

CALL TO ACTION

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# Three things USAID can do

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Last November, Administrator Samantha Power outlined a bold vision for the future of global development. But time flies. Before we know it, the UNGeneral Assembly, COP27, midterm elections, and a presidential election will be here. The window of opportunity is narrowing to enact major reforms.

We created Unlock Aid because we have a once-in-a-generation opportunity to reimagine the future of USAID and other global development institutions. Our three recommendations focus on actions USAID can take right now to: increase transparency; scale proven, evidence-based solutions, and; bring

in new players to deliver better outcomes. Given the urgency of this moment, we'll be looking for USAID to:

- make announcements of official policy changes and issue notices of proposed rulemaking by September 30, 2022;
- show evidence of implementation for each item by December 31, 2022, and;
- fully implement each recommendation by September 30, 2023.

All of the below ideas have been vetted by ex-agency personnel to ensure they are ambitious but achievable – and none require action by Congress.

## 1 Use more transparency in your awards

### FOR EVERY GRANT OR CONTRACT OVER \$10 MILLION:

**Increase accountability.** Ensure promises made are promises kept, by requiring prime award winners to publicly report the percentage of their total award budget they devolve to subpartners, including local partners, compared to what they proposed originally.

**Stay outcomes-oriented.** Require every prime award winner to publicly report what key performance indicators will be measured in its work plan. Report progress quarterly. Publish in a timely manner all other reports provided to USAID by the prime.

**Make subcontracting less about “who you know.”** Require every organization that intends to bid on a large grant or contract to publicly register its intent to do so, along with the relevant contact information for its proposal lead.

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## Scale up evidence-based solutions

### USE AT LEAST \$1 BILLION EVERY YEAR TO:

**Require Bureaus to evaluate what programs previously and currently supported by USAID’s Development Innovation Ventures can be scaled** up using Bureau or Mission resources, or via Global Development Alliances, and what evidence-based solutions funded by other donors could be co-financed. Scale these using next Fiscal Year’s funds.

**Develop a list of “SmartBuys” and corresponding “outcomes marketplace”** to identify high-impact solutions that USAID and other donors could fund. Require large awards to have a cost-effectiveness evaluation. Accelerate hiring for a Chief Economist to drive this work.

**Don’t recreate the wheel:** Sign reciprocity agreements with other trusted donors to expedite vetting for new USAID partners, including for humanitarian assistance. Fund local or regional intermediary actors that will not perform programmatic work but can perform due diligence and manage back-office systems to enable non-traditional partners to win USAID awards directly.

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## Bring in new partners for better outcomes

### RESERVE 25% OF ALL BUREAU/MISSION FUNDING FOR PROPOSALS ENDORSED BY LOCAL ACTORS AND SUBMITTED BY NON-TRADITIONAL PARTNERS:

**Cast a wider net.** Limit eligibility to submit proposals for reserved funding to non-traditional partners and especially local actors. Selected partners should not be required to become sub-awardees. Publish which overseas Missions have funding, in which sectors.

**Ease the application process.** To access this reserved funding, allow non-traditional partners to submit concept notes to get past a first round review rather than respond to overly-complex solicitations up front, including by using Annual Program Statements, Broad Agency Announcements, and accepting unsolicited proposals.

**Pay using models that promote “Progress, Not Programs.”** Disburse the vast majority of this reserved funding using simplified milestone-based awards like Fixed Amount Awards and Firm-Fixed Price contracts that pay against the delivery of objectives achieved, which cuts red tape and incentivizes better outcomes.