

**CELEBRATE, INNOVATE AND SUSTAIN:
Toward 2015 and Beyond**

The United States' Strategy for Meeting the
Millennium Development Goals

July 2010

Overview

The Millennium Development Goals (MDGs) are a symbol of our common humanity. They are a declaration of the world's commitment to eradicating extreme poverty and hunger, achieving gender equality, and extending hope and opportunity to millions across the developing world. The eight goals, organized around internationally agreed targets, have provided a framework to translate our highest ideals into concrete action. They also have helped mobilize unprecedented political support and resources for development.

Enormous progress has been made so far toward meeting the MDGs, and we must recognize, celebrate, and support these achievements. Above all, credit belongs to the citizens and governments of countries that have prioritized development and invested in their people. These achievements are also testimony to the power of successful development partnerships.

But much more remains to be done. If we are to meet the ambitious objectives we have set, historic leaps in human development will be needed. For this reason, we must be even more determined, strategic, and focused on results as we chart the path to 2015.

In the recently released National Security Strategy, the United States recognizes development as a moral, strategic, and economic imperative. Countries that achieve sustained development gains can be more capable partners, participate in and contribute to the global economy, and provide their people with the opportunity, means, and freedom to improve their lives.

In September 2009, President Obama launched a study of U.S. development policy and will be issuing a new development policy in the near future. The policy will focus on achieving sustainable development outcomes by promoting broad-based economic growth and democratic governance, investing in game-changing innovations that have the potential to solve long-standing development challenges, and building effective public sector capacity to provide basic services over the long term. The policy also puts a premium on selectivity, on leveraging the expertise and resources of others, on mutual accountability, and on evidence of impact. This new development policy will guide the U.S. approach to the Millennium Development Goals (MDGs).

The United States fully embraces the MDGs, and as we move toward the UN High-Level Meeting to review the MDGs this September, it is critical that we take stock of what we have learned. We know that assistance, while essential, cannot bring about development in the absence of domestic policies and international flows of trade, investment, skills, and ideas that create opportunities for lasting economic growth. We must stay focused on the development outcome we seek: sustainable progress toward higher standards of living in the developing world.

In partnership with others, we are committed to preserving and accelerating the momentum toward the MDGs and to helping ensure that development gains are sustainable.

We propose a strategy that focuses on learning from experience, maximizing development impact, and leveraging knowledge and human ingenuity. The strategy is based on four imperatives:

- **Leverage innovation**
- **Invest in sustainability**
- **Track development outcomes, not just dollars**
- **Enhance the principle and the practice of mutual accountability**

Innovation, which is at the heart of the strategy, can be a powerful force multiplier when combined with other investments. Drawing on America's long tradition of development through innovation, we will increase funding for applied research, expand access to effective existing technologies and practices, build learning partnerships, stimulate innovation in partner countries, and expand global access to knowledge. We will also embrace a new model for doing business to improve the way our development institutions work.

Progress toward the MDGs will be of little consequence if development gains are not lasting. To help make them sustainable, the United States will promote broad-based economic growth by helping countries formulate and implement pro-growth policies, promote trade, invest in infrastructure, and stimulate entrepreneurship. We also will support partner countries' efforts to nurture well-governed institutions, and we will work closely with a broad array of organizations to invest in and empower women and girls, build robust service-delivery systems, and help countries mitigate the impact of shocks.

Our commitment to sustainability and innovation will be underpinned by a relentless commitment to measuring results. To this end, we will upgrade our institutional capacity to monitor and measure development outcomes, as well as support and learn from centers of best practice in evaluation. We will ensure that our presidential initiatives have strong monitoring and evaluation functions, and we will continue to call for the same in the multilateral organizations we support. We will help sponsor new methods and data collection initiatives to improve how we measure progress toward the MDGs.

Finally, we will renew our efforts to live up to the principle and practice of mutual accountability and expect others to do so as well. For donors, this means delivering on our development assistance commitments and improving the transparency of aid flows. It also means forging a new and deliberate division of labor, one in which donors make the most of their respective comparative advantage while minimizing gaps and duplication.

For partner countries, mutual accountability means mobilizing domestic resources for development and ensuring that all development resources are managed transparently and responsibly. And for all countries and donors, it means shared responsibility for working

toward the day when foreign aid will no longer be necessary. The health and prosperity of the world's poor and vulnerable—and by extension, our own security and prosperity—will ultimately be determined not by the promises we make, but the results we generate together.

CELEBRATE: Two Decades of Progress Around Shared Goals

Much has been achieved since 1990—the MDGs’ baseline year for assessing progress. The number of people living on less than \$1.25 a day has fallen by 400 million, decreasing from 42 to 25 percent of the world’s population and putting the MDG poverty target within reach. In countries such as Mozambique, Ethiopia, Ghana, Rwanda, and Tanzania, per capita income has more than doubled since 1990.

Considerable progress has been made in other areas as well:

- Primary school enrollment and completion rates have increased substantially across the developing world. In 2007, the primary school completion rate reached 86 percent for all developing countries in the aggregate, which means that over 40 million more children were in school in 2007 than five years before.
- Almost two-thirds of developing countries have met the goal of eliminating gender disparity in primary education. The goal of doing so in secondary education by 2015 is within reach.
- Over 1.6 billion people gained access to improved sources of drinking water between 1990 and 2005. If current trends persist, the target of halving the proportion of people without access to sustainable sources of safe drinking water will be met by 2015.
- Due to successful HIV/AIDS prevention, treatment, and care programs, AIDS-related mortality has decreased, and more than four million people in the developing world are receiving antiretroviral treatment.
- Thanks to malaria-prevention initiatives such as the widespread use of bed nets, a third of the 108 countries in which malaria is present reported a drop of at least 50 percent in the number of cases in the past decade
- Tuberculosis incidence rates have declined in all nine epidemiological subregions, putting the world on track to achieving the MDG target of halving tuberculosis prevalence and mortality

These achievements are significant, and they are testimony to the efforts of countries that have prioritized human development and have invested in their people. Though many countries have not yet “crossed the line” on certain MDGs and some are still “off track,” many have nevertheless achieved significant gains in human development, and those should be celebrated, encouraged, and supported. Progress must also be celebrated in light of historical experience,

which shows that development gains on this scale—even in the best of circumstances—take decades rather than years. They also take leadership, vision, and commitment.

For example, thanks to investments in health systems and practices, the under-five child mortality rate has fallen by 40 percent or more since 1990 in Ethiopia, Malawi, and Niger. In Eritrea, Rwanda, and Zambia, the numbers of recorded cases and deaths due to malaria have fallen by 50 percent. Burkina Faso has seen access to safe water increase from 36 to 72 percent in the past two decades. Estonia and Latvia—which in the past decade had the highest prevalence of multidrug-resistant tuberculosis in the world—have seen the number of cases decrease steadily since 2002. Investments in agricultural research and extension helped cut the prevalence of hunger in Vietnam by more than 50 percent since 1990. And through effective country-owned efforts, Mozambique and Tanzania have doubled primary school attendance rates to reach near-universal levels.

These achievements are also testimony to the impact of smart, targeted donor investments coupled with strategic partnerships. These partnerships—between developing-country governments, bilateral donors, international organizations, the private sector, philanthropic organizations, and civil society—have allowed countries to make some of the historic strides envisioned in the MDGs. Underlying the most successful partnerships has been a strong spirit of mutual accountability.

The Road Ahead

Though much has been achieved, much remains to be done. In Sub-Saharan Africa, the absolute number of people living on less than \$1.25 a day has increased substantially since 1990, to nearly 400 million. Middle-income countries have achieved important development gains, but pockets of poverty persist, reflecting high—and in some places, growing—inequality. Many countries remain mired in local or regional conflict, and without peace, development cannot flourish.

Important obstacles remain to meeting the health-related MDGs. Infant mortality is still unacceptably high, especially in South Asia and Sub-Saharan Africa. Despite encouraging new data, reductions in maternal mortality and child under-nutrition rates have been much too slow. HIV continues to spread in many countries, and a significant gap remains between those who need treatment and those who can access it. In many countries, the proportion of people without sustainable access to safe drinking water and basic sanitation remains unacceptably high.

We are still far from overcoming gender inequality, which hampers achievement of most MDGs. Women and girls are the majority of the world's poor, unschooled, unhealthy, and underfed. Women represent a growing share of wage employment in the non-agricultural sector, but they often remain trapped in insecure, relatively low-paid positions. They continue to do much of the work on the farm, but lack access to adequate inputs, extension support, training, and land

rights. Women are increasingly playing a role in political decision-making in their communities, but progress has been slow and is marked by deep regional disparities. Gender-based violence persists in many countries.

The challenges of achieving environmental sustainability also remain significant. Progress toward achieving low-carbon development paths has been halting, and global efforts to mitigate climate change are still in their infancy. Technologies and techniques for climate change adaptation have yet to be deployed on a scale necessary for vulnerable countries and regions to be adequately prepared for climate-related shocks.

The road ahead will likely be more difficult than the road already traveled. To meet the MDGs by 2015, historic leaps in human development will be required. Many of the remaining poor and undernourished will be harder to reach because they live in marginal areas or face ethnic, religious, and other kinds of deep-seated social exclusion. Some reside in conflict-affected or fragile states, where the prospects for development are least auspicious. And the complex interdependence that globalization has produced—combined with the advent of climate change and global resource constraints—means that shocks may become more frequent and severe in the coming years. The poorest will be least able to cope with these disruptions.

In the face of these challenges, we call for a determined, strategic, and results-focused strategy to achieve and sustain the MDGs. That approach should be guided by four imperatives: leverage innovation; invest in sustainability; track development outcomes, not just dollars; and enhance the principle and the practice of mutual accountability.

INNOVATE: Leveraging Innovation to Meet the MDGs

If we are to meet the MDGs by 2015, we must make full use of innovation, which can be a powerful force multiplier.

By “innovation” we mean three things:

- The development and application of new technologies, approaches, and methods to address human development needs
- The development of new ways to deliver existing solutions to more people, more cheaply, and more quickly
- The introduction of new business models to make aid agencies and the international development architecture more effective

Innovation can help in several ways. It can provide more effective ways to address human needs related directly to the MDGs. In global health and agricultural production, there is significant potential for generating large development gains with targeted investments in a few technologies and practices. This partly explains why many countries have registered disproportionate advances in health outcomes relative to gains in income. In addition, innovation leading to sustained gains in productivity has been closely associated with high rates of economic growth, which is ultimately needed to reduce poverty and to make development gains sustainable. And third, innovation can empower individuals, increasing their capacity to tap markets more effectively and hold their governments accountable.

To be sure, there are limits to innovation. Innovation alone will not put the MDGs within easy reach; it can only generate benefits in supportive environments. Computers cannot replace good teachers. Higher-yielding seeds, irrigation technologies, and more effective fertilizers will not raise incomes if there are no roads linking producers to markets. New vaccines will not produce healthier people if health systems cannot deliver them along with other basic services. But innovation can be a very powerful catalyst for development when complemented with other investments. Indeed, some of the greatest advances in human development—from the Green Revolution to the control or eradication of many debilitating diseases—have been the result of novel applications of human ingenuity.

Fostering innovation to meet the MDGs will require the following:

- **Fund applied research** by supporting local, national, and global research networks working on key problems related to the MDGs.

- **Expand access to existing technologies and practices** through partnerships among governments; international organizations; the private sector; philanthropic and other civil society organizations; and research, technical, and social networks.
- **Build learning partnerships** that facilitate the transfer of knowledge and skills to developing countries and nurture a local capacity for innovation in those countries.
- **Stimulate innovation in partner countries** through prizes, competitions, technical support, specialized funds, and tapping diaspora networks for capital and know-how.
- **Expand global access to knowledge** by harnessing modern information technology to narrow the “digital divide” and give developing-country innovators access to the knowledge they need to address development challenges.

SUSTAIN:

Preserving and Protecting Development Gains

Securing progress toward meeting the MDGs will be of little value if those development gains prove to be temporary, the product of large but ultimately unsustainable inflows of external resources. Sustainability cannot be an afterthought. The institutions and policies that sustain development evolve slowly, and therefore those seeds must be planted now if we wish to see the fruits of those efforts coincide with the achievement of the Goals themselves. Making development gains sustainable means that the policies and programs that produced them must be fully owned by the people they were designed to help. And they must be rooted in sound domestic institutions that can nurture and finance them over the long term.

Five elements are crucial to making development gains sustainable: promoting broad-based economic growth, nurturing well-governed institutions, investing in women and girls, developing sustainable service-delivery systems, and mitigating shocks.

Promoting Broad-Based Economic Growth

The relationship between the MDGs and economic growth is not straightforward. Changes in income are not neatly correlated with changes in educational and health outcomes in individual countries. But when we look at cross-country snapshots, it is clear that overall levels of human development are higher in countries that experienced positive and sustained economic growth than in those where economic stagnation or reversal prevailed. In other words, sustained growth is key for achieving and preserving gains in human development. But growth must be broad-based. Economic growth whose benefits accrue only to a privileged few is unlikely to have the kind of development impact needed to achieve and sustain the MDGs.

No single formula or model has been found to ensure sustained economic growth. But we do know that certain preconditions are essential. These include significant investments in infrastructure and policies that foster trade, attract private capital, build human capital, encourage entrepreneurship, and promote employment-oriented investment. Policies to ensure that growth is broad-based should be identified and supported, including those that increase productivity and employment in sectors with a high impact on poverty reduction. Also, given demographic trends in the developing world, expanding youth access to education, finance, and employment is essential for capitalizing on demographic windows of opportunity.

Sustainable and inclusive growth also requires mobilizing diverse resources, including private capital flows and domestic sources of finance. That means fostering the development of well-governed local, national, and regional financial institutions (including regional development banks); crafting public-private partnerships to finance infrastructure; and promoting local bond

markets, fair and effective tax systems, sound government debt issuance and management, and financial instruments that support entrepreneurship.

Nurturing Well-Governed Institutions

Sustaining economic growth and development gains depends crucially on capable, transparent, and responsive public institutions. These include institutions to establish and enforce property rights, prevent market failures, safeguard macroeconomic stability, and control corruption. There is no single pathway to attain high-quality institutions, but certain policies can help.

Transparency is a powerful instrument to foster good governance. When citizens have access to information, they have more capacity to hold their governments accountable and to reduce corruption, along with its growth-corroding effects. Transparency in the management of natural-resource wealth and of development assistance resources is especially important where commodity and aid flows are large. External actors can serve as catalysts by supporting country-owned efforts to nurture well-governed institutions, and international and regional standards and peer review exercises can also support national efforts to improve governance.

Democracy and growth-producing governance are not necessarily the same thing. We remain committed to liberal democracy because it has important non-economic advantages over its alternatives—it is best able to protect the rights of minorities, safeguard the human rights of all people, and keep governments accountable and responsive to their citizens. And while democratic institutions are not the only ones capable of generating high levels of economic growth, they produce growth that is more stable, sustainable, resilient, and equitable. Democracy cannot be imposed from the outside, and it must be rooted in the history and traditions of each country. But external actors can help by supporting efforts to nurture democratic institutions and strengthen civil society. Therefore, well-designed partnerships to strengthen democratic institutions are compatible with achieving and sustaining the MDGs.

Empowering Women and Girls

Investing in and empowering women and girls is central to promoting sustainable development and achieving many MDGs. In most of the developing world, women are directly responsible for the welfare of their families, tending to basic family needs, managing natural resources and at least some of the household finances, and in many places, doing most of the farming. What resources women have at their disposal and how they use them has a direct impact on household income, health, education, and nutritional outcomes. Women also can play an important role as political leaders. Research suggests that women leaders are more likely to invest in certain public goods than their male counterparts. Therefore, empowering women is an important force multiplier in its own right, as well as a key ingredient for sustaining development gains.

Empowering women and girls requires strengthening rules and institutions that protect their human and economic rights, as well as providing opportunities for them to access education and finance and to be included in the political sphere. Also, better tools are needed to measure how human development indicators vary across gender lines, and what formal and informal barriers women face in different sectors. Finally, an understanding of how development interventions may have a distinctive impact on women and girls should be mainstreamed into the design, implementation, and evaluation of programs and projects.

Building Sustainable Service Delivery Systems

Sustainable systems that deliver health, education, nutrition, water management and other services are essential if MDG development gains are to prove lasting. They are also essential for preserving the legitimacy of the state and reducing tensions among competing social groups. But to ensure that these systems are sustainable, we must go beyond simply filling the service gaps left when local governments cannot deliver.

Investments are needed to build infrastructure, skills, and human capital; establish recruitment and training mechanisms; link service-delivery systems to sustainable financing models; and ensure that the systems can monitor results effectively. Admittedly, we do not yet have a fully developed understanding of how to build sustainable service-delivery systems on the scale necessary to meet and sustain the MDGs. Experimentation and innovation will be central to this venture.

Mitigating Shocks

We now know that human development indicators deteriorate far more quickly during growth decelerations than they improve during growth accelerations. Because of this “ratchet effect,” the development gains lost during shocks can take years to recover, even when positive growth returns. The poorest countries—including many of those that have made little progress toward meeting the MDGs—suffer disproportionately from shocks, including natural disasters, economic downturns, and fluctuations in the prices of energy and food. The impact of climate change is likely to exacerbate the frequency and severity of shocks. Conflict can also be considered a shock. Aside from the untold human suffering it generates, civil war reduces a country’s growth by around 2.3 percent per year, on average. Over time, the accumulated loss in income can be very large, along with its cost in forgone human development.

Therefore, helping countries develop mechanisms for shock mitigation is critical for protecting development gains. These mechanisms include conditional cash transfer and other social safety net programs, as well as insurance products such as catastrophe bonds. Also important are technologies to monitor climate events, basic and applied research on climate change adaptation, and capacity-building for disaster preparedness and planning. Mechanisms to prevent, manage, and resolve conflict must also be part of the shock-mitigation agenda.

MAKING IT WORK:

Building an Enabling Environment

Promoting innovation and sustainability cannot be done in a vacuum. We must also build an enabling environment, which requires improving the rules and institutions through which effective development assistance is delivered and through which development partnerships are forged. We need better tools for measuring impact, evaluating our collective efforts, and learning from experience. We need changes to the way aid agencies do business with each other and with partner countries. And we need to enhance the principle as well as the practice of mutual accountability.

Strengthening Monitoring, Measurement and Evaluation

A relentless commitment to impact calls for a relentless commitment to measuring results. By assessing what works and what doesn't through careful monitoring and evaluation, we will be better placed to identify innovations that can be replicated and scaled up. Several measures will be needed:

- **Among donors, promote a culture of impact evaluation, high-quality process evaluation, and evidence-based policy.** Bilateral donor agencies must have the technical and financial resources to undertake rigorous evaluations, and they should support independent evaluations of their strategies, programs, and projects. Groups such as the OECD DAC Network on Development Evaluation and the International Initiative for Impact Evaluation (3ie) should be actively supported.
- **Support indigenous monitoring and evaluation capacity in developing countries.** Partner countries must themselves be able to conduct impact evaluations of development interventions, as well as a broad array of high-quality and policy-relevant evaluations.
- **Improve the quality of data available to measure progress toward the MDGs.** Data shortages, comparability problems, and large lag times weaken our ability to measure progress toward the Goals. Investments in sustainable data-collection systems are urgently needed.
- **Rationalize and harmonize reporting requirements to reduce the burden on developing countries.** The amount of scarce human, financial, and institutional resources in partner countries consumed by donors' reporting requirements should be minimized while preserving adequate accountability.

Strengthening Mutual Accountability

Partner countries and donors have responsibilities, recognized in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. Donors committed to making aid flows more transparent, reducing the fragmentation of aid and the proportion of tied aid, respecting the principle of country ownership, and coordinating and harmonizing development activities. Partner countries committed to taking stronger leadership of their own development policies, formulating and implementing those policies in an inclusive manner, strengthening the quality of policy design and implementation, and making public financial management more transparent. Partner countries and donors pledged to undertake regular, joint assessments of compliance with these commitments.

Although central to aid effectiveness, these commitments are not just about aid. They are commitments to exercise leadership in elevating development as a priority and doing all that it takes to drive progress.

Yet, significant gaps remain between rhetoric and action on mutual accountability. Donor disbursements lag significantly behind commitments, and partner countries can do much more to set in place inclusive pro-growth policies, engage citizens, and ensure the transparent and effective use of development assistance. Mechanisms to track commitments and evaluate compliance remain weak. As we approach the Fourth High Level Forum on Aid Effectiveness (HLF-4) in Seoul in 2011, it is critical that we fashion an aid effectiveness agenda that is grounded in evidence, transparency, cost effectiveness, and results.

A Better International Development Architecture

If we are to achieve the MDGs, the world needs a more coherent division of labor among donor agencies, international organizations, and other actors that is based on their respective comparative advantage. The most promising place to start making this principle meaningful is in the field, where efforts can be coordinated around concrete country plans and specific sectors and activities. Efforts to improve food security announced at L'Aquila will be a key test of our resolve to work together more effectively and efficiently.

**THE ROLE OF THE UNITED STATES
in Meeting the Millennium Development Goals**

The United States will put innovation, sustainability, tracking development outcomes, and mutual accountability at the heart of our approach to development, and, consequently, to the MDGs. We will exercise global leadership to ensure that these imperatives are reflected in the outcome document of the MDG Summit. We will make these imperatives central to our engagement on development in the G8 and the G20. And we will use our voice in the governance of the multilateral development institutions to further these imperatives.

In our own agencies, we will retain, improve, and, when appropriate, expand development-related activities that further these four imperatives. We will also reorient existing efforts across our development assistance portfolio to address innovation and sustainability more directly. We also plan to use our development policy to help guide the design of future development assistance initiatives, programs, and projects, including those for accelerating progress towards the MDGs.

To support countries' efforts to meet the MDGs, we will marshal the full range of our development policy instruments. These include our bilateral aid programs, key levers of policy, as well as our contributions to multilateral organizations and multi-donor trust funds. We will raise the profile of development in our diplomatic engagement with strategic allies, as well as in multilateral forums such as the G8 and G20. We also plan to leverage the resources and know-how of the U.S. private sector, non-governmental organizations, philanthropies, and diaspora networks.

This section identifies some of the key efforts that demonstrate the U.S. approach to development and our commitment to putting these principles into practice as we strive toward the MDGs. This is not a comprehensive list, but a selection of some of the most representative initiatives reflecting each dimension of the strategy. By design, we do not treat the MDGs as if they were separate baskets but focus on the cross-cutting nature of the four imperatives. The purpose is to emphasize that the MDGs are all connected, and that we must leverage cross-cutting synergies if they are to be achieved and sustained.

Investing in Innovation

Consistent with the strategy, we will increase support for innovation to address the development challenges that lie at the heart of the MDGs. We will do this by funding applied research, expanding access to existing technologies and practices, supporting academic partnerships, stimulating innovation in partner countries, and widening global access to knowledge and information.

Funding Applied Research

Innovation begins with basic and applied research. We will therefore expand our support for research networks and centers, starting with agriculture and health. Through our food security initiative, **Feed the Future** (FTF), the U.S. government will more than double its support for

agricultural research, finance national research institutes, and build local research capacity, including training local researchers and technicians. In 2009, the United States provided \$75 million to the Consultative Group on International Agricultural Research (CGIAR), a partnership of 15 centers across the world that apply cutting-edge science to foster sustainable agricultural growth that benefits the poor. This includes core support for long-term CGIAR research, as well as support to specific CGIAR centers for targeted research and technology-dissemination efforts.

At the same time, our **Global Health Initiative** (GHI) will channel \$63 billion over six years to help support partner countries working to improve health outcomes. An important share of these resources will support research to build and maintain high-quality health-service delivery and to reach marginalized populations. The GHI will also fund research to help countries improve health-service delivery models and replicate best practices from successful GHI programs, including the **President's Malaria Initiative** (PMI) and the **President's Emergency Plan for AIDS Relief** (PEPFAR).

Working together with a wide range of partners, we will pursue breakthroughs in public health across the developing world. Through the **International AIDS Vaccine Initiative** (IAVI), we will continue to invest in research and clinical assessment of candidate vaccines against strains of HIV prevalent in the developing world, where some 95 percent of new infections occur. By supporting the **Global Alliance for TB Drug Development**, we will continue to accelerate the discovery and development of new tuberculosis drugs that will shorten treatment, be more effective against resistant strains, prove more compatible with the antiretroviral therapies of HIV-TB patients, and improve treatment of latent infection. In partnership with the Bill and Melinda Gates Foundation and its **Saving Newborn Lives** (SNL) project, we are co-funding, designing, and implementing newborn health research in South Asia, along with plans for designing new studies in Africa. And we will continue efforts such as our partnership with the **Center for the AIDS Program of Research in South Africa** (CAPRISA), which has developed a microbicide for women that significantly reduces a woman's risk of HIV infection.

Expanding Access to Existing Technologies and Practices

At the same time, we will sponsor efforts to deliver the best existing technologies to more people, more quickly, and at lower cost. We remain committed to PEPFAR and to **investing in supply chain management** to ensure that life-saving antiretrovirals reach the people who need them more efficiently. In collaboration with the private and non-profit sectors, we are building a global **development alliance to reduce asphyxia-related neonatal mortality**. The alliance will expand the use of a novel, low-cost resuscitation technology. Through PEPFAR, the U.S. government is a founding partner of the **mHealth Alliance**, a public-private partnership to use mobile technology to bring enhanced health data, information, and eventually outcomes to previously inaccessible corners of the developing world. We are also supporting 14 countries in Southern Africa in the rapid implementation of **male circumcision as an HIV prevention strategy**, which if successful, will avert to up four million HIV infections by 2025.

In the area of food security, we will expand access to proven technologies in the agricultural sector through **Feed the Future**. FTF will finance investments to increase access to affordable agricultural inputs and improved techniques and technology, including agricultural biotechnology, high-quality seed, livestock feed, fertilizer, and water-resources management practices. It will also expand access to knowledge through agricultural extension services tailored to meet local needs.

Building Learning Partnerships

Through several means, we will strive to build innovation capacity in developing countries. First, we will cultivate new and existing learning partnerships to foster collaboration and knowledge transfer between U.S. institutions and their counterparts in developing countries. Through our **Collaborative Research Support Programs (CRSPs)**, we will continue to support long-term research collaborations between U.S. and developing-country universities to address development challenges. Eight active CRSP programs are currently in place, involving 60 U.S. universities and research institutions in more than 60 developing countries.

Another example is the **Higher Education for Development Program**, a competitive grant program that promotes partnerships between U.S.-based institutions of higher learning and counterparts in partner countries to target development challenges. In the field of global health, we will work with partners to strengthen **medical and nursing education and research** in Sub-Saharan Africa. African and U.S. universities will collaborate to develop better education models to train local health technicians, and awards will be granted to help local scientists and health care workers to conduct multidisciplinary research.

Stimulating Innovation in Developing Countries

Second, we will stimulate innovation in developing countries through prizes, competitions, technical support, and specialized funds. Already, we are supporting the development of **Regional Centers for Scientific Excellence on Water in the Middle East** and a similar initiative on climate change to support technology transfer, capacity development, scientific exchanges, and the application of science to address resource challenges. The U.S. Agency for International Development (USAID) is preparing to launch a **Development Innovations Lab**, which will bring leading development researchers and social entrepreneurs to work with Agency staff and create new approaches to development. The Lab will provide funding to pilot new innovations, rigorously test their impact on beneficiaries, and transition the most promising innovations to scale. To leverage the United States' unique capabilities in science, technology, and innovation around a shared set of development challenges, we held a conference on **Transformational Development through Science and Technology** in July 2010, bringing together the Federal Science Cabinet of the United States and globally-recognized innovative thinkers.

Increasing the availability of risk capital is essential to give innovators in partner countries a chance to put their ideas to work. Through the Overseas Private Investment Corporation, we launched in October 2009 a **global technology and innovation call** for privately managed investment funds. The funds will make investments in start-up and growth-oriented companies in the telecommunications, media, and technology sectors in developing countries, starting in the Middle East and North Africa. The funds represent over \$800 million in potential commitments by OPIC, and together with additional private sector capital, catalyzed by OPIC, they may provide over \$3.2 billion in private equity capital for Muslim-majority countries in the Middle East and North Africa. In addition, USAID, in partnership with others, is planning to establish a **revolving angel fund** for early-stage investments in technology and media firms in Africa. The fund will invest in promising projects and enterprises focusing on tech hubs in Uganda, Kenya, Cameroon, South Africa, and Senegal.

In addition, we will support innovation in partner countries through multilateral channels. With the support of the United States, the World Bank Institute recently established an **Innovation Practice**, which will serve as a catalyst for innovation in developing countries through a combination of partnerships, networks, innovation labs, and both live and virtual spaces for interaction.

Expanding Global Access to Knowledge

A third way of nurturing innovation capacity in partner countries is to facilitate access to scientific and technical knowledge. In Iraq, the U.S. government spearheaded the creation of the **Iraqi Virtual Science Library**, a digital platform combining social networking with scientific databases to encourage collaboration around key development challenges. Recently transferred fully to Iraqi hands, the Library now provides 7,000 users with free access to world-class technical and scientific journals and courses. Currently, its users download 30,000 articles per month. We are now exploring ways to develop a global virtual science library based on the Iraqi experience. In a similar vein, the World Bank launched last April, with U.S. support, its **Open Data Initiative**, which makes one of the world's largest collections of data on development and global economics freely available.

Meanwhile, we will work to ensure that data generated from our own studies and evaluations are as widely disseminated as possible. Findings from research supported by the **Global Health Initiative** will be shared within and across countries and with all GHI partners. And our efforts to upgrade monitoring and evaluation at USAID and other agencies include proposals to make project data publicly available with minimal lag times.

Widening access to knowledge also means finding new ways to expand access to education. Through a large portfolio of activities, the U.S. government supports a wide variety of **training, workforce development, and higher-education programs** that strengthen faculties and administrations in developing countries. USAID alone devotes over \$1 billion to education programming annually—a 700 percent increase since 2000. In addition, the United States

provides both long and short-term training opportunities to hundreds of thousands of individuals in developing and transition countries each year. The United States also is an active participant in **Education for All** (EFA)—a multi-donor trust fund to provide quality universal education—and in the **EFA Fast Track Initiative**, a global partnership between donor and developing countries to ensure accelerated progress towards achieving quality universal primary education.

Institutional Innovation

As part of the Quadrennial Diplomacy and Development Review (QDDR) and the Presidential Study Directive (PSD-7), we are committed to **modernizing and strengthening our capacity to achieve development outcomes**. This will entail elevating development as a central pillar of our national security strategy, equal to diplomacy and defense, as well as strengthening coordination between the Department of State and USAID.

Investing in Sustainability

Innovation will increase the probability of development breakthroughs, but it cannot guarantee that development gains will be sustainable. For that, a different set of tools is required. These include efforts to promote sustainable and inclusive growth, nurturing well-governed institutions, building sustainable service-delivery systems, and mitigating the impact of shocks.

Promoting Broad-Based Economic Growth

We will work with partner countries to secure key preconditions for sustained and inclusive growth. These include promoting trade, expanding agricultural productivity, investing in infrastructure, stimulating entrepreneurship, and facilitating access to finance.

Through the **Millennium Challenge Corporation** (MCC), we will continue to support investments targeted at achieving inclusive economic growth. The MCC's model—providing large-scale grants to finance locally-owned solutions in countries committed to policy performance—has much promise to advance economic growth and reduce poverty. Combined with the MCC's strong culture of impact evaluation and benefit-cost analysis, the MCC is well equipped to identify effective interventions and how they can be replicated. At the same time, we will continue to look to the **multilateral development banks** to help partner countries design and implement pro-growth policies, strengthen financial sector development and domestic resource mobilization, and serve as key sources of long-term finance. To promote labor market policies that are pro-poor and inclusive, we support programs to improve compliance with labor standards in global supply chains. These include the **Better Work** program, a U.S. government-supported partnership with the International Labor Organization and the International Finance Corporation.

Second, we will continue the efforts to strengthen the rules-based **multilateral trading system**. The United States is committed to generating new trade flows for all countries through its leadership role in the WTO and the **Doha Round** of trade negotiations. In addition, the **African Growth and Opportunity Act** (AGOA), which provides trade preferences for quota and duty-free entry of goods from Sub-Saharan Africa into the United States, continues to stimulate exports from that region. AGOA has been extended to 2015, and the Act's apparel special provision has been extended through 2012.

In addition, our extensive portfolio of **trade-capacity building** activities will help countries take advantage of open markets and economic opportunities. For example, the USAID "Trade Hub" programs are designed to help African businesses take advantage of AGOA. Four Trade Hubs—in Botswana, Senegal, Ghana, and Kenya—are helping African entrepreneurs navigate U.S. customs laws, identify export financing, find buyers, and get assistance with pricing and marketing.

Third, we will continue to support economic growth through investments in infrastructure. The **African Trade Lanes Partnership** run by the U.S. Trade and Development Agency (USTDA) finances regional transportation infrastructure to develop Sub-Saharan Africa's most vital trade lanes and transportation networks. These investments will facilitate local, regional, and global trade. At the Department of the Treasury, the Office of Technical Assistance has established an **Infrastructure Finance Team** to help developing-country governments establish effective public-private partnerships by providing technical assistance for promising projects. With our partners in the **multilateral development banks**, which have a wealth of experience in the design, financing, and implementation of infrastructure projects, we are supporting a wide variety of projects across the developing world.

Fourth, the President's **Feed the Future** initiative will contribute to inclusive, sustainable growth by financing a wide range of investments in the agriculture sectors of up to 20 developing countries. FTF is expected to reach 25-30 million people and raise their incomes by 10 percent per year for a sustained period. We will also support investments in agriculture through the **Global Agricultural and Food Security Program**, a World Bank-administered fund that will allow us to leverage financing with traditional and non-traditional donors in support of country-led investment plans. The United States has pledged \$475 million to the Program and has been joined so far by the Bill and Melinda Gates Foundation and the governments of Canada, Spain, and Korea. We have already provided \$67 million of the total pledged.

Fifth, we will help stimulate entrepreneurship in developing countries. USAID helped launch and has long supported the International Finance Corporation's **Doing Business Index** to measure the quality of the regulatory and business environment across countries. More recently, President Obama hosted the **Presidential Summit on Entrepreneurship**, which brought together 250 successful entrepreneurs from more than fifty countries to identify ways to advance economic and social entrepreneurship, build networks, and establish partnerships.

U.S. government efforts to stimulate entrepreneurship in partner countries include **Entrepreneurs for a New Beginning**, which is a new, two-way professional exchange program that will bring 100 entrepreneurs to the United States over the next four years and send 100 Americans abroad. The program will introduce participants to strategies used in the United States to enhance the skills of young business managers and social entrepreneurs. Another new program, **TechWomen**, will bring professional women in the technology sector to the United States to work with mid-level female employees in technology hubs such as Silicon Valley.

To harness the power of diaspora networks, we have created the **African Diaspora Marketplace** (ADM). This is a business plan competition designed to promote economic development in Sub-Saharan Africa by supporting the entrepreneurial spirit and resources of the U.S.-based African diaspora community. It does so by facilitating diaspora direct investment in viable small- and medium-sized enterprises.

Finally, sustainable and inclusive economic growth cannot take place without stable access to finance. Through programs and projects conducted by USAID and the Treasury Department, the U.S. government will continue to support governments in their **efforts to raise and mobilize domestic revenue** more effectively. This means sustained technical assistance; investments in information technology; and analytical and policy work on banking regulation, legal regimes, and tax policy.

Other efforts focus on extending access to financial services by small- and medium-sized enterprises and the poor. We are participating in the **Access through Innovation Sub-Group of the G20 Financial Inclusion Experts Group**, which has developed principles for innovative financial inclusion and is working to develop concrete actions to implement the principles. The G20 has also launched the **SME Finance Challenge**, a call to the private sector to put forward its best proposals for how public finance can maximize the deployment of private finance on a sustainable and scalable basis.

Through the Treasury Department's Office of Technical Assistance, we will continue to provide technical assistance to expand access to finance. For instance, the **Latin America and Caribbean Financial Inclusion Initiative** promotes lending to small and medium-sized enterprises from banks and other financial entities that have long focused on large customers. And the Overseas Private Investment Corporation will provide support to an \$80 million **SME Finance Company** that provides long-term debt to small and medium enterprises in the Middle East and North Africa.

Nurturing Well-Governed Institutions

We will support partner countries in their efforts to foster capable, transparent, and responsive public institutions. Globally, the U.S. government currently spends over \$2.5 billion per year in 90 countries to **strengthen governance and democratic institutions**. This includes a wide-

ranging portfolio of bilateral investments to help strengthen electoral institutions and processes, develop vibrant civil societies, nurture an active media, and promote the rule of law. We also work with a broader range of multilateral institutions not traditionally associated with development to infuse development ideas into their work with a goal of widening their reach into areas that complement development initiatives.

Through multilateral forums, we will continue to support voluntary standards, legal instruments, networks, and enforcement mechanisms to battle corruption. The United States contributes to the **Extractive Industries Transparency Initiative** (EITI), a multi-donor trust fund to promote transparency in the management of natural resources, and President Obama recently signed into law a new disclosure requirement that shines a sustained light on payments by oil, gas, and mining companies to governments.

The United States was a leader in the creation of the **UN Convention Against Corruption** (UNCAC), which entered into force in 2005 and remains one of the most powerful global instruments against corruption. In cooperation with the Convention signatories and civil society, we will support efforts to enforce and verify compliance with the UNCAC. The United States continues to lead in the fight against foreign bribery through our support of the **Anti-Bribery Convention** and robust enforcement of the **Foreign and Corrupt Practices Act**. To combat money laundering and terrorist financing globally, we will maintain our long-standing support for the **Financial Action Task Force** (FATF) and work with global law-enforcement networks to close financial systems to corrupt leaders, terrorists, and organized crime. We will also bring high-level political attention to the fight against corruption through the G8 and G20.

Our efforts at the global level have been complemented by regional initiatives. In the Middle East, we have sponsored the creation of the first-ever **network of anticorruption officials** in the region. In the Americas, the United States continues to participate in the follow-up mechanism to the **Inter-American Convention Against Corruption**. And through the regional development banks, we will continue to support efforts such as the Inter-American Development Bank's **Institutional Capacity of the State Fund** and its **Anticorruption Activities Trust Fund** to enhance social control of public management.

Empowering Women and Girls

To expand access for women and girls to political and economic opportunity, we will help identify and benchmark barriers to progress. USAID has developed a methodology, known as the **Gender Business Climate Legal and Institutional Reform Tool** (or GenderCLIR) to measure barriers faced by women entrepreneurs in seven areas: social customs and women's role in society, the private sector, labor, credit, property, trade, and commercial justice. USAID piloted this methodology in Rwanda and Vietnam and has extended it to West Bank Gaza and Tanzania. In the same vein, the U.S. government is supporting the **Greater Access to Trade Expansion Project** to enhance development practitioners' understanding of how gender roles and relations impact value chains and program outcomes.

We will continue efforts to **mainstream gender** into core development efforts. The Millennium Challenge Corporation has spearheaded efforts to mainstream gender into its compacts with developing countries. Meeting the needs of women and girls is at the core of our presidential initiatives. The **Global Health Initiative** will strengthen programs that serve women and girls, including maternal health, family planning, and nutrition programs, and it will address barriers that prevent women and girls from accessing health care services and participating in health care decision-making. **Feed the Future** will focus on crops that disproportionately enhance women's standing, production, and incomes, and women will receive targeted access to financial services and extension services delivered by female extension workers.

We will also work to protect the rights of women across the world. Already, we are working to enhance the capacity of the justice sectors in 10 countries to enforce **women's legal rights**. We are supporting the drafting and adoption of legislation to combat sexual harassment, domestic violence, and trafficking in persons in several countries, as well as training public magistrates and defenders on issues of gender-based violence and women's rights. Women have also received training on the management and operations of political parties. Through PEPFAR, we have committed \$30 million to support gender initiatives in Africa to **assist victims of gender-based violence**, and through the Department of Labor, we will be providing \$60 million in new programs to **address the worst forms of child labor**. These programs will help keep girls out of harmful work and help provide them with educational opportunities.

Building Sustainable Service-Delivery Systems

We will make significant investments in sustainable service delivery, both through bilateral programs and projects and through multilateral channels. The largest investments will take place in the health sector. Through the **Global Health Initiative**, we will identify and implement strategies to address health-system bottlenecks that constrain improved health for women and children and their communities. We will work with partner countries to build their capacity to manage, oversee, and operate national health systems, as well as develop human resources by training and mentoring health workers. To monitor health-service provision and outcomes, the GHI will strengthen existing data-collection systems and contribute to joint assessments of national health programs, reviews of financing gaps and absorptive capacity, and auditing and reporting tools. We will continue to invest in supply chain management, including forecasting and quantification, procurement, warehousing, and management of information systems.

We are already investing in sustainable health systems through multilateral channels. The U.S. government will continue to invest in the **Global Fund to Fight AIDS, Tuberculosis and Malaria**, which devotes an important share of its resources to strengthening health systems. The U.S. government is the largest donor to the Global Fund, having contributed more than \$4.3 billion to date. The FY 2010 appropriations include an additional \$1.05 billion for contribution to the Global Fund, subject to Congressional withholdings.

Mitigating Shocks

Consistent with our MDG strategy, we will support countries seeking to protect themselves from economic and ecological shocks that can reverse hard-won development gains. We will do this in three ways. First, we will continue to support the **multilateral development banks** in their role as providers of emergency financing to help developing countries cope with global downturns, energy and food-price shocks, and disruptions in global trade finance. These efforts complement the United States' leadership in the G20, which in 2009 helped mobilize over \$1 trillion to help stabilize the world economy.

Second, through **Feed the Future**, we will help farmers in developing countries prepare for and mitigate shocks more effectively by providing them with better risk-management tools and practices. As part of larger packages of country-led investments, we will provide improved weather and climate forecasting, monitoring, and modeling systems; increase access to sound and affordable financial and risk management services, such as insurance instruments, savings accounts, loans, and other financial tools; and invest in disaster early-warning systems and response planning.

Third, we will help developing countries reduce the vulnerability of human and natural systems to the impacts of climate change. Through the President's **Climate Change Initiative**, we will continue to strive to meet the President's commitment to provide our fair share of approaching \$30 billion in international climate finance over the 2010 to 2012 period, including \$1 billion to REDD+ (Reducing Emissions from Deforestation and Forest Degradation Plus) during this same timeframe. We will also place the United States on a trajectory to meet our long-term Copenhagen commitment to jointly mobilize \$100 billion per year in public and private sources by 2020 in the context of meaningful mitigation actions and transparency from developing countries.

Most importantly in the context of the MDGs, we will provide resources to support the **implementation of adaptation strategies** in countries critically affected by climate change, particularly in Africa, least developed countries, small island developing states, and glacier-dependent countries. In collaboration with others, we will develop strategic approaches, data- and decision-support tools, methodologies, and institutional capacity building to strengthen the resilience of communities to anticipated climate change impacts.

Finally, protecting and soundly managing the **natural resource base** is critical for preventing and mitigating shocks. We will continue to work to improve the management of land and water resources to protect human health, enhance food security, and minimize the tensions associated with the management of shared resources.

Monitoring, Measurement and Evaluation

Our commitment to measuring results will take several forms. We will support and learn from institutions within and outside the U.S. government embracing **best practice in monitoring and evaluation**. The Millennium Challenge Corporation, in particular, has a rigorous monitoring and evaluation approach, including a strong commitment to conducting impact evaluations, which can serve as a useful source of lessons learned for the rest of government. We will also join the **International Initiative for Impact Evaluation (3ie)** to learn about and contribute to best practices in this area.

Second, we will ensure that major presidential initiatives, including **Feed the Future** and the **Global Health Initiative**, embrace and operationalize high-quality monitoring and evaluation as a core principle. This implies a strong commitment to collecting baseline data, improving indicators, conducting high-quality process evaluations, and where appropriate, undertaking impact evaluations. Timely evaluations are also important, so that learning can be fed quickly back to the field for mid-course corrections. Technical assistance will be provided to allow partner countries to develop their own monitoring and evaluation capacity.

Third, we are working to strengthen our institutional capacity to monitor and evaluate development outcomes. An **Office of Learning, Evaluation, and Research** was recently created at USAID to support and guide the Agency's evaluation activities, extract lessons from evaluations, and ensure that they are fed back into planning and operations.

Fourth, we will continue to encourage strong monitoring and evaluation functions in the **multilateral organizations** we support. We actively promote high-quality, independent evaluation and audit departments, the use of external evaluations where appropriate, and the public dissemination of data and results in a format that is intelligible to a wide range of stakeholders.

Finally, we will support efforts to improve our ability to track progress on the MDGs, including the World Bank's **Mapping for Results** effort to develop interactive mapping of the Goals. The initiative will provide information at the sub-national level to allow tracking of the relationships between aid flows, public expenditures, and poverty and other development indicators such as infant mortality and life expectancy.

Enhancing Mutual Accountability

We will support principles to strengthen the ability to **track, monitor, and report** on progress by making donor commitments clearly defined, results-oriented, and time bound. These principles are central to the credibility of multilateral fora, just as commitments to good governance are essential for the credibility of partner governments. The G8 Accountability Report in 2010 was critical step forward, and one on which we intend to build.

Meanwhile, we will put in place a new framework on aid effectiveness to guide our efforts. We will start by launching a major **aid transparency initiative**. In collaboration with U.S. agencies, other donors, and partner governments, we will identify the most appropriate timelines and channels to disseminate country-level information about aid flows. After undertaking country pilots, the approach may then be scaled up. We will also seek to establish common reporting frameworks and develop an **Aid Dashboard** that allows stakeholders to visualize U.S. foreign assistance investments by geographic area or sector, see the details of specific projects, and track trends over time.

Finally, we will make the accountability of our partners for their commitments central to our approach. This will require a greater focus on encouraging the policy reforms that are key to development and essential to securing sustained development progress in countries that receive U.S. assistance.

Conclusion

The drive to achieve the MDGs by 2015 represents a valuable opportunity to leverage human ingenuity, leadership, and resources to generate historic development leaps. Innovation can help us accelerate development, but if these gains are to prove enduring, we must start taking serious steps now to make them sustainable. Always committed to country-owned solutions, we must embrace a disciplined focus on measuring results, learning from experience, and ensuring that mutual accountability is meaningful in practice.

If we do these things, we can limit the worst human suffering in our world and help hundreds of millions of people to unlock their potential to improve their communities and societies. The United States stands ready to advance this goal in partnership with others, secure in the knowledge that this venture advances both our foreign policy objectives as well as our highest aspirations.