

Program Development and Support Funds (PD&S)

(Supersedes AID HANDBOOK 3, Section 1D, p.1-8 through p.1-11 of Transmittal Memo. No. 3:69 of July 20, 1989)

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1. Purpose

This section prescribes general procedures for the utilization and management of PD&S funds.

2. Definitions

- a. Program Development and Support (PD&S)

-Program Development and Support funds finance the identification, design, support, audit, evaluation and closeout of programs or activities (including pilot activities) which are not otherwise identified with specific activities or programs for purposes of Congressional Notification. They are separately notified to Congress and authorized as part of the operational year budget (OYB) allotment process.

- b. Results Review and Resource Request (R4):

The document which is reviewed internally and submitted to USAID/W by the operating unit on an annual basis and contains two components: the results review and the resource request. Judgment of progress will be based on a combination of data and analysis and will be used as a basis for making informed decisions regarding the budget.

3. Uses of PD&S Funds

The following uses of PD&S funds shall be permitted without special justification or approval.

- a. Surveys of customer attitudes and opinions, and other customer relations efforts.

- b. Strategy-related studies, sector assessments, or other special studies that assist in defining strategic objectives, enhance policy dialogue efforts or lead to a better understanding of institutional or technical constraints.

c. Development of programs or activities, feasibility studies, operations research, and pilot testing of hypotheses that may lead to the exploration of new strategic directions, or to the final design of a program or activity.

d. Small research activities or support thereto, including state-of-the-art surveys/studies required for exploration of new strategic directions.

e. General purpose activities such as seminars, workshops, and special economic, sectoral or statistical surveys and studies that cannot be associated with a single, discrete program or activity. This category includes the publication and other dissemination of appropriate research and technical studies.

f. Evaluations, closeout activities, audits, or financial management reviews not otherwise budgeted in the agreements for specific activities or programs. However, it is stressed that all design documents shall normally include adequate funds for evaluation and closeout, and, if deemed necessary, funds for audit or financial management review.

g. Reasonable pre-activity or pre-program implementation costs or bridge funding between terminating and follow-on activities or programs.

h. Costs associated with monitoring or auditing program assistance activities such as cash transfers, commodity import programs, sector assistance, and PL 480, when the relevant program assistance agreement does not contain adequate funding for such purposes.

i. Program costs associated with monitoring or auditing host country owned local currency when local currency is unavailable for this purpose.

j. Travel or short-term training costs of host country public or private sector counterpart personnel when funds from other programs or activities are unavailable for this purpose.

4. PD&S Funds Prohibitions

PD&S funds are not to be used for the following:

a. Any operating expense (OE) activity whose primary purpose is the provision of management

support to the Agency as opposed to program or activity design, implementation, evaluation, and closeout. For example, PD&S funds cannot be used to fund a personal services contractor (PSC) performing predominantly OE activities.

b. Discrete programs or activities except those listed in paragraph 3.

c. Commodity procurement except for incidental procurement of expendable items in connection with procurement of services that are otherwise permissible under this guidance.

d. Specific activities in excess of one year's duration or in excess of \$500,000 except where specifically justified to and approved by the Mission Director, or USAID/W equivalent.

5. PD&S Obligations

a. PD&S funds must be obligated within the fiscal year for which they are allocated. Field missions and USAID/W offices in coordination with the controller should review, at least semiannually, PD&S unliquidated obligations to determine their validity and possible deobligation.

b. PD&S funds are made available to meet current year requirements. If funds are obligated under a limited scope grant agreement, the activities to be funded cannot extend more than one year beyond the end of the fiscal year in which the funds were obligated without justification to and approval by the Mission Director, or USAID/W equivalent. For example, FY 95 funds can be used to fund FY 95 and FY 96 activities. Commitments can be made within the time frame of the grant, but in no case can a commitment extend beyond the terminal date of a limited scope grant.

c. PD&S funds obligated under a limited scope grant agreements are subject to a 25% host country contribution, unless the 25% requirement does not apply to the funds in question, e.g. Economic Support Funds (ESF).

f. PD&S-funded programs or activities construed as assistance to the host government whether or not under a limited scope grant agreement are subject to the prohibitions on providing assistance in the Foreign Assistance Act of 1961, as amended, and other laws.

6. Allocation and Reporting of PD&S Funds

a. Allocation

Regional and central bureaus responsible for use of PD&S funds shall, as necessary, issue annual guidance to their field missions or offices outlining Bureau allocation methods and reporting requirements, and reiterating or referring to Agency policy on uses and prohibitions of PD&S funds contained in this section. Guidance shall be issued annually at the beginning of the fiscal year to promote effective implementation. PD&S funds shall be part of the mission's OYB or shall be managed as part of a bureau's regional PD&S activity, as deemed necessary.

b. Reporting

PD&S transactions shall be recorded in USAID's corporate database. A report on PD&S shall be contained in the documentation provided for the annual Results Review and Resources Request. (R4) (See 201.4.57, and 201.5.16.)

** END OF SECTION **

Clearances:

PPC/DP:MCrosswell(e-mail)date 7/19/95
AFR/DP:JGovan (e-mail w comments)date 7/21/95
ANE/DP:CWilliams_no obj.date 7/19/95
BHR/PPE:JDempsey_e-mail)date 7/20/95
ENI/PCS:JOnly_no obj.date 7/19/95
G/PDSP:DErbe:(e-mail w comments) date 7/19/95
GC/LP:JMiller(e-mail)date 8/21/95
LAC/DPB:DChiraboga (e-mail)date 8/29/95
AA/LPA:BCook_no obj.date 7/19/95
M/FM/PPC:RLevine(e-mail w comments)date 7/20/95
M/IRM/OD:DNeverman(e-mail)date 7/24/95
M/MPI/OD:BBurnett (e-mail)date 8/29/95
AA/PPC:JBallantyne_signed date 09/12/95
M/AS/ISS:GPettigrew_____date_____

PPC/ECON:RGreene:rjg:x7-8573:9/5/95:pd&sads.vr4