



## The Modern Development Enterprise

Today, USAID is fundamentally changing—becoming more efficient, effective, and businesslike—which ultimately helps our investment dollars go further.

Our effort to transform how development is delivered reflects the beliefs of the President and the Secretaries of State, Treasury and Defense: development is as critical to our economic prospects and our national security as diplomacy and defense.

We have an obligation to make sure our reform efforts go beyond building an updated version of an aid agency. We are seeking to build something greater—the world’s first modern development enterprise.

**Executing a Clear and Focused Strategy.** Like an enterprise, we are developing and executing innovative and focused strategies across our areas of excellence.

We recognize the enormous development progress the world has made in recent decades. But we also realize that more has to be done, and more of the same will not be enough. We must embrace a spirit of innovation to change the way we work.

- **Food Security.** Instead of merely providing food aid in times of emergency, we are helping countries develop their own agricultural sectors so they can feed themselves.
- **Global Health.** We will transition away from a scattered approach that fights individual diseases one at a time; we are pursuing an integrated approach that will generate efficiencies and strengthen health systems.
- **Disaster and Crisis Response.** Based on lessons learned in Haiti and Pakistan, we’re reforming our approach to disaster assistance to speed the time between response, recovery and long-term development.
- **Economic Growth.** We are rejecting the traditional assumption that a series of development projects alone will lead to growth and are instead developing partnerships for growth with countries committed to enabling private sector investment.
- **Democracy & Governance.** Instead of merely paying to hold elections, we are now funding new open government technologies to quickly and significantly increase transparency, so citizens can hold their own governments accountable.

We are bringing a similar spirit of innovation, [science, technology](#) and strategic thinking to areas such as education, water, and climate. In each of these core areas, we have already or will soon release comprehensive strategies that detail how we can achieve development gains faster, more sustainably, and at lower cost so more people can benefit.

**Measuring and Evaluating Our Work.** Like an enterprise, we are relentlessly focused on delivering results and learning from failures. USAID used to be the world leader in development evaluation, but we have fallen from that distinction.

We are working to ensure we're spending American taxpayer money in the most responsible way possible. To help meet this goal, we've introduced an evaluation policy that will set a new standard in development. This policy includes:

- **Independent third-party evaluation** of major projects;
- **Baseline data collection and study designs** to measure our actual impact in the field; and
- **Public release of evaluations** within three months, whether they indicate success or failure.

**Delivering Shareholder Value.** Like an enterprise, we are focused on delivering the highest possible value to our shareholders—the American people and the Congressional leaders who represent them. We have created a suspension and debarment taskforce to monitor, investigate, and respond to suspicious behavior among our contractors and partners.

We will also deliver savings by reducing our footprint in countries where development successes have created the conditions where American assistance is frankly no longer necessary. By 2015, we believe USAID can graduate away from assistance in at least seven countries, starting with Montenegro in 2012.

**Serving Our Customers.** Like an enterprise, we are listening to and improving the way we serve our customers—in our case, the people of the developing world.

We seek to do our work in a way that allows us to be replaced over time by efficient local governments, thriving civil societies and vibrant private sectors. We have launched aggressive procurement and contracting reforms, and to improve competition, we've announced that no contract extensions in excess of \$5 million will be non-competitively granted without the personal clearance of the USAID Administrator.

As USAID approaches its 50<sup>th</sup> anniversary this year, we are reflecting upon about the ultimate benefits we're delivering. We're not only helping the people we serve, we're creating jobs for Americans, helping keep us safe at home, and reflecting our core American values.

We create economic opportunity by helping develop strong trade partnerships in countries that will be the growing markets of tomorrow—relationships that create jobs here at home.

We keep America safe by playing a direct role in national security—working directly with the military to help stabilize volatile regions like Afghanistan and Pakistan, or preventing conflict in Southern Sudan.

And our work reflects our American values—working with students, families and communities of faith to address the needs of the developing world.

Ultimately, creating the modern development enterprise will help advance prosperity and security both in the developing countries that need it most, and within our own borders. This reflects the beliefs of both President Obama and Secretary Clinton—that together we have the power to create the world we seek if we have the courage to embrace the opportunity.

Now is the time to invest in USAID's capabilities, so we see the day when our assistance is no longer necessary.