



Milk transport to milk collection centers on bicycle. Photo credit: USAID/Rwanda

**Progress in Implementation of the Public Financial Management Risk Assessment Framework (PFMRAF)**

- 28** Countries with completed Stage 1 Rapid Appraisals.
- 7** Countries planning to conduct Stage 1 Rapid Appraisals.
- 11** Countries currently conducting Stage 2 Risk Assessments.
- 3** Country conducting a Stage 3 Project Design.
- 3** Country preparing a Stage 4 Project Agreement.

In the fourth issue of the IPR Newsletter, we are sharing more stories from the field on how Missions are implementing IPR and how we are making progress as an Agency on achieving our objectives under this important initiative. We are also including some lessons learned and best practices to reflect how Missions are approaching their work with governments and local institutions.

**Objective 1: Strengthen partner country capacity to improve aid effectiveness and sustainability.**

**USAID/Rwanda: Fixed Amount Reimbursement Agreements (FARAs) with district governments to improve farmers' access to markets.**

USAID/Rwanda's Rural Feeder Roads Improvement Program (RFRIP) is a five-year, \$40 million program designed to support the mission's priority value chains (maize, beans and dairy) under its Feed the Future strategy. The principal objective of RFRIP is to promote improvements in household food security for the rural poor by increasing their income through improved access to markets. It is anticipated that approximately 800 kilometers of rural feeder roads will be rehabilitated in eight of Rwanda's 27 rural districts. Another objective of the program is to strengthen the capacity of the district governments to prioritize, plan, rehabilitate and maintain their feeder roads.

To achieve this, the project will rehabilitate roads using FARAs between USAID and District governments, and will provide Districts with technical engineering and institutional development support through an architecture- and engineering-services support contractor. Approximately eighty percent of the project's budget will be implemented using FARAs, while the remaining 20% will be used to strengthen districts capacity.



Current status of a rural road passing by maize and bean farms. Photo credit: USAID/Rwanda

The technical support contractor has already assisted two district governments in completing technical design work for two pilot roads totaling 90 kilometers. Rehabilitation of these two roads is expected to begin around September 2012.

Working directly with host-government institutions has revealed tremendous cost savings over approaches using USAID's traditional project implementation mechanisms. Cost estimates for the two pilot roads indicate that the cost per kilometer of each road will be less than half of the cost per kilometer of a farm-to-market road built by USAID using an international implementing partner two and a

## El Salvador



Local youth participate in the rehabilitation of rural roads and mitigation as a community project under PATI, Photo Credit: FISDL

### IPR Objective 1 - Training

#### Focus on the Field

USAID/Kenya and USAID/East Africa hosted the Introduction to the Public Financial Management Risk Assessment Framework (PFMRAF): Implementing the Stage 1 Rapid Appraisal and the Stage 2 Risk Assessment course in Nairobi in May 2012. The course was offered to support the use of country systems to deliver development assistance. The goal of this course is to familiarize participants with the planning and execution of the PFMRAF. Participants gained a greater appreciation for the PFMRAF and its relationship to the use of reliable partner country systems and institutions to improve aid effectiveness and sustainability. Thirty participants attended, representing 12 bilateral USAID Mission, the East Africa Regional Mission, and the Africa Bureau in Washington, DC. Additional offerings of the course are planned for: Accra, Ghana from July 23 – 27; and Washington, DC from August 6 – 10, 2012. Registration is available at <https://university.usaid.gov>.

half years ago.

### **USAID/El Salvador: Unemployed Youth and Women Heads of Household Receive Tangible Aid and a Hope for the Future**

Facing the effects of the global financial crisis and recent devastating floods, 13,000 Salvadorans from 11 hard-hit municipalities are finding some relief through a USAID-supported Temporary Income Support Program (PATI, for its acronym in Spanish). Under this program, participants receive a fixed monthly payment of \$100 for a period of six months and work on a variety of municipal-led community development projects, including litter clean up, municipal beautification, tree planting, and infrastructure remodeling. They also receive vocational and life skills training that will help them enter the labor market or start generating some income with the newly acquired skills.

USAID negotiated a FARA with the Government of El Salvador's Social Investment Fund for Local Development (FISDL) to implement the program. As of April 2012, USAID has invested a total of \$10.3 million for the PATI program, of which \$1.2 million (12 percent) are program administrative costs attributable to FISDL. This results in a real, direct resource flow to the ultimate beneficiaries of \$9.1 million for this host-country implemented program. If the Mission had used an international contractor for the administration of the program, overhead costs would have been about \$3 million, representing an increase of \$1.8 million in total administrative costs. This would have reduced resources available to the direct beneficiaries to \$7.3 million.

Under a separate mechanism, USAID also contracted with a local audit firm to provide inspection and monitoring services for PATI for \$78,000 for the life of the program. Although the program does not specifically include a capacity building component nor is the purpose of the inspection and monitoring activity to develop capacity, FISDL reported that as a result of the monitoring activity, the institution has improved and systematized some of its internal control mechanisms established for PATI.

Finally, the PATI program emphasizes local municipal government involvement in implementation of the program, including the selection of project participants and overseeing community development projects. *"Mayors from 11 municipalities are actively involved in PATI, looking for alternatives and analyzing how to improve the program's results and impact. The mayors have confirmed that the program has*



Flower arrangement and recycling as part of the training received under PATI. Photo credit: FISDL



Participants from the Introduction to the Public Financial Management Risk Assessment Framework: Implementing the Stage 1 Rapid Appraisal and the Stage 2 Risk Assessment Course, Photo Credit: Chris Leonardo, DCHA/DRG.

## **IPR Objective 2 - Working with Local Organizations**

### **Philippines**

#### **Romblon Passage Marine Project**

Natural and man-made stresses have led to the environmental degradation of the Romblon passage in central Philippines. The narrow channel harbors endangered species such as sea turtles and whale sharks and serves as an important corridor for economically important marine species such as yellow fin, skipjacks and big-eye tuna. In January 2011, USAID/Philippines entered into a cooperative agreement with the local organization, SIKAT for the implementation of a US\$360,000 *Romblon Passage Marine Project*. This project aims to protect and to preserve the area's marine biodiversity through an integrated approach that involves the participation of local government units (LGUs), non-government organizations and the community.

SIKAT is one of the 120 civil society organizations (CSOs) participating in USAID's *Strengthening the Capacity of CSOs in the Philippines Project* implemented by local partner, Ayala

*positive effects in their communities as it seeks to build a future for many youth and women who otherwise would take another road.*" - Carolina Avalos, FISDL President.

### **USAID/EGYPT's Education Office Implements \$22 Million FARA with the Ministry of Higher Education**

Egyptian officials and the private sector repeatedly point out Egypt's lack of capacity in preparing a productive and competitive human resource base, much needed for economic growth and for active participation in the global economy. Consistent with the priorities addressed by President Obama in his 2009 June speech at Cairo University, USAID chose to increase its focus on Human Capacity and Institutional Development (HCID) and partnered with the Government of Egypt to design an appropriate program.

USAID/Egypt designed and implemented a \$22 million FARA with the Ministry of Higher Education (MOHE) in 2011, focused on institutional capacity building of the scholarship unit of the MOHE and on introducing the practice of targeting scholarship programs to improve the human capacity and human resource practices of key Egyptian institutions and ministries. The Agreement aims to integrate into normal MOHE standard practice a program focused on attaining academic and leadership skills as well as cross-cultural learning that will promote socio-economic progress and contribute to USAID's core development goals. The fact that funds are directly managed and implemented through host country systems supports institutional reform in a key social sector and helps Egypt strengthen its delivery of services to its people.

In order to ensure that USAID funds would be used for their intended purposes through the MOHE public financial management systems, the Mission undertook a rigorous fiduciary risk assessment. The assessment involved reviewing the institutional capacity of the divisions within the MOHE involved with the program as well as other divisions of the GOE to ensure the existence and application of adequate financial management and accountability standards. Once the level of risk was identified from the assessment, the next step involved designing a mitigation strategy that, to the maximum extent possible, complemented the existing systems while ensuring accountability. Capacity building followed, both prior to and under the agreement, focusing on operational systems and the policy framework identified from the assessment.

Most notably, the agreement after less than a year of operation under the Cairo Initiative has already resulted in significantly increasing the institutional capacity of MOHE, vast improvements in the structure and purpose of the recruiting process for their US based scholarship program, several ministries designing and submitting proposals based on and supporting human capacity development, and students already in place in various institutions of the United States. The program is already well on its way to achieving an education exchange and training program that, instead of focusing on giving scholarships to individuals as a reward, instead addresses the skills gap identified by key GOE ministries management and



The marine turtle work book entitled “The Journey of a Turtle named Panong” promotes marine turtle conservation among school children in Romblon. Photo Credit: USAID/ Philippines. Philippines.

Foundation. The project aims to address key capacity development gaps that limit the effectiveness of CSOs to achieve sustainable and significant impact, be accountable to its constituents, and be able to effectively compete for and manage donor resources.

SIKAT has made significant progress in implementing their project. To date, it has successfully formed an alliance among LGUs in the four municipalities of Romblon. A three-year coastal and marine management plan has been crafted and signed, with each municipal LGU providing US\$3,600 in counterpart funds to sustain its implementation. The provincial government is also committed to establishing an office for this purpose, a clear move towards institutionalizing the project’s gains. The project’s success can be attributed to the ability of SIKAT to synergize the different interventions of resource managers and stakeholders, particularly the small-scale fishermen toward sustainable conservation and utilization of the marine resources in the region. Funding assistance from USAID is

leadership.

For example, the first cohort of 15 participants, representing the Ministries of Higher Education, Housing and Health, started their post-doctorate and Master’s programs in the universities of Alabama, Pennsylvania, Kennesaw, and Virginia Tech last December. The scholars are chosen to participate in this program based on their Ministry’s proposal detailing how they and the Ministry will use their newly acquired education to fill crucial skill-gaps needed to increase efficiency and economic growth in Egypt. Upon their return home, the participants have committed to work in their ministry or institution in new or revised positions already identified and defined as needing their newly acquired skills

**USAID/GHANA: Partnering to Strengthen Education Access and Quality.**

The Government of Ghana (GoG) has made great strides in access to primary education. While there is increased focus on quality learning improvements in the education sector, including early grade reading, adequate educational structures are still needed. In Ghana, “schools under trees” is the generic name given to various scenarios whereby kindergarten, primary and even junior high school (JHS) children learn in ad hoc structures, often under trees. In response, USAID/ Ghana has provided the GoG approximately \$22 million for construction of schools, District and Municipal Education Offices and sanitation facilities. The goal is to provide appropriate spaces for children to learn and enhance quality basic education delivery and management in 34 Districts across all the 10 regions of Ghana. These activities have been coordinated with other education sector development partners to support, as a Deputy Minister of Education commented at a recent groundbreaking ceremony for one of the structures, *“Government’s commitment as part of its Better Ghana Agenda.”*



Public works and construction activities in Ghana. Photo Credit: USAID/Ghana.

Working in partnership through the Ministry of Education Funds and Procurement Management Unit (FPMU), and the Metropolitan Works Department, of the Accra Metropolitan Assembly, USAID/Ghana has:

- strengthened partner country institutional capacity to survey, map out and properly demarcate the construction site for efficient and effective work,
- provided comprehensive training in environmental mitigation and

being used effectively and has provided catalytic and foundational results as it increased the capacities and melded efforts of the communities to proactively engage in community-based coastal resource management (CBCRM).

Aside from mainstreaming CBCRM in the local development plans, budgets and policies, SIKAT is also providing alternative and supplementary livelihood to lessen the fishing pressure and dependence on marine resources. It provides assistance to communities and groups in developing their own information, education and communication materials to promote awareness on environmental protection and conservation. SIKAT is proof that investing and partnering with local civil society can have resounding and sustainable impact on development issues.

#### **USAID/Morocco: Local Governance Program**

The Arab Spring in Morocco and the development of a new national constitution has placed considerable emphasis on good governance practices, including the capacity, transparency and accountability of local elected officials. It has also created the expectation for greater participation of citizens in local governance matters. Local governments, however, do not provide sufficient access to their citizens, and there is a demand for increased civic participation and involvement. USAID's Local Governance Program (LGP) creates a platform of dialogue between citizens and their communes (local representative governance units) by promoting participative practices and encouraging increased transparency

management and financial and procurement management through the mission teams and

- promoted public-private-partnerships with 69 construction firms selected through partner country procurement systems to construct the structures, resulting in increased private sector involvement and creating local employment, especially for youth.

To enhance partner country collaboration and partnership towards increased participation, ownership and sustainability:

- At government level, the GoG provided counterpart funding of 25% of the total funds. This included the provision of land, geotechnical and geomatic surveys, project management and supervision.
- At grassroots level, the GoG organized local community level forums to ensure participation in the entire process. This included stakeholder consultations to explain and provide information, clarify issues, emphasize individual and collective roles and responsibilities of all stakeholders, and provide an opportunity to get to know one another as a team.



"Schools under trees" in Ghana Photo Credit: USAID/Ghana.

In total, the public works and construction activities will result in fifteen District Education offices in District Capitals, 50 kindergarten blocks, 49 junior high school blocks and 45 toilet facilities in over 130 different communities and four eighteen unit classroom blocks on four different school compounds in Accra, all expected to be completed between late 2012 and early 2013. A complementary activity working with local civil society entities and communities to support major and minor repairs to over 100 school buildings and construct 19 JHS in the 13 districts is also

and accountability of locally elected officials. It supports greater participation of Moroccan citizens in governance, especially youth and women, and strengthens local communes' abilities to respond to their citizens' needs. Recently, the project oversaw the development of Communal Development Plans (41 created nationwide), a road map for councils' integrating citizens in governance. For the first time, three Moroccan cities are introducing an internal audit process, enabling them to evaluate and improve the effectiveness and efficiency of their operations and resource management. Newly-established youth councils in 5 pilot communes are creating an unprecedented environment for youth to engage their elected officials; likewise 6 communes are being coached to operate recently created Gender/Equity Commissions which ensure representation of civil society in local communes for the first time. By boosting the responsiveness of local councils to citizen concerns, and increasing the access of citizens to local authorities, USAID is increasing local governance capacity, and strengthening the next generation of Morocco's political leadership to provide responsive effective governance.

**Egypt/Middle East Regional Supports Public Financial Management Capacity Building**

USAID/Egypt has provided support to the Egyptian Tax Authority for over twenty years, including innovative projects implemented with other donors. Recently, USAID/Egypt and the International Monetary Fund (IMF)-affiliated Middle East

being undertaken through Plan/Ghana, assisting basic school children's transition to and completion of JHS.

**Implementation and Procurement Reform (IPR) Success Story**

***USAID Partnership with the Philippine National Statistics Office (NSO) to conduct Health Surveys***



NSO staff attending a capacity building training to enhance their skills in data gathering and management. Photo Credit: USAID/Philippines.

USAID/Philippines has been working with the Government of the Philippines (GPH) to resolve issues on family health through evidenced-based decision making. With its strong tradition of health monitoring and evaluation, the Mission has supported the GPH's National Statistics Office (NSO) in a number of surveys, including the Family Planning Survey and the National Demographic Health Survey (NDHS).

The results of these surveys have provided USAID and GPH health

program managers, as well as the donor community with useful information that led to the synchronized formulation and implementation of quality and effective health programs throughout the Philippines. For USAID, these surveys have contributed to understanding the success of its health programs, including the Maternal and Child Health Program, Family Planning Program, Tuberculosis (TB) and HIV/AIDS Programs. Significant impacts of these programs include the decrease in maternal and child mortality rates, the latter by 77 percent since 1951 and reduction of TB prevalence by more than 46 percent since 1990.

The most recent survey supported by USAID/Philippines was the *2011 Family Health Survey (FHS)*. USAID provided approximately US\$1.5 million for the survey that will determine the impact of the country's health strategy and establish baseline data on indicators for the 2012-2017 Health Strategy.

Working directly with the GPH has translated into immense cost savings for USAID. USAID savings are represented by the cost of salaries and wages of GPH staff and officers and other costs including the cost of facilities, equipment, utilities, and overheads. More importantly, the partnership promoted transparent and responsible cooperation, and increased focus on country ownership for results and accountability.



An NSO employee interviewing one of the survey respondents. Photo Credit: USAID Philippines.

Technical Assistance Center (METAC), along with support from the Egyptian Tax Authority (ETA), sponsored four workshops for public financial management professionals including one on Organizational Trends in Tax Administration attended by 36 officials from countries across the region. Senior tax officials from Egypt and Iraq lauded the conference as an opportunity to achieve stability between taxpayers and tax administration and to achieve the highest level of efficiency and performance of the tax system” and contributing to “to raising the competencies of tax managers and strengthen their skills.”

### **USAID/Macedonia – Success Story**

In December 2011, USAID signed a Cooperative Agreement for the new Inter-Ethnic Integration in Education (IIEP) project. This \$5.2 million, four-year project is jointly funded by USAID and the U.S. European Command (EUCOM). The project was awarded to the Macedonian Civic Education Center (MCEC), a spinoff of a former USAID project.

For the past five-years, MCEC worked as a sub-awardee on a large USAID education project in Macedonia, which helped to further build the NGO’s capacity. Now having the skills to be a lead implementing partner, MCEC will



MCEC staff has grown from just four original staff members to sixteen. Photo Credit: USAID/Macedonia.

This partnership also paved the way to ensure that the surveys are sustainable. Prompted by the enhanced technical capacity gained by NSO from the series of USAID-assisted health surveys and greater appreciation for good health data, the Philippine Government appropriated US\$1.2 million to NSO’s budget for the conduct of the NDHS in its prior budget cycle with additional funding being allocated in its current budget for the 2013 NDHS.

### **Government-to-Government Program Strengthens Education Delivery in Senegal**

In 2004, USAID/Senegal began working to build new middle schools following an increase in the number of children successfully completing primary school. The growing number of middle school students came after significant donor efforts to improve access to primary education for the country’s youngest students.



Senegalese children attending schools. Photo credit: Richard Nyberg/USAID/Senegal

By 2007, USAID had built 58 schools through a cooperative agreement with a partner organization, helping to fulfill the Government of Senegal’s (GOS) National Education Plan 2000-2010 that ensures children in rural areas – particularly girls – walk no more than five kilometers to attend middle school. In some areas, simply having a middle school encouraged parents to continue their children’s education past the early primary grades.

However, following the Paris Declaration on Aid Effectiveness, which called for more vigorous country ownership of development projects, USAID’s method for funding school construction began to shift. Instead of working through a partner organization, in 2007 USAID began working directly with the Government of Senegal (GOS) through a FARA to build middle schools and support school governance. Under this agreement, USAID reimburses the partner GOS for completed outputs, such as the number of schools built according to agreed-upon specifications, instead of directly funding a contractor to build the schools.

Middle school construction has been implemented through GOS financial systems, procurement procedures, and standardized school designs. USAID annually reimburses the GOS for school construction costs at a predetermined rate. This, in turn, helps strengthen Senegal’s ability to manage its own construction funds and in-kind contributions from communities. All reimbursement is contingent upon USAID’s final approval of the completed work that must be done in accordance with specifications, drawings, and schedules based on internationally-accepted requirements.

A local engineer hired by USAID, together with a GOS inspector, visits each site to determine whether construction or renovation has been completed in accordance

work with a consortium of nine local NGOs, bringing several more local organizations on as new development partners. MCEC also implements projects for UNICEF, the Swiss Foundation Pestalozzi, the Balkan Trust for Democracy, Catholic Relief Services, and the European Union. In support of USAID Forward reforms, USAID/Macedonia has increased the percentage of its budget going directly to local NGOs from 4% in FY 2010 to 21% in FY 2012.

### **USAID/Mali Fixed Obligation Grant with local NGO Soutoura**

If you're looking for inspiration, you usually don't have to look farther than in local non-governmental organizations. Dr. Garangué Sidibé is one of those rare people who see a desperate need in the community and decide to do something about it, at great personal risk and cost. A public health system physician in Bamako, Mali, she was deeply moved by the lack of services to female sex workers in the country. Nearly ten years ago, she left the ministry of health to found her own organization, "Soutoura" which means, "Discretion" in Bambara.

This small group faced financial crisis when its two key funders were suddenly unable to fulfill their prior commitments to it. As USAID had supported Soutoura as a sub-recipient for many years, USAID staff was well aware of its key role, as well as its technical expertise and leadership, and felt it was ready to receive direct funding.

Thanks to IPR, USAID-Mali was able to provide a \$220,000 one-year Fixed Obligation Grant to Soutoura. The program will provide HIV and STI prevention services to commercial

with the agreed-upon specifications. USAID pays for fixed costs – construction, school furniture, water – while the GOS provides teachers, a library, laboratory equipment, and computers with internet connectivity as part of its in-kind contribution to the project.

This approach not only helped improve the formal education system, but also allowed the project to simultaneously strengthen the Senegalese Government's organizational, financial, and technical capacities through the use of its existing systems and institutions, including the Ministry of Finance, the Ministry of Urban Planning, and the Ministry of Education who were all engaged in the school building project.

In an environment where government ministries seldom communicate with each other much less collaborate on development projects, this project successfully brought together these three ministries as well as local governments and rural communities to support middle school improvement. It has encouraged multi-sectoral collaboration as well as networking among traditionally standalone actors further strengthening the organizational capacity of the government to engage and partner with stakeholders.

Through the direct government-to-government mechanism, USAID has helped the Senegalese Government build 28 middle schools. In total, since 2004, USAID/Senegal has supported construction of 86 schools. More than 25,000 students are currently enrolled in these schools.

The FARA program has contributed not only to increasing the number of middle schools in Senegal, but has also built capacity -- from the national Ministry of Education down to the school and community – to manage resources more efficiently and to construct and maintain quality schools for the long term.

It encourages community involvement and strengthens the technical and leadership capacities of local entities such school management committees and local governments to become more accountable to students, parents, communities, and teachers. These organizations receive trainings that will help them assume responsibility for supporting schools, including managing the school budget, connecting schools to water and electricity grids, maintaining facilities, supporting quality school performance, and advocating for children's rights and the importance of educating girls. Furthermore, communities are mobilized to provide certain building materials and to monitor the progress and quality throughout construction – ensuring sustainability and ownership for the long term.

### **Objective 2: Strengthen local civil society and private sector capacity to improve aid effectiveness.**

#### **Voter Education in Kazakhstan**

In early November 2011, USAID/Central Asian Republics (CAR) was developing a program to support parliamentary elections in Kazakhstan, expected to be held in August 2012. USAID/CAR had started to coordinate with other donors to support the election process and a division of labor was established. The Government of

sex workers in four clinics in Mali. Furthermore, the Mission will also develop the capacity of the NGO by procuring an accounting software as well as related training costs. The Mission made use of the newly



Dr. Garangue Sidibe standing next to boxes of USAID-funded condoms. Photo Credit: Clinton Trout USAID/Mali.

developed FOG eligibility checklist as well as the new FOG template.

**Objective 2: FAST Workshop Event—December 2011**

The recent revolution in Egypt has launched an unprecedented political and social transformation. While the transformation in politics and society represent a tremendous new opportunity to accelerate equitable economic growth and innovation, the immediate impact of the unrest has been economic decline especially in sectors most affected by the protests. In March 2011, USAID/Egypt issued an Economic Growth Annual Program Statement targeting a wide range of

Kazakhstan caught observers by surprise when it announced an early election date of January 15, 2012.

This sudden turn of events allowed little time for political parties and Kazakhstani civil society organizations to react. Given changes in the country's electoral rules, and the reconfiguration of its political parties, voter education was critical to helping citizens make an informed choice as to how to participate in the upcoming elections. In order to fulfill commitments to the Government of Kazakhstan, agreements with other international donors, and enhance the credibility of the election itself, USAID/CAR immediately mobilized a team to design a voter education program. The Mission entered into a Fixed Obligation Grant (FOG) for \$105,000 with a Kazakhstani NGO, Echo, a first-time recipient of USAID funds. As a new partner, the organization required intensive oversight and assistance. USAID technical staff responsible for managing the program worked closely with the NGO's staff to assist them with implementing this first time grant.

Echo organized, with a consortium of other Kazakhstani partner organizations, a nationwide voter education campaign that blanketed all 16 of the country's provinces with a blend of television and radio ads, social network messages, more than 100,000 SMS messages, more than 16,000 billboards, and nearly a million fliers, for a country of just 16 million people. The result was a reduction in the number of technical violations of voting procedures by citizens, and a seven percent increase in overall turnout, in comparison to the previous parliamentary election. While macro-level problems with the election were noted by international observers, evidence suggests that Kazakhstani voters themselves were better prepared to participate in and make informed choices about this contest.

Mobilizing a similar effort through an international organization would have cost approximately \$225,000, or more than double the USAID/Central Asian Republics grant to Echo. Implementing this activity directly through a local NGO accrued direct cost savings in a number of ways, including:

- the dramatic reduction in direct costs associated with a US-based headquarters (in particular, with regard to labor and transportation);
- avoiding mobilization and close-out costs (a non-issue for a Kazakhstani NGO that existed before and continues its work in-country after the end of the award); and the elimination of an additional layer of management in the execution of the activity, if in all likelihood a local organization was utilized as a sub-grantee.



Kazakhstani voter education trainees, above, during a training session in northern Kazakhstan. Photo credit: USAID Voter Education Project.

sectors such as tourism, agriculture; logistics, light manufacturing, and food processing that had been adversely affected by the political and economic turmoil.

In December 2011, USAID/Egypt conducted a five day FAST (Financial Analyst Support Team) Workshop for NGOs, and private sector companies who were awarded grants through the Economic Growth Annual Program Statement (EG APS). The main objective of the workshop was to strengthen the institutional capabilities of local organizations



Participants to the FAST workshop in December 2011. 33 participants from 22 organizations participated in the event. Photo credit: USAID/Egypt.

working with USAID/Egypt.

33 participants from 22 organizations participated in the workshop. The Workshop covered topics related to training results and information networks, planning and budgeting; cost principles; internal control systems for procurement, personnel and payroll, travel; procurement issues and grant provisions; financial management standards, property management, accounting records and supporting documentation; monitoring and evaluation and audit management.

The Training was conducted in

The voter education program executed by Echo established a number of important precedents for USAID in Central Asia. It established the viability of using the FOG instrument to execute project activities in a manner that mitigates risk to USAID, while engaging new local partners who have not received direct USAID funding previously. The FOG provided an effective means to focus local partners on concrete results, tied to payment milestones. The award demonstrated USAID/CARS' ability to work under considerable time pressure to run a competitive solicitation and successfully negotiate an award with a local organization without prior USAID implementation experience. Finally, the project will contribute to deepening USAID's engagement with local partners in order to maximize development impact with modest resources, drawing upon the host country's extant pool of local expertise and talent as needs arise. Ultimately, such efforts will contribute to creating a legacy of capable, effective and sustainable organizations that can continue the important work that USAID supports long after our funding ends.



Kazakhstani voter education trainees in northern Kazakhstan.. Photo Credit: USAID Voter Education Project.

### **USAID/Morocco: Development Grants Program**

USAID's Development Grants Program (DGP) is a competitive small grants program that provides opportunities for local NGOs that have limited or no experience managing direct USAID grants. The DGP was designed to expand the number of direct partnerships USAID has with indigenous, local NGOs and to build the capacity of these organizations to better meet the needs of their constituents. By participating in the program, the organizations and their staff become better equipped with the necessary knowledge, skills and awareness to better implement the USAID grants effectively serve their communities. Current grantees include the Association Aghbalou which is restoring water quality and protecting the environment through the Water Improvement Project; "Association Tissilit pour le Développement" which is addressing water and sanitation management problems in three remote communities through the Water Management Improvement Project ; and Association El Khair which is replacing aging and decrepit water pipes that currently provide water to community residents through the Water Delivery System Improvement Project. By working with first time local partners, USAID is boosting the capacity of local organizations to drive reform in their home communities, and developing a new generation of potential USAID partners.

Arabic.to be able to reach non-English speakers in order for them to understand USAID regulations and principles and enable them to participate in discussions.

USAID/Egypt will continue to work closely with its implementing partners to ensure that they have the opportunity to develop their internal capacity while achieving the programmatic objectives of their awards. The FAST workshop is one of the tools currently being used to do this. It improves the sustainability of the implementing partner while decreasing the overall risk associated in working with small, and new local NGOs.

## Uzbekistan



Trafficking in persons (TIP) victim at a computer machine. Photo Credit: USAID Counter-Trafficking Project.



Trafficking in persons (TIP) victim at a sewing machine. Photo Credit: USAID Counter-Trafficking Project.



To highlight the run-up to World Environmental Day, USAID supports a community cleanup drive organized by a youth environment club. Photo Credit: USAID/Morocco

## Combating Human Trafficking in Uzbekistan

Trafficking in persons (TIP) is a major problem for Uzbek men, women, and children who are subjected to forced labor and are trafficked for sex, mostly abroad. Women and children are generally victims of sex trafficking, often through fraudulent offers of employment overseas and also within Uzbekistan. Men and women from Uzbekistan are also subjected to domestic servitude and forced labor in agriculture and construction in Russia. In March 2011, USAID awarded a five-year, \$1.4 million direct grant to a local NGO. Since 2003, this local NGO served as a USAID sub-grantee under a regional anti-TIP program. USAID decided to work directly with the local NGO because it is a pioneer in anti-TIP work in Uzbekistan. The NGO's efforts resulted in the establishment of a network of local NGOs that combat TIP, focusing primarily on prevention and protection of victims of trafficking across Uzbekistan. As a result of their work, Uzbekistan adopted a Law on Combating TIP in 2008 and developed a National Action Plan on Combating TIP that is regularly updated. The NGO is a member of the Government Inter-Agency Commission on Combating TIP – and is the only NGO that contributes to the Commission's meetings both at national and regional levels. The NGO's director and the regional representatives are well respected by government officials and international donors including the OSCE, World Bank, and UNDP.

With approximately \$300,000 per year, this local NGO is capable of renting an office, maintaining a professional staff of nine, managing five half-way houses, and providing long-term reintegration, legal, and medical assistance, and vocational skills training for approximately 50 victims of trafficking on an annual basis. If

### **Objective 3: Increase Competition and broaden USAID's partner base**

#### **USAID Small Business Program Training**

The Office of Small and Disadvantaged Business Utilization (OSDBU) has launched a series of interactive facilitator-led 'Small Business Programs Training' for USAID acquisition personnel in Washington, Colombia, Peru, El Salvador, and Haiti. The training was also provided via VTC to Ecuador, Bolivia, Brazil, Honduras, and Nicaragua. The primary purpose of the training was to educate participants on the importance of contracting with U.S. based small businesses, OSDBU services, and using small business programs to work complementarily and collaboratively in support of other IPR objectives. OSDBU will provide the facilitator-led training to other regions in the coming months and continue support and outreach that enables USAID DC and Missions to benefit from awards to U.S. small businesses.

#### **USAID Annual Small Business Conference**

USAID's Annual Small Business Conference took place at the Ronald Reagan Building on June 5, 2012. Dr. Shah, Congressman Chris Van Hollen, and others joined the Office of Small and Disadvantaged Business Utilization (OSDBU) in hosting this full-day event. The Conference, in addition to periodic Vendor Outreach Sessions, served as a conduit to expanding the diversity of partners, increasing U.S. small business participation world-wide, broadening our small business vendor base, educating small businesses about opportunities in international development, and

USAID/CAR were to fund this project via an international organization or firm, it would cost USAID significantly more. Most importantly, the NGO's deep knowledge of trafficking issues, local connections, ability to successfully operate in the challenging environment of Uzbekistan, and uncanny skill in networking with the government could not be successfully replicated by any international NGO or public international organization. The NGO's efforts have already resulted in a new attitude toward victims of trafficking within Uzbek society and government. Attitudes have begun to evolve from "blame the victim" to "how to assist the victim and punish the traffickers." Over the last several years, prosecution rates of sex traffickers, according to anecdotes, have increased nearly 70%. This would not have happened without the NGO's direct engagement with the government to make them aware of this critical issue. USAID's direct support of the NGO for its institutional development is a smart investment because it ensures activities to combat trafficking in persons will continue even after this project ends.

#### **USAID/India Celebrates 17 Years of Direct Partnership with Indian NGO for HIV/AIDS Prevention**

Under IPR, USAID is committed to increasing direct partnerships with local organizations for greater sustainability and long-term effectiveness. USAID/India recently celebrated the success of this kind of a partnership model. For over 17 years, USAID/India, a local NGO, the Government of India, and local governments have successfully collaborated to control the HIV epidemic in a high prevalence state in the south of the country.

With a total budget of \$47.25 million, USAID/India's flagship bilateral HIV/AIDS project, the AIDS Prevention and Control Project (APAC), operated in the southern

Indian states of Tamil Nadu, Puducherry, and Kerala between 1995 and 2012. In the state of Tamil Nadu, APAC played a pivotal role in reversing the HIV epidemic in both most at risk populations and in the general population. HIV prevalence among antenatal women in Tamil Nadu declined from 1.13 percent in 2000 to 0.25 percent in 2008, while APAC's condom social marketing program resulted in an increase of condom sales in the state from 17 million to over 70 million. Much of the success of the program can be attributed to the selection of the Indian organization Voluntary Health Services (VHS), a well-established health NGO in



USAID Senior Deputy Assistant Director for Asia, Denise Rollins unveils a plaque created in commemoration of two decades of USAID's support of India to the AIDS Prevention and Control project in Tamil Nadu, India. Photo Credit: US Consulate General, Chennai.

allowed USAID leadership to network with the small business community.

### **USAID Training Tools for U.S. NGOs**

USAID is also developing in-depth technical training tools for the U.S. NGO community, including universities and faith-based organizations, to facilitate the diversity of new partners competitively and knowledgeably pursuing USAID contract and grant opportunities. Beginning with a focus group that is representative of the U.S. NGO community, USAID is ensuring that the training materials are informed by the obstacles and challenges, specific to U.S. NGOs, in successfully competing for awards. In September 2012, the U.S. NGO New Partners trainings will be rolled out at a USAID-sponsored NGO Conference.

### **Objective 4: Use of USG resources more efficiently and effectively.**

#### **New A&A Templates**

In an effort to streamline procurement processes and based on best practice recommendations in the Business Process Review (BPR), the Bureau for Management has developed a series of A&A Templates, for use by both technical officers and contracting professionals. These templates should be of particular benefit to new staff, but also should help to streamline and standardize A&A-related practice, reduce Procurement Action Lead Time (PALT), and create a common reference point for A&A documents. In both their content and purpose, these templates advance all IPR six objectives.

Tamil Nadu, as the prime partner. In 1992, USAID signed a unique “tripartite agreement” with VHS and the Government of India to create a Project Management Committee under the APAC project with representation from all stakeholders. VHS became accountable for project management and governance as well as for fostering partnerships with government, civil society organizations, and private sector entities at the state level.

Having a local, well-established Indian NGO as a prime partner had many benefits. Local NGOs were willing to enter into partnerships because they were familiar with and had confidence in VHS. And because most of the VHS sub-grantees were also local institutions – an example of the project’s emphasis on building local capacity and sustainable solutions – they often had a better understanding of the local economic and political environment; a greater sensitivity to social and cultural issues; and a better understanding of the needs of their clients. The broader range of local partners also helped USAID benefit from new ideas and approaches.

### **USAID/Senegal -- US Empowers Women Through Small Grants**



Adama Tahirou Lo, of Rufisque, bottles juices at a USAID supported factory that produces a host of locally-produced foods. Photo Credit: USAID/Selam Kebrom.

Two keys to economic growth in Africa strongly apply to Senegal: goods must be produced and purchased, and women, who make up more than half the country’s population, must be meaningfully integrated into this process. One project supported by USAID seeks to do both those things. Awarded a three-year, \$400,000 grant under USAID’s Local Capacity Development (LCD) program, the *Renaissance Africaine des Femmes de l’Afrique de l’Ouest* (RAFAO) has established and equipped a food

processing facility in Rufisque that produces local fruit juices like bissap, tamarind, ginger; peanut butter; and packaged cereals including millet and maize.

*“Through this women’s empowerment project, we hope to increase the access and visibility of women in the agricultural sector. RAFAO’s women-run factory generates a sustainable source of income for its workers because it produces goods which are in high demand in Senegal,”* USAID project manager Selam Kebrom said. The project provides jobs outside the home for hundreds of women in the surrounding area, giving them a steady income and a sense that they are, as they should be, productive contributors to Senegal’s economic growth with a meaningful place in their society. *“Democracy isn’t just political, it’s social and economic too,”* RAFAO’s dynamic director, Madame Khady Fall Tall said from the Dakar offices of RAFAO. *“We felt governments were leaving half the population aside. We work to fix that.”*

The vision for these documents is to provide a permanent and comprehensive set of standardized tools for use by all Agency backstops. These documents, which range from cost guidance to sample acquisition and assistance materials, are designed to provide a clear sense of what technical officers and others should expect to include and take into consideration in each area. The documents are grouped into three areas: General (which includes cost guidance); Acquisition; and Assistance. The templates may be accessed via the following link: <http://blogs.usaid.gov/aatemplates/>.

**Objective 5: Strengthen collaboration and partnership with bilateral donors, multilateral and international organizations.**

**USAID/Mozambique -- First Delegated Cooperation Agreement**

On May 7, 2012, USAID/Mozambique signed the Mission's first "Delegated Cooperation" Agreement, in which it provided \$2 million in direct funding to DfID to jointly support a \$13 million, 3-year extension of the Civil Society Support Mechanism (CSSM). Since its inception in 2006 with support from DfID and Irish Aid, the CSSM has worked successfully to improve governance and accountability for Mozambican citizens by providing civil society organizations (CSOs) with technical assistance and financing to improve their monitoring and advocacy capacities.

Supporting the second phase of the CSSM is particularly relevant to advancing USAID Forward in Mozambique because it is helping

The project has also established a relationship with the *Institut de Technologie Alimentaire* (ITA) to train women in food quality standards and food processing technology. At this juncture, the project has established a brand, Mayna, which it is marketing throughout Senegal. The project strengthens the economic power of women in Senegal by helping AFAO develop and professionalize its small-scale food processing activities at the factory, all the while providing women with a much needed source of income.

In addition to the ability to generate a regular income to help meet the needs of their families, it also helps the factory's employees overcome the marginalization faced by so many West African women. With a lack of scholastic instruction, and consequent lack of literacy and problem solving skills, many women are timid and demoralized. With USAID support, they learn to professionalize their business actions like learning how to manage their income. At the factory, workers rotate in and out on a daily basis in the processing unit, augmented by a chief of the cereal production line, a stock manager, service agent, and machinists. Meanwhile, they are trained in agricultural transformation techniques and in business management, skill sets that are already being leveraged into sustainable income generating activities and opening doors for yet more women into Senegal's world of business.

**Cross-Cutting Activities/Events:**

**USAID/Malawi CDCS Stakeholder Consultations with University of Malawi**

USAID Malawi's new mission director had a wild idea: ask everyday Malawians what they would like us to do in their country. Thanks to the Education team's partner Centre for Educational Research and Training (CERT), part of University of Malawi, we did just that. In the middle of Phase II of CDCS, USAID staff worked side-by-side with CERT to design and facilitate focus group workshops with diverse stakeholders in Lilongwe (Central Region), Mzuzu (Northern Region) and Blantyre (Southern Region). CERT used its technical experts in agriculture, health, education, democracy and governance to refine questions and actively listen to capture stakeholder feedback.

After each focus group, CERT's team of six fanned out into rural surroundings while contacting local leaders, academics and others to sit with everyday people and listen to their daily concerns. Community government and traditional leaders, farmers groups, school parents and others appreciated the opportunity to air their views. USAID staff accompanied some of these grassroots sessions that were conducted by CERT in Chichewa, the local language. These key issues emerged and dovetailed with most of USAID's strategic plans:

- Low farmer productivity due in large part to poor soils, lack of technology and the need to shift more towards market-orientation
- Livelihoods need more diversification to take pressure off tired land

transform the CSSM into a locally-based and registered organization. This transition will build the sustainability of the CSSM, allowing it to accept contributions from individuals, corporations, and donors and use those resources to support CSOs for years to come. Working with other donors, USAID also seeks to improve harmonization and effectiveness.

## Malawi



Leader researcher from CERT Dr. Joseph Chimombo collecting feedback from teachers, parents and students about their development priorities. Photo Credit:

## Technical Assistance for Building Government and Local Organization Capacity

How to access Technical Assistance from DCHA/DRG and E3's Capacity Building Division:

Missions can receive help through the new USAID/Forward IPR Web site, <http://forward.inside.usaid.gov/>. Each IPR objective on the Web site contains a technical support section. Missions can access answers to some of the more common questions, submit questions or requests for TA to the Agency's

- Preventive services and human resources are the priority needs in health
- Basic education with focus on teachers and gender issues such as girls dropping out with, for example, Mothers' Groups playing a key role
- Literacy challenges affect democratic participation, just one of the cross-cutting themes stakeholders reported
- Holistic development approaches are more effective than sector-specific to bring sustainable development

By working with a Malawian institution, the Mission got better access to more authentic stakeholder feedback while at the same time supporting an important institution for Malawi's sustainable development, not to mention the economic savings of contracting with local partners. After all it was Malawians taking charge of their own development with their own people.

### Tips for Other Missions

#### **Conducting an Organizational Capacity assessment of a local NGO**

If you have ever been audited, you know it can be an unnerving experience. Most organizations are well intentioned in carrying out their work, yet somehow the whole review can be fraught with apprehension. An Organizational Capacity Assessment (OCA) shares many similar qualities with an audit. In both cases someone from the outside comes into an organization to dust off the policies and procedures manual, finger through files and ask poignant questions about the organization's decisions. Being audited can make anyone uneasy. So how do you approach an OCA so it doesn't feel like an audit?

To be clear, OCA is **NOT** an audit. It is a guided self-assessment that is undertaken voluntarily by a local organization. The success of this assessment depends on how you interact with the organization's staff. Here are a few words of wisdom from Salah El Ghazaly, an experienced Financial Analyst at USAID/Egypt, on how to approach an OCA.

**Drink their tea.** If the culture of the staff is to drink tea and eat snacks with visitors before beginning work, then your patience with this will pay dividends when it comes time to finally getting down to work. The point is to build trust with the local organization, and trust comes from respect. Remember, you are asking them to open up their offices and files to a critical eye. The more they trust you, the more candid they are likely to be.

**Dress for the occasion.** Unless the culture of the country dictates otherwise, dress casually for the working days of the assessment. This is not to say you should show up wearing a t-shirt and cargo shorts, but it means dressing to the same degree of formality as the staff in the office.

**Listen.** This is their assessment. You are not there to dictate right or wrong, listen to what they have to say and help them settle on the rating they feel the most comfortable with. The OCA is a discussion, not a volley of questions and answers

global TA working group, and access resources.

Any questions contact:

- David Jacobstein, DCHA/DRG, [djacobstein@usaid.gov](mailto:djacobstein@usaid.gov). or
- Alex Gainer, E3/EP/CB, [againer@usaid.gov](mailto:againer@usaid.gov).

## Mozambique



APS Information Session in Maputo, Mozambique. Photo Credit: USAID Mozambique.

from across a table. The more they feel they reached a conclusion by themselves, the more buy-in they will have to the findings and actions plan. Consensus building is KEY.

**It's their assessment.** One method to ensure the organization's buy-in is to have them write down the findings down in their own words. At the end of the assessment explain to them how to turn the list of findings into an action plan by assigning staff and deadlines to each action item. It is important that they feel ownership of the document.

**Speak their language.** It does little good if the findings and action plan are written in English and that is not the preferred language of communication in their office. Encourage them write the findings and action report in their language of choice and translate it as necessary for use within the Mission. When most employees don't speak English, an action plan in English could muddle communication and discourage some staff from participating in the corrective action.

These are just a few tips that we at USAID/Egypt have found useful with conducting OCAs. Of course the situation will differ from country to country, organization to organization, and culture to culture. The important thing to keep in mind is that you have to put careful thought into how you interact with the organization while conducting the OCA.

### USAID/Mozambique - APS Roadshow

USAID/Mozambique launched a Multi-Sector *Strengthening Civil Society Participation in Health and Education* Annual Program Statement (APS) in March 2012, targeted at local organizations throughout the country. To promote a greater number of applications from local organizations, the Mission embarked on an "APS Road Show" and conducted three public information sessions in the capital, Maputo, and in Nampula and Zambézia. Approximately 300 people attended the session in Maputo, 50 participated in Nampula and 50-60 in Zambézia. The objective of the sessions was to introduce USAID, including its increased focus on capacity development of local organizations, and to explain the objectives and parameters of the APS. Limited to local organizations, the APS focuses on the sectors of Health, Education, and Democracy and Governance. A multi-disciplinary team from the Integrated Health, Education, Democracy & Governance, Acquisitions and Assistance, Financial Management, and Program Offices conducted the sessions.

Lessons Learned:

- **Advertising Information Sessions.** Advertise by making use of a range of media outlets (newspapers, radio, websites) and modes of communication (e-mail, sms, meetings with stakeholders, networks and forums, word of mouth).
- **Civil Society Organization Mapping.** Having an up-to-date local organization database allows for more effective outreach to potential applicants and can help gauge the level of interest. Requesting interested



Pre-award survey visit of USAID staff to Soutoura offices in Bamako. Photo Credit: Zachary Clarke, USAID/Mali.

## Points of Contact

### **Objective 1**

David Ostermeyer, [DOstermeyer@usaid.gov](mailto:DOstermeyer@usaid.gov)

### **Objective 2**

John Niemeyer, [jniemeyer@usaid.gov](mailto:jniemeyer@usaid.gov)

### **Objective 3**

Mauricio Vera, [mvera@usaid.gov](mailto:mvera@usaid.gov)

### **Objective 4**

David Meyer, [dmeyer@usaid.gov](mailto:dmeyer@usaid.gov)

### **Objective 5**

Jun Jin, [jjin@usaid.gov](mailto:jjin@usaid.gov)

parties to register with USAID to attend information sessions can help address this gap.

- **Team Effort.** Each office (Acquisition and Assistance, Financial Management, Program, Integrated Health, Education, and Democracy & Governance) should contribute to preparing and presenting the sessions. These forums are also an opportunity for USAID to conduct outreach and public diplomacy vis-à-vis the USG's support to Mozambique. Conduct the session in the local language if possible. These sessions were conducted in Portuguese.
- **Keeping the APS Simple.** The instructions outlined in the APS should be clear and straightforward. The more layers it has (e.g. sector and province specific), the more complex and difficult it will be for participants to understand.
- **Anticipate Questions.** Most of the questions asked could have been anticipated, namely about eligibility and registration, and answers drafted in advance. Pre-drafting answers allows the team to speak with one voice and to pre-select who will answer the given question. More time should be set aside during the sessions for participants to ask questions.
- **More Flexible Deadlines.** Missions are encouraged to be more flexible when setting deadlines to submit concept papers.

Launching the local APS and holding the public information sessions has started to change the perception that local organizations have of USAID. During one of the sessions, a participant said: *"USAID has opened the doors to working with Mozambican organizations through this APS for the first time. You really need to give us a chance. We've worked through international organizations in the past and have learned through them but now we must have our own opportunity."* Interestingly enough, these efforts are also changing the way USAID employees live and breathe IPR in Mozambique. Jannie Kwok, an Education Officer, participated on the team and explains: The team members were excited and felt reinvigorated having directly reached out to local partners. They repeatedly told me, *"we are doing the right thing." This is not just a 'one-off' activity; we are gaining momentum to significantly change the way we do business."*