



## Agency Priority Goal Action Plan

# Effective Partnering and Procurement Reform (EPPR)

### Goal Leaders:

Randy Tift, Chief Acquisition and Assistance Policy Officer, Office of Acquisition and Assistance (OAA), Bureau for Management (M)

Mark Walther, Senior Procurement Executive and Director of M/OAA

# 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-creation<sup>1</sup> 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 programs; and
- Leverage private-sector capabilities, sustainability, and investment to increase development impact, including through co-investment.

## Challenges

- USAID is constantly adapting 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.

---

<sup>1</sup> 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 Administrator Green’s vision of increasing collaboration, co-design, and co-financing approaches. These promote innovation and the diversification of our partner base to 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, 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 the 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:<sup>2</sup>

<p>Collaboration and Co-Creation:</p> <ul style="list-style-type: none"><li>● Percentage of new awards that use co-creation; and</li><li>● Percentage of new obligations made through co-creation.</li></ul>	<p>Diversifying the Partner Base:</p> <ul style="list-style-type: none"><li>● Direct awards to new and underutilized partners; and</li><li>● Sub-awards to new and underutilized partners.</li></ul>
--	--

---

<sup>2</sup> See the Data Accuracy and Reliability Slide for information on how these indicators are calculated.

# Summary of Progress - First and Second Quarter (Q1 and Q2) of FY 2020

---

USAID's APG cycle for Fiscal Years (FY) 2020 and 2021 is building on the FY 2018–2019 cycle in which the Agency fell short of its targets, despite making significant progress toward our goals for EPPR. In response, USAID plans to bolster our outreach throughout the Agency and with development partners, as outlined in this milestone plan. In particular, USAID is asking all our overseas Missions to develop NPI plans with specific co-creation targets that we will use for decision-making. To support this, the Agency will roll out a co-creation toolkit, with good practices and other guidance, to ensure staff have a robust understanding of the ways they can use co-creation to improve outcomes. USAID is also holding a series of webinars to roll out and offer support for the NPI plans.

To ensure our development partners understand the focus of the APG and EPPR on sub-awards and capacity-building, USAID will convene them to review sub-award data and effective practices in managing sub-awards. This outreach will highlight USAID's priorities, while giving our partners a chance to contribute, and lend their expertise, to the conversation.

In the first quarter (Q1) of FY 2020, USAID developed a strategy for internal and public reporting. A working group of subject-matter experts on co-creation and data from across the Agency convened to develop additional metrics, examine practices that will encourage the rapid implementation of EPPR, and tell the story better of how the Agency is changing the way we work to build capacity and support governments, civil society, and the private sector in our partner countries on their Journeys to Self-Reliance.

USAID's indicator results for Q1 of FY 2020 exceeded the targets for the two co-creation indicators—percentage of new awards that use co-creation and percentage of obligations made through co-creation—by eight percentage points and 17 percentage points, respectively. We believe this is because our work undertaken last year is coming to fruition as the Agency issues awards. In Q2 of FY 2020, USAID continued to focus on and promote EPPR and the NPI, even as the Agency pivoted to responding to the pandemic of COVID-19. In an unprecedented time of telework, USAID released [Co-Creation Tips, Answers to Frequently Asked Questions, and Considerations](#) to staff, and is offering a training on how to co-create virtually. Prior to COVID-19, the Agency prioritized in-person co-creation training with several successes. One Bureau said the training "...helped map out a path for us to bring this all together in a meaningful, strategic, realistic, and playful way."

# Summary of Progress - First and Second Quarter (Q1 and Q2) of FY 2020

---

In Q2 of FY 2020, USAID exceeded by six percentage points the target for percentage of obligations made through co-creation. The Agency fell short of the target for the percentage of new awards that use co-creation by less than three percentage points. As the Agency enters its second year of targeting for this indicator, we are continuing to learn about and improve setting targets for procurement. This is notoriously difficult, given that most of USAID's acquisition and assistance occurs in the fourth quarter of the Fiscal Year. This means that metrics rarely follow a linear upward trajectory, and can jump wildly from quarter to quarter.

In Q2 of FY 2020, the Agency collected NPI plans from pilot Missions, and the Acting Administrator has asked every Mission worldwide to [submit](#) one in the third quarter (Q3). These will provide critical information on how Missions are using, and planning to use, NUPs. Once all the plans are in, USAID will use them to set targets for the NUP metrics.

In February 2020, USAID met with key stakeholders on the Hill to discuss how NPI is changing the way USAID partners by doing the following:

1. Promoting local leadership, measured by strengthened local capacity;
2. Seeking bold, creative, and innovative approaches to fostering self-reliance; and
3. Identifying new sources of funding to sustain partnerships and scale impact.

This was part of USAID's effort to engage widely on the importance of EPPR. The feedback from the meeting was positive and demonstrated continued support for EPPR and the NPI. USAID is also reaching out to new partners through [social media](#) with a newly developed [NPI video](#).

As USAID looks toward Q3 of FY 2020, we are certain the [Agency's response to COVID-19](#) will affect deadlines and milestones for this APG as we work to save lives with the nearly \$1 billion that USAID and the U.S. Department of State have committed to combat the pandemic. Co-creation, agile A&A, and new partnerships will be critical to success.

# Indicators and Milestones

## Indicators for FY 2020

Indicator	Fiscal Year (FY) 2019 Actual	FY 2020 Q1 Target	FY 2020 Q1 Actual	FY 2020 Q2 Target	FY 2020 Q2 Actual	FY 2020 Q3 Target	FY 2020 Q3 Actual	FY 2020 Q4 Target	FY 2020 Q4 Actual
Percentage of new awards that use co-creation <sup>3</sup>	23.5 percent	23.5 percent	31.2 percent	24 percent	21.3 percent	24 percent		25.5 percent	
Percentage of obligations made through co-creation	19.4 percent	19.5 percent	36.9 percent	19.5 percent	25.6 percent	21 percent		21.4 percent	
Direct awards to new and underutilized partners <sup>4</sup>		NA		NA					
Sub-awards to new and underutilized partners		NA		NA					

<sup>3</sup> 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.

<sup>4</sup> USAID will analyze data to establish targets for NUPs from the NPI plans (see milestone plan) and will report targets in Q3 for FY 2020.

# Indicators and Milestones

---

## Indicators for FY 2021

Indicator	Fiscal Year (FY) 2019 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 <sup>5</sup>		26 percent		27 percent		27.5 percent		28.5 percent	
Percentage of obligations made through co-creation		22 percent		23 percent		24 percent		24.5 percent	
Direct awards to new and underutilized partners <sup>6</sup>		NA							
Sub-awards to new and underutilized partners		NA							

<sup>5</sup> 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.

<sup>6</sup> USAID will analyze data to establish targets for NUPs from the NPI plans (see milestone plan) and will report targets in Q3.

# Indicators and Milestones

Milestone Summary			
Milestone	Due Date	Status	Comments
Develop a strategy for public and internal reporting.	Q1 FY 2020	Complete	A cross-Agency working group of subject-matter experts developed a plan for internal reporting and decision-making. The Agency will also publish 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).	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>A&amp;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 EPPR Subcommittee of the Management Operations Council, which approved a plan to revise and renew the Strategy by Q2 of FY 2021.
Develop co-creation guidance and toolkit for USAID staff to reflect co-creation best practices and innovations to enable Operating Units 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 drafted additional guidance on the use of Broad Agency Announcements (BAAs) and co-creation as a Mandatory Reference in Q2, which the Agency will add to the ADS, USAID's operational policies, in Q3 of FY 2020.
Convene Agency partners to review sub-award data and effective sub-award practices that will enable the achievement of targets for 1) NUPs; and, 2) the strengthening of capacity of local partners.	Q3 FY 2020		The Agency is assessing the feasibility of this milestone, given the current COVID-19 pandemic, and could do a virtual meeting or move it to a future date.
Finalize submissions of NPI Plans from all USAID Missions, including Mission-specific targets for co-creation.	Q3 FY 2020		



# Indicators and Milestones

---

Incorporate NPI reporting into the PPR Key Issue Narrative.	Q4 FY 2020		
Update on NPI progress through the PPR.	Q1 FY 2021		
Convene Agency partners to review sub-award data and effective sub-award practices that will enable the achievement of targets for 1) NUPs; and, 2) the strengthening of capacity of local partners.	Q2 FY 2021		
Finalize Agency-wide policy to support the indicator on capacity-development.	Q3 FY 2021		
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 USA Spending—the public U.S. Government portal for sub-award spending. USAID is currently unable to validate these data, as partners report them according to the Federal Funding Accountability and Transparency Act of 2006 (FFATA).
- 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 senior leadership in the review of certain proposed, high-dollar-value awards. Leadership has seen an increase in the use of co-creative and collaborative processes during SOAR reviews and expects to increase progress on EPPR as the Agency issues these awards.

## Indicator Detail:

<p><b>Collaboration and Co-Creation:</b></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; 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 Operating Unit; the denominator is the total value of all Agency first obligations to new awards in the time period.</p>	<p><b>Diversifying the Partner Base:</b></p> <p>Direct awards to new and underutilized partners; and sub-awards to new and underutilized partners: USAID will provide additional information on these indicators when we report on them in Q3 of FY 2020.</p>
---	---

# Additional Information

---

## **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 the Office of Acquisition and Assistance in the Bureau for Management, 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.