



Agency Priority Goal Action Plan

Effective Partnering and Procurement Reform (EPPR)

Goal Leaders:

Randy Tift, Senior Advisor, Office of Acquisition and Assistance, Bureau for Management (M/OAA), U.S. Agency for International Development (USAID)

Mark Walther, Director, M/OAA, USAID

Overview

Goal Statement

- To advance collaboration and co-creation in USAID's approaches to partnering and procurement (*i.e.*, designing programs from solicitation through to implementation) to move beyond a traditional business model and embrace new partners and innovative solutions to development and humanitarian challenges. By September 30, 2019, USAID will have increased the use of collaborative partnering methods and co-creation¹ within new awards by 10 percentage points, measured by percentage of obligated dollars and procurement actions.

Opportunities

- Increase the use of more-innovative solutions that strengthen in-country capacity;
- Expand the Agency's partner base, and improve the effectiveness and sustainability of our programs through the increased use of co-creation and collaborative approaches; and
- Mobilize resources from the public and private sectors to increase development impact, including through co-investment.

Challenges

- USAID is challenged 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 partner agreements, and to engage new partners and local participants, while ensuring the achievement of results that align to the Administration's goals and objectives.

¹ In its broadest terms, co-creation allows for a range of stakeholders--drawn from funders, implementers, supporting partners, and potential users or beneficiaries--to agree on a problem definition or jointly develop new solutions to a particular challenge. In terms of this specific report, we have identified approaches that support co-creation which are annual program statements, broad agency announcements, request for application concept papers, request for proposals or request for quotes that use statements of objectives. Please note that we are also in the process of gathering data from additional indicators that support co-creation during this Fiscal Year (FY) 2019 with the vision to establish additional co-creation data points for FY 2020. Co-creation applies to acquisition and assistance using program funds irrespective of the sector or region.

Goal Structure and Strategies

Through the adoption of this Agency Priority Goal (APG), USAID will be able to achieve the Administrator's vision of increasing collaboration, co-design, and co-financing approaches that promote innovation and the diversification of our partner base. This will result in more empowered partners, 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 and potential innovations, USAID will develop and implement procurement strategies and methodologies that achieve greater reliance on collaborative approaches and co-creation. The Agency will design a way to measure these improved outcomes, establish collection methods, and determine a baseline for quantitative performance indicators. Further, USAID will train staff on co-creation and more-collaborative methods to engage our partners. USAID will implement the new methodology and examine the results against the baseline on a quarterly basis. Finally, as an Agency, we will implement the new methodology, and examine the results against the baseline on a quarterly basis.

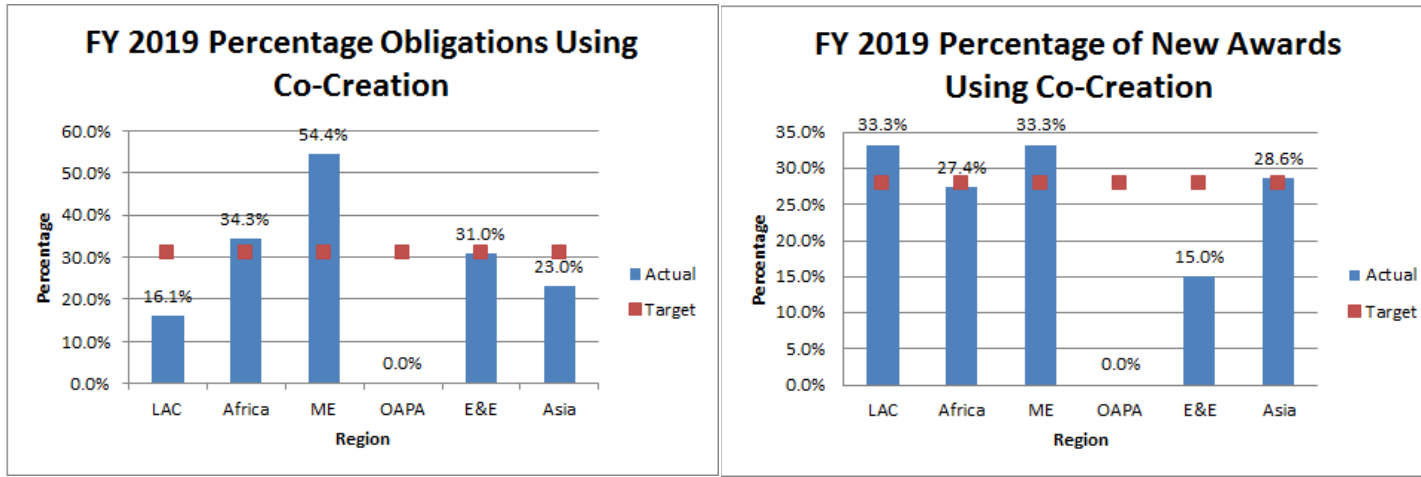
Once the APG is adopted, developed, and implemented, USAID will report quarterly on progress to the U.S. public through the Office of Management and Budget's performance.gov.

Indicators:

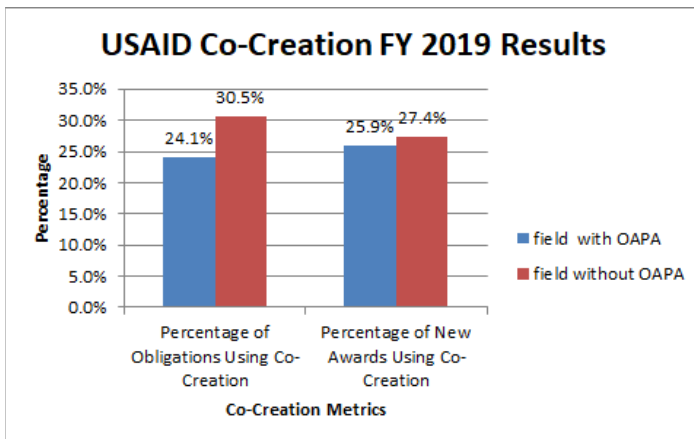
1. Achieve milestones to establish a quantitative baseline indicator of the use of co-creation and collaboration in acquisition and assistance;
2. Measure the increased use of collaboration and co-creation methods in new awards by the Agency; and
3. Measure the increased use of new partners by the Agency.

Summary of Progress

USAID did not achieve its Agency-wide co-creation goal for the FY 2018-2019 APG cycle. Despite falling short of the corporate target, many regions met or exceeded the Agency targets and demonstrated tremendous progress using co-creative approaches as seen in the graphs below.



Significantly, OAPA had zero awards using co-creation due to a strategy change resulting from a shift in foreign policy imperatives. OAPA has the second highest regional program budget (\$174M) so this greatly impacted USAID’s overseas percentage as shown below.



Summary of Progress

In FY 2018-2019, USAID made great strides in implementing EPPR, many of which the milestone plan details. Notably USAID:

- Developed and published its [Acquisition and Assistance \(A&A\) Strategy](#) to ensure all staff are conducting the Agency's core business in alignment with USAID's vision for EPPR;
- Held a worldwide EPPR Summit and Workshop with over 400 staff in attendance;
- Obligated over \$2 billion in awards by using co-creation;
- Incorporated EPPR training content in almost every A&A course USAID offers to underscore that EPPR is the way USAID conducts A&A;
- Held 35 EPPR-specific trainings which reached over 830 staff;
- Handed over oversight of EPPR to the Management Operations Council to institutionalize the management of EPPR with USAID's leadership;
- Made policy changes across the Agency to incorporate EPPR, including by creating standard definitions for key components of the effort; and
- Launched the New Partnerships Initiative (NPI) to advance the goals of the *A&A Strategy* of diversifying the partner base and change how we partner — by elevating local leadership, fostering co-creation and innovation, and mobilizing resources across our programs.

The Agency set aspirational targets for diversifying and using co-creation to motivate staff and underscore its commitment to EPPR. USAID experienced challenges in meeting targets because of the enormity of the EPPR initiative, which is changing the way the Agency conducts its core A&A business. Targeting for acquisition and assistance is also notoriously difficult because of the fact that there is a time delay from program design and procurement to establishment of new partnerships and the obligation of funds, and because USAID often gets its budget late in the fiscal year and obligates approximately 40 percent in the last quarter. In addition, since these were new indicators, there was little historical data to reference and use for target setting (see slide *Data Accuracy and Reliability* for more information). For the next APG cycle, the Agency will use FY 2019 data to set targets that continue to push staff to increase collaboration and innovation to achieve the goals of the Journey to Self-Reliance.

In addition to building the foundation necessary for EPPR success, USAID has seen Mission-specific progress around the world. For example, USAID/Ghana used co-creation in innovative ways for a procurement in democracy and governance that engaged 20 organizations that had never done business with the Agency. Input from these organizations radically changed the Mission's problem statement even after extensive consultations with local actors. This experience showed the difference between consultation and true co-creation, where all of the stakeholders were in the same room during project design. This collaborative

Summary of Progress

environment emphasized honest feedback and caused the team to change direction before the project started. USAID featured this example in an Agency-wide webinar.

As USAID continues to issue new solicitations in support of its mission, progress toward the EPPR indicators should accelerate now that the Agency has laid a foundation based on the A&A Strategy. The Agency has seen the increased use of collaborative and co-creative approaches during senior leadership reviews of high-dollar-value procurement plans during FY 2019 Q3 and Q4, and expects to make progress toward future targets. USAID looks forward to continuing to report on our EPPR successes with the FY 2020-2021 APG cycle.

Effective Partnering and Procurement Reform at Work

Self-reliance is at the core of how USAID works in Mexico. By working with local governments, civil society, and the private sector in the planning, resourcing, and implementing shared objectives, USAID helps create the conditions whereby countries can sustain their own journey to self-reliance. With 90 percent of the Mission's portfolio in democracy and governance, its engagement with the private sector was transactional to non-existent. In January 2018, USAID/Mexico launched the Strategic Alliance for Mexico framed around the Mission's objectives and openly inviting other actors to the table to co-create, co-resource, and co-implement initiatives aimed at transformational change. The value proposition of reducing violence, impunity, corruption, and deforestation attracted strong private sector interest. In **18 months**, the Mission co-created **14 new activities**, strengthened the capacity of **13 new local partners**, leveraged over **\$30 million**, and increased from **9 to 60 the number of resource partners**, including local small and medium enterprises, major business chambers, and multinational corporations.

Key Indicators and Milestones

Indicator	Baseline FY 2018	FY 19 Q1 Actual	FY 19 Q1 Target	FY 19 Q2 Actual	FY 19 Q2 Target	FY 19 Q3 Actual	FY 19 Q3 Target	FY 19 Q4 Actual	FY 19 Q4 Target
Collaboration Indicator #1: Percentage of New Awards using co-creation	18 percent of new awards used co-creation	11.5 percent of new awards used co-creation (Cumulative 11.5 percent)	20 percent of awards in Q1 use co-creation	16.7 percent of new awards used co-creation (Cumulative 14.7 percent)	22 percent of awards in Q2 use co-creation	11.2 percent of new awards used co-creation (Cumulative 13.0 percent)	24 percent of awards in Q3 use co-creation	14.6 percent of awards in Q4 use co-creation (Cumulative 14.0 percent) (Overseas excluding OAPA cumulative 27.4 percent)	28 percent of awards in Q4 use co-creation
Collaboration Indicator #2: Percentage of Obligations using co-creation	21 percent of new obligations used co-creation	28.5 percent of new obligations in Q1 used co-creation. (Cumulative 28.5 percent)	23 percent of new obligations in Q1 use co-creation	18.1 percent of new obligations in Q2 used co-creation. (Cumulative 21.6 percent)	25 percent of new obligations in Q2 use co-creation	10.4 percent of new obligations in Q3 used co-creation. (Cumulative 16.7 percent)	27 percent of new obligations in Q3 use co-creation	14.1 percent of new obligations in Q4 use co-creation (Cumulative 15.0 percent) (Overseas excluding OAPA cumulative 28.0 percent)	31 percent of new obligations in Q4 use co-creation

Key Indicators and Milestones

Indicator	Baseline FY 2018	FY 19 Q1 Actual	FY 19 Q1 Target	FY 19 Q2 Actual	FY 19 Q2 Target	FY 19 Q3 Actual	FY 19 Q3 Target	FY 19 Q4 Actual	FY 19 Q4 Target
Partner Diversification Indicator #3: New Partners	226 new partners	28 new partners (Cumulative 28)	22 new partners (Cumulative 22)	35 new partners (Cumulative 63)	31 new partners (Cumulative 53)	29 new partners (Cumulative 92)	51 new partners (Cumulative 104)	118 new partners (Cumulative 210)	145 new partners (Cumulative 249)

Key Indicators and Milestones

USAID is taking a more-innovative approach to how staff design programs and approaches A&A. Through the success of this more collaborative and flexible business model, USAID will strengthen our A&A processes, empower partners, and use innovative approaches to improve and increase stakeholder-engagement.

Milestone Summary			
Milestone	Due Date	Status	Comments
M.1 Study and assess methods to measure and achieve improved outcomes (increased use of collaboration and co-creation approaches).	Q2 FY 2018	Complete	The Agency reviewed the A&A Planning Tool and the Global Acquisition and Assistance System (GLAAS), and decided to add/modify existing fields to be able to measure the increased use of collaborative methods.
M.2 Adapt definitions for planned quantitative indicators (on collaboration/co-creation and partner diversification) based on input from engagement with external partners.	Q2 FY 2018	Complete	The Agency recently concluded an external listening tour on EPPR. As a results of the EPPR listening tour, the Agency has refined its definitions of collaborative approaches to procurement.
M.3 Finalize data-collection methods; determine baseline and modify automated systems to collect data.	Q3 FY 2018	Complete	USAID modified the A&A Planning Tool and GLAAS to capture the use of collaborative methods. Baseline data are available through Q3. Additional data collected in Q4 will serve as the total FY 2018 baseline.
M.4 Adapt definitions for planned quantitative indicators (on collaboration/co-creation and partner-diversification) based on input from USAID internal working groups and field Missions.	Q3 FY 2018	Complete	Within USAID's Transformation, working groups discussed the definitions to be used for collaboration/co-creation to support efforts to diversify USAID's partner base. As part of its commitment to learning, USAID generated EPPR concept notes which will result in policy recommendations that inform the final definitions, baselines, and targets.
M.5 Conduct training for Agency staff to achieve targets based on new policy direction.	Q4 FY 2018	Complete	The Agency continues to incorporate trainings on achieving EPPR principles, approaches, and targets into its existing suite of courses, and is holding a focused training for A&A staff worldwide in early May.
M.6 Examine results, and finalize definitions and baselines for indicators on utilization of collaboration / co-creation and partner-diversification for FY 2019	Q4 FY 2018	Complete	USAID assessed the results of the first phase of tracking the co-creation indicator at the conclusion of FY 2018. The Agency acted on recommendations for enhanced input and collection of data in FY 2019.

Key Indicators and Milestones

M.7 Implement new approach; establish the definitions of indicators and baselines.	Q1 FY 2019	Complete	Established a new <i>A&A strategy</i> and baseline to support the implementation of EPPR with key reports housed in the Enterprise Reporting Portal for easy access by all employees.
M.8 Adopt Collaboration Learning and Adapting approaches by monitoring and making necessary adjustments, and collecting progress reports and lessons learned.	Q2 FY 2019	Complete	M/OAA collected, monitored, and tracked results of co-creation metrics and will revise in our new APG based on feedback. The Agency explicitly collected feedback during the Foreign Service National and Contracting/Agreement Officer/Controller conferences, as well as at the Program Officer conference.
M.9 Progress assessment.	Q3 FY 2019	Complete	M/OAA started additional data collection and initiated progress assessments, which are reflected in this report and will inform future indicators.
M.10 Finalize results; collect lessons learned and “best practices” based on progress.	Q4 FY 2019	Complete	The Agency is doing additional analysis to determine the most effective way to advance and track collaborative and co-creative approaches moving forward.

Accuracy and Reliability of Data

Accuracy and Reliability of Data

- USAID pulls indicator data from its core enterprise systems and reports them internally on its Enterprise Reporting Portal.
- FY 2018 baseline data were established and reported before USAID developed standard definitions for many key terms, including “co-creation” and “new partner”. Due to changes in the definitions, FY 2019 targets were projected too high. Initially, the Agency excluded the cooperative agreements from co-creation calculations. Since then, the Agency has determined that these mechanisms are ideal for co-creation. If cooperative agreements are included the FY 2018 baseline for percent of new awards using co-creation is 22.3 percent and for FY 2019 is 23.5 percent. For obligations to new awards the FY 2018 baseline is 24.5 percent and the FY 2019 total is 19.4 percent. Moving forward USAID will include cooperative agreements in the data reported for the FY 2020-2021 APG.
- USAID has since standardized definitions in policy and practice and will use FY 2019 data for effective target setting in the next APG cycle.
- The Senior Obligation Alignment Review (SOAR) is USAID’s process for engaging senior leadership in the review of certain proposed, high-dollar-value procurement plans. Leadership has seen an increase in the use of co-creative and collaborative processes during SOAR reviews and expects to increase EPPR progress as the Agency issues these awards.

Additional Information

Contributing Programs

Organizations:

- USAID Transformation is the primary catalyst for policy change needed to achieve this APG. The primary lead for long-term implementation is the Bureau for Management's Office of Acquisition and Assistance, but success depends upon the contribution of all USAID stakeholders to inform policy, assess business needs, and align planned activities with the APG.

Program Activities:

- EPPR is critical to USAID Transformation because it will ensure the Agency plans, implements, and evaluates its programs in response to the Administrator's vision of 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 the mission requirements for USAID.

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 new A&A Strategy, and during implementation of EPPR.