



Agency Priority Goal Action Plan

Effective Partnering and Procurement Reform (EPPR)

Goal Leaders:

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Overview

Goal Statement

- Empower development partners through collaborative and co-creative practices in acquisition and assistance. By September 30, 2021, USAID will increase the use of collaborative partnering methods and co-creation¹ within new awards by five percentage points, measured by percentage of obligated dollars and procurement actions.

Opportunities

- Forge new partnerships and expand the partner base of the U.S. Agency for International Development (USAID);
- Embrace greater collaboration, co-design, and co-financing with diverse, locally led and locally established partners to improve the effectiveness and sustainability of USAID's programs; and
- Leverage private-sector capabilities, sustainability, and investment to increase development impact, including through co-investment.

Challenges

- USAID is adapting constantly and trying to strike the proper balance between innovation and risk, to assess the effectiveness of innovative procurement approaches appropriately, to inject more adaptive and flexible approaches into funding agreements, and to engage new partners and local participants, while ensuring the achievement of results that align with the Administration's goals and objectives.

¹ Co-creation brings together people to create solutions to specific development challenges. When using co-creation, USAID teams work alongside partners, potential implementers, and end-users to define the problem collaboratively, identify new and existing solutions, build consensus around areas for action, and refine plans to move forward with programs and projects. As its name implies, co-creation relies on collaboration with a diverse set of actors from both the for profit and not-for profit sectors, which would allow for a more-equitable distribution of both the responsibility and ownership of outputs across all partners.

Co-creation is useful for any type of award based on the guidance in Chapter 304 of *USAID's Automated Directives System: Selecting the Appropriate Acquisition and Assistance (A&A) Instrument*; USAID does not want to constrain the use of co-creation in awards, but demonstrate that co-creation is suited to many types of A&A instruments.

Goal Structure and Strategies

“I believe the purpose of foreign assistance should be ending its need to exist. Each of our programs should look forward to the day when we can end it. And around the world we should measure our work by how far each investment moves us closer to that day.”

- Former Administrator Mark Green

Through reporting against the Agency Priority Goal (APG) for Effective Partnering and Procurement Reform (EPPR), USAID will demonstrate how it is working to achieve the vision of former Administrator Green and Acting Deputy Administrator John Barsa of increasing collaboration, co-design, and co-financing approaches. These promote innovation and the diversification of our partner base to result in more empowered implementers, results-driven solutions, and stronger host-country capacity and self-reliance, to advance the Agency’s overall goal of ending the need for foreign assistance.

Based on an assessment of best practices, feedback from a listening tour, and potential innovations, USAID is implementing a new [Acquisition and Assistance \(A&A\) Strategy](#) and a series of approved EPPR recommendations. Based on the [A&A Strategy](#), the Agency is expanding our EPPR indicators to include new and underutilized partners, strengthened capacity of partner organizations, and effective sub-award practices based on the collection of data from sub-awards. The Agency will undertake regular data-driven reviews and annual assessments of impact. Further, USAID will train our staff on co-creation and more-collaborative methods to engage our partners, while refining co-creation practices and reflecting best practices in guidance and toolkits. Finally, as an Agency, USAID will implement the new methodology and examine the results against the baselines on a quarterly basis.

To demonstrate these new approaches under EPPR, the New Partnerships Initiative (NPI), which supports the Agency’s goals of diversifying our partner base and changing how we work to support self-reliance, is catalyzing the performance of USAID’s Missions to achieve these results. NPI uses a series of global solicitations, including Annual Program Statements with rounds to request Concept Papers from new and underutilized partners (NUPs), as well as traditional partners that wish to work through sub-awards to NUPs or contribute their own funding for greater local engagement. NPI helps to reduce barriers to entry for organizations that are not familiar with USAID by providing a streamlined process that allows them to collaborate and co-create.

Indicators:²

<p>Collaboration and Co-Creation:</p> <ul style="list-style-type: none">● Percentage of new awards that use co-creation; and● Percentage of new obligations made through co-creation.	<p>Diversifying the Partner Base for both Washington and Field Operating Units:</p> <ul style="list-style-type: none">● Percentage of obligations made to new and underutilized partners; and● Percentage of obligations made through sub-awards to new and underutilized partners.
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² See the Data Accuracy and Reliability Slide for information on how these indicators are calculated.

Summary of Progress - Fourth Quarter (Q4) of FY 2020

USAID continues to make progress on incorporating co-creation as part of the Agency's way of doing business, despite the challenges presented by COVID-19 across the globe. USAID's indicator results for the Fourth Quarter (Q4) of FY 2020 exceeded our Q4 target for the percentage of obligations made through co-creation by two percentage points. While USAID did not meet the target for the percentage of new awards that use co-creation, the total number of awards is an 11-percent increase over awards with co-creation made in Q4 of FY 2019. In addition 525 staff received training in co-creation, adaptive management, pay-for-results, and other related approaches in all of FY 2020, and 597 people engaged in nine workshops on co-creation and ten on private-sector engagement (PSE). These engagements and USAID's MarCom gold-award-winning training successfully shifted to a fully virtual platform in the Spring of 2020. The Agency launched our [5Ws: Preparing for a Successful Co-Creation](#) "micro learn" in September 2020 and made it available to both internal and external audiences.

In Q4 of FY 2020, USAID announced several significant awards under the [New Partnerships Initiative](#) (NPI). Each of these awards will take a "mentoring" approach, through which the prime partners will sub-award the majority of the funding to new, underutilized, and local partners to achieve measurable development outcomes. These awards demonstrate how NPI is taking root across the breadth of sectors in which USAID works - education, maternal and child health, and economic empowerment.

USAID issued a three-year, \$15 million award to the [Africa Christian Health Associations Platform \(ACHAP\)](#), a first-time USAID prime partner. This NPI activity will improve targeted outcomes in maternal, newborn, and child health and voluntary and informed family planning, while simultaneously building local technical and organizational capacity to sustain these results in support of each community's Journey to Self-Reliance.

USAID awarded a program titled, "Supporting Holistic and Actionable Research in Education" (SHARE) to the [Pulte Institute for Global Development at the University of Notre Dame](#) (UND) in the amount of \$40 million. Issued under the Higher Education for Leadership, Innovation, and Exchange (HELIX) Annual Program Statement, this NPI activity will work with local and locally established higher-education institutions and research networks through a mentorship approach in the regions of Africa and Latin America, as well as in other countries such as the Kingdom of Cambodia.

USAID awarded "Youth Excel" a five-year, \$30 million NPI award to [International Research and Exchanges Board](#) (IREX), with ten planned sub-awards to youth-led organizations (YLOs) and youth-serving organizations (YSOs), of which half are local organizations, under the [YouthPower 2 \(YP2\) Annual Program Statement](#). Through these grants, local YLOs and YSOs will customize the design of implementation-research initiatives in education, employment, health, and governance that respond directly to local programmatic and policy needs.

In partnership with the White House-led [Women's Global Development and Prosperity \(W-GDP\) Initiative](#), USAID's NPI has awarded \$7.5 million to [the Rainforest Alliance](#) and \$2.5 million to [The Asia Foundation](#), which together will make nine sub-awards to new or underutilized local partners. The awards promote economic empowerment for at-risk and marginalized women, including survivors of trafficking and women affected by conflict, in Mexico and the Republics of The Philippines, Guatemala and Honduras.

USAID issued three distinct awards to local partners, which total \$60 million. [Catholic Medical Mission Board Zambia](#) (awarded a cooperative

Summary of Progress - Fourth Quarter (Q4) of FY 2020

agreement worth \$19.5 million), [Project Concern Zambia](#) (awarded a cooperative agreement worth \$21.5 million), and the [Centre for Infectious Disease Research in Zambia](#) (awarded a cooperative agreement worth \$19.5 million), will mitigate the impact of HIV and improve the health and well-being of vulnerable children and adolescents.

Indicators and Milestones

Indicator	Fiscal Year (FY) 2019 Actual	FY 2020 First Quarter (Q1) Target	FY 2020 Q1 Actual	FY 2020 Second Quarter (Q2) Target	FY 2020 Q2 Actual	FY 2020 Third Quarter (Q3) Target	FY 2020 Q3 Actual	FY 2020 Fourth Quarter (Q4) Target	FY 2020 Q4 Actual
Percentage of new awards that use co-creation ³	23.5 percent	23.5 percent	31.2 percent Cumulative: 31.2 percent	24 percent	21.3 percent Cumulative: 28 percent	24 percent	31.1 percent Cumulative: 29.6 percent	25.5 percent	24.9 percent Cumulative: 26.7 percent
Percentage of obligations made through co-creation	19.4 percent	19.5 percent	36.9 percent Cumulative: 36.9 percent	19.5 percent	25.6 percent Cumulative: 27.9 percent	21 percent	26.7 percent Cumulative: 27.3 percent	21.4 percent	23.4 percent Cumulative: 25.1 percent
Direct awards to new and underutilized partners ⁴		N/A		N/A		N/A		N/A	
Sub-awards to new and underutilized partners		N/A		N/A		N/A		N/A	

Indicators for FY 2021

³ USAID continues to analyze and refine data on co-creation. The calculations for the APG for FY 2018 and FY 2019 exclude cooperative agreements as a vehicle for co-creation. After further review, USAID decided to include cooperative agreements in the data. This also applies to the indicators for FY 2021.

⁴ Given the Agency's focus on the global COVID-19 response, USAID was not able to set data-driven targets using NPI Action Plans. The Agency will use FY 2020 as a baseline and set targets for FY 2021 when we have a complete dataset. Additionally, for previously reported indicators for FY 2019, note that these were a short-term measure while the NPI team was developing indicators and baseline data for NUPs.

Indicators and Milestones

Indicator	Fiscal Year (FY) 2020 Actual	FY 2021 Q1 Target	FY 2021 Q1 Actual	FY 2021 Q2 Target	FY 2021 Q2 Actual	FY 2021 Q3 Target	FY 2021 Q3 Actual	FY 2021 Q4 Target	FY 2021 Q4 Actual
Percentage of new awards that use co-creation ⁵	26.7 percent	26 percent		27 percent		27.5 percent		28.5 percent	
Percentage of obligations made through co-creation	25.1 percent	23 percent		25.5 percent		26 percent		26 percent	

⁵ USAID continues to analyze and refine data on co-creation. The calculations for the APG for FY 2018 and 2019 excluded cooperative agreements as a vehicle for co-creation. After further review, USAID decided to include cooperative agreements in the data.

Indicators and Milestones

Annual Indicators for New and Underutilized Partners (NUPs)

Annual Indicators for NUPs ⁶	FY 2020 Actual	FY 2021 Target	FY 2021 Actual
Field OUs - Percentage of obligations made to NUPs ⁷	11.9 percent	22 percent	TBD
Field OUs - Percentage of obligations made through sub-awards to NUPs	0.7 percent	6 percent	TBD
Washington OUs - Percentage of obligations made to NUPs	8.0 percent	12 percent	TBD
Washington OUs - Percentage of obligations made through sub-awards to NUPs	0.8 percent	3 percent	TBD

⁶ The total value of obligations used in determining the baseline does not include Public International Organizations (PIOs). Oversight and programming with PIOs differ from that with non-governmental organizations (NGOs), contractors, and other implementing partners under common mechanisms such as contracts, grants, or cooperative agreements. USAID currently is requesting certain PIOs to begin to report sub-award data; we might change the baseline methodology by adding in obligations to PIOs for future reporting once the data are complete and accurate.

⁷ USAID will analyze data to establish targets for NUPs from the Mission NPI Action Plans. (See Milestone Summary.) USAID had anticipated setting targets in Q3 of FY 2020, but because of the focus of USAID's Missions on the global response to COVID-19, some were not able to complete and submit their NPI Action Plans, which directly inform the goal-setting. We should note that COVID-19 likely contributed to a low reporting number in FY 2020.

Indicators and Milestones

Milestone Summary			
Milestone	Due Date	Status	Comments
Develop a strategy for public and internal reporting.	First Quarter (Q1) Fiscal Year (FY) 2020	Complete	A cross-Agency working group of subject-matter experts developed a plan for internal reporting and decision-making. The Agency also published a report in FY 2020 to highlight successes and challenges.
Develop Mission-specific capacity-strengthening (organizational performance) baselines and targets through the Performance Plan and Report (PPR).	Second Quarter (Q2) FY 2020	Complete	59 Missions set non-zero targets for this new indicator and aimed to provide robust capacity-development to an average of 52 organizations each.
Undertake a review of the <i>Acquisition and Assistance (A&A) Strategy</i> to reflect innovations or changes to co-creation priorities and practices.	Q2 FY 2020	Complete	The Agency conducted a preliminary review and shared it with the Effective Partnering and Procurement Reform (EPPR) Subcommittee of the Management Operations Council, which approved a plan to revise and renew the <i>Strategy</i> by Q2 of FY 2021.

Indicators and Milestones

Develop co-creation guidance and toolkit for USAID staff to reflect best practices and innovations in co-creation to enable our Operating Units (OUs) to achieve the targets.	Q2 FY 2020	Complete	USAID developed a co-creation toolkit that reflected multiple Agency sources of current guidance in Q2, which it distributed Agency-wide in April 2020. The EPPR team finalized additional guidance on the use of Broad Agency Announcements (BAAs) and co-creation as a Mandatory Reference in Q2, which the Agency added to the Automated Directives System (ADS), USAID's operational policies, in the Third Quarter (Q3) of FY 2020.
Convene Agency partners to review data and effective practices on sub-awards that will enable the achievement of targets for 1) new and underutilized partners (NUPs); and, 2) the strengthening of capacity of local partners.	Q3 FY 2020	Complete	Delayed because of the pandemic, USAID convened prime and sub-awardees for a workshop in October 2020 (Q1 of FY 2021) to discuss compliance and reporting of data on, and the strategic use of, sub-awards. In November 2020, the Office of Acquisition and Assistance in the Bureau for Management sent a message on reporting requirements for sub-awards to USAID's implementing partners on behalf of the Acting Deputy Administrator.
Finalize submissions of New Partnerships Initiative (NPI) Action Plans from all USAID Missions, including Mission-specific targets for co-creation.	Q3 FY 2020	Complete	The NPI team has received and validated Mission NPI Action Plans, and finalized this action in Q1 of FY 2021.
Launch a series of internal NPI webinars to inform staff on the use of co-creation, BAAs, fixed-amount awards (FAAs), and other NPI mechanisms	Q4 FY 2020	Complete	The NPI team launched a series of six webinars from August to October 2020, and completed four of these webinars in Q4 of FY 2020. The NPI team completed the final two webinars in Q1 of FY 2021.

Indicators and Milestones

Incorporate NPI reporting into the PPR Key Issue Narrative.	Q4 FY 2020	Delayed	In Q3 of FY 2020, the NPI team developed the New Partnerships Approaches Key Issue for Operating Plans (OPs) to be complementary to the PPR's Key Issue on Sustainability and Local Ownership. The NPI Key Issue is pending discussions with the Office of Foreign Assistance in the U.S. Department of State (State/F). The new target for completion is Q2 of FY 2021, in time for a February submission.
Institutionalize NPI through the creation of the NPI Portfolio Manager position in the new Bureau for Democracy, Development, and Innovation (DDI)	Q1 FY 2021	In Progress	The Portfolio Manager began the role in October 2020, and the DDI Bureau became operational in November 2020. The Agency has begun to stand up the Local, Faith-Based, and Transformative Partnerships Hub in DDI during Q1 of FY 2021, where the NPI team will be located.
Convene Agency partners to review data and effective practices on sub-awards that will enable the achievement of targets for 1) NUPs; and, 2) the strengthening of capacity of local partners.	Q2 FY 2021	In progress	The EPPR team is having ongoing discussions on when, and for what purpose, to reconvene or convene additional prime and sub-award partners in FY 2021.
Finalize Agency-wide policy to support the indicator on capacity-development.	Q3 FY 2021	In Progress	In Q4 of FY 2020, the EPPR team convened an internal working group to launch the discussions on creating USAID's first ever Local-Capacity Development Policy and began drafting the outline for it. In Q2 of FY 2021, the team will draft the Policy and hold a series of internal and external webinars to socialize the policy, with the aim of publishing it in Q3.

Indicators and Milestones

Develop five NPI field guides (Non-U.S. Organization Pre-Award Survey, adaptive management, local capacity-development, working with NUPs, pay-for-results, use of FAAs) for internal and external stakeholders to convey policy changes, discuss best practices, and share knowledge.	Q3 FY 2021	In Progress	The EPPR and NPI teams have begun working on the field guides, with support from the NPI Partnerships Incubator, with deliverable dates between Q1 of FY 2021 and Q3 of FY 2021.
Update on NPI progress through OPs.	Q4 FY 2021	In Progress	In Q3 of FY 2020, the NPI team developed the New Partnerships Approaches Key Issue for OPs beginning in the FY 2021 cycle. The New Partnerships Approaches Key Issue is intended to supplement the Sustainability and Local Ownership Key Issue. The NPI Key Issue is pending discussions with State/F.
Complete review of progress with sub-awardees, and create case studies.	Q4 FY 2021		

Accuracy and Reliability of Data

- USAID pulls data for the indicator for co-creation from our core enterprise systems and reports them internally on our Enterprise Reporting Portal.
- The Agency pulls data on NUPs from our core enterprise systems and USASpending.gov—the public portal that tracks U.S. Government spending, including funding for sub-awards.
- USAID established and reported baseline data for FY 2018 before it developed standard definitions for many key terms, including “co-creation” and “new partner.” Because of changes in the definitions, USAID projected the targets for FY 2019 too high, and has corrected them for FY 2020 and FY 2021.
- The Senior Obligation Alignment Review (SOAR) is USAID’s process for engaging the Agency’s senior leadership in the review of certain proposed, high-dollar-value awards. Leadership has received an increase in the commitment to use co-creative and collaborative processes during SOAR reviews and expects to see increased progress on EPPR as the Agency issues these awards.

Indicator Detail:

<p>Collaboration and Co-Creation:</p> <p>Percentage of new awards that use co-creation: The numerator for the indicator is the number of new awards that used a co-creation approach in each Operating Unit (OU); the denominator is the total number of new awards in the time period.</p> <p>Percentage of new obligations made through co-creation: The numerator for the indicator is obligations to new awards (<i>i.e.</i>, the first obligation of an award) that used a co-creation approach in each OU; the denominator is the total value of all Agency first obligations to new awards in the time period.</p>	<p>Diversifying the Partner Base:</p> <p>Percentage of obligations made to NUPs:</p> <p>The numerator for direct (prime) awards is obligations to NUPs in a given Fiscal Year, and the denominator is the total obligations in a given Fiscal Year.</p> <p>Percentage of obligations made through sub-awards to NUPs:</p> <p>The numerator for sub-awards is the total sub-obligations to NUPs in a given Fiscal Year, and the denominator is the total obligations in a given Fiscal Year.</p>
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Additional Data

Contributing Programs:

Organizations:

- USAID's Transformation is the primary catalyst for policy change needed to achieve this APG. The primary lead for long-term implementation is M/OAA, with dedicated staff in three new divisions (Strategy, Engagement, and Innovation) and support from the EPPR team, NPI team, and the Management Operation Council (MOC) Subcommittee, which oversees the cross-Agency implementation of this work, but Success depends upon the contribution of all of USAID's stakeholders to inform policy, assess business needs, and align planned activities with the APG.

Program Activities:

- EPPR is critical to USAID's Transformation, because it will ensure the Agency plans, implements, and evaluates its programs in response to the Administrator's vision and the Journey to Self-Reliance.

Regulations and Policies:

- The Agency will address any policies or regulations affected by Transformation according to its standard procedures.

Other Federal Activities:

- Coordination with designated Federal Departments and Agencies (e.g., the Federal Office of Procurement Policy within the Office of Management and Budget [OMB]).

Stakeholder/Congressional Consultations:

To the greatest extent possible, USAID will continue to work and coordinate with stakeholders and Congress to ensure our EPPR solutions meet USAID's mission requirements.

USAID and U.S. interagency stakeholders include a wide range of employees in Washington, D.C., and the field, invited via working groups to contribute solutions and validate proposed policy changes in the [A&A Strategy](#), and during the implementation of EPPR.