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FINANCING SELF-RELIANCE

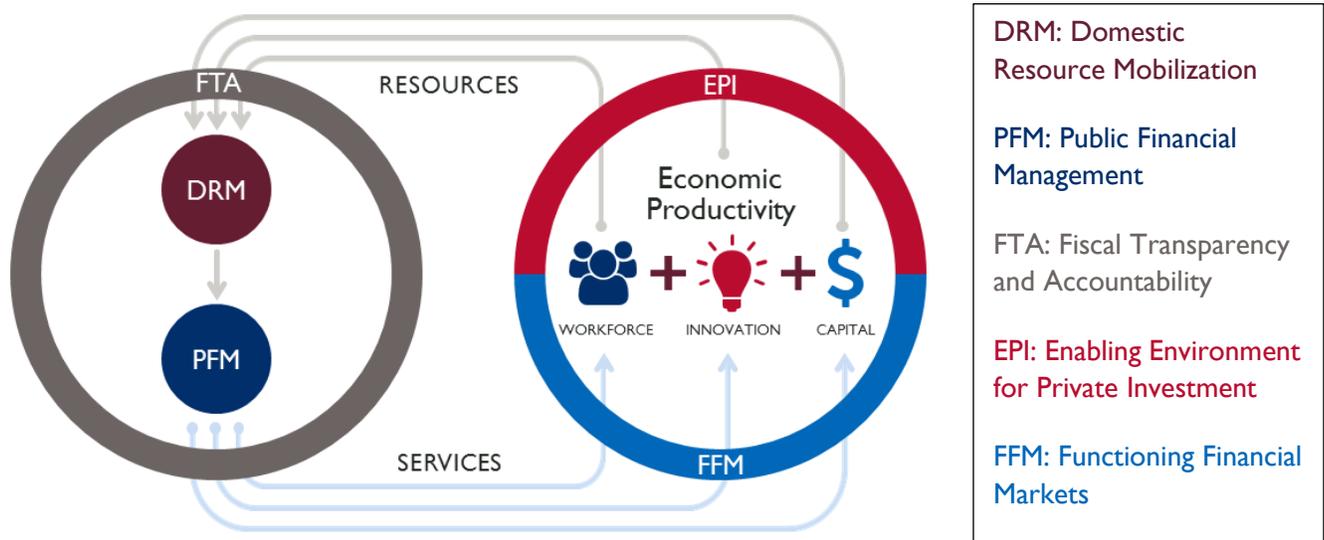
USAID is changing the way it does business to better-support our partner countries' ability to finance their own development journeys. The approach, called Financing Self-Reliance (FSR), builds on the premise that meeting the financing needs that countries face requires coordinated action spanning the public sector, private sector, and civil society. Holistic solutions that involve all of these actors can fuel growth and catalyze improvements across sectors, such as education, health, infrastructure, and livelihoods. Ultimately, FSR provides an approach to help countries overcome systemic constraints to mobilizing and managing financial resources, and transforming those investments into sustainable development outcomes.

THE FSR VISION

FSR seeks to improve countries' ability to finance their own social and economic development. Countries that are more financially self-reliant are characterized by:

- Systems that mobilize, allocate, and spend public resources effectively, efficiently, equitably, and with accountability;
- An enabling environment that allows the private sector and domestic philanthropy to grow and thrive; and
- Liquid, diverse, and well-regulated financial markets that support growth and development.

FSR helps partner countries achieve a virtuous cycle in which free and fair markets, and accountable governance systems enable investment. In turn, those investments generate jobs and growth, which enhance prosperity. This gives partner countries the resources essential to deliver public goods and services, strengthen human capital, and build modern infrastructure that attract additional investment. The end result is improved living standards and more stable, resilient societies.



THE CHANGE WE SEEK

Financing Self-Reliance signals an intentional shift in the way we program to better-understand and address the financing challenges and opportunities countries encounter on their Journey to Self-Reliance. FSR calls on USAID and our partners to ask the following questions every time we engage with a partner country:

- Can the country sustainably finance solutions to its development challenges? If not, why not?
- What alternative financing models will improve development outcomes?
- Are there systemic factors that constrain sustainable financing?
- Are those constraints economy-wide or sector-specific?
- Is there a role for USAID to help alleviate or eliminate these constraints?

By asking these questions, USAID seeks opportunities to integrate FSR principles across sectors and throughout the Program Cycle. In addition, USAID seeks to actively identify ways to harness a partner country's commitment to FSR, which is essential to building a country's capacity to solve its own development challenges.