

A photograph of two young children, a boy and a girl, looking intently at a smartphone held by the boy. The scene is set in a dark environment, with the primary light source being the screen of the phone, which casts a soft glow on their faces. The boy is wearing a red shirt with yellow and blue stripes on the sleeves, and the girl is wearing a colorful patterned shirt. The background is mostly black, with a faint light source visible on the left side.

# ANNUAL LETTER 2014





Zahur Ramji | AKDN



USAID



Worldreader

*\*cover photo*

Development Innovation Ventures grantee  
Off-Grid: Electric is lighting up Tanzania  
through more reliable, affordable, and  
sustainable electrical services.

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Matthieu Young

# A NEW MODEL

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*I have seen how a new model of development can inspire people from all walks of life.*

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Before joining USAID, I never could have imagined the depth of passion that exists for our nation’s leadership in global development. When I was sworn in, people often asked me if I was worried about the unpopularity of development. According to nearly every poll, Americans wanted to cut foreign aid. But over the last four years, I have seen how a new model of development that delivers meaningful results in a cost-effective way can inspire people from all walks of life.

I have seen this excitement on college campuses, where it feels like every student wants to do a science project or an internship in global development. I have seen it in boardrooms, where CEOs look for opportunities to invest in solutions that end poverty.

And I saw it this year at the National Prayer Breakfast, where a gathering of bipartisan leaders honored our work to fight hunger and disease. When we make our case effectively, people not only listen; they unite enthusiastically in support.

I believe this passion comes from an understanding that our nation is at its best, at its strongest, at its most secure, when we lead with our values. Today, I am more certain than ever that if we continue to advance these values with cost-effective results, we can achieve one of the greatest moral aspirations ever imagined. We can answer President Obama’s historic call to end extreme poverty in the next two decades.

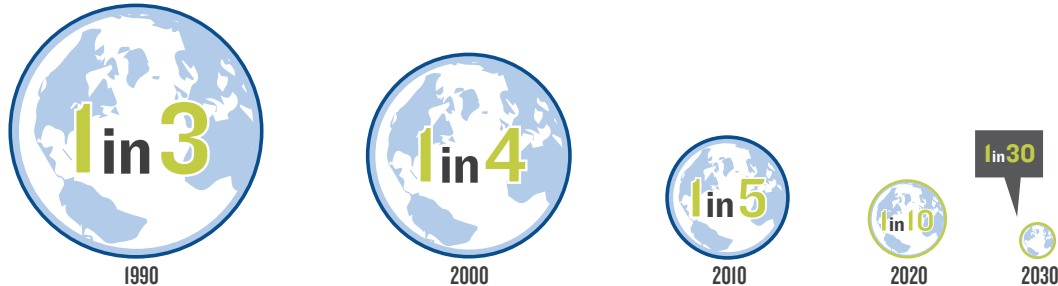
Because we are closer than you think. From 1990 to 2010, child mortality fell by half, the number of children in primary school grew to 90 percent, and around 2 billion people gained access to clean water. Since 1999, the total number of those living in extreme poverty has declined by nearly 50 million people every year, on average.

Projections of what we can achieve differ, but most experts agree that reducing the number of people living in extreme poverty from 1.2 billion to 200 million people—roughly 3 percent of the global population in 2030—is an ambitious but achievable target.

# ENDING EXTREME POVERTY BY 2030

Extreme Poverty as a Fraction of the Global Population

Credit: The World Bank



To reach it, however, we need a new model of development that reflects the exciting realities of our time.

New sources of investment—from international private equity to local wealth—are transforming our ability to encourage policy reforms and open thriving markets. New technologies connect us directly to impoverished rural families. And new partnerships with faith communities and civil society organizations are enabling us to scale efforts that reach the poorest of the poor.

In order to seize these opportunities, President Obama elevated development alongside diplomacy and defense as

a core pillar of our national security and foreign policy. Thanks to strong bipartisan support, our Agency has been able to deliver on these high expectations by making tough trade-offs. In order to focus where needs are greatest, we have reduced programs in our regional bureaus by 34 percent in just the past four years.

We've hired more than 1,100 new staff, including 75 percent more contracting officers and 90 percent more financial managers. Today, the USAID family numbers 9,600 people and includes epidemiologists, agronomists, financial experts, and at least one planetary physicist. We host the largest number of fellows from the American Association

for the Advancement of Science of any federal agency, as well as a growing cadre of field investment officers dedicated to structuring innovative private sector deals.

We've reestablished the Agency's policy and budget capabilities and are implementing world-class policies on gender, fragility, and resilience. Today, evaluations for our major programs and an interactive map of all our projects are available on iPhone apps—an unprecedented level of transparency.

We are capturing the best ideas in development through open competitions. A few years ago, we often had no more than a handful of proposals

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***We can answer President Obama’s historic call to end extreme poverty.***

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for our solicitations. Since then, we have launched five Grand Challenges for Development and built the Development Innovation Ventures fund. Today, these competitions have received thousands of applications, with nearly half arriving from developing countries.

Our focus remains on working ourselves out of business—replacing our efforts with those of responsible institutions, thriving civil societies, and vibrant private sectors.

Although we may not meet our aspiration to shift 30 percent of our funding to local solutions by 2015, we are more than

halfway to our target. Last year alone, we worked with 1,150 local organizations in 74 countries.

We have dramatically improved our oversight and accountability to safeguard U.S. taxpayer dollars even in the midst of war. As a result of a rigorous new review process, the average size of our awards in Afghanistan has gone down 35 percent, and we established an Agency-wide unit for ensuring contractor compliance. Since its inception, we’ve executed over 230 suspension and disbarment actions—25 times the number we executed just a few years ago.

## ACCELERATING IMPACT THROUGH USAID’S DEVELOPMENT CREDIT AUTHORITY

\$3.1 billion in private capital unlocked since 1999



54% in the last 3 years alone

385 credit guarantees since 1999



41% in the last 3 years alone

For every \$1 paid in claims, USAID unlocks \$109 in private capital



1.89% default rate

The results in Afghanistan have been tremendous. Child death has been cut by more than half; maternal mortality has declined by 80 percent; and access to health services has been expanded by nearly 60 percent. Five million boys and three million girls are enrolled in school, compared to just 900,000 boys under the Taliban. And with our support, more than 7 million Afghans, over a third of whom were women, recently voted in the nation's first presidential democratic transition.

Most striking, these results have been achieved for less than 3 percent of the total budget spent by the U.S. in Afghanistan. We are not blind to the challenges ahead, but as millions of girls head off to school and their families vote, we are proud to stand by them.

Four years ago, I asked a bipartisan congressional coalition to support an evidence-based transformation of our foreign assistance. By insisting on policy reforms, harnessing innovation, and leveraging private capital, we have found new ways to focus our resources and maximize our impact. Real work remains applying these practices across

the board, but I want to thank our teams and political champions for their extraordinary support to ensure that our nation pursues its humanitarian mission with effectiveness and confidence.

This is not just a story about change in Washington. This new approach is changing lives on the ground.

In Ethiopia, we are working with DuPont and local agricultural cooperatives to help 35,000 maize farmers increase yields by 50 percent. Private sector investment has encouraged the government to liberalize its seed sector. In the past, a Washington-based partner would have run the whole project.

In Liberia, a \$42 million project to improve health services is now funded on the basis of results—not commitments. We shifted resources directly to the Ministry of Health and Social Welfare, strengthening an essential institution and reimbursing the government only after results were achieved. In the past, a Washington-based partner would have provided the services itself.

These examples are not meant to show we're perfect. We're not. But we are learning and working to do better every day.

That's why we launched a bold new venture called the U.S. Global Development Lab. Designed to deploy the new model at an accelerated scale, the Lab will source, test, and deliver proven solutions—from expanding the reach of mobile banking to teaching a child to read in her local language to elevating the voices of all citizens.

With a suite of challenges, prizes, and partnerships, the Lab is not your typical government bureaucracy. Instead of losing months trying to hire new talent or compete a contract, new capabilities—including Lab Fellowships and the Development Innovation Agreement—make it faster and easier to hire experts and partner with world-class institutions to end extreme poverty.

Taken together, our experiences over the last several years paint a picture of the road ahead for development that should push us even farther, faster. ♦

## A NEW MODEL AT USAID

CORPORATE PRIORITIES	FUNDING LEVEL 2006-2009 v 2010-2013	RESULTS	COST-EFFECTIVENESS AND LEVERAGE
Feed the Future	+206%	Helped 6.7M farmers grow more food and improved nutrition for 12.7M children in 2013.	Cost-benefit analyses show an average rate of return of 32% for Feed the Future investments.
Child Survival	+42%	Helped achieve 8% reduction in under-5 mortality in our 24 priority countries in 2 years alone, saving 560,000 lives.	<i>Helping Babies Breathe Alliance</i> leveraged \$3 for every \$1 we invested, raising an additional \$23M for this life-saving partnership.
AIDS-Free Generation	+29%	With PEPFAR, we provided antiretroviral treatment to 6.7M people with HIV/AIDS in 2013—a four-fold increase since 2008.	The Global Fund raised \$2 for every \$1 pledged by the U.S. Government, leveraging billions for HIV/AIDS.
Power Africa	+420%	2,500MW of power projects have financially closed; another 5,500MW are in the planning stages—together enough to light over 10M homes.	For every \$1 the U.S. Government has committed, the private sector has committed \$2—over \$14 billion so far.
Resilience	+\$451M	Reduced disaster risk for 27M people and strengthened resilience for 3.4M in targeted zones in the Horn of Africa in 2013.	Each \$1 of investment in resilience yields \$2.9 in development gains, avoided livestock losses, and unneeded aid.
Education	+28%	Expanded education opportunities for 19M students in 2013.	<i>All Children Reading: A Grand Challenge for Development</i> matched \$1 for every \$1 we invested.
Water	+38%	Provided 38M people with access to water and 17.7M with access to improved sanitation since 2006.	<i>Securing Water for Food: A Grand Challenge for Development</i> leveraged roughly \$2 for every \$1 we invested.

Notes: Feed the Future, Power Africa, and achieving an AIDS-free generation are presidential priorities implemented by the whole of the U.S. Government. While the funding numbers represent only USAID-managed accounts, the results reflect collaborative interagency leadership and programmatic integration. Power Africa includes a portion of the President's funding commitment through 2015. Resilience represents a new focus that was not captured in prior year reports.







# SAVING 6.6 MILLION LIVES

**After helping craft a global goal to end preventable child death, we have seen our partner countries step forward to lead with robust business plans and report cards on child survival. We narrowed our focus on maternal and child health to 24 countries in critical need—aligning nearly \$2 billion a year against action plans that accelerate the rate of reduction in newborn, child, and maternal mortality. In two years alone, we have helped save 560,000 lives in these 24 priority countries. Together, we can end child death for the 6.6 million children who die each year before their 5th birthday.**



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***Efforts to introduce this life-saving antiseptic are underway in more than 15 other countries—far exceeding our expectations.***

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## **WHEN AN INFANT IS BORN IN A MOUNTAIN VILLAGE FAR FROM A HOSPITAL, HOW CAN WE PROTECT HER FROM A DEADLY INFECTION?**

In late February, I left behind the biting cold in Washington for my first visit to Nepal, a country whose exquisite natural beauty stands in sharp contrast to its gut-wrenching poverty. In a country with such tremendous potential, one in every 22 infants still dies before turning one.

The problem is that nearly two-thirds of babies are born at home, often in unhygienic conditions. Using information handed down to them for generations, mothers often treat freshly cut umbilical cords with turmeric, mustard oil paste, or even cow dung. Infections are rampant, and many infants die.

These deeply rooted cultural practices are, in part, why the newborn mortality rate in Nepal stagnated from 2006 to 2011. Many people began to think that the only way to make progress would be to invest heavily for decades in a high-tech hospital system. But there was another option. By

equipping community health workers with simple, innovative technologies, we could deliver essential health services right to the doorstep of expectant women and quickly save thousands of lives. Nepal could, in effect, leapfrog a slower, more traditional path in development.

With our support, researchers designed randomized control trials and feasibility studies to test the impact of applying an antiseptic called chlorhexidine to an infant's umbilical cord stump. The results were astounding. It cut infant mortality by 23 percent for pennies per dose—a dramatic reduction that could save 1,500 lives in Nepal this year alone.

But even the best technologies in the world will not work if they are not available. So we partnered directly with a local company called Lomus Pharmaceuticals to manufacture single-dose tubes of the antiseptic. Lomus even developed a gel

that has the consistency of mustard oil, so that caretakers will be comfortable using it instead of traditional remedies.

Today, local community health workers deliver chlorhexidine free of charge to expectant mothers across Nepal. Lomus has exported 240,000 tubes to countries like Madagascar and Liberia, and a company in Nigeria just became the first in Africa to produce chlorhexidine locally. Efforts to introduce the antiseptic are underway in 15 other countries—far exceeding our expectations.

This is one of several products that our Agency has guided from research to global impact. The first—oral rehydration solution and zinc—is estimated to have saved at least 3 million lives.

A pioneer in child survival, Nepal has proven that it is possible to achieve real progress under challenging circumstances. After more than a decade of conflict, Nepal has become one of only eight fragile states that have successfully halved extreme poverty. Today, we are helping Nepal build a stable, prosperous society by strengthening essential democratic institutions, including its Election Commission, Constituent Assembly, and political parties.

I saw USAID's innovative approach at work during my visit. I met Nepali scientists who are harnessing satellite remote sensing data through a USAID-NASA partnership to help farmers estimate their crop yields and plan for floods. At the Buddha Secondary School, I met teachers who are using e-tablets to assess the reading and comprehension skills of their students. And I met local entrepreneurs who are working with us to catalyze a mobile banking revolution in Nepal, just like we've done in the Philippines, Haiti, and Afghanistan. For those who remember the country's recent civil war, Nepal is pulsing with promise.

We still have a lot of work to do before Nepal's progress is mirrored in the rest of the world and chlorhexidine is available in every poor village. But we also know that saving the life of an infant creates a ripple effect. Parents gain the confidence to have smaller families, children grow up healthier, and economies flourish. Maternal and child death are not only a stain on our conscience but also a lead weight on our global prosperity.

That is why we rallied the world behind a new approach to child survival. By co-hosting an international Call to Action, we helped focus the disparate priorities



Valerie Caldas | USAID

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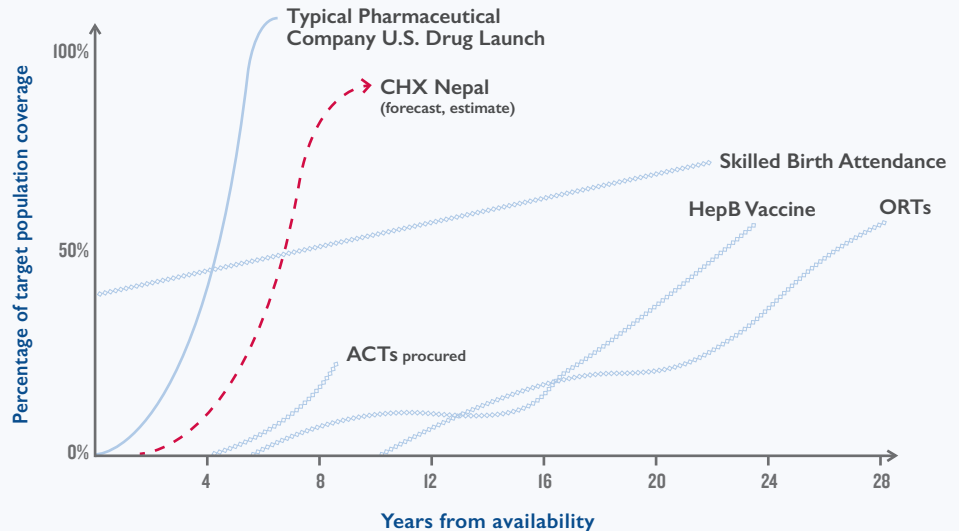
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of the global health community on a single, comprehensive, and achievable goal: ending preventable child death. Through the *Helping Babies Breathe Alliance*, we've teamed up with a diverse group of public and private partners to equip 130,000 health workers in 60 countries with the tools to resuscitate infants in some of the most remote corners of the world. Through *Saving Lives at Birth: A Grand Challenge for Development*, we've invested in 59 global health innovations just like

chlorhexidine that are already having an impact on the ground.

These kinds of global partnerships have helped cut under-5 mortality rates by 8 percent in 24 countries between 2010 and 2012. In two years alone, we have helped save 560,000 lives. Today, we are ensuring that Nepal's story—of a life-saving solution rigorously tested and applied on a transformational scale—increasingly defines how we work around the world. ♦

## SCALING CHLORHEXIDINE IN NEPAL



\*Adopted from USAID, Bill & Melinda Gates Foundation, and Boston Consulting Group analyses.



Teachers use e-tablets to assess reading skills at the Buddha Secondary School in Nepal.

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Suraj Ratna Shakya | USAID



# ENDING HUNGER FOR 860 MILLION PEOPLE

**As one of his first foreign policy acts, President Obama launched Feed the Future, a country-led approach to strengthen food security by focusing on smallholder farmers. Since 2010, we have quadrupled our own commitments, doubled research investments, and led critical reforms in food assistance. Today, Feed the Future has hit its stride—improving nutrition for 12 million children and helping nearly 7 million farmers grow their way out of poverty. Country partners are making tough reforms, and private sector and civil society partners are making substantial investments. Together, we can end hunger for the 860 million people who will go to sleep starving tonight.**





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***For the first time, farmers produced a surplus, enabling them to invest more deeply in health care and education.***

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## **WHEN RAINS SLOW, THE GROUND DRIES, AND THE CROPS WON'T GROW, HOW CAN WE GIVE CHILDREN THE NUTRITION THEY NEED TO THRIVE?**

When President Obama arrived at the Vatican in March, he presented Pope Francis with a small chest filled with fruit and vegetable seeds from the White House garden. It was a poignant gift, symbolizing the power of seeds to feed a global community and sow a brighter future.

That's exactly what is happening in Senegal today. Battling arid fields and short, unpredictable rains, rice farmers struggled for generations to produce ample harvests. Many seasons, they couldn't harvest enough to even feed their families.

In the early 1990s, a team of scientists at a research center in Côte d'Ivoire set about designing a solution. By crossing hardy indigenous strains of African rice with highly productive Asian varieties, they developed a new breed of rice that could resist pests, withstand droughts, deliver 30 percent more protein, and produce three times the normal yields. They called it New Rice for Africa—or NERICA.

But there was a problem: almost no farmers were planting it.

Game-changing technologies, like new seeds and fertilizers, only actually change the game when farmers adopt them. Despite the existence of improved seeds, the main maize varieties in parts of Africa still date from the 1980s. If we want to move from research to results much faster, we need to fundamentally rethink our approach.

In the past, we thought our job was done when we taught a farmer how to plant a new crop. Today, our job isn't done until we also help her learn how to run a successful business. That means ensuring credit is available, new technologies are accessible, and the entire chain—from farm to market to table—is profitable.

With President Obama's Feed the Future initiative, we are applying this new model in 19 countries around the world. In southern



Senegal, we introduced NERICA rice to 112 farmers. Yields tripled in a single year. For the first time, farmers produced a surplus, enabling them to invest more deeply in health care and education for their families.

Next, we had to bring these results to scale. Over the last four years, we've helped farmers learn how to collect data on fertilizers and seeds in order to accurately forecast their harvest. We've also helped seed associations get certified to sell on the open market and write business plans to negotiate better loans.

This past year, more than 3,700 farmers—most of them women—harvested 5,000 tons of NERICA rice. Its quality is so high that they have been able to save enough certified seed to expand coverage and double production in the next season. By 2017, NERICA rice production in Senegal is expected to reach 60,000 tons—enough to feed more than 400,000 people.

Years of work with the Government of Senegal to reform its banking sector, privatize its rice sector, and improve its microfinance environment helped set the stage for a successful scale-up. In three short years, the number of Senegalese

who accessed microfinance shot up from 450,000 to 1.6 million people. Last year through our Development Credit Authority, we partnered with a local leasing agency to provide up to \$5.6 million in leasing guarantees for agribusinesses to buy new tractors, harvesters, and grain mills. Local finance institutions now offer weather-indexed crop insurance so farmers can manage their own risk, just like any business owner.

Senegal is also now a member of the New Alliance for Food Security and Nutrition, a global public-private partnership that has facilitated over \$7 billion in planned investments from 160 companies, two-thirds of which are local. Launched by President Obama at the 2012 G8 Summit, the New Alliance has already helped 2.6 million smallholder farmers grow more food and created 33,000 new jobs across Africa.

In a country where agriculture employs two-thirds of the labor force, profits for farmers quickly translate into results for the entire country. Since 2005, child mortality in Senegal has fallen by 46 percent, and new vaccines against rotavirus and pneumococcus now give Senegalese



children the same protection as children in the U.S. In the last 20 years alone, the rate of extreme poverty across Senegal has fallen by 55 percent.

When President Obama visited Senegal in June, he not only met Feed the Future farmers but also civil society leaders who had played a critical role in preserving democracy through deep political strife during the 2012 presidential elections. In partnership with these local leaders, we established an Election Situation Room with rapid monitoring and response capabilities that helped ensure a fair, credible, and peaceful election.

Senegal's progress is reflected in Feed the Future countries across the world. This year alone, Feed the Future helped nearly 7 million farmers grow their way out of extreme poverty and improved nutrition

for 12 million children. But we still have work to do to keep up the momentum. We have to connect farmers to buyers and researchers to businesses—helping to multiply the reach of new seeds, fertilizers, and equipment. It needs to be easier for seed varieties developed in one country to be registered and sold in another.

Perhaps most challenging, we need to help farmers and agribusinesses make smart decisions in the face of increasingly unpredictable weather.

President Obama's gift to Pope Francis expressed meaning beyond its value. Sixty years ago, new seeds helped spark a Green Revolution that saved millions from starvation. Today, we're laying the foundation for a new green revolution that tackles extreme poverty at its roots and prepares farmers for a changing climate. ♦





President Obama speaks with Nimna Diayté, a Senegalese farmer who started a women's farming cooperative with help from Feed the Future. Today, Nimna coordinates the activities of more than 3,000 farmers.

Jim Watson | AFP

# YEAR IN REVIEW

## Rhode Island

At a factory in Providence called Edesia, 50 employees—including former refugees from Liberia and Burma—make high-energy peanut paste to feed starving children from Somalia to Syria. This factory and its jobs are the result of a decade of research that USAID supported to dramatically improve the science of saving lives.

## Mexico

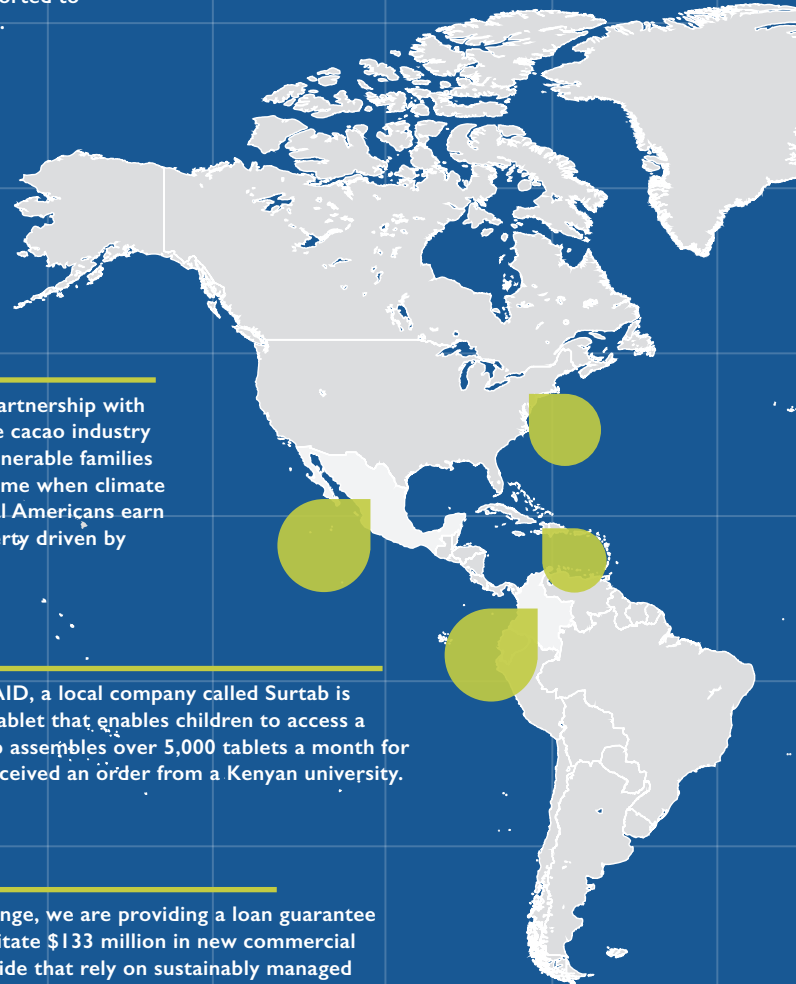
We recently signed the first-ever trilateral partnership with Mexico's development agency to catalyze the cacao industry in El Salvador, create 22,500 jobs, and lift vulnerable families beyond the grasp of extreme poverty. At a time when climate change is threatening how millions of Central Americans earn a living, we are paving a pathway out of poverty driven by smart partnerships with the private sector.

## Haiti

Started with seed funding from USAID, a local company called Surtab is producing a high-quality, low-cost tablet that enables children to access a global library of information. Surtab assembles over 5,000 tablets a month for the regional market and recently received an order from a Kenyan university.

## Colombia

To reverse the harmful effects of climate change, we are providing a loan guarantee to the Althelia Climate Fund, which will facilitate \$133 million in new commercial financing for forest-based businesses worldwide that rely on sustainably managed land use. Initiated by our Colombia Mission, this transaction will reduce CO2 emissions equivalent to taking 18.5 million cars off the road for one year.



## Zambia

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Thanks to a global effort launched by former Secretary of State Hillary Clinton called *Saving Mothers, Giving Life*, maternal mortality has fallen by a third in targeted regions in a single year. In Zambia, we have used geospatial technology to map travel time to clinics and set up a fleet of motorcycle ambulances to ensure that expectant mothers can get help in an emergency.

## Georgia

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We played a key role in helping Georgia hold successful presidential elections in 2013 and enjoy its first full, constitutional, and peaceful transfer of power. Together, we strengthened the rule of law, reduced corruption, and improved the delivery of essential services, including consistent energy distribution for the first time in 15 years.

## Syria

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The United States continues to lead the global humanitarian response to the crisis—providing life-saving aid for more than 4.2 million people in Syria and 2.7 million refugees. To ensure that this crisis doesn't rob a generation of children of their future, we have helped school systems in Jordan adjust their schedules so local children learn in the morning and Syrian children in the afternoon.

## Philippines

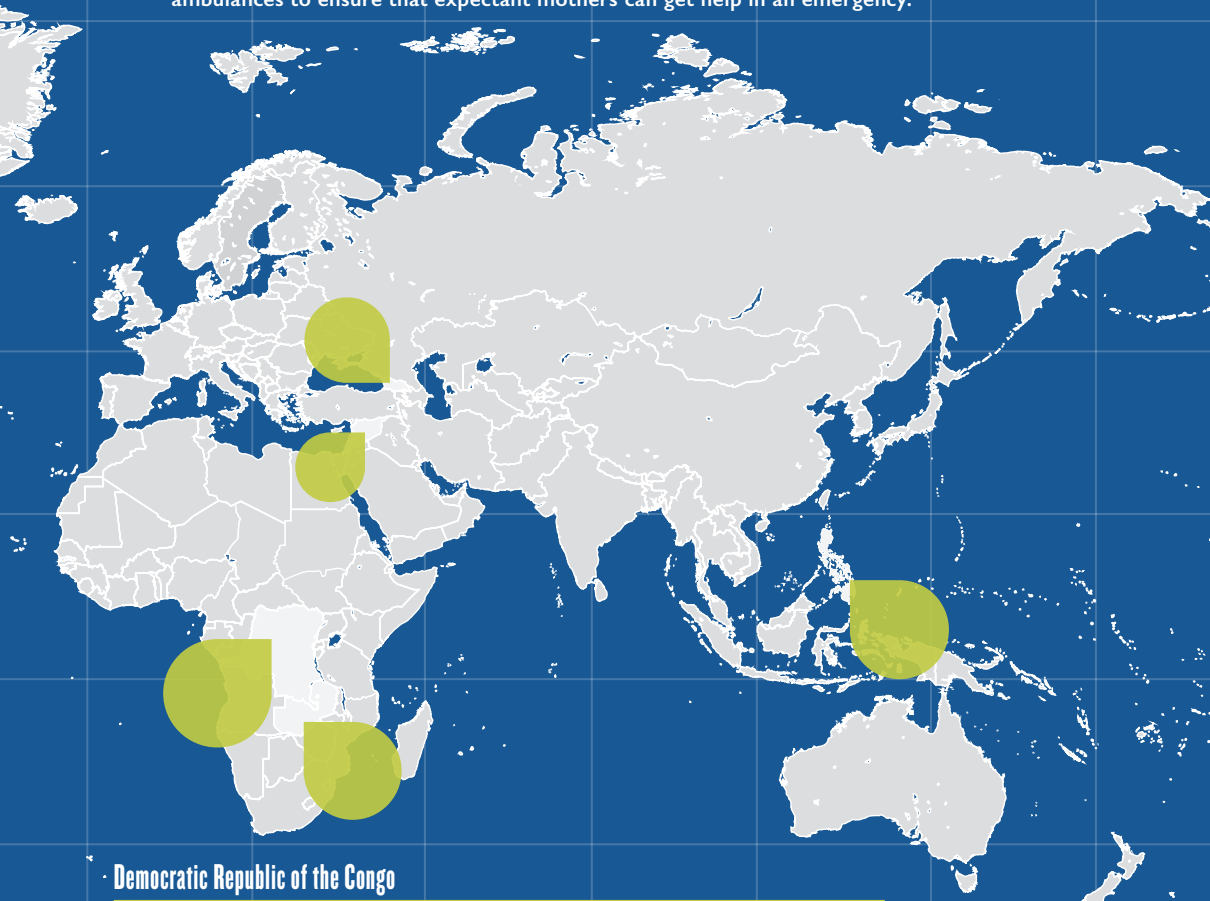
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Armed with satellite-based climate information, we swung into action even before Typhoon Haiyan swept ashore. Less than 10 days after the storm hit, we had the water system in the hardest hit areas up and running, providing clean water to 250,000 people. We also reached more than 3 million people with highly nutritious food.

## Democratic Republic of the Congo

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Conceived by a group of U.S. business leaders motivated by their faith, a foundation called Asili provides access to basic health, nutrition, and agricultural services while enabling payments through a secure mobile money platform. Designed with seed funding from USAID, Asili will enable 30,000 people in rural eastern Congo to access quality services over the next three years.





# TURNING ON THE LIGHTS FOR 600 MILLION PEOPLE

**Since 2008, America has more than doubled renewable energy generation, strengthening our economy and protecting our environment. But for developing countries, energy access remains a significant barrier to growth. Today, President Obama's Power Africa initiative is accelerating power generation and driving economic growth globally. Through a new model of public-private partnership, nearly 8,000 megawatts of power projects—enough to light more than 10 million homes—are coming online. Together, we can brighten the future for 600 million people in Africa who live without electricity and all it enables.**





LEÇON 11

Chaque jour, nous devons nous lever à l'heure. Nous devons aussi nous coucher à l'heure. C'est important pour notre santé. Nous devons aussi manger sainement et faire de l'exercice. C'est important pour nous garder en bonne santé.



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***Power Africa is not just about electricity. It is about leading the fight to end extreme poverty.***

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## **WHEN THE SUN SETS, HOW CAN WE GIVE EVERY CHILD IN POOR, REMOTE COMMUNITIES A LIGHT TO READ AT NIGHT?**

In November, we closed a deal to build one of the largest wind power generation farms in sub-Saharan Africa. By 2017, 38 powerful turbines built by GE will capture wind energy coursing through the plains of central Kenya and add 60 megawatts of power to the national grid—enough to power 150,000 Kenyan homes. Today, Kinangop Wind Park is one of three such farms planned in Kenya.

For most of the world, electricity allows businesses to flourish, clinics to store vaccines, and students to study long after dark. But for 600 million people across Africa, these opportunities simply do not exist, stifling the growth of economies and the hopes of citizens.

The energy sector in Africa has suffered for decades from underinvestment, archaic regulations, and poor governance. Although we have seen tremendous progress, power projects often take so long to complete that investors lose money, country leaders

change, commitment to reform weakens, and a sense of hopelessness builds. For a challenge this big, we needed a new approach.

Launched by President Obama during his visit to East Africa, Power Africa focuses on completing individual energy transactions efficiently by attracting private investment and helping countries make energy sector reforms. For instance, since the supply of energy from wind farms fluctuates, Power Africa is helping local Kenyan officials learn how to manage this intermittency and integrate it into their national grid. For every dollar that the U.S. Government has committed to Power Africa, the private sector has committed two—over \$14 billion so far.

All told, less than a year since launching, Power Africa has either financially closed or planned nearly 8,000 megawatts of power projects—enough to light more than 10 million homes in six countries across Africa.



In the process, we're discovering new ways that the private and public sectors can work together to make big regional power projects a priority.

This is only the beginning. Just as mobile phones replaced landlines and transformed businesses across Africa, we need to develop and expand the reach of energy technologies that deliver power to the millions who live beyond the grid. With an early stage grant from our Development Innovation Ventures fund, an American startup named Off-Grid: Electric is delivering clean, affordable energy in East Africa by enabling customers to pre-pay for electrical services weekly using mobile money. By removing the high up-front costs that typically accompany rural electrification, Off-Grid: Electric aims to power 10 million homes within a decade.

We are encouraged by Power Africa's early progress, but challenges remain. We need to ensure that investor confidence continues to grow and

governments follow through on their commitments. By some estimates, sub-Saharan Africa needs over \$300 billion to achieve universal access to electricity by 2030. Power Africa alone cannot fill this gap, but it does provide a model of public-private partnership that unlocks new sources of capital and new doors to policy reform.

But Power Africa is not just about electricity. It is about leading the fight to improve governance, accelerate growth, and end extreme poverty. In the last few years, Kenya has made dramatic strides across development. Infant mortality rates have been cut in half, and primary school enrollment has more than doubled.

To combat endemic drought, which routinely undermines the nation's growth, Kenya established a National Drought Management Authority, as part of our joint commitment to helping communities strengthen their resilience to disasters.

Seventy-one drought-affected communities in northern Kenya now have action plans to help families stay in their homes and hold onto their livelihoods in a crisis.

After an explosion of violence rocked the country around the 2007 presidential elections, we helped Kenya improve its governance and build a nationwide grassroots movement called "Yes Youth Can." As the 2013 elections approached, these young leaders stood together—one million strong—and helped carry their nation forward in peace. Today, Kenya is the largest, most diversified economy in the region.

Our engagement is not a one-way street. Whether they are in energy, education, or resilience, advances in global development have relevance right here at home. The solutions that Power Africa pioneers today will inform our own progress, as cleaner, cheaper solar and wind technologies create new jobs and power our nation's clean energy renaissance. ♦

# THE YEAR AHEAD

The year ahead offers extraordinary opportunities. As leaders and partners in development, we should be asking ourselves every day whether we are transforming fast enough to achieve our aspirations. If we are going to end extreme poverty by 2030, we have to continue to push the boundaries of science and innovation. The U.S. Global Development Lab will be critical to this effort—ensuring that the United States continues to lead the world in bringing new technologies, business models, and talent to our shared mission.

By sourcing new solutions in our core areas of work and scaling four game-changing technologies—e-payments, chlorhexidine, real-time data information systems, and drought-resistance maize—we will improve the lives of 200 million people over the next five years through the Lab. Just as DARPA did for Department of Defense, the Lab will allow us to

incubate new ideas, such as applied sensor technology for medical diagnostics or open data platforms that help citizens hold their governments accountable.


We are also going to focus more intensely than ever on leveraging private capital. In the coming year, we will support the first municipal bond issuance in West Africa; create a new private equity model in the Middle East that focuses investment in early stage businesses and startups; accelerate private equity partnerships in Pakistan; and work with local banks in Mexico to unlock financing for new entrepreneurs.

Perhaps most importantly, we will continue to advance our fundamental belief that ending extreme poverty requires strong political leadership—here in Washington and in cities across the globe. Over the next year, we will work to ensure that the next set of Millennium Development Goals focuses on ending extreme poverty.

The USAID Mission in Nepal holds up cards with our new mission statement and core values.

U.S. Embassy Nepal



A photograph of Rajiv Shah, USAID Administrator, speaking on a stage. He is wearing a dark suit, a light blue shirt, and a blue tie. He is smiling and holding two small, round, gold-colored coins in his hands. Behind him is a large screen displaying two women. The woman on the left is wearing a yellow and brown patterned headscarf and a yellow patterned top. The woman on the right is wearing a red top and a white necklace. Both women are holding up stacks of money, likely US dollars, in their hands. The background is a bright, outdoor setting with green foliage.

We will engage deeply with political leaders in emerging economies—like Mexico and China—to expand their own commitment to development. And we will support peace processes from South Sudan to Colombia that serve as the foundation of development.

We have the honor of serving a mission and a country that are exceptional, and we have the responsibility to get better every day. We recently asked more than 2,600 of our staff to better define the mission that unites us as an Agency and the core values that we all admire. The conversations were spirited, and they revealed that we hold many values in common, including respect, integrity, and inclusion. Together, we updated our vision for the Agency: *We partner to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity.*

I could not be more proud of what we have achieved as one family, one community, and one USAID. Our Agency has never been stronger, and with a new clarity of mission, we are carrying forward our nation's proud legacy to help end extreme poverty in our lifetime.

A handwritten signature in black ink, reading "Rajiv Shah". The signature is stylized and cursive, with the first letters of the first and last names being larger and more prominent.

Rajiv Shah

Rajiv Shah | May 15, 2014  
USAID Administrator

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PORTFOLIO MAP



MEASURE DHS



USAID EVALUATIONS



*\*reverse photo*

Sharing the benefits of vitamin A-rich orange-fleshed sweet potatoes, one of my favorite innovations that will help feed the planet.

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