**January 16th, 2017**

**Deep Dive Case Study: USAID**

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| **Outline:**   1. **Introduction and agency background** 2. **Blueprint/outline of agency/department innovation portfolio** 3. **Organizational culture and context** 4. **Future directions** |

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# **1. Introduction**

The [U.S. Agency for International D](file:///C:\Users\Caraleigh\Downloads\wwww.usaid.gov)evelopment (USAID) has been an exemplar in adopting and suffusing innovative ways of working throughout its programming and operations in recent years. With the [Global Development Lab](https://www.usaid.gov/globaldevlab) (the Lab) serving as a test bed for seeding, testing, and promoting the scaling of effective solutions across the Agency, USAID has embedded principles of openness and collaboration in its work while further embracing experimentation and an iterative, adaptive, and outcomes-driven approach. A common thread of active co-creation unites both the Lab’s external engagement with partners as well as its internal approach to operationalizing innovation with a team-based approach.

Open innovation and a commitment to partnership have enabled USAID to become more efficient and cost-effective in its work to fight poverty and promote American interests. They enable USAID to crack difficult problems that have remained unsolved for too long. And they empower people to find local, appropriate solutions to the challenges they are facing.

1. **MISSION, GOALS AND OBJECTIVES OF THE AGENCY**

*Section sourced from:* [USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

USAID partners to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity. For more than 50 years, USAID and its partners have tackled many of the world’s most difficult problems. International development is critical to advancing American security and economic interests and promoting America’s core values. USAID’s work helps the United States reduce extremism, conflict, and instability. And it helps advance prosperity, democracy, and human rights.

Today, the global development landscape is facing unprecedented, accelerated change, driven by a wave of technological breakthroughs, information, and connectivity. In the last 20 years alone, human ingenuity and entrepreneurship around the world have reduced child mortality rates by 47 percent and poverty rates by 52 percent. This unprecedented progress has put an ambitious, but achievable goal in reach. USAID recognizes its unique role and our collective ability to help hundreds of millions of men, women, and children around the globe lift themselves out of the most devastating and dehumanizing extreme poverty by 2030.

A key vehicle working to advance innovation and reinforce the mission of USAID is the Lab. The Lab works across five strategic objectives, which have helped cement the pillars of innovation within the Agency.

1. **Science**: Increase the use of scientific research to improve development outcomes and inform better policies and programs. The Lab’s Science programming strengthens and aligns USAID’s investments in R&D, supports locally-owned research, and fosters scientific ecosystems in developing countries. For example, the Partnership for Enhanced Engagement in Research (PEER) program has engaged 250 local researchers and 3,000 local students in 50 countries and leveraged $400 million in grants from federal science agencies to tackle global development challenges.
2. **Technology**: Advance the use of enabling technologies and data-driven approaches to empower underserved communities and improve development effectiveness. The digital revolution transformed markets and unleashed innovation in the United States. The Lab’s Technology programming is expanding that promise to developing countries. For example, the Lab’s Digital Inclusion team has unlocked more than $100 million for expanded internet access, resulting in approximately 20 million new mobile and internet users worldwide.
3. **Innovation**: Increase the adoption of high impact development solutions and the effective use of innovation methods by USAID Missions and Bureaus. The Lab’s Innovation programming sources the best ideas from anywhere in the world. It uses staged financing and rigorous testing to demonstrate impact and reach millions of people. For example, the Lab’s innovative programs, including Development Innovation Ventures, the Global Innovation Fund, and Grand Challenges for Development, have supported over 900 innovations that have improved the lives of 24.5 million people.
4. **Partnership**: Advance the use of private sector engagement, new collaborative approaches, and cultivation of entrepreneurial ecosystems to accelerate and scale development impact. The Lab’s Partnership team strategically engages the private sector, catalyzing new sources of funding and strengthening entrepreneurial ecosystems in developing countries. For example, in FY 2015, USAID had over 360 active public-private partnerships with leverage commitments of $5.9 billion, and on average, for each dollar USAID expects to invest through these partnerships, private sector partners have committed $3.35 over the life of the projects.
5. **Agency Integration:** Effectively integrate STIP to advance USAID’s sustainable development results. The Lab partners with Missions and Bureaus throughout USAID to help them take advantage of the power of science, technology, innovation, and partnership. For example, in FY 2015, 59 USAID Missions and Bureaus used Lab-supported tools, approaches and mechanisms, valued at $85 million, to accelerate development results.

[USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

## **BRIEF HISTORY OF THE AGENCY**

## *Section sourced from:* [USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

**HISTORY OF INNOVATION AT USAID**

USAID has long invested in science, technology, and innovation. The history of innovation at USAID is a story of iteration -- continually learning and adapting for better results. It is also a story of partnership -- between different parts of the Agency, with non-traditional problem solvers, and with the private sector.

**USAID FORWARD**

In 2010, USAID started on an ambitious reform agenda called [USAID Forward](https://www.usaid.gov/usaidforward) to strengthen the Agency. It called for embracing new partnerships, investing in the catalytic role of innovation, and demanding a relentless focus on results. USAID established a three-part vision:

* **Deliver results on a meaningful scale through a strengthened USAID.**   
  In order to maximize the impact of every development dollar, USAID pursues a strategic, focused and results-oriented approach, from strengthening policy and budget management to enacting a world-class evaluation policy.
* **Promote sustainable development through high-impact partnerships and local solutions.**   
  In order to achieve long-term sustainable development, it is critical to support the institutions, private sector partners and civil society organizations that serve as engines of growth and progress for their own nations. USAID Forward embraces new models for public-private partnerships and increased investment directly to partner governments and local organizations.
* **Identify and scale up innovative, breakthrough solutions to intractable development challenges.**   
  USAID has a strong history of partnerships with the scientific community that helped pioneer some of the greatest successes in development to date. USAID Forward furthers this legacy by strengthening the Agency’s work with scientists, researchers and universities, investing in new technologies to source and scale game-changing solutions, and supporting mobile solutions to dramatically expand opportunity.

In 2010, USAID also established the Office of Innovation and Development Alliances and the Office of Science and Technology. They were created to foster scientific inquiry, entrepreneurship and ingenuity. With inspiring leaders and talented staff who brainstormed and developed new programs and ways of problem solving, both offices invited problem solvers from all walks of life and from all over the world to contribute their ideas to help solve some of the most difficult development challenges.

In April 2014, the two offices evolved into the U.S. Global Development Lab. This was endorsed by Congress with broad, bipartisan support, and reflected an institutional tipping point for USAID: Innovation was recognized as critical to the Agency’s work, requiring an integrated innovation center reporting directly to USAID’s Administrator.

Today, the [U.S. Global Development Lab](https://www.usaid.gov/globaldevlab) serves as an innovation hub. It takes smart risks to test new ideas and partner within USAID and with other actors to harness the power of innovative tools and approaches that accelerate development impact. The Lab enables the diffusion and scaling of innovative, effective practices by providing numerous toolkits, trainings, guidance, staff support, and communities of practices across the Agency.

[USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

1. **MAPPING USAID’s INNOVATION ECOSYSTEM**

**Defining the innovation landscape at USAID**

Innovative programming is part of the fabric of USAID’s work. It is woven throughout the Agency’s Missions and Bureaus. While the Lab functions as a conduit for much of the innovation portfolio, other programming throughout the Agency reflects adoption and adaptation of practices. The Agency’s innovation landscape extends throughout the Agency; several approaches are highlighted below to illustrate the application of the various tools in the Innovation Toolkit.

**Forging partnerships amplifies reach**

Functioning as a backbone support to advance partnerships and catalyze efforts to tackle complex challenges, USAID has engaged multiple stakeholders to advance its mission. The Agency models a range of approaches to partnership and collaboration, including building public-private partnerships, forging strategic alliances, and sourcing new ideas from in-country solvers.

Through a deep commitment to partnership engagement and co-creation, USAID has sourced more than 10,000 ideas over the past few years to address some of humanity's greatest challenges – with more than 300 innovations in various stages of testing. [“[A Strategy for American Innovation](https://www.whitehouse.gov/sites/default/files/strategy_for_american_innovation_october_2015.pdf),” Economic Council and Office of Science and Technology Policy, October 2015.] Beyond their knowledge in formalizing partnerships, the experience at USAID is a story of a shift in mindset. The Agency understands its role as one piece of a multi stakeholder, sector-based coalition, as evidenced by the Global Development Alliance and Higher Education Solutions Network:

* **Global Development Alliances:** Since its creation in 2001 by the George W. Bush Administration, USAID’s [**Global Development Alliance**](https://www.usaid.gov/gda/) program has created 1,500 public-private partnerships and leveraged more than $16 billion in public and private funds. USAID built a rich expertise in building public-private partnerships in the past 15 years, and grew a network of new relationships. This was critical for an organization with an ambitious mission that can only be achieved through partnership with others. S*ourced directly from:* [USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]
* **Higher Education Solutions Network:** In 2012, USAID established the [**Higher Education Solutions Network**](https://www.usaid.gov/hesn) -- a partnership between USAID and seven top universities, designed to channel the ingenuity of university students, researchers, and faculty towards global development. At the launch of the partnership, each university established a Development Lab -- with two at MIT -- and created a Network with a mission to revolutionize development through science and innovation. The HESN Development Labs are researching, incubating, testing, and accelerating solutions in partnership with local universities, organizations, and communities to deliver the greatest impact. The network has created a vibrant framework of cooperation between local actors, development professionals, and academics who know that innovation is critical to tackle our most difficult problems. *Sourced directly from:* [USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

**Accelerating Innovation with Labs**

*Section sourced directly from:* [USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

There are many other examples of testbeds of innovation across USAID. In 2012, USAID’s Global Health Bureau established the [**Center for Accelerating Innovation and Impact**](https://www.usaid.gov/cii/). It applies business-minded approaches to the development, introduction, and scale-up of health interventions to accelerate impact against the world's most important health challenges. The Center invests seed capital in the most promising ideas and applies a rigorous, market-oriented approach to cut the time it takes to transform discoveries in the lab to impact on the ground.

Similarly, the Bureau for Food Security created a network of [**Feed the Future Innovation Labs**](https://feedthefuture.gov/lp/feed-future-innovation-labs) at dozens of American universities to solve major problems in global food security. For example, the Feed the Future Innovation Lab for Integrated Pest Management, led by Virginia Tech, discovered an invasive pest - the papaya mealybug - that was destroying papayas, an important cash crop in India. The researchers found a way to deploy a parasitic wasp to eliminate the pest and save the papayas. The economic impact is now estimated at more than $1 billion over five years.

More recently in 2016, the Office of Acquisition and Assistance (M/OAA) in USAID’s Bureau for Management created the Acquisition and Assistance Lab (A&A Lab). The A&A Lab is a holistic response to government-wide and agency-specific mandates to bolster innovative approaches to contracting and enhance and retain the A&A Workforce. Using a hub and spoke model, the A&A Lab represents an interconnected network of A&A staff in both Washington and in Regional Labs around the world to advance A&A workforce development and the testing and scaling of innovations.[USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.] The concept has served as an exemplar for laying the foundation for a culture of innovation using acquisition labs. [Rung, A., “[Fostering a Culture of Innovation Across Government through Acquisition Innovation Lab](https://www.whitehouse.gov/blog/2016/03/09/fostering-culture-innovation-across-government-through-acquisition-innovation-labs),” White House, March 9th, 2016.]

**Launching challenges to spark creativity and scale solutions**

*Sourced directly from:* [USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

Across all of its work, bringing in new solvers is key to USAID’s approach. To that end, USAID and partners have launched eight[**Grand Challenges for Development**](https://www.usaid.gov/grandchallenges) (GCDs) since 2011. These Grand Challenges focus global attention and resources on important problems and promote innovative approaches to solving them. They engage non-traditional problem solvers such as businesses, researchers, and scientists around critical development problems, leveraging partnerships, prizes, challenge grant funding, crowdsourcing, and more to identify innovations that work. For example:

* [**All Children Reading: A Grand Challenge for Development**](http://allchildrenreading.org/)  
  USAID, World Vision, and the Australian Government launched All Children Reading in 2011. Through grant and prize competitions, it leverages science and technology to source, test, and disseminate scalable solutions to improve the literacy skills of early grade learners in developing countries.
* [**Saving Lives at Birth: A Grand Challenge for Development**](https://savinglivesatbirth.net/)  
  Established in 2011, Saving Lives at Birth is a partnership between USAID, the Government of Norway, the Bill & Melinda Gates Foundation, Grand Challenges Canada, DFID and, more recently, the Korea International Cooperation Agency.It sources innovative tools and approaches to help mothers and newborns during their most vulnerable hours.
* [**Powering Agriculture: An Energy Grand Challenge for Development**](http://poweringag.org/)   
  USAID, the Government of Sweden, Duke Energy Corporation, the Government of Germany, and the Overseas Private Investment Corporation launched Powering Agriculture in 2012. It catalyzes resources and focuses attention on the lack of access by many farmers and agribusinesses in developing countries to reliable and affordable clean energy. It also supports the design and expansion of sustainable business models that link clean energy enterprises with farmers and agribusinesses in developing countries.

[USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

**Building the Global Development Lab**

*Section sourced directly from:* [USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

Ending extreme poverty and supporting inclusive growth requires bringing innovative solutions to scale, reaching millions of people. Identifying proven innovations and scaling them for impact is central to the mission of the U.S. Global Development Lab (“the Lab”). The Lab’s approach is to:

* Identify promising innovations by drawing on the ingenuity of people around the world;
* Double down on those select few which show strong evidence of impact; and
* Collaborate with other parts of USAID, donors, governments, and the private sector to build a sustainable path to scale proven solutions.

The Lab brings together diverse partners to catalyze the next generation of breakthrough innovations to advance USAID’s mission to end extreme poverty and support inclusive growth. It also works to broadly transform the development community, changing the way USAID and its partners design and implement programs.

By taking smart risks, the Lab experiments with new approaches and weeds out ideas that fail to demonstrate impact. Proven innovations, tools, and approaches are then diffused to other parts of the Agency to accelerate their work. “We start with one program to build momentum, then shine a big spotlight around ‘What did we learn?’, ‘What was the evidence?,’ ‘What was the value proposition?’ and we use a little bit of fanfare to get others to pick up on that approach,” explained Seema Patel, the Division Chief for Innovation Design and Advisory Services at the Lab. Quick wins help to build momentum by creating a positive feedback loop; as the value of new approaches becomes self-evident, teams and sub-units become enthusiastic champions.

[USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

**An Innovation Hub for USAID**

*Section sourced directly from:* [USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

*“What we’re trying to do at the Lab is really look at how do we change the culture of the Agency-- the systems, the incentives, and the mechanisms--so that we can be more agile, open, adaptive, and data-driven.” -- Ann Mei Chang, former Executive Director of the Lab*

USAID operates more than 85 overseas [Missions](https://www.usaid.gov/where-we-work) that implement its work around the world. It is critical for Washington-based programs to work closely and effectively with the Missions. A key learning in the creation of the Lab was that the Lab’s predecessor offices could have been more effective if they had deeper institutional knowledge of how USAID Missions function. For this reason, USAID created the Center for Agency Integration as a pillar of the Lab. It is led by a member of the Senior Foreign Service and staffed by Foreign Service Officers and others who have deep understanding of Mission operations and priorities.

This Center helps the Lab support the Missions more effectively, in part through integrating with Missions’ [Program Cycle](https://usaidlearninglab.org/program-cycle-overview-page)--the model all USAID Missions use to plan, deliver, assess and adapt their programming. In FY 2016, the Lab oriented its budget so that more than 40 percent is dedicated to supporting Missions and Bureaus with resources and wide‐ranging technical assistance. For example, through its Lab‐wide Priorities, the Lab is working with Missions and Bureaus to integrate science, technology, innovation, and partnerships in support of top Agency priorities: Ebola recovery and resilience, Feed the Future and Power Africa.

“Lab support to our new strategy fundamentally changed the approach we will take to promote development in Uganda over the next five years. We conducted a STIP [Science, Technology, Innovation, and Partnership] assessment, built STIP into our strategy, identified opportunities to strengthen digital development to advance Feed the Future goals, and launched a STIP Champions Group."

-USAID/Uganda Mission Director  
  
"The Lab has been an invaluable partner as we've developed new WASH programs. Lab expertise in private sector engagement, digital technologies, and innovation helped us raise the bar on how we deliver development results."

-Deputy Assistant Administrator, USAID Bureau for Economic Growth, Education and Environment, and Global Water Coordinator

Overall, demand for Lab services continues to rise. In the first half of FY16, 50 missions and bureaus used Lab-supported tools, approaches, and advisory services, more than in all of FY14. Two years ago, buy-ins into Lab mechanisms were valued at $54 million; this jumped to $85 million in FY15, and the Lab anticipates an even greater increase in FY16.  
  
Discussions of innovation often emphasize disruption and newness. But it is critical to ensure that new solutions are widely tested, adopted, and applied to improve the lives of the poor. The Lab’s approach underscores this entire lifecycle, with particular attention on ensuring that impactful innovations are fully integrated into USAID’s work.

The Lab provides a wide range of services to USAID Missions, Bureaus and Independent Offices, including:

* Knowledge products such as toolkits, publications, datasets, and websites.
* Specialized trainings in digital development, Geographic Information Systems, mobile data solutions, innovation design, private sector engagement, and more. The Lab trained more than 1,150 Agency staff in FY 2016.
* Technical advisory services in a range of areas, including innovation programming, adaptive management, digital financial services, and private sector engagement.

The Lab offers several hands‐on learning opportunities to build capacity across USAID:

* The STIP Talent Exchange Foreign Service National (FSN) Fellowship program brings 20 Foreign Service Nationals to the Lab annually for 4‐8 week fellowships.
* The Digital Development FSN Fellowship program builds Mission‐based capacity to leverage appropriate digital tools and analytical support. The Lab is co‐investing with 11 regional and bilateral missions to establish 22 Digital Development FSN positions.
* The [AAAS and Jefferson Fellows](https://www.usaid.gov/what-we-do/science-technolog-and-innovation/science-usaid/fellowships) build scientific and research capacity across USAID. Since FY 2014, the Lab has facilitated 224 AAAS fellowship placements in Missions and Washington.
* Regular Agency‐wide learning initiatives such as a Global STIP Summit co‐hosted annually with field missions to share STIP evidence, lessons and best practices.

[USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

**Lab Partnerships**

Forging partnerships has been a key ingredient across USAID Missions, and the Lab has further emphasized partnering with new, non-traditional partners. This engagement has required deep work on operational innovation and support from contracting officers: “[These] new non-traditional actors, they don’t know us, and they don’t know how to work with us,” explains Seema Patel, Division Chief, Innovation Design and Advisory at the Lab. [Patel, S., phone interview with Policy Design Lab, July 19, 2016] Traditional ways of working—like putting out a RFP—aren’t always the most effective ways of reaching new audiences. Guided by human-centered design principles, the Lab has thoughtfully assessed the positioning non-traditional partners engage with and begun applying different methodologies (including Broad Agency Announcements) to encourage open innovation and co-creation. The new mindset has enabled different types of conversations with potential partners, encouraging stakeholders to partner in a new way. [Patel, S., phone interview with Policy Design Lab, July 19, 2016]. The approaches build on a long tradition of partnership, enshrined in USAID Forward and private sector partnership and collaboration. [Tanner Stapleton, L., phone interview with the Policy Design Lab, January 10th, 2017].

**Building a learning organization**

USAID also established the [Bureau for Policy, Planning and Learning](https://www.usaid.gov/who-we-are/organization/bureaus/bureau-policy-planning-and-learning) (PPL) in 2010. It leads the Agency in implementing policy and strategy, institutionalizing an adaptive planning process, and ensuring that USAID is an effective learning organization. One way in which PPL promotes more effective learning across the Agency is [Learning Lab](https://usaidlearninglab.org/%20-), USAID's platform for generating and sharing information, tools, and resources on how development practitioners can work together to integrate learning throughout the USAID Program Cycle. Here, USAID staff and partners jointly create, share, refine, and apply practical approaches to more effectively ground programs in evidence and quickly adapt based on new learning and changing contexts, thereby maximizing development outcomes. USAID Learning Lab is open to everyone, but its content is tailored to USAID staff and development partners around the world who want to increase their collaboration and leverage their learning. Site members can share both publicly and privately.

**INCREASING USAID’S IMPACT THROUGH LAB-WIDE PRIORITIES**

*Section sourced directly from:* [USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

The Lab has two main goals: to support breakthrough development innovations and to help other parts of USAID achieve improved results by applying Lab tools and approaches. The work is central to the Lab’s functions, however the goal is to support and advance USAID’s Impact through cross-Bureau Collaboration. To accomplish this second goal, the Lab established dedicated, cross‐Bureau teams focused on three Lab‐Wide Priorities. Their mission is to:

* Accelerate and increase the impact of USAID priorities through proven Lab tools and approaches;
* Bring a cross‐functional, cross‐Agency approach to bear, by establishing dedicated teams drawing from relevant technical expertise across the Lab; and
* Integrate and mainstream the adoption of science, technology, innovation, and partnerships in areas where USAID is making the biggest investments.

As of 2016, there were three Lab-Wide priorities: Supporting Ebola Recovery and Resilience, the Feed the Future Initiative, and the Power Africa Initiative. The Lab has committed dedicated funding to these priorities for up to three years, and reviews each one on a yearly basis.

Ebola Recovery & Resilience

The Lab worked closely with USAID’s [Global Health Bureau](https://www.usaid.gov/who-we-are/organization/bureaus/bureau-global-health), [Africa Bureau](https://www.usaid.gov/who-we-are/organization/bureaus/bureau-africa), and [Office of Foreign Disaster Assistance](https://www.usaid.gov/who-we-are/organization/bureaus/bureau-democracy-conflict-and-humanitarian-assistance/office-us) to manage Ebola recovery programs, support systems strengthening, and assist in future responses. The Lab helped other parts of USAID use real‐time data to get better information, develop Geographic Information System analysis to support response operations, build private sector partnerships, and use open innovation to address challenges faced by health workers during the response.

[USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

Digital Development for Feed the Future

In late 2015, the Lab launched [Digital Development for Feed the Future](http://pdf.usaid.gov/pdf_docs/PBAAE598.pdf)--a collaboration with USAID’s [Bureau for Food Security](https://www.usaid.gov/who-we-are/organization/bureaus/bureau-food-security). It was designed to integrate innovative tools--like digital financial services, mobile-enabled agricultural extension information delivery, and higher-resolution satellite imagery--into Feed the Future activities to reduce global hunger, malnutrition, and poverty.

One Lab staffer shared his experience working on the Lab-Wide Priority focused on Digital Development for Feed the Future. He advised:

“Build in enough time to get up and running and don't underestimate the amount of time it takes to build a team, formulate a strategy and generate the necessary buy-in and good will with all stakeholders. This is particularly true if you're introducing a new idea to another operating unit that is focused on something else. And in this scenario, it's important to demonstrate the added value of incorporating the particular innovations into their; if it's not much use, and if there are resource implications, it likely won't be met with great enthusiasm. To that end, avoid or simplify technical jargon and lay out your proposal in a way that demonstrates how it will meet their goals and objectives -- what's in it for them and what is to be lost if they say no and remain status quo? Finally, build the engagement *in partnership with* the other operating units, to generate even greater shared ownership.

We've built up a tremendous amount of expertise and leadership in our subject matter. Our team has been tracking the sector for five years and understands its opportunities and challenges. Having such a background in what is still a niche and fast-moving sector lends weight to what we have to offer... Further, since our effort is time-bound (three years), it means we have to be incredibly strategic and focused largely on what we can affect in that period of time. It's helpful to know what we're not going to do as much as what we are doing.

Don't expect to do a tremendous lot in the first year when the program/activity/effort is still getting off the ground. New relationships and efforts need to develop organically and this takes both time and a lot of persistence. It's also important to remember that even though something seems important and/or obvious to you, it may not be true for others who don't spend every day working on it. There is a level of socialization and education that needs to be a part of any engagement, to bring people up to speed.”

[USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

**One-Question Interview:**

“If you met someone at a cocktail party who wanted to implement a cross-cutting innovation program like the Lab-Wide Priorities, what advice would you give them?”

“Be sure to define terms, clarify objectives and resources available from the start to ensure that we are speaking a common language, understand where alignment between us lies, and have the ability to move quickly to implementation. This can be a time-consuming process and all partners need to come to the table ready to share information and data, lessons learned, insights, and connections to help expedite the process of program development...Be prepared to spend time together and hammer out the details of implementation including the process for review and clearance and the barriers/no-go zones for each partner.”   
- USAID staff member on Lab-Wide Priorities

Scaling Off-Grid Energy   
The Lab launched its Scaling Off-Grid Energy (SOGE) collaboration with Power Africa in late 2015, mobilizing a joint team to focus on scaling off‐grid energy solutions in support of Power Africa’s overall goal of adding 60 million new electricity connections within sub‐Saharan Africa. The SOGE team is focused on spurring the development of the household solar sector, where companies are now offering people living beyond the reach of the electric grid with access to solar‐powered systems made affordable through “pay‐as‐you‐go” financing. The initiative’s headline goal is to contribute to 20 million new electricity connections.

One way in which the Lab is supporting Power Africa is by applying the Grand Challenge model to this work. In June 2016, USAID partnered with the U.K. Department for International Development (DfID) and the Shell Foundation to launch [**Scaling Off-Grid Energy: A Grand Challenge for Development**](https://www.scalingoffgrid.org/). Under this Grand Challenge, USAID made a commitment to invest $36 million over 3 years, complemented by the investments of the founding partners, to accelerate the growth of the household solar market. The initiative focuses on helping solar energy companies grow and attract financing, driving consumer demand, and strengthening the marketplace in key geographies.

One Lab staffer shared her experience working on the Scaling Off-Grid Energy Lab-Wide Priority. She highlighted that there were two things that made it successful in its early months: passionate staff and buy-in from Lab leadership.

* First, the drive, passion and vision from the core team members helping to set up the Grand Challenge for Development was critical. This group was able to socialize the concept, find significant resources, leverage connections, and create a strategic path forward in record time.
* Second, there would have never been a staff dedicated to this if Lab leadership had not recognized off-grid energy as a ripe opportunity.

By implementing the Lab-Wide Priorities, we also learned some important lessons on working across USAID and with other donor agencies:

* Coordination among very busy donor partners can be time-consuming and can slow down momentum. This can be challenging when we need to show fast results. Regular communication and advance notification around critical decisions is needed as well as clear line of command on approvals.
* Partner funding and resources need to be made available at the start. It's very hard to plan strategically with year-on-year funding which can disappear.
* Getting USAID Mission buy-in support for activities *after* a new program is launched is very, very hard. It is more effective to start the socialization process early to ensure they will embrace and support the efforts once you get to the implementation stage.

[USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

**3. Organization Culture and Context: Operationalizing innovation**

The Lab has fostered a culture of innovation through sourcing top talent, taking a matrix team approach to facilitate new ideas, enabling co-creation and collaboration, and adopting adaptive management:

Sourcing top talent

When USAID established the Lab, it needed to find and hire the smartest, most creative scientists and innovators. It needed to pull from beyond the usual suspects, to bring in people from tech companies and universities and research labs who might not realize there was a place for them in international development. The Lab uses hiring authorities like Schedule A(r) fellowships along with targeted recruiting to bring in the right expertise, an approach that is now becoming more and more common in other parts of USAID.

*“Like many people with zero global development experience, I am embarrassed to admit that I had only limited familiarity at the time of USAID, most likely through its humanitarian response work. I definitely never would have found USAID if I hadn’t been recruited by the U.S. Global Development Lab - but I am really glad they reached out and found me.” - Danielle Cass, Tech Sector Liaison, U.S. Global Development Lab* [Chang, A.M., “[A Tiger Team to Cut Through Bureaucracy](http://www.huffingtonpost.com/ann-mei-chang/a-tiger-team-to-cut-throu_b_12844318.html),” The Huffington Post, November 7th, 2016.]

Targeted proactive recruiting helps to identify key candidates. The Lab used social media and pitches candidates on compelling high-impact projects they can work on in time-limited tours of duty.

Taking a matrix team approach to facilitate new ideas

The Lab hosts an Operational Innovation team, who collaborates closely with internal partners to acquire or generate new operational innovation ideas based on potential impact, barriers, risks and costs. The team consists of dual-hatted experts from across Agency functions with a goal to find a “path to yes” to improve internal business processes and outcomes. This set-up helps the Lab coordinate closely with other parts of USAID that are responsible for HR, legal, procurement, and IT functions. "It helps to have everyone internally on the same page," comments one Lab staffer.] Understanding one another’s role and place in the system enables a holistic team approach to achieving collective goals. [USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

Enabling co-creation and collaborative innovation – Broad Agency Announcement (BAA)

Guided by human-centered design principles and the idea that great ideas can come from anywhere, the Lab has tested new ways to enable non-traditional partners to work with USAID, and to encourage open innovation and co-creation. For example, USAID has expanded beyond the more common challenge and prize approaches often used throughout the federal government to experiment with using the [Broad Agency Announcement](https://www.usaid.gov/partnership-opportunities/respond-solicitation/broad-agency-announcements), or BAA, to identify and foster innovation. The BAA is used to describe the Agency’s interest in research around a particular topic and expresses to the public opportunities for partnership. It allows USAID to collaborate with potential partners before it awards funding, working together to define a problem and co-create, co-develop and co-invest in solutions.

The Broad Agency Announcement (BAA) is a method to communicate USAID’s general interest regarding specific development problems it hopes to tackle via collaborative research and development. This innovative communication approach engages potential partners in solving a given problem together and provides USAID tremendous flexibility in crafting, and developing, the final relationship with partners. The BAA allows USAID to tap the expertise of a range of potential partners to address problems of common interest where there is not a clear, established solution. The BAA communication approach provides the opportunities for a competitive proposal process whereby USAID’s goals to apply research and innovation toward solving critical development challenges can be achieved through partnership and shared decision-making.

The acquisition framework was originally developed to address uncertainties in traditional R&D, and to enable flexibility in selecting applicants. But innovators at USAID realized the powerful potential of the BAA to address the complexity of development challenges and explore new opportunities. "We take a more nuanced - or a broader - interpretation of how we collaborate with partners toward R&D than other agencies do, often engaging multiple partners in the conversation" shares Dr. Lynlee Tanner Stapleton, Innovation Advisor on the Lab’s Innovation Design and Advisory Services team. Realizing that their search for new solutions fit within the authorizing R&D framework of the BAA enabled USAID to use it as a framework for co-creation and collaboration with a wider range of stakeholders. Originally seen as a vehicle for going back and forth with individual applicants or other experts. “In the process, we wondered - "What if we got a whole roomful of people together?" It spawned an experimentation -- 'this is kind of magic, when you have 40-50 people in a room talking about a problem you're all invested in, for different reasons". [Tanner Stapleton, L., phone interview with Policy Design Lab, January 10th, 2017]

The use of the BAA is an example of what can develop from USAID’s organizational approach to innovation. Assigning a dedicated space to focus on new ways to solve problems and empowering a matrix team with an open, willing mindset to try new things produces outcomes like how the BAA has been operationalized. Having procurement specialists and general counsel on the same page, with all looking for ways to enable new approaches within current guidelines and regulations was critical to the evolution of the BAA.

Rarely used before 2014, the Lab’s advocacy for the BAA has led to much greater adoption. In the last two years, USAID has used it more than 50 times, resulting in more than 100 awards. In Indonesia, for example, USAID issued a BAA focused on inclusive workforce development. More than 300 local and international organizations responded to the call, including Volvo, Intel, and BP. [Chang, A.M., “[A Tiger Team to Cut Through Bureaucracy](http://www.huffingtonpost.com/ann-mei-chang/a-tiger-team-to-cut-throu_b_12844318.html),” The Huffington Post, November 7th, 2016.]

USAID’s use of innovative acquisition processes have further enabled other types of innovative work:  "What enables us to act on this latest thinking is having a way to write the solicitation or agreement that gets the solutions we're looking for, and enables us to implement them in practice," comments Dr. Lynlee Stapleton. [Tanner Stapleton, L., phone interview with Policy Design Lab, January 10th, 2017] The success of the BAA, for instance, encouraged others to take risks and try other new approaches.

Adaptive management

The Lab is also a strong supporter of Adaptive Management—a dynamic approach to managing programs. It relies on feedback loops to iterate and improve performance and adapt to changing conditions on the ground. The Lab worked with USAID’s Bureau for Policy, Planning and Learning to integrate adaptive management into the [Agency’s official policies](https://www.usaid.gov/sites/default/files/documents/1870/201.pdf). The Lab is also supporting innovations and technologies that make adaptive management possible, enabling faster course corrections and continuous improvements across the Agency. *Sourced directly from:* [USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

**4. Future Directions:**

**Key takeaways for building a culture of innovation**

* Understand innovation is the instrument for greater mission impact
* Use evidence of success to build momentum for further adoption
* Shift institutional incentives to unleash cultural transformation

**Understand that innovation is the instrument for greater mission impact**

“Often, we [incorrectly] think of innovation as the *thing* we’re trying to do,” explains Ann Mei Chang. “But the right way to understand innovation is as an instrument for achieving greater impact. It’s about finding more effective approaches, better ways of doing that return greater value for the dollar. The Lab understands innovation as a force multiplier for achieving mission-driven outcomes. “Innovation is the path and impact is the destination,” Chang asserts. [Chang, A .M., in-person interview with Policy Design Lab, July 7th, 2016.]

**Use evidence of success to build momentum for further adoption**

Success breeds success. The Lab understands that to encourage agency-level change, their job is not to describe “how to do innovation.” Their job is to provide the principles, space, and support systems to help their colleagues design and problem-solve solutions. “We start with one program to build momentum, then shine a big spotlight around ‘What did we learn?’, ‘What was the evidence?’, ‘What was the value proposition?’ and we use a little bit of fanfare to get others to pick up on that approach,” explains Seema Patel. [Patel, S., phone interview with Policy Design Lab, July 19th, 2016.] Quick wins help to build momentum by creating a positive feedback loop; as the value of new approaches becomes self-evident, teams and sub-units become enthusiastic champions.

**Shift institutional incentives to unleash cultural transformation**

The Lab has aggressive five-year goals for diffusing innovative approaches across USAID. Broadly, the target is for sixty of USAID’s operating units to fully integrate Science, Technology, Innovation and Partnership as a framework in their strategic, programmatic, and organizational work. Successful diffusion and further mainstreaming of innovation will critically depend on continuing to change the incentives within the Agency, according to one senior Lab leader. Mainstreaming effective innovations requires shifting from a culture of compliance to promote a culture of experimentation. To move beyond the enthusiasm of early adopters and champions and mainstream innovative approaches, the organizational incentive structure must be re-organized to reward experimentation – for instance, through incorporating goals in Bureau and staffing review to further signal that innovative work is highly valued. Because changing the default ways of working can be uncomfortable, employees need to be rewarded for investing the time – and the risk – in trying something new. [USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]

**SIGNPOSTS FOR THE FUTURE: ITERATION, LEARNING, PARTNERSHIP**

Through both top-down and bottom-up approaches, USAID has learned and adapted as it brought a greater focus on innovation to its work and cultivated an entrepreneurial culture among its staff in Washington and more than 85 USAID Missions overseas. This has enabled USAID to adapt quickly in an ever-changing global landscape. And it allowed the Agency to take advantage of new ideas, technologies, and approaches for achieving its goals. Through the reforms set out in USAID Forward, the Agency has become a living, learning organization that values evidence, continuous evaluation, rapid iteration, and course correction. *Sourced directly from:* [USAID Communications Team, personal communication with Policy Design Lab, January 6th, 2016.]