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Position Statement on the USAID FY 2016 Budget Request Submitted by the ASME Engineering for Global Development Committee to the House Appropriations Subcommittee on State and Foreign Operations

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Introduction to ASME

Founded in 1880 as the American Society of Mechanical Engineers, ASME is a not-for-profit professional organization representing over 130,000 engineers that enables collaboration, knowledge sharing, and skills development across all engineering disciplines, while promoting the vital role of the engineer in society. ASME codes and standards, publications, conferences, continuing education, and professional development programs provide a foundation for advancing technical knowledge and a safer world. ASME conducts one of the world's largest technical publishing operations, holds more than 30 technical conferences and 200 professional development courses each year, and sets some 600 industrial and manufacturing standards.

Introduction to ASME Engineering for Global Development and Engineering for Change

ASME Engineering for Global Development (EGD) is a program area for ASME that supports multidisciplinary research, knowledge development and tools advancing social innovation, capacity building, and technology development and transfer. EGD aims to support "hardware-led" social innovation, and to convene the engineering for global development community to raise awareness and advocacy. EGD programming includes: DEMAND: ASME's Global Development Review, EGD-related technical programming and the ASME Global Innovation Showcase.

In 2011, ASME was also one of the founding partners of Engineering for Change (E4C), a global community of organizations and individuals dedicated to promoting affordable, sustainable and accessible technology-based solutions for underserved communities worldwide. E4C's mission is to empower the EGD community to better serve the underserved, share best practices and enhance collaboration with engineers and social entrepreneurs the world over. E4C's Solutions Library 2.0, an innovative prior-art database applying engineering rigor to the poverty-alleviating product marketplace, is set to launch in the summer of 2015.

USAID FY 2016 Budget Request Overview

The ASME EGD Committee is pleased to comment on the USAID Fiscal Year (FY) 2016 budget request. USAID does important work "to end extreme poverty and promote resilient, democratic societies while advancing U.S. security and prosperity." The activities funded by the USAID contribute significant value to the U.S. economy and develop the next generation of global citizens and entrepreneurs.

We would like to specifically comment on the science and technology-related budget items, i.e. the U.S. Global Development Lab (USGDL) and the Policy, Planning, and Learning (PPL) Bureau. In FY 2016, $190.5 million is requested for USGDL and PPL. A priority of former USAID Administrator Rajiv Shah, the

FY16 budget request recommends continued funding for USGDL. USGDL serves as an umbrella for USAID science and technology programs, including Grand Challenges for Development, Development Innovation Ventures, and the Higher Education Solutions Network (HESN).

The EGD Committee supports the concept of the USGDL, which "seeks to increase the application of science, technology, innovation, and partnerships to extend the development impact of U.S. assistance in an effort to end extreme poverty." Through USGDL, USAID aims to increase its ability to "invest in breakthrough technologies, scale what works, leverage resources, and partner with governments, the private sector, researchers, investors and civil society – at home and abroad – to solve hard development challenges in an effort to end extreme poverty." Specifically in FY 2016, USGDL seeks to strengthen USAID initiatives like Power Africa, Feed the Future, and Global Health.

In FY 2016, funding for PPL is intended to strengthen USAID's policy development and evaluation capacity. In 2011, USAID introduced a new evaluation policy to ensure country programs and strategies are achieving results. "Under this policy, USAID conducts high-quality evaluations worldwide that are helping to make smarter decisions. Evaluations are integrated into program design, and evaluation findings are integrated into decision-making about strategies, program priorities, and project design."

ASME Recommendations on USAID Budget Allocations

ASME's key recommendations arising from the FY2016 budget request center on our own discussions with various stakeholders in the EGD space, including academics, social entrepreneurs, engineers, hardware designers, funding organizations and industry representatives. Global development is a resource-constrained environment in regards to physical, financial and human capital. This inherently leads to investing in easily-scaled digital/software solutions that have a much faster return on investment. While these digital solutions play an important role in development, we believe hardware prototypes have tremendous potential for positive impact. But too often, these prototypes die in the lab in the so-called "valley of death" because of the lack of resources needed to mass produce and distribute these solutions to underserved communities and emerging markets. Simply put, there is a lack of focus on supporting "hardware-led" social innovation.

While the EGD Committee commends USAID for its leadership in this ever-growing and complex space, we recommend that USAID have a stronger focus on "hardware-led" social innovation in its FY16 budget allocations, which we believe will have a much greater impact in the developing world. By its design, "hardware is hard." To reach markets successfully, hardware requires the necessary capital, industry and manufacturing engagement, established supply chains and a lot of patience to transform concepts to tested prototypes ready for scale. This process takes time.

Through our many engagements with leaders in the field, such as The Lemelson Foundation and the Aspen Network of Development Entrepreneurs, we have identified significant ecosystem gaps in global development, which point to a need for enhanced technical due diligence and investment needs. ASME itself is focused on market-led social innovation. Our mission, network, experts and resources are driving our support of the human, financial and physical capital needed for hardware ventures to get to market at scale.

The EGD Committee is aware that USAID only receives a small percentage of the entire federal budget and must carefully examine its entire program portfolio to optimize its budget allocations and investments. We are, however, also confident that a concerted focus by USAID to prioritize investment in hardware-

related social ventures will have a much more positive impact in the developing world. The following are some areas in particular that would make tremendous strides with USAID support:

- Supporting the growing maker movement by helping to build the much-needed makerspaces on the ground in the developing world, which will foster co-creation and enhance local capacities;
- Sponsoring or facilitating academic and non-academic hardware competitions and expos that can link entrepreneurs to the industry, manufacturing and supply chain resources they will need to scale;
- Increasing the number and dollar amounts of grant awards for hardware-related ventures while actively working to attract more proposals;
- Partnering with nongovernmental organization like ASME and others that can provide the needed mentorship and design reviews for engineers and entrepreneurs looking to bring prototypes to scale;
- Continuing open dialogue and increased collaborations with nongovernmental organizations like ASME that have a vested interest in benefitting humankind through large networks of engineering expertise; and
- Ensuring industry buy-in and involvement within the EGD space.

Despite the long-term fiscal challenges posed by our national debt, the EGD Committee commends Congress and the Administration for their recognition of the unique role that USAID plays in the global development arena and encourages them to provide sustainable funding for USAID in FY 2016 for the future prosperity of our nation and the world.

Conclusion

The ASME EGD Committee urges Congress to support the Administration's request for USGDL and PPL at a minimum of $190 million for FY 2016, and enthusiastically supports the USAID's plan to enhance science, technology, innovation, evaluation and learning and partnership at USAID. The proposed increases under the President's FY 2016 budget for these initiatives should allow USAID to sustain their efforts and commitments. The EGD Committee thanks the Subcommittee for the opportunity to provide comments on the proposed FY16 USAID budget request, and imparts Congress and USAID to seriously consider our suggested recommendations related to prioritizing hardware innovations and dissemination.

ASME is a non-profit technical and educational organization with over 130,000 members worldwide. The Society's members work in all sectors of the economy, including industry, academia, and government. This position statement represents the views of the ASME Engineering for Global Development Committee, and is not necessarily a position of ASME as a whole.