

September 29, 2016

The Honorable Gayle Smith  
Administrator  
U.S. Agency for International Development  
Ronald Reagan Building  
Washington, DC 20523  
Attn: Ms. Michele Sumilas

Dear Administrator Smith:

On behalf of the Modernizing Foreign Assistance Network (MFAN), we are writing to follow up on our [March 2016 letter](#) and commend you for the recent release of USAID's revised internal Automated Directives System (ADS) guidance, specifically ADS 200 and 201.

As this new guidance has the potential to have a major impact on how the Agency designs, operationalizes, and evaluates development programs, MFAN is pleased to see that it strongly reflects the Obama Administration's as well as your personal commitment to increasing accountability and local ownership and empowering Mission staff in the field. This rewrite brings USAID's operational guidance into alignment with President Obama's U.S. Global Development Policy of 2010, and will strengthen U.S. efforts to achieve this Administration's goal of working with others to end extreme poverty by 2030.

We are particularly encouraged to see the following elements, which we believe will have a positive effect on U.S. development policy and practice:

- **Principles of development policy: evidence-based, inclusive, sustainable, and coherent.** These four principles, as outlined in ADS 200 on Development Policy, will help to shape how the agency operates, what programs look like, and where and how decisions are made. We anticipate that adhering to these principles will cultivate policies that are necessary, and get results.
- **Prioritizing aid effectiveness.** The new guidance highlights that aid effectiveness principles – including partner country ownership, strategic alignment with partner country or regional development priorities, harmonization with other donors, and mutual accountability – be promoted by country and regional development cooperation strategies (CDCS). Embedding these principles into strategies and programs from the beginning of a CDCS will help ensure they are truly integrated into practice.
- **Support for country ownership.** ADS 201 adopts the MFAN frame of country ownership, calling for programs to be designed to align with the *priorities* of local actors, leverage local *resources*, and increase local *implementation* to sustain results over time. Particularly encouraging is that Missions will now have the option to submit a budget scenario, of the Mission's "optimal distribution of funding," to highlight priorities missed by the required scenario. This new provision aligns with the recommendation made by the [USAID Office of Inspector General](#) that USAID policy should better "clarify how local priorities and budget are weighted and to what extent the CDCS should reflect these needs."
- **Driving accountability through transparency, evaluation, and learning.** Principles of accountability – MFAN's other pillar for sustainable development – are thoroughly reflected throughout ADS 200 and 201, and there is a particularly strong focus on evaluation and learning. We are pleased to see the explicit mention of including local stakeholders and beneficiaries in the planning process for evaluations, as well as the call for building up local evaluation capacity, both critical components of accountability that MFAN has long called for. Integrating learning into USAID's policy and practice is also a clear priority. The new guidance prioritizes an adaptive, evidence-based management approach in order to ensure mid-

course corrections can be made based on changing context and what is or is not working. Additionally, ADS 201 emphasizes the importance of evaluation utilization to inform decision-making and improve program quality. We view this piece as key to achieving sustainability with USAID's investments.

The integration of accountability, ownership, and sustainability throughout the guidance will enable Mission Directors, Program Managers, and implementing partners to prioritize long-term systemic change alongside short-term program delivery.

This more streamlined and focused guidance is truly commendable, and it marks a return to USAID's best practices. As we noted in our original letter, we had hoped to see the inclusion of specific metrics and indicators on sustainability and ownership, and we look forward to working with you on ways to better measure progress in these areas as we transition to a new administration.

Sincerely,



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MFAN Co-Chair  
Senior Fellow, Brookings



Connie Veillette  
MFAN Co-Chair  
Senior Fellow, The Lugar Center



Carolyn Miles  
MFAN Co-Chair  
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Cc: Wade Warren, Assistant to the Administrator, Bureau for Policy, Planning and Learning, U.S. Agency for International Development