



## **2006 USAID Summer Seminar Series**

### **August 22: Grants Under Contracts: A Critical and Effective Implementation Tool**

**Panel Members:** Mark Walther, OAA/DCHA; Anicca Jansen, EGAT/PR/MD; Jeanne Briggs, DCHA/OTI; Alan Chvotkin, Professional Services Council; Kevin Wiedmann, Abt Associates

**Materials:** Presentation appended

# 2006 Summer Seminar Series

## Grants Under Contracts (GUCs) USAID 2006 Summer Seminar

Panel Members:

Mark Walther, OAA/DCHA

Anicca Jansen, EGAT/PR/MD

Jeanne Briggs, DCHA/OTI

Alan Chvotkin, Professional Services Council

Kevin Wiedmann, Abt Associates

August 22, 2006



**USAID**  
FROM THE AMERICAN PEOPLE



# GUCs Seminar Context

- Historical/Current Policies
- Microenterprise Context
- Office of Transition Initiatives Context
- Industry Perspective
- Areas in Need of Additional Policy Guidance and/or Models/Procedures



# 2006 Summer Seminar Series

## Historical Policy Context

Mark Walther  
USAID/OAA/DCHA

August 22, 2006



**USAID**  
FROM THE AMERICAN PEOPLE



- **Contract Information Bulletin (CIB) 92-7**
  - **USAID Management Control**
  - **USAID Inherently Governmental Functions**
    - **Requirements the same as USAID-executed grants**
    - **Five Procedural Points**



# Historical Policy Context

- AID General Notice 4-8-92 (announced to broader Agency audience)
- CIB 94-23 (sample clauses/model grants available; other clarifications)
- CIB 98-28 (advance payments allowed for grant portion of funds)



# Current Policy

- ADS 302.3.4.8
  - Grants to nongovernmental organizations
  - Clearance of GC or RLA
  - Approval of Head of Contracting Activity (HCA)



# Current Policy

- ADS 302.3.4.8 (Continued)
  - US not to exceed \$100,000; no limit on non-US
  - Not feasible to accomplish objectives thru normal mechanisms
  - USAID significantly involved—selection criteria and grant recipients
  - Ensure requirements of USAID grants applied
  - Ability to terminate
  - No Cooperative Agreements



# 2006 Summer Seminar Series

## GUCs As A Program Tool

Annica Jansen, USAID/EGAT,  
Office of Microenterprise  
Development

August 22, 2006



**USAID**  
FROM THE AMERICAN PEOPLE



# What the Microenterprise Development Office does ...

- Provides technical services –  
Directly and through agreements
- Manages large grant facility -  
Implementation Grant Program
- Co-finances innovative mission activities -  
The PRIME fund
- Supports learning / information exchange



# How GUCs have supported MD programs



**USAID**  
FROM THE AMERICAN PEOPLE



# Pass through...

**WE NEED  
SOME  
ASSISTANCE**



**GUC**

**WE HAVE A  
MECHANISM  
THAT CAN  
ASSIST**

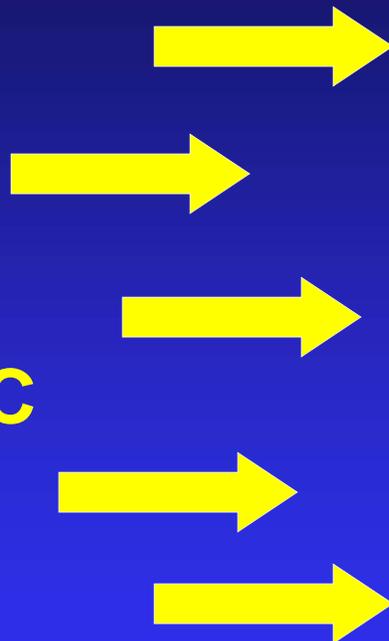


# Reaching Special Populations



I want to help hard to reach populations, but I don't know how

**GUC**



# Poverty Tool Testing



IRIS oversight

**Prototype  
developed**



**GUC**

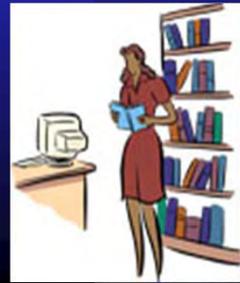


**Roll out  
of  
Poverty  
Tool**

Grants  
through PACT  
to test



# Guide to New Product Development



IDEA



GUC

Release  
of guide

Research on  
Designing  
new Products

Draft Guide

Grants to  
MFIs to test  
guide



**USAID**  
FROM THE AMERICAN PEOPLE



KNOWLEDGE  
for  
DEVELOPMENT

# Learning what is happening in the field



I have some money, what would you like to do with it?



Woah!  
I better learn about insurance!

Insurance



Insurance



**USAID**  
FROM THE AMERICAN PEOPLE



# Summary of Uses

- Pass through
- Fund a theme of particular interest, and
- Foster learning around that theme
- Test products before fully rolled out
- Scan the environment



**USAID**  
FROM THE AMERICAN PEOPLE



# Challenges

- Grants under Sub-Contract (GUSs?)
- Can become slush fund with no strategic focus
- Learning is different than monitoring
- Grant size limited to \$250,000



# Benefits

- Flexible
- Rapid response & roll out
- Can “troll” for ideas
- Programmatic control
- One management unit
- Grant size limited to \$250,000



# 2006 Summer Seminar Series

## Office of Transition Initiatives

Jeanne Briggs,  
USAID/DCHA/OTI

August 22, 2006



**USAID**  
FROM THE AMERICAN PEOPLE



- Why does OTI use Grants Under Contract (GUC)?
- How does it work for OTI?
- Monitoring, Evaluating, and Reporting



# Examples of OTI Use of GUC

- Iraq: Grant to Local Administration to remove surface trash and sewage. 280 laborers, \$190,000



**USAID**  
FROM THE AMERICAN PEOPLE



# Examples of OTI Use of GUC

- DRC: Community grant to re-build a market destroyed by war to increase provide a focal activity for two ethnic groups, \$50,000



# Examples of OTI Use of GUC

- Sri Lanka: Supported training workshops for members of mediation boards to address tension between those who have and have not received tsunami aid.  
\$35,000



**USAID**  
FROM THE AMERICAN PEOPLE



## Why does OTI use GUC?

- Large volume and small amounts
  - OTI had 10-12 country programs per year
  - Each program lasts 2-3 years
  - 200 to 800 small grants per country program
  - \$500-\$100,000 per grant
- Examples:
  - DRC: 258 grants, average \$40,000
  - Haiti: 576 grants, average \$21,000
  - Extreme cases:
    - Iraq: 5261 grants, average \$64,000
    - Afghanistan: 710 grants, \$160,500



**USAID**  
FROM THE AMERICAN PEOPLE



# Why does OTI use GUC?

- **To support non-traditional USAID partners**
  - **Grants aim to "advance peaceful democratic change," and may focus on non-traditional activities or activities that cannot be funded by others**
  - **Use in-kind grants to support groups that lack financial and organizational capacity in the traditional sense of a 'grantee'**
  - **Partners include local indigenous groups; cooperatives; associations; informal groups; NGOs; local, regional and national governments; student groups; media; private sector**



# Characteristics of an OTI Grant Under Contract

- Labor Intensive
  - Contractor works with grantee to develop grant, provide technical support, monitor implementation
  - Primarily "disbursed" in-kind - Contractor procures office equipment, printing materials, conference/seminar venues, agricultural equipment or building supplies and labor
- Prototype grant involves:
  - Broad and diverse community participation in the grant's design and implementation; community contribution (e.g. in labor or materials); catalytic nature; short-term, high-impact; a media component to amplify the results; and tangible visible benefits



**USAID**  
FROM THE AMERICAN PEOPLE



# Division of Labor and Responsibility

## OTI

- USG strategy and vision
- Connections to Embassy, Mission Director, and other donors
- Reviews grant concept
- 'Clears' grant objective and macro-budget

## Contractor

- Develops grant (detailed budget, objective, outputs, reporting)
- Grantee assessment
- Awards grant
- Financial, legal, contractual, management, and administration of grant



**USAID**  
FROM THE AMERICAN PEOPLE



# How do we manage all of these grants?

- Contractor summarizes data in the OTI Activity Database
  - Provides weekly information to OTI field and Washington staff on grants, objectives, status, etc.
- Contractor uses internal accounting, procurement, and grant management systems
  - OTI field and Washington staff use for reporting and information
  - Database does not substitute contractor's systems, nor is it a financial system



**OTI/Haiti Grant Information Form**

Grant Title:  Grant No:

Implementing Partner:  Last Update:

Grantee Details Grantee:  Updated By:

Office:  Point of Contact:  Country:

[Preview Grant Forms and Create e-Grant](#)

**Overview** | **Description 1** | **Description 2** | **Locations** | **Evaluation** | **Document Registry**

*Fixed Global Fields* OTI Intermediate Result:   
 OTI Focus Area:

*Country Configured Fields* Country Objective:   
 Sector:   
 Key Words / Cross Cutting Themes:   
 (click to edit)

Dates: Received:  Activity Start:   
 Cleared:  Activity End:

Grant Status:   
 Reviewed By:   
 Cleared By:

OTI Contribution:	Est. Grant Award	Amount Disbursed
<input type="button" value="Budget Builder"/>	<input type="text" value="\$13,350.00"/>	<input type="text" value="\$11,754.73"/>
	<input type="button" value="Adjust Final Grant Amount"/>	

Fund Source:

Grantee Contribution: Amount USD:   
 Description:

Other Donors: Amount USD:   
 Name(s):

1 of 1



**OTI/Haiti Grant Information Form**

Grant Title:	Play for Peace Reconciliation Tournament - Saint Marc	Grant No.:	IOMSTM056
Implementing Partner:	International Organization for Migration	Last Update:	05/17/2006
Grantee Details Grantee:	Community of Saint Marc	Updated By:	Jean Pierre
Office:	Saint Marc	Point of Contact:	Cecilia Corneo
		Country:	Haiti

**Preview Grant Forms and Create e-Grant**

**Overview** | **Description 1** | **Description 2** | **Locations** | **Evaluation** | **Document Registry**

*Fixed Global Fields*

OTI Intermediate Result:

OTI Focus Area:

---

*Country Configured Fields*

Country Objective:

Sector:

Key Words / Cross Cutting Themes:   
(click to edit)

Dates:	Received: <input type="text" value="03/15/2006"/>	Activity Start: <input type="text" value="04/03/2006"/>	Grant Status: <input type="text" value="Completed"/>
	Cleared: <input type="text" value="03/23/2006"/>	Activity End: <input type="text" value="04/24/2006"/>	Reviewed By: <input type="text" value="Philippe Branchat"/>
			Cleared By: <input type="text" value="John Rigby"/>

OTI Contribution:	Est. Grant Award	Amount Disbursed	Grantee Contribution:	Amount USD:	<input type="text"/>
<input type="button" value="Budget Builder"/>	<input type="text" value="\$13,350.00"/>	<input type="text" value="\$11,754.73"/>	Description:	<input type="text" value="Oversight, Organization"/>	
	<input type="button" value="Adjust Final Grant Amount"/>		Other Donors:	Amount USD:	<input type="text"/>
Fund Source:	<input type="text" value="TI Small Grants"/>		Name(s):	<input type="text" value="SEJSEC: Technical Assistance"/>	

1 of 1



# Monitoring, Evaluating, Reporting

- Grantee, Contractor and OTI monitor grant implementation
- Grantee submits final report; contractor/OTI evaluates impact and feeds lessons into future activities (with the same grantee or of the same type)
- Lessons feed back into OTI's continuously-evolving strategy



# 2006 Summer Seminar Series

## A Private Sector View

Alan Chvotkin,  
Professional Services Council

August 22, 2006



**USAID**  
FROM THE AMERICAN PEOPLE



# GRANTS UNDER CONTRACTS

## KEY TOPICS

### *THREE MAJOR TOPICS TO BE COVERED*

- *Financial and Administration Issues*
- *Corporate Accounting Treatment Issues*
- *Contracting Issues*



# Financial and Administration Issues

- Advance funding for grants under contracts
- Approval of advance funding
- Methods of advance funding
- Staffing
- Financial risks



# Corporate Accounting Treatment Issues

- Why the Accounting Treatment of Grants Under Contracts is Important
- Costs that Arise in the Management of Grants Under Contracts
- Available Accounting Options



# 2006 Summer Seminar Series

## Contracting Issues

**Kevin Wiedmann**  
**Abt Associates**

August 22, 2006



**USAID**  
FROM THE AMERICAN PEOPLE



- Contractor Liability
- GUC versus Cooperative Agreement
- USAID directed grants to local government (affiliated/owned) organizations
- Procurement under grants
- Branding/Marking application
- GUC programs under GSA contracts
- Level of USAID monitoring and oversight in grant lifecycle process
- Standardized Terms and Conditions for grant agreements
- PMP requirements
- Standards for measuring successful impact of a GUC component
- Grants Manual



# INDUSTRY QUESTIONS?

**Alan Chvotkin**

**Senior Vice President  
and Counsel**

**Professional Services  
Council**

**(703) 875-8059**

**chvotkin@pscouncil.org**

**Kevin J. Wiedmann**

**Manager of Contracts  
- International**

**Abt Associates Inc.**

**(301) 913-0524**

**kevin\_wiedmann@**

**abtassoc.com**



# THANK YOU!

- Audience Thoughts/Experiences
- Suggested Areas for further Policy Guidance
- Suggested Areas for Models/Procedures
- Other Thoughts?



# 2006 Summer Seminar Series

## Grants Under Contracts (GUCs) USAID 2006 Summer Seminar

Panel Members:

Mark Walther, OAA/DCHA

Anicca Jansen, EGAT/PR/MD

Jeanne Briggs, DCHA/OTI

Alan Chvotkin, Professional Services Council

Kevin Wiedmann, Abt Associates

August 22, 2006



**USAID**  
FROM THE AMERICAN PEOPLE



Thank you!  
for attending the  
**2006**  
**Summer**  
**Seminar**  
**Series**



**USAID**  
FROM THE AMERICAN PEOPLE

