESSENTIAL LINKAGES IN A CRISIS: Finding a home for Moldova's apples

Apples represent one of Moldova's top exports—nearly 3 percent of the country's exports. For years, through our programs, USAID has invested in spurring the productivity of apple growers and establishing cold storage facilities to store crops in order to secure the best prices on the market. Prior to Putin's invasion of Ukraine, more than 98 percent of Moldova's apples were destined for Russia. As a result of global sanctions imposed on Moscow and the blockade of Moldova's closest port in Odesa, the country's crop risked going to waste—an economic loss equivalent to \$77 million. USAID's Moldova Mission responded to these sudden developments by quickly engaging the European Commission, advocating for the EU to loosen import restrictions and grant Moldova additional trucking permits to send its apples westward. Our staff also connected Moldovan farmers with the emergency food relief organization World Central Kitchen, which purchased 200 tons of apples to serve to Ukrainian refugees and displaced people. Thanks to USAID's relationships with retailers across the globe, Moldovan growers were able to ship their remaining stock in record time to retailers in the Middle East, Northern Africa, and Southeast Asia. As a result of this development diplomacy, Moldova found buyers for its entire apple crop in 2022 and is now pursuing greater market diversification for this critical export.



USAID supports youth debate teams in Libya, including in this tournament in which students debated topics ranging from elections, to public health, to education. Credit: National Democratic Institute with USAID. (*Click this caption for more info.*)



Sixty years ago, Official Development Assistance (ODA) <u>used to represent 71</u> <u>percent of the financial flows</u> <u>to low- and middle-income</u> <u>countries</u>. Today, that

number has fallen to 21 percent, dwarfed by the astounding growth in financial direct investment unleashed by the embrace of regulatory reforms, the loosening of trade barriers, and rapid globalization. With growing impacts from climate change; the reversal of development gains following the emergence of COVID-19; and the halting post-pandemic economic recovery, the yawning gap between public-sector assistance and global need is approaching a level not seen since World War II. The <u>resources needed to help</u> developing countries adapt to a changing climate alone are estimated to be around \$70 billion annually and growing—and by the end of this decade, they could be as much as \$340 billion per year. The current proportion of ODA committed to climate adaptation is around \$12.5 billion. Total global ODA itself is just over \$200 billion.

To drive the development progress we seek and address the scale of need in the world, we must therefore deepen engagement with the private sector, from multinational corporations to private companies and entrepreneurs within the countries where we work. This enhanced engagement will of course include continuing to support business-enabling environment reforms in partner countries, which will make it easier to draw heightened investment, but will also mean leveraging our resources by making firstloss investments or offering loan guarantees or concessional capital to unlock far greater private resources. We must work with multinational companies whose global footprint, diversified supply chains, or core competencies allow them to generate impact far beyond the dollars they may bring to bear, as well as operate with a broad view of the private sector—looking to partner not solely with private corporations, but also entrepreneurs, foundations, philanthropies, pension funds, sovereign wealth funds, chambers of commerce, diaspora groups, and other private and quasi-private institutions that can play important roles in driving development impact.

FIRST, we will mobilize new private-sector engagement and investment that can generate growth and boost incomes. Building on USAID's *Private-Sector Engagement Policy*, we will continue to improve business-enabling environments through effective and transparent regulatory and legal structures that encourage private-sector confidence, and we will promote responsible economic governance based on transparency, competitiveness, respect for worker rights, strong labor unions, and the rule of law, which form the foundations for broad-based growth. **SECOND**, we will engage with business, investors, and foundations to form catalytic public-private partnerships that can boost investment and fuel growth and shared prosperity. These potential partners are not just sources of financing but powerful economic, social, and political forces in their own right, who can operate at a global scale to create sustainable gains. We will push the private sector to invest in places of great need and to do so ethically, responsibly, and inclusively. We will encourage businesses to improve supply chains to create more meaningful impacts, including by becoming less resource-intensive, adapting infrastructure to a changing climate, and encouraging the recruitment of women and historically marginalized communities as suppliers. Through our Enterprises for Development, Growth, and Empowerment, or EDGE Fund, we will form new partnerships that capitalize on the competitive advantages offered by private-sector partners, for instance, their abilities to produce health or agricultural commodities or distribute them to remote locations. We will also use a revamped relationship management system to better track and take advantage of opportunities to engage private-sector organizations.

THIRD, we will collaborate with diaspora communities to advance our shared development goals in their countries of origin. Diaspora have unique social, economic, and political influence at home and abroad, and have long played a critical role in supporting humanitarian and development efforts. We will continue to expand engagements and deepen partnerships with diaspora leaders and organizations to leverage the networks, skills, cultural context, and knowledge they bring, as well as further tap into and support their entrepreneurship, communications outreach, convening power, and private-sector investments.



USAID contributes to small-business development in Uganda, such as this shop on Bugala Island. Credit: USAID Flickr. (*Click this caption for more info.*)



Through Feed the Future, USAID helps smallholder farmers access improved agricultural technologies in Zambia. USAID Administrator Samantha Power visited a savings and loan group that benefits from this support. Credit: USAID Flickr. (*Click this caption for more info.*)



While today's development challenges are global in scope, their impact is felt locally, shaped by the unique histories, power dynamics, and other factors specific to countries and communities. Effective, lasting solutions—

from ending cycles of humanitarian crisis to strengthening health security—must build on the priorities, knowledge, and aspirations of the people who face these challenges every day and know them best. Experience has shown that facilitating local ownership within development cooperation is the route to greater equity, effectiveness, and sustainability.

To that end, USAID is expanding our commitment to locally led development. Through a set of internal reforms, actions, and behavior changes, we are creating space for actors—based in the communities in which we work—to lead, strengthening local systems and responding to local needs. These efforts will shift leadership away from USAID and our implementing partners based in donor countries to instead empower the people and institutions who drive change in their countries and communities with authority over priority setting, design, implementation, and measuring results.

FIRST, we will channel a larger portion of USAID's resources directly to local partners while providing accountability for the appropriate use of funds and achievement of results. While direct local awards are just one part of a more comprehensive set of approaches to locally led development, we have committed to increase the percentage of our funding that flows directly to local partners to 25 percent by the end of FY 2025. We have launched a new platform, WorkWithUSAID.gov, to attract local actors—as well as new and nontraditional partners like small businesses, universities, foundations, investors, faith-based partners, and emerging donors-by providing clearer and more accessible information about funding and partnership opportunities. We have also lowered barriers to partnership, including cutting down the length of initial applications and accepting submissions in local languages. And we have updated our Acquisition and Assistance (A&A) Strategy to embed principles of inclusive and locally led development in our A&A processes, expand our partner base, and make better use of innovative means to engage the private sector and other nontraditional, catalytic partners.

SECOND, we will adapt our policies and programs to foster locally led development that is tied to each country's unique political, social, cultural, economic, and environmental conditions, including through embracing a local systems practice that more intentionally takes account of key local actors and relationships; the contours of power in a given development context and the varied incentives at play; and the priorities, resources, ideas, and challenges facing local officials, civil society, the private sector, individual citizens, and other key actors. As a result of this approach, USAID staff will be encouraged to design and implement projects with outputs beyond just rapid results-emphasizing the importance of fostering well-functioning systems that can produce positive development results over a long time horizon.

Importantly, we will empower USAID staff to make investments in those actors, organizations, agencies, or sectors where the prospects for sustaining results are greatest. We will also place greater emphasis on local capacity strengthening, prioritizing partnerships with local actors to jointly improve the performance of local systems. In so doing, USAID will champion more work that supports the ability of these local actors to deliver, rather than a more narrow focus on the capacity of local actors to qualify for and manage awards. Explicit inclusion of women and girls; racial, ethnic, and religious minorities; Indigenous Peoples; LGBTQI+ individuals; persons with disabilities; and others from historically marginalized and disadvantaged communities will support these efforts while advancing equity and sustainability.

THIRD, we will shift power to local actors and create space for them to influence and exercise leadership over where, how, and why we collaborate to advance development outcomes. By 2030, 50 percent of our programming will place local communities in the lead to co-design a project, set its priorities, drive its implementation, or evaluate its impact.

FOURTH, we will serve as a global advocate and thought leader to catalyze a broader shift toward locally led development. Within the donor community, we will use our convening authority, partnerships, and voice to encourage other donors to follow suit, including in humanitarian settings. This approach is informed by and expands on many years of USAID reforms, innovations, and staff commitments to elevating local leadership and strengthening local systems, including through Local Works, the New Partnerships Initiative, and government-to-government assistance. From these experiences, we know that local context matters. We know that implementing locally led development is staff- and resource-intensive, so we are working with stakeholders outside USAID to secure the authorities and resources needed to bring about the shift we know is needed.



USAID helps increase awareness, knowledge, and recognition of Indigenous Peoples' rights, culture, and history in Guatemala. Credit: USAID/Guatemala. (*Click this caption for more info.*)

LOCALIZING DEVELOPMENT PARTNERSHIPS: "Centroamérica Local" in El Salvador, Guatemala, and Honduras

In November 2021, USAID announced Centroamérica Local, a \$300 million, five-year program in El Salvador, Guatemala, and Honduras to stimulate growth, improve governance, fight corruption, protect human rights, strengthen citizen security, and combat gender-based violence through direct partnerships with local organizations and other activities that place local actors and communities in the lead. Through Centroamérica Local, we are making our business processes more accessible to prospective local partners, for example, with websites targeted to local actors that highlight partnership opportunities. We are also piloting the translation of key application documents into Spanish and local Mayan languages and are conducting extensive listening sessions with diverse local organizations. Since the launch of Centroamérica Local, we have exceeded our annual targets to partner with local organizations in the region, and are working to launch similar initiatives in other regions.

SPOTLIGHT ON:

Diversity, Equity, Inclusivity, & Accessibility (DEIA) at USAID:

An ambitious agenda for organizational change and inclusive development

USAID works to embed diversity, equity, inclusion, and accessibility principles in our work at every level so that our programs, people, processes, policies, and practices are inclusive, reflect the diversity of our nation, advance equity, and enhance accessibility. DEIA principles are an essential framework for transforming USAID's workforce and internal processes, and provide a foundational lens we apply to all of our work, to help deliver the significant development gains we seek and make sure that those gains are truly inclusive benefiting all individuals, including women and girls; people of diverse gender identities and sexual orientations; and people of all backgrounds, ages, disability statuses, and racial, ethnic, religious, caste, and socioeconomic groups.

On **DIVERSITY**, USAID will: strengthen structures, processes, and systems to coordinate and advance DEIA progress; establish new and use existing partnerships to develop a more diverse human capital pipeline and strengthen recruiting internally, including recruiting individuals who identify as members of communities that are underserved; comprehensively analyze our workforce to identify potential barriers in our practices for hiring, promoting, developing, and retaining staff; and encourage local governments and partners to prioritize diversity within their own staffing, as well as in policy and program design.

On **EQUITY**, USAID will: address barriers for low-income and first-generation professionals that result in inequitable outcomes, including by reducing unpaid while expanding paid internship opportunities; migrate from a workforce primarily composed of non-direct hire positions into a direct hire workforce; advance pay equity so that we fairly compensate our staff for their talents, including people who identify as racial and ethnic minorities, women, persons with disabilities, and members of other disadvantaged groups; pursue reforms so that the federal health benefits system equitably

USAID works with persons with disabilities to increase functional mobility by accessing wheelchairs and other services in Laos. Credit: Athit Chanthalath, USAID. (Click here for more info.) USAID supports LGBTQI+ equality in many ways, including through events like this Regional Dialogue on LGBTQI+ Human Rights and Health in Bangkok in 2015. Credit: Richard Nyberg, USAID. (Click here for more info.)



serves all members of the workforce and their families, including our LGBTQI+ workforce; adopt principles for balancing the aid process to recognize that power imbalances have had significant, and at times harmful, impacts on the international operating environment in which development and humanitarian assistance occurs; acknowledge we operate in a world shaped by histories of exploitative relationships; and reinforce mutuality, cultural sensitivity, sustainability, and local leadership in all our programs and partnerships.

On **INCLUSION**, USAID will: advance transparency in professional development opportunities; issue internal guidance on tracking demographic data for professional development programs; expand DEIA learning and engagement opportunities for all staff; create a comprehensive framework to address workplace safety and harassment, including sexual harassment, that will offer resources for staff who have experienced harmful, adverse, or traumatic events while at work; provide remote training, education, and prevention programs and robust monitoring to reinforce that USAID supports a workplace culture that does not tolerate harassment, discrimination, violence, or retaliation, as well as new accountability measures for those who have engaged in harassment or abuse; analyze existing and proposed programs so that development impacts do not exacerbate social or economic inequality, including by enhancing implementation of our own policy of nondiscrimination toward program participants and by reevaluating other processes, such as the collection and use of disaggregated data (including on race, ethnicity, and other important factors) to avoid fostering exclusion; and continue to champion the needs of historically marginalized communities through strategies and policies focused on gender equality and women's empowerment, youth in development, and rights and inclusion of LGBTQI+ individuals, Indigenous Peoples, persons with disabilities, and mental health needs.

On **ACCESSIBILITY**, USAID will: act as a model employer for members of the workforce who have a disability; provide reasonable accommodation as needed for all members of our workforce; expand efforts so that all those who may seek to participate in our programs are able to access necessary accommodations; and build on our strong legacy of driving development impact that benefits persons with disabilities and empowers them as change agents.

#BeingLGBT

III. INVESTING IN USAID'S ENDURING EFFECTIVENESS

President Kennedy established USAID in the spirit of reform. The U.S. development architecture, he said, had become "bureaucratically fragmented, awkward, and slow … based on a series of legislative measures…now obsolete, inconsistent, and unduly rigid and thus unsuited for our present needs and purposes."

Similar to the historical moment in which our Agency was founded, we again find ourselves at an inflection point that requires the reform and strengthening of our nation's core development Agency. USAID has evolved since its inception, but the range of pressing issues we face are changing even faster. Over time, the Agency has been buffeted by forces that have made us more sclerotic, constraining our ability to adapt or address emerging priorities. Our focus has been drawn away from creative problem-solving and on-the-ground collaboration as we struggle to keep up with a growing number of administrative burdens: threats to funding and staffing, pressures to cut costs, fragmented authorities, and unreconciled directives. Too often we have been pushed to virtually eliminate our tolerance for risk of any kind, adhere to lengthy, disconnected reporting requirements, and work through a familiar group of large implementing partners. All of these demands fall on a severely overstretched career workforce that has only just returned to 2016 staffing levels.

USAID must make critical investments in, and reforms to, our organization. These investments must guarantee that we have the people, resources, and tools necessary to rise to today's challenges and remain effective and relevant in the decades to come. We cannot drive lasting progress beyond the life of any particular program without investing in a larger and more diverse workforce, communicating our work effectively, grounding our work in solid evidence, and cutting the bureaucracy and red tape that hamper our effectiveness.



USAID empowers women as leaders against the climate crisis, such as Jovana Nikoloska, a student from vocational school Mihajlo Pupin in Skopje, North Macedonia. Here she receives practical training as an electro fitter. Credit: EVN, USAID. (*Click this caption for more info.*)

USAID POLICY FRAMEWORK



Administrator Power participated in a fireside chat with the Young Professionals at USAID resource group, during which she shared her own experiences as a young professional, offered career development advice, and answered questions from the audience, including one from Olivia Nguyen, pictured here. Credit: USAID/Washington. (*Click this caption for more info.*)



USAID's most valuable asset is our people—their experience, expertise, ingenuity, and unwavering commitment. Yet years of underinvestment and attrition have depleted our

workforce, leaving us overly reliant on short-term contracts and other administrative workarounds that serve neither our staff, our mission, nor the American people well. The professional and personal toll of the pandemic, and the demands of managing simultaneous crises, have led to unsustainable workloads, eventual burnout, and, increasingly, retention challenges.

To meet this moment, we need more staff, especially in critical roles such as contract and agreement officers, program officers, executive officers, and other positions essential to programming our resources. We also need specialists including gender technical advisors, Mission staff with climate-related or privatesector expertise, and inclusive development experts to help lead our work addressing the development challenges most severely affecting marginalized and disadvantaged communities.

We also need a staff that reflects the diversity of the United States, projecting to the world the best of America — our dynamism, our fresh perspectives, our innovation and openness. As we expand USAID's workforce, we must prioritize the hiring and retention of staff that represent all of America.

FIRST, we will take meaningful steps to increase our staffing and empower and invest in our existing workforce, regardless of the mechanism under which an individual joined the Agency. Core to this effort is our Global Development Partnership Initiative (GDPI), which aims to grow the Agency's permanent direct hire workforce by 28 percent by 2025. GDPI would expand our cadres of Foreign Service Officers (FSOs) to 2,500, our Civil Service Officers to 2,250. Since 2022, we have already onboarded 455 new direct hire employees, putting us on track to reach our hiring goals. In addition, we are aiming to increase our Foreign Service Nationals (FSNs) to 4,700.

Fifty-five of our recent direct hires are contracting professionals, who will help us move more nimbly to secure development impact and help us partner with a more diverse pool of local, international, and U.S.-based organizations. Supporting our contracting professionals is crucial; over the past five years, their workload had grown such that they were consistently handling more than five times the amount of annual obligations as those serving in the same roles at the Department of Defense. We also aim to use these new positions to restructure the composition of USAID's workforce, from one that is over-reliant on short-term contracting mechanisms, especially in humanitarian affairs and crisis operations, to one composed of mainly direct hire positions. Of the more than 900 new direct hire positions we have created, more than 400 were once contract roles, and our ambition is to create more such positions to reflect the needs of the Agency.

For our U.S. Personal Services Contractors (USPSCs), we have worked with stakeholders to provide more equitable employment benefits. USPSCs now receive paid parental leave, giving them the same benefit afforded to people in most other hiring categories. We have also created a new relocation expense benefit, which allows eligible USPSCs to be reimbursed to offset relocation transfer costs. And we are continuing efforts to expand health and life insurance benefits beyond what we currently provide.

For our FSOs, we are expanding professionaldevelopment opportunities, including through improved onboarding, coaching, and mentoring, as well as streamlining and adding transparency to the bidding, selection, and assignment processes that determine where staff are posted. We are also conducting pay equity analysis across both our Foreign and Civil Services, so as to inform our goal of fairly compensating our staff.

Critically, recognizing the immense contribution that FSNs make to USAID's mission, we have introduced a set of commitments to empower FSNs and expand their responsibilities and the opportunities available to them. These commitments include new leadership roles designed specifically for FSNs; updated policies and processes that will elevate FSN voices in strategy development and Mission operations; expanded planning to strengthen their safety and security during emergency and crisis situations; increased training and fellowship opportunities; and the reexamination of current compensation and benefits in dialogue with the Department of State. We will also seek to diversify our cohort of FSNs to reflect the diversity of their own countries by reducing barriers to entry, including unnecessary educational or capital-city residence requirements.

SECOND, we recognize that the pandemic fundamentally changed how workplaces function. USAID will continue to adapt and improve as both a development agency and employer. With the transition to increased workplace flexibility, we will strengthen our cybersecurity through investment in tools and platforms that secure our networks and data globally. And we will enhance secure information technology, operations, and procedures, enabling staff to access information and participate fully in the range of U.S. government national security engagements and processes.

THIRD, as we grow and embrace modern workplace practices, we are committed to building an Agency that reflects the full diversity of our country. To that end, USAID is taking a more intentional approach to advancing DEIA in how we recruit, hire, manage, train, promote, and advance the careers of staff. We will continue to expand partnerships with domestic minorityserving institutions and alumni networks, including with Historically Black Colleges and Universities (HBCUs), Hispanic-Serving Institutions (HSIs), Native American-Serving Non-Tribal Institutions (NASNTIs) and Tribal Colleges and Universities (TCUs), Asian American and Native American Pacific Islander-Serving Institutions (AA and NAPISIs), and professional disability and LGBTQI+ networks. More broadly, we will foster an inclusive, nurturing culture that allows staff of all backgrounds to thrive. We will hold ourselves accountable to these goals by integrating DEIA criteria into annual performance plans and reviews and accountability measures for supervisors.



Credit: Bosnia and Herzgovina, USAID. (Click this caption for more info.)



Given the need to mobilize a strong, bipartisan domestic constituency to support the world's growing resource needs, and in light of the onslaught of foreign mis- and disinformation in the countries in which we work, it is imperative that we invest in, enhance, and diversify our approach to strategic communications to raise greater public awareness of our impact and inspire new actors to join in achieving critical objectives.

While we have long invested in making USAID's achievements well-known, we now must also devote more resources and develop new strategies for combating the willful spread of falsehoods about the U.S. government's actions and motives, while emphasizing the pivotal role USAID plays in addressing issues that matter greatly in people's lives. Central to these goals will be effectively conveying themes that are both core to USAID's work and invaluable to U.S. foreign policy: the unique capabilities of the United States to be a leader in solving large problems, the generosity of the American people, and the undeniable fact that global challenges affect our lives at home.

FIRST, we will continue to use our communications to accomplish specific strategic goals such as increasing transparency; expanding access to beneficial information, from vital public health guidelines to sound environmental practices; encouraging the general public to help address global needs in productive ways (for instance, by donating cash during a humanitarian emergency rather than goods); amplifying the views of local partners who may otherwise not be given a platform; and registering appropriate concern about partner-country actions that undermine development objectives.

SECOND, we will broaden our reach by creating more accessible content. We will harness the community-based and personal elements of USAID's work to tell powerful human-centered stories. We will develop content with an increased focus on visual and audio products while also employing a full range of communications tactics including press conferences, speeches, op-eds, longform articles, and editorial content. While specialized audiences may be interested in the technical details of our programming, we will seek to engage broader audiences through more approachable communications and draw clear connections between our work on the ground and world's central foreign policy challenges.

THIRD, we will leverage new avenues of distribution to reach audiences with relevant content through the communications platforms they most rely on for information. That includes digital communications channels and popular social networks, which can vary from market to market, as well as more targeted or niche media outlets, which offer higher engagement even if their reach is more limited.

FOURTH, we will more frequently engage external validators, influencers, and trusted voices to amplify critical messaging, break through to new audiences, and better adapt our communications for local contexts.

3. GROUND OUR RESPONSES IN EVIDENCE

Credit: Neil Brandvold, Liberia, USAID. (Click this caption for more info.)



The most intractable obstacles to development tend not to be financial or technical, but fundamentally human. They result from the choices people make;

who has power and how they wield it; and how individuals, social groups, and institutions interact. Effective development cooperation requires understanding human behavior—not on the basis of intuition, but on the basis of real-world observation and data. Evidence often demonstrates that human behavior is not perfectly rational. Individuals <u>often sacrifice</u> <u>material interests to comply with social norms</u>, weigh the risk of losses more heavily than the prospect of gains, and are biased toward maintaining the status quo, while taking insufficient account of consequences that will be felt well in the future.

Similarly, given the centrality of macroeconomic conditions and trends to the well-being and dignity of partner communities, our work must be informed by timely economic analysis, historical perspective, and subject matter expertise. Accordingly, USAID is shaping our work to reflect the best evidence and data about how people respond to everyday issues, and what is likely to be most effective for helping improve livelihoods and save lives. We are expanding our understanding and application of behavioral science, randomized controlled trials, and evidence assessments, as well as taking steps to better reflect emerging behavioral, experimental, and human-centered design methods in our policies and programs. And we are working to better account for macroeconomic conditions and partner-government fiscal and monetary policy in USAID initiatives, programs, and policies.

In addition, to help us be proactive rather than reactive, we are strengthening and synchronizing tools for forecasting, early warning, and strategic foresight. We are also harnessing the growing availability and precision of geospatial data to better illuminate emerging needs and inform decisions about where to apply resources.

FIRST, we will establish an Office of the Chief Economist (OCE) that will focus on expanding and enhancing USAID's use of economic methods, perspectives, and evidence in program design and decision-making. The OCE will serve as the Agency's focal point for economics-based solutions, counsel, and research, providing guidance and leadership on how USAID can best respond to the range of economic developments and trends that influence our work—from the debt distress experienced in many partner countries to more country-specific macroeconomic conditions affecting specific development objectives. The OCE will also lead the generation and use of evidence to enhance aid effectiveness, including through tools such as cash benchmarking, and critical efforts supporting the use and integration of behavioral and experimental methods across USAID's work. Through these activities, the OCE will position USAID to implement more cost-effective and effective programming and help rebuild the Agency's economic expertise after years of significant attrition. OCE will also build on well-established efforts to accelerate and apply innovations, such as <u>Development Innovation Ventures</u>, the <u>Higher</u> <u>Education Solutions Network</u>, and <u>Partnerships for Enhanced Engagement in Research</u>.

SECOND, we will continue to strengthen our learning infrastructure to make sure that information held across the Agency is integrated in a timely way to inform decision-making and that we measure our effectiveness and use evaluations to improve our work. We are building evidence and institutionalizing processes and behaviors that will embed continuous learning, iteration, and adaptation into our work. USAID's new <u>Agency Learning Agenda</u>, alongside the forthcoming <u>Knowledge Management and Organizational Learning Policy</u>, will help USAID staff and partners generate, share, and use evidence throughout the Program Cycle. We will also develop new guidance to help Missions identify ways of working that extend beyond traditional programming, and we will facilitate integration of experimental approaches that challenge our assumptions and improve the efficiency and impact of our work. These investments will also include additional analytic tools, such as updated <u>Country Roadmaps</u> and a growing suite of data dashboards, to help USAID staff and partners make more evidence-based and data-informed decisions.

THIRD, we will invest in wider foresight capabilities—scenario-planning, red-teaming, policy-gaming, trends analysis, and horizon-scanning—that will help us plan and prepare for the future. We will also make use of scenario-based logic models and other iterative planning tools, especially in fragile or other dynamic contexts. We will standardize and scale adaptive management and shock-responsive good practices, such as crisis modifiers in awards, and use new tools, including political economy analysis, risk and resilience assessment, and other resources in our wider <u>collaborating</u>, <u>learning</u>, and <u>adapting (CLA)</u> toolkit.

FOURTH, we will harness the power of geospatial data and expertise to better understand where needs and opportunities overlap. Satellite data can be a powerful tool for development actors to assess everything from food security and disease outbreaks to climate shocks and environmental crises. USAID's forthcoming *Geospatial Strategy* will define our toolkit and delineate principles and good practices for development cooperation. This will help us identify particular areas in need of greater surveillance, such as unmanaged forests or national parks designed to protect biodiversity.



USAID supports workforce skills development in Rwanda. This event celebrated more than 40,000 youth who had participated since 2017. Credit: Education Development Center. (*Click this caption for more info.*)

USING CASH BENCHMARKING TO ENHANCE IMPACT: "Huguka Dukore" in Rwanda

In recent years, USAID commissioned academic studies exploring cash transfers to households living in poverty in Rwanda, Malawi, Liberia, and the Democratic Republic of Congo. These studies delivered new evidence on two important concepts. First, although USAID has extensive experience using cash in humanitarian settings, cash transfers can also be useful in development contexts, with often broader economic effects. Second, cash can serve as a "benchmark" to assess the cost effectiveness of development programs. In Rwanda, for example, the five-year workforce readiness program Huguka Dukore was found in one study to be "successful in improving a number of core outcomes (business knowledge, productive hours, assets, savings, and subjective well-being)." But a cash benchmarking of the program discovered that direct cash transfers of the same value resulted in an even broader set of possible outcomes—similar outcomes as in the program, as well as increases in consumption, income, and wealth. Through this type of experimentation and evaluation, we are honing our tools for cash and non-cash programming alike, allowing us to make informed decisions and invest in approaches that have the highest impact per dollar spent.



Credit: Jim Huylebroek for OTI and Creative Associates International, USAID. (Click this caption for more info.)



Amid the many challenges USAID staff take on each day, needless bureaucracy should not be one of them. Too often, our systems and behaviors slow us down or

reduce our impact, and over decades, institutional inertia, procedural bottlenecks, unnecessary administrative requirements, and status quo biases have encumbered our work.

To rectify this, USAID is reducing bureaucratic processes that are low-value, overly timeconsuming, outdated, or unproductive. Ultimately, through our Burden Reduction Program, we intend to save the Agency three million hours of time within a year-the equivalent to saving every member of the USAID workforce an average of one hour per day. Rather than engage in a one-time effort to reduce bureaucracy, we will institutionalize a culture of burden reduction by updating staff skills and competencies to emphasize continuous process improvements, encouraging staff at all levels and staffing mechanisms to reduce burdens, and resourcing positions to coordinate and support these improvements across the Agency.

FIRST, we will streamline operations and decision-making so staff throughout USAID can focus on activities that most directly contribute to our mission. This includes an initial set of more than 45 reforms that address burdens identified by USAID's global workforce. Already, USAID has eliminated the Senior Obligation Alignment Review (SOAR) process for large activities, instead incorporating leadership engagement and thorough senior leadership review on awards above \$100 million during the design process; automated onboarding of all U.S. direct hire staff; and simplified the process for employing the Complex Crises Fund, which will reduce the time from project proposal to funding from 142 to 66 days. To build on these efforts, we will launch an Agency-wide challenge to identify concrete ways to reduce self-imposed burdens and an annual competition to identify, recognize, and celebrate success stories and good practices. We will also collaborate with key external stakeholders, including the White House, the Department of State, and Congress, to reduce burdens that USAID cannot unilaterally tackle on its own, such as those related to the annual programmatic resource allocation process, Operational Plans, and Annual Performance Plan and congressionally directed reports.

SECOND, we will seek to bring coherence to our various policies and priorities. As USAID sets new goals, we must be clear about their relative importance, how they align with or may divert from existing commitments, and what we are willing to deprioritize to make room for change. We will recalibrate policies and their implementation to focus on the most important topics, align them so they complement one another, and confirm that they add up to a clear, cohesive set of goals and guidelines.

THIRD, we will streamline our budgeting processes to provide sufficient resources to our priorities more

IV. IMPLEMENTING THE POLICY FRAMEWORK: MOVING FROM POLICY TO PRACTICE

To realize the vision of *Driving Progress Beyond Programs*, USAID must shift how we work to embrace new approaches and expand our toolkit—fully operationalizing new policy priorities, such as the *Climate Strategy*, while continuing to develop guidance on emerging concerns. We must forge ahead on reforms, such as our agenda to support locally led development. We also must continue to seek and secure investment in our workforce, in key programming, and for critical operational needs to see our policy commitments through.

To help us in moving from policy to practice, USAID will develop more detailed implementation guidance following the release of this *Policy Framework*. This guidance will include:

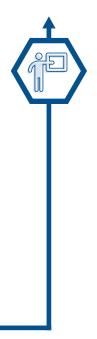


New tools to help staff and partners operationalize the approaches we articulate by:

- Assisting Missions in aligning locally identified objectives, USAID's resources and comparative advantages in context, and overarching USAID policy priorities and broader foreign policy and national security goals, particularly during country strategy development and mid-course stocktaking exercises (see the <u>Rubric for Policy</u> <u>Implementation</u>, below, as one resource to help apply policy priorities to context);
- Providing a broader suite of data and contextual analysis tools to Missions and expand the indicators captured in USAID's Country Roadmaps to reflect the vision of *Driving Progress Beyond Programs*;
- Supporting Missions to engage more effectively, intentionally, and proactively with local stakeholders, facilitating efforts to shift power dynamics at the country level and in international forums;
- Enabling Missions to break down silos across technical areas to maximize development impact, particularly at the humanitarian-development-peace nexus and in supporting locally led development.



Improved processes to track progress on and hold ourselves accountable for goals we lay out by:



Intentional investment in our recruitment and retention efforts, training, and performance evaluation process to increase the diversity, capacity, and skills of our workforce to undertake the work we must do, including to:

- Train and mentor staff in the emerging practice area of development diplomacy, providing them the tools and skills needed to broaden USAID's approaches to securing development progress;
- Increase staff capacity and skills related to digital literacy, climate and gender integration, development finance, inclusive development, use of experimental approaches, and creative partnership and communication approaches, among others;
- Address operational challenges, including by expanding and diversifying our workforce, aligning our staffing distribution with our priorities, enhancing mental health and related support to staff, and empowering our headquarters and Mission staff to integrate their diverse perspectives and skills into their work.

Finally, we know that any *Policy Framework* reflects a moment in time. We have done our best to put forward a vision rooted in principles that will prove robust to the changes we know will arise in the future. We live, however, in an especially uncertain and dynamic era. New hurdles or opportunities will undoubtedly emerge that this document does not discuss. USAID staff and our partners should use this *Policy Framework* as a general guide for achieving progress, as it is not a detailed blueprint on how to get to the end result. We are committed to learning as we go—from what works and what does not, and about how we must continue to adapt and improve.



USAID helps local businesses adapt and modernize in Honduras, including this restaurant that began using tablets for placing orders. Credit: André Josué Anchecta Oseguera, USAID. (*Click this caption for more info.*)



SPOTLIGHT ON:

A Rubric for Policy Implementation: Applying global priorities to local contexts

Each country's development context is different. Local needs and priorities, USAID's opportunities for impact (including available resources), and the overlay of global, regional, and country-level strategic imperatives all can vary substantially from place to place. USAID Missions are best positioned to advance the policy priorities outlined in this *Policy Framework* and to design approaches that balance local needs and priorities, opportunities for impact, and strategic imperatives.

This rubric should inform decision-making, including how to prioritize, weigh tradeoffs with limited resources, and ground choices in context. Missions can apply this rubric both to inform both formal planning processes, including during country and regional strategy development, mid-course stocktakings, and day-to-day decisions.



ASCERTAIN LOCAL NEEDS, PRIORITIES, AND BARRIERS TO SHARED PROGRESS: What are the greatest development, humanitarian, and crisis-response challenges in your context? What are local priorities for addressing those challenges?

To answer these questions, consider:

Credit: Morgana Wingard, USAID. (Click here for more info.)

USAID POLICY FRAMEWORK



- **Contextual needs assessment:** Key findings from qualitative and quantitative contextual analysis of urgent or intractable problems or binding constraints, such as from Gender Analysis, Inclusive Development Analysis, Inclusive Growth Diagnostic, Conflict Assessment, Digital Ecosystem Country Assessment, Political Economy Analysis, or other economic, geospatial, social-impact, or similar analysis, with an emphasis on local data sources;
- **Comparative needs assessment:** Key findings from cross-sectional analysis to understand important similarities to and differences from other contexts, such as in USAID Country Roadmaps, data dashboards, or third-party global indices and reports.

IDENTIFY OPPORTUNITIES FOR IMPACT AND SUPPORT

SUSTAINABLE, INCLUSIVE SOLUTIONS: What partners does USAID have—or what partners must we seek out—to address the most critical problems? What may solutions look like, and what tools and approaches lend themselves to supporting them? In what areas does USAID have the resources, expertise, and comparative advantage to be of assistance? What are institutional, human, or financial constraints that limit our capacity to seize these opportunities, and how can we overcome them? How can we incentivize other actors to get involved?

To answer these questions, consider:

- **Opportunities to help achieve lasting development progress:** For example, by
 - Practicing development diplomacy, such as by building or expanding private-sector, IFI, or other catalytic partnerships and using our convening power, engaging the interagency, or otherwise using nonprogrammatic approaches to augment our programs;
 - Supporting local leadership, such as by engaging and meaningfully consulting with local and other new and nontraditional partners, including organizations led by women and representatives of historically marginalized or underrepresented communities;
 - Harmonizing efforts, such as by sequencing, layering, integrating, or otherwise strengthening coherence among humanitarian, development, and peacebuilding efforts;
 - Seeking other solutions fit to context, including to better address local needs through novel and innovative approaches, applying evidence, behavioral insights and experimental methods, and using qualitative contextual analysis to enhance impact.

USAID helps provide support to expectant mothers, counsels families, and supports health, nutrition, and WASH activities in Bangladesh. Credit: Mehzabin Rupa, World Vision. (*Click here for more info.*)

USAID POLICY FRAMEWORK

"Prevention in Our Hands: Healthy and Protected Families" Project implemented by Save the Children, with the support of the USAID Office of Humanitarian Assistance (BHA). Credit: Miguel Angel Arreategui Rodriguez for USAID, Peru (Click here for more info.)

USAID resources, tools, expertise, and comparative advantage: USAID's technical expertise and relationships to respond in a way that adds value and complements activities by local and other international actors; our ability to commit sufficient budgetary, human, and other applicable resources to take appropriate action, such as through dedicated programming, integrated approaches that use funding across sectors, engagement of or networking among other partners; influence, advocacy, convening, research, or other means; our organizational capacity, structures, and procedures to reduce burdens and support implementation of programmatic and non-programmatic evidence-based solutions.

MAP TO STRATEGIC IMPERATIVES AND OVERARCHING POLICY

GUIDANCE: Where do areas of need and opportunity align with USAID and U.S. government strategic priorities? How do these align with the larger purpose of and motivation for USAID development cooperation in context, including humanitarian and crisis-response imperatives?

To answer these questions, consider:

- **Alignment with development priorities:** USAID policy priorities, including those identified in the Policy Framework, as well as in other policies—as listed in USAID's Policy Registry—that apply in context, such as initiatives that identify priority or focus countries, with an emphasis on:
 - Responding to complex emergencies, building peace and resilience, and investing in lasting food security;
 - Helping countries withstand the effects of a changing climate and secure a net-zero future;
 - Stemming the tide of authoritarianism, countering corruption, fighting digital repression and foreign disinformation, and spurring democratic renewal;
 - Bolstering health security, improving primary care, and reversing the decline in global life expectancy;
 - Addressing economic headwinds and promoting inclusive economic growth.
- Alignment with broader foreign policy priorities: Country-specific goals in the respective Integrated Country Strategy or from congressional or Administration directives such as the National Security Strategy; relevant U.S. regional strategies and initiatives, such as the Strategy to Address the Root Causes of Migration in Central America, Indo-Pacific Strategy, Strategy for Central Asia, or Prosper Africa; relevant U.S. global strategies and initiatives, such as the U.S. Strategy to Prevent Conflict and Promote Stability, U.S. Gender Equity and Equality Strategy, President's Emergency Plan for AIDS Relief, or Feed the Future, including those that identify priority or focus countries;
- Alignment with context-specific strategic priorities: CoContinuity with standing or emerging development, humanitarian, and crisis-response objectives, including from an existing Country or Regional Development Cooperation Strategy or Strategic Framework, a mid-course stocktaking, or ongoing strategic planning process.

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