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STRATEGIC REVIEW OF THE LIMITED EXCESS PROPERTY PROGRAM (LEPP)

MAY 6, 2016

This publication was produced for review by the United States Agency for International Development. It was prepared by John A. Berry and Amanda Yue of Management Systems International, a Tetra Tech Company, and Jared Berenter of Development and Training Services.

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Contracted under AID-OAA-M-13-00017

E3 Analytics and Evaluation Project

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ACRONYMS

ADRA	Adventist Development and Relief Agency
ADS	Automated Directives System
APS	Annual Programming Statement
ASHA	American Schools and Hospitals Abroad program
CIB	Contract Information Bulletin
DCHA	Bureau for Democracy, Conflict, and Humanitarian Assistance (USAID)
DLA	Defense Logistics Agency
DOD	Department of Defense
DRMO	Defense Reutilization Management Office
E3	Bureau for Economic Growth, Education, and Environment (USAID)
FAA	Foreign Assistance Act of 1961
FFP	Food for Peace
FSN	Foreign Service Nationals
GIK	Gifts-in-Kind
GSA	General Services Administration of the United States Government
KII	Key Informant Interviews
LEPP	Limited Excess Property Program
LAC	Latin America and the Caribbean
LS	Office of Local Sustainability (USAID/E3)
M&E	Monitoring and evaluation
MOU	Memorandum of Understanding
MSI	Management Systems International
NGO	Non-governmental organization
OAA	USAID Office of Acquisition and Assistance
ODP	USAID Office of Development Partners
OFDA	Office of Foreign Disaster Assistance
OFR	Ocean Freight Reimbursement program
PAD	Project Appraisal Document
PADF	Pan American Development Foundation
PAO	Public Affairs Officers
PRM	Population, Refugees, and Migration Bureau
PVC	Private and Voluntary Cooperation (USAID)
PVO	Private Voluntary Organization
SO	Strategic Objective
SOW	Statement of Work
TOAC	Total Original Acquisition Cost
TSA	Transportation Security Administration
USAID	United States Agency for International Development
USAID/M	USAID Management Bureau
USG	United States Government
VA	Veterans Administration
WHO	World Health Organisation

ACKNOWLEDGMENTS

Responsibility for the development and content of this strategic review lies with the review team, but it would not have been possible without input from a host of stakeholders and supporters. Primary among these, we acknowledge Hannah Marsh from the Local Sustainability Office for her invaluable support during this effort. We would also like to thank Rolf Anderson and Ryan Weddle from the Local Sustainability Office and Trevora Sanders from Rapier Solutions.

This assessment would not have been possible without the participation and support of staff from dozens of private voluntary organizations and U.S. government employees who participated in key informant interviews and responded to a survey, providing the review team with invaluable information and feedback. We are grateful for their confidence.

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March 2016

EXECUTIVE SUMMARY

This report presents the findings, conclusions, and recommendations from a strategic review of the Limited Excess Property Program (LEPP). The study was commissioned by the Office of Local Sustainability in the United States Agency for International Development's Bureau for Economic Growth, Education, and Environment (USAID/E3/LS) and was carried out by the E3 Analytics and Evaluation Project. This review is intended to inform the future direction of LEPP and USAID/E3/LS's efforts to optimize the distribution of U.S. government (USG) surplus property.

The review examines program options for excess federal property distribution, and it assesses how each option could affect the value of property distributed under the program, program outcomes, and program costs. The review discusses the advantages and disadvantages of five program options being considered by USAID/E3/LS and assesses the ability of each option to leverage surplus property to support ongoing USAID programming and to contribute to strengthening local capacity worldwide.

Research Question and Methodology

The main research question of the review is as follows: "What are the pros and cons of each of the programming options being considered by the LEPP team?" These programming options, which USAID/E3/LS selected for examination, are:

- Modified private voluntary organization (PVO) model;
- A Mission-based distribution model, including a contractual intermediary;
- Direct program-to-program partnerships within USAID;
- Intergovernmental cooperation with other USG departments; and
- Direct transportation financing.

The research design used an analytical framework focusing on how implementation of each of the options above would influence the value of property distributed, achievement of humanitarian, development and public diplomacy outcomes and costs to the USG. Research methods included a desk review of primary and secondary program data, key informant interviews (KIIs) with relevant program stakeholders, an online survey of participating PVO partner organizations, and a site visit to an excess property holding location. More than 40 KIIs, including with 13 of LEPP's 24 PVO partners, were conducted in-person and by telephone.

This report begins with a review of the current LEPP operating model, describing the performance of the current program and analyzing the constraints of the current model based on feedback from program partners. The report then describes and analyzes the five design options and the factors affecting the potential value of equipment distributed, the potential outcomes (development, humanitarian, and public diplomacy), and the cost of each option.

Findings and Conclusions

The review team found that LEPP – despite having a relatively small budget – has been able to leverage its resources to achieve significant results, typically averaging more than \$80 in excess USG equipment per \$1 in program cost. Partners transport and distribute LEPP equipment to improve local facilities and services that contribute to USAID's development, humanitarian and public diplomacy goals. Between 1999 and 2016, LEPP averaged just under \$30 million in equipment distributed per year. The number of LEPP partners has ranged between 16 and 30 PVOs, with an average of three USAID Missions per year actively distributing property. Although Mission participation has been a critical component of LEPP's

implementation strategy, PVOs have been responsible for 97 percent of all property distributed since 1999.

Although partners and stakeholders generally perceive LEPP well, the constraints analysis undertaken by the review team found that the majority of respondents felt that there are important challenges and missed opportunities that limit the use and impact of the program. The report outlines a variety of cost, administrative and management issues that respondent organizations and Missions cite as constraints. These include transportation costs, administrative requirements, challenges to vetting property, and warehouse logistics. In addition, there are significant missed opportunities for public diplomacy outcomes due to a lack of capacity for measuring, reporting and communicating results.

The report’s recommendations are derived from this constraints analysis and focus on low-cost changes to the current model to improve program outcomes. The report identifies opportunities to increase the value of property distributed through improved efficiencies, improve outcomes through better information management, grow the number of partners through outreach and increase utilization of LEPP through capacity building for key partner organizations.

Option Rankings

Comparing the five options defined by the LEPP Team using the common multi-factor framework of equipment value, program outcomes and cost to the USG, the review team ranked each option as detailed in Table I. Options that have a greater chance of increasing positive outcomes were ranked higher, with the exception being direct transport funding, which, although it would otherwise be ranked as the first option in terms of increasing the volume of excess property transferred, is entirely dependent on accessing significant amounts of additional funding that is not currently available.

TABLE I: RANKING BY PROGRAM OPTION

	Value	Outcomes	Costs
Current model	\$30 million	Limited data	Low
1) Modified PVO	↑	↑	↑
2) Program-to-program	≈	↑	=
3) Intergovernmental	≈	↑	=
4) Mission-based	≈	↑	↑
5) Direct transport	↑	↑	↑

Key
 ↑ Increase
 ≈ Little change
 = Remain the same

Modifying the current PVO model ranks highest because it requires the fewest changes to LEPP’s existing approach and will likely have the greatest potential for positive impact and be the easiest and cheapest to implement.¹ Program-to-program collaboration within USAID is ranked highly because of its potential for reasonable return on limited investment. Intergovernmental cooperation could also be a low-cost way of increasing the value of the LEPP portfolio, but the magnitude of the increase in

¹ The review team recognizes that findings from this review pertaining to the modified PVO option are subject to bias, given that PVOs represented a plurality of respondents interviewed as part of the review. While this source of bias must be considered, it is also a reflection of the current model’s reliance on PVOs and PVO partners’ status as the primary movers of LEPP property.

equipment distributed is not likely to be great. The mission-based option is ranked fourth because of the costs and effort required to create a buy-in mechanism that would potentially serve a limited number of missions. The direct transport option is discussed above.

The review team found, however, that these design options are not mutually exclusive. In fact, it is likely that certain options can complement one another. Missions interviewed by the review team, for example, expressed interest in continuing to work with PVOs to transfer property in support of mission development objectives. Program modifications that enable increased PVO participation and distribution of property at the same time can facilitate greater participation from interested missions.

Recommendations

The review team provides the following recommendations:

1. Options are not mutually exclusive and USAID should not treat them as such.
2. LEPP should prioritize making small changes to the PVO-based approach to decrease the administrative burden on PVO partners, strengthen monitoring, reporting, and communications, and improve cooperation.
3. LEPP should research the feasibility and cost of creating a buy-in mechanism to increase USAID Mission participation.
4. LEPP should improve communications with Missions and U.S. embassies to facilitate public diplomacy outcomes.
5. Intra-agency partnerships with similar USAID offices and interdepartmental partnerships with other USG offices should be developed and formalized through memoranda of understanding.
6. If resources permit, complement implementation of other options with direct transport funding, as this additional feature is rated as being most likely to increase volume shipped.
7. USAID should take advantage of the opportunity provided in designing a new management contract to update and upgrade LEPP's management information system and improve its communications and capacity-building functions.
8. By enhancing the capacity for needs assessments and outcome monitoring, LEPP can simultaneously improve its ability to measure impact and ensure the program does no unintentional harm.

INTRODUCTION

This report presents the findings, conclusions, and recommendations from a strategic review of the Limited Excess Property Program (LEPP). The study was commissioned by the Office of Local Sustainability in the United States Agency for International Development's Bureau for Economic Growth, Education, and Environment (USAID/E3/LS) and was carried out by the E3 Analytics and Evaluation Project. Annex A provides USAID's Statement of Work (SOW) for this review.

The review examines five program options for excess federal property distribution; it also assesses how they could affect the value of property distributed under LEPP, program outcomes, and program costs. The review lays out the advantages and disadvantages of five program options being considered by USAID/E3/LS and assesses the ability of each option to leverage surplus property to support ongoing USAID programming and to contribute to strengthening local capacity worldwide.

LEPP BACKGROUND

LEPP provides registered private voluntary organizations (PVOs) and USAID Missions with access to USG surplus property to support USAID's humanitarian assistance, development, and public diplomacy objectives. Since 1987, LEPP has transferred more than \$1 billion in excess federal property to support agricultural, educational, and health initiatives in developing countries. Beneficiaries of LEPP have used excess property to outfit hospitals, clinics, group homes, infant feeding centers, vocational facilities, and schools. USAID Missions have used property obtained through LEPP to respond to local needs ranging from disaster response to capacity development.

The LEPP model operates through intermediaries, using PVO partners and USAID Missions to collect, transport, and distribute excess government property to in-country end-user organizations. LEPP's partners assume responsibility for the refurbishment and transportation of excess property and ensure that requisitioned property is used in a timely fashion and toward its intended purpose. Although 97 percent of LEPP property is distributed by U.S.-based and international PVOs and their local partners, LEPP also supports USAID Missions that request property for distribution to in-country partner organizations. LEPP is managed by USAID/E3/LS and supported by a five-year contract with Rapier Solutions that is set to conclude in the fall of 2016.

Over the last five years, the value of the property accessed through LEPP has ranged from \$25 million to \$32 million annually. While the value of the program to date is significant, USAID/E3/LS believes that with appropriate design changes, the scale and outcomes of the program can be significantly increased and missed opportunities recouped.

REVIEW PURPOSE, AUDIENCE, AND INTENDED USES

Review Purpose

The purpose of this review is to inform the future direction of LEPP and USAID/E3/LS's efforts to optimize the distribution of USG surplus property. The review assesses how five alternative options for excess federal property distribution could be operationalized; how the different models would affect the

value² of property distributed; and the program’s capacity to achieve desired humanitarian, development and public diplomacy outcomes and costs.

The review provides both short-term recommendations for LEPP to implement in the next year and longer-term issues for reflection with recommendations to guide the future direction of the program.

This review is not intended to be a program evaluation of LEPP, although it considers past and current performance of the program to the extent that they illustrate management practices with ramifications for future program design options.

Review Audience

The main audience for this strategic review is USAID/E3/LS. The review should also be of interest to PVOs, USAID Missions, and other USAID and USG stakeholders involved or interested in the wider use of excess property.

Intended Uses

This review will inform decision-making about short- and long-term program design and mechanisms going forward and the design of the next iteration of LEPP, scheduled to begin in October 2016.

RESEARCH DESIGN AND METHODOLOGY

Research Question

To guide this review, USAID has identified the following research question:

“What are the pros and cons of each of the following LEPP programming options being considered by USAID/E3/LS?”

- Modified PVO model;
- A Mission-based distribution model, including a contractual intermediary;
- Direct program-to-program partnerships within USAID;
- Intergovernmental cooperation with other USG departments; and
- Direct transportation financing.

Research Design

The research framework for this review was designed to capture sufficient information to offer informed conclusions and recommendations regarding the strengths and weaknesses of LEPP’s current operating model and the pros and cons of each of the five programming options. The review used mixed-method data collection approaches and a common set of performance indicators to describe and analyze the current LEPP model. Then the review team gathered key informants’ perceptions and estimates of how they and their organizations would react to relevant aspects of the selected options. The review team used this information to build an understanding of the likely performance of the selected options in key dimensions.

² The review was initially designed to assess how options would optimize “volume” of excess property moved through LEPP. However, this changed to “value” after examination of the LEPP database and how it captures results. This is further explained on page 25.

Findings are based on three indicators:

- Potential value of federal excess property distributed;
- Future outcomes (humanitarian, development, and public diplomacy) achieved through LEPP; and
- Potential costs to implement each model.

The review team ranked the respective options along metrics for these indicators. Annexes B and C provide information on the research instruments used for this review.

Research Methodology and Data Collection

The methodology includes primary and secondary research based on a broad range of sources, data analysis, and documentation of findings, conclusions, and recommendations. Primary research began by developing data collection instruments, including questionnaires and a survey instrument, and selecting of key informants.

Data collection included:

- KIs conducted in person and via phone with 43 respondents, including 17 PVOs (13 participating, 2 formerly participating, and 2 non-participating) and four in-country partner organizations;
- An online survey was completed by 10 of the 24 current PVO partners;³
- A site visit to a Defense Reutilization Management Office (DRMO) holding location warehouse;
- A desk review of secondary research, which
 - Involved collecting and reviewing data, background documents, and other material from PVOs, USAID offices and Missions, and other USG departments and contractors, and
 - Addressed LEPP performance monitoring, reporting, and verification systems; and
- Review of relevant technical literature on gifts-in-kind (GIK) programs.

In order to provide an in-depth understanding of USAID and stakeholder experiences and perceptions, the review team conducted KIs with three primary respondent groups:

- USG departments and contractors (including Missions, potential USG agency partners, General Services Administration [GSA], Defense Logistics Agency [DLA], and respective holding locations);
- PVOs, including current, former, and local partners); and
- Third party experts.

Table I illustrates the breakdown of KIs.

³ Survey total does not include six partial responses.

TABLE 1: LEPP KEY INFORMANT RESPONDENT GROUPS

USAID and USG Departments and Contractors	Number of Interviews
USAID/E3/LS	3
USAID/ASHA	1
USAID/M/OAA	1
USAID Missions	4
DLA	1
GSA	1
Property holding locations	1
TSA	1
Rapier Solutions	1
PVOs	
Current PVO partners	13
Former PVO partners	2
Local in-country partners	4
External Experts	
Non-LEPP participant PVOs	2
Academic experts	1
Total KIIs	36*

* The number of interviews (36) is lower than the number of respondents (43) because more than one respondent participated in seven of the interviews.

Data Analysis

The review team used a combination of qualitative and quantitative data analysis methods to assess the current LEPP model and to assess and compare the five programming options. Wherever possible, the review team used mixed methods to triangulate data from the various primary and secondary sources in order to derive findings. The team analyzed primary data for patterns, compared the patterns with trends identified in secondary data, and noted major areas of convergence. Because of the hypothetical nature of some of the options, the review team used an “if, then” approach to estimate the performance implications of a design option. Comparative analysis of each of the five options included:

- Qualitative analysis of pros and cons for each option;
- Estimates of performance in key metrics for each option; and
- Ranking of the five options in terms of their potential contribution to the goals of LEPP and USAID’s development, humanitarian, and public diplomacy objectives.

The team documented qualitative data from KIIs in sufficient detail to permit content and pattern analysis and capture illustrative anecdotes. They used comparative statistics to cross-reference and analyze quantitative data from KIIs, surveys, and secondary sources. Quantitative projections of the potential performance of programming options are based on individual-level responses and portfolio-level past performance.

Data Limitations

The scope of this review was crafted to facilitate rapid data collection focused on the assessment of the five identified design options. The total population of PVOs currently participating in LEPP is relatively small (24), which permitted the review team to conduct KIIs with more than half of LEPP’s partners (13 PVOs, 3 Missions). While the team endeavored to interview an illustrative sample of respondent PVOs,

Missions, and other organizations, the sample may not fully capture a comprehensive range of perspectives about relevant incentives, disincentives, and constraints to program performance and outcomes. Additionally, because a relatively large number of PVOs were sampled, overall responses from KIs strongly reflect the perspective of PVOs. To ensure a diversity of perspectives, the research team interviewed current, past and non-partner PVOs. However, current partners represented the largest number of interviewees.

Substantial empirical data for the program are available from 2012. Although USAID implemented the program in 1987, minimal data covering 1999 to 2016 was available for the review team; the most reliable and complete data sets are from 2012 to 2016, corresponding with the tenure of the consulting firm currently managing the program. While recent data were sufficiently robust to allow analysis of LEPP as it is currently managed, the team's ability to project future performance has limitations. In particular, the unavailability of outcome or cost data made it impossible to analyze past performance and difficult to project future performance.

A fundamental limitation of any analysis of the value of equipment distributed by LEPP is that all data regarding value are based on total original acquisition cost (TOAC) rather than fair market value. By the nature of the program itself, all of LEPP equipment is secondhand. None of the data reported to or by LEPP are based on fair market value, but rather on TOAC, effectively inflating the stated value of all equipment distributed. The process of valuing equipment is fundamentally beyond USAID's control. All equipment that reaches DRMO or GSA holding locations is valued by the office that transferred the equipment. Because they have little ability or incentive to estimate the market value of the property transferred, they simply use its cost of acquisition. Each PVO treats equipment valuation in its own way. Some have sophisticated systems, other simply take 50 percent of the stated value. Because there is no consistency between PVO valuation methodologies, the review team used TOAC valuation.

Contact information for all key informants was provided by USAID/E3/LS and Rapier Solutions staff. Individual respondents interviewed were able to speak with varying degrees of authority on behalf of their respective institutions. In addition, the team found that with select PVOs, institutional memory was limited due to staff turnover, program change, or lack of exposure to LEPP.

Finally, none of the PVOs or USG offices interviewed provided the review team with data broken down by gender (other than occasional anecdotal stories, no data were available about the impact of LEPP programming on individual end users). Because the team was not able to access basic demographic data about end users, gender-based analysis was not possible.

DESCRIPTION OF FIVE PROGRAM DESIGN OPTIONS

USAID/E3/LS originally framed the five program options as distinct models, but the review team found that the essential model under discussion is that of GIK donations. The five options represent mechanisms for distributing GIK. None of the options are mutually exclusive, and some of the options presented could be used to complement implementation of other options, for example, transportation funding. All of the options except interdepartmental cooperation are dependent on PVOs for implementation of critical logistical, transportation and distribution functions. For the sake of accuracy, the review team therefore has framed its discussion in terms of options for future programming rather than models.

The design options being considered for this review were identified by USAID/E3/LS. These are listed below in descending order of priority based on USAID/E3/LS's assessment of their ease of implementation and feasibility. Only two of these options have been implemented to date: the PVO option and the intergovernmental option. (The LEPP team has regularly collaborated with Missions in the past, but has never set up a buy-in mechanism for them.) The other three options are largely hypothetical.

Modified PVO Option

The modified PVO option would implement modifications to improve the current PVO-focused program. This option would enact administrative changes to streamline and increase program efficiency. Reducing the administrative burden on partners and increasing outreach ceilings should do both.

Mission-Based Option

The Mission-based option could incorporate a buy-in mechanism through which USAID Missions could directly request property under LEPP. For example, Missions might contract with a freight forwarding company to facilitate transportation and logistics in support of their regular programming. LEPP could pilot a Mission-based option in Eastern Europe, as LEPP previously successfully employed this option in partnership with the USAID/Bosnia mission. (The Latin American and the Caribbean [LAC] region could also be an option.) In addition, Mission participation in LEPP can be increased through improved communications and outreach to Missions, particularly around public diplomacy outcomes.

Direct Program-to-Program Partnership

Under the program-to-program option, LEPP could serve as an add-on resource to other similar USAID programs. Programs that would be primary candidates for such partnerships include the American Schools and Hospitals Abroad (ASHA) program⁴ and the Ocean Freight Reimbursement (OFR) program.⁵ The review team identified these programs in particular because although they both work through PVOs, they share only three PVO partners in common with LEPP.⁶ Potential collaboration could include common application, vetting, enrollment, and registration processes.

Intergovernmental Cooperation

Currently there are no formal inter-agency agreements pertaining to excess property, although LEPP does occasionally conduct one-off transfers with other USG agencies, such as the Transportation Security Administration (TSA). The intergovernmental cooperation option could include establishing MOUs and streamlining administrative processes to transfer property and advertise LEPP equipment to other government agencies.

Direct Transportation Financing

Under the direct transportation financing option, LEPP would offer grants to selected PVOs or Missions to offset transportation costs.

⁴ ASHA manages an annual competition that has awarded grants to 38 U.S. organizations to support construction projects and the purchase of equipment for schools, libraries, and medical centers in 25 countries.

⁵ The OFR program provides small competitive grants to approximately 50 U.S. PVOs to reimburse shipment costs for goods used in privately funded development and humanitarian assistance programs. OFR reimburses only shipping costs; participating PVOs are responsible for associated costs, such as commodity acquisition, warehousing, insurance, local transportation, and distribution.

⁶ Common partners include CURE International, Food for the Poor, an ASHA partner, and Adventist Development and Relief Agency [ADRA]), an OFR partner.

FINDINGS REGARDING CURRENT LEPP MODEL

The following section describes the current LEPP model. The review team has determined that a thorough description and understanding of the current program is necessary to serve as a form of baseline for any discussion and analysis of the five proposed design options. Annex I contains additional explanation and data on the structure and activity of LEPP.

LEPP was originally authorized under the Foreign Assistance Act of 1961 Sections 607 and 608 to provide PVOs access to excess USG property for their international humanitarian and development assistance programs. Sections 607 and 608 define the goals, objectives, and to some extent the implementation of the program. LEPP currently operates under a Contract Information Bulletin (CIB) dating from 1998. Since its inception, the LEPP model has relied on partners (mainly PVOs, but also USAID Missions) to transport and distribute excess USG property, distributing more than \$1 billion in excess property since 1987.

Since its creation in 1987, LEPP has had a series of institutional homes within USAID and has been significantly modified over the course of its operations. For 22 years, LEPP operated out of the Office of Acquisition Assistance (OAA). In 2009, LEPP was moved to the Office of Development Partners/Private Voluntary Cooperation (ODP/PVC), at which time the program was brought in-house and managed by USG direct-hire staff. LEPP changed institutional homes to the Office of Local Sustainability in the E3 Bureau in 2011. Since 2012, LEPP has been managed by an external consulting firm (Rapier Solutions) and supervised by USAID staff. The budget of the LEPP team does not have a Congressional earmark and LEPP does not have a line item in the overall USAID budget, creating inherent uncertainty in the funding levels that will be available for LEPP.⁷ The program is currently funded through the E3 Bureau.

LEPP has made several important improvements to program management since 2009. These include moving to an open and competitive application process for PVO partners, standardizing administrative processes, developing a required partner training program and shifting to joint implementation of 607 determinations with USAID Missions.

KIs indicate that a broad range of respondents have positive impressions of LEPP and its management. Improvements to program management over the last four years were mentioned by stakeholders both inside and outside the government. LEPP staff were described in interviews as easy to work with, helpful and patient.⁸

“We can’t say enough good things about LEPP.” (PVO Respondent)

“Best office in USAID to work with.” (PVO Respondent)

“LEPP is a great benefit to the Mission and a very powerful tool.” (Mission Respondent)

How Partners Value the Current LEPP Model

Respondents most commonly cited access to equipment as the primary benefit of LEPP. Five organizations highlighted equipment that could not be procured elsewhere, two organizations emphasized the quality of equipment, and another stressed the flexibility that cost-free equipment

⁷ In contrast, the ASHA Office has both a Congressional earmark and an active support consortium among its PVO partners who lobby Congress annually to fund ASHA.

⁸ In interview with respondent PVOs.

provides their organization. Only one organization surveyed indicated that less expensive property in country created a disincentive to participating in LEPP, and no organization indicated that participation is limited due to higher quality property procured locally. Of the 10 organizations responding to the online survey, four indicated that LEPP property had improved relationships with local partners, and two specified that LEPP property had increased the number of local partnerships. One organization interviewed described programs built specifically around the use of LEPP property.

In sum, access to LEPP equipment allows PVOs and other recipient organizations to reduce expenditures on overhead costs (for example, the overhead costs of office equipment) and capital costs (for instance, the costs of medical equipment) thereby leveraging their existing budgets to better serve their beneficiaries. The flow of positive impacts can be seen on recipient local institutions through to their clients, as well as the relationships that LEPP builds between PVOs and missions. A more detailed understanding of the value of excess property distributed based on the development outcomes generated by the property requires further research given the lack of monitoring and reporting or end user impact.

PVOs described additional benefits in terms of the quality and availability of the equipment to which they would not otherwise have access. In particular, PVOs specializing in distribution of medical equipment maintain that the quality and variety of excess USG equipment available through LEPP would otherwise be unavailable to them. Similarly, one of the USAID Missions interviewed stated that without an alternate purchasing mechanism, LEPP is their only means of access to equipment. Even for large PVOs with other sources of GIK donations that dwarf LEPP's contribution, program equipment is still significant because it allows them to access equipment they could not acquire elsewhere.

PVOs also regard LEPP as a mechanism for building relationships with USAID, local NGO partners, and other PVOs. Although PVOs with major private donors describe working with those donors as significantly easier and more predictable than working with USAID, those PVOs recognize LEPP's role in helping to build bridges with the Agency. LEPP property also allows PVOs to strengthen their relationships with local partners and other PVOs. Of the 13 organizations interviewed, one reported its relationship with the USAID network as an important benefit of LEPP participation; two others reported network opportunities with other PVOs as a useful function of the LEPP training sessions. A fourth PVO explicitly credited LEPP with opening doors for new relationships with local partners.

Finally, LEPP allows USAID to leverage equipment that would otherwise be auctioned at a loss to the government to strengthen local institutional capacity. Improved facilities and services contribute to the Agency's development, humanitarian and public diplomacy goals. Although LEPP's limited M&E systems do not allow it to systematically capture program outcomes at the beneficiary level, anecdotal evidence demonstrates that LEPP equipment can have a major impact on the lives of vulnerable communities. PVO partners measure beneficiary-level outcomes, but each organization uses its own methodology, which makes their data inconsistent. In addition, resources and capacity for measuring outcomes vary widely among PVOs.

Value of Equipment Distributed

Distinct patterns have emerged from the LEPP data on the value of property distributed over the last 17 years. During this period, PVOs have remained the primary implementing partners of LEPP. Data provided in Table demonstrates that PVOs are the prime movers of LEPP property, averaging 97 percent of LEPP's total portfolio and – at a minimum – representing 86 percent of property distributed. The low average value of property distributed through Missions is influenced by the irregular pattern of Mission participation, ranging from 14 percent of LEPP's annual portfolio to zero. As shown in the chart below, PVOs have been the largest distributors of property in value and percentage over time.

TABLE 2: VALUE OF EQUIPMENT DISTRIBUTED BY PARTNER TYPE, 1999-2016

	Average	Range – High	Range – Low
Total value	\$29,185,817	\$42,007,783	\$9,544,082
PVO value	\$27,698,383	\$37,249,018	\$9,544,082
Mission value	\$1,487,434	\$6,054,631	\$0
% PVO value	97%	100%	86%
% Mission value	3%	14%	0%

Source: Rapier Solutions data 1999-2016, January 2016.

Additional data on the value of property distributed through LEPP over time, and by region and country is included in Annex I.

Number of PVO Partners

Historically, the LEPP team considered the number of PVO partners an important performance indicator. However, the review team did not find that the number of partners directly correlated to the value of equipment distributed. In addition, the number of PVO partners has varied significantly each year. For example, in 1999 LEPP had 16 partners and moved \$42 million in equipment; in 2006 they had 17 partners, but only moved \$20 million, half the value of property moved seven years prior. The number of PVO partners is not directly correlated with the number of PVOs who actually access property in the course of a year. While the number of partners held steady at 24 between 2012 and 2015, the number of PVOs actively participating in LEPP (i.e., shipping equipment) ranged between 13 and 16. Survey data confirm the tendency for a small number of PVOs to transfer a large amount of property. Among a sample of 10 respondents, 5 had made 3 transfers or less in the last year, while 2 had made 20 or more.

TABLE 3: NUMBER OF TOTAL PARTNERS, 1999-2016

	2012	2013	2014	2015	2016*
Total number of partners	30	24	24	24	24
Number of active partners	14	16	16	13	6

*Partial year data. Source: Rapier Solutions data 1999-2016, January 2016.

In tracing the performance of LEPP partners since 1999, we see that the total number of active partners (PVOs and Missions) has averaged 12, with a range of between six and 17 active partners.⁹ What has remained consistent over time is that PVOs consistently represent more than two-thirds of all partners, with an average close to three-fourths of all partners. The number of missions using LEPP has averaged three per year since 1999, with a high of seven mission partners in 2006. LEPP had one Mission partner in 2015 and has had no Mission partners since this fiscal year began in October 2015.

TABLE 4: NUMBER AND TYPE OF ACTIVE* PARTNERS, 1999-2016

	Average	Range - Hi	Range - Lo
Number of partners	12.6	17	6
PVO partners	9.8	13	6
Mission partners	2.8	7	0
% PVO partners	80%	100%	59%
% Mission partners	20%	41%	0%

*Annual number of partners actively distributing equipment. Source: Rapier Solutions data 1999-2016, January 2016.

⁹ The six partners who have exported since the beginning of FY 2016 will certainly be joined by others to up the number of exporting partners.

Partner Characteristics

The role of PVO partners (and Missions) in distributing LEPP equipment is fundamental to the current model. The essential tasks that LEPP outsources to partners include: administration, needs assessment, equipment identification, quality control, transporting, packing, shipping, customs, and delivery to end users. Without partners to implement these tasks, LEPP could not function in its current form.

While LEPP is not ideally suited to all PVOs and missions, it does reach a broad variety of partners. The institutional characteristics of partners who work with LEPP are diverse. Some partners have worked with LEPP for decades, yet 10 of LEPP's 24 current partners have only been with the program for two years. Most LEPP partners receive GIK from both LEPP and private donors. For some partners, LEPP property may represent 1 percent of their GIK donations, while for others LEPP property represents 80 to 90 percent of their donations.

Despite the variety of partners working with LEPP, the review team identified key characteristics that are essential to be an effective LEPP partner. One fundamental requirement to LEPP partnership is having either an in-country field office or local partners with the capacity to manage LEPP's administrative requirements. LEPP PVO partners also typically have at least one full-time staff person working on GIK.¹⁰

Working with an in-country partner or country office is essential to complete the 607-determination process. It is often only through an in-country presence that a PVO can identify needs, liaise with the Mission and local government, manage customs requirements at a port of entry and ensure responsible distribution of equipment to end users. In addition, maintaining good relations with in-country partners (or offices) serves as a quality control check on PVOs. If a PVO does not provide their partners with useful equipment in good condition, relations between the organizations will suffer. For PVOs that require that their local partners pay for transportation and administrative costs, quality standards and expectations are high.

LEPP Usage among PVOs and Duration of Partnership

The value of property distributed by LEPP partners is variable, with many partners distributing little or no property in a given year and a handful of partners distributing more than twice the average of all PVOs. Although LEPP encourages new PVO partners to apply to the program (in particular, PVOs who have never worked with USAID before), these partners on average distribute the least amount of property. (Most PVO partners, even if they are new to LEPP, are not new partners to USAID.) According to LEPP data, the average length of partnership is 5 1/2 years, however one PVO has worked with LEPP for close to 30 years, and two PVOs have worked with LEPP for more than 10 years. More than 40 percent of LEPP's current partners (10 of 24) have been partners for only two years. Only one of 10 PVOs who have partnered with LEPP for two years or less has distributed any LEPP property since 2012.

Table 5 shows the top five current organizational users of LEPP. The average length of partnership of the top five property distributors is 10 years, but it appears that 6 years of partnership is a threshold figure for these top producers. Among 14 responses to the survey, the average length of the partnership was slightly over 4 years.

¹⁰ Survey data confirm that among 14 respondents, only two had no full-time staff (one of those mentioned having eight part-time staff). On average, respondents have three full-time staff working on GIK; five PVOs have five or more staff working on GIK. USAID Missions may only have one part-time person.

TABLE 5: CHARACTERISTICS OF TOP FIVE PVO EQUIPMENT DISTRIBUTORS

PVO	Total Property Value	# Years Partnership	PVO Income*
World Help	\$53,584,374	8	\$23,952,238
Pan American Development Foundation	\$20,053,904	29	\$69,042,877
Globus Relief	\$15,817,692	6	\$34,601,926
Deseret International Foundation	\$17,237,365	2	\$3,971,304
Mission Without Borders (MWB)	\$5,228,987	6	\$34,388,980
Average	\$21,151,602	10	\$33,191,465

*Guidestar, January 2016. Source: Rapier Solutions data 2012-2016.

PVOs with at least six years of partnership represent 80 percent of the five largest distributors of LEPP property. While the average overall value of property distributed per PVO from 2012 to 2016 is \$10 million, the average of the top five PVOs is more than \$21 million, indicating a small number of PVOs have an outsized role in property distribution. With the exception of Deseret (which previously partnered with Globus to transfer property), PVO partners distributing the most amount of equipment tend to be larger organizations with annual budgets averaging more than \$20 million.

TABLE 6: VALUE OF EQUIPMENT DISTRIBUTED BY PVOS, 2012-2015

	2012	2013	2014	2015	2016	Total
World Help	\$12,420,631	\$10,759,628	\$13,517,977	\$12,550,003	\$4,336,135	\$53,584,374
PADF	\$6,274,351	\$6,396,650	\$5,125,659	\$2,257,245		\$20,053,904
Deseret				\$12,295,897	\$4,941,468	\$17,237,365
Globus Relief	\$912,805	\$5,833,321	\$9,071,566			\$15,817,692
Mission Without Borders	\$2,538,825	\$799,453	\$661,644	\$1,177,157	\$51,909	\$5,228,987

Source: Rapier Solutions data on PVO and DRMO Information 2012-2016, January 2016.

Between both PVOs and Missions, even the largest LEPP partners have significant variation in the value of equipment they ship each year. For example, Globus went from \$913,000 to \$9 million to \$0 in property over the course of four years. Mission participation is even more volatile, with Honduras being the only one to participate consistently over the last five years. In fact, the Honduras Mission transferred more than 3 1/2 times the value of all of the other missions combined.¹¹ Historically, LEPP has worked with 23 partner Missions, although the number of those participating in any given year has never surpassed seven; in 2007 no Missions participated in LEPP. It is interesting to note the geographic diversity of the Missions in LAC, Eastern Europe and Africa that have accessed LEPP property since 2012.

TABLE 7: VALUE OF EQUIPMENT DISTRIBUTED BY MISSIONS, 2012-2015

	2012	2013	2014	2015	Total
USAID/Honduras	\$329,092	\$99,944	\$791,702	\$216,843	\$1,437,580
USAID/Haiti	\$178,273				\$178,273
USAID/Bosnia			\$135,999		\$135,999
USAID/Kenya			\$69,685		\$69,685

Source: Rapier Solutions data on PVO and DRMO Information 2012-2016, January 2016.

¹¹ An interview with the USAID/Honduras Mission revealed that all property acquired by the Mission originated at Soto Cano Air Base in Honduras.

An important counterpoint to the broad regional diversity of Missions participating in LEPP since 2012 is the relative volume of equipment distributed in each region. While Missions from all regions have participated in LEPP, historically LAC represents more than half of all participating Missions and they have transferred the greatest amount of equipment by far. In total, LAC Missions have moved 78 percent of all equipment distributed to Missions since 2012 (approximately \$93 million), followed by Asia (approximately \$14 million).

TABLE 8: VALUE OF EQUIPMENT DISTRIBUTED BY REGION, 2012-2015

Region	2012	2013	2014	2015	Total
LAC	\$24,163,239	\$21,199,724	\$26,287,049	\$21,328,612	\$92,978,624
Africa	\$682,959	\$599,351	\$1,581,302	\$410,920	\$3,274,531
Asia	\$1,823,526	\$2,154,258	\$3,654,702	\$6,717,104	\$14,349,590
Europe	\$4,605,686	\$1,968,320	\$974,920	\$1,260,162	\$8,809,088
Total	\$31,275,409	\$25,921,653	\$32,497,973	\$29,716,799	\$119,411,834

Costs

Available data on the cost of LEPP to USAID and on the cost to PVOs of participating in LEPP is extremely limited. The only data available to the review team on USG costs were the operating expenses for USAID/E3/LS staff managing LEPP and the Rapier Solutions management contract. LEPP does not ask for or receive data on the administrative, logistical, transportation or distribution costs incurred by partners, nor on the costs incurred by local organizations to receive, service and maintain equipment. (The review team collected data directly from PVOs on the types of costs they incurred, but not specific amounts.)

Although no specific data were available to the review team, DRMO staff stated that programs such as LEPP allow the government to avoid the time and effort of disposing of usable equipment at auction for “pennies on the dollar.” While it is difficult to assess whether this results in any cost savings to the government, LEPP does leverage USAID’s small investment in its operating budget to gain access to significant amounts of used equipment. Leveraging USAID’s investment in the program’s operational costs, LEPP distributes equipment to partners at a ratio of more than \$80 in equipment to \$1 in overhead (see Table 9). These figures on LEPP’s leveraging influence do not take into account the indirect and direct costs paid by PVOs and local partners, and therefore are not fully representative of the amount of resources leveraged by LEPP. The leverage ratio would be considerably higher if those costs were taken into account.

TABLE 9: LEVERAGE RATIO OF PROGRAM COSTS TO VALUE OF PROPERTY DISTRIBUTED

	2012	2013	2014	2015	Total
Property distributed	\$31,287,612	\$27,436,804	\$32,497,973	\$29,716,798	\$120,939,187
LEPP operating costs	\$316,167	\$379,292	\$391,147	\$403,428	\$1,490,034
Leverage ratio	99:1	72:1	83:1	74:1	81:1

Source: USAID/E3/LS, January 2016.

The costs paid by PVOs and their local partners to distribute equipment include: personnel time, trucking, warehousing, inspection/certification, repair/refurbishing, packaging, shipping, customs and in-country distribution. In-country partners must also operate, maintain, and repair (or dispose of) LEPP

equipment.¹² In deciding to access LEPP property, PVOs reported that they typically make a simple calculation of acquisition cost: cost to move the goods versus the value of the goods. The amount of equipment available to be shipped, the condition of the equipment, the rarity of the equipment, its fair market value, and the distance from the port of destination to the end user influences these cost calculations.¹³

For PVOs, shipping costs are the most important variable expenses in distributing excess property. PVOs ship in either 20- or 40-foot sea freight containers; the cost to ship a container varies by region and by country depending on the amount of shipping traffic headed to a particular port. Little consensus emerged on shipping costs among LEPP partners. One partner cited the average shipping costs per container was \$10,000 for LAC countries, with a range of \$8,000 to \$12,000. Another described lower port-to-port costs of \$2,200 to \$3,000 to Haiti, \$3,500 to \$4,000 to West Africa and \$7,000 to \$8,000 to East Africa. Whatever their divergence on the cost of shipping, all PVOs interviewed agreed that it is vital to send a full container. As one PVO noted, if a PVO visits a DRMO warehouse for quality control before accepting equipment, the distance between the PVO's offices and the warehouse can also add to costs.

Constraints Analysis Associated with the Current Model

While the feedback from partner organizations was predominantly positive, interviews with key informants identified challenges, constraints and opportunities for improvement. The following section will examine constraints of LEPP's current model as identified by user organizations. This will inform the subsequent analysis of potential options and program modifications.

Both PVOs and a USAID Mission expressed the feeling that they are not using LEPP to its full potential and that they have the capacity to distribute more property. In fact, of 10 survey responses, 8 organizations predicted that LEPP activity will increase in the coming year and 2 were unsure of its potential. The inability to use the program to its full potential is in part due to the nature of GIK programs and in part due to limitations created by USAID management systems. By USAID's account, the basic challenge of all GIK programs is matching supply with demand. Because donations are supply-driven, the availability of needed equipment is frequently inconsistent. According to an expert in GIK programming, allowing access to LEPP equipment on a first-come, first-serve basis inhibits consideration of who can best use the equipment or where it is most needed, and it favors those who can most effectively identify equipment from the GSA website and pay for logistics and transportation costs.

In addition to the inherent constraint of operating a supply- rather than a demand-driven GIK program, respondents also identified constraints that can limit an organization's use of LEPP. The key constraints identified are cost, program administration and program management.

Cost Constraints

The key cost constraints to program participation are equipment storage, transportation and logistics. Some of these constraints are linked to the need to consolidate equipment into a full container load for cost reasons. Table 10 indicates the frequency with which various cost constraints were cited as limiting factors to PVO participation:

¹² Some PVOs such as the Pan American Development Foundation require their local partners to pay for the costs of logistics and transport, while others such as Food for the Poor, do not.

¹³ Brother's Brother, for example, indicated that transporting equipment from port to an inland destination can triple shipping costs, particularly to difficult-to-reach, land-locked destinations such as South Sudan.

TABLE 10: REPORTED CONSTRAINTS TO PVO PARTICIPATION IN LEPP

Constraint Reported by PVO	Number of PVOs Reporting
Inability to vet property/ensure condition of the property	6
Transport costs	4
Distance from holding facility	2
Distance to port of destination	1

Source: KIs, 2016.

When asked to identify the biggest constraint to program participation, the most common response was an inability to vet property or ensure the condition of property. Because quality control is critical for PVOs to make decisions about whether to pay for transport, this can be regarded as a significant constraint upon participation.

The major cost constraints to distributing LEPP property include consolidation of property, packing, transportation and logistics (customs, etc.). Transport constraints take a variety of forms, including distance from a PVO's offices to a DRMO holding facility, distance from the holding facility to port, distance from a US port to the port of destination, and distance from the destination port to the end user. All of these "legs" can have a major impact on the total cost of distributing equipment. However more survey respondents identified distance to holding location than distance to the port of destination as an important factor affecting volume of property transferred, as shown in Table 10.

A major factor in the logistical capacity of a PVO to optimize their use of GIK property is warehouse space. Lack of available warehouse space can pose a major limitation to the property distribution process because it requires a PVO to load and ship equipment directly from the DRMO holding center and prevents consolidation of shipments to ensure a full container. This can also preclude a PVO's ability to perform required repairs or obtain appropriate certifications.¹⁴ As Table 11 indicates, warehouse capacity for PVO partners varies widely. While access to a warehouse is not a requirement to participate in LEPP, it is highly beneficial and makes shipping a full container of quality used equipment significantly easier. Two PVOs reported no warehouse capacity, domestically or internationally. However, renting (or building) and maintaining warehouse facilities is expensive. In fact, one PVO recently closed down their warehouse as a cost-savings measure.¹⁵

TABLE 11: PVO WAREHOUSE CAPACITY

Reported Domestic Warehouse Arrangements	Number of PVOs Reporting
Third-party or lease arrangement	2
Shared domestic warehouse arrangement	1
Operate one warehouse domestically	3
Operate multiple warehouses domestically	3
No domestic warehouse arrangement	1
Reported International Warehouse Arrangements	
Operate one warehouse internationally	1

Source: KIs, 2016.

¹⁴ In an interview with a PVO, Feb. 5, 2016.

¹⁵ In an interview with a PVO, Jan. 20, 2016.

Warehouse Logistics and Challenges for PVOs

DRMO and GSA warehouses offer equipment “as is, where is” and do not allow PVOs to store equipment. Once a PVO has taken possession, property must leave the DRMO facility. If a PVO cannot store the equipment once it leaves the warehouse, a container must be filled directly at the holding location for shipping overseas. By one PVO’s account, filling containers with property from multiple warehouses is cost prohibitive.

One PVO indicated that they regard establishing good relations with DRMO as the biggest key to success and noted consultation with holding location staff as a crucial means of verifying the condition of property. At the same time, by one PVO’s account, different DRMO warehouses across the country have varying reputations for service and user friendliness. One particular issue identified by PVOs in working with USG warehouses is the 21-day window in which a PVO must take possession of and remove equipment from the holding location. PVOs reported that this timeframe does not leave much time to organize the logistics of pick up, shipping, customs clearance and delivery to the end user. If the PVO plans an in-person quality control visit to the warehouse before taking possession of the equipment, then that PVO has an even tighter timeframe to organize travel to the holding location and view the equipment before beginning logistics and transportation planning.

Administrative Constraints

Administrative constraints to LEPP’s growth include the time and effort required to complete the partnership application and 607-determination process. Organizations differed in their assessment of the administrative burden of the LEPP partnership application and 607-determination processes. Of the 12 organizations presenting opinions on the LEPP application process, 7 indicated that the administrative processes of the LEPP application had not been a burden, 3 found it to be a burden, and 2 had no knowledge or no opinion. Perceptions about the LEPP application process among non-participating PVOs (those that could participate but do not) indicate that some organizations do find administrative requirements to be a disincentive to apply.

TABLE 12: PVO ASSESSMENT OF THE LEPP APPLICATION PROCESS

Assessment of the LEPP Application Process	Number of Organizations Reporting
Positive: application is not an obstacle	7
Negative: application is an obstacle	3
No knowledge	1
No opinion	1

Source: KIIIs, 2016.

Another constraint cited by one participating PVO is that equipment descriptions posted on the [GSA website](#) are often limited and inconsistent and sometimes misleading and unreliable. Related hurdles cited by PVO respondents include difficulties in using the GSA website system such as its limited search functionality and the lack of photos of equipment.¹⁶ The report discusses this in further detail below.

Finally, PVO partners operating GIK programs are occasionally required by circumstances beyond their control to adjust the timing and destination of equipment shipments. LEPP’s administrative processes inhibit the kind of flexibility in programming required on these occasions. In the words of a representative from one highly active LEPP PVO partner, “If we could change anything, it would be to

¹⁶ Interview with PVO 1/20/16.

acquire property without having to dedicate it to one country. Another option would be to designate a group of approved countries. Sometimes we request something for Haiti, but then we decide it is most needed in Peru.”

Sections 607 and 608 of the FAA, which serve as LEPP’s founding guidelines, do not provide much flexibility with regards what determinations of responsibility a Mission has to undertake for an applying PVO. However, the LEPP team has worked with partners to amend their requests when a change of destination is needed.

Management Constraints

The major management functions of the LEPP team involve communication with partners, organizing and implementing the partnership application and 607-determination processes and supervising the Rapier Solutions management contract. The review team looked at each of these functions within the larger question of constraints on optimizing program results.

Outreach and Communication

To date, the LEPP team has had relatively few human or financial resources to promote outreach.¹⁷ For example, although the LEPP team advertises the program to more than 600 PVOs and 100 missions,¹⁸ many of the respondents interviewed only became aware of the program after a site visit by LEPP staff. LEPP’s PVO partners exhibited mixed knowledge of the program, and in three cases, staff turnover has negatively impacted institutional memory of the program among key staff responsible for managing LEPP contributions. Knowledge among recipient local organizations – the end recipients of excess property – is even more limited. Two of four local partners interviewed had no knowledge of LEPP even though they had benefited from receiving LEPP property. Staff from two USAID Missions interviewed knew about LEPP because of the 607-determination process, but knew little of the program itself until they received a visit from LEPP staff.

Partnership Application Process as a Deterrent. Reactions from PVO partners and non-participating NGOs indicate that the effort required to complete the LEPP application process can be a deterrent to participation. One former partner explained that they were interested in participating, but did not have the time and resources to complete the application process. Another non-participating PVO compared the LEPP process unfavorably to the simple one-page application required by alternative private-sector donors such as Toms and International Aid. Even a current partner who did not find application process to be an obstacle to program participation described the application process as cumbersome and compared the amount of work required to that of applying for an unrestricted grant.¹⁹ Since many PVOs also receive private donations, LEPP is in a sense “competing” with private-sector donors who, one PVO noted, demand less paperwork up front (4-5 page application). They described it as more focused on the technical aspects of distribution, use and tracking of equipment than on administration and management.

At the completion of the application process, PVO partners are assigned an annual ceiling based largely on their longevity as a partner. Ceiling levels are set at \$1 million for new partners and \$5 million for

¹⁷ ASHA staff described the communications and outreach strategy being implemented through ASHA’s management contractor as key to attracting applications. After a campaign of active promotion, the number of applications to the ASHA program went from just over 100 applications to more than 200. (ASHA, Jan. 28, 2016).

¹⁸ In an interview with LEPP staff, Jan. 19, 2016.

¹⁹ An important counterpoint to this narrative was provided by ASHA, who described working intensively with the USAID General Counsel’s Office to reduce the length of their Annual Program Statement application form. Because of the amount of required USG legal and regulatory language, they were only able to reduce their application by four pages from 20 pages to 16 pages.

returning partners. LEPP staff explained that ceiling levels can be increased with a simple request and believe that ceilings do not pose a limitation to participation. Since 2012 only one new partner has accessed property through LEPP, so the \$1 million limit for new partners has only impacted one PVO; only three PVOs have exceeded \$5 million a year in property accessed. Although in practice ceiling levels do not appear to be a significant barrier to program participation, at least two PVOs felt they were constrained by their ceiling and another recommended raising the ceiling. The LEPP team explained that it routinely raises the ceiling for individual PVOs when requested and described the process as simple and straightforward.

Before accessing excess property, each PVO partner must send a representative to an in-person training program in Washington, D.C. Of 10 key informants who have attended the LEPP training program, nine spoke favorably of the training programs’ utility, while one indicated that that it was not useful. The review team found that lack of training is not a significant constraint to program participation and offers a valuable forum for LEPP interaction with PVO partners. Further data regarding the LEPP training is included in Annex I.

607-Determination Process

The 607-determination process is the subject of strong feelings both outside and inside USAID. For example, eight respondents described the 607 process as an obstacle, while three said it presented no obstacle. In addition, six PVOs that were interviewed described the process as simple and straightforward or – as one PVO put it – a “necessary evil” to ensure the program is not overwhelmed with unqualified applicants. In KIIs, PVOs complained about the slowness of the determination process and described the negative feelings this delay creates with local NGO partners. One described the frustration felt by local partners in continuing to wait five or six months after submitting a 607 determination before being able to access equipment. Still others complained about the lack of flexibility in LEPP systems, particularly the 607 process, if conditions on the ground change. For example, two PVOs noted that if the needs of a local partner change, it is difficult to split a shipment or send to it to a different country.

It is important to note that the pace of the 607 determination is in many cases contingent upon external factors, such as slow turnaround of 607 verifications from Missions, which are beyond LEPP’s control. Feedback from staff from one Mission indicated frustration with being asked to vouch for PVOs that they may not know, and being asked to complete numerous 607 determinations at the same time. Other Missions choose not to participate altogether.

TABLE 13: PVO ASSESSMENTS OF THE BURDEN OF THE 607-DETERMINATION PROCESS

Assessment of the 607-Determination Process	Number of Organizations Reporting
607 determination has presented obstacles to moving LEPP property	8
607 determination has not presented obstacles to moving LEPP property	3

Source: KIIs, 2016.

The LEPP team recognizes that the 607 process imposes requirements on partners that can create an administrative burden. However, the requirement to perform a determination of responsibility is written into LEPP’s enabling legislation and cannot be set aside. The 607 legislation does not mandate how the determination process be implemented, simply that there must be one. LEPP has exploited this flexibility to improve the administrative processes of applying for 607 determinations. For example, LEPP

recently took on a more active role in the determination process by moving from a Mission-based system to a joint process where both the local Mission and LEPP are engaged in the determination.

As cited by PVO key informants, obstacles to moving LEPP property related to the 607-determination process include the following:

TABLE 14: OBSTACLES TO MOVING LEPP PROPERTY RELATED TO THE 607-DETERMINATION PROCESS

607 Obstacles to Moving LEPP Property	Number of PVOs Reporting
Time delays	4
Mission will not participate in the 607 process/other problems obtaining approval	2
Burden to submit 607 application country-by-country	1
Mission does not understand the program	1

Source: KIIs, 2016.

A final key issue regarding the 607-determination process identified by several larger PVOs was LEPP’s decision to impose a limit of five 607 determinations per PVO. The intent behind this limitation was to reduce the workload on the Missions and the LEPP team in the face of limited administrative capacity. The effect has been to reduce the number of countries to which PVO partners can export LEPP equipment, whether they have the capacity to reach more countries or not.²⁰ Before imposing the limit, five LEPP partners had a presence in more than five countries. For these PVOs, this meant having to cut programs. For example, LEPP’s senior partner, PADF, was required to reduce its property distribution from 12 countries to five. Another of LEPP’s largest partners, Deseret, stated that they have hired new staff to manage GIK, quadrupled their warehouse capacity, and could increase the value of property they distribute to \$40 million if they were able to work in six more countries.²¹ Deseret, and a small number of other top-producing partners, have significant capacity to increase the amount of property they access through LEPP and have expressed willingness to do so if the 607 cap were increased.

Monitoring, Reporting, and Verification Systems

The primary monitoring and reporting system used by the LEPP team is a legacy database managed by Rapier Solutions. Originally designed in 1999, the database captures a limited amount of program and administrative data. It requires manual data entry and manipulation of PDF files, which Rapier Solutions says makes it slow and difficult to get data in and out of the database and makes the system prone to data entry errors and non-standard entries. In addition, since moving from the Ronald Reagan Building in October 2015, Rapier Solutions has been outside the USAID data firewall and has not had access to the full functions of the database. They have had to develop work-around solutions in order to manipulate data and complete data requests from the review team.

Data available to the Review team included the value of property, the number of PVO and Mission partners, and PVO annual ceiling levels. The database does not systematically capture outcome data, which are limited to anecdotes. No data were available for the period between 1987 and 1999 and very limited data are available from 1999 to 2012. Since Rapier Solutions began managing the database in

²⁰ In discussion with LEPP staff.

²¹ For partners such as Deseret, LEPP is only one source of GIK and represents 2 percent of the equipment they distribute every year.

2012, they have tweaked it and added indicators such as country of destination and shipping date. Substantive program indicators remain extremely limited.²²

Every year the LEPP team prepares an annual report on excess property furnished to PVOs and Missions for the GSA. Program information reported are limited to the annual value of excess property accessed through LEPP and type of equipment furnished (e.g., medical equipment, surgical instruments, hospital furniture, etc.). The report also contains two or three anecdotes on how PVOs used excess property. The report does not contain information on LEPP's efforts to verify program performance in the field, which are limited to occasional site visits.

The inability of the LEPP database to capture outcome and cost data limited the review team's ability to access comprehensive information on portfolio performance and to analyze the current program and future options. In addition, the main indicator that the system does capture, namely "volume of property," is a misnomer for what is actually a value figure expressed in dollars. The database does not capture efficiency, effectiveness, or impact indicators. Although the system does capture the number of partners (PVOs and Missions), it does not capture the value of the administrative, logistical, transportation, and other costs that represent their counterpart contribution.

Despite limited amount of data collected by LEPP, all PVO partners that the team interviewed capture some form of performance data. However, performance indicators are not standardized among PVOs and different programs use different indicators. Even with such basic indicators as value of property distributed, PVOs do not use standard methods to assign value to equipment. All PVOs interviewed capture transport cost and all, in one way or another, measure the number of beneficiaries they reach. Other output indicators captured by PVOs include number and type of services delivered. Some PVOs capture outcome data, such as changes in practices, but others described the difficulties of measuring the direct impact of LEPP assistance. Several described themselves as being in the process of developing stronger measurement and monitoring systems, and improving their efficiency and effectiveness indicators. The data captured by PVOs are not requested by or reported to LEPP, although PVOs expressed willingness to provide additional data to USAID. .

Monitoring End-User Outcomes

As mentioned in the previous discussion of performance monitoring, reporting, and verification systems, LEPP does not capture end-user outcomes, except through anecdotal stories. The paucity of outcome data produced by LEPP is in part a result of the policy-level decision to not brand property distributed through LEPP with the USAID logo (607 legislation requires that the "value, serviceability, and appearance of such property would not reflect unfavorably on the image of the United States"). . Lack of systematic communications regarding the delivery and use of LEPP equipment means that USAID Missions and US Embassies often do not know that PVOs are distributing USG-donated equipment in country. The frequent result, as mentioned by one USAID Mission, is that neither LEPP nor the USG representatives in country get credit when a PVO delivers LEPP equipment to a local partner.

Although outcome data do not systematically filter up to the LEPP team or to USAID Missions, all PVOs interviewed described having in place some form of internal performance Management Information System (MIS) to capture end-user outcomes. The sophistication and level of detail of the information captured by these systems varies widely, from simple outcome data on number of beneficiaries served to more sophisticated systems focused on capturing client satisfaction or the impact on household livelihoods. One PVO interviewed described themselves as being in the process of revising its outcome

²² Program data currently captured include: name and number of PVO and USAID mission partners, value property distributed, country, region and year.

data MIS systems and expressed openness to working with the LEPP team to develop common reporting templates and guidelines and to receive training on outcome reporting.

The fact that LEPP has not yet found a mechanism to systematically capture end-user outcome data from PVO partners (and USAID Missions) represents a lost opportunity both to improve program management and to maximize public diplomacy outcomes. For example, the LEPP team found out about a major public diplomacy opportunity where the USAID Mission helped to refurbish flooded schools with LEPP property only after LEPP team visited the Mission more than a year after the fact.²³ Another missed opportunity to promote public diplomacy was when a LEPP partner accessed excess office equipment from a US military base in Afghanistan. Although the PVO went to the US Embassy to collect the equipment, there was no public relations event or photo opportunity to mark the transfer.

At a more macro level, among the PVO community there was no consensus as to which of the three outcomes promoted by LEPP (development, humanitarian, or public diplomacy) is most important. PVOs cited a broad range of benefits in working with LEPP including both development and humanitarian outcomes. PVOs do not typically talk in terms of public diplomacy, but USAID Missions were well aware of LEPP's potential for public diplomacy outcomes. The review team found that specific outcome(s) mentioned by partners were less significant than the fact that LEPP can appeal to a variety of partners seeking different outcomes.

Achievement of Humanitarian, Development, and Public Diplomacy Outcomes

Although humanitarian, development and public diplomacy outcome data is not systematically captured at the level of end users of excess property, in-country recipient organizations of LEPP report significant humanitarian and development benefits gained from the use of LEPP excess property. In select cases, thanks to strong relationships with US PVOs, there is also evidence of awareness of the origins of LEPP excess property among end-user organizations. As a result, diplomacy outcomes, where achieved, seem to be achieved with local organizations that influence communities and governments. However, there is insufficient data to determine program awareness at the individual or community levels.

The Review team spoke with four in-country organizations in Chile, Guatemala, the Philippines, and Bosnia who partner with US PVOs to receive LEPP property. The importance of excess property or GIK to these organizations should not be understated. In Guatemala, for example, a local recipient organization of LEPP property described a health service delivery system in crisis. That organization reported receiving eight to 10 containers of LEPP property each year, servicing a 500,000 people. In one month this year, this organization equipped or furnished 45 hospitals and medical clinics, many of which were government hospitals; thus this required close collaboration with Guatemala's Ministry of Health and other government officials.

Likewise, a surgical foundation in the Philippines uses GIK to treat medical conditions that are easily treatable through simple medical surgeries. Services include eye surgeries (e.g., cataracts, cross-eyes, corneal transplants), treatment of cleft lips or cleft palates among children, and assistance for amputees and clubbed foot patients. The foundation also provides transient accommodation for patients coming from the provinces before, during, and after treatment. In many cases, volunteer doctors provide free services to indigent patients. Like the Guatemala case, collaboration with government officials, particularly within the Department of Social Welfare and Development, is necessary.

²³ In discussion with LEPP staff.

In such cases, there are opportunities for USAID to serve public diplomacy. Currently however, levels of awareness of LEPP among these organizations vary. One organization in Chile assumed that property received was provided by their US PVO partner and was surprised to find that it was originally sourced through USAID. In another case in Bosnia, a local affiliate of a US PVO expressed only cursory knowledge of LEPP. In Guatemala and Philippines, US PVO partners had made their in-country recipients aware of the USAID origins of the excess property. It is unclear whether that knowledge is passed on to beneficiaries or collaborating government agencies.

Critical to humanitarian, public diplomacy and development outcomes is quality control of LEPP property. In the same way that the distribution of needed and difficult-to-access equipment can generate goodwill with local partners, the costs associated with repairing or disposing of damaged or poor quality equipment can have the opposite effect.

Do No Harm

At its heart, the conditions of the 607-determination process are a call to do no harm. They require that there be a need for the property, that the end user is able to use and maintain it, and that the value of the property equals the cost of shipping it. In the context of responsible donations to vulnerable populations, these principles are fundamental. In keeping with the letter of 607 legislation, the most recent LEPP Solicitation for Applications references donation best practices, and requests that applicants include a description of the techniques used to determine the end-users needs and their capacity to refurbish surplus property. After the application stage however, these indicators are no longer monitored systematically.

Although the 607-determination process requires information regarding the purpose, objectives and intended impact of the project, neither the application process nor the 607 process take into consideration the primary and secondary risks of donated property from the end user's perspective. Primary risks include the use and disposal of high-risk equipment such as sophisticated medical equipment, which in certain cases use toxic or nuclear chemicals. Secondary risks include the capacity of the local partner to maintain and repair equipment and pay for its operating costs, as well as the costs of disposing of it at the equipment's end-of-life. Much of the equipment distributed through LEPP has low primary risks of causing harm (e.g., hospital beds), but sophisticated medical equipment falls under guidelines from the World Health Organization (WHO).²⁴ These donation requirements include assessment of the readiness to absorb the technology, safety standards, and a donation management plan. LEPP does not require partners to report on their adherence to these standards.

LEPP requirements for ensuring that the actual needs of end users have been systematically assessed — and that the equipment provided meets those needs — are minimal. The 607-determination process currently requires that there be a need for such property in the quantity requested, that such property is suitable for the requested purposes, and that the Mission is not aware of any information that would suggest that the designated in-country partners are unable to effectively use and maintain such property. Information on primary and secondary risks is not required for a 607 determination.

FINDINGS REGARDING THE FIVE PROGRAM DESIGN OPTIONS

This section examines five program design options for LEPP, as identified in this review's SOW. At the outset, the review team notes that the five options are not all full program design options, but rather implementation options of a common GIK programming model. Four of these options rely on the same mechanism — distribution of equipment through PVO partners — while the interdepartmental

²⁴ [WHO Guidelines](#).

cooperation option is the only approach that relies on another government agency for vital equipment selection, quality control, repair, and distribution functions. The options are not mutually exclusive and if resources are available, all five options can be implemented simultaneously.

To understand the functional similarities and differences between the five options, the review team used KIIs and a Web-based survey of participating PVOs, summarized in the constraints analysis above, as well as secondary data. Using the data, the review team examined the potential for each of the options to optimize outcomes for USAID along the key dimensions of value, cost, and outcomes.

Core Processes and Functions of LEPP

To understand the difference between each of the five options, the review team consulted USAID/E3/LS and Rapier Solutions to identify the necessary steps of the equipment distribution process from the property's point of origin to its delivery to end users. The review team then developed a framework to compare each program design option against these functions to analyze whether they would be required, not required, or potentially required.

Each of the program design options proposed by USAID/E3/LS has their own advantages and disadvantages. However, it is important to note that because of USG regulations and USAID administrative requirements, the majority of the functions required to implement each of the options are the same. For example, of the 17 identified functions, 11 would be required under all of the options proposed. Implementation of any of the options would require essentially similar administrative processes. For example, functional tasks such as the 607-determination process would be required under each option. All of the action steps in the property distribution process from needs identification through eventual delivery of the equipment are required components of the GIK model. The major differences between the options revolve around which partner applies for the equipment.

Because all of the options under consideration share so many of these functions, it is unlikely that there be gains to efficiency in choosing one option over another. Therefore, since the options are functionally very similar, they are more likely to offer gains to effectiveness (i.e., improved outcomes) rather than efficiency (e.g., decreased costs).

TABLE 15: PROPERTY DISTRIBUTION FUNCTIONS BY OPTION

Functions	Modified PVO	Mission Based	Program to Program	Inter-government Cooperation	Direct Transport Funding
Organization registers as a	Required	Not required	Required	Not required	Potentially required
Outreach to PVO and	Required	Required	Required	Required	Required
Issue call for applications	Required	Not required		Not required	Required
Submits application to	Required	Potentially required	Potentially required	Potentially required	Required
Mandatory in-person training	Required	Not required	Potentially required	Not required	Potentially required
Access GSA databases	Required	Potentially required	Potentially required		Not required
Applicant identifies	Required	Required	Required	Required	Required
Conducts 607-determination	Required	Required	Required	Required	Required
Transfer agreement is	Required	Required	Required	Required	Required
Identify property	Required	Required	Required	Required	Required
Request property	Required	Required	Required	Required	Required
PVO is granted access	Required	Required	Required	Required	Required
Property custody is	Required	Required	Required	Required	Required
Refurbish property (if	Required	Required	Required	Required	Required
Transport property	Required	Required	Required	Required	Required
Deliver property to	Required	Required	Required	Required	Required
Report on outcomes	Required	Required	Required	Required	Required

Analysis of the Potential Performance of the Five Options

Based on the functions described above and using the framework of property value, outcomes, costs, and number of PVO partners, the review team assessed the factors that could affect the performance of the five program options over the course of the property distribution chain. The analysis relies on the premise that the options would be implemented in the best “possible manner” to optimize the intended results. Additionally, because analysis is based on examining the effectiveness of hypothetical options, some of the findings are framed as recommendations as to how the models would have to be implemented for conclusions regarding the pros and cons of the options to be valid.

Modified PVO Model

The modified PVO model options are based on the supposition that the current model can be made significantly more effective through modifications that reduce constraints and inefficiencies that are currently affecting usage of the program by existing and potential partnering organizations. The modifications were thus identified during data collection rather than prior. The findings from the survey and interviews confirmed that most current partner organizations do not think they have been using the

program to its full potential. As stated in the constraints section, eight out of 10 organizations reported that they plan to increase usage in the future. Furthermore, nine of 16 survey respondent organizations cite measures that would likely increase their usage of LEPP (see Table 16).

TABLE 16: SURVEY RESPONSES

Which of the measures listed below are most likely to increase your organization's use of LEPP property?	
Completed Surveys	n = 10
Assistance with transportation funding	4
Increase reliability of access to property	1
Increase the number of countries for which 607 determinations can be conducted	2
Increase types of property available	1
Partial Surveys	n = 6
Increase the number of countries for which 607 determinations can be conducted	1
No response	7
Total	N = 16

The survey data and KIs suggest that a number of small modifications to the program would incentivize increased participation and usage. The modifications shown in Table 17 constitute what a modified PVO could resemble.

TABLE 17: MODIFIED PVO MODEL MODIFICATIONS & CONSTRAINTS

Modification	Constraint
Improve messaging to PVO partners regarding the flexibility within the 607 process. Signal to PVOs that if conditions fundamentally change, LEPP is willing to discuss how to modify their agreement (with proper justification) on a case-by-case basis. Explain under what conditions changes in the determination process are possible and how to request them.	The 607 process is perceived by some PVOs as inflexible, limiting ability to modify programming if conditions change. When conditions change, PVOs report wanting more flexibility to send property to countries for which a 607 was not completed.
Raise cap on number of countries to which partners can distribute property. The review team recommends increasing from five to 10, but suggest that LEPP survey top-producing partners to ask for feedback on how many countries they would like to serve. If LEPP is concerned about the amount of additional work required to process additional 607 determinations, the cap can be increased selectively based on criteria such as partner capacity and demand.	Under current model, all PVOs are limited to five countries, regardless of how many countries they operate in or are able to reach.
Strengthen messaging to PVO partners regarding the ceiling on value of property they are authorized to distribute. Reframe the current system of capping the annual amount of property a partner is able to distribute as an annual goal-setting exercise and emphasize the flexibility within the system. Implement a simple annual planning process with each partner to foresee the circumstances under which plans could change, address constraints and stimulate a more deliberative approach to optimizing usage.	Under the current model PVO partners are assigned an annual ceiling based on their longevity as a partner. Ceiling levels are set at \$1 million for new partners and \$5 million for returning partners. LEPP regularly grants increases to this ceiling when requested.
By systematically identifying partners who are not distributing property or who are only distributing small amounts of property, LEPP can initiate a dialogue to better understand their needs and barriers to participation. Through this process, the LEPP team could identify training, technical assistance, and mentoring opportunities to build the capacity of these PVOs to distribute LEPP property	Half of partner PVOs, in particular newer and smaller partners, have never distributed property through LEPP.
Build in efforts to strengthen relationships between DRMO and GSA	Interview data suggests that

Modification	Constraint
<p>warehouse managers and PVO partners. This could include: formal and informal contacts such as in-person meetings, meetings during the partner training program, and communication through quarterly newsletters and social media.</p> <p>All of the GSA and DRMO staff interviewed expressed openness to increasing communications with LEPP partners. An example is that by inviting partners to provide “wish lists” to DRMO managers and encouraging managers to respond to requests for additional information about equipment in their warehouse, the office can increase the efficiency of the process of accessing property</p>	<p>promoting better communication and working relationships between partners and warehouse managers would positively impact the value of property accessed.</p>
<p>In order to reduce the cost of transportation and logistics, and to alleviate a key constraint in consolidating and packing shipments, the LEPP team could encourage cooperation between PVOs (in particular in sharing warehouse space). Several PVOs are already sharing warehouse space on an occasional basis. LEPP could promote inter-PVO cooperation at the PVO training program and through social media by creating a platform for partners to communicate and exchange information about supply and demand for warehouse space.</p>	<p>An organization’s capacity to access a DRMO warehouse is cited as a major constraint by six PVOs.</p>
<p>Simplify the application process, which could attract additional partners. All partners would benefit from reducing the amount of effort required to apply to LEPP. Although this approach will likely face the limits inherent to USAID legal and contracting requirements, the Office of Local Sustainability could look for creative ways to cut the length of the application without compromising the information required for responsible management decisions. Reviewing the application processes required by similar programs such as ASHA, OFR, OFDA, and FFP (as well as private sector grant applications from organizations such as Tom’s, Stop Hunger Now, etc.) could unearth changes that can be easily instituted. Additionally, LEPP could consider moving to a rolling application process, accepting and reviewing applications as they come in. LEPP could also extend the term of partnership agreements to five years to reduce the number of times partners must re-apply.</p>	<p>The application process is seen as a barrier by some respondents; three out of 10 survey respondent organizations cited the application process as an obstacle.</p>

Value of Equipment Distributed

Through modifications to the current LEPP operating model, the value of equipment distributed can be increased significantly, even if the office were to only work with existing partners. As an example, over the last five years, the top 10 PVO partners have distributed an average of \$1.2 million in LEPP property each. The bottom 10 partners have distributed \$181,000 each. If the bottom 10 partners were to distribute as much property as the top 10, the size of LEPP’s portfolio would increase by \$10 million. In addition, if LEPP’s 12 non-active partners could be encouraged to move even half of the value of the top 10 partners, LEPP’s portfolio would increase by more than \$7 million.

In addition, three of LEPP’s top 10 partners reported being constrained by the five-country limit for 607 determinations. If they were allowed to increase the number of countries they worked in from five to 10 (assuming they would distribute the same average of property per country as they have over the last five years), this could represent an additional \$1 million in property distributed per country by existing partners.

End-User Outcomes

If the value of property distributed can be increased by modifying the existing PVO-based model, then development and humanitarian outcomes should improve in relation to the increase in property

available to end users. Improving M&E systems would allow the LEPP team to track outcomes that are currently not captured at all. The availability of more outcome-related data will not only help LEPP to better manage its portfolio, but will also be an important asset in strengthening communications between PVOs, Missions and Embassies. In particular, improved outcome data would strengthen LEPP's public diplomacy outreach and provide valuable content for Embassy and Mission Public Relations Officers.

Costs

There is a direct correlation between the number of staff and the amount of property that is moved through the program. Modifying the PVO model could require increasing the number of direct hire and contract staff implementing LEPP activities and broadening the responsibilities of support contract staff. The return on this investment could be a more efficient program with a broader and deeper outreach. PVO partners could potentially save time and money by streamlining administrative requirements, which is outlined above. These savings could be potentially passed on to end-user local partners through decreased charges for the administrative cost of their PVO partners.

An important caveat that LEPP should consider in seeking to increase the number of PVO partners is whether the additional management burden of bringing on a large number of newer, smaller partners will translate into significant increases in the value of equipment distributed. If a new partner that accesses \$10,000 of equipment per year requires the same amount of work as a larger partner who accesses \$1 million, how much emphasis the office wants to place on attracting new partners will be a legitimate management question and metric of interest.

Number of PVO Partners

Through improved communications and streamlined administrative requirements, LEPP could attract additional PVO partners. It is difficult to estimate exactly how many new partners a modified PVO approach would attract. However, since 2010, 14 former partners are no longer participating in LEPP and attracting this group back into the program would make a significant difference in the number of PVO partners.

Mission-Based Distribution Option

LEPP currently partners with an average of three USAID Missions per year that engage directly in accessing property through the program. Discussions with Mission staff indicated that Mission access to excess property is generally supply-driven. The Bosnia Mission, for example, noted identifying available property before identifying recipients. Likewise the Honduras Mission receives notifications of available equipment from the Soto Cano Air Base and reaches out to local partners only once it knows there is property available.

The Missions who reported accessing excess government property primarily reported accessing furniture rather than more sophisticated property such as medical equipment. In Honduras, for example, excess office equipment from Soto Cano has been used to furnish community centers to support the Mission's development objectives. In Ukraine, where government efforts at decentralization are underway, Mission staff noted that furnishings such as desks and chairs accompany Mission-sponsored trainings. Where the Ukraine Mission is working with professional associations, farmer cooperatives and local NGOs, the Mission reported that such goods help these organizations feel more professional and provide them with the necessary tools.

While there are success stories, the five Missions interviewed by the review team identified a number of constraints upon their use of excess government property. Key constraints, along with illustrative quotes, are identified in Table 18.

TABLE 18: CONSTRAINTS UPON MISSION-LED TRANSFER OF GOVERNMENT EXCESS PROPERTY

Constraints upon Mission-Led Transfer of Government Excess Property
Constraint #1: Insufficient resources and challenges to incorporating excess property into strategic planning
The supply-driven nature of LEPP makes it difficult for Missions to incorporate excess property into strategic planning. The Ukraine Mission noted the following: “We see a lot of areas where if we could access LEPP goods. There could be synergies with current programs. But we don’t have the resources or the budget to make that happen. We are not just talking about financial resources, but also how to plan the use of resources. In our case, equipment comes last in programming and often hasn’t been planned for. Generally we plan for in-country awards and don’t have additional money.”
Constraint #2: Staffing
Management of excess property procurement and transfer can place burdens on Mission human resources. The Guatemala Mission noted the following: “Staffing is a clear constraint. We would want our implementing partners to work with LEPP directly.”
Constraint #3: Low awareness among potential local partner organizations
Program participation requires program awareness from local partners, particularly if the Missions aims to transfer excess property through a PVO intermediary. The Guatemala Mission noted the following: “LEPP is reaching out more. They are publicizing the program. It is a great program, but the issue is to make participants aware of the program.” The Mission cited a need for greater measures to increase public awareness of what the program can accomplish.
Constraint #4: Barriers to communication between Missions and potential PVO partners
The Guatemala and Dominican Republic Missions report engaging with LEPP only in validating local partners when completing 607 determinations. Challenges to fulfilling this obligation may be indicative of obstacles to greater participation in the LEPP program, such as obstacles to communication with local partners. The Dominican Republic Mission noted the following: “When completing the 607 determination, it was difficult to get information from the PVOs. We called them, but couldn’t find the right person to speak with to get the information.”
Constraint #5: Quality of goods
Quality control for excess property may also create disincentives for Missions to increase their participation. The Bosnia Mission noted the following: “The LEPP program is great as long as the equipment remains affordable. If the cost of moving equipment from warehouse to end user becomes too expensive, then it won’t be worth the effort. If the quality of the equipment isn’t good, then it won’t be worth it.”
Constraint #6: Proximity to holding location
As discussed previously, program participation is in many respects a matter of ease of access to excess property holding locations. The Bosnia Mission explicitly noted, “The equipment has to be in Europe.”
Constraint #7: Logistical support
Mission offices face similar logistical challenges to those faced by PVOs, including port of entry requirements. The Dominican Republic Mission noted that it will not get involved with customs fees, taxes, or transport fees. The experience of the Bosnia Mission highlighted the challenges of working with LEPP without an intermediary. That Mission worked with LEPP in 2014 to refurbish schools after massive flooding. The Mission paid for transport and an expeditor, and encountered significant difficulties with customs. The Mission noted: “A big constraint is the lack of reliable logistical support. We had difficulty in coordinating with the DLA warehouse about what we were asking for and what we would get. We also need an expeditor to arrange transportation.”
Constraint #8: The need for technical accompaniment
The Ukraine Mission recognized the need for technical accompaniment for medical equipment, including training and resources for equipment maintenance. “We wanted to bring in a portable hospital from California to Ukraine. This represented 100 tons of equipment and the cost was a half-million dollars. To make use of that, we also need to train Ukrainians to assemble it, which requires additional resources. A mechanism may need to

Constraints upon Mission-Led Transfer of Government Excess Property

include maintenance. We recognize that would be difficult particularly if we don't know what the equipment would be. Ideally the mechanism could account for a range of different levels of sophistication of property.”

Potential Buy-in Mechanism

To help Mission staff overcome many of these constraints, LEPP is exploring the possibility of establishing a buy-in mechanism for Mission-based equipment distribution. This buy-in approach is based on the assumption that a dedicated contracting mechanism would build awareness, enthusiasm, and thus usage among regional Missions. Most importantly, the availability of a dedicated buy-in mechanism would reduce the administrative burden of accessing property for participating Missions and avoid the repeated heavy start-up costs of one-off interventions.

Because of their ability to access property from Department of Defense (DoD) warehouses in Germany, LEPP is considering Central and Eastern European Missions as a pilot.²⁵ A similar arrangement has been considered in Honduras given the location of the Soto Cano Air Base and the amount of equipment transferred to LAC by current PVO partners. The review team encountered some resistance to the idea from the Honduras Mission, however, due to concerns that there is not enough excess property at the base to service LEPP partners at a regional level.

The buy-in mechanism proposed by LEPP would revolve around a freight forwarding agent who would identify property, perform quality control on its condition, and then organize pick-up from DoD holding locations, transportation, and customs clearance. Missions will still need to identify local partners to aid in the distribution of the equipment (and potentially in customs clearance). In the Eastern European context, the Bosnia and Ukraine Missions explicitly expressed interest in a buy-in mechanism. Respondents from these Missions offered feedback on how such a mechanism would affect their ability to make use of excess property. The Ukraine Mission felt a mechanism would make it easier for Missions to plan in advance. The Bosnia Mission, on the other hand, that previously managed the transfer of LEPP property without PVO assistance, noted that on that occasion, transportation costs were funded through the operating expenses budget. Mission representatives indicated that if the Mission uses a buy-in mechanism, they not be able to use operating expenses; rather, funds may need to come from the development budget.

Strategic Outreach to USAID Mission Offices

To accurately assess the potential of a Mission buy-in mechanism, LEPP will need to engage in additional research, preferably in the field and in direct contact with the parties who would implement property distribution. If LEPP chooses to pilot this approach in Eastern Europe, they will need to study whether the demand for equipment among European (or Latin American) Missions is sufficiently great to justify the cost of creating a buy-in mechanism. LEPP will need to decide who is contractually responsible for managing and paying for the fixed costs of the mechanism (and for organizing the request for applications). In addition, LEPP will need to consider the minimum amount of business required to attract qualified freight forwarders as bidders. Finally, before establishing a buy-in mechanism, the LEPP Team will need to get a firm commitment from partner missions that they are willing and able to commit funds.

With or without a dedicated buy-in mechanism in Europe, a Mission-based distribution option would require the LEPP team to develop strategic outreach to Missions that are most likely to be interested in (or are already) accessing LEPP equipment. This outreach strategy could be driven by past performance data in terms of value of equipment distributed, but also take advantage of new opportunities as they present themselves. This mission outreach strategy could include virtual communications, in-person visits, training and technical assistance.

²⁵ The review team was not able to visit the warehouses concerned or to talk with DoD staff who would be key partners in implementing this approach.

Historical data indicate that of the 23 missions that have partnered with LEPP since 1999, only eight have accessed more than \$2 million and only five have partnered since 2010. These missions present a readily available class of Missions for focusing outreach. USAID could monitor the development of new mission strategies for these key partner missions, but also for other missions who could potentially become new partners (particularly those in LAC, which has historically had the greatest concentration of LEPP partners). It is important to not take for granted that that Mission staff have a clear understanding of the nature and workings of LEPP just because a Mission has been a significant partner. The Honduras Mission, for example, which is on record as a significant past recipient of LEPP property, reported working directly with the Soto Cano Air Base to facilitate the transfer of excess property to local partners and associated that property with USAID's Denton Program for Private Donations, rather than with LEPP.²⁶

To the extent possible, LEPP's outreach could also seek to support mission-based champions. Given the fact that USAID direct-hire staff who are familiar with the program will inevitably be reassigned, LEPP should make an effort to both reach out to them at their new mission and to establish contact with their replacement in order to maintain relationships with the mission. In addition, LEPP could maintain relationships with Foreign Service Nationals who typically remain at missions for significantly longer periods than direct-hire staff. Developing a mission-focused package of information, documents, web content, etc., to distribute to new missions and new staff will facilitate this introduction.

In-person site visits are an essential element of LEPP's outreach to Missions. Even national staff who have worked with a Mission for years are sometimes unfamiliar with LEPP and how it functions. LEPP staff could plan regular visits to the five missions who have accessed the largest amount of LEPP property (Guatemala, Philippines, Honduras, Colombia, Haiti) and be in close contact with Missions who have accessed more than \$1 million in property. In addition, site visits offer LEPP staff the opportunity to contact USAID and US Embassy Public Affairs Officers (PAOs) in order to explain how the program works and its potential public diplomacy benefits for the Mission.

Working directly with Missions offers LEPP a significant opportunity for targeted diplomacy and promoting public diplomacy outcomes. However, communications with Missions accessing LEPP property need to be improved (including both technical staff and PAOs) in order to ensure that end-user outcomes are captured and opportunities for public diplomacy are fully exploited.

Value of Equipment Distributed

Creating a pilot buy-in mechanism could potentially increase the value of equipment accessed by missions on a regional level. However, although there is reported demand for such a mechanism among European missions such as the Ukraine and Bosnia Missions, the increase in value of equipment moved is likely to be limited by the geography of the region and the requirement of sourcing equipment from warehouses in Germany. Because the mission-based option is dependent on proximity to an overseas US military DRMO holding location, opportunities to implement this approach may well be limited to certain regions and the increase in value of equipment distributed will be incremental, at least at the beginning. For cost reasons this option will be restricted primarily to missions in proximity to DoD overseas warehouses in Europe and Central America, making Central and Eastern European and Central American Missions the best positioned to pilot this approach. However, unless these Missions are able to commit to longer-term program resources, the value of equipment distributed by Missions may also be low. (For example, the Bosnia Mission was recently able to organize a one-time distribution of \$136,000 in 2014, but has not used LEPP equipment since then.)

²⁶ In the case of the Honduras Mission, lack of clarity regarding the role of LEPP in the local acquisition of excess property for Soto Cano Air Base may be due to reported changeover in Mission staff.

End-User Outcomes: Development, Humanitarian, and Public Diplomacy

Each of the five Missions that spoke with the review team found development, humanitarian, and public diplomacy value to be gained through the use of government excess property. Two themes emerged in the review team’s discussions with Mission staff. First, there is great potential to find synergies between excess property and pre-existing development programs. The Ukraine Mission, for example, pointed to the value of combining brick-and-mortar interventions with technical assistance, suggesting that LEPP property could augment the Mission’s programs. The Ukraine Mission also warned, however, that if public diplomacy becomes the sole objective, other development objectives might be missed. The Honduras Mission offered similar feedback, noting that public diplomacy goals factor into decisions regarding the intended recipients of excess property and are best served when aligned with development or humanitarian objectives.

“LEPP adds value by complementing the work the Mission is already doing. It helps with both development and diplomacy outcomes. It is particularly helpful with providing humanitarian assistance that the Mission can’t do through its regular development strategy. LEPP helps address social and humanitarian needs and creates positive publicity and exposure for the Mission.”

—USAID/Bosnia

Second, public diplomacy outcomes are difficult to measure. The Missions generally do not distribute excess property except through intermediaries. This means that beneficiaries are distanced from USAID as the donor; LEPP property is not branded; and goodwill and other public diplomacy outcomes are not easily measured. The Honduras Mission, for example, noted that excess property has a great impact on the Mission’s public diplomacy efforts, but lamented that that impact cannot be quantified.

As things stand now, engagement with LEPP of most USAID Missions is confined to completion of 607 determinations. Missions in Guatemala and the Dominican Republic recognize the diplomatic value in USAID sponsorship of excess property distribution through PVO partners. But by allowing Missions the possibility of providing equipment to address specific development needs, a Mission-based mechanism would offer a useful tool for Mission Directors and Ambassadors to implement targeted public diplomacy. This mechanism can also be used to complement other Mission programming and would be particularly well suited to reinforcing the outcomes from training and capacity-building projects by providing useful equipment to the partners concerned. This type of approach would require the active engagement of both Public Affairs Office staff from the Mission or Embassy to create an awareness of the equipment distribution and having program staff available to manage its implementation.

Costs

To implement a Mission-based model, the LEPP team will need to create a buy-in mechanism for Missions to access freight forwarding and logistical services. This would create both indirect costs to LEPP in time, and require that a buy-in mechanism be created and managed for Missions to cover transportation and logistical costs. Local NGO partners would need to incur costs to physically distribute the equipment.

Direct Program-to-Program Partnerships within USAID

The program-to-program partnership option covers a number of variants. It could encompass programs cooperating within the Agency through informal ties (e.g., cross-referring PVO partners with other programs), or to more formalized partnerships (e.g., participating in technical reviews), or to a systematic approach such as agreeing to share a single application process with other similar programs.

Two other USAID programs, ASHA and OFR, are working with a similar PVO partner-base and would make a natural starting point for piloting interoffice partnerships. However several key issues will need to be resolved before LEPP can proceed to discuss collaborating with other offices. First, LEPP will need to ensure that USAID's General Counsel offers no objection to a PVO partner receiving support from more than one office at the same time (or for the same project). In addition, each of the offices involved is located in a different Bureau (LEPP in E3, ASHA in DCHA, and OFR in OAA) that will need to be consulted before any agreement can be reached between the Offices. Each of these three Offices organizes a slightly different application process (Solicitation for Applications, Annual Program Statements, and Requests for Applications). Synchronizing these mechanisms will be a key first step. Each Office also has its own goals and objectives. Although there is no reason this should impede collaboration, LEPP should ensure that this does not create barriers to cooperation later.

The offices concerned will need to develop MOUs outlining the roles and responsibilities of each party. The complexity of these MOUs will obviously depend on the nature of the collaboration (sharing partner information may not require a lengthy MOU, but sharing an application form might). Since all three Offices organize application processes focused on PVOs, this would seem a good pilot in exploring the potential for interoffice collaboration.

Value of Equipment Distributed

This option could increase the value of equipment distributed by LEPP and other program partners if USAID is able to attract additional PVO partners. Its most significant advantage will be in reducing costs to the Agency and particularly for PVO partners by streamlining administrative requirements. But as discussed, new LEPP PVO partners draw upon the program very little, meaning any increase in distributed property due to this sort of program-to-program partnership could be limited.

End-User Outcomes: Development, Humanitarian, and Public Diplomacy

By reducing the administrative burden of working with different USAID programs, LEPP could attract new PVO partners and encourage existing partners to work with more than one Agency program. If this option is able to attract new PVO partners, then it could improve development, humanitarian, and public diplomacy outcomes. In addition, such program-to-program collaboration could send a positive message to other Agencies, Bureaus and offices.

Intergovernmental Cooperation with Other USG Agencies

The intergovernmental cooperation option would be based on formal agreements with other USG agencies for distributing excess property. This option could include streamlining administrative processes to transfer property and advertise LEPP equipment to other government agencies. Two recent collaborations with TSA in Haiti and Kenya demonstrate the potential of this approach. Through these collaborations, the LEPP team was able to distribute property to partners that it otherwise would not have been able to reach (i.e., airports). However, the value of the property involved was not high (\$250,000).

The potential for distributing significant amounts of property in collaboration with other government departments would increase markedly if LEPP were able to negotiate long term MOUs with strategic partners. This would leverage the effort required to organize the property transfer and minimize the cost in time and effort of reinventing the wheel with every new donation. These MOUs should clearly detail the roles and responsibilities of each office, in particular key issues such as who pays for the property to be refurbished, transported, installed, and maintained. (In the case of the transactions previously mentioned, TSA covered all of these expenses.)

Potential partners for such MOUs include TSA, Immigration and Customs Enforcement, the Federal Aviation Administration, and Customs and Border Protection. Although these potential partners might not distribute large amounts of property on an annual basis, the cost of time and effort to create an MOU with TSA and other departments could potentially yield longer-term benefits and seems a worthwhile investment.

Value of Equipment Distributed

It is difficult to estimate the increased value of equipment that this option could facilitate. However, working with other USG agencies to distribute excess property would represent a net addition to the amount of equipment LEPP is able to access. The amount of equipment distributed through this option would be a function of the needs of USG partner agencies. If this cooperation is based on one-off agreements to support specific needs, the value of equipment distributed will remain limited.

Costs

If the cooperating USG agency pays for transportation and logistics, this option will not entail any direct costs to the Agency. However, it will require engagement on LEPP's part to develop the MOU and to administer the transfers.

End-User Outcomes: Development, Humanitarian, and Public Diplomacy

This option could improve development, humanitarian, and public diplomacy outcomes by addressing the specific equipment needs of partner governments or organizations. This kind of inter-agency cooperation could also provide significant opportunities for promoting public diplomacy by USAID Missions and Embassies. The two past examples of this type of partnership were centered on high profile projects involving replacing damaged airport security equipment. It is likely that future collaboration between LEPP and other departments would target similar high value public diplomacy projects.

Direct Transportation Financing

LEPP partners — both PVOs and Missions — have consistently identified the cost of transportation as a binding constraint to distributing additional equipment through LEPP. Over half the organizations who completed the online survey cited transport costs or distance as a constraint on their use of LEPP (seven of 10). If the LEPP team were to offer only one of the five options to partners, funding to transport property would have a significant impact on the value of property distributed, program outcomes and potential number of PVO partners. However, transport subsidies would also represent a significant cost to the Office and would require a major increase in LEPP's budget. If the LEPP team were to offer to support shipping costs of one container per partner per quarter to its current partners, the total cost could reach more than \$950,000 per year.

Whatever the funding available, LEPP will need to develop a system, based on the priorities of the LEPP Team, for selecting recipients and allocating specific funding amounts to chosen partners. This system should be designed in order to complement, rather than to replace funds that partners would allocate on their own. If LEPP were to prioritize the value of property distributed, then selection criteria could be weighted towards leveraging additional funds. If the priority were outcomes, then selection could be based on program outreach. Deciding which of these criteria to prioritize should itself be the result of a systematic strategic planning process soliciting the input of partners and non-partner stakeholders inside and outside USAID.

Value of Equipment Distributed

Because transportation costs are such an important element in the distribution of excess property, grant funding for transportation could have a direct and significant impact on the value of equipment distributed. LEPP could structure funding for transportation in order to leverage the Agency's contribution through incremental or diminishing funding or making funding conditional on a counterpart contribution.

Costs

The direct cost to the Agency of offering funding for transportation could be significant. In addition, there will be indirect expense in terms of staff time and effort. At the same time it should be expected that any funds expended on transportation would leverage many times their value in equipment distributed. Costs to PVO partners would obviously be decreased by the amount of subsidy offered. In addition, transport funding could be used as an incentive to attract new PVO partners and to encourage top performing existing partners to ramp up the value of equipment they distribute.

End-User Outcomes: Development, Humanitarian, and Public Diplomacy

Where funding of transportation costs increases the amount of equipment available to end users, it should have a net positive impact on development and humanitarian outcomes. In addition, if LEPP targets transport subsidies to missions or countries based on specific opportunities or needs, this option could have a major impact on public diplomacy outcomes.

CONCLUSIONS

Ranking of Program Design Options

The task of ranking options that do not yet exist is inherently a speculative exercise, placing precise predictions beyond the ability of the review team. In addition, there are a number of important variables (such as the need for and availability of excess property) that are outside of LEPP's power to control, but which would impact each of the options differently.

With all this stated, the review team estimated what the potential impact of each option would be on the value of property distributed, program outcomes (development, humanitarian, and public diplomacy), costs, and the number of PVO partners.

Then options were ranked accordingly by their potential to deliver improved outcomes for LEPP and USAID. The rankings are shown in Table 19. Options that have a greater chance of increasing positive outcomes were ranked higher, with the exception being direct transport funding, which although it would otherwise be ranked as the first option, is entirely dependent on funding that does not yet and may never exist.

TABLE 19: RANKING BY PROGRAM OPTION

	Value	Outcomes	Costs
Current model	\$30 million	Limited data	Low
1) Modified PVO	Increase	Increase	Increase
2) Program-to-program	Little change	Increase	Remain the same
3) Intergovernmental	Little change	Increase	Remain the same
4) Mission-based	Little change	Increase	Increase
5) Direct transport	Increase	Increase	Increase

Modifying the current PVO model ranks highest because it will have greatest potential positive impact and because it is the easiest to implement. Program-to-program collaboration within USAID is ranked highly because the return on (limited) investment could be high. Intergovernmental cooperation could also be a low cost way of increasing the value of the LEPP portfolio, but the magnitude of this increase is not likely to be great. The Mission-based option is ranked fourth because of the costs and effort required to create a buy-in mechanism that would potentially serve a limited number of Missions. The direct transport option is discussed above. More detailed explanation on the conclusions of each of the five options is included below.

Potential Pros and Cons of the Five Program Design Options

Table 20 provides a summary of the pros and cons of each of the options included for this review. Detailed findings as to the pros and cons for each of the options are also included in the section directly above.

TABLE 20: PROS AND CONS OF POTENTIAL PROGRAM OPTIONS

Options	Pros	Cons
Modified PVO option	<ul style="list-style-type: none"> • Strong likelihood of increasing value of property distributed. • Strong likelihood increasing number of PVO partners. 	<ul style="list-style-type: none"> • There is a risk that LEPP has hit a ceiling around \$30 million in equipment per year, and modifications may not change the structural constraints which are effecting the attractiveness of the program. • Cost of hiring new staff and contractors.
Mission-based option	<ul style="list-style-type: none"> • Strong likelihood of a small increase value of property distributed. • Likely to increase number of Mission partners. • Likely to improve public diplomacy outcomes. 	<ul style="list-style-type: none"> • Cost of establishing and managing buy-in mechanism. • Limited scope to increase value of equipment or number of partners.
USAID program-to-program partnership	<ul style="list-style-type: none"> • Likely to improve administrative efficiency and reduced costs. • Likely to improve user friendliness. • Likely to improve interoffice collaboration. • Likely to increase value of property distributed. 	<ul style="list-style-type: none"> • Risk of increasing efficiency without significantly increasing outcomes. • Limited scope to increase value of equipment or number of partners.
Intergovernmental cooperation	<ul style="list-style-type: none"> • Strong likelihood of increasing value of property distributed. • Likely to improve inter-USG collaboration. • Likely to public diplomacy opportunities. 	<ul style="list-style-type: none"> • Indirect costs. • Risks involving mostly involve one-off efforts.

Options	Pros	Cons
Direct transportation financing	<ul style="list-style-type: none"> • Strongest likelihood of increasing the value of property distributed among the options. • Strong likelihood of increasing the number of PVO and Mission partners. • Opportunity to tailor opportunities and incentives to organizational usage and capacity. 	<ul style="list-style-type: none"> • Significant increase in direct costs (transportation). • Significant increase in indirect costs (administration).

RECOMMENDATIONS

The review team offers two different kinds of recommendations. The first are high-level recommendations pertaining to the findings and conclusions for the implementation of the five options. The second are recommendations related to general improvements LEPP could undertake in order to optimize the following outcomes:

- Significantly increase the value of property transferred,
- Increase the number of participating partners,
- Improve the program’s development, humanitarian, and public diplomacy outcomes, and
- Make the program more cost-efficient to use.

Recommendations for Decision-Making as to the Five Program Design Options

Recommendation 1: Options are not mutually exclusive and — if resources are available — should all be implemented.

USAID should treat the review’s conclusions for the five options as non-exclusive, and should assess the merits of each of these options independently given that any of the five options could be implemented in conjunction with any combination of the other four options. Based on its findings, the review team concludes that the options complement one another and recommends that if resources permit a combination of all of the options should be implemented.

Recommendation 2: If LEPP management resources permit only a single program design model, it should invest in the modified PVO option.

The modified PVO option is most likely to increase the value of property distributed and improve outcomes more than any of the other options. This option also has the advantage of building on existing systems drawing on years of experience and lessons learned. LEPP’s PVO partners are strong supporters of the program and can be willing supporters of this approach.

In its approach to its PVO partners, LEPP should distinguish between those partners who have been or are currently top producers in terms of value of property distributed, and those partners who have distributed little or no property through LEPP. The former should be encouraged to move as much property as they can by reducing administrative barriers (such as the cap on the number of 607 determinations). The latter should be identified, supported with additional training or technical assistance, and where needed, encouraged to make at least one transfer a year.

Recommendation 3: If funding is available, complement implementation of each option with direct transport funding.

Interviews with PVO partners indicated clearly that support for transportation costs would likely increase the amount of equipment they are able to ship. As this is a potentially expensive option, LEPP will need to consider where funding transportation will have its greatest leveraging effect in terms of mobilizing additional resources to move equipment. This will require developing a decision-making framework and selection criteria for allocating transportation funding.

Recommendation 4: USAID should include upgrading the LEPP MIS in the new management contract.

As the program's current MIS is more than 17 years old, requirements should be built into the new management support contract for a new electronic information and communications platform that can capture a broad range of data and facilitate strategic management based on real time information. Full advantage should be taken of the opportunity to upgrade to an Internet-based system and cloud data storage. In addition, the new contract should include the technical staff to operate and maintain MIS and to oversee data entry and processing.

The following is an illustrative list of possible performance indicators for the LEPP team's consideration and inclusion in a system upgrade of this type.

- PVOs participating actively in last six months,
- Number of equipment requests made,
- Percentage of ceiling used by PVOs,
- Number of US-based PVO partners,
- Number of in-country NGO partners,
- Number of end users,
- Number of Missions with 607 determinations,
- Number of 607 determinations,
- Cost to PVO to access and ship equipment,
- Cost to PVO to repair and certify equipment,
- Savings from the purchase of new equipment,
- Condition of equipment shipped, and
- Beneficiary impact indicators such as number and type of services delivered.

Recommendation 5: USAID should lead technical discussions among partners.

USAID should encourage and lead technical discussions with its partners on systematic, standardized data collection on the distribution, use, and impact of LEPP property. Building understanding of what is working and what is not will increase awareness of LEPP, strengthen transparency and accountability, and facilitate future program improvements. LEPP should also lead a discussion on good practices in needs assessment and comprehensive program monitoring. In addition, this will provide a forum for discussing how USAID and its partners can ensure that the distribution of LEPP property does not cause unintentional harm.

Recommendation 6: USAID should reinforce its communications and outreach capacity.

In order to increase the amount and value of communications with and between its partners and other stakeholders inside and outside USAID, LEPP should develop a comprehensive communications strategy to publicize the program's successes, explain how it works, and how it can benefit new PVO and Mission partners. In addition, resources should be added to the new management support contract to fund a communications staff person to facilitate the implementation of this strategy.

Illustrative of the elements to be considered for inclusion in such a strategy are the following:

- Increase two-way communications, not just on an as-needed basis, and offer partners the opportunity to have their work with LEPP highlighted and publicized. This could include distributing a quarterly newsletter (similar to the one published by ASHA), establishing a social media presence, and creating a learning and exchange forum for partners to share local media coverage of their work in country, among themselves and with USAID. The communications strategy could also include regular in-person events such as round tables and an annual conference. Finally, by creating stronger connections to and among its partners, LEPP can create a foundation for partners to form a coalition to promote the program and should they feel so inclined, to let their elected representatives know of its benefits and advocate for the program's funding.
- Ensure that training content for LEPP partners builds on their current knowledge. Because longtime LEPP partners will have attended more than one LEPP training, the Office should ensure there is value added for all partners by developing content and activities to engage both old and new partners. For example, opportunities could be created for longtime partners to coach and mentor new ones. The training program can also be used as a forum for promoting partner collaboration, specifically on cost saving measures such as sharing warehouse space. Finally, significant opportunity exists to develop online training materials and tutorials that are available to all partners and Missions and can be shared via social media.

Recommendation 7: LEPP should increase its emphasis on public diplomacy outcomes.

Improved outcome monitoring and communications capacity will enable LEPP to better support Missions in achieving public diplomacy outcomes. LEPP should also reach out to Public Affairs Officers at Missions and Embassies to describe how the program is function in their country and how it can be of most benefit to a Mission's work. Although this approach should not be exclusive to one region or one Mission, an obvious point of focus for increased outreach could be the Missions of LAC who have distributed the most LEPP equipment in the past (Honduras, Bolivia, El Salvador). Outreach to Missions should include both in-country visits to the Missions, but also promoting the sharing of ideas and approaches to public diplomacy between Missions.

- Involve Missions to a greater degree by offering them both general information about the program and how they can work with it, but also specific and timely information about when and what LEPP equipment is arriving in their country as well as basic information about its intended use. To improve public diplomacy outcomes, LEPP will need to ensure that Missions are informed and engaged.
- Targeted Public Affairs Officers at Missions and Embassies will help to ensure that responsible staff on the ground are able to take advantage of opportunities to publicly promote the outcome of USG support through LEPP. A third component of the LEPP team's larger communications strategy should be training and capacity building. The office currently organizes a well-received in-person training for new LEPP partners. There are significant opportunities to build the value added of this program. PVO partners appreciated — and would like more — time to interact with frontline staff from DRMO and GSA, as well as more information about USAID regional and country priorities and planning. USAID Country Desk Officers, particularly those from countries that have been major recipients of LEPP equipment, should be invited as well.

Recommendation 8: USAID should designate potentially hazardous property and enforce appropriate due diligence, technical accompaniment, and monitoring requirements. “Do no harm” principles should be consistently reinforced through training programs, outreach, and the 607-determination process.

As LEPP endeavors to increase the volume of excess property transferred abroad, such efforts should be accompanied by proper considerations of primary risks associated with improper disposition of property. Such risks include the spread of hazardous material and are generally common to specific types of property, namely medical equipment. To minimize additional administrative burdens while maintaining the goodwill and positive development outcomes generated through the distribution of excess property, USAID should designate high-risk property and regulate it accordingly. This may include additional due diligence, technical accompaniment, and monitoring requirements. At the same time, “do no harm” principles should be consistently reinforced through training programs, outreach, and the 607-determination process.

ANNEX A: STATEMENT OF WORK

Statement of Work

Strategic Review of the Limited Excess Property Program (LEPP)

I. Activity Description

USAID's Limited Excess Property Program (LEPP) provides registered private voluntary organizations (PVOs) access to U.S. government surplus property to support humanitarian assistance and development objectives abroad. Since its inception in 1987, LEPP has transferred more than half a billion dollars' worth of excess federal property to support agricultural, education, and health initiatives in developing countries. Beneficiaries of LEPP have used excess property to outfit hospitals, clinics, group homes, infant feeding centers, vocational facilities, and schools. USAID Missions have used property through LEPP to respond to local needs ranging from disaster response to capacity development.

The current LEPP model operates through intermediaries, using PVOs to collect and distribute available property to in-country end-user organizations. PVO recipients of excess property ensure that requisitioned property is used in a timely fashion and toward its intended purpose, and assume responsibility for the refurbishment and transport of the property. LEPP's system for property distribution also allows for direct disbursement of excess property by USAID Missions to in-country organizations.

LEPP is managed by the Office of Local Sustainability in USAID's Bureau for Economic Growth, Education, and Environment (USAID/E3/LS), and is supported by a five-year contract with Rapier Solutions that is set to conclude in the fall of 2016. LEPP's capacity to provide resources to meet humanitarian needs was documented in a 2011 program evaluation, but USAID also conceives of the program as a "tool that can be leveraged to bring greater success and impact" to existing development projects, recognizing "linkages between the LEPP program and USAID development goals, including Local Capacity Development, Global Health, and Education."²⁷

To inform upcoming decisions regarding the future of the program, USAID/E3/LS has asked the E3 Analytics and Evaluation Project to review alternative models to LEPP in order to optimize the use of excess property for humanitarian and development purposes.

II. Development Hypothesis

It is expected that this Strategic Review will include a critical examination of LEPP's Theory of Change, which has not been formally mapped. The Theory of Change should be developed by the E3 Analytics and Evaluation Project in consultation with USAID, and will provide a conceptual framework for analyzing how the program currently operates and the operational and causal mechanisms by which the use of excess property achieves its intended development, humanitarian, and public diplomacy outcomes. Such a conceptual framework will then enable comparison of alternative excess property distribution models.

²⁷ See 2011 LEPP Evaluation, USAID Statement of Difference.

III. Existing Information Sources

USAID/E3/LS will provide the review team with LEPP documentation and administrative data that are expected to inform this Review, including:

- Contract Information Bulletin 98-26: USAID Limited Excess Property Program;
- Evaluation of the Limited Excess Property Program (2011), including USAID's Signed Statement of Difference in response to the Evaluation;
- Program documents, including quarterly, annual, and financial reports;
- Inventory of PVOs and PVO activity;
- Inventories of LEPP property depots;
- Administrative data of LEPP applications from participating PVOs; and
- Completed FAA Section 607 Determinations.

IV. Review Purpose, Audience, and Intended Uses

Review Purpose

USAID/E3/LS has requested that the E3 Analytics and Evaluation Project assess how a set of identified alternative models for excess federal property distribution could be operationalized under LEPP and how the different models would affect the volume of property distributed as well as the program's capacity to achieve desired humanitarian, development, and public diplomacy outcomes. This Review will inform the future direction of LEPP and USAID/E3/LS' efforts to optimize the distribution of U.S. government surplus property.

USAID/E3/LS does not intend for this Strategic Review to be a program evaluation of LEPP, although past performance of the program should be considered to the extent that it can illuminate best management practices and ramifications for future program design options.

Review Audience

The primary audience for this Review is USAID/E3/LS. The Review should also be of interest to Missions and other USAID stakeholders involved or interested in the wider use of excess property.

Intended Uses

Findings from this Review will be used by USAID/E3/LS to inform the design of the new LEPP contract, scheduled for the end of Fiscal Year 2016.

V. Research Question

To guide this Review, USAID has identified the following research question:

- I. What are the pros and cons of each LEPP design option being considered by USAID/E3/LS?²⁸

VI. Gender Considerations

²⁸ See the five options listed in the Review Design and Methods section of this document.

In accordance with USAID's Automated Directives System (ADS) 203.3.1.5, the Research Methodology for this Review should consider if and how the excess property program models being examined may affect program access, participation, and outcomes based on gender. Data collection should disaggregate by and account for gender where appropriate. The Review team will pursue further inquiry on any additional gender themes that emerge during data analysis.

VII. Review Design and Methods

The Review team responding to this Statement of Work will propose a Research Methodology and Work Plan for addressing the Review questions, including draft data collection instruments and protocols. To guide the Research Methodology, USAID has identified five potential LEPP models that will be assessed by the Review team and are listed in descending order of expected priority for this review:

1. A modified PVO model
2. A Mission-based distribution model, including a contractual intermediary (local or regional)
3. Direct program-to-program partnerships within USAID
4. Inter-donor cooperation
5. Direct transportation financing

In consultation with USAID, and guided by the program Theory of Change to be developed, the Review team will define criteria by which each of these program models will be assessed. Possible criteria include operational and/or economic feasibility, cost-benefit comparison, potential volume of property transferred, requirements for regulatory compliance, and potential to achieve humanitarian, development, and diplomacy outcomes. The Review team should assess the potential implementation costs to USAID for operationalizing each model.

In addition to proposing specific criteria, the assessment of the potential models should be informed by the following guiding questions:

1. What are the factors affecting the volume of federal excess property distributed under LEPP?
2. What are the factors affecting the outcomes (humanitarian, development and public diplomacy) achieved through distribution of federal excess property?
3. What measures, operational or programmatic, can USAID take to optimize the volume of excess property it distributes?²⁹
4. What measures, operational or programmatic, can USAID take to optimize the humanitarian, development and public diplomacy outcomes achieved through distribution of federal excess property?
5. What is the potential cost to USAID envisioned to implement alternative LEPP models?

This Review will use a variety of data collection methods appropriate to a mixed-methods approach for this research. The team will provide detailed description of data collection methods in the Research Methodology and Work Plan. A sampling plan for respondents will be described in the Research Methodology and Work Plan based the time and resource constraints for the Review.

Key Tasks under this Review

²⁹ Operationally, "optimize" refers to the need to balance volume or achievement of higher-level outcomes with other program considerations, including supply chain efficiency, utility of requisitioned excess property, and regulatory compliance.

USAID anticipates that this Review may require the following set of tasks. In the Research Methodology and Work Plan and in consultation with USAID, the Review team will propose and describe in greater detail the specific tasks that will be carried out the Review.

Task 1: Review of Current LEPP Model to Understand Operational Capacity

Task 1 will briefly review the current LEPP model in terms of its operations and performance in key metrics to be selected in consultation with USAID/E3/LS. Task 1 provides a form of baseline upon which comparative judgements can be made about the likely performance of the alternative excess property distribution models to be examined. The Review will examine the current LEPP design in terms of the volume of excess property transferred and efficiency of the existing model. Volume may be a function of the number or type of participant organizations or modes of property procurement and distribution.

Task 2: Assessment of Select Program Options and Factors Affecting Operational Performance

A second task for this Review is to assess the factors (e.g., incentives, constraints, design decisions) affecting operational performance across the identified options for the program model. This task may pay particular attention to constraints to program performance where the current model is operating below full capacity.

An assessment of these options may involve document review and key informant interviews with relevant USAID and LEPP implementing partner staff, other U.S. government officials involved in the program, and experts in the fields of excess property distribution, supply chain logistics, and other relevant topics. To the extent possible, this assessment should be complemented by secondary data and interviews with participating and non-participating PVOs and USAID Mission staff. These informants should provide key insights into incentives and constraints affecting program participation, scale, feasibility of alternative models, and requirements for regulatory compliance, as well as factors affecting the achievement of humanitarian, development, and diplomacy outcomes. A survey or focus group discussions may also be considered as data collection approaches for this task.

Depending on feasibility, budget constraints, and the availability of data, this task may also involve end-user surveys or key informant interviews to analyze the characteristics of end-users of the excess property as well as patterns of property utility and associated outcomes.

Task 3: Review of LEPP Performance Monitoring, Reporting, and Verification Systems

A third Review task may examine how the current program understands, captures, monitors, reports, and verifies the full spectrum of programmatic outcomes to inform the design and implementation of excess property programming going forward. This task would help to understand how the program currently captures and communicates its results and how this affects the program's profile within countries, Missions and the wider development community. This option may gather data from end-user organizations regarding knowledge and perceptions of the program and the value and/or utility of excess property.

Task 4: Final Report and Recommendations

The Review should culminate in a final report which will summarize its findings and conclusions and make recommendations as to how USAID can optimize its use of excess property vis-à-vis the five models being examined.

This task may also include the development of an operational LEPP model that establishes what limited excess property programming looks like when operating at peak capacity, and how various scenarios in which the model is changed could affect performance along key operational metrics.

VIII. Data Analysis Methods

The Research Methodology and Work Plan will include an analytical framework for selected tasks. The analytical framework will identify data collection methods, data sources, and data analysis methods for each research question.

IX. Limitations of the Review

Given time and resource constraints available for the design and implementation of this Review, the objectives and scope have been narrowly defined to facilitate rapid data collection and reporting. While the total population of PVOs currently participating in the program is small (24), the Review team does not anticipate collecting data from all relevant stakeholders to inform the assessment of program model options. The sample of respondent PVOs (including non-participating PVOs), participating Missions, and other organizations – while illustrative – may not capture a fully representative range of perspectives about relevant incentives, disincentives, and constraints to LEPP program participation and performance.

X. Deliverables

Deliverables for this Review will be sequenced to meet USAID/E3/LS’ needs for the next stage of LEPP design and implementation. It is anticipated that the Review team will be responsible for the following deliverables. A final list of deliverables, including specific due dates, will be proposed by the team in its Research Methodology.

Deliverable	Estimated Due Date
1. Research Methodology and Work Plan	o/a January 11, 2016
2. Presentation(s) of preliminary findings and conclusions for USAID and invitees	To be proposed in the Research Methodology
3. Draft Review Report	To be proposed in the Research Methodology
4. Presentation of key findings, conclusions or recommendations from Final Review Report for USAID and invitees	To be proposed in the Research Methodology
5. Final Review Report	o/a March 7, 2016

All documents and reports will be provided electronically to USAID no later than the dates indicated in the approved Research Methodology and Work Plan. Data will be provided in electronic format to USAID in a format consistent with Automated Directives System (ADS) 579 requirements. All debriefs will include a formal presentation with slides delivered both electronically and in hard copy for all attendees.

Prior to the submission of the Research Methodology, the evaluation team will discuss with USAID whether its preliminary dissemination plan for this study indicates other deliverables that should be

prepared, such as translation of evaluation materials into other languages and additional presentations or workshops. Such additions as agreed with USAID will then be included in the Research Methodology.

XI. Team Composition

Review Team Leader

The Review Team Leader (TL) should have experience leading multi-disciplinary teams conducting strategic reviews of organizational processes and supply chain operations. The TL will be responsible for managing the Review from inception to conclusion and will ensure that the research is aligned to the overall objectives of the study. As this Review will be looking at internal USAID policies relating to operational protocols and regulatory compliance, the TL is expected to have a strong understanding of USAID policies, procedures, organizational structure, and reporting.

The TL, supported by the other Review team members, will also be responsible for: (1) developing the overarching research framework for the Review, (2) developing research instruments for application to specific tasks, (3) carrying out and overseeing data collection activities with other Review team members, (4) conducting analysis and synthesis of the results of the various strands of research to answer the research questions, and (5) drafting the Final Report and other deliverables.

Strategic Management, Supply Chain, and Material Aid Specialists

One or more experts in fields that may include strategic management, international supply chain management, and material aid will assist the TL in the design and implementation of this Review and provide technical expertise as required. These specialists should have an understanding of internal USAID policies relating to operational protocols and regulatory compliance.

Research Support

Research support staff will assist as needed with data collection and analysis efforts.

XII. USAID Participation

USAID/E3/LS expects to be highly engaged with the Review team to ensure a collaborative approach to the design and implementation of this research. Throughout the design process, USAID and the Review team will meet regularly to consider options for answering the research questions and agree on the focus and approaches for the design and delivery of the Review. USAID will also help to facilitate contact between the Review team and key informants at participating PVOs and Missions. The desirability of USAID participation in additional Review activities will be considered and agreed upon at the appropriate time.

XIII. Scheduling and Logistics

A final timeline for the implementation of this Review will be proposed in the Research Methodology and Work Plan and developed in consultation with USAID. An illustrative timeline is provided in the chart below.

	2015-2016															
Task/Deliverable	December				January				February				March			
Develop & Finalize Research Methodology	█	█	█	█	█	█										
Data Collection					█	█	█	█								
Data Analysis								█	█	█						
Report Drafting									█	█	█					
Presentation(s) of preliminary findings/conclusions												█				
Draft Review Report												█				
Presentation of Final Review Report													█			
Final Review Report														█		

It is anticipated that the E3 Analytics and Evaluation Project team will be responsible for procuring all logistical needs related to this Review, such as work space, transportation, printing, translation, and any other forms of communication. USAID will offer some assistance as appropriate in providing introductions to partners and key stakeholders as needed, and will ensure the provision of data and supporting documents as required.

XIV. Reporting Requirements

The format of the final Review Report will approximate, as applicable, USAID guidelines set forth in the [USAID Evaluation Report Template](#) and the [How-To Note on Preparing Evaluation Reports](#). Review team members will be provided with USAID’s mandatory statement on the evaluation standards they are expected to meet, shown in the text box below.

USAID EVALUATION POLICY, APPENDIX I

CRITERIA TO ENSURE THE QUALITY OF THE EVALUATION REPORT

- The evaluation report should represent a thoughtful, well-researched and well organized effort to objectively evaluate what worked in the project, what did not and why.
- Evaluation reports shall address all evaluation questions included in the scope of work.
- The evaluation report should include the scope of work as an annex. All modifications to the scope of work, whether in technical requirements, evaluation questions, evaluation team composition, methodology or timeline need to be agreed upon in writing by the technical officer.
- Evaluation methodology shall be explained in detail and all tools used in conducting the evaluation such as questionnaires, checklists, and discussion guides will be included in an Annex in the final report.
- Evaluation findings will assess outcomes and impact on males and females.
- Limitations to the evaluation shall be disclosed in the report, with particular attention to the limitations associated with the evaluation methodology (selection bias, recall bias, unobservable differences between comparator groups, etc.).
- Evaluation findings should be presented as analyzed facts, evidence and data and not based on anecdotes, hearsay or the compilation of people’s opinions. Findings should be specific, concise and supported by strong quantitative or qualitative evidence.
- Sources of information need to be properly identified and listed in an annex.
- Recommendations need to be supported by a specific set of findings.
- Recommendations should be action-oriented, practical, and specific, with defined responsibility for the action.

XV. Budget

The following provides an estimated budget for this Review including all costs required from initial consultations and design through implementation and reporting. The Research Methodology should include an updated budget considering cost implications of the proposed methodological approach and timeframe, for USAID’s approval.

ANNEX B: LEPP PARTICIPANT PVO SURVEY

Introduction:

The management of USAID's Limited Excess Property Program (LEPP) has asked the E3 Analytics and Evaluation Project to conduct a strategic review of the program. As part of this effort, the LEPP Team has requested that review team implement a brief online survey of its current partners.

The purpose of the survey is to understand more about your experience and perspective on the LEPP program. In particular we would like to understand the factors that contribute to the volume of equipment distributed, the outcomes and the costs of the program from a user perspective. Data from your responses will be used to improve the design and implementation of the LEPP program.

Participation in this survey is voluntary, but your opinion is important to the future of the program. For ease of responding, in many cases we have provided response options, but space has been provided to add additional comments; please feel free to add additional comments. You may consult with other members of your organization if it is helpful in completing this questionnaire.

We encourage you to be candid in your responses. Although aggregate data will be reported to USAID, your individual responses will remain confidential and your name will not be associated with your responses in any reporting to USAID.

In case of any questions about this survey, please contact Haley Fults at hfults@msi-inc.com. We look forward to hearing back from your organization.

Organizational Characteristics

1. Approximately how long has your organization partnered with LEPP?
 - a. One year
 - b. Two years
 - c. Three years
 - d. Four years
 - e. Five or more years
 - f. Don't know

Additional comments? (TEXT BOX)

2. Approximately how many staff does your organization have working full time on gifts-in-kind? (Gifts-in-kind are goods and services given to a charitable cause. These could include food, clothing, medicines, furniture, office equipment, and building materials.)
 - a. One
 - b. Two
 - c. Three
 - d. Four
 - e. Five or more
 - f. Don't know

Additional comments? (TEXT BOX)

3. Does your organization have a warehouse property for in-kind donations?

- a. Yes
- b. No
- c. Don't know

Additional comments? (TEXT BOX)

4. If so, where does your organization warehouse property for in-kind donations?
(TEXT BOX)
5. Does your organization refurbish or repair donated in-kind equipment?
- a. Yes
 - b. No
 - c. Don't know

Additional comments? (TEXT BOX)

6. If so, where does your organization refurbish or repair donated in-kind equipment?
- a. In the United States
 - b. Overseas
 - c. Don't know

Additional comments? (TEXT BOX)

Program Volume

1. How many times did your program transfer LEPP property last year? (Please select one)
- a. Between 1 and 3
 - b. Between 4 and 10
 - c. Between 10 and 20
 - d. More than 20
 - e. Don't know

Additional comments? (TEXT BOX)

2. In the next year, do you expect the volume of equipment you access through LEPP will: (Please select one)
- a. Increase
 - b. Stay the same
 - c. Decrease
 - d. Don't know

Additional comments? (TEXT BOX)

3. How do you measure the value of property your organization has distributed under LEPP?
(Please select one)
- a. Acquisition cost (cost of the equipment when the when equipment was purchased)
 - b. Depreciated market value (acquisition cost minus depreciation for use)
 - c. Other (please explain): _____
 - d. Don't know

Additional comments? (TEXT BOX)

4. Please which of the measures listed below would most likely to increase your organization's use of LEPP property?
 - a. Assistance with transportation funding
 - b. Increase the number of countries for which 607 Determinations can be conducted
 - c. Increase types of property available
 - d. Increase reliability of access to property

5. Please list the three most common types of LEPP property used by your organization:
 - a. _____
 - b. _____
 - c. _____
 - d. Don't know

Additional comments? (TEXT BOX)

6. Please rate the availability of the LEPP property your organization needs most (please select one):
 - a. Insufficient to meet my organization's needs
 - b. Almost sufficient to meet my organization's needs
 - c. Sufficient to meet my organization's needs

Additional comments? (TEXT BOX)

7. Please indicate which of the following factors affect the volume of LEPP property used by your organization (select all that apply):
 - a. Market conditions (in-country prices)
 - b. Amount of available property
 - c. Quality of available property
 - d. Distance to LEPP holding location
 - e. Distance to destination in-country
 - f. Customs in destination country

Additional comments? (TEXT BOX)

8. Please indicate the greatest constraints to your organization's use of LEPP property? (Please list all that apply, then identify/rank the top three)
 - a. Limited availability of transportation funding
 - b. Limit to number of countries for which 607 Determinations can be conducted
 - c. Difficulty with consolidating transport of LEPP items
 - d. Difficulty registering with Ocean Freight Reimbursement
 - e. Not enough property available (volume)
 - f. Not enough types of property available
 - g. Condition of property
 - h. Unpredictability of property availability
 - i. Too much time between property request and property delivery
 - j. In-country partners cannot use LEPP property
 - k. Property is cheaper to purchase in-country
 - l. Property is higher quality in-country

m. Don't know

Additional comments? (TEXT BOX)

Program Outcomes

1. How does your organization monitor the use of LEPP property after it has been delivered to in-country end users? (TEXT BOX)
2. How does your organization measure the benefits of LEPP property to in-country end users? (TEXT BOX)
3. What benefits, if any, has LEPP property produced for your organization or your in-country partners? (Please select all that apply)
 - a. Transfer of property allowed local partners to outfit a school, hospital, or other facility
 - b. Transfer of property improved relations with local partners
 - c. Access to LEPP property increased number of local partners
 - d. Participation in the LEPP program facilitated relationship-building with other PVOs
 - e. Participation in the LEPP program facilitated relationship-building with USAID
 - f. Access to LEPP property freed up resources within your organization for other purposes
 - g. Other (please specify): _____
 - h. Don't know

Additional comments? (TEXT BOX)

Program Costs

1. In order of importance, please rank the distribution costs your organization considers when requesting LEPP property?
 - a. Administrative costs (staffing, travel to holding locations)
 - b. Transport costs
 - c. Repair/refurbishing costs
 - d. Monitoring costs
 - e. Cost to local partners in countries where your organization operates
 - f. Other (please explain): _____
 - g. Don't know

Additional comments? (TEXT BOX)

2. Considering your organization's operational budget and program needs, how would you rate overall costs of using LEPP property?
 - a. Low
 - b. Moderate
 - c. High
 - d. Too high
 - e. Don't know

Additional comments? (TEXT BOX)

3. Considering your organization's operational budget and program needs, how would you rate overall administrative costs of using LEPP property? (Please select one)
 - a. Low
 - b. Moderate
 - c. High
 - d. Too high
 - e. Don't know

Additional comments? (TEXT BOX)

4. How often does LEPP property allow you to substitute for the purchase of new equipment?
 - a. Never
 - b. Rarely
 - c. Sometimes
 - d. Often
 - e. Frequently
 - f. Don't know

Additional comments? (TEXT BOX)

5. How often is LEPP property substantially less expensive to obtain and use than new equipment?
 - a. Never
 - b. Rarely
 - c. Sometimes
 - d. Often
 - e. Frequently
 - f. Don't know

Additional comments? What types of property, under what conditions, etc.?(TEXT BOX)

6. Please identify ways you think the costs to your organization to use the LEPP program could be reduced? (TEXT BOX)

Process and Administrative Functions

1. On average how much time (in weeks) does it take your organization to complete the application process (apply to be a LEPP partner, apply for 607 determination, etc.)? (Please select one)
 - a. One week
 - b. Two weeks
 - c. Three weeks
 - d. Four weeks
 - e. Five or more weeks
 - f. Don't know

[Additional comments?]

2. On average how much time (in weeks) does it take your organization to obtain LEPP property (identify suitable LEPP property, complete paperwork, receive approval, access property, screen property, take possession of property, etc.)? (Please select one)

- a. One week
- b. Two weeks
- c. Three weeks
- d. Four weeks
- e. Five or more weeks
- f. Don't know

Additional comments? (TEXT BOX)

3. On average how much time (in weeks) does it take your organization to deliver property (repair or refurbish property, transport property, put property to use)? (Please select one)
- a. Two weeks
 - b. Three weeks
 - c. Four weeks
 - d. Five or more weeks
 - e. Don't know

Additional comments? (TEXT BOX)

4. Please indicate your level of satisfaction with each of the following LEPP administrative processes (please select one for each process):
- a) Ease of applying to LEPP program
Very unsatisfied Unsatisfied Neutral Satisfied Very satisfied Don't know
 - b) Ease of 607c determination process
Very unsatisfied Unsatisfied Neutral Satisfied Very satisfied Don't know
 - c) Ease of finding property
Very unsatisfied Unsatisfied Neutral Satisfied Very satisfied Don't know
 - d) Ease of accessing property
Very unsatisfied Unsatisfied Neutral Satisfied Very satisfied Don't know
 - e) Ease of transporting property
Very unsatisfied Unsatisfied Neutral Satisfied Very satisfied Don't know
 - f) Length of time to identify property
Very unsatisfied Unsatisfied Neutral Satisfied Very satisfied Don't know

Additional comments? (TEXT BOX)

5. Please indicate your level of satisfaction with the time required to perform each of the following LEPP administrative processes (please select one for each process):
- g) Length of time to access property
Very unsatisfied Unsatisfied Neutral Satisfied Very satisfied Don't know
 - h) Length of time to transport property
Very unsatisfied Unsatisfied Neutral Satisfied Very satisfied Don't know
 - i) Length of time to put property to use
Very unsatisfied Unsatisfied Neutral Satisfied Very satisfied Don't know

Additional comments? (TEXT BOX)

6. Please indicate your level of satisfaction with the reliability of procuring LEPP property (please select one):

Very unsatisfied Unsatified Neutral Satisfied Very satisfied Don't know

[Additional comments?]

7. Please indicate your level of satisfaction with the availability of the property from the LEPP program (please select one):

Very unsatisfied Unsatified Neutral Satisfied Very satisfied Don't know

Additional comments? (TEXT BOX)

8. Please indicate your level of satisfaction with the condition of the property from the LEPP program (please select one):

Very unsatisfied Unsatified Neutral Satisfied Very satisfied Don't know

Additional comments? (TEXT BOX)

Program Satisfaction

1. What is your overall level of satisfaction with the LEPP program?

- a. Very unsatisfied
- b. Unsatified
- c. Neutral
- d. Satisfied
- e. Very satisfied
- f. Don't know

Additional comments? (TEXT BOX)

2. Overall, how can the program best be improved?
(TEXT BOX)

Thank you for taking the time to complete this survey. Your responses are very helpful to the review team and important to the future of the program.

ANNEX C: KEY INFORMANT INTERVIEW QUESTIONNAIRES

PVO Questionnaire

Organizational Characteristics

1. How many total employees does your organization have?
2. How many staff does your organization have working full time on gifts-in-kind?
3. What is your organization's annual operating budget?
4. In what countries are your organization's activities principally concentrated?
5. What are your organization's principal goals and objectives?

Program Experience

6. What year did your organization first become a LEPP partner?
7. Has your organization participated every year since it first became a LEPP partner? If not, why not?
8. Why did your organization decide to be a LEPP partner?
9. What is the most significant benefit for your organization of participating in LEPP?
10. What is the biggest constraint to your organization's participation in LEPP?
11. How does your organization use LEPP property to support your activities?
12. Do you receive gifts in kind from programs other than LEPP?
13. What is the awareness of the LEPP program in your organization in general?
14. Would you recommend the LEPP program to local partners or country offices?

Program Administration

15. How does your organization determine need for LEPP program property?
16. How does your organization select which countries you transfer LEPP properties to?
17. What are the most significant constraints to use of LEPP property?
18. Do you have partnerships with USAID other than the LEPP program?
19. Was LEPP the first USAID program your organization worked with at USAID?

Program Functions

20. Can you talk me through the process of using LEPP property, from beginning to end?
- 21. PVO application to LEPP**
What is your opinion of the process of applying to LEPP?
- 22. 607 Determination Process**
What is your opinion of the 607 determination process?
- 23. In-person training for PVO partners**
Have you personally attended a LEPP training?
Was training useful?
How did the training affect your participation with LEPP?
- 24. Property is identified by PVO**
How do you identify property for use?
What are the most important types of property for your organization?
What types of LEPP property would your organization like more access to?
Are some types of equipment more difficult to access than others?
Have you ever identified property but had it claimed by a government agency? If yes, how often?
What are the biggest challenges to identifying property?
- 25. PVO requests property**

Does your organization do a cost-benefit analysis before requesting property?

26. Property is transferred to PVO custody

How do you do quality control on LEPP property?

Does your organization have warehouse storage capacity in the USA? In country?

27. Refurbish property (if required)

How does your organization refurbish property?

28. Transport property overseas

How does your organization transport property overseas?

29. Deliver and install equipment

Does your organization pass on equipment to local partners or use the equipment internally?

How many local partners does your organization work with?

30. Report on outcomes

Describe your M&E system.

What are the performance indicators that your organization measures?

Is there information you are collecting that you would be willing to share with USAID in order to improve the LEPP program?

Value of Equipment

31. What factors affect the value of federal excess property distributed under LEPP?

32. What measures can be taken to optimize the value of excess property your organization distributes?

33. What is the maximum amount of equipment your organization could reasonable distribute through LEPP?

Cost of Participation

34. What are direct and indirect costs to your organization of working with LEPP?

35. Is there a counterpart contribution required from your local partners or end users to receive LEPP property? If so, how much do they contribute?

36. How can the efficiency of LEPP property distribution be improved?

Outcomes (Humanitarian, Development, Public Diplomacy)

37. Does your organization use LEPP property to support development or humanitarian activities?

38. What factors affect the outcomes (humanitarian, development and public diplomacy) of your participation in LEPP?

39. What measures can USAID take to improve the outcomes achieved through LEPP?

40. What measures can USAID take to improve the utility of the LEPP to your organization?

41. Does your organization promote or advertise the use of LEPP property (i.e. media events)?

USG Questionnaire

Program Experience

1. How long have you collaborated with the LEPP program?
2. How does your office work with the LEPP program?
3. What is your general opinion of the LEPP program?
4. What is the biggest advantage to your office in working with the LEPP program?
5. What is the biggest constraint in working with the LEPP program?
6. How could the LEPP Team make the program easier for your office to use?

Program Administration

7. What is your opinion of the administrative requirements of the LEPP program?
8. How do you feel the administration of LEPP could be improved?

Value

9. What is the total value of LEPP property your office has accessed on an annual basis?
10. What factors do you think influence the value of property distributed to LEPP?
11. What measures can be taken to increase the value of excess property distributed to LEPP?

Outcomes

12. How does the LEPP program contribute to the goals and objectives of your office?
13. How could the LEPP program better contribute to the goals and objectives of your office?

Cost

14. What are the costs to your organization to administer the LEPP?
15. Are there measures that can be taken to reduce the cost of LEPP property distribution?

USAID Mission Questionnaire

Program Experience

1. How long have you collaborated with the LEPP program?
2. What is your general opinion of the LEPP program?
3. What is the biggest advantage to the mission in working with the LEPP program?
4. What is the biggest constraint in working with the LEPP program?
5. How could the LEPP Team make the program easier for the mission to use?

Program Administration

6. What is your opinion of the administrative requirements of the LEPP program?
7. How do you feel the administration of LEPP could be improved?

Value

8. What is the total value of LEPP property your mission has accessed on an annual basis?
9. What factors do you think influence the value of property distributed to LEPP?
10. What measures can be taken to increase the value of excess property distributed to LEPP?

Outcomes

11. How does the LEPP program contribute to the goals and objectives of the mission?
12. Has LEPP had a greater impact on the mission's development, humanitarian or public diplomacy outcomes?

Cost

13. What are the costs to your organization to administer the LEPP?
14. Are there measures that can be taken to reduce the cost of LEPP property distribution?

GSA and DOD Questionnaire

Program Experience

1. How long has your organization collaborated with the LEPP program?
2. Please describe your collaboration with the LEPP program?
3. What is your general opinion of the LEPP program?
4. Does participation in USAID's LEPP program impose any extra or unusual paperwork requirements?

Program Administration

5. Describe the process of how the distribution of LEPP excess property is administered by your office.
6. How is a piece of property entering your facility valued, assessed and described?
7. How do you feel the administration of LEPP could be improved?
8. Do you segregate property when it comes in as something that might be requisitioned by LEPP or its PVO partners? Property that might be used in a disaster?
9. How long does it take your facility to catalog and post the availability of property online?
10. In an age of heightened security concerns, how easily and quickly can PVOs access your facility?
11. How long in advance does a PVO need to contact you for an initial visit to look at available inventory? For pick-up?
12. Can a PVO's shipping agent come directly with a flatbed truck and 20' or 40' sea container and load it onsite for onward Int'l shipping if it doesn't need repackaging at the PVO's warehouse?
13. What percentage of property which might be given to LEPP agencies is in need of onsite refurbishment or special repackaging?
14. Has your staff ever expressed concerns about who is accessing property through LEPP or where the property is being sent?

Value

42. What is the total value of excess property entering and exiting your facility on an annual basis?
43. What was the value of excess property accessed by LEPP from your facility last year? (Do you have figures for previous years as well?)
44. Does your office calculate the value of property in your facility?
45. What factors do you think influence the value of property distributed to LEPP?
46. What measures do you think can be taken to increase the value of excess property distributed to LEPP?
47. How could the government enhance the quality, volume and availability of what it gives away?

Cost

1. What are the costs to your organization to administer the LEPP?
2. Are there measures that can be taken to reduce the cost of LEPP property distribution?
3. How do you measure the costs of equipment storage?
4. Do you measure the cost to the government of property that is not used by LEPP or another program?
5. What happens to property that is not used by LEPP or another government program?

Non-LEPP Participant PVO Questionnaire

1. Does your PVO interact with USAID missions or are you focused entirely on private partners or host government in-country?
2. Have you heard of the Limited Excess Property Program (LEPP)?
3. If so, what are your overall impressions of LEPP?
4. Have you ever participated in the LEPP program? If so, why do you no longer participate?
5. Have you ever considered participating? Why or why not?
6. To what extent was your decision not to apply or further participate due to:
 - The application process?
 - The 607 designation requirements or other administrative requirements?
 - Difficulty accessing USAID staff for information?
 - Difficulty determining what property was available?
 - Negative experience at a federal holding facility?
 - Cost of participating in the program?
 - Infrastructure required to participate in the program (warehouses, repair facilities, etc.)
 - Not within your organizations mission and objectives?
7. What would it take to attract your PVO into participating in LEPP?
 - Simpler application requirements?
 - Easier access to holding facilities?
 - Easier ability to determine what property was available?
 - Lower cost of transport and logistics?
 - Better grade and mix of available excess property?
8. What is your organization's wish list's top 5 items for in-kind property donations?
9. Does your organization accept private in-kind donations? If so, what are the advantages and disadvantages for your organization of private vs. government in-kind donations?

ANNEX D: CONTACTS AND INTERVIEWS

PVO	Contact
ADRA International	Vice President of Programs, Imad Madanat
Children's Hunger Fund (CHF)	Senior Director, Tim Hackett
ChildsLife International	Executive Director, Patricia Kicak
Deseret International Foundation	Director of Operations, Aaron Lock
Food for the Poor, Inc. (FFP)	GIK Coordinator, Jisabella Garcia
Globus Relief	Donor Relations, Linda Nef
Helping Hands for Relief and Development (HHRD)	Program Director In Kind Gift Programs, Nadia Zeeshan
Mission Without Borders (MWB)	Finance Manager, Tami Soria
Pan American Development Foundation (PADF)	Program Coordinator In Kind Donations, Juan Lobera
Salesian Missions	Gifts In Kind Officer, Kevin Carvajal
Seeding Labs	Founder and CEO, Robin Watters
Stop Hunger Now (SHN)	Aid Procurement Director, Paul Renaud
World Help	Program Director, Joshua Brewer
Local Partners	Contact
Missions Without Borders International	Dalibor Kojić
Fundacion FEDES (Globus)	Steven Colon
Esperanza de Vida (World Help)	Carlos Vargas
Mabuhay Deseret Foundation	Emmanuel Hernandez (Manny)
Former PVO Partners	Contact
Relief International	Mistry Peenaz, Program Coodinator
Help For Others	Gloria Mpofo
US Government	Contact
General Services Administration (GSA)	Chief, Utilization and Donation Program, Rickey Parker
Defense Logistics Agency (DLA)	DLA Disposition Services, Twyla Zink & Carol Fix
Defense Logistics Agency (DLA)	Carolyn Huffines Dan Frazier

Transportation Security Administration (TSA)	Anthony Giovanniello David Mickalonis
USAID	Contact
USAID Bosnia and Herzegovina	Supervisory Executive Specialist, Mirela Hasimbegovic
USAID Dominican Republic	Program Assistant, Sonia Richiez
USAID Guatemala	Public Outreach and Communications, Margaret Penedo
USAID Moldova and Ukraine	Program Development Specialist, Oksana Litvinovska
LEPP Team	Hannah Marsh
	Rolf Anderson
	Ryan Weddle
Management Office	Stephen Callaghan Veronica Busby
ASHA	Andrea Molfetto
Consultants	Contact
Rapier Solutions	Chibale Wils Trevora Saunders Hossain Chowdhury
Third Party Experts	Contact
Operation USA	Richard Walden
Brother's Brother Foundation	David Holdsworth
Duke University	Robert Malkin

ANNEX E: SECONDARY SOURCES

- Approved 607 countries
- Property totals by country
- Signed 607 Determinations
- PVO ceilings and utilization totals
- DRMO (holding locations)
- PVO training materials
- Inventory of PVOs
- PVO Transfer Agreements
- LEPP application materials
- Rapier staff records by contract month and year
- Listing of past PVOs
- One-page project plans submitted by PVOs
- Outcome data
- USAID/E3/LS LEPP cost data

ANNEX F: PVO PERFORMANCE DATA, 2012-2016

PVO	Value of Property	PVO Income*	# Years LEPP Partner	Program Countries
ADRA International		\$52,395,115	11	Democratic Republic of Congo
Americas Relief Team (ART)	\$271,885	\$654,737	6	El Salvador, Haiti, Nicaragua
Children's Hunger Fund (CHF)		\$66,187,945	2	El Salvador, Guatemala, Peru, Rwanda
ChildsLife International	\$3,876,310		5	Ukraine, Moldova
Christian Relief Services (CRS)		\$20,034,438	2	N/A
Deseret International Foundation	\$14,817,438	\$3,971,304	2	Haiti, Peru, Philippines
Food for the Poor, Inc. (FFP)	\$4,352,950	\$912,732,694	7	El Salvador, Guatemala, Haiti, Jamaica, Nicaragua
Globus Relief	\$15,817,692	\$34,601,926	6	Ecuador, Haiti
Helping Hands for Relief and Development (HHRD)		\$41,453	2	Pakistan
Imani House, Inc.		\$533,657	2	Liberia
International Medical Equipment Collaborative (IMEC)	\$2,030,440	\$30,094,499	6	Dominican Republic, Ethiopia, Haiti
Medical Benevolence Foundation (MBF)		\$4,870,077	2	Haiti
Mission Without Borders (MWB)	\$5,177,078	\$34,388,980	6	Albania, Bosnia, Moldova, Ukraine
Operation Smile		\$58,544,596	2	Democratic Republic of Congo
Pan American Development Foundation (PADF)	\$20,053,904	\$69,042,877	30	Colombia, Ecuador, El Salvador, Haiti, Uruguay

Project C.U.R.E.	\$3,301,599		6	Zambia
Salesian Missions	\$1,240,047		10	Cambodia, Ecuador, El Salvador, Nicaragua, Paraguay, Peru
Seeding Labs		\$753,398	2	Ethiopia, Namibia, Nigeria
ShareCircle		\$325,098	4	Angola
Stop Hunger Now (SHN)	\$612,798	\$25,374,761	4	Belize, Guatemala, Haiti, Liberia, Nicaragua
US Foundation of the University of the Valley of Guatemala (USFUVG)			2	Guatemala
United Ukrainian American Relief Committee (UUARC)		\$1,723,919	4	N/A
World Help	\$49,891,897	\$23,952,238	8	Guatemala, Honduras, Zambia
World Hope International		\$8,551,579	2	Haiti, Liberia, Zambia

Source: Rapier Solutions data on PVO and DRMO Information 2012-2016, January 2016.

* Source: Guidestar, (<https://www.guidestar.org/Home.aspx>), January 2016.

ANNEX G: 607 DETERMINATIONS

Request for 607 determinations were sent to a total of 41 USAID Missions (out of 125 USAID country offices):

- 28 USAID Missions have signed 607's
- 13 USAID Missions did not sign 607 Determinations.

I. USAID Missions with Approved 607 Determinations

Albania	Liberia
Angola	Moldova
Belize	Namibia
Bosnia	Nicaragua
Cambodia	Nigeria
Colombia	Pakistan
Democratic Republic of Congo	Paraguay
Dominican Republic	Peru
Ecuador	Philippines
El Salvador	Rwanda
Ethiopia	Ukraine
Guatemala	Uruguay
Haiti	Zambia
Honduras	
Jamaica	

2. USAID Missions without 607 Determinations

Benin
Burma
Egypt
Ethiopia
Guyana
Kenya
Madagascar
Malawi
Morocco
Mozambique
Sierra Leone
Trinidad & Tobago
Uganda

ANNEX H: DONATION PROGRAMS

Denton Program for Private Donations

The Denton Program allows private U.S. citizens and organizations to use space available on U.S. military cargo planes to transport humanitarian goods to countries in need, including:

- Agricultural equipment
- Clothing
- Educational supplies
- Food
- Medical supplies
- Vehicles

The program is jointly administered by USAID, the Department of State (DOS), the Defense Security Cooperation Agency (DSCA) and the Department of Defense (DoD); although DSCA is the primary agency responsible for administering the program.

The Denton Program provides transportation for approved humanitarian assistance commodities destined for approved countries. Approved countries include those that are supported by DoD transportation services, and where civil systems, local infrastructure and the supply chain will support immediate onward distribution of the commodities.

Generally, the program is not designed or intended for the transport of private sector commodity donations to disaster areas -- where civil systems, local infrastructure or logistics resources may be compromised due to a natural or civil disaster. In such cases, USAID, DOS and DOD will review the circumstances in the destination country, and the application, to determine whether or not a commodity donation should be transported by the Denton Program to the area of the disaster.

USAID reviews applications to ensure they meet foreign policy objectives and that the donation meets a legitimate humanitarian need in line with country specific requirements. In FY 2010, nearly 2 million pounds of humanitarian goods were sent to eligible countries through the Denton Program.

Denton is a space available program; no guarantees can be made regarding availability of transportation or completion of a shipment. The program is active in most areas of the world but it is more difficult to obtain transportation to more distant countries. Please note that:

- Transportation is most frequently available to Afghanistan, Iraq, Kazakhstan, Central America, South America, the Caribbean, and Djibouti.
- Transportation to some Asian countries can be provided on a case-by-case basis.
- Denton does NOT provide transportation to Africa except Djibouti.

Online applications and additional information about the DOD Humanitarian Assistance Programs, Denton and Funded Transportation's Programs, are available at <http://hatransportation.ohasis.org>

You can also contact Ms. Phyllis Marshall, Program Manager for the Denton Program and Funded Transportation, by phone (703) 601-3854 or email Phylliss.Marshall@dscamil

Countries that are not served by the Denton Program are generally served by the Funded Transportation Program, which provides door-to-port surface transportation of humanitarian aid to worldwide destinations at little or no cost to the donor. Potential shipments are reviewed for appropriateness and feasibility on a case-by-case basis.

All Private Voluntary Organizations (PVOs), non-governmental organizations and individuals interested in shipping to worldwide destinations are encouraged to contact the Program Manager for the Funded Transportation Program at (703) 601-3854.

- Guidelines and an online application for this program can be found at <http://hatransportation.ohasis.org>

Ocean Freight Reimbursement

The **Ocean Freight Reimbursement (OFR) Program** is the oldest ongoing Private Voluntary Organization (PVO) support program, allowing recipients to ship a wide variety of goods overseas for use in privately funded development and humanitarian assistance programs. The Program provides small competitive grants to approximately 50 U.S. PVOs each year. Funds are used to reimburse the PVOs' costs to transport donated commodities, such as medical supplies, agricultural equipment, educational supplies, and building equipment to developing countries.

While USAID reimburses the costs of ocean freight, participating PVOs are responsible for associated costs, such as commodity acquisition, warehousing, insurance, local transportation, and distribution. The program leverages resources many times the value of USAID funding. The overall private-public match of these activities averages 126 to 1. The FY2005 budget of \$2.7 million mobilized more than \$340 million in private resources, mainly donated or purchased goods and supplies and volunteer time. The program is especially important for small and newly [registered](#) PVOs because it allows them to participate in a USAID grant process that is highly competitive, yet not highly complex. Approximately 10 percent of the FY2006/FY2007 grantees were new to the program.

Contact Person:

John Abood, Agreement Officer, [Office of Acquisition and Assistance, Transportation](#), (202) 567-4641 or ofr@usaid.gov.

American Schools and Hospitals Abroad

USAID's Office of American Schools and Hospitals Abroad (USAID/ASHA) provides assistance to schools, libraries, and medical centers outside the United States that serve as study and demonstration centers for American ideas and practices. USAID/ASHA awards help cultivate positive relationships between citizens of the United States and other nations.

The Office of American Schools and Hospitals Abroad began in 1947 and was incorporated into USAID by the Foreign Assistance Act of 1961. Since its inception, USAID/ASHA has achieved a visible legacy by providing assistance to approximately 300 institutions globally and aiding in the development of innovative and state-of-the-art schools, libraries, and medical centers in more than 80 countries. USAID/ASHA's record of contributing to and building connections with vibrant networks of civil society institutions extends through 25 U.S. Congresses and 17 presidential administrations. USAID/ASHA currently manages a worldwide portfolio of approximately 110 awards and is an invaluable complement to USAID's wide-ranging development work.

USAID/ASHA directly contributes to U.S. foreign policy and public diplomacy objectives by fostering strong civil society institutions and excellence in higher education and innovation. The networks of educational and medical institutions supported by USAID/ASHA offer opportunities to access quality

education and health services in areas of the world where often few or none exist. USAID/ASHA partners have educated successive generations of global citizens and leaders, deepening their understanding of American ideas and practices.

ANNOUNCEMENTS

USAID/ASHA Announces FY 2015 Awards

USAID/ASHA [announced on February 1, 2016](#), 38 new awards to U.S. organizations to support construction projects and the purchase of equipment for overseas institutions. The projects, spanning 25 countries and totaling approximately \$23 million, are funded through a competitive annual grant and directly support schools, libraries and medical centers outside the United States that share universal values, such as empowering women and inclusive societies, as well as promoting innovation and entrepreneurship, while advancing best practices in healthcare and education. A complete list of award recipients is available [here](#).

2016 USAID/ASHA Annual Partners Conference Registration Is Open

USAID/ASHA is pleased to announce the 2016 USAID/ASHA Annual Partners Conference will be held **March 29-30, 2016** (Tuesday-Wednesday) at the Crystal Gateway Marriott Hotel in Arlington, Virginia. [Please register online here](#), no later than March 7, 2016.

USAID/ASHA Annual Program Statement for Fiscal Year 2016

The [USAID/ASHA Annual Program Statement \(APS\) for Fiscal Year 2016](#) is now open on [grants.gov](#) for applications to assist schools, libraries, and medical centers outside the United States serving as study and demonstration centers for U.S. ideas and practices.

Questions about this APS must be submitted by email to ASHAapplications@usaid.gov. Questions that pertain to issues that may be relevant to all applicants will be answered publicly via amendments to the APS posted on [grants.gov](#). All questions must be submitted 60 days before the close of this APS or by **March 2, 2016**.

The deadline to submit an application is 5:00 p.m. Eastern Time on **May 2, 2016**. Applications must be submitted **via email** to ASHAapplications@usaid.gov. Please see the full announcement for further information on how to submit an application.

ANNEX I: EXISTING LEPP PROFILE

Value of Equipment Distributed over Various Dimensions

Data from the LEPP team indicate that there has been volatility in the value of property distributed by PVOs over time and the consistent place that PVOs have had as the prime driver of LEPP property distribution. Missions represent a secondary partner in property distribution both in terms of absolute value and relative percentage of property moved.

As seen in the table below, patterns also emerge in the value of property distributed by region. Over the last four years, 78% of all LEPP property has been distributed in Latin America and the Caribbean (LAC), while Africa has accounted for 3% of property distributed. According to the LEPP Team, the prime factor contributing to this trend is the cost of shipping. (LEPP 1/19/16)

Table I2: Value of Equipment Distributed by Region, 2012-2015

Region	2012	2013	2014	2015	Total	Average
Latin America/Caribbean	\$24,163,239	\$21,199,724	\$26,287,049	\$21,328,612	\$92,978,624	\$23,244,656
Africa	\$682,959	\$599,351	\$1,581,302	\$410,920	\$3,274,531	\$818,633
Asia	\$1,823,526	\$2,154,258	\$3,654,702	\$6,717,104	\$14,349,590	\$3,587,398
Europe	\$4,605,686	\$1,968,320	\$974,920	\$1,260,162	\$8,809,088	\$2,202,272
Total	\$31,275,409	\$25,921,653	\$32,497,973	\$29,716,799	\$119,411,834	\$29,852,959

Source: Rapier Solutions data 2012-2016, January 2016.

All five of the largest country recipients of LEPP property are located in the LAC region. In fact, Guatemala represents 34% of the total equipment distributed worldwide from 2012.

Table I3: Value of Equipment Distributed by Country, 2012-2015

Country	2012	2013	2014	2015	Total
Guatemala	\$12,477,000	\$11,229,296	\$13,380,798	\$3,688,131	\$40,775,224
Philippines	\$300,000	\$2,154,258	\$3,631,608	\$6,717,104	\$12,802,970
Honduras	\$329,092	\$99,944	\$1,101,480	\$9,081,915	\$10,612,431
Colombia	\$3,871,952	\$2,574,299	\$1,396,787	\$855	\$7,843,893
Haiti	\$1,544,274	\$638,575	\$217,541	\$4,235,682	\$6,636,072

Source: Rapier Solutions data 2012-2016, January 2016.

The value of equipment distributed through LEPP³⁰ is influenced by numerous factors internal and external to the control of USAID. These include internal factors related to equipment availability and processing and external factors related to the logistics of equipment distribution. The ability of PVOs to distribute LEPP property is directly affected by the nature, variety and availability of equipment at USG warehouses. Logistical issues such as access to equipment, quality control, consolidation and warehousing and repair and certification also influence the amount of property distributed through LEPP.

³⁰ There is a fundamental issue with the way that LEPP values of property that is beyond the scope of this review. LEPP (as well as the entire USG) value property at its Total Original Acquisition Cost (TOAC). By the time a piece of property becomes excess equipment, its fair market value is nowhere near its TOAC. PVO partners manage this anomaly differently. Some use TOAC in reports to their donors (PADF), others have sophisticated systems for calculating current value based on the resale price of equipment on Ebay (ADRA). Still others simply divide the TOAC in half (Deseret, Salesian Missions). Some partners actually book two values for LEPP equipment, TOAC and fair market value. (Food for the Poor 2/5/16) LEPP has no control over how its partners value property and opening discussion of the topic will certainly be a proverbial can of worms.

Equipment

The first steps in the process of distributing excess property are needs assessment and property identification. PVOs interviewed have different systems for assessing the need for property by local partners or overseas offices, but for most the process results in some form of a wish list from in-country staff. Some PVOs use more systematic approaches to needs assessment that consider local needs as well as physical and technical capacity to use equipment, ability to maintain and repair equipment, and shipping and logistical costs. (World Help 2/8/16)

Once PVO partners have decided what types of equipment they are looking for, they can search the GSA property website (**GSAXcess.gov**) for federal government excess and surplus property. Most equipment posted to the GSA website is only identified by name, although a small percentage has a Federal Supply Code specifying the exact item available. (DRMO 1/29/16) Less than 10% of property listed has photos. Property is not generally segregated by type or use, although emergency and disaster-related equipment is designated a separate equipment category on GSA's website. (GSA 1/27/16) According to Rapier, 99% of equipment accessed through LEPP is medical equipment. (Rapier 1/19/16) DRMO staff explained that 90% of the property available to LEPP partners comes from DoD either directly or through Veterans Administration (VA) hospitals (DRMO 1/21/16) As a group, GSA described PVOs as one of their top 10 customers for excess equipment (GSA 27/1/16).

The process of identifying property and sorting out its nature and condition has been described by as “a bit of a lottery”. (Deseret, 2/4/16) In particular, PVOs feel the description of the condition of equipment listed is often misleading and inconsistent. In fact, five PVOs cited poor information on the GSA website as deterrents to requesting LEPP property.

DRMO staff explained that responsibility for accurately describing the equipment and its condition begins with the government agency that donates it, which leads to inconsistencies. A donor from one agency might describe the condition of a piece of equipment as “Condition A”, or serviceable and issuable without qualification, while another describes it as “Condition H”, or unserviceable and condemned. (DLA 1/21/16) Neither GSA nor USAID have any control over the description of equipment, although the GSA believes that most equipment is described as being in worse condition than it actually is (GSA 1/27/16). One PVO described the feeling that equipment available through LEPP was “leftovers that no one else wants”. (ADRA 1/27/16)

In part in response to these inconsistencies, PVOs exercise a number of strategies to ensure the quality of the property prior to retrieval. Five PVOs reported that they visit holding locations in person, two reported consulting holding location personnel, and one reported that property is appraised by a third party. Three organizations report conducting additional inspection prior to shipment.

Once property is posted on the website, federal government agencies have a 21-day period to claim it. First priority going to the military and policy, then other USG agencies, then state governments and finally, after 21 days, to PVOs participating in the LEPP program. (If the property is not claimed in another 21 days, it is prepared for sale at auction.) PVO partners explained that some types of equipment are of higher utility and therefore in higher demand than other types (e.g. medical supplies and equipment, computers, tools).

Table 14 indicates the various types of LEPP property highlighted by key informants as important:

Table 14: Type of LEPP Property Identified as Important by PVOs

Type of LEPP Property	Number of PVOs Reporting
Medical supplies, equipment, furniture	6
School furniture and other equipment	4
Furniture (general)	4
Construction equipment	2
Food	2
Research equipment	1
Beds	1
Vehicles	1
Clothing	1

In addition, certain types of equipment (such as vehicles and generators) are more likely to be claimed by another USG agency before PVOs can have access. (GSA 27/1/16) Competition for general equipment and supplies was described as most intense. (PADF, 1/20/16) While some PVOs feel that competition for equipment posted to the GSA website is not especially strong, (Deseret, 2/4/16) others expressed frustration that there is no guarantee that they will have access to property they claim on GSA website. Although individual experiences vary significantly, most PVOs interviewed described having their claim preempted by a USG agency as an infrequent but frustrating experience. Responses ranged from one PVO who said it happens between 5% and 10% of time, (PADF, 1/20/16) to another that said it happens once a quarter, (World Help 2/8/16), to a third respondent that said it happens 30% of time (Globus 2/9/16).

Additional Information on Training

Before accessing excess property, each PVO partner must send a representative to an in-person training program in Washington, DC. This mandatory training was developed by LEPP in an effort to encourage partners to actively participate in the program. The content of this training covers the basic administrative processes of the LEPP program and offers partners the opportunity to hear presentations from GSA and DRMO on the practical functions of identifying and accessing property. Finally, PVOs are offered the opportunity to present their own programs, including lessons learned for other partners.

Among a range of respondents the LEPP training was generally well-received by both PVO partners and by USG partners (GSA). Several PVO partners in particular valued briefings from GSA and other USG agencies. (World Help 2/5/16) Others mentioned their appreciation of the exchange of ideas between partners and the opportunities for networking. (World Help 2/5/16) One PVO said that the lessons learned during presentations by other PVOs started an internal discussion about how to increase their usage of LEPP property. (Salesian Mission 2/9/16) One PVO suggested, however, that the trainings did not offer a strong link between LEPP processes and outcomes. Table J5 indicates the range of responses provided by PVOs concerning the utility of LEPP trainings:

Table 15: Utility of LEPP Training

Utility of LEPP training	Number of PVOs reporting
Useful for understanding program options	3
Useful for understanding program changes	2
Useful for networking	2
Useful for hearing others' experiences	1
Useful for understanding how to use the program	1
Useful for facilitating exchange of ideas	1

Of ten key informants who have attended LEPP trainings, nine spoke favorably of the trainings' utility, while one indicated that that training was not useful.

Additional Information on Warehousing

Because of the key role of DRMO warehouses in the property distribution process, and the important influence that the location of the warehouse has on transport costs, it is important to understand which holding locations provide the most property to LEPP partners. Although LEPP partners have accessed property from more than 300 different locations, certain holding locations offer a combination of large amount of government equipment and convenient locations. For the nine partners located in the Mid-Atlantic States, warehouses in Virginia and Maryland are in close proximity; for the 4 partners in the Mountain States, the warehouse in Utah is in close proximity. Two partners interviewed, however, list proximity to holding locations (or lack thereof) as key constraints to moving LEPP property.

Figure I6: Value of Equipment Distributed by DRMO, 2012-2015

DRMO	2012	2013	2014	2015	2016	Total
DLA Norfolk, VA	\$7,118,125	\$2,791,879	\$2,626,792	\$2,366,041	\$88,738	\$14,991,574
DLA Ft Meade, MD	\$3,808,061	\$1,059,742	\$7,077,202	\$373,291	\$97,791	\$12,416,088
DLA Hill AFB, UT	\$64,280	\$650,311	\$49,964	\$4,278,082	\$4,797,705	\$9,840,341
DLA Kaiserslautern, Germany	\$4,354,457	\$1,132,720	\$1,012,458	\$1,249,544	\$51,909	\$7,801,088
DLA Lejeune, NC			\$419,004	\$6,041,808	\$986,924	\$7,447,736

Source: Rapier Solutions data 2012-2016, January 2016.

Once property has been secured, PVOs generally consider the quality of goods sourced through LEPP to be as good or better than other sources. (World Help 2/8/16) Local partners such as Mabuhay Deseret International in the Philippines, Esperanza de Vida in Guatemala and Missions Without Borders in Bosnia also expressed appreciation for the quality and utility of LEPP equipment. However, strong quality control is still required on all LEPP equipment, particularly medical equipment and supplies.

As noted above, PVOs interviewed used a range of approaches to control for quality. While screening equipment at the warehouse does offer PVOs greater control (they can refuse to accept any property they do not want), finding equipment that is not in acceptable condition can force a PVO to choose between shipping equipment they know is not up to standard, and sending a half filled container (PADF, 1/20/16).

For PVOs specializing in biomedical equipment donations, refurbishment and certification of LEPP property are essential before shipment of any equipment. This requires space to physically store the equipment after the equipment has left the USG warehouse, in addition to the cost of paying a third party contractor to refurbish and certify the equipment. (Desert, 2/4/16, Food for the Poor, 2/5/16)

Final quality control comes from the end user. If a PVO ships equipment that is in poor condition or not as described and a local partner is unsatisfied, then relations between the PVO and its partner will suffer. This is particularly the case with PVOs who require their local partners to pay for transportation and logistics. It is also the case with USAID missions who are seeking to enhance public diplomacy outcomes. According to Mission staff in the Ukraine, for example, if the US ambassador is invited to present equipment to a local orphanage, it had better not be a container full of junk.