

**PROGRAMMING FOREIGN ASSISTANCE
(PFA)**

Facilitation Guide

April 2007 pilot

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(2) They may participate in personnel selection matters but may not be delegated authority to make a final decision on USDH personnel selections.

(3) They may be designated a Cognizant Technical Officer (CTO). They may represent the Agency and communicate planning and implementation decisions. Communications that reflect a final policy decision of the Agency must be cleared by a USDH employee.

(4) They may not be authorized to sign (1) grants, contracts, and other obligations that require a [warrant](#) and (2) grants to foreign governments and public international organizations. They may be authorized to sign other obligating documents, e.g., travel authorizations (TAs), miscellaneous obligation documents (MODs), and SF-1190s (Foreign Allowances Application, Grant and Report). It is USAID policy that contracting and assistance warrants be issued only to USDH employees. Only the Office of Acquisition and Assistance (M/OAA) may issue a warrant, except that [AIDAR 701.601\(b\)](#) and [701.603-70](#) provide authority for heads of contracting activities to issue warrants for simplified acquisitions to qualified USDH employees on his or her staff.

(5) A USPSC serving as an Executive Officer may sign residential and functional leases, subject to approval of an exception by the M/OMS Director, or designee, and adherence to the procedures in [ADS 535, Real Property Management Overseas](#) and [6 FAM 730](#).

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FOREWORD

Welcome to Module I of the PPMT Suite of Courses, offered by USAID/Human Resources. Programming Foreign Assistance – PFA – is the Agency’s basic curriculum on foreign assistance business operations, programming policies and practices. PFA is an overview course that is intended to familiarize US Government foreign assistance staff with concepts and tools that support results-based management. PFA is an overview course that is intended to familiarize USAID and other USG staff with concepts and tools that support results-based management of our nation’s foreign aid program. Developed in the winter of 2006-07, PFA reflects ongoing foreign assistance reforms. The course focuses on the people, policies and procedures involved in programming foreign assistance in the inter-agency context and includes opportunities for team-building across agencies.

PFA is not a technical course about micro-enterprise lending, natural resource management, or child survival. Instead, the course uses real program examples to illustrate how the U.S. Government programs foreign assistance. Thus, PFA graduates will possess and demonstrate a broad understanding of how Foreign Assistance business and programming operations are intended to work and why.

As a prerequisite for both the Program Development and Management (PDM) and Cognizant Technical Officer (CTO) courses, PFA prepares graduates to meet the following minimum level of competency and understanding:

- USAID and Department of State Structure and Organization with regard to programming foreign assistance.
- Foreign Assistance Strategic Intent including context and relationship with U.S. Foreign Policy initiatives and critical security strategies.
- Foreign Assistance Programming & Business Operation Policies & Guidelines as defined in the Operational Plan Guidance and Frequently Asked Questions, USAID Automated Directives Systems (ADS), and other Administration and foreign policy mandates.
- Understanding of the primary funding instruments for Acquisition & Assistance (A&A) including key differences, criteria for selection of instrument, and application to achieve results.
- Understanding of basic concepts of Organizational Conflict of Interest and means of avoiding OCI.
- Understanding of USAID terminology and procedures for effective Financial Management.
- Understanding the Foreign Assistance Budget Process.
- Understanding of the need for and process of effective interaction and collaboration with Foreign Assistance stakeholders and partners including public/private alliances.

This Facilitation Guide is for the proprietary use by designated PPMT PFA Instructional Staff ONLY and should be used as a guide to facilitate effective classroom learning in accordance with the goals and objectives of PFA.

INSTRUCTIONAL APPROACH

The instructional approach used in all courses in the PPMT suite (see illustration below) has been designed to support USAID as a learning organization by stressing continual knowledge and skill development. PPMT's approach directly supports the Agency's Workforce Development and Human Capital initiatives and is consistent with Instructional Systems Design principles and Adult Learning practices. PPMT courses are highly interactive and learner-driven, maximizing the opportunity for participants to work together in a facilitated group setting.

PFA CLASSROOM SESSIONS

PFA consists of 4.5 days of facilitated classroom instruction. Classroom activities combine facilitator-led and small team discussion, and team-based simulation exercises in which participants apply basic concepts and principles. PFA participants will be primarily USAID and Department of State personnel. In addition, some deliveries will include staff from other USG agencies that program Foreign Assistance (e.g., the Centers for Disease Control) or USG personnel who collaborate with USAID and State in the field, such as the Department of Defense. In addition, some missions may invite implementers or other partners to take the course.

Classroom activities are highly interactive and provide participants with opportunities to share insights and solutions while learning from one another in a structured learning environment. Because some PFA participants bring with them a wealth of experience and knowledge while others are new to Foreign Assistance programs and operations, PFA facilitators must be flexible and sensitive in delivering content to diverse students. It is critical that facilitators promote student interaction and encourage a forum where participants learn from *one another*, as well as from the instructors. For this reason, facilitators should provide adequate time for the small group exercises.

ONLINE AND DISTANCE LEARNING SUPPORT

The PFA course is not just an instructor led course in a classroom; it is meant to provide continuous learning and support for the student, outside of the classroom both during and after the course. The PPMT Suite is based upon the best practices of adult learning, which includes providing a safe venue for the sharing of peer to peer experiences among the students, and between students and their USAID colleagues.

Each student upon registering for PFA will be given access to the USAID University's USAID Ecco Collaboration space, if they are not already a member of the space, and specific access to the web space developed especially for the PFA session they are taking.

On that site, the student will be able to:

1. Access all background material mentioned by the Instructor and noted in their Handbook;
2. Ask questions of the Instructor and other students during the class;
3. Read further case studies and other material as well as some of the specific exercises referred to in this Guide
4. Get updates, refresher material and revisions to relevant policy after the course is completed.

IRG staff will be available in Washington to briefly introduce the students to the PPMT Learning Space; for overseas courses, IRG will provide an audio PowerPoint presentation explaining to the students how to access this material. The Learning Space will also support instructor-instructor support, interchanges and updates.

PFA participants will be primarily USAID and Department of State personnel. In addition, some deliveries will include staff from other USG agencies that program Foreign Assistance (e.g., the Centers for Disease Control) or USG personnel who collaborate with USAID and State in the field, such as the Department of Defense. In addition, some missions may invite implementers or other partners to take the course.

INTERACTIVE LEARNING

PFA classroom learning is driven by content-based simulation exercises and other interactive, hands-on activities. PFA applies Adult Learning Theory to help participants enhance existing skills and acquire new ones by practicing skills, receiving feedback, discussing the application of the relevant concepts and — where possible — further practicing the skill. Each PFA lesson and exercise is designed to achieve specific learning objectives.

PFA interactive learning activities include problem analyses, table-top exercises, and work simulations that provide a rich context in which participants practice skills in a realistic but “safe” environment. This approach allows participants to:

- Practice targeted skills.
- Receive immediate feedback from peers and the facilitation team.
- Observe and learn from each other.
- Experience learning through several types of media and instructional techniques.
- Practice decision-making processes and explore possible consequences.
- Observe examples of both effective and ineffective behaviors.

During activity wrap-ups, PFA provides examples of effective outcomes. These examples are not always intended as “the right answer,” but rather as an example of an effective approach or solution. This helps give participants a mental vision of effective and desired outcomes to guide their individual development when they return to their work environment.

Feedback is vital to adult learning and should be as specific as possible. PFA exercises occur in a classroom environment that supports learning and behavioral changes and allows targeted skills to be practiced, observed, and reinforced. Depending on the learning activity and objectives, participants may receive feedback from other participants, the facilitators, and/or themselves. Achievement of stated learning objectives should guide the feedback, specifying and “depersonalizing” the process. This feedback process also helps participants focus on future development opportunities by utilizing their Learning Journals at the conclusion of each day and when possible, linking to Individual Development Plans (IDPs).

Facilitator-led discussions introduce specific topics through PFA, emphasizing the importance and value of regulations, policies, concepts, and skill or process requirements. However, PFA is not a PowerPoint-based course, and traditional “stand-up” lectures should be avoided. Instead, PFA uses an interactive Socratic approach as much as possible to challenge participants to think and react. The Facilitation Guide balances this approach with brainstorming and flip-charting in plenary, small group discussions, and table-top exercises so that participants may process and apply concepts by actively participating in the discussion, rather than passively absorbing information. This approach guides participants to share experiences and strategies so that they learn from one another as well as from the facilitator, maximizing retention and transfer of training to the job.

A Learning Journal helps participants maintain their focus during the course and afterward as they continue the learning process. Participants answer questions that focus their thoughts on what they are learning, how they will apply this learning in their operating units, setting professional development goals, and any future developmental actions necessary to accomplish their goals. **Learning Journal** activity should occur at the conclusion of all key content.

Discussions on the PFA Learning Space. The Learning Space is optimized to promote discussions; at any time, you may wish to suggest to students that they raise an issue discussed in class on the web site, stimulating a longer exchange. The PPMT Team can help facilitate such an exchange.

ABOUT THIS FACILITATION GUIDE

MATERIALS

PFA materials include:

- Facilitation Guide used only by the facilitation team
- Wall posters
- Participant Workbook
- Handouts provided to participants during the course
- Background materials and readings on the PFA Learning Space, including audio presentations and interviews (being developed through FY 07-08).
- CD-ROM which contains reference materials and the course slides
- Training venues must have internet connectivity

TIMES

PFA starts off slowly, but gradually intensifies. Because of the broad amount of content PFA covers, facilitators need to monitor time carefully in order to stay on schedule. Facilitators should emphasize the importance of beginning promptly in the mornings and after breaks and lunch, and should not “reward” late-comers by waiting for them. While each lesson has been designed to be completed in the time allotted, it is possible that times may need to be adjusted. Facilitators should write adjusted times into the time-tracking sheet provided in the course agenda. The times allotted to each lesson are not provided in the Participant Workbook.

ICONS

The following icons are used in the Facilitation Guide and Participant Workbook. Facilitators should be familiar with all icons and refer to them, as needed.

	<p>Instructor Notes</p> <p>Instructional narrative direction including comments, “Say”, and other key activity descriptions and discussion points should be inserted here as appropriate for planned content within each Lesson.</p>
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	<p>Exercise: PFA contains many exercises and activities. Instructions and materials are indicated by this icon.</p>
	<p>Need to Know Content Statements introduced by this icon are the main “take-away” ideas and concepts conveyed in the topic. Some key messages are flagged as “need to know” information about mandatory guidance.</p>
	<p>CD Rom: Each Participant receives a CD ROM that contains USAID and other resources, including tips, tools, example documents, and additional references. CD ROM contents related to the topic are indicated by this icon.</p>
	<p>Group Discussion: Presentation and facilitation of lesson content to group.</p>
	<p>Flip Chart: Use of Flip Chart as required.</p>
 <p>Slide I</p>	<p>Slide: Indicates a slide is available and the appropriate slide number.</p>
	<p>Learning Journal: Indicates time and details concerning the participants’ PFA journals.</p>
	<p>PFA Learning Space: Indicates material available on the PFA Learning Space, or an Activity which requires the use of the Learning Space. <i>NOTE: This feature is in planning stages. Full implementation is contingent on availability of funding.</i></p>
	<p>Document and File: Indicates that Instructor should emphasize the need for documenting actions, approvals, etc. related to this content.</p>

FACILITATION TECHNIQUES

The PFA course provides an opportunity for participants from different U.S. Government agencies to come together face-to-face for training and team-building. Participant outcomes of a successful PFA delivery will include not only increased knowledge and capacity to program foreign assistance, but also new personal contacts within and across agencies, insights and increased tolerance regarding colleague agencies' roles and constraints, and increased willingness to collaborate as an inter-agency team. Recognizing the volume and velocity of change underway in the U.S. foreign assistance program, PFA is also a resource for managing change – during the classroom delivery and via ongoing web-based learning and teambuilding. Thus, PFA instructors play a true facilitative role – to encourage learning, team-building, and change management.

CREATING A COMFORTABLE AND EFFECTIVE LEARNING ENVIRONMENT

- Make participants physically comfortable with appropriate lighting and temperature, and by minimizing extraneous noises.
- Make participants psychologically comfortable by establishing an atmosphere that promotes learning, minimizes frustration, and promotes interaction. Ground rules can help.
- Motivate participants to want to learn. Relate the learning objectives to various aspects of participants' jobs, and indicate how mastery of these objectives will benefit them.
- Relate each part of a lesson to the whole lesson, and new material to previously learned material.
- Review often. Ask questions to encourage participant discussion, clarify difficult points, and check for learning.
- Analyze overall performance and individual progress as the lesson advances. Give participants an occasional "How's it going?" — and work on weak areas. Feedback is essential to let participants know how they are performing.
- Ensure participants are clear on the schedule and their Learning Journal.
- Keep participants actively involved. Participation is key to the learning process.
- Encourage use of the Plus/Delta flipchart to assess how participants are experiencing the course.

PLAYING YOUR ROLE

- Your role is to facilitate the learning process.
- Be interesting and descriptive.
- Be consistent. Inconsistency creates confusion and diminishes participants' willingness to learn.
- Use humor when appropriate.
- Provide accurate answers to questions. If you do not know the answer to a question, say so, and commit to finding out the answer. Use and revisit the Parking Lot.

- Never bluff. Admit personal errors. Listen to participant challenges of your presentation — they may prove you wrong. Participants do not expect facilitators to be perfect. If participant input is correct, acknowledge it and earn their respect.
- Do not criticize incorrect responses. Always explain why a response is incorrect.
- Circulate during small group exercises to gather information for discussions. Avoid the temptation to interrupt during the exercises themselves. Your input can distract participants from the exercise, or break up the flow of the exercise. You may, however, wish to make notes for later discussion.
- Note and praise good cooperation and participation.

PREPARATION

- Plan early, arrive early, and set-up early.
- Greet as many participants as possible; learn participants' names; model collaborative behavior.
- Transform your Facilitator Guide into a working tool: write notes in it and highlight important sections that you might need to locate in a hurry.
- Know exercise materials well — especially background materials — so that you can answer participant's questions easily. Review the materials frequently to keep the details fresh in your mind.
- Be prepared to teach. Organize the material, research the facts, and try to relate the material to real-world situations.
- Review the learning objectives of each lesson.
- Before a day's session, pull out the sections of the FG and PG that will be covered. This will make it easier to be organized and stay focused on that day's activities.
- Ensure all equipment is working.

DISCUSSIONS AND LEARNING EVENTS

- Keep discussions focused on content and learning objectives. Use specific examples and short anecdotes to illustrate the content.
- Show interest in what participants say.
- During exercise discussions, encourage participants to examine and share ideas from their own operating units — both successful and not so successful.
- Encourage more participants to present by thanking and praising those who do, and by avoiding criticism. Always note several positive points following any presentation.
- Keep an open mind. Things might take off in directions you had not considered.
- If the discussion is dragging, ask for opinions and interject ideas that are challenging. This often opens participants up and gets them going again.
- Discourage participant's criticism of the "artificial" aspects of the exercises or simulations. Stress the opportunity to apply concepts and practice skills in an applied but non-threatening setting. Invite participants to suggest ways of making the exercise more realistic.

DEALING WITH DOMINATING PARTICIPANTS

- Avoid “put downs,” verbally or in your body language.
- Acknowledge the participant’s contributions and feelings.
- Attempt to include others in the conversation.

DEALING WITH RAMBLERS

- Listen and show you are listening.
- During a break in speech, acknowledge the participant’s contribution, and attempt to summarize the main points the person made — then move on.

COMPETING CONVERSATIONS

- Look at the conversing participants with a friendly, unspoken message to be quiet.
- Pause and wait for quiet.
- Walk toward the conversation.
- Raise your hand and ask for quiet; always be respectful.

QUIET PARTICIPANTS

- Ensure you are giving participants time to get started. Invite participants to write down their answers to a question on a sticky tab by themselves for a moment or two and then ask for a verbal response.
- When you ask a question, be patient and tolerate initial silence. It might take time, but generally someone will answer.
- If you have a shy group, try to genuinely connect with them by listening. Showing interest will motivate participation.

RUNNING LATE

- Review the situation and determine what is left to do.
- Identify your options. These may include:
 - Reduce the time planned for a break.
 - Have only one table team report out after an exercise – but try not to cut exercises themselves.
 - Reduce discussion time by briefly summarizing the main points yourself.
 - Reduce the time scheduled for lessons, if possible.
 - “Park” intriguing discussions and ask to continue them informally at a later time.
 - Delay lessons for another time, or skip them, if necessary.

DEALING WITH DIFFICULT PEOPLE

- Listen thoughtfully to the issue.
 - *Possible Complaint:* “This might work in other organizations, but will never be supported here.”
- Acknowledge your understanding of how the person feels.
 - *Possible Response:* “You sound frustrated. I am glad you brought up this point.”
- Help the person to consider the “best it could be” solution.
 - *Possible Question:* “If it were to work, what would be true? How would things be different?”
- Give time to think and solicit support from others.
 - *Possible Response:* “I would like everyone to think about that question. What would be better if this were to work?”

MANAGING EXTENDED BREAKS

- Round up participants yourselves with general announcements and personal appeals; explain the importance of returning on time.
- Solicit particular participants’ help.
- Create competition and peer pressure by offering little rewards or perks to individuals or teams who are back on time (e.g., first choice of activities, candy, early release, etc.).

Finally, review these tips and techniques frequently and add new ones that you believe would help other facilitators. If you find your effort as a facilitator to be rewarding, enjoyable, and worthwhile, you must be doing something right!

PFA TIME TRACKING

Times in the table below are notional and do not fill the complete training day, in order to provide extra time for questions and exercises that may run longer. The proposed class size for PFA is approximately 24 participants (no more than five tables of no more than five participants per table). Larger class sizes and therefore more time for questions, discussion and team work will affect the schedule. Make adjustments as needed, and provide adequate time throughout the course for participants to make entries in their Learning Journals. Lunch breaks are noted, but coffee breaks are not. PFA normally has one morning and one afternoon coffee break, each lasting 15 minutes.

Day	Lesson	Time	Start	End
DAY ONE Start 8:30 End 5:00	1: Opening	45		
	2: Participant Introductions and Table Teams	30		
	3: Introduction to Programming Foreign Assistance	90		
	Lunch and energizer	60		
	4: Form Follows Function: State, USAID, and State/F's Organization	60		
	5: Building a USG Team	75		
	Learning Journals	15		
	Wrap-up Day One			
DAY TWO Start 8:30 End 4:30	Review Day One and Overview Day Two	15		
	6: Introduction to Planning	45		
	7: Overview of Strategic Planning	45		
	8: Operational Plans	45		
	9: Results Statements	45		
	Lunch and energizer	60		
	10 Results Frameworks	90		
	11: Activity Planning and Pre-Obligation Requirements	90		
Wrap-Up Day Two: Learning Journals for "Planning"	15			
DAY THREE Start 8:30 End 4:30	Review Day Two: Koosh ball	15		
	12: Implementing Partners That Compete for Foreign Assistance Funds	30		
	13: Managing Organizational Conflict of Interest	60		
	14: Acquisition and Assistance and Funding Public-Private Alliances	60		
	Lunch and energizer	60		

Day	Lesson	Time	Start	End
	15: Roles/Responsibilities of CTOs and Activity Mgrs	60		
	16: The Budget Process	75		
	Wrap-Up Day Three:			
DAY FOUR Start 8:30 End 4:30	Review Day Three: Mind Map Review and Overview of Day Four	15		
	17: Financial Management Terminology	30		
	17: Financial Management Calculations, Audits and Risk Management	90		
	Learning Journals for "Achieving"	15		
	Lunch and energizer	60		
	18: Performance Management	120		
	19: Evaluations at USAID	90		
	Wrap-up Day Four			
DAY FIVE Start 8:30 End 1:00	Review Day Five Agenda; Address any questions remaining from Day 4	15		
	20: Portfolio Reviews and Intensive Program Reviews	60		
	21: Annual Reporting and Close-out Reports	30		
	"Gallery Walk" review of course flipcharts and content to prepare for Final Jeopardy	60		
	Course Review Competition (Jeopardy or other Team competition based on content), Certificates, Photos	60		
	Closing and Presentation of Certificates, Photos	30		

SUPPLIES TO ASK THE HOST MISSION TO PROVIDE

Quantity	Materials
5	Participant tables
1	Instructor table
1	Projector for computer
	Internet connectivity for presenters' computer
1	Table for projector
1	Screen for projector
7	Flipcharts and flipchart paper (one per table team, plus two for facilitators in the front of the room)
28	Chairs
28	Drinking water and snacks for everyone
28	Pens and wide-tip markers in dark colors to tables
28	5 wide-tip markers in dark colors markers for Facilitators
2	Computer workstations with Internet connectivity on which to complete on-line evaluation and to access PFA Learning Space materials. Computers in Classroom preferred.

PFA CD-ROM Contents

(List under development)

INTRODUCTION

<p>LESSON 1: 45 Minutes</p>	<p>Opening</p>
<p>MODULE OVERVIEW</p>	<p>This opening introduces participants to PFA and the Foreign Assistance Reforms, the instructors and flipcharts.</p> <p>During preparation for overseas deliveries, the USAID Mission Director or Deputy, and/or the Ambassador or Deputy Chief of Mission (DCM) will have been invited to open the course. If so, thank them for the logistics support that the hosting mission has provided to date, including folks giving up their Sunday afternoon to help the training team set up.</p> <p>NOTE: If both the USAID and Embassy leadership introduce the course, thank them after their remarks for demonstrating the inter-agency collaboration that is a key theme of PFA.</p>
<p>Flipcharts to Prepare in Advance</p>	
<p> PDF Flipcharts</p>	<p>Prepare all of the following Flipcharts in Advance. Post the first group below in the training room in advance; reveal the second group during the Opening and then post them.</p> <p>Hang in advance:</p> <ul style="list-style-type: none"> • Welcome to PFA, signed by the instructors • Acronyms • Ideas for CD-ROM Additions • Plus/Delta daily feedback -- <u>Post in Advance</u> • Team Scorecard <p>Reveal and discuss; then hang up:</p> <ul style="list-style-type: none"> • Ground Rules (be on time and on task, silent cell phones, one speaker at a time, have fun) with space for participants to add one or two more • Day 1 Agenda • Parking Lot

	<ul style="list-style-type: none"> • Be open, lively and upbeat! Get people engaged and excited about the course. Remember, this is not meant to be a briefing. Move through the opening quickly. • Show Slide 2 when participants walk in the door. • Walk around the room and personally introduce yourself to participants as they arrive and get settled. • If participants ask where they should sit, explain that they can take a seat wherever they like because we'll be mixing the group into new table teams. • Only the instructors introduce themselves in the Opening. Participants will have an opportunity to introduce themselves in the next lesson as an exercise. • Be flexible about the flow, since Mission or Embassy leadership who may open the course in the field may arrive at any point in the morning. If they are not there at 8:30, begin with the general opening, flipcharts, etc., and then stop and give them the floor whenever they arrive.
Opening	
 <p>SLIDE 2</p>	<p>SHOW Slide 2: ☺ Welcome! Post "Welcome" flipchart in the front of the room. As participants to please prepare their name tents (both sides).</p> <p>INTRODUCE instructors: – Each provide a quick bio.</p> <p>INTRODUCE Subject Matter Experts (SMEs) if any are present, or explain that SMEs will join us during the week (if confirmed).</p> <p>SAY in addition to the Facilitators and SMEs, <u>participants will also help teach PFA</u> content based on their skills and experience. Explain that participants will introduce themselves and form table teams in a few minutes as an opening exercise.</p>
 <p>SLIDE 3 Learning Objectives</p>	<p>PROCESS summary and learning objectives:</p> <ul style="list-style-type: none"> • To explain the purpose, content, and approach of the PFA workshop • [Explain that we will be following this approach throughout the week by opening each lesson with an overview of learning objectives and process]
	<ul style="list-style-type: none"> • To confirm our schedule for the week • To introduce some key flipcharts • To begin to hand out and examine the course materials

	<p>DISCUSS the origin and purpose of PFA workshop:</p> <p>Staff from the Office of the Director of Foreign Assistance (F), USAID, Department of State, and the Program/Project Management Training contract team designed PFA together. The course builds upon several legacy courses and materials:</p> <ul style="list-style-type: none"> • Planning, Achieving and Learning (PAL) • The Operational Plan Training • Performance Management Workshop • Strategic Planning Workshop • And change management and team-building techniques that have been used successfully in both the public and private sectors to help staff cope with change and to collaborate across and within organizations <p>EMPHASIZE As a new course in 2007, PFA will benefit from participants' comments and suggestions. We'll hand out a course evaluation at the end of the week, and we'll welcome daily comments on the Plus/Delta flipchart that I'll describe in a few moments. We also invite you to approach us during the breaks or at lunch to share observations and suggestions.</p> <p>SAY that one of the new features of the PFA course is its integration with Web-based resources that will expand and update this course and help you communicate with colleagues worldwide. [Describe when available.]</p>
Programming Foreign Assistance in the Inter-Agency	
 <p>People Policies Procedures</p>	<p>DRAW a Venn Diagram and EXPLAIN that PFA and our work this week will focus on three interconnected elements of "Programming Foreign Assistance":</p> <ul style="list-style-type: none"> • People • Policies • Procedures <p>[Keep the intersection area at the center of the diagram open; we'll come back and label it "Results" in the next lesson.]</p>

	<p>DRAW a circle around the Venn diagram and say: When it comes to the U.G. Government’s foreign assistance program, these people, policies, and procedures are <i>deployed in an inter-agency context</i>. While this course will draw participants from numerous USG agencies and potentially from implementers and partners, too, the policies and procedures that we’ll cover are primarily those of USAID and the Department of State. You’ll all have an opportunity to introduce yourselves in a few minutes and we’ll find out where you work.</p> <p>NOTE This is not a technical course about micro-enterprise lending, natural resource management, or child survival. Instead, the course will use real program examples to illustrate how the U.S. Government programs foreign assistance.</p>
	<p>EXPLAIN There’s a lot to cover in a short amount of time. Therefore, PFA is similar to the overture to an opera: The course presents brief “melodies” on these three topics, but does not develop these melodies into full arias. You can hear the complete arias as you perform your job, and by taking additional courses.</p> <p>For USAID, PFA is a foundation course for an integrated curriculum that USAID is rolling out for all employees. Other courses that build upon PFA are the Program Design and Management course and the Cognizant Technical Officer course. More information on these courses is provided in the Participant Workbook that you’ll receive in a few minutes.</p>
	<p>PFA has several purposes:</p> <ul style="list-style-type: none"> • To familiarize you with recent foreign assistance reforms and the new foreign assistance strategic framework • To explain how these reforms and strategy are linked to larger, U.S. Government-wide requirements to achieve measurable results with taxpayers’ money • To teach you how to plan, implement, and measure the results of foreign assistance programs • [if participants come from more than one USG agency] And to enable you to learn and apply this information in an inter-agency training environment

Foreign Assistance Reforms	
	<p>Let's begin with the foreign assistance reforms and the roles our participating agencies play in programming foreign assistance. These roles are based on the Secretary's desire for increased strategic and operational coherence among USG agencies that deliver foreign assistance, and upon the agencies' organizational missions.</p> <p>Early in her appointment as Secretary of State, Condoleezza Rice asked the question, "How much to we spend on Democracy?" The answer was two or three months in coming. As a result, in February of 2006, she announced her intentions to coordinate assistance across State and USAID by creating a new Office in the State Department, The Office of the Director of Foreign Assistance.</p> <p>The objectives of reform are, building on best practices across the USG, to improve strategic direction, performance accountability, transparency in the use of funds, and information systems. The reform fully integrates State/USAID Foreign Assistance planning and budgeting processes.</p>
 <p>SLIDE 3 Foreign Assistance Reforms</p>	<p>To make the U.S. Government's development assistance program more effective and strategic, Ambassador Tobias has led the most important reform of foreign assistance since the 1960s. The Office of Foreign Assistance (State/F) oversees approximately 80% of the foreign affairs budget, the bulk of which is managed by the State Department and USAID. These funds are to be planned, managed, evaluated and reported on as a unified effort: the responsibility for specific funds sometimes resides in the State Department, sometimes in USAID, and sometimes jointly.</p> <p>"Jointness" is now driven by F's decisions and processes, including the annual Operational Plan. In the past, USAID was responsible for development assistance on its own and State was often responsible for other components, with areas of ambiguous and varied authority on some funds, such as ESF. Now, it is essential for both USAID and State to understand each other's roles and to plan and work more collaboratively, if development assistance is to be effective.</p> <p>This course will help all of you involved with the allocation and use of 150 Account funds, whether you are with USAID, State, or another USG agency.</p> <p>SHOW Slide 3: 🗨️ "Foreign Assistance Reforms"</p>

	<p>CONCLUDE introduction by noting that the U.S. Foreign Assistance program is undergoing a great deal of change. We won't always be able to answer your questions and we will sometimes tell you that course content is still evolving. In this type of programming environment, you will all need to develop more tolerance for ambiguity. But remember: You're talented or you wouldn't be here; use your talent to manage change and enjoy your work.</p>
	<p>Training Approach for Many Learning Styles</p>
	<p>ASK What is your learning style? Walk around the room and invite participants to describe their individual learning styles, e.g., "learn by doing," or "I like to read and then discuss new information with colleagues," or "I prefer to take notes on presentations and then review these later." Acknowledge the differences among the responses.</p>
 <p>SLIDE 4</p>	<p>SHOW Slide 4: ☺ "What We Remember"</p> <p>EXPLAIN that PFA tries to provide participants with opportunities to utilize all these learning styles and that we will be using a lot of Socratic prompting to elicit knowledge from participants. We'll also try to provide you with lots of time for table exercises and discussion. We will use PowerPoints, but because PowerPoint slides lead to passive learning, we try to use them in moderation!</p>
	<p>Our Schedule for the Week</p>
	<p>CONFIRM the course schedule:</p> <ul style="list-style-type: none"> • 8:30am to 4:30pm on Days 1 through 4 • 8:30am to 1:00 pm on Day 5. <p>Confirm that we will take a one-hour lunch break on Days 1-4 and a 15-minute break each morning and afternoon. [If participants wish to shorten the lunch break to 45 minutes, agree to adjust the end or start time accordingly.]</p>
	<p>Participants' Workbook</p>
	<p>DISTRIBUTE <u>Participant's Workbook</u> and tell everyone to write their names on the front cover.</p> <p>[If CDs are provided, show participants the CDs in the Workbook pocket and tell participants to write their names on these, too.]</p>

	<p>Scan through the Workbook and explain the following:</p> <ul style="list-style-type: none"> • Table of Contents, in the beginning of the Workbook, should serve as an illustrative workshop agenda • List of Icons • Places to take notes on “Need to Know” and other content • Learning Journal sections to link PFA to their work • Participants will receive additional handouts to insert into their binders • Note that the Workbook includes many graphics and inserted PowerPoint slides. We do not provide all the slides, because as noted earlier, PFA is not based on PowerPoints. • [The course PowerPoints will be provided on the CD-ROM and/or Learning Space]
PFA Learning Space [When Available]	
 <p>PFA Learning Space</p>	<p>Hand out the one page Introduction and Help Desk Form. Explain:</p> <ul style="list-style-type: none"> • That using the website is an integral part of the course and that students are expected to make use of its resources. • That the site is actually a great way to learn from your fellow students and others in USAID, not just during this course but after the session <p>Review the site content (handouts or slides), and refer any questions to IRG staff.</p>
PFA CD-ROM Table of Contents [When Available]	
 <p>CD ROM</p>  <p>Ideas for CD-ROM</p>	<p>IF AVAILABLE, EXPLAIN that the “PFA CD-ROM CONTENTS” are provided at the back of the Participants Workbook; Lessons in the Workbook contain this icon to indicate related resources that are on the CD-ROM.</p> <p>POINT OUT the flipchart with the header, “Ideas for CD-ROM.” Invite participants to be thinking about additional materials from their own Operating Units or organizations that might go on the CD-ROM. Explain that we depend on PFA participants to help build the CD and make it as useful as possible.</p>
Workshop Agenda	
	<p>WALK THROUGH agenda, located in the front of the Workbook. Do this overview at a high level and explain today’s agenda in detail in a moment. Explain that we conclude PFA with a team Jeopardy competition.</p>

 <p>Today's Agenda</p>	<p>REVIEW the flipchart on today's agenda, concluding with "Teams finalize their team names." Note that we'll be moving people into table teams in a moment. Teams will have till the end of the day to select their name.</p> <p>EXPLAIN that we're going to start slowly to help participants get acquainted with one another, with the facilitators and course materials, and a great deal of content. But we'll pick up the pace over the course of the week, so get ready!</p>
 <p>Plus/Delta</p>	<p>SAY that participants will receive information later in the course on completing the on-line workshop evaluation.</p> <p>In addition, participants are invited to provide comments during the week on this "Plus/Delta" rapid appraisal flipchart. Please post your comments on yellow sticky tabs in the appropriate column:</p> <ul style="list-style-type: none"> • What is working well • What you would like us to change (e.g., please speak more slowly; please ask people not to ask so many hypothetical questions, etc.)
<p>Wrap-Up and Need to Know</p>	
	<ul style="list-style-type: none"> • Participants will leave PFA with key documents, references, and contacts on the people, policies and procedures involved in Programming Foreign Assistance. • This is an overview course. Many topics, like project design and management, and being a CTO, are discussed in this course, but more in-depth training is available within USAID. • Your Workbooks lists the website for the USAID Office of Human Resources Learning Support Division for information on other courses available to USAID staff.

<p>LESSON 2: 30 Minutes</p>	<p>Participant Introductions and Table Teams</p>
<p>MODULE OVERVIEW</p>	<p>This lesson mixes participants into table teams, enables participants to introduce themselves and name their teams, and initiates the focus on inter-agency team-building and change management.</p>
	<ul style="list-style-type: none"> • After mixing participants into new table teams as described below, if some tables have all men or women, all FSNs/LESS or USDH staff, or all Embassy participants at the same table, etc., ask a few people to change tables to mix the group. Inter-agency representation at each table is the most important organizing principle for the table teams. • Because participants will sometimes work in pairs, ask people from the same organization or office not to sit next to one another if possible. • Participants will interview and introduce the person sitting next to them using interview questions included in their Participant Workbook. • Prepare a flipchart in advance for the Self-Introductions: • Each team will begin to select a team name, which they should select by consensus. Teams need to finalize their names by the end of the day and post the name on a tent card at their table. Give teams time after the lunch break and/or afternoon break to finish. They will need a team name on the table tent to earn points during the week and for the final team competition.
<p>Opening</p>	<p>SHOW Slide Two: Learning Objectives </p> <ul style="list-style-type: none"> • To establish table teams for the week • To get to know your fellow participants better <p>PROCESS EXPLANATION</p> <p>For the next 30 minutes, we'll get our teams in place and introduce members.</p> <p>Please make sure you have written your name on your Workbook and CD, because you'll be moving to a new table.</p>
 <p>SLIDE 2</p>	

	<p>Mini-Exercise: Table Teams</p> <p>Mix the table teams to blend participants by different levels of USG experience. Participants should stand up and form a line between two extremes:</p> <ul style="list-style-type: none"> • longest period of USG service to shortest period of service (totaling all the USG agencies they may have worked for) • OR, if it is known that participants have similar terms of service, have them line up between two signs posted at opposite ends of the room: <ul style="list-style-type: none"> ○ “Rules are essential for high-performing organizations” vs. ○ “Rules get in the way of results.”
	<p>Encourage people to chat with one another to form the line. When finished, have people count off by the number of tables available, e.g., 1, 2, 3, 4, 5; 1, 2, 3, 4, 5; etc. Then have all the 1’s go to the first table; 2’s to the second table, etc. Check for good mix.</p>
	<p>Participant Introductions</p>
 <p>SLIDE 3</p>  <p>Most satisfying part of my job</p>	<p>Reference the People, Policies and Procedures flipchart. Let’s get to know the people in the course and find out what animates our work in programming foreign assistance.</p> <p>SHOW <u>Slide Three</u>: Participant Introductions 🗨️</p> <p>ASK participants to take a minute to tell us the following about themselves:</p> <ul style="list-style-type: none"> • Name • Job Role and Operating Unit (e.g., Activity Manager for Child Survival, USAID/Mali) • Years of experience with USG • The most satisfying part of my job is: <p>Flipchart their responses to the last question, sharing this task with both facilitators to capture the information quickly.</p> <p>Post the flipchart. Note the participants’ total years of experience and examples of job roles or satisfying work that will enrich the course.</p>
	<p>Table Team Names</p>
	<p>ASK the tables to spend five minutes brainstorming team names and to write it on the name tent in the center of their table.</p>

<p>LESSON 3: 1 Hour and 30 Minutes</p>	<p>Introduction to Programming Foreign Assistance</p>
<p>MODULE OVERVIEW</p>	<p>Flipcharts developed in this lesson on Foreign Assistance Stakeholders, the Hierarchy of Rules, and the President's Management Agenda will be used throughout the rest of PFA. Participants learn about the statutory and policy framework for "managing for results" in the U.S. Government, as well as the drivers for Foreign Assistance Reform. Participants also learn USAID's core values, which support the achievement of results.</p>
	<ul style="list-style-type: none"> • This session entails several brief exercises, one of which generates a list of U.S. Foreign Assistance stakeholders. • There will be a lack of parity between the detail provided on USAID policies via the Automated Directives System (ADS), and Department of State policies via the Foreign Assistance Manual (FAM) and Foreign Assistance Handbooks (FAH) • Due to the length of this lesson, it is a good idea to divide the presentation time between the two trainers.
<p>Opening</p>	<p>Opening</p>
 <p>SLIDE 2</p>	<p>SHOW Slide Two: Learning Objectives </p> <ul style="list-style-type: none"> • To understand the U.S. Government imperative to "manage for results" when programming foreign assistance • To discuss how managing for results is aligned with the foreign assistance reforms • To demonstrate how U.S. foreign assistance results are important to different stakeholders <p>PROCESS OVERVIEW</p> <p>Explain that for the next hour or so, we'll have table-top discussions and then plenary work that will generate important data and flipcharts that we'll use throughout the week. We're going to focus in particular on stakeholders and mandates that affect our work to program foreign assistance.</p>

	Mini-Exercise: Who Cares About US Foreign Assistance Results? Why?
	TASK Brainstorm: “Who cares about U.S. Foreign Assistance Results? What do they care about?” Write down your own answers first and then prepare up a combined list by table. Report out in 5 minutes.
<p>10 min.</p>  <p>WHO CARES?</p>	<p>ASK each table to list two of their responses (to avoid repetition). FLIPCHART their responses on one page, writing in two columns if necessary, until you have a good list of stakeholders. Ask if there are any final additions and quickly add them to the list. Keep the consolidated “Who Cares about Foreign Assistance Results” flipchart posted throughout course.</p>
 <p>“WHAT DO THEY CARE ABOUT?”</p>	<p>DISCUSS : What do they care about? Answers may include:</p> <ul style="list-style-type: none"> • Citizens and governments of host countries – Impact, collaboration and coordination • The White House, Department of State, USAID and the Congress – Furtherance of U.S. Foreign Policy • OMB is concerned about linking performance with budget • The American Public – Wise use of taxpayer dollars • Other development partners (The World Bank) – Do programs further Millennium Development Goals (MDGs)? • NGOs, the media – Effective development outcomes
	<p>ASK: How does the private sector demonstrate results? Answers may include: revenue, profits, market share, stock value.</p> <p>EXPLAIN: The U.S. Government also needs to demonstrate relevance and results. Unlike private sector organizations, where performance is communicated through market share or return on investments, the public sector – government -- must continually strive to demonstrate relevance and results to stakeholders, in our case those individuals and organizations who are influenced by, or can influence, U.S. foreign assistance programs.</p>
	Definition and Rationale for Managing for Results
	<p>EXPLAIN that the U.S. Government needs to prove to diverse stakeholders that it is indeed achieving foreign assistance results. In the process, everyone involved in programming foreign assistance shares the responsibility to manage for results.</p>

 <p>Results at the Center of the Venn Diagram</p>  <p>SLIDE 3</p>	<p>FILL IN the center of the Venn Diagram as “Results” and SAY: When we program Foreign Assistance, we need to focus all three of these circles on managing for results.</p> <p>ASK: But what does it mean to “manage for results”? Acknowledge responses.</p> <p>SHOW <u>Slide Three</u>: Managing for Results Defined </p> <p>SAY: Managing for results means that we seek to define and organize our work around the end result we seek to accomplish. This means:</p> <ul style="list-style-type: none"> • making intended results explicit • ensuring agreement among partners, customers, and stakeholders that proposed results are worthwhile and contribute to Transformational Diplomacy objectives, and • organizing our day-to-day work and interactions to achieve results as effectively as possible.
	<p>EXPLAIN Performance-based management – managing for results -- is a global trend:</p> <ul style="list-style-type: none"> • cutting across the public and private sectors • rooted in the fundamental changes taking place in the worldwide economic system • made more essential by increased transparency of government programs based in part on improved information and communications technology. <p>There hardly is a major government that is not aware of and taking steps to support performance-oriented approaches to management. Australia, New Zealand, Canada, and Great Britain have been engaged in results-based management for 10 years or more.</p>
	<p>SAY This is important to you because:</p> <ul style="list-style-type: none"> • Public service requires a working knowledge of performance-based management • As development professionals using public funds, you will need to apply a set of perspectives, tools, and practices that provide a coherent framework for planning, implementing and reporting on U.S Foreign Assistance.

 <p>SLIDE 4</p>	<p>ASK: Why is managing for results a legal requirement?</p> <p>SHOW Slide Four Government Performance and Results Act (GPRA) and REFER participants to their Workbook.</p> <p>In 1993, the U.S. Congress enacted a government-wide management initiative called the Government Performance and Results Act (known as GPRA or “the Results Act”). GPRA was the starting point for a series of Managing for Results initiatives. The purposes of the law as articulated by the Congress are to:</p> <ul style="list-style-type: none"> • Improve the confidence of the American people in the capability of the Federal government, by systematically holding Federal agencies accountable for achieving program results • Improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality and customer satisfaction • Help Federal managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality • Improve Congressional decision making by providing more objective information on achieving statutory objectives, and on the relative effectiveness and efficiency of Federal programs and spending • Improve the internal management of the Federal government. <p>While other organizations like the World Bank are organizing themselves to achieve results because it’s a good idea, in the U.S. Government, you must Manage for Results BECAUSE IT IS A LAW! You should understand how GPRA affects your own area of responsibility and be able to articulate how your particular work fits into the larger context of programming USG foreign assistance.</p>
<p>10 min.</p>  <p>“Hierarchy of Rules”</p>	<p>DRAW a column with GPRA at the very top, and explain that this statutory requirement is unlikely to change. However, what does change is each Administration’s interpretation and priorities for U.S. Government management.</p> <ul style="list-style-type: none"> • In the next highest section of the pyramid, write in “PMA, OMB Circulars, and other Administration Mandates” and explain the President’s Management Agenda (see below).

	<ul style="list-style-type: none"> • Then write in Agency and Departmental Policy, e.g., Foreign Affairs Manual (FAM), ADS, and Operational Plan Guidance. Explain that this is where USG agencies interpret and codify their own guidance for managing for results. • Below that, fill in “Mission Orders” as the prerogative of USAID missions to set their own rules and procedures aligned with agency policy, administration priorities, and statutory requirements. • Conclude at the bottom with “Team Charters” and “Working Group Terms of Reference” as a repository of team rules and procedures. <p>EMPHASIZE that all of the lower sections of the pyramid are aligned with the statutory requirements of GPRA. Does every USG employee need to memorize GPRA? No, but you need to understand how the rules and regulations you follow to manage for results are aligned with this law.</p>
President’s Management Agenda	
	<p>REFER participants to the PMA overview in their Workbook: The PMA, announced in the summer of 2001, is an aggressive strategy for improving the management of the Federal government. It is intended to “rev up” the GPRA. Five of the PMA priorities focus on management weakness across the government where improvements can be made based on three principles: results-oriented, citizen-centered, and market-based.</p> <ul style="list-style-type: none"> • Strategic Management of Human Capital: Agencies must reshape their human capital strategies and organizations to attract and retain the right people, in the right places, at the right time; make high performance a way of life in the federal service. [Explain this course is a reflection of USAID’s Human Capital Strategy, which was required by this PMA priority.] • Competitive Sourcing: Encourages market-based competition throughout the government to outsource commercial type activities. • Improved Financial Performance: Acceleration of financial reporting deadlines and requiring quarterly and comparative reporting of information. • Expanded E-Government: Make the government a “click and mortar” enterprise, more accessible, effective, and efficient through the Internet. • Budget and Performance Integration: Budgetary resources will go to those programs that work. As measures improve, dollars will go to programs that yield the best results for each dollar spent.

	<p>EXPLAIN: <i>In consultation with OMB</i>, for each of these areas, each Federal Agency sets quarterly benchmarks. Each quarter OMB rates Agency progress on achieving those benchmarks. This is what participants will see in the Washington Post and elsewhere referred to as "The Scorecard." The scoring is done on a red, yellow, green scale, and each Agency is rated on two things: Progress and Status.</p>
<p>OPTIONAL/ Use only if asked</p>	<p>Performance Assessment Rating Tool. In the FY 2003 budget, OMB for the first time assessed the performance of about 125 programs, principally to see how they were doing on the PMA element of B&PI. In 2002, for the FY 2004 budget, OMB developed a standardized tool for conducting this assessment and identified a list of 234 programs to which it was applied – about 20 percent of all agency programs. OMB’s assessment found that half of these 234 programs could not demonstrate effectiveness. About 5 percent were classified as "effective," another 5 percent as "ineffective." An analysis by Federal Times shows that those classified as effective got an 18 percent budget increase; those ineffective got a 2 percent; and those classified as unknown got a 1.6 percent increase. USAID was one of the few Agencies with NO programs rated as "results not demonstrated." The first year of the PART, our Population program received the second highest score in the Fed. Gov. Our Food for Peace Program received a score near 60, while USDA’s FFP program received a "results not demonstrated."</p>
	<p>The Foreign Affairs Manual and ADS Policies: Basic Concepts</p>
	<p>REVIEW: All USG agencies must follow the law, the GPRA, and the Administration’s priorities as articulated by OMB in the President’s Management Agenda. Are you expected to read all these laws and documents in order to implement your programs? No. USAID and the Department of State have interpreted these statutory and Administration requirements in our own policies: By following State and USAID policy, you are in compliance with GPRA and the PMA.</p>

	<p>Expect at this point to get comments about the ADS being out of date with the Foreign Assistance reforms. Explain you will speak about the reforms momentarily and will loop back to how they relate to the ADS.</p> <p>ASK: Where do you go to find USAID policies? [Ans. Automated Directives System – Post on Acronym Poster]</p> <p>ASK: Where do you go to find Department of State policies? Ans. Foreign Affairs Manual (FAM) on Acronym Poster</p> <p>[If there are other USG participants in the course, ask where their policies are codified.]</p>
	<p>SAY: In this course, because of USAID’s role in foreign aid, we will refer occasionally to USAID’s policies where they provide more detail and guidance on programming foreign assistance. At the same time, in order to strengthen collaboration and inter-agency teaming, we’ll ask for examples of guidance and procedures from Department of State participants throughout the course.</p>
	<p>CITE some of the advantages of having the ADS and FAM on-line:</p> <ul style="list-style-type: none"> • Available to more staff and partners than was possible with hard copy “handbooks” • Provides hyper-links • Can be more easily revised and updated
 <p>SLIDE 5-6 FAM and FAH</p>  <p>SLIDES 7 ADS</p>	<p>SHOW <u>Slide Five and Six</u>: Foreign Affairs Manual and Foreign Affairs Handbooks ☺</p> <p>SHOW <u>Slide Seven</u>: Other ADS Series ☺</p> <p>A summary of the rest of ADS is reproduced in the Workbook. For example, other ADS sections that we touch on in PFA are:</p> <ul style="list-style-type: none"> • ADS series 100 – Organizational and Executive Management, including ADS chapter 102 – Agency Organization and ADS chapter 103 – Delegation of Authority • ADS series 300 – Acquisition and Assistance • ADS series 600 – Budget and Finance
	<p>Foreign Assistance Reform</p>
	<p>SEGUE to a discussion of programming foreign assistance in the context of these statutory and policy mandates.</p>

	<p>Emphasize: Regardless of your agency’s rules and policies, you are part of the USG foreign assistance program. In addition to statutory and policy requirements, you’ll recall that one of the Secretary’s main concerns was strategic coherence.</p> <p>Ask: How is the USG building strategic coherence within the foreign assistance program? Acknowledge responses and continue: Building this coherence is the primary impetus for the reforms we will discuss throughout this course. USAID, the Department of State, and State/F have collaborated on the development of a new Foreign Assistance Framework, which informs the way we will jointly plan and deliver foreign assistance in different types of country settings. We’ll examine this framework later when we begin to discuss Planning.</p>
	<p>We’ve talked about how GPRA and the PMA are codified in the ADS and indirectly in the Foreign Affairs Manual. How is Foreign Assistance reform reflected in the FAM and ADS?</p> <p>At present, the ADS 200 series is under revision to align with the reforms. In the meantime, this course has been designed to instruct you in the fiduciary implementation of foreign assistance resources consistent with GPRA, PMA and foreign assistance reform.</p> <p>If asked, be clear that this is NOT an introduction to the ADS 200 Series; we will note where there might be areas of significant revision and amendment so that students can keep an eye out for these changes, plus we will send them any revisions to the ADS that impact on this course through the Learning Space.</p>
<p>Wrap-Up and Need to Know</p>	
	<ul style="list-style-type: none"> • Managing for Results is required by the Government Performance and Results Act, by OMB Circulars and Memoranda, and by the President’s Management Agenda. • Managing for Results means that we seek to define and organize our work around the end result we seek to accomplish.

<p>LESSON 4: 45 Minutes</p>	<p>Form Follows Function</p>
<p>MODULE OVERVIEW</p>	<p>This lesson acquaints participants with USAID's, the Department of State's and F's organizational structure and the role of headquarters in supporting field missions and representing foreign assistance interests to the Congress, other USG agencies, the public, and other donors. The lesson concludes with a discussion of the important role played by the Inspectors General of USAID and the Department of State, and provides contact information for them.</p>
	<ul style="list-style-type: none"> • Be prepared for some participants to be unfamiliar with the various organizational structures; while this lesson may seem rudimentary, it is a great learning opportunity for many participants. • This lesson introduces participants to the role of the Office of the Inspector General, including the recurring PFA theme of "document and file." • When training PFA in a Mission, it is helpful to discuss the relevant regional bureau and technical offices and where they parallel mission structures. • Take about 10 minutes at the end of the lesson for participants to work in their Learning Journals.
<p>Opening</p>	<p>Opening</p>
 <p>SLIDE 2</p>	<p>SHOW Slide Two: Learning Objectives ☞</p> <ul style="list-style-type: none"> • To understand State's, USAID's, and State/F's organizational structures, and how they support the achievement of results. • To examine shifting paradigms of organizational form and function to program foreign assistance <p>Process Overview: This is a relatively short lesson in which we'll clarify organizational structures and also emphasize the importance of the Inspectors General.</p>
<p>Department of State Overview and Structure</p>	<p>Department of State Overview and Structure</p>
 <p>SLIDE 3 -4 Dept. of State</p>	<p>SHOW Slide Three: Department of State Organization Chart ☞</p> <p>SHOW Slide Four: Embassy State Organization Chart ☞</p>

	<p>DISCUSS the State Bureaus that participate in programming foreign assistance.</p> <p>POINT OUT the Office of the Director of Foreign Assistance (State/F) on the organizational chart. We'll come back to this in a few minutes.</p>
	<p>USAID's Creation and Authority</p>
	<p>EXPLAIN: USAID was created by President Kennedy, and existed as a <i>temporary agency</i> until it was established by law as a permanent agency until 1998.</p> <p>READ: Agency Creation and Authority "In 1998, the Act called Foreign Affairs Reform and Restructuring Act, established the U.S. Agency for International Development as an executive agency effective April 1, 1999. The President delegated to the Secretary of State in Executive Order 12163 authority for foreign assistance programs authorized in the Foreign Assistance Act. The Secretary delegated to the Administrator of USAID authority for USAID programs in State Department Delegation of Authority No. 145, as amended March 31, 1999."</p>
	<p>USAID's Organization: The Bureaus</p>
 <p>SLIDE 5 USAID Org. Chart</p>	<p>SHOW Slide Five. ☞ The USAID organizational chart</p> <p>POINT to the middle section that shows the bureaus and ask: What is the main organizational unit in USAID? [ANS: Bureaus]</p> <p>We'll talk about the top of the Chart in a moment and use that discussion to introduce the Office of the Director of Foreign Assistance, ("F") too. First, let's look at the backbone of USAID's headquarters structure, the bureaus.</p> <p>EXPLAIN that although the names and sizes of USAID's bureaus change over time, there are three basic <u>types</u> of bureaus:</p> <ul style="list-style-type: none"> • Regional bureaus • Technical bureaus • Bureaus that support USAID's management and external relations. <p>REFER participants to the USAID Organizational Chart in their Workbooks. Point to the pillar, or technical, bureaus first and state</p>

 <p>Offices in USAID Functional Bureaus</p>	<p>their names:</p> <ul style="list-style-type: none"> • Democracy, Conflict and Humanitarian Assistance (DCHA) • Economic Growth, Agriculture and Trade (EGAT), which also includes USAID’s work in education and environment • Global Health <p>ASK what is the role of these bureaus? [Ans: They are the locus of technical leadership for the Agency. Their primary function is to provide technical advice and support to the Regional Bureaus and field missions. As described in the Reorganization Decision Memo #4 of August 16, 2001 (On CD ROM), Pillar Bureau support functions include:</p> <ul style="list-style-type: none"> • Providing technical support and advice for the design implementation and evaluation of mission technical strategies and programs • Designing and implementing selected programs that address newly merging global issues • Maintaining communication with relevant professional communities, development partners, and other USG agencies • Ensuring professional management of the Agency’s technical and scientific staff, including assisting in recruitment, training, assignment, and career development.] <p>REVIEW the names and acronyms of USAID geographical bureaus:</p> <ul style="list-style-type: none"> • Bureau for Africa (AFR) • Bureau for Asia and the Near East (ANE) • Bureau for Europe and Eurasia (E&E) • Bureau for Latin America and the Caribbean (LAC) <p>ASK participants to name some of the main offices in a regional bureau, e.g.:</p> <ul style="list-style-type: none"> • Desks • Program Office • Technical Offices • Administrative and Management Support <p>Pillar Bureaus have a similar make-up, but without Desks.</p> <p>Conclude by describing:</p> <ul style="list-style-type: none"> • Bureau for Management (M) • Bureau for Legislative and Public Affairs (LPA)]
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	<p>ASK participants to name some of the main offices in each bureau: Bureau for Management:</p> <ul style="list-style-type: none"> • Office of Information Resource Management (IRM) • Office of Financial Management (FM) • Office of Acquisition and Assistance (OAA) • Office of Human Resources (HR) <p>INTRODUCE the Bureau for Legislative and Public Affairs, the functions of which are expressed in its components:</p> <ul style="list-style-type: none"> • Office of Legislative Affairs • Office of Public Affairs • Press Office <p>ASK: If the phone rings and it's a journalist on the line, what should you do? [Ans: Thank them for calling, get their name and number, and explain that you'll have a USAID Press officer return their call.]</p> <p>ASK: If the phone rings and it's a Congressional staffer on the line, or if they send you an email requesting information, what should you do? [Ans: The same thing! Thank them for calling or emailing and explain that you'll forward their inquiry and have a USAID legislative liaison officer assist them.]</p> <p>ASK: Why? [ANS: Explain the need to coordinate USAID's representation in the media and on Capital Hill, and the fact that USAID has trained staff who will work with you to respond appropriately in a way that serves the Agency's overall interests.]</p>
<p>USAID Organization: Operating Units</p>	
	<p>POINT to the bottom part of the Organizational Chart. At present, there are approximately 120 USAID Operating Units, of which approximately 80 are field missions. There are Operating Units both in Washington and in the field.</p> <p>ASK if anyone can define an Operating Unit. [Ans: An Operating Unit supports activities with <i>Program Funds</i>, a particular funding type that we will discuss further when we learn more about the budget process later in PFA.]</p> <p>ASK: What are typical kinds of offices in a USAID Mission? How do these relate to comparable offices, Operating Units, or Bureaus in Washington?</p>

 <p>"Field Mission Offices and their Headquarters Counterparts</p>	<p>Flipchart an organizational chart for a hypothetical mission, depicting some of the standard offices and then relate it to Washington offices.</p> <p>[Ans.: An Economic Growth Office in the field relates to EGAT and the regional Bureau technical office; the Controller's Office relates to the Office of Financial Management (M/FM) in Washington and to the Regional Bureau; the Program Office relates back to the Bureau for Policy and Program Coordination (PPC) and to the regional Bureau Program Office; Office of Transition Initiatives (OTI), Office of Foreign Disaster Assistance (OFDA) and Office of Food for Peace (FFP) relate to their home offices in the Bureau for Democracy, Conflict, and Humanitarian Response; the Mission Environmental Officer relates to EGAT, Environmental Natural Resources.]</p> <p>If no one offers this example, ASK: Which offices does a mission Office of HIV/AIDS relate to in Washington? [Ans: Office of the Global AIDS Coordinator at the Department of State and to the Office of HIV/AIDS in the Bureau of Global Health.]</p> <p>REFER participants to their Workbook for the description of "Who's Who in a Mission" and review these roles.</p>
<p>USAID Organization: The Administrator's Office and Specialized Offices</p>	
 <p>SLIDE 5 USAID Org. Chart</p>	<p>SHOW Slide Five again, ☺ The USAID organizational chart</p> <p>POINT to the top of the organizational chart that depicts the Office of the USAID Administrator, Deputy Administrator, and Chief Operating Officer, as well as special offices that include the Office of the General Counsel, the Office of Small and Disadvantaged Business Utilization, and the Executive Secretariat.</p> <p>DESCRIBE how the foreign assistance reforms have led to the USAID Administrator also serving as the Director of the Office of Foreign Assistance in the Department of State, which we'll discuss in a moment.</p> <p>POINT out the new Office of the Chief Operating Officer and explain that it manages the following:</p> <ul style="list-style-type: none"> • XXXX • XXXX

 <p>SLIDE 7 "F" Org. Chart</p>	<p>The Office of the Director of Foreign Assistance (State/F)</p> <p>EXPLAIN that, as a central element of the foreign assistance reforms, the Secretary of State appointed the USAID Administrator to serve the role of Director of Foreign Assistance. She established a new office to house the Director and staff, called the Office of the Director of Foreign Assistance, or "F." For the next few minutes, let's examine F's structure and purpose.</p> <p>SHOW Slide 7: Office of the Director of Foreign Assistance Organization Chart</p> <p>Describe this organization, explain that it is staffed by personnel who formerly worked for USAID, as well as staff from the Department of State and new hires.</p>
 <p>Document and File</p>	<p>USAID and Department of State Inspectors General</p> <p>SAY The Offices of the Inspectors General at both USAID and State (which are called by the acronyms OIG, or simply IG) and the regional offices (RIGs) have an important oversight role to ensure that USAID and the Department of State conduct their work properly and in compliance with USG regulations – in both the program and financial management areas.</p> <p>EXPLAIN that the OIG and RIGs are independent units that report directly to the USAID Administrator and Secretary of State. In addition to performing performance and financial audits, the IGs also investigate waste, fraud, and abuse – all of which are illegal and carry substantial penalties.</p> <p>EMPHASIZE that all staff have a responsibility to report instances of waste, fraud or abuse and can do so anonymously on the USAID and Department of State Inspector Generals' "hot lines" and emails provided in the Workbook. For USAID, these are:</p> <p>1-800-230-6539 or 202-712-1023 and E-Mail: ig.hotline@usaid.gov</p> <p>CONCLUDE this discussion by noting that while participants may never need to report instances of fraud, they will definitely need to be prepared for an audit. Note that throughout PFA, we will emphasize the necessity to "document and file" key materials to provide evidence of compliance with regulations, policies, and mandatory procedures.</p>

	<p>Wrap-Up and Need to Know</p>
	<ul style="list-style-type: none"> • Your ability to program foreign assistance is enhanced by your knowledge of the relevant USG organizational structures. • These structures have been organized to manage for results. • Field missions implement most foreign assistance programs • In addition to supporting the field, headquarters Operating Units design and implement programs to address global and cross-cutting issues. • Headquarters also represents foreign assistance interests to many of the stakeholders we noted on the Stakeholder flipchart.
	<p>Learning Journals</p>
	<p>Explain that after each group of inter-related lessons in the course participants will be asked to reflect on what they've learned and how this information relates to their role in managing for results. Direct participants to the first Learning Journal page in their Workbook, and ask them to take about 10 minutes to respond to the questions.</p>
	<p>PFA Learning Space</p>
	<p>Explain that many of the documents and links mentioned here will be in the Learning Space. Suggest that students can start discussions and query each other, and not just read the documents.</p>

<p>LESSON 5: 60-90 minutes</p>	<p>Building a U.S. Government Team</p>
<p>MODULE OVERVIEW</p>	<p>Building on “Form follows function,” this lesson introduces participants to the Core Values that guide our Agencies, the rules and regulations that govern us (and may make it a challenge working with each other), and the challenges and rewards of working as a united USG team in programming of Foreign Assistance resources. It explains the requirements of team membership and defines inherently governmental functions. The first part of the lesson concludes with an exercise on inter-agency collaboration.</p> <p>The second half of this lesson discusses the concept of delegation of authority, emphasizing that within the USG, authority can be delegated by “virtue of position” or “by name basis” to specific individuals with adequate training and certification to perform a particular function.</p>
	<ul style="list-style-type: none"> • This lesson may invoke considerable discussion since most of the participants may currently be on a team and will have had both positive and negative experiences. • Use the Optional Exercise to draw an illustration of an SO Team if you have time. It enables the artists in the group to really shine. If you do use this exercise, give a prize to the team that had the highest level of participation.
<p>Opening</p>	<p>Opening</p>
 <p>SLIDE 2</p>	<p>SHOW <u>Slide 2</u>: Learning Objectives </p> <ul style="list-style-type: none"> • To recognize that we have common values and beliefs, as well as differences in organizational purpose and structure. • To understand that different rules may make it challenging for State and USAID to work together. • To identify ways of improving our collaboration as an “FA Team” • To encourage the inclusion of partners on the FA Team. <p>PROCESS OVERVIEW</p> <p>For the next hour or so, we’ll focus on what we share in terms of core values, mandates and regulations; then we’ll look at some of the differentiators between our agencies and identify means of addressing barriers to collaboration. We’ll do an exercise that</p>

	<p>draws upon collaboration findings and strategies identified in another part of the USG. We'll ask you to identify means of working well as a USG team, and we'll talk about ways to expand and flex team membership beyond USG members. The lesson concludes with Delegations of Authority within the USG. If we have time, we may do some additional exercises.</p>
	<p>Core Values</p>
 <p>SLIDES 3 – 5 NGO & USG Core Values</p>	<p>ASK participants why an organization would use core values if it already has rules and regulations in place. Acknowledge responses and explain that core values serve to inspire and influence our work as development professionals.</p> <p>REFER to the Hierarchy of Rules flipchart and explain that, in those instances where there are no rules, core values guide behavior.</p> <p>SAY many organizations have core values or principles to guide behavior. In the micro-enterprise community, for example, two organizations that have changed the lives of millions of people depend on core values and central principles.</p> <p>SHOW <u>Slides Three and Four</u>: ☺ SEWA and Grameen Bank</p> <p>SAY that, similarly, USG agencies have core values to express the shared beliefs that animate their work and guide their behavior. For example, here are the core values of other USG agencies:</p> <p>SHOW <u>Slide Five</u>: ☺ Illustrative USG Core Values</p>
	<p>USAID-Department of State Core Values</p>
 <p>SLIDE 6 USAID-State Core Values</p>	<p>ASK participants if anyone can name the joint Department of State --USAID's core values.</p> <p>Explain that these shared core values are codified in the Joint Department of State-USAID Strategic Plan. Note that the USAID core values in the ADS are different from those in the Joint Department of State-USAID Strategic Plan. When ADS 200 is revised, it will reflect the core values in the Joint Strategic Plan</p> <p>SHOW <u>Slide Six</u>: ☺ USAID-Department of State Core Values</p> <p>Invite participants to comment on these Core Values. Were they aware of them before? Are they meaningful in your Operating Unit?</p>

	Exercise: Inter-Agency Collaboration
 <p>Differentiate in order to Collaborate</p>  <p>Complementarity</p>	<p>This exercise has two parts: Begin with a plenary discussion of differences within the USG foreign assistance community, followed by a case study on interagency collaboration in the Intelligence Community.</p> <p>Say: The joint core values help USAID and the Department of State to collaborate effectively, as do other shared assets, goals, policies, and even buildings and facilities. But USAID and the Department of State, and the other USG agencies that program foreign assistance, are also different, based on distinct organizational purposes, cultures, and rules. In fact, in order to collaborate, it helps first to differentiate. Please write down on a sticky tab some of the primary ways in which your agency's mission and culture differ from other USG agencies with which you need to collaborate.</p> <p>Flipchart responses on a two-column flipchart (or more columns if there are multiple USGs in the course)</p> <p>ASK: How do or could these differences complement one another in the delivery of foreign assistance? Flipchart these responses on a separate page and post this prominently.</p>
	<p>Wrap up and move to second part of the exercise: Notwithstanding these areas of complementarity, organizational differences can make it challenging to collaborate. The foreign assistance community is not alone in facing the challenge of inter-agency collaboration: the following exercise focuses on another USG community to generate your ideas for PFA collaboration.</p> <p>Task: Read the Exercise in the Workbook individually. Then, each table should discuss and develop a flipchart with their answers to one assigned question.</p> <p>DEBRIEF: Each table presents their question and flipchart, followed by general discuss and opportunities for questions across table teams. Direct participants to PFA Sharing Space for the collaboration checklist and opportunity for them to contribute more suggestions for building collaboration.</p>

Foreign Assistance (FA) Teams	
 SLIDES 7-14	<p>ASK: Does your Operating Unit use teams? How are you organized here? Do Teams overlap with technical offices? Do they cross Agencies? How many?</p> <p>EXPLAIN that USG recommends the use of Teams in order to draw upon a wide array of skills in order to achieve results. Further, teams can benefit from the participation of stakeholders outside of the U.S. Government, but there are important considerations and rules for Team formation. Let's check your knowledge by reviewing a set of Frequently Asked Questions about who can serve on USG teams.</p> <p>READ out one question at a time (without showing the slide) and generate discussion before showing the answer on the slide. Then read the next question:</p> <ul style="list-style-type: none"> • Slide 7. Who may be on a FA Team? • Slide 8. Who is a USG member? • Slide 9. What are "inherently governmental functions?" • Slide 10. Who may carry-out inherently governmental functions?
	<ul style="list-style-type: none"> • Slide 11. Who may be a core member of a FA Team? • Slide 12. Who may be a FA Team Leader? • Slides 13 & 14. Are there any limits on what FSN and PSC may do? • Slide 15. Can an FSN be a FA Team Leader? <p>ASK: Can partners be on the Foreign Assistance Team? [ANS: Yes, although they are unable to perform inherently governmental functions and may not serve as Core Members. As we'll see later in the lessons on Partners and on Organizational Conflict of Interest, there are important rules that govern their involvement.</p>
Optional	Exercise: FA Team Formation
	<p>Direct participants to the table on FA Team Membership in their Workbook. This lists different kinds of participants on an FA Team.</p> <p>Assign the task of drawing a graphic representation of an FA Team. The drawing can take any form; in the past teams have come up with all kinds of metaphorical drawings, from Rubick's Cubes to Orchestras. The only rules are to express the different types of members, and ALL members of your table team must help design and/or draw the graphic.</p>

<p>20 mins.</p> 	<p>Debrief the exercise by inviting teams to post and explain their graphic. Review the following key points as needed:</p> <ul style="list-style-type: none"> • FSNs and PSCs are USG members and are often core members of Teams and even Team leaders. • Teams should not be synonymous with technical offices. The most effective Teams include all skills necessary to plan and execute the program. For example, a Team will often include a Contracts Officer with the technical members. • Whether teams are large or small, they should include or have access to all the skills they need to achieve planned results. This usually means that teams should include members from more than one office, as well as from outside the USG such as the partners, recipients, customers and stakeholders critical to the success of the program. • Membership and roles of the Team are often documented in Team Charters.
<p>Discussion: Inherently Governmental Functions</p>	
	<p>READ "an inherently governmental function is a function which is so intimately related to the public interest as to mandate performance by Government employees. These functions include those activities which require either the exercise of discretion in applying Government authority or the use of value judgment in making decisions for the Government (as defined by the GC office)."</p> <p>SAY inherently governmental functions fall into two main categories:</p> <ul style="list-style-type: none"> • The act of governing • Monetary transactions <p>ASK participants: If a Team is comprised of staff from different offices, divisions, or USG Agencies, can the Team leader still assign tasks to folks who are not in his or her office or agency? [Ans: Yes, and having team members' supervisors clear the Team Charter is a good way to get everyone on board with such management issues.]</p> <p>ASK How is a team leader appointed? [The point of this question is to set up the next lesson on Delegations of Authority?]</p> <p>SAY that being a Team Leader is different from being a supervisor. The leader's responsibilities are delegated to him or her through a formal process known as "Delegation of Authority."</p>

	Delegations of Authority [Do not use this until issues associated with USAID/State delegations are resolved]
	<p>ASK: What is Delegation of Authority (DOA)? Acknowledge correct responses and then:</p> <p>READ: “A delegation of authority occurs when an official, vested with certain authorities, extends that authority to a team or an individual within a chain of command. The official retains the oversight responsibility over that team or staff person. The empowered team or staff person, in accepting the authority, agrees to exercise the delegation in a responsible manner (i.e., they are willing to be held accountable).”</p> <p>ASK: “Why is authority delegated? Does the original holder of the authority still hold this authority during such instances? [Ans: Authorities are “shared” but never given away. The primary holder of the authority is still responsible.]</p> <p>STATE: There are two main types of DOA within USAID:</p> <ol style="list-style-type: none"> 1. Those given to individuals “<u>by virtue of position</u>” 2. Those given on “<u>by name</u>” basis to individuals who have met specific qualifications. <p>1. Delegation of Authority “by virtue of position” (e.g., to the Administrator, the Assistant Administrator, Mission Director, and FA Team Leader).</p> <p>EXPLAIN: This deals with the overall responsibilities for developing and implementing a program. The President delegates authority for the foreign assistance program to the Secretary of State, who, in turn, re-delegates to USAID’s Administrator. The Administrator then delegates some of these authorities to the Assistant Administrators (AAs) of each Bureau, who in turn delegate some of their authorities to Mission Directors and heads of Washington Operating Units. In addition, the Management Agreement, issued upon approval of the Operating Unit’s Strategic Plan, contains authorities for implementing the Operating Unit’s program. The Mission Director or Operating Unit Head typically delegates general responsibilities for managing a program to a FA Team.</p> <p>ASK how does an Ambassador or Mission Director delegate authority to a Team? [Ans: The AMBO or MD delegates authority through an official document called a “delegation of authority.” It is often stated in the Team Charter or a Team Management Agreement with the Ambassador or Mission Director.]</p>

	<p>ASK how does an Ambassador or mission or office delegate authority when someone of authority is out of the office (e.g. vacation)? [Ans: General Notices.]</p> <p>2. Delegations of Authority given on “by name” basis to specially qualified individuals.</p> <p>EXPLAIN Some USG Team members bring with them specific authorities. These individuals have met predetermined requirements to carry out elements of USAID’s businesses that are highly regulated (e.g., financial management and acquisition or assistance). Regulations for this type of delegation of authority depend on the warrant for the authority in question and have limitations on how or whether they may be re-delegated (e.g., the AIDAR for contracting warrants, and in 22 CFR 226 for assistance warrants, and in ADS 306 for authority to sign inter-agency agreements).</p> <p>For example, within a mission, there can be three or four people whose authority is not delegated to them from the Mission Director:</p> <ul style="list-style-type: none"> • <u>Controller</u>: is delegated authority from the Chief Financial Officer • <u>Contracting Officer (CO)</u>: has contracting warrants that cannot be re-delegated. • <u>Cognizant Technical Officers (CTO)</u>: are “designated” by the CO, or in the case of a grant or cooperative agreement, the Agreement Officer or AO. The CO or AO is basically re-delegating a portion of the contract administration duties to the individual who is monitoring day-to-day performance. <i>[Note: COs do not re-delegate the signatory part of their warrant, but they can re-delegate some of the technical contract administration functions. More specific guidance can be found in the FAR Part 42 (www.arnet.gov).]</i> • <u>Legal Advisors</u>: are attorneys who are granted authorities via the ADS 103.
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	Wrap-Up and Need to Know
  <p>SLIDE 16</p>	<p>SHOW Slide 16. Key Messages</p> <ul style="list-style-type: none"> • When there are no rules, core values guide behavior and help ensure that we manage for results in the most appropriate and effective way possible. • FSN/LES, PSC and TCN are USG members, and are often SO Team Leaders and core members of SO Teams. • Large or small, SO Teams need access to a broad range of skills. • SO Teams are not the same as Technical Offices. • To be successful, roles and responsibilities should be defined and are often documented in team charters. • Membership and structure of SO Teams will change over time.

Who can be a member of a FA Team?

- Activity Manager
- Ambassador
- Cognizant Technical Officer (CTO)
- Consular Officer
- Contracting Officer (CO)
- Contractor
- Controller
- Customer
- Department of State (DOS)
- Deputy Chief of Mission
- Donors
- Economic Officer
- Embassy
- Executive Officer (EXO)
- State/F Core Team Leader and Members
- Foreign Service National (FSN) Staff
- Grantee
- Host Country Government
- Host Country NGO
- Implementing Partner (IP)
- Locally Employed Staff (LES)
- Management Officer
- Ministry of X personnel
- Mission Director
- Environmental Officer (MEO)
- Monitoring and Evaluation Staff
- Other US Government (USG) Staff
- Other donor representatives
- Participating Agency Service Agreement (PASA) Staff
- Personal Services Contract (PSC) Staff
- Political Officer
- Program Officer (PO)
- Public Affairs Officer
- Project Development Officer (PDO)
- Recipient
- Regional Legal Advisor (RLA)
- Technical Advisors in AIDS and Child Survival (TAAC) Staff
- Technical Officer
- Third Country National (TCN) Staff
- US Direct Hire (USDH) Staff
- USAID/Regional (Program/PDO Officer)
- USAID/Washington Pillar Bureau Tech Officer

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INHERENTLY GOVERNMENTAL FUNCTIONS (AS DEFINED BY THE OFFICE OF MANAGEMENT AND BUDGET IN OFFICE OF FEDERAL PROCUREMENT POLICY LETTER 92-1, SEPTEMBER 23, 1992.)

The following is an illustrative list of functions considered to be inherently governmental (portions in all capital letters were added to the OMB definition for clarity).

1. Conduct of criminal investigations;
2. Conduct of foreign relations and the determination of foreign policy;
3. Determination of Agency policy, such as determining the substance and application of regulations;
4. Determination of Federal program priorities or budget requests;
5. Direction and control of Federal employees;
6. Approval of Congressional testimony prepared for delivery by a Federal official;
7. Approval of Agency responses to Congressional correspondence;
8. Selection or nonselection of individuals for Federal Government employment (INCLUDING PSCs);
9. Approval of position descriptions and performance standards for Federal employees;
10. Determination of what Government property is to be disposed of and on what terms;
11. In Federal Procurement activities:
 - (a) Determining what property or services are to be acquired by the Government;
 - (b) Participating as a voting member on any boards or in any meetings regarding evaluation of contractor proposals, to include final source selection;
 - (c) Approval of any contractual documents, to include documents defining requirements, incentive plans, and evaluation criteria;
 - (d) Awarding contracts;
 - (e) Administering contracts (including the order of changes in contract performance or contract quantities, evaluating contractor performance, and accepting or rejecting contractor products or services);
 - (f) Terminating contracts; and
 - (g) Determining whether contract costs are reasonable, allocable, and allowable.
12. Approval of Agency responses to audit reports from an inspector general, the General Accounting Office, or other Federal audit entity;
13. Approval of Freedom of Information Act requests, other than routine requests that do not require the exercise of judgment;

14. Conduct of administrative hearings to determine the eligibility of any person for a security clearance, or involving actions that affect matters of personal reputation or basic eligibility to participate in Government programs;
15. Determination of budget policy, guidance, and strategy;
16. Collection, control, and disbursement of fees, royalties, duties, fines, taxes, and other public funds; and
17. Administration of public trusts.

In addition to the above examples of inherently governmental functions, there are many functions which, while not totally falling into the category of inherently governmental, are closely related to inherently governmental and should be reviewed carefully, in conjunction with review of “cost of doing business” in determining whether to use OE or program funds for their accomplishment. Examples of these functions include:

1. Services that involve or relate to budget preparation, including workload modeling, fact finding, efficiency studies, and should-cost analyses, etc.;
2. Services that involve or relate to reorganization and planning activities;
3. Services that involve or relate to analyses, feasibility studies, and strategy options to be used by Agency personnel in developing policy;
4. Services that involve or relate to the development of regulations;
5. Services that involve or relate to the evaluation of another contractor’s performance.
EVALUATION IN THIS CONTEXT DOES NOT REFER TO PROGRAM/TECHNICAL EVALUATIONS;
6. Services in support of strategic acquisition planning;
7. Contractors’ providing assistance in contract management (such as where the contractor might influence official evaluations of other contractors);
8. Contractors’ providing technical evaluation of contract proposals;
9. Contractors’ providing specialized expertise in the development of statements of work;
10. Contractors’ providing support in preparing responses to Freedom of Information Act requests;
11. Contractors’ working in any situation that permits or might permit them to gain access to confidential business information and/or any other sensitive information;
12. Contractors’ providing information regarding Agency policies or regulations, such as attending conferences on behalf of an Agency, conducting community relations campaigns, or conducting Agency training courses;
13. NON-PSC contractors’ participation in any situation where it might be assumed that the contractors are Agency employees or representatives;
14. Contractors’ participating as nonvoting members of, or technical advisors to, a source selection board or source selection evaluation board;
15. Contractors’ serving as arbitrators or as other persons hired to provide alternative methods of dispute resolution;

16. Contractors' providing inspection services; and
17. Contractors' providing legal advice and interpretations of regulations and statutes to Government officials'.

ADS Reference:

***103.3.1.1 Delegation to U.S. Personal Service Contractors (USPSCs) and Non-U.S. Citizen Employees**

*Effective Date: 01/12/05

***a.** General Rule. Notwithstanding any other provision of USAID directives, the AIDAR, other regulations, or delegations, USPSCs and non-U.S. citizen employees (host country and third country Personal Service Contractors (PSCs) and Foreign Service National (FSN) direct-hire employees) may be delegated any authority, duty or responsibility, except as outlined below.

***b.** Limitations.

- (1) While they may supervise USPSCs and non-U.S. citizen employees, they may not supervise U.S. citizen direct-hire (USDH) employees of USAID as part of their regular duties and responsibilities. They may supervise USDH employees on a limited basis, not to exceed 60 days in any 180 day period, to cover a temporary USDH absence.
- (2) They may participate in personnel selection matters but may not be delegated authority to make a final decision on USDH personnel selections.
- (3) They may be designated a Cognizant Technical Officer (CTO). They may represent the Agency and communicate planning and implementation decisions. Communications that reflect a final policy decision of the Agency must be cleared by a USDH employee.
- (4) They may not be authorized to sign (1) grants, contracts, and other obligations that require a [warrant](#) and (2) grants to foreign governments and public international organizations. They may be authorized to sign other obligating documents, e.g., travel authorizations (TAs), miscellaneous obligation documents (MODs), and SF-1190s (Foreign Allowances Application, Grant and Report). It is USAID policy that contracting and assistance warrants be issued only to USDH employees. Only the Office of Acquisition and Assistance (M/OAA) may issue a warrant, except that [AIDAR 701.601\(b\)](#) and [701.603-70](#) provide authority for heads of contracting activities to issue warrants for simplified acquisitions to qualified USDH employees on his or her staff.
- (5) A USPSC serving as an Executive Officer may sign residential and functional leases, subject to approval of an exception by the M/OMS Director, or designee, and adherence to the procedures in [ADS 535, Real Property Management Overseas](#) and [6 FAM 730](#).

PLANNING

<p>LESSON 6: 60 Minutes</p>	<p>Introduction to Planning Foreign Assistance</p>
<p>MODULE OVERVIEW</p>	<p>This lesson introduces the topic of planning. It provides the broad context for foreign assistance strategies at the Joint USAID-Department of State Strategy level, down to the Bureau and Operating Unit levels, and alerts participants that planning is also required at the activity level. The lesson begins with a speed date exercise on the People, Policies, and Procedures involved in planning foreign assistance.</p>
	<ul style="list-style-type: none"> • Participants will have different levels of familiarity with the new planning procedures brought about by the foreign assistance reforms, particularly depending on whether they were involved in helping to prepare the Operational Plan. • Planning starts at a high, strategic level and over the course of several lessons, drills down to the activity level. <p>Ask Participants how many of them were involved with the 2007 Operational Plan, took the OP training course, or have access to the State/F OP Training Web site. Direct them to the PFA Learning Space for more information and links.</p>
<p>Opening</p>	<p>Opening</p>
 <p>SLIDE 2</p>	<p>SHOW Slide Two: Learning Objectives 🗣️</p> <ul style="list-style-type: none"> • To recognize that planning improves results. • To understand that planning foreign assistance results is informed by broader U.S. Government strategies. • To understand that foreign assistance planning is required at five interdependent levels <p>PROCESS OVERVIEW</p> <p>This lesson will last for about an hour and begin our discussion of planning at a strategic, inter-agency level. We'll review the people, policies and procedures that affect planning about foreign assistance, and we'll begin to discuss specific aspects of the foreign assistance reforms in the inter-agency context.</p>

	<p align="center">“Speed Date” Exercise: People, Policies and Procedures Related to Planning Foreign Assistance</p>
	<p>SAY: USAID defines planning as “the process that we use to identify appropriate results, develop approaches to reach them, assign needed resources, organize ourselves to achieve, and identify the means to measure progress.”</p>
<div data-bbox="237 684 370 789" data-label="Image"> </div> <p data-bbox="217 793 389 898">SLIDE 3 Speed Date Questions</p> <div data-bbox="250 1348 360 1453" data-label="Image"> </div> <p data-bbox="217 1457 389 1524">Speed Date Results</p>	<p>ASK: What does this mean to you? What’s involved in planning in the U.S. Government?</p> <p>PROCESS: Assign one topic (People, Policies, or Procedures) to each table. Ask participants to turn to a partner. Give all the pairs <u>three minutes</u> to brainstorm answers to their assigned topic.</p> <p>SHOW Slide Three: Planning “Speed Date”</p> <ul data-bbox="493 840 1396 991" style="list-style-type: none"> • Which <u>people are involved</u> in foreign assistance planning? • What <u>policies guide</u> foreign assistance planning? • What <u>procedures and systems are used</u> in foreign assistance planning? <p>DEBRIEF:</p> <p>Flipchart responses on three columns (pull flipchart stands together and tape one sheet horizontally across them). Starting with People, ask each pair to list two responses until you have a full flipchart. Do the same with Policies and Procedures.</p> <p>When finished (move through this quickly, sharing the flipchart work with the second Instructor), review answers of interest and use them to reference upcoming content, e.g.:</p> <ul data-bbox="444 1465 1429 1755" style="list-style-type: none"> • We’ll discuss who can be involved -- and when -- in planning, when we discuss organizational conflict of interest • We’ll start our policy discussion at the level of the National Security Strategy and then drill down to activity planning at the Operating Unit Level in a few moments • We’ll examine how and why planning procedures have changed, with Operating Units now planning the best <u>tactics</u> to use to achieve the Transformation Diplomacy goal in a given country.

	<p>ASK: What are the <u>USG</u> drivers of strategic planning at State and USAID? Can either agency conduct planning by itself?</p> <p>[Ans: State and USAID conduct planning in the context of higher level USG foreign policy strategies and goals. State and USAID planning <u>must</u> align with other USG strategies.]</p>
 <p>SLIDE 4 USG Levels of Programming</p>  <p>CD ROM</p>	<p>SHOW Slide Four : USG Levels of Programming which is also in their Workbook.</p> <p>POINT TO the Administration “Planning” cell that lists the National Security Strategy.</p> <p>EXPLAIN that, as a result of the National Security Strategy, development is one of three foreign policy tools utilized by the USG.</p> <p>ASK: What are the other two? [Ans: diplomacy and defense] Explain that the CD ROM contains the National Security Strategy, as well as the Joint Department of State-USAID Strategic Plan.</p> <p>SAY that elevating development to this importance has also increased the amount of scrutiny on USAID results and has led to the ongoing process of aligning development assistance programs and operations more closely with the Department of State and the Department of Defense.</p> <p>SAY that, below the level of the White House and Administration, foreign assistance planning is required at five levels, and each lower plan must align with higher level plans:</p> <ul style="list-style-type: none"> • The Inter-Agency level managed by the Office of the Director of Foreign Assistance • Department and Agency level • Bureau level • Operating Unit level • Activity level
<p>The Foreign Assistance Framework as a Planning Mandate</p>	
	<p>Continue explaining: And how does the Foreign Assistance Framework fit into our table?</p> <p>There are several critical elements to Foreign Assistance reform. The first has been the creation of the Foreign Assistance Framework and the Program Hierarchy that will affect the structure of planning and reporting in State and USAID.</p>



SLIDE 5-6
Foreign Assistance Framework

Hand out the new Framework and give participants a moment to get oriented. Then walk them through it on Slides 5 and 6.

Show SLIDE 5: Strategic coherence – New framework

Say: “As we look across the columns, we have Peace and Security, Governing Justly and Democratically, Investing in People, Economic Growth, and Humanitarian Assistance. The Peace and Security and Humanitarian Assistance objectives help foster the necessary conditions for economic and political stability, and therefore for progress. The three middle objectives work to overcome constraints and take advantage of opportunities to advance countries to the next stage.”

Show Slide 6: Strategic coherence - Country Categories

Say: The country category rows illustrate that the situations in countries are quite different and our assistance should be targeted accordingly.

Show Slide 7: Strategic coherence – Program Hierarchy



SLIDE 7
Program Hierarchy

EXPLAIN: Historically, USAID had reported on as many as 400+ Operating Unit Strategic Objectives in a given year. As a result, it has been difficult to aggregate results worldwide into a meaningful story for USAID’s overseers in the Administration and Congress. Furthermore, State and USAID did not even use common language to describe the programs they implemented (e.g. What is a Democracy Program?)

Describe: In order to collect standardized data, the Office of the Director of Foreign Assistance has developed a standard Program Hierarchy that will be used for the purpose of collecting and communicating standardized information on 1) whom we are partnering with, 2) how much money we are giving them, and 3) what are we getting for the money.

The Program Areas, Elements, Sub-Elements and Standard Indicators of the Program Hierarchy provide a complete and focused listing of what we are doing in Foreign Assistance. For example, **on the Framework**, included under the Investing in People Objective, there is a Program Area of Education; within the Education Program Area, there is a Basic Education Program Element; and under that are ten different education Sub-Elements, one being Primary Education and another Literacy and Numeracy for Adults; under these are standard indicators, for example:

- Number of learners enrolled in USG-supported primary schools or equivalent non-school-based settings by Male and Female
- Number of adult learners enrolled in USG-supported schools or equivalent non-school-based settings by women and men
- Number of teachers/educators trained with USG support by women and men

Emphasize: The hierarchy depicts WHAT you do with appropriated foreign assistance resources, not how – the tactics that determine how you will implement your program are up to the Operating Unit.

But what about the “WHY”? The program areas, elements and sub-elements that fall under a program objective do not cover all uses of foreign assistance that might contribute to the objective or the “why” we might fund certain sub-elements.

For example, the program areas, elements and sub-elements under the Peace and Security Objective are related principally to the types of activities and issues that are of interest to the security sector, including the military and police. It does not include all uses of foreign assistance that might contribute to peace and security, such as the delivery of food during a crisis.

In addition, State/F is currently drafting the first ever Foreign Assistance Strategy that will cover the implementation of foreign assistance resources USG-wide. This strategy is expected to be available in the spring of 2007. It will guide the development of in-country strategies and further develop the Foreign Assistance Framework and Program Hierarchy. It will go into more detail about USG objectives in foreign assistance than is contained in the JSP, but will be wholly consistent with that over-arching document.

	<p>SAY In addition to providing you with an overview of programming at the five levels, the Levels of Programming table reveals several places where planning is required by law. Many of these are required processes for GPRA or other statutory requirements. Let's look at each of them.</p>
<p>The Joint Department of State-USAID Strategic Plan</p>	
 <p>SLIDES 7 and 8</p>	<p>Introduce the Joint State-USAID Strategy in order to continue drilling down to USAID's planning process. Refer participants to the Joint Strategic Framework in their Workbooks.</p> <p>EXPLAIN that all Federal Agencies are required to have a Strategic Plan. In 2002-2003, OMB required USAID and the Department of State to develop a joint strategic plan. This was a collaborative process that resulted in the current strategic plan for the period 2004-2009, which has now been revised for 2007-2012 and is now pending final approval. All of State's and USAID's strategies – at any level– must align with this Joint Strategic Plan. The Joint Strategy is aligned with the Foreign Assistance Framework.</p> <p>Acknowledge that participants may be wondering about Foreign Assistance reform and how it relates to the Joint State/USAID Strategic Plan. Refer back to earlier slides:</p> <p>Show Slide 7-8: Strategic direction – Program Hierarchy</p>
	<p>EXPLAIN: Foreign <i>Affairs</i> is broader than Foreign Assistance alone. The Foreign Assistance Framework – as modeled by the original pyramid – does not cover two additional objectives important to the conduct of foreign affairs: Promoting International Understanding and Strengthening Consular and Management Capabilities. In other words, foreign assistance is a sub-set of foreign affairs, and the Foreign Assistance Framework is a subset of the Foreign Affairs hierarchy although we often think of these as principally State objectives. USAID also helps achieve these two objectives through public outreach and management functions.</p>
<p>Other GPRA Requirements in addition to the JSP</p>	

 <p>SLIDE 4 USG Levels of Programming</p>	<p>RETURN TO SLIDE 4 Levels of Programming TO FINISH quickly!</p> <p>Agency Budget Submission to OMB: Planning for the annual Agency Budget Submission to OMB involves the incorporation of budget submission information into an overall program and budget plan for individual bureaus. We'll discuss this more detail in the Budget lesson.</p> <p>Performance Budget (formerly the Annual Performance Plan – APP – now the Joint Performance Plan -- JPP): The PB updates the Joint Strategic Plan on a yearly basis and contains the most current articulation of Agency performance goals, performance measures, baseline data, targets, and development tactics for all Agency goals. The purpose of the PB is to plan results and performance measures that justify the Agency budget request for the following year. The PB describes how resource allocation decisions are made to achieve ASP goals and the methods used for performance reporting.</p> <p>Performance Accountability Report (PAR): The PAR is the agency's "annual report" and informs the President, Congress, and public about results and financial accountability in the most recently completed fiscal year. The PAR addresses progress in meeting the targets set in the APP submitted two years earlier to cover that particular fiscal year.</p> <p>In addition to these Agency-level documents, some Operating Units must submit additional planning documents due to Inter-Agency relationships, e.g., in the Europe and Eurasia Bureau and HIV/AIDS programs.</p>
	<p>Planning at the Operating Unit Level</p>
	<p>The last and perhaps most critical planning advancement out of foreign assistance reform is the Operational Plan. This is one of the key planning requirements for all operating units. Operational Plans are designed to link <i>planned</i> funding to <i>planned</i> activities, to <i>planned</i> results – and will answer five key questions.</p> <ul style="list-style-type: none"> • First, for every dollar we are investing, who is our partner in putting this foreign assistance money to work? • Second, how much money is each partner receiving to implement each program?

	<ul style="list-style-type: none"> • Third, what have they and we agreed they will do with the money that is being invested? • Fourth, what have we mutually agreed will be achieved as a result of that investment? • And finally, how does the achievement of those planned results relate to our overarching strategic objectives?
 <p>SLIDE 9 Budget Bumps</p>	<p>The Operational Plan is both a budget plan and programming plan, and it is our attempt to follow the PMA priority of budget and performance integration. In each of the questions being answered above there are interrelated planning requirements. For example,</p> <p>SHOW Slide Nine : Budget Bumps: Use of FY Appropriations to Achieve Foreign Assistance Results</p> <p>...operating units will now use their Operational Plans to plan for the use of the budgets they are allocated in one fiscal year that will achieve results by the end of the immediately following fiscal year. We will be discussing this diagram and the broader topic of Operational Plans again later in the course under the Operational Plan Lesson, the budget lesson and the performance lesson.</p> <p>The results and budget planning done in the Operational Plan will become a critical aspect of our Performance Budget to OMB.</p> <p>We'll have a separate lesson on the Operational Plan coming up, and we'll also talk about the Mission Strategic Plan process now underway.</p>
WRAP-UP AND NEED TO KNOW	
	<ul style="list-style-type: none"> • Planning is the process of identifying appropriate results, developing approaches to reach them, assigning needed resources, organizing ourselves to achieve, and identifying the means to measure progress. • Foreign Assistance planning is required at five levels: Inter-Agency, Agency, Bureau, Operating Unit, and Activity. • Foreign Assistance planning must align with USG planning.

<p>LESSON 7: 45 Minutes</p>	<p>Overview of Strategic Planning</p>
<p>MODULE OVERVIEW</p>	<p>This lesson introduces the process flow and inter-relationship of strategic planning from the Joint Strategic Plan to the Mission Strategic Plan and Operating Unit Strategy Statements to Operational Plans, and acquaints participants with the issue of strategic and tactical choice. The lesson explains how Operating Units must identify strategic and tactical priorities based upon available resources and mandates from the Administration, Congress, and the Department of State, as well as their understanding of local challenges and opportunities – such as opportunities for public-private alliances.</p>
	<ul style="list-style-type: none"> • The Costa Brava case study is introduced in this lesson and will recur throughout the course.
<p>Opening</p>	
 <p>SLIDE 2</p>	<p>SHOW Slide Two: Learning Objectives ☞</p> <ul style="list-style-type: none"> • To understand that State and USAID’s strategic planning policy and procedures are under revision • To understand that the USG overall and individual Operating Units must make strategic choices based on mandates and priorities <p>PROCESS OVERVIEW:</p> <p>As we continue to drill down through the planning process, this lesson introduces the Costa Brava case study and key slides that illustrate the alignment of planning processes from the Joint Strategic Plan of the Department of State and USAID, down to the Operating Unit level. For the next hour or so, we’ll discuss more about these inter-agency planning processes, and how they should help advance host country plans and priorities to the maximum extent possible.</p>
<p>USAID’s New Strategic Planning Process</p>	
 <p>SLIDE 4</p>	<p>SHOW Slide 3: ☞ Strategic Planning and Reporting Process map</p> <p>REFER participants to the same Strategic Planning Process Map in their Workbooks.</p>

	<p>SAY This illustrates the new strategic planning process for U.S. Foreign Assistance. Let's start at the bottom of the slide and look at some of the key issues and drivers. Explain that these are the issues that have led to many of the Foreign Assistance Reforms underway at present. We'll deal with the consultation question in a moment.</p> <p>Emphasize that the Joint USAID-Department of State Strategic Plan and the Foreign Assistance Strategy now under development are the "starting point" for all the planning we do in the foreign assistance program.</p>
 <p>Contents of the Mission Strategic Plan and Operating Unit Strategy Statements</p>	<p>Point to second "lozenge," regarding the Mission Strategic Plan and Operating Unit Strategies, both of which are longer-term documents than the one-year Operational Plan, and provide a more strategic, long-term view of what the USG can achieve over time.</p> <p>Ask participants what they think would be good content elements for an Operating Unit strategy. Flipchart responses, which might include content areas such as:</p> <ul style="list-style-type: none"> • Description of the country setting • Why the USG should be in the country • Host government priorities and plans • What the USG has done historically in the country • Needs that the USG will address and how • The roles of different USG agencies • What other donors are doing • Resources that are required to do the work • Opportunities for strategic alliances • The <u>RESULTS to be achieved</u> in the strategy period! <p>Acknowledge these responses and explain that work on Mission Strategic Plans and the guidance for OU strategy statements is under discussion, but these are the types of issues that Operating Units will have to build into their plans. In brief, the Mission Strategic Plan will include the foreign assistance programs of all USGs at post and will show how the U.S. Mission's strategy will unfold as foreign assistance helps countries move from one development category to another. As will be described in the next lesson and in a slide in your Workbook, the MSP will also provide the framework and long-term results that will be necessary to determine whether the consecutive Operational Plans are achieving any long-term results. State/F and USAID are currently working on the exact format and process for the MSP.</p>

	<p>Point to third “lozenge,” and describe the way in which State/F communicates this budget and Program Element information via the “sushi menu.”</p> <p>SAY Recall the Program Hierarchy. Here is an insider’s tip: When presented in list form to inform Operating Units of their budget to the Element level, the Standardized Program Structure and Definitions is jokingly referred to as the “sushi menu” in F.</p> <p>Casually point them to the Sushi Menu at the back of their Workbook. Most people in the room should be familiar with it, but it will be useful for later exercises using the case study.</p>
	<p>ASK When does this happen? When do you receive the Sushi Menu with your budget and Program Element information?</p> <p>[ANS: Shortly after the Operational Plan Guidance goes out, or at other possible points in the budget formulation process, e.g., the submission to OMB which we will talk about in the Budget lesson.]</p>
 <p>Venn Diagram to illustrate overlap with host country</p>	<p>Set up the case study exercise by drawing a Venn Diagram with two overlapping circles. Explain that one of the most important planning decisions an Operating Unit must make is how to align their tactics with Host country development plans, priorities, and local conditions.</p> <p>Label one of the circles “USG priorities” and the other “Host Country plans and priorities.” The overlap is where the mission plans its tactics. Draw another Venn diagram with the overlap at a different place to illustrate that there are different tactical choices involved, based on different areas of overlap in different country contexts.</p>
<p>Introduction to the Costa Brava Case Study</p>	
	<p>Direct participants to the Costa Brava Case Study in the Workbook. SHOW <u>Slide Four</u>: Case Study Exercise directions 🗨️</p> <p>TASK:</p> <ul style="list-style-type: none"> • Read the case study silently • Prepare a team flipchart with the following: <ul style="list-style-type: none"> • Costa Brava’s country category • the Functional Objective focus of the case narrative • the Program Area that is the focus of the case • information you would need to know about local priorities in order to make tactical choices at post • partners who should be invited to an in-country consultation to discuss U.S. Foreign Assistance to Costa Brava in this Program Area, and your rationale for inviting them.

	<p>DEBRIEF:</p> <ol style="list-style-type: none"> 1. ASK everyone in plenary to confirm via the case and Framework: <ul style="list-style-type: none"> • the Functional Objective (Economic Growth) • the Program Area (Financial sector) • Host country priorities 2. Ask Each table to report out on: <ul style="list-style-type: none"> • The Element and Sub-element they selected • Two partners (or partner categories) they will invite to their consultation and why • Specific areas the Mission would want to examine for potential public-private partnerships and how they would go about exploring these opportunities further 3. ASK participants should they invite potential alliance members now, or if it would be wiser to wait until there is more clarity on the tactics the USG will pursue in Costa Brava? Why?
 <p>GDA Potential</p>	<p>SAY Consultation is required in the planning process, but the FY 2007 Operational Plan Guidance did not specify how this consultation should occur. <u>This is up to the Operating Unit.</u> A key concern is to elicit useful input while also managing stakeholder expectations. One way to deal with this concern is to explain to stakeholders that the mission must adhere to certain planning mandates as illustrated in the Framework.</p> <p>ASK: What's the difference between a consultation and a briefing? [Ans: A briefing is a process of informing participants about decisions or actions; a consultation is a conversation in which we ask for input and demonstrate a willingness to consider the views of stakeholders.]</p> <p>CONCLUDE by noting that in Costa Brava, as in most countries, there are more needs and challenges than the USG can address. Therefore, it's necessary to set priorities for the USG response, a ranking process that should leverage opportunities as much as possible. The Mission, Embassy, and Washington have roles in setting those priorities, with State/F driving the strategic decisions and the U.S. Mission in country driving tactical decisions.</p> <p>We'll return to Costa Brava throughout the course. For now, let's continue to drill down to the Operating Unit planning process.</p>

	<p>Conclude the exercise by reminding participants: The Operational Plan is not your mission’s strategy document. It is a snap-shot of one budget year – the current one – in a longer-term plan to move the country to the next country category or higher within its own country category. We will be discussing Operational Plans in detail shortly.</p>
<p>Wrap-Up and Need to Know</p>	
	<ul style="list-style-type: none"> • Foreign Assistance planning needs to align with the Joint State-USAID Strategic plan, as well as with local priorities and plans. • Consultation is required in planning, and is consistent with good development practice.

<p>LESSON 8: 45 Minutes</p>	<p>The Operational Plan</p>
<p>MODULE OVERVIEW</p>	<p>One of the biggest changes with FA reform has been the addition of the Operational Plan.</p>
	<ul style="list-style-type: none"> • This is a radical, disruptive, time-consuming, new approach. We shouldn't hide from that. Trainers will need to be more than instructors – we'll need to be candid with our colleagues and convincing advocates for the new approach. While being positive about the benefits of improved implementation and effectiveness, we also need to acknowledge that this first year in particular will be difficult.
	<p>Opening</p>
 <p>SLIDE 2 Learning Objectives</p>	<p>SHOW <u>Slide 2</u>: Learning Objectives ☺</p> <ul style="list-style-type: none"> • To understand the purpose of the Operational Plan • To examine the people, policies and procedures involved in producing the Operational Plan • To understand the primary content of the Operational Plan • To learn how the Operational Plan will be reviewed <p>PROCESS OVERVIEW: This lesson drills down deeper into the topic of the Operational Plan and provides detail on its purpose and content. This lesson is not intended to replace the Operational Plan training that will recur this year for the FY 2008 Operational Plan.</p>
 <p>SLIDE 3 Role of Operational Plan</p>	<p>ASK: How many of you helped prepare your Operational Plan? Acknowledge responses and say you'll invite their comments during this lesson.</p> <p>Show <u>SLIDE 3</u>: The Role of the Operational Plan ☺</p> <p>Why dedicate so much time in this workshop to the Operational Plan? Because it is the key new business practice that will make or break the success of foreign assistance reform.</p> <p>Say: The Operational Plan is used to capture the tactical implementation of the new strategic direction laid out in the Mission Strategic Plan and Operating Unit Strategy Statement.</p> <p>Refer participants to the explanatory text in their Workbook, reproduced here:</p>

	What's It For?
	<p>Two of the most important aspects of Foreign Assistance Reform are that 1) Foreign assistance will be harnessed to achievement of national objectives, and 2) All agencies, under the leadership of the Department of State and Ambassadors in-country, will work together towards achieving these goals. This approach will help focus foreign assistance efforts, which have often been criticized as too diffuse to have a significant impact. Several tools, specifically the Mission Strategic Plan (MSP) and the Operational Plan, among others, have been or are being developed to help address this criticism.</p> <p>The first tool to be introduced is the Operational Plan. This was important, from a tactical standpoint, since it links current year activities on the ground with the Joint State-USAID goals and objectives, and with budget requests sent to Congress. From the Operational Plan, particularly once it has been rolled up from each mission to an overall plan, one can gain a perspective on how the US Government is addressing global problems, how the appropriated funds will be spent, and what will be accomplished with each year's tranche of funds. The Operational Plan is thus the pivot on which Foreign Assistance Reform turns. While the first MSP will be introduced after the first Operational Plan is submitted, it provides the out-year planning framework, and the longer term strategy and vision that provide direction to budget formulation and the future structure of the Operational Plan.</p> <p>The Operational Plan plays a crucial role. It is a detailed proposal for activities, partners to be funded, and results to be achieved. The OP is where each post presents what it determines to be the best use of the funds that State/F has allocated to the post. The OP is where USG agencies integrate their tactics into one proposal for the use of foreign assistance. The OP is where USG agencies must link funds and activities to expected outcomes.</p> <p>The Operational Plan also serves as the instrument for collecting standardized data about foreign assistance programs. The OP provides the data to populate the F database known as the Foreign Assistance Coordination and Tracking System, or "FACTS." The FACTS database will be used to answer most questions posed by the White House, Congress, and the public, such as the allocation of appropriated funds among foreign assistance Objectives and Program Areas.</p>

	<p>Note that, by design, the Operational Plan is not strategic: 1) It only covers a single fiscal year's funds, making it difficult to track progress towards multi-year goals, and 2) It only reports on outputs, not higher level outcome results: Thus, it is tactical, not strategic. The next important planning tool that will be introduced will be the Mission Strategic Plan, which will show how the Mission's strategy will unfold as foreign assistance helps countries move from one development category to another. The MSP will also provide the framework and long term results that will be necessary to determine whether the consecutive Operational Plans are achieving any long term results. State/F and USAID are currently working on the exact format and process for submitting the MSP.</p> <p>Perhaps most significantly, the Operational Plan is intended to be a joint planning tool, bringing together in one place, the USG Agencies that play a major roll in implementing U.S. foreign assistance, and this is a monumental, fundamental change for our Agencies.</p>
	<p>Say As we noted in the Opening to the course, the FY 2008 Operational Plans will be prepared to cover almost all the foreign assistance accounts appropriated by Congress to USAID and the Department of State. For example, all countries will prepare integrated plans and State functional bureaus that administer foreign assistance programs (e.g., Population, Refugees and Migration; Democracy, Human Rights and Labor; International Narcotics and Law Enforcement) will prepare Operational Plans for FY 2008.</p>
	<p>Who's Involved?</p>
	<p>The Ambassador, Mission Director, or USAID Assistant Administrator (for USAID/W Operating Units) will assign an individual to the role of Operational Plan Coordinator (OPC). The OPC could very well be the most important person in the Operational Plan process. The OPC will handle day-to-day management of the Operational Plan and should be appropriate to that roll.</p> <p>It takes a group effort to produce the Operational Plan. Many different kinds of staff will be involved with this effort. The Operational Plan Coordinator should be the main person in charge of producing the Operational Plan, but this process will take a lot of effort and it will need more staff to be involved.</p> <p>Ask: Who are some of the <u>other</u> staff who would be involved? Flipchart and acknowledge responses, being sure the list includes:</p>

 <p>Who participates in the Op Plan</p>  <p>SLIDE 4 Who Participates?</p>	<p>Ambassador/AA/Mission Director Operational Plan Coordinator Program Officers Technical advisors Acquisition and Assistance Officer (A&A) Executive Officer (EXO) Controller Legal Embassy section officers Allocation Teams</p> <p>Reveal <u>Slide 4</u>: Who Participates? 🗨</p>
	<p>Say: In producing your Operational Plan, you need to be aware of the roles of the host country government and implementing partners in the development of the Operational Plan.</p> <p>As we saw in the case study exercise, depending on the Program Area or Element, it will be necessary to have discussions with the host country government regarding the USG implementation plans and ensure that these plans are in line with the host country government plans.</p> <p>Implementing partners should be involved in producing information for entry into the Operational Plan.</p> <p>Institutional Contractors may be employed to help with the collection of data from partners, etc. but should not be involved with the direct entry of information, or have access to the FACTS data system.</p>
<p>Key Content of the Operational Plan</p>	
 <p>SLIDE 5 Key Content</p>	<p>Reveal <u>Slide 5</u>: Key Operational Plan Content 🗨</p> <p>Discuss content areas quickly and explain the annual Operational Plan Guidance will provide specific instructions on content:</p> <ul style="list-style-type: none"> • Operating Unit Overview • Program Area and Element Narratives • Information for each Implementing Mechanism (Prime Partner Name, Implementing Mechanism Name, Location and Type; Sub-partner information) • Current year activities for each Implementing Mechanism (Indicators/targets, target population, key issues, planned funding, fund account, benefiting country, etc.) • Program Support

	<p>Point out the repeated emphasis on “Implementing Mechanisms,” which are essentially the instruments that we will use to fund our programs, whether through support to the host government, UNICEF or another international organization, or implementing partners who compete for our funds. We’ll discuss these implementing mechanisms later when we discuss Pre-Obligation and Activity Planning and during our discussion of Acquisition and Assistance. For now, we will focus on the general purpose of the Operational Plans, rather than specific content areas.</p>
	<p>Say: The Operational Plan governs the implementation of U.S. Foreign Assistance, and will eventually replace the foreign assistance planning systems of each agency. The Operational Plan is <u>NOT</u> a financial management system, workforce planning system, operating expense planning system, acquisition and assistance system, or field management information system.</p> <p>It does <u>NOT</u> cover systems created to track obligations for particular activities, such as USAID’s microenterprise report – at least not yet! It is <u>NOT</u> a reporting tool for FY 2006 or FY 2007 results, nor does it plan for the out-year budget (2008 or 2009). The FY 2007 Operational Plan is fundamentally a planning tool for the use of FY 2007 resources to achieve results during FY 2008.</p> <p>It <u>does</u> include the foreign assistance information from the Mission Performance Plan (MPP), USAID’s Annual Report (AR), the On-Line Presidential Initiatives System, and other systems. The Operational Plan requires that dollars be linked to implementers and linked to the results that will be achieved by implementers.</p> <p>In addition to collecting information for the Operational Plan, FACTS will also be used to gather actual results through a separate process – the Annual Performance Report – that we will discuss later.</p>
 <p>SLIDE 6 Budget Bumps</p>	<p>SHOW Slide Six: Use of FY Appropriations to Achieve Foreign Assistance Results (Budget Bumps)</p> <p>Say: The Operational Plan is a plan <u>ONLY</u> for describing the tactics an Operating Unit proposes to employ for use of the <u>current</u> year resources. There are several critical things to understand about the information this Plan contains. For example, for the current year funding, what assumptions are being made about achievement of results? The color for the year (say blue) generates results in the next year (the blue bump is in the ‘08 section). Note how colors blend (blue and yellow make green, etc) when money from multiple years is generating the results.</p>

	<p>In other words, it would be impossible to say, “that little girl was educated using ‘07 funds, and that other little girl was educated using ‘08 funds.” So the assumption being made is that the results achieved in a particular year are achieved primarily with the resources from the immediately preceding fiscal year. It also means we are re-defining the definition of “result” to include something measurable within one year of an appropriation, realistically, “output” level results.</p>
Review of the Operational Plans	
	<p>Once Operational Plans are submitted, they are reviewed through an elaborate, inter-agency process involving many people in F, State, and USAID. The objective of the reviews is to provide approval or suggested revisions (that better support Foreign Assistance objectives) so that the Operating Unit may begin implementing the Plan to program foreign assistance.</p>
	<p>As described in the Operational Plan Guidance issued last October the Operational Plan Reviews seek to answer three primary categories of questions:</p> <p>Strategic</p> <ul style="list-style-type: none"> • Does the Operational Plan adequately address the Foreign Assistance Framework? • Does it clearly reflect the transformational diplomacy goal? • Is the plan consistent with the country category designation? • Are the chosen activities appropriate to fill gaps and to enable the country to advance to a higher country category or graduate from foreign aid? <p>Implementation</p> <ul style="list-style-type: none"> • Is the plan for implementing the FY2007 budget consistent with the Secretary’s decisions on the FY2008 budget request? • What are the implementing mechanisms? Is there a diverse partner list? • Does the plan strengthen the capacity of indigenous partners to play a role in implementing the programs? • Are the workforce requirements and management controls consistent with the expected results? • Does the plan reflect significant results for the funds to be invested?

	<p>Synthesis</p> <ul style="list-style-type: none"> • Does the plan reflect an integrated cross-Agency approach for Fast-Track countries? What offices or Agencies participated in the drafting of the plan? • Does the plan incorporate best practices and lessons learned at the country, regional, and global levels? • Does the plan take into consideration major activities of other USG agencies, donors, and implementing partners working in the same or related areas to ensure coordination and not duplication? • Does the plan allow for a robust assessment of program performance at all levels? Are indicators and targets appropriate to measure success? <p>Technical Reviews of FY 2007 Country and Regional Operational Plans: The reviews will be organized along the five Objectives of the Foreign Assistance Strategic Framework and will accomplish one main goal:</p> <ul style="list-style-type: none"> • To assess, within dollar levels provided to the operating unit for the objective, area, and element, whether the proposed program maximizes impact on that functional objective, reflects best practices, and aligns with the Secretary’s Transformational Diplomacy goals. <p>The results of the technical review will be provided to the program review teams, and used in further analyses throughout the Operational Plan review process to help guide senior-level decision making.</p> <p>Program Reviews of FY 2007 Country and Regional Operational Plans: The program reviews will ensure that foreign assistance resources are coordinated for maximum impact, appropriately linked to foreign policy objectives, and supportive of an integrated country strategy. The program reviews should answer the following questions:</p> <ul style="list-style-type: none"> ➤ Does the program and allocation of resources within the Operational Plan convey an integrated strategy and tactics for helping advance the Transformational Diplomacy Goal in that country or region, given level of funds provided and country circumstances?
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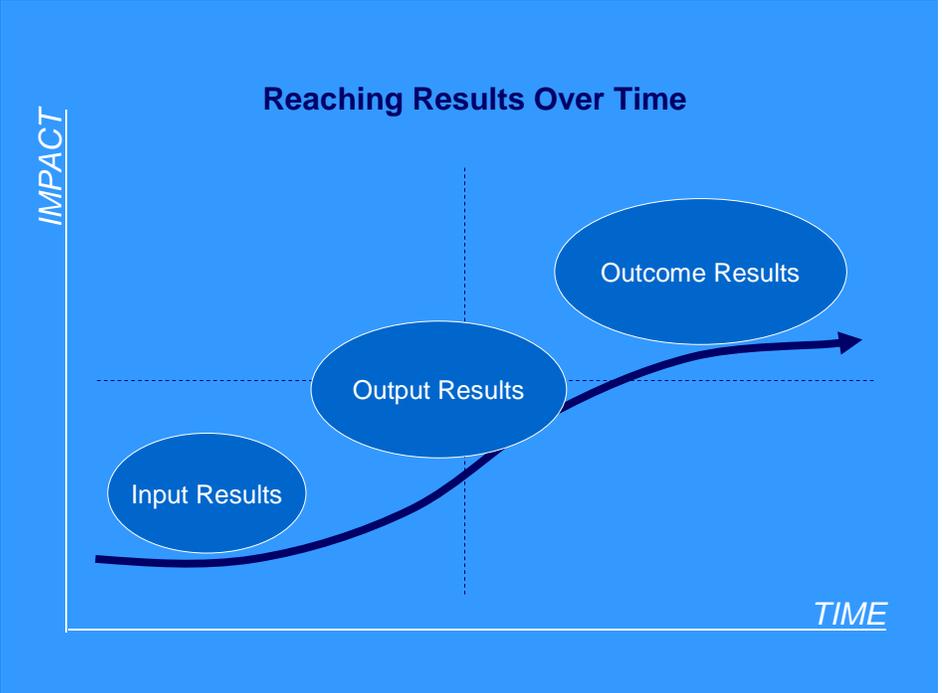
	<ul style="list-style-type: none"> ➤ Does the program and allocation of resources within the Operational Plan represent the best combination to make progress (e.g., performance) towards attaining the Goal? If not, what do we recommend to do about it and over what time frame? (Note: Answering this question draws in part upon the findings of the technical reviews.)
	<p>The program review process will:</p> <ul style="list-style-type: none"> ➤ Resolve as many issues as possible; ➤ Identify regional trends and key issues for future planning; and ➤ Recommend to Ambassador Tobias approval, rejection or modification of Operational Plans or parts thereof, and any needed follow-up action. <p>Approval of the Operational Plans is an essential step to preparing Congressional Notifications (CNs), releasing funding for operating units' plans and establishing agreement on the level of performance that will be attained by the release of funds to individual Operating Units, regions and ultimately world-wide.</p>
	<p>Say: Operational Plan approval is not the end of the process. The Operational Plan is a living document that will be updated throughout the year as more information is known about the program. Although the Operational Plan is not a financial system, as we move through the year and data is updated, the data contained in the Operational Plan should bear some close resemblance to the data contained in each Agency's financial systems.</p>
Wrap Up and Need to Know	
	<ul style="list-style-type: none"> • Operational Plans are one of the most significant changes in the ongoing foreign assistance reforms. • Operational plans are the vehicle we use to describe the specific tactics to be used in programming foreign assistance. They are both program planning and budget planning documents, which will be entered in a database called FACTS. • They must align with higher level planning mandates, and should also align with host country priorities.

<p>LESSON 9: 45 Minutes</p>	<p>Results Statements</p>
<p>MODULE OVERVIEW</p>	<p>This lesson introduces participants to the challenge of “making results explicit” and engages them in evaluating results statements against criteria linked to management and reporting need. The lesson includes lecture, slides and tabletop discussions and lays the foundation for the next lesson in which participants will learn how to build a Results framework comprised of effective results statements. There are two slides in this lesson: the Learning Objectives and Reaching Results Over Time (“S curve”) graphic.</p>
	<p>Facilitator Note: History Lesson on Log-Frame and Results Statements at USAID</p>
	<p>Prior to 1995, USAID used a tool to design projects called the Logical Framework (or log-frame, LF). So useful was this tool in designing projects that it was adopted by many other international organizations such as GTZ and the IDB and is still in use by them today.</p> <p>Despite its advantages in project design, the log-frame was not as useful at pin-pointing the problem that needed to be solved, nor was there a great deal of flexibility built into it to allow for changing circumstances, or to consider the impact of investments and interventions not funded by USAID .</p> <p>Because of its short-comings, USAID abandoned the Log-frame and developed a tool called “Results Frameworks” (or “RF”). This tool was very good at identifying the longer term (say, 5-year) problem to be solved, and all the little problems that needed to be solved along the way to solving this long-term problem (the development hypothesis), including those NOT funded by USAID. In fact, the RF is so useful at identifying the steps necessary to solving a problem, that through its use in USAID, it has been adopted by several governments to manage donors all addressing the same problem.</p> <p>Unfortunately, the RF had three shortcomings: 1) it was not so strong at telling you if solving that problem would advance the</p>

	<p>country, 2) it was not at all useful for designing the actual activities one needed to implement in order to solve the problem, and 3) it was not uniformly used across the Agency to identify the problem to be solved within the defined time period (e.g. E&E developed a menu that never changed regardless of the context-specific problem to be solved, thereby reducing the utility -- and support -- for the tool in E&E) . By the mid-2000s there was so little rigor in the design of SOs, and they had become so general, that USAID came under attack for being unable to explain their objectives.</p>
	<p>Clearly, the foreign assistance reforms of 2006 were enacted in part to focus on advancing countries and being able to clearly explain the objectives of foreign assistance. However, these reforms are still only addressing how one conveys this information to others. The reforms do not provide Operating Units with any new tools for determining the tactics the OU will use.</p> <p>You need a theory in order to know what tactics to choose. And the Results Frameworks do help you develop that theory and can help you identify your tactics. It is a planning and design tool that utilizes your knowledge of development theory and local conditions; it is not a reporting tool. AND you still need a tool, such as the Log-Frame, that can be used to develop specific Scopes of Work and budgets.</p> <p>The opportunity presented to us with the reforms is a chance to align these former and current tools into one seamless programming process: What country category are we in, what areas of focus are necessary to advance the country within its category or to the next category, what are the specific problems that need to be solved within those areas and what is our theory of how to solve them, and how will we design our projects to implement our theory?</p> <p>We are presented with an opportunity to use results frameworks in their purest form, without the incentive to generalize them for financial management reasons, and to bring back the log-frame for the sensible design of projects.</p>

 <p>SLIDE 2</p>	<p>Opening</p> <p>SHOW Slide 2: Learning Objectives ☺:</p> <ul style="list-style-type: none"> • To understand key terminology about different levels of results • To understand the characteristics of effective results statements, including effective problem identification. <p>PROCESS Overview:</p> <p>For the next 45 minutes or so, we'll review the importance of clearly articulating the results we seek to achieve, and then learn design methodologies to help us construct programs to achieve them. We'll have lecture, slides, and some quick exercises.</p>
 <p>Output Results and Outcome Results</p>	<p>Discussion</p> <p>SAY that we need to be clear about what we mean by "result." What do you think is the difference between an output result and an outcome result? And what's an input?</p> <p>FLIPCHART responses and then read the definitions below:</p> <p>Output Result</p> <p>A tangible, immediate, and intended product or consequence of an activity within the USG's manageable interest. Examples of output results include people fed, personnel trained, better technologies developed, and new construction. Deliverables included in contracts will generally be considered output results, as will tangible products and consequences of USAID grantees.</p> <p>Outcome Result</p> <p>A significant, intended, and measurable change in the condition of a customer, or a change in the host country, institutions, or other entities that will affect the customer directly or indirectly. Outcome results are typically broader than USAID-funded outputs and require support from other donors and partners not within USAID's control.</p>

	<p>In the last lesson, in the diagram with the “bumps,” we briefly discussed two important assumptions made by Amb. Tobias to facilitate the use of the Operational Plan as a one year tactical plan:</p> <ol style="list-style-type: none"> 1) the bulk of our resources will achieve the bulk of our “results” by the end of the next fiscal year, and 2) We therefore have to define a “result” to be something one can achieve within the immediately following fiscal year, which means basically an “output.” <p>Emphasize Because of the magnitude of the Operational Plans, it appears that the current foreign assistance reforms focus in large part on measuring and rigorously accounting for the <u>outputs</u> our programs produce with specific appropriations. We do this on an annual basis through the Operational Plan. However, over time, these outputs lead to results, or outcomes. These are not captured through the Operational Plan, but will be captured elsewhere and it is incumbent upon State/F to demonstrate the accumulated impact of these outputs on the achievement of real outcomes. But reaching these significant results requires achievement of results at the activity level first, or “outputs.”</p>
<p>Discussion: Reaching Different Kinds of Results Over Time</p>	
	<p>Hand out the “Reaching Results Over Time” S curve graphic.</p> <p>Explain: Over time, we want to mobilize inputs to achieve outputs that lead to outcomes, or results. At each level, we have different types of results, which have different levels of impact (point to left axis). Mobilizing inputs to start a program is a result, but it’s a very low level result. Yes, the implementer hired staff and opened an office and now has all its operations in place. They achieved that “result,” hopefully on schedule according to their workplan. Outputs are also results, and they have more impact. And then, the most significant results, which may take many years to achieve, are outcome results.</p> <p>But how do you get there? You’ve been told what Program Areas and Program Elements to work in. Have you been told what your specific problem-to-solve is? No. Have you been told what tactics to use? No. In the Program Area you’ve been told to work in, it’s up to <u>you</u> to decide what the issues are, and what needs to happen to address the issue. To do this, you are going to need to identify the problem you want to solve and develop a theory or hypothesis for how the problem gets solved.</p>

	<p>DRAW the “S” curve and discuss:</p> <p>The bottom area of this diagram represents a problem that USAID is going to address (e.g., low household incomes). At the other end of this curve we have an improved situation (household incomes increased). In the beginning, as you initiate your program, the curve is flat as few outcomes are being achieved (most of the effort is being spent setting up the project, etc), but picks up as we move through time achieving (prerequisite) results.</p> <p>The path we follow to get to the improved situation represents our theory of how development has to happen, i.e., what we need to do to increase household income. To be able to achieve the improved situation, it helps to state it as a result. This is your “Transformational Development Hypothesis”: the set of transformations that have to transpire to advance a country within its country category or to the next country category.</p>
	
<p>Exercise: Output Result or Outcome Result?</p>	
	<p>REFER Participants to their Workbook. Read the instructions out loud.</p> <p>TASK: Read the assigned scenario and answer the questions with your table team. Identify the output and outcome results.</p>

<p>15 min.</p> 	<p>DEBRIEF the exercise.</p> <p>NOTE that for example 3, the polio immunization program, the intent is to elicit discussion on “manageable interest,” i.e., USAID frequently collaborates with other donors and development actors, but can only be held accountable for output and outcome results within its own manageable interest.</p>
	<p>Set up the next exercise by reminding participants that, part of managing for results is <u>making these results “explicit.”</u> Exactly what are we trying to achieve? Do my partners inside and outside of the USG understand the result I’m working toward?</p> <p>In order to make results explicit, we need to formulate good results statements – whether for output or outcome results.</p>
<p>Exercise: Effective Results Statements</p>	
<p>20 min.</p>  	<p>REFER participants to their Workbooks. Tell them to review each pair of statements, select the more effective statement, and develop a list of characteristics that make results statements effective.</p> <p>[Note: Answers are in their workbook so don’t let them look ahead. The last pair contains two good results statements, but one is at the output result level while the other is an outcome result. Neither is better than the other; it’s a matter of level of impact.]</p> <p>FLIPCHART the “why more effective” answers, e.g., measurable, time-bound, not overly ambitious given our resources, etc.</p> <p>REFER participants to their Workbook, Characteristics of Good Result Statements. Compare and contrast to the Flipchart list with the “Poor” and “Better” examples and discuss.</p>
<p>Wrap-Up and Need to Know</p>	
	<ul style="list-style-type: none"> Effective results statements are clear, realistic, and measurable; and are the highest level result that the Operating Unit, along with its partners, can materially affect and for which it is willing to be held accountable.

<p>LESSON 10: 90 Minutes</p>	<p>Results Frameworks</p>
<p>MODULE OVERVIEW</p>	<p>Participants learn that Results frameworks are a key planning and design tool in programming foreign assistance. Table teams have the opportunity to build a Results framework based on the Costa Brava case study.</p>
	<ul style="list-style-type: none"> • This lesson retains the basic methodology of Results Frameworks, but emphasizes their utility as a design tool. Intermediate Results are replaced by the term “prerequisite results” and Strategic Objectives are replaced by “problem to be solved.” • Instructors should circulate and offer assistance during the Results framework exercise in contrast to the more “hands-off” approach facilitators should take with most of PFA’s team activities.
 <p>SLIDE 2</p>	<p>Opening</p> <p>SHOW Slide Two: Learning Objectives ☺</p> <ul style="list-style-type: none"> • Understand the methodology and planning purpose of Results frameworks • To practice developing a Results Framework <p>Process Overview</p> <p>For the next 90 minutes, we’ll learn use discussion, PowerPoint, and a table team exercise to learn about results frameworks.</p>
	<p>Two Options for Initiating this Discussion of Results frameworks</p>
	<p>SAY: In the last lesson we learned about results statements. What purpose could there be to understanding the difference between a good results statement and a poor one when you are told in the Sushi Menu what elements your program will be working in?</p> <p>ASK: How many of you have worked with a Results Framework?</p> <p>[NOTE: If most participants are new to results frameworks, use the example of a successful feast in #1 below. If most participants are familiar with Results Frameworks, use the S curve content from #2 below. Explain that, due to the changes in the planning guidance, we are using new terms, “prerequisite results” and “the development problem to be solved” in order to represent the causal linkages in the results framework.</p>

	<p>1. Example of a “Successful party held”</p> <p>ASK participants if they have ever held or attended a really great party. When they answer yes, SAY: then you will know how to build a Results framework.</p> <p>DRAW a Results framework beginning with the problem-to-solve “Successful party held” in a box at the top. SAY this is our problem to solve.</p> <p>ASK: What are the lower level results that are necessary and sufficient as a group to be achieved, in order to hold a successful party? [Ans: guests in attendance; food and drink served; music played; and venue provided]</p> <p>DRAW these four essential prerequisites in boxes as participants identify them. Ask “What else” until you have all four. Say that while there may be other prerequisite results, our “development hypothesis,” based on years of party experience, is that these four Prerequisite results are necessary and sufficient for a great party.</p> <p>EXPLAIN that the prerequisites for these four Prerequisite results can be considered as sub-Prerequisite results, supported by activities that produce such “outputs” as a menu, a guest list, invitations mailed, music play list developed, etc.</p> <p>You might engage others to help achieve these outputs, such as the menu, catered food, band, or rented venue. Explain that we do the same thing in programming foreign assistance, when we use our funds to engage implementers or other partners in producing output results that will lead to our higher level results.</p>
	<p>2. Example Using the “S” curve for more experienced participants</p> <p>RETURN to the drawing of the “S” curve. DRAW over the “S” curve in a different color a sideways Results framework with the top box on top of the improved situation and the Prerequisite results boxes coming back towards the axis.</p> <p>SAY: there are a lot of prerequisites for reaching our improved situation; a lot of little results have to happen first. These are prerequisite results. Here, they are portrayed on their side, but you will see them most often flowing in a downward direction.</p>



SLIDES 3-4

SHOW Slide Three: Basic Definition: Results Framework.

EMPHASIZE that a RF is a graphic and narrative representation of the development hypothesis implicit in the strategy for achieving a specific result: solving the development problem we have identified and committed to solve within a specific time period and with the resources we expect to have available.

SHOW Slide Four: Basic Definition: Development Hypothesis.

Development Hypothesis: A narrative description, informed by the country category and by what we know is possible in that environment, of the causal linkages between Prerequisite Results and problem to be solved. The development hypothesis articulates how these results, when taken together, are expected to solve the problem.

SAY: The development hypothesis should be based on the country category, development theory, knowledge and experience, and should answer these questions:

- How do we expect to solve the selected problem in the time allotted and with the anticipated level of resources?
- How will the development changes be brought about?
- What are the specific causal linkages between the results that will contribute to the changes?

STATE that a development hypothesis also rests on critical assumptions (i.e., a smooth transition to a new government after elections, or that the expected elections will actually be held, etc.) that should be discussed when building the Results framework.

ASK: Has the Foreign Assistance Framework or Sushi Menu given you any information on how you will answer those questions? On how, within the Program Element selected for you, you will identify the critical problem, or series of problems, needing to be solved? [Hopefully, at this point, you will get a resounding “no”] No, nothing in the Foreign Assistance Framework gives you any of these things. So we would like to introduce a tool that will help you in identifying your development hypothesis and therefore will help you identify the tactics you want to propose in you Operational Plan.



SLIDES 5-7

SHOW Slide Five: ☞ Characteristics of Results framework Logic and discuss the importance of checking “what else.” This graphic is in the **Participant Workbook**.

SHOW Slide Six: ☞ Contents of a Results framework.

SHOW Slide Seven: ☞ Results frameworks and Manageable Interest.

EXPLAIN the concept of an Operating Unit’s **manageable interest**: There should be sufficient reason to believe that an achievement can be significantly and critically influenced by Mission activity, i.e., “Can you pull it off and show the USG’s contribution?”

ADVISE participants: You should ask yourself: If the USG was not involved, would the expected level of the result be achievable? If the answer is NO – then the result is likely within the USG’s manageable interest. If the answer is YES – then the result is likely outside the USG’s manageable interest.



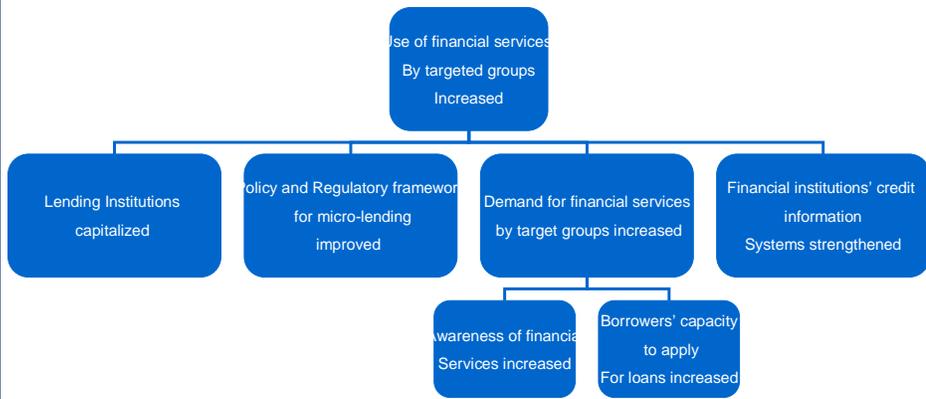
SLIDE 8

SHOW Slide Eight: ☞ Example of a Results Framework

EXPLAIN that there are many different examples of Results frameworks throughout USAID, which used to be called Results Frameworks. There is no required graphic format. The important point, is that it must demonstrate the causal relationship of lower level to higher level results in a development hypothesis.

HAND-OUT the Results frameworks Examples. Give participants several minutes to review these examples, and then **ask** participants to note what they find interesting about the examples.

DISCUSS: Many of these examples include Critical Assumptions right on the graphic. Whether these are done on the Results framework diagram or in supporting text, it is important to ensure that all critical assumptions have been identified. Include assumptions at each level. Don’t confuse assumptions with partner-funded/jointly-funded results. Think about how to monitor assumptions.

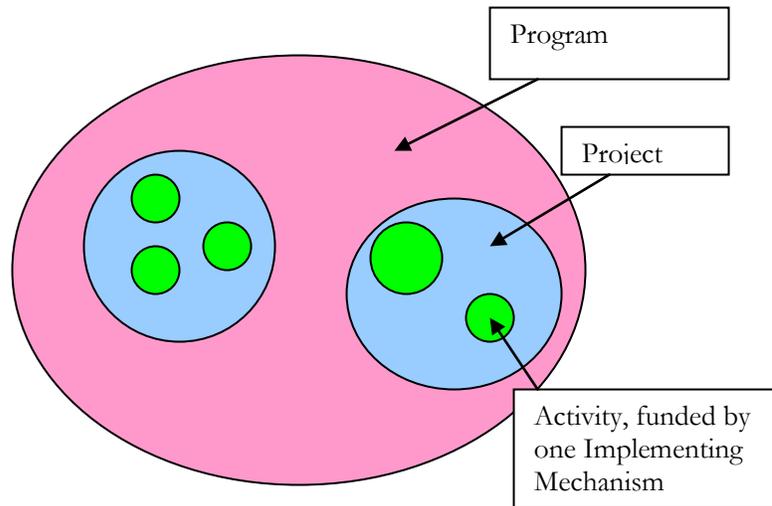
<p>25 min.</p>  <p>SLIDES 9-10</p> 	<p>Exercise: Building a Results framework</p> <p>SHOW Slides 9-10: Results framework Exercise: Your budget figures come from F.</p> <p>Show slide listing the Program Elements they have been “told by Washington” to work in. Pass out the Results framework cards. Have teams construct a Results Framework taped to a flipchart with the cards provided. [All teams have same cards.] EXPLAIN that participants can:</p> <ul style="list-style-type: none"> • change the wording of any results statement • add a new results statement • choose not to use every results statement • decide on their team’s critical assumptions <p>When the first table finishes, stop all tables. Give tables a couple of minutes to identify a reporter to present the Results framework.</p>
	<p>DEBRIEF: Here is the answer to the results framework exercise:</p>  <p>ASK each group if their development hypothesis might benefit from a public-private alliance. How? ASK each group to identify a Prerequisite Result that might be achieved through an activity involving a public-private alliance, and to describe the activity.</p>

	<p>SHOW SLIDE: Rosetta stone with pyramid and results framework</p> <p>We've just seen the FAF does not provide you with a tool for planning your approach to implementing foreign assistance. The FA Programming Hierarchy is fundamentally a tool for conveying standardized information to the field and from the field to interested stakeholders on the "what," but not the "how." It does not help you in designing your program – in developing your development hypothesis. Results frameworks can help you in this last step.</p> <p>We need to think about how we will produce the outputs that will lead to these higher level results. To get down below the level of the Results Framework to the activities that produce the outputs, we'll need to focus more on activity design. The PDM course goes into activity design in detail; later in our course, we'll talk about the general steps involved in Activity Planning.</p>
<p>OPTIONAL</p> 	<p>If there is time, SAY: Pull out your "Sushi Menu" that we handed out on Monday. Take a look at the Results frameworks you've developed and see how they align with the new Foreign Assistance Hierarchy. The Results framework captures your theory on how development has to happen in your country. The Program Hierarchy is just a way to capture information on what you are doing in a way that allows us to tell a story about the USG foreign assistance program. We want the development context to drive our tactical choices about what we do in a country; we don't want the program hierarchy to do that.</p> <p>POINT OUT instances where more than one Prerequisite Result might be associated with a single Program Element or Sub-element.</p>
<p>Wrap-Up and Need to Know</p>	
	<ul style="list-style-type: none"> • Results frameworks describe the development hypothesis implicit in the strategy and the cause and effect linkages between the prerequisite results and the strategic objective. • A development hypothesis describes the specific causal linkages between prerequisite results that are expected to lead to the achievement of the higher level objective. • Results frameworks are a design tool and are meant to be flexible and specific enough to be useful for management.

<p>LESSON 11: 90 minutes</p>	<p>Activity Planning and Pre-Obligation Requirements</p>
<p>MODULE OVERVIEW</p>	<p>To be good stewards of taxpayers' money, USG staff need to conduct careful planning before obligating funds. This lesson introduces this requirement, and details how pre-obligation steps vary depending on whether or not a Strategic Objective Agreement (SOAg) is used as the obligating instrument. The lesson raises the benefits of using a SOAg, but notes that this may not always be possible due to the nature of the relationship with the host government or the context for particular Strategic Objectives. This lesson also reviews planning requirements at the activity level. The lesson tracks the 13 steps of activity planning and includes an exercise in which participants discuss the different planning requirements of their agencies and means of improving joint planning.</p>
	<ul style="list-style-type: none"> • The Foreign Assistance Act of 1961 states that an obligation of the USG in excess of \$500,000 must not be made until substantive technical/financial/engineering planning has been completed, and for which a firm cost estimate for the U.S. Government has also been completed. The related text from the FAA 611(a) is in the Workbook. You may wish to read this explanation aloud since it is not in 'legalese'. • Encourage participants to follow the discussion of Pre-Obligation Requirements re-printed in their Workbook. • Some participants may ask detailed questions based on their host government relationships and programs, e.g., regarding other documents and agreements such as Implementation Letters or Limited Scope Grant Agreements. Explain that PFA does not go into detail on this content, and that they should consult their Program Office and Contracting Officer with these questions. • The changes in the Foreign Assistance strategic planning process are meant to shift the focus of Operating Unit planning more to the activity level, where Missions have greater influence than at the strategy level. • At the end of this lesson, instruct participants to take 15 minutes to work on their Learning Journals.

 <p>SLIDE 2</p>	<p>Opening</p> <p>SHOW Slide 2: Learning Objectives ☺</p> <ul style="list-style-type: none"> • To explain the new process for activity planning by Operating Units • To familiarize participants with the guidance on pre-obligation requirements. • To understand that the USG obligates funds in different ways in support of its programs. • To familiarize participants with recommended and required steps in activity planning and activity approval documentation. <p>Process Overview</p> <p>This lesson will take roughly 90 minutes. First we'll describe the activity planning process that occurs during preparation of the Operational Plan; then we move into the planning requirements for obligating funds – which can occur in different ways, as we will discuss. At the end of the lesson, we will drill down to more detailed activity design.</p>
 <p>Activity Planning</p>	<p>Discussion</p> <p>SAY: The USG must adequately plan before it can begin to implement an activity and spend taxpayers' money. What are some of the kinds of things that the Operating Unit needs to plan for?</p> <p>FLIPCHART responses. Answers might include:</p> <ul style="list-style-type: none"> • Stakeholder needs • Different gender roles in the host country culture • Who in the Mission can do a gender analysis • Environmental impact • Performance management • Absorptive capacity in country for this type of activity • Sustainability from the outset! How will USAID encourage local involvement and ownership? • Opportunities for synergy with other donors • The best implementing mechanism given our relationship with the host government, local and international partners, the management burden associated with different instruments, whether we have a contracting officer at post, etc. (NOTE: If participants do not include the last item, ask them if this would be a good planning consideration.)

EXPLAIN that the term "activity" has a particular meaning for State/F. Refer participants to the diagram in their **Workbook** and **flipchart** this diagram:



An activity is the work in ONE Program Element (of, perhaps, many Program Elements) under ONE Implementing Mechanism.

A Project is defined as the set of activities performance by one Implementing Mechanism.

A Program is the set of projects an Operating Unit implements to advance the transformational development objective.

Non-project assistance is another type of activity that might be used to help achieve a given result or set of results. Non-project assistance is defined as "Program or commodity loans or grants which provide budget or balance-of-payments support to another country." Such assistance is often financed with resources from Economic Support Funds (ESF).

ASK participants whether the USG can fund activities that do not contribute to the achievement of an approved Operational Plan?
[Ans: No]

	<p>EMPHASIZE Project planning is required because (a) Federal law (FAA Section 611 (a)) requires it and (b) it increases the likelihood that intended or planned results will be achieved.</p> <p>Adequate, appropriate documentation also decreases audit vulnerability. Project planning – which occurs at the Operating Unit level – will become even more important as we move to the new strategic planning process, as some of the planning requirements that were formerly met at the strategy level must now be met at the activity level.</p>
<p>Activity Planning and Foreign Assistance Reform</p>	
	<p>ASK: Under the new foreign assistance reforms, when is activity planning done? [ANS: Both during the Operational Plan process, which focuses on identifying proposed activities, AND at the award level, when designing the projects that will produce the outputs and results identified in the Operational Plan.]</p> <p>Thus, with the new reforms, activity <u>planning</u> is done at two separate times but with varying levels of detail. Likewise, <u>approval</u> to proceed with an activity occurs in two stages: at the time the Operational Plan is approved and after the detail is added as part of the activity design.</p>
	<p>EXPLAIN: The Operational Plan is where you first layout proposed actions to be taken to implement a program, and where you will receive approval to proceed with implementation. This level of activity planning must provide the following information:</p> <ul style="list-style-type: none"> • Who is the partner • How much money are we funding them • What activities have we mutually agreed they will undertake • What results have we mutually agreed they will achieve • How do these results advance foreign assistance objectives
	<p>Refer participants to the USAID general notice of January 11, 2007 in their Workbooks.</p> <p>SAY: For USAID, prior to Operational Plan approval, there is clear policy for which actions may and may not be taken with respect to implementing your activity. An Operating Unit may proceed with all parts of their procurement plan up to the point of obligating funds. Let’s turn to that process now to see how activity planning and pre-obligation planning coincide.</p>

	Defining Obligation
	<p>We've just looked at the higher level process of activity planning during preparation of the Operational Plan. Now, let's look at project and activity planning at the level of obligation.</p>
	<p>ASK a participant to read the definition of "obligation" in their Workbook: "A term of appropriations law that means some action that creates a definite commitment which creates a legal liability of the Government for the payment of funds for specific goods or services ordered or received. It includes a range of transactions – e.g., contracts, grants, loans, guarantees, wages and travel." Obligations always involve the USG and a partner entity. An obligating instrument commits the USG and a partner to providing the resources and following the course of action described in the obligating document. The legally binding nature of obligation instruments means they have to be entered into carefully.</p>
	<p>EMPHASIZE that planned obligations are always "Subject to the availability of funds." Therefore, obligating instruments that are funded incrementally each year when the Operating Unit receives its Operating Year Budget (OYB), may have an expected total value that is higher than the total that can actually be obligated each year.</p>
	<p>INTRODUCE the concept of pre-obligation requirements: Before the money is obligated, USAID and federal government regulations specify steps that must be completed. These are called "pre-Obligation Requirements." READ from the FAA 611(a) in the Workbook: Excerpt from Foreign Assistance Act – Section 611(a) Sec. 611.752 Completion of Plans and Cost Estimates.— (a) No agreement or grant which constitutes an obligation of the United States Government in excess of \$500,000⁷⁵³ under section 1501 of title 31, United States Code,⁷⁵⁴ shall be made for any assistance authorized under chapter I of part I, title II of chapter 2 of part I, or chapter 4 of part II—⁷⁵⁵ 611(a) if such agreement or grant requires substantive technical or financial planning, until engineering, financial, and other plans necessary to carry out such assistance, and a reasonably firm estimate of the cost to the United States Government of providing such assistance, have been completed.</p>

 <p>WHY IS PRE-OBLIGATION PLANNING REQUIRED?</p>	<p>The essence of 611(a) is that before obligation, there must be adequate plans, both financial and technical, for carrying out the assistance.</p> <p>NOTE that, while the Foreign Assistance Act sets the bar at \$500,000, USAID requires pre-obligation planning for all obligations.</p>
	<p>ASK What constitutes “adequate” planning? [Ans. It depends upon the nature of the program.]</p> <p>SAY, Under the strategic planning process that USAID used until the last two years, the planning done during the strategy often also contained enough detail to satisfy pre-obligation requirements. This will be less true now with the reforms to foreign assistance and much analysis and planning will have to be moved to the project design phase away from the strategic planning phase.</p>
	<p>The pre-obligation requirements include the following steps, which are required for USAID. Walk through this list in the Workbook, and note that the Workbook also includes the “Checklist for USAID Pre-Obligation Requirements to help Operating Units meet – and document – these requirements:</p> <ol style="list-style-type: none"> 1. <u>Adequate Planning</u>. The assistance must be adequately planned and described. The degree of planning required prior to obligation varies depending on the nature of the assistance and the nature of the obligating instrument to be used. <ol style="list-style-type: none"> a. Link to Approved Strategic Objectives b. Link to Results Framework: must show how the assistance is linked to a result c. Illustrative Budget: must include an illustrative budget that provides a reasonably firm estimate of the cost of the assistance to the U.S. Government. d. Plan for Managing Performance: must include a plan for monitoring adequacy of outputs and their effectiveness in achieving intended results.



Planning to Manage

“Adequate planning” includes consideration of the management capacity of the Operating Unit. Just as higher level planning mandates affect strategic choices, we also need to consider constraints at the tactical, operating unit level that may affect our ability to achieve results. Plan early to manage these constraints.

ASK participants to take a moment individually to write down some of the management issues the Operating Unit should be thinking about before determining which tactics it will pursue in Costa Brava and Flipchart responses.

If responses do not cover all of these items, raise the following:

- Staffing levels that would constrain managing a large portfolio
- Inexperienced staff or lack of key technical backstops
- No Contracting Officer at post
- Whether staff and implementers will be able to implement activities nationwide, or in targeted regions. If the latter, what are the selection criteria and how will the Operating Unit forge synergies among Program Areas?
- The activities and outputs that would be required to achieve specific results, and the time it will take to implement them vs. the life of the award
- Cultural factors in the local society that affect different gender roles and how the achievement of results may be affected by these local conditions.
- The need to budget adequate time and funds for required environmental assessments and to address the recommendations of those assessments
- Budgeting adequate time and funds for performance management, including evaluations, and the task of researching evaluations that other Operating Units or CDIE may have conducted that can help the Mission
- What else???

ASK participants for examples of planning for performance management in their own Operating Unit. How much does it cost? [Ans: Approximately 10%]

2. Environmental Review: An Initial Environmental Examination (IEE), Request for Categorical Exclusion (CE), Environment Assessment (EA) or other appropriate action under the USAID Environmental Procedure must be completed before any obligation of funds. The IEE is one of the few activity level requirements that must be referred to USAID/W for approval (Bureau Environmental Officer). In some cases, a more involved Environmental Assessment will be required to identify appropriate mitigation measures that need to be included in the activities.

ASK: What rules and regulations cover the Environmental Review Process? **[Ans:** ADS 204, which provides USAID’s guidance and links Title 22 of the Code of Federal Regulations, Part 216, “22CFR 216,” or sometimes called “Reg. 216.”]

ASK: Who is responsible for compliance with Reg. 216? **[Ans:** Bureaus, Operating Units, Cognizant Technical Officers and FA Teams all share this responsibility.]

READ from ADS 204: “Operational Bureaus are responsible for overseeing their Operating Units to ensure the environmental review in accordance with 22 CFR 216 is fully integrated into the decision-making process, including planning and approval of all programs and activities needed to implement the Bureau and its Operating Units’ Strategic Plan.... FA Teams and their member CORs/CTOs are responsible for ensuring full compliance with 22 CFR 216.... This includes designing, monitoring, and modifying all programs and activities to ensure that the environmental consequences of all actions taken by USAID and the host country are considered and that appropriate environmental safeguards are adopted.”

REMIND participants about planning and budgeting for the IIE and potentially for a full environmental assessment. **ASK** participants for examples of this process in their own Operating Unit. How long did the process take? How much did it cost? Are there lessons learned that they might share with PAL participants?

ASK: Must you wait until the Operational Plan is complete before beginning these environmental reviews? **ANS:** In the case where you believe there is nothing controversial that might lead to the Operational Plan not being approved, no, you do not need to delay these reviews until the Operational Plan is approved. You should have that information ready so that once the plan is approved, you may begin obligating.

	<p>ASK: Who is your best resource on Reg. 216? [Ans: The Mission Environmental Officer and Regional Environmental Officer]</p>
	<p>3. <u>Country and obligation-level statutory reviews:</u> These reviews consist of completing checklists of statutory prohibitions or requirements that apply to the country in question and/or to the assistance being funded. Statutory checklists are formal mechanisms used by State and USAID to identify legal issues in designing programs. They are updated by the Office of General Counsel each year, and are organized in two parts: Country Checklist and Assistance Checklists.</p> <p>a. Country Checklists are composed of items affecting the eligibility for foreign assistance of a country as a whole. They are prepared annually by the USAID/W country desk officer.</p> <p>b. Assistance Checklists provide information on compliance-applicable statutes. They are prepared by the Operating Unit usually once for the first FY obligation for particular assistance.</p> <p>4. <u>Congressional Notification:</u> Congress must be notified of the Agency's intent to obligate funds and there must be no outstanding Congressional objection. With Foreign Assistance reforms, a process that has typically been done through the CBJs of both Agencies separately has been moved to joint notification through a separate process</p> <p>ASK After all these requirements have been met, what else do you need before you can finally obligate? [Ans Availability of funds and the approval of authorized officials.]</p> <p>5. <u>Funds Availability:</u> Funds must be available and their availability shown on the record. Obligations cannot take place until the budget for that Fiscal Year has been provided to the unit incurring the obligation.</p> <p>ASK How do you know funds are available? [Ans. The controller puts a red stamp with signature, or if not on site, may do so virtually.]</p>

	Activity Approval
	<p>6. <u>Approval by an Authorized Official</u>: An authorized official must approve all activities and related obligating instruments prior to obligation. An Authorized Official is most typically an Ambassador or Mission Director or Assistant Secretary/Administrator, or his/her designee. Approval at this point constitutes approval to move ahead with the obligation.</p> <p>Inform the class that this is a section where – for USAID, if not State - the changes to Foreign Assistance have not caught up with existing rules and regulations. <u>In essence, the Approval process for an activity now has two stages</u>: once, when the Operational Plan is approved and then after the activity has been fully designed, when approval is granted to obligate the resources.</p>
 <p>Document and File</p>	<p>ASK What must the FA Team do to prove that it has met these requirements and received approval to obligate funds? [Ans: Document and File]</p> <p>ASK has anyone from State ever obligated money for a program? If so, did you follow these procedures? Why or why not?</p>
	Discussion: The Artist Formerly Known as a “SOAg”
	<p>EXPLAIN: Missions commonly obligate funds using one of two methods. Depending on whether or not an Agreement with the host government is used, the pre-obligation process will change. In some cases, the host government is also a grantee and operational partner in achieving results. This grant relationship is governed by an agreement with the host government.</p> <p>In USAID a term has been used to describe these agreements: Strategic Objective Agreements (SOAg). With the demise of the SO as a programming instrument in USAID, the General Council’s office is investigating ways to revise the utility behind the SOAG so that it can be used by both agencies. The name will have to change, but for the duration of this course and while that is being resolved, we will continue to use the term SOAg.</p>

	<p>ASK for a definition of a Strategic Objective Agreement? [Ans: A formal agreement that obligates funds between USAID and the host government or other parties, such as, in certain cases, regional organizations created by governments. It sets forth a mutually agreed upon understanding of the time frame, results expected to be achieved, means of measuring those results, resources, responsibilities, and contributions of participating entities for achieving a clearly defined Objective, Area, or Element.]</p> <p>Strategic Objective Agreement (SOAg) The SOAg is the principal bilateral grant agreement used by USAID. It is composed of the Principal Text; Annex 1, Amplified Description; and Annex 2, Standard Provisions. (Chapter 350)]</p> <p>This is both a bilateral grant agreement AND a funding instrument that obligates funds. There are many benefits to using a SOAg, the principal one being that they allow one to “stop the appropriation clock,” meaning that once money is “obligated” into a SOAg, it is no longer in danger of being lost due to end-of-appropriation-year concerns (we will discuss more about this in the Budget Lesson). This is a valuable feature as an Operating Unit awaits Operational Plan approval.</p>
	<p>EXPLAIN: Missions commonly obligate funds using one of two methods. Depending on whether or not an Agreement with the host government is used, the pre-obligation process will change. In some cases, the host government is also a grantee and operational partner in achieving results. This grant relationship is governed by an agreement with the host government.</p> <p>In USAID a term has been used to describe these agreements: Strategic Objective Agreements (SOAg). With the demise of the SO as a programming instrument in USAID, the General Council’s office is investigating ways to revise the utility behind the SOAG so that it can be used by both agencies. The name will have to change, but for the duration of this course and while that is being resolved, we will continue to use the term SOAg.</p>



WHAT'S A "SOAg?"

ASK When might you use a SOAg? [Ans: When the Mission or FA Team has an established relationship with the Host Government and can agree on the results to achieve a Strategic Objective. Individual Cooperative Agreements, Grants, or Contracts may be developed when the mission does not have a relationship with the host government.]

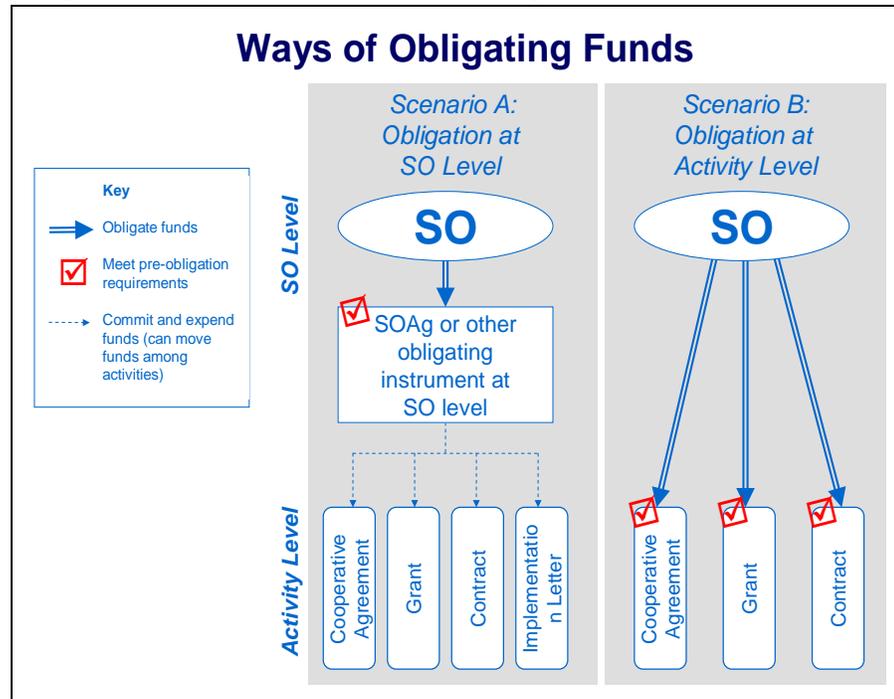
ASK: When might you not want to use one? [Ans. When prohibited by U.S. Law from working with host government, or if you do not trust your host government counterpart to be a good development partner, or if you are operating in a failed state where there is no functioning government. In addition, you might not use a SOAg for a humanitarian assistance program.]

SHOW Slide 3 and discuss ways of obligating funds

EXPLAIN that SOAgS are only one of several possible obligating instruments. Walk through the methods. Highlight when pre-obligation requirements are met (they are checked).



SLIDE 3
Ways of Obligating Funds





SLIDE 4
Sequence of Meeting Pre-Ob Requirements

EXPLAIN that Pre-Obligation requirements are met differently depending on whether a FA Team uses a SOAg. See Slide 3 for diagram (Also in Workbooks) and Show Slide 4 below on sequence.

Obligate at the Level of the SO or Higher Result:

- Meet pre-obligation requirements
- Develop SOAg or other bilateral or multilateral agreement
- Obligate Funds by signing SOAg
- Meet remaining Activity Planning requirements
- Make sub-obligations at the award level

Obligate at the Activity Level:

- Meet Activity Planning requirements
- Choose obligating instrument
- Meet Pre-Obligation requirements
- Obligate Funds

SAY that for the SOAg scenario, many of the pre-obligation requirements are met during the Strategic Planning process. In practice, USAID Operating Units normally obligate funds at the SO level and only later conduct "Activity planning"; this sequence is permissible as long as (a) the obligating instruments set forth clear procedures as to how activities will be approved and the criteria for their approval; and (b) the activities are in fact adequately planned before implementation commences.

EXPLAIN that some Operating Units may have a different process for getting activities approved. For example, a program office may ask the FA Team to develop a Scope of Work prior to the development of the Activity Approval Document so that some of the text from the SOW could be used in the AAD. This process saves time for the program office and FA Team and the amount of document development. Ask if anyone else has heard of a way to improve the process?

	<p>EXPLAIN that when a FA Team does not use a SOAg, activities are first planned and then instruments are developed. The pre-obligation requirements must be met before obligating funds. If funds are required to be de-obligated under this scenario, the funds revert back to the bureau (or Agency) for re-obligation.</p> <p>[PAUL KNEPP: DOES THE FOLLOWING PARAGRAPH STAND? EMPHASIZE that this is an important reason why obligating funds via a SOAg is the preferred method. When an Operating Unit de-subobligates funds for an activity under a SoAg, the money goes back up to the SoAg level and the Operating Unit can reprogram those funds. But if the Operating Unit de-obligates funds for an activity that does not fall under a SoAg, the money goes back to the Bureau in AID/W, which can reprogram the funds to other Operating Units. DO NOT STATE THIS UNTIL VALIDATED]</p> <p>[Note: Activity Planning and Choice of Instruments will be discussed in more detail later.]</p>
<p>Activity Planning REDUX</p>	
 <p>SLIDES 5-10 "Parallel Worlds" of Development Planning</p>	<p>SAY: Your Operational Plan has been approved and you've completed your pre-obligation requirements. Now what kind of additional planning should you be doing to really get this activity off the ground?</p> <p>Show Slides 5 to 10 showing relationship between the "parallel worlds" of development planning.</p> <p>Recall in Lesson 6 we showed you that the program hierarchy was not directly connected to your theory of the specific problem that needed to be solved? Likewise, Implementing Mechanisms – the tools you use to actually achieve results, are not directly connected to either the Program Hierarchy or the Results Frameworks. The RF tells you what prerequisite results need to be achieved to solve the identified problem, but you could have the same Implementing Mechanism involved in solving all of those problems or you could one IM for each.</p> <p>Likewise, the PH tells you what things your OU will be focusing on, but you could have a one-to-one relationship between a program element and an IM or a many-to-one, or a many-to-many relationship.</p>

DISCUSS the Thirteen Steps for Activity Design in their **Workbook**. These steps may not occur sequentially. The bolded steps have historically been required by ADS 201.

No	Description
1	Develop an Operationally Useful Results Framework
2	Conduct Analyses as Needed
3	Specify the Role of Partners (see
4	Develop Log Frame for designing budgets and Statements of Work
5	Assess Capacity of Potential Implementing Partners
6	Formulate Initial Cost Estimate and Develop Financial Plan
7	Develop implementation planning
8	Select Implementing Mechanism
9	Determine Appropriate Team Management Structure
10	Identify Additional Planning Considerations
11	Determine and Meet Remaining Pre-Obligation Requirements
12	Prepare Activity Approval Document (AAD)
13	Obtain Formal Approvals/Approve Activity

Again, we have a case where changes to existing rules and regulations have not caught up to the changes stemming from Foreign Assistance reform. Here we come to the second stage of activity approval: though the Operational Plan may have been approved, a more detailed level of planning is needed for each activity than is contained in that plan. Some of these steps – though not included in the OP – will have been done as part of getting the OP approved, but it is necessary, for the best management of the activity, for those pieces to be brought together in an Activity Approval Document, with a signature from an Operating Unit official responsible for, and delegated authority for, oversight and approval.

	Discussion
	<p>DISCUSS content of project planning guidance.</p> <p>DISCUSS gender consideration. Projects must address gender issues in a manner consistent with the findings of the analytical work performed during Strategic Planning. These issues should reflect consideration of the following:</p> <ul style="list-style-type: none"> • Are women and men involved or affected differently by the context or work to be undertaken? • If so, is this difference potentially significant for managing toward sustainable program impact? <p>DISCUSS Economic and Financial Analysis. These analyses determine whether a particular development program is a worthwhile investment and ensure the adequacy of funds.</p>
	Roles and Responsibilities
 	<p>ASK: Who has ultimate responsibility for Activity Planning? [Ans: OpU]</p> <p>ASK: Who determines whether activities have been adequately planned? [Ans: The person who approves the activities; this varies by Operating Unit. It is normally determined by the Delegation of Authority, but should include the participation of the Mission Environmental Officer, the Program Officer, and the Regional Legal Advisor.]</p> <p>ASK: What are the requirements to Document and File? [Ans: Activity Approval Documents (Step 11) are required, but are expected to be flexible and to provide only that level of documentation appropriate to the circumstances. They should contain relevant information from the Operational Plan when appropriate]</p>

	<p>ASK What are some of the forms of documentation that are acceptable as Activity Approval Documents?</p> <p>Ans: Documentation can be completed for individual activities, for projects, or programs. Options for documentation of activity design and approval include:</p> <p>An Action Memo encompassing one or more activities and including descriptive documentation (by reference or annex).</p> <p>A Modified Acquisition and Assistance Request Document (MAARD) signed by an authorized official, along with an offeror's proposal and/or other documentation prepared by the Mission as annexes.</p> <p>Information used to prepare the Operational Plan, or drawn from the Operational Plan as appropriate.</p> <p>A cable authorized by the approving official that provides approval for specific activities whose documentation is referenced in the cable (useful for activities such as cash transfers that may be approved in Washington).</p> <p>Signing of a bilateral obligation instrument, such as a Strategic Objective Agreement (SOAg), when the USAID obligating official is the same as the approving official and adequate documentation describing the activities is explicitly referenced in the agreement .</p> <p>An Implementation Letter to a bilateral obligating agreement (SOAg) when documentation is annexed or explicitly referenced, and the letter is signed by a USAID official authorized to approve the activity.]</p>
	<p>Mini Exercise: Inter-Agency Activity Planning</p>
<p>15 min.</p> 	<p>Task:</p> <p>Table teams discuss and develop answers to the following questions and report out in 15 minutes:</p> <ol style="list-style-type: none"> 1. How do planning requirements differ among the USG agencies represented on your country team? 2. How will these different requirements (or, if not known, how will different organizational cultures) affect planning? 3. How can inter-agency teams identify and mitigate these challenges? Name three specific ways to improve joint activity planning to program foreign assistance.

	<p>Debrief: When available, Encourage participants to post their suggestions on the PFA Learning Space for improved inter-agency planning.</p>
<p>Wrap-Up and Need to Know</p>	
	<p>Adequate planning is required by law, and must be completed before an activity is approved and before the USG can obligate taxpayers' money.</p> <p>An Activity Approval Document must be prepared for each activity or set of activities financed by USAID.</p> <p>In practice, many USAID Operating Units obligate funds at the SO level and only later conduct "Activity planning."</p> <p>The twelve steps in activity planning are good management principles which would be carried out anyway, even if they were not required in the ADS.</p> <p>The specific order of steps for pre-obligation and activity planning requirements depends on the level at which funds are obligated. In some cases, Operating Units obligate funds at the SO level for all activities with that SO; in other cases funds are obligated at the award level for specific activities.</p> <p>SOAgS are only one of several possible obligating instruments. In cases where there are no SOAgS, pre-obligation requirements are met when other obligating instruments (e.g., contracts and grants) are awarded.</p> <p>The obligating instrument sets forth clear procedures and criteria for activity; and the activities must be adequately planned before implementation commences. The next lesson will address activity planning.</p>
<p>Learning Journals for "Planning"</p>	
 <p>LEARNING JOURNAL</p>	<p>Before moving into content on implementation, participants should take about 15 minutes to work in their Learning Journals in their Workbook.</p>

<p>LESSON 12: 30 Minutes</p>	<p>Foreign Assistance Partners</p>
<p>MODULE OVERVIEW</p>	<p>The next three lessons are interrelated. They deal with the external groups that help program U.S. foreign assistance, including implementing partners that <i>compete</i> for USG funds. This lesson starts with the broad topic of partners and then drills down to those “implementing partners” that are funded by acquisition and assistance instruments – not host government counterparts, other USG agencies, or multilateral agency partners such as UNICEF that do <u>not</u> compete for USG funds. The lesson provides definitions of different categories of implementing partners and concludes with a discussion about managing effective partnerships. The next three lessons may be particularly new information for Embassy personnel or other USGs at post that are less familiar than their USAID colleagues with partner relations and the centrality of competition to programming foreign assistance.</p>
	<ul style="list-style-type: none"> • Some participants may be unaware of the extent to which the USG is the “development wholesaler” with implementing partners as the “retailers.” Some participants, including those from other USG agencies, may be unfamiliar with the numerous partner categories and the need to interact differently with partners when they are competing for USG funds. • Effective partnerships have as much to do with personalities as with policies and procedures. Comments may reflect a range of personalities, from micromanagers to hands-off managers.
 <p>SLIDE 2</p>	<p>Opening</p> <p>SHOW Slide 2 ~ Learning Objectives:</p> <ul style="list-style-type: none"> • To understand that the USG depends on external partners to achieve foreign assistance results. • To understand that Programming Foreign Assistance = Managing Partner Relations. • To learn how the U.S. foreign assistance program is positioned for <i>improved</i> partnering, by leveraging lessons learned and improved ITC systems. • To know where to find additional resources for working with partners.

	<p>PROCESS OVERVIEW:</p> <p>SAY In this lesson, we’re going to introduce information that we’ll use for the next several modules in this course. We’ll start with the broad topic of external partners, and then focus more closely on those that compete for USG funds. Why? Because in a competitive environment, we need to follow specific rules and procedures to ensure a level playing field.</p> <p>In this lesson, we’ll use presentations and discussion to:</p> <ul style="list-style-type: none"> • Define some important terms about partnerships and types of organizations • Identify key implementing partner categories to understand which groups <u>compete</u> for USG funds • Focus on some key partnership issues
	<p>Discussion</p>
	<p>SAY that there are a lot of terms in the foreign assistance lexicon that can become confused: stakeholder, partner, customer, beneficiary, counterpart, etc.</p> <p>Begin by reviewing the <u>broadest of these terms</u>, which is “Stakeholder.”</p> <p>ASK: Remember when we opened the workshop by discussing “Who Cares About U.S. Foreign Assistance Results?” These are all <u>stakeholders</u>. (Point to that flipchart.)</p>
 <p>DEFINE KEY TERMS</p>	<p>READ the following definition of “stakeholder”:</p> <p>Those who are affected by a development outcome or have an interest in a development outcome. Stakeholders include customers (including internal, intermediate, and ultimate customers) but can include more broadly all those who might be affected adversely, or indirectly, by a USAID activity who might not be identified as a “customer.”</p> <p>SAY: This flipchart captures all of these types of stakeholders.</p>



SLIDE 3
Implementing Mechanisms

READ the following definition of a “partner”:

“An organization or individual with which/whom the Agency collaborates to achieve mutually agreed upon objectives and to secure participation of ultimate customers. Partners include host country governments, private voluntary organizations, indigenous and international non-governmental organizations (NGOs), universities, other U.S. Government agencies, United Nations and other multilateral organizations, professional and business associations, and private businesses and individuals.”

ASK How many of you participated in the Operational Plan process and helped prepare or enter information on “Implementing Mechanisms”? These are the mechanisms that we use to program foreign assistance funds through a variety of partners – from host governments to other USGs to local NGOs.

EXPLAIN There are six main categories of “Implementing Mechanisms” which, again, are the funding instruments that we use to program foreign assistance monies. All six categories of implementing mechanisms involve obligating or sub-obligating funds to one of the partners we’ve just listed in the ADS definition.

SHOW Slide 3 Implementing Mechanisms include:

- Direct Contract
- Direct Grant or Cooperative Agreement
- Cash transfers
- Other USG Direct
- Host Government Managed
- Third-Party Managed

ASK: If USAID transfers funds to the host government of Costa Brava, does the Government of Costa Brava compete for our funds? [**ANS:** No]

CONTINUE TO ASK:

- What if USAID makes an inter-agency transfer to the Centers for Disease Control. Does CDC compete for this money? [**ANS:** No]
- How about if USAID and CDC transfer funds to UNICEF. Does UNICEF compete for USG funds? [**ANS:** No]

	Implementing Partners that Compete for USG Funds
	<p>EXPLAIN that, we do indeed work with and transfer funds to other USGs and to host governments, but we do not have the same Organizational Conflict of Interest concerns with those partners that we do with groups that compete for our funds. for the rest of this topic and the next two lessons on Organizational Conflict of Interest and on Choosing Between Acquisition and Assistance Instruments, we're going to focus on the category of partners that we often call "implementers," or "implementing partners" <u>partners that compete for USG funds through contracts, grants, and cooperative agreements, and over which the USG exercises management oversight for the use of those funds.</u></p> <p>ASK: There are several large categories or types of Implementing Partners that compete for USG funds. What are they? [Ans:</p> <ul style="list-style-type: none"> • For-profit firms, whether American, international or local • non-profit nongovernmental organizations, including U.S. PVOs, local NGOs, and U.S. and local cooperative • Higher education institutions, both U.S.-based or local <p>EMPHASIZE: We also sometimes talk about "contractors," or "grantees," but be careful. These terms refer to the <u>type of the award</u> rather than the type of organization.</p> <p>ASK: How many implementing partners does the U.S. Foreign Assistance program have? [ANS: Thousands!]</p> <p>ASK: Why is it important to have such a large number of partners? [ANS: To leverage their skills, knowledge and insights of local conditions, and because a wide variety of partners helps build a larger constituency for U.S. foreign aid.</p> <p>DEFINE the partner types, with help from participants, by asking: What is a contractor? Can a nonprofit NGO be a contractor? What is a cooperating agency? What is a recipient? What is a sub-contractor? What's an NGO? What' an HBCU? What is a PVO?</p>

 <p>DEFINITIONS</p>	<p>Ans: A contractor is a for-profit <u>or</u> nonprofit organization that receives a contract.</p> <p>A grantee is normally a nonprofit organization or higher education institution that has a grant or cooperative agreement, but for-profits can also receive grants or cooperative agreements if they waive their fee or profit. A recipient is an organization or institution funded by an assistance instrument (grant or cooperative agreement).</p> <p>A sub-contractor is a person, for-profit, or non-profit firm, organization or institution that provides services to a prime contractor.</p> <p>An NGO is a nongovernmental organization, which in the development community normally means a local, U.S.-based, or international <u>nonprofit</u> organization. <u>But be careful:</u> if your intent is that only “nonprofit” NGOs are eligible to compete for an award, say so clearly in the solicitation!</p> <p>An HBCU is a U.S.-based Historically Black College or University; sometimes we also see the term, MSI, for minority-serving institution, which can include HBCUs, as well as Hispanic-American or Native American institutions.</p> <p>A PVO is a U.S.-based Private Voluntary Organization which has registered with USAID according to specific criteria including being U.S.-based with a U.S. headquarters, particular governance and management systems, non-profit status with the Internal Revenue Service, and a share of their overseas program budget coming from private, i.e., non-U.S. Government, sources.</p>
 	<p>ASK, What resources can help you manage partner relationships productively, legally, and collegially?</p> <p>SAY Resources for working effectively with partners are listed in the Workbook and will be included in the CD-Rom; in addition, there is a USAID film on “Effective Partnerships” available through LPA. The GDA office helps Operating Units establish and manage alliance relationships with a different category of partners who collaborate with USAID in public-private partnerships under the Global Development Alliance. We’ll talk about these award types later.</p>

	<p style="text-align: center;">SPEED DATE: Critical Success Factors for Effective Partner Relationship</p>
<p>10 min.</p> 	<p>ASK participants to form pairs and spend three minutes each describing a USG-external partner relationship that was particularly effective, and then list the reasons WHY this was so. The listener should write down as many reasons why the partnership worked as possible and be prepared to report these out as “critical success factors.”</p> <p>REPORT OUT AND FLIPCHART the reasons why these partnerships were so effective.</p> <p>EXPAND ON FLIPCHARTS AND ASK: What are some of the common themes here? Let’s keep these good practices in mind as we move through the next several chapters on project implementation.</p> <p>SAY: The foreign assistance reforms have emphasized the importance of working more through local organizations.</p> <p>ASK: Which of these critical success factors are particularly important for strengthening partnerships with local groups? There was agreement on the importance of communication as a critical success factor. <u>How would you communicate differently with local organizations than with U.S. partners?</u></p> <p>ASK: Which of these critical success factors also hold for public-private alliances? Why or why not?</p>
	<p>Wrap-Up and Need to Know</p>
	<ul style="list-style-type: none"> • The USG depends on implementing partners and all its partners to jointly achieve and report results. • Programming Foreign Assistance = Managing Partner Relations. • The USG is positioned for <i>improved</i> partnering, by leveraging lessons learned and improved information systems. • Take advantage of the resources listed in your Participant Workbook.

<p>LESSON 13: 60 Minutes</p>	<p>Managing Organizational Conflict of Interest (OCI)</p>
<p>MODULE OVERVIEW</p>	<p>This lesson defines and describes Organizational Conflict of Interest and provides participants with opportunities to apply their knowledge about OCI in two exercises.</p>
	<ul style="list-style-type: none"> • Invite the Contract/Agreement Officer or Regional Legal Advisor to help facilitate the OCI scenario exercise, and the optional Q&A session at the end of this topic. • The scenarios (like the rest of the course) have been jointly developed and vetted with USG experts. However, there may still be strong opinions about what does or does not constitute OCI. Two key points to repeat are: <ol style="list-style-type: none"> 1. The USG may indeed consult with partners, subject to careful limits; and 2. Your Contracting or Agreement Officer and the General Counsel are essential resources to help avoid either OCI or the appearance of OCI. • If this is the last topic of the day and the energy level is low, consider assigning the second exercise on OCI scenarios as homework. Begin Day 3 with quiet reading/review of the scenarios and then debrief.
	<p>Opening</p>
 <p>SLIDE 2</p>	<p>SHOW Slide Two: Learning Objectives ☺</p> <ul style="list-style-type: none"> • To understand Organizational Conflict of Interest (OCI) and the appearance of OCI and how to avoid them. • To understand that the Contracting/Agreement Officer (CO or AO) and General Counsel are key resources to determine if organizational conflict of interest exists. <p>Process Overview: We'll focus on working with implementing partners in a competitive environment, and the people, policies and procedures that govern that work. For the next hour or so, we'll learn the types of OCI, review when and how we can communicate and consult with implementers during competition, and then apply this information in scenarios.</p>
	<p>EXPLAIN that the USG works with many partners in an increasingly competitive environment. REPEAT there are three general categories of implementing partners that compete for foreign assistance USAID funds and over which the USG</p>

<div data-bbox="280 970 415 1073" data-label="Image"> </div> <div data-bbox="245 1077 448 1150" data-label="Section-Header"> <p>SLIDE 3 OCI Definition</p> </div>	<p>exercises oversight for the use of these funds:</p> <ul style="list-style-type: none"> • Non-profit NGOs • Higher Education institutions • For profit firms <p>EXPLAIN that, as we have discussed, the U.S. government – and good practice for participatory development -- emphasize the importance of working well with stakeholders and implementing partners to achieve and report development results. For example, GPR<i>A requires consultation</i> with stakeholders in the strategic planning process, which lower level policies and procedures also focusing on consultation and communication. And we've discussed the benefits of involving partners and stakeholders on FA Teams.</p> <p>However, there exist specific instances when PFA core members and USG personnel in general must avoid practices or situations that would lead to Organizational Conflict of Interest, or the appearance of OCI.</p> <p>ASK, "Who can define Organizational Conflict of Interest?"</p> <p>REVEAL Slide Three : Organizational Conflict of Interest and read: "Organizational Conflict of Interest (OCI) occurs when an individual or organization is unable, or potentially unable, to provide USAID with impartial assistance or advice due to their involvement in other activities or relationships. OCI also exists when an individual organization's objectivity in performing contract work is, or might be otherwise impaired, or when a person or organization has an unfair competitive advantage. OCI can apply to either for-profit or non-profit organizations under either contract or grant instruments."</p> <p>EXPLAIN that the ADS points out that, legally impermissible OCI "is less likely to arise under assistance instruments." This is because there are fewer, and less strict, laws and regulations that apply to grants and Cooperative Agreements than to contracts. (The Federal Acquisition Regulations [FAR] has a whole section that deals with OCI. There is no counterpart regulation for grants and CAs).</p> <p>EMPHASIZE that the FA Team should always be looking out for the best interests of the U.S. Government. Therefore, the FA Team should set up a standard of overall, substantial "fairness" to guide its deliberations regarding grants and cooperative agreements, even in the absence of regulations. This is an</p>
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	<p>example of how core values fill a regulatory void.</p> <p>SAY that OCI has two elements: <u>bias and unfair competitive advantage</u>:</p> <p>ASK: Who can give me an example of bias? [Ans: “Bias exists when an organization that has designed an activity that will be implemented by a contract, or contribute to the development of the Statement of Work (SOW) for a contract, also seeks to implement the contract in question. Under these circumstances, the organization that has the OCI is precluded from receiving the award... An organization that designs an activity or develops material that leads directly, predictably, and without delay to a SOW for a contract generally may not compete to implement the contract in question, either as a prime or a subcontractor.”]</p> <p>EXPLAIN that “directly, predictably, and without delay” is a term of art that came from a ruling on a USAID case. Acknowledge that determining exactly what constitutes directly, predictably, and without delay is difficult. This is why FA Team core member need to consult with their CO/AO or Regional Legal Advisor.</p> <p>ASK: Who can give me an example of unfair competitive advantage? [Ans: “An unfair competitive advantage occurs where a contractor competing for an award possesses:</p> <ul style="list-style-type: none"> • Proprietary information that was obtained from a Government official without proper authorization; or • Source selection information that is relevant to the contract but is not available to all competitors, and such information would assist that contractor in obtaining the contract.]. <p>ASK: How can you mitigate unfair competitive advantage? [Ans: by identifying competitively useful information held by one potential offeror and sharing that information with all potential offerors, e.g, by posting minutes of meetings where potential offerors are present, Qs &As about an Request for Proposals (RFP) or Request for Applications (RFA), and other information on the Web.]</p> <p>REPEAT that, in assistance, the bias and “unfair competitive advantage” considerations may be similar to those that arise</p>
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	<p>with contracts.</p> <p>ASK: If the OCI is inadvertent, is it still illegal? [ANS: Yes!]</p> <p>ASK: We've mentioned "the appearance of organizational conflict of interest" several times. Why would we want to avoid <i>even the appearance of OCI</i>?</p> <p>[ANS: We have a responsibility to protect the reputation and best interests of the U.S. Government as fair and well-managed. We are under scrutiny and must live up to high standards of fairness and legality. We don't want to be taken to court for potential OCI, because that damages our reputation and it can cost us MONTHS of time. Even if the judge rules that there was no OCI, we may have just lost 10 months in court! In addition, just as we don't want to be taken to court, we don't want to be "taken to the media" or to Congress by a competitor who believes we were unfair. And finally, think about this: Some of our anti-corruption and institutional strengthening activities in the economic growth and democracy and governance sectors actually help build host government capacity in managing public sector procurements. So we need to practice what we preach.]</p>
	<p>Fair Competition in Alliances</p>
 <p>SLIDE 4</p>	<p>ASK participants if there are risks of OCI in public-private partnerships.</p> <p>EXPLAIN that FA Teams must be careful to avoid OCI or the appearance of OCI in a public-private partnership, and again, the Contracting Officer and Regional Legal Advisory should be consulted.</p> <p>SHOW <u>Slide 4</u>: OCI and Fair Competition Considerations</p>

Exercise:	
USG-Partner Relations Along the Programming Continuum	
 SLIDE 5 	<p>SHOW <u>Slide 5</u>: “Working with Implementing Partners” ☹</p> <p>[Note: Do not advance to the following slide, as it will give away the answers to the exercise.]</p> <p>INTRODUCE the exercise: identifying appropriate times when USG staff work with implementing partners along the program continuum. Remember, working effectively with partners is essential not only to achieve development results, but also to ensure that the USG’s reporting needs are met.</p> <p>Task:</p> <p>Review the graphic “Working with Implementing Partners” in your Participant Workbook. Spend the next 10 minutes developing two lists in response to the following questions: (Post the two questions.)</p> <ul style="list-style-type: none"> • When should you be working with implementing partners, and why? • What are the junctures when you should not engage with implementing partners, and why not?
 SLIDE 6 When to Engage with Implementing Partners	<p>REPORT out by all tables on Question 1.</p> <p>SHOW <u>Slide 6</u>: When to work with partners: ☹</p> <p>[Ans: Strategy consultation, FA Team membership, pre-award surveys and audits, award negotiation, during implementation according to the terms of the award, in results reporting, during audits, at close-out.]</p>
 SLIDE 7 When Not to Engage	<p>REVERSE order and report out by all tables on Question 2.</p> <p>SHOW <u>Slide 7</u>: When not to engage with partners: ☹</p> <p>[Ans: Activity planning, choice of instrument, drafting statements of work, drafting and issuance of RFA/APS/RFP/RFI solicitations, review of proposals and applications, award decisions (unless implementer is making sub-awards or managing grants under contracts).]</p>

Exercise Two: Scenarios for Possible OCI	
	<p>Read and then debrief the following mini-scenarios. Then assign one longer scenario to each table team:</p> <p>1. The Ambassador, a career appointee and long time member of the Rotary Club, directs the manager of the Ambassador's Special Self-Help Fund to give an award to the local Rotary Club to develop a park. The award is ten times as large as the standard ASSHF guidelines recommend. Is there an OCI?</p> <p>A. No, but this was only determined after a lengthy IG investigation. (Ghana, ca. 1992)</p> <p>2. Elections, Inc. has been competitively selected to design a new Democracy project. The company sends out an old friend of the DCM as head of the design team. After an afternoon of golf, the DCM calls the USAID Mission Director and suggests that the company be awarded the full project because 'clearly they understand the issues best and have the best people to do the job.' At the same time, Sen. Alpenhorn learns from the company that there may be opposition to making an award to Elections. Since this award would bring millions of dollars to a firm in his state, he calls the State Department and Embassy to pressure them into making a sole-source award. How do you deal with the situation? Is there OCI?</p> <p>A. Yes. But how will you deal with what has become a high level political situation?</p>
	<p>3. The Econ Officer and the Chief of Party from a contractor working on economic development go off for a weekend to an upscale resort. They've been doing this for the past year or two. The Econ officer is part of a design team for the development of a new port management system. While on their vacation, in casual conversation, the Econ officer decides to 'bounce' some ideas from the design team off the COP, and they engage in a lengthy discussion on what should and shouldn't be in the final design. Is there an OCI?</p>

15 min.



A. Strictly speaking, there is only an OCI if the contractor is interested in bidding on the activity. Such a discussion needs to be reported immediately to the Contracts Officer, and will result in the contractor being barred from bidding on the project. However, since the design is in its final stages, there is also a breach of procurement integrity. The Econ Officer should probably be removed from the design team, and the Contracts Officer will need to review what was said, and develop a plan to ameliorate any bias in the procurement process.

REFER each table to a scenario in their **Workbook** and provided below. [These scenarios were vetted by the General Counsel's office and the current and former A&A Ombudsmen.]

ASK each table to spend 10 minutes discussing their assigned scenario, and determining whether or not an organizational conflict of interest exists. If time permits, brainstorm a list of what could have been done differently to mitigate OCI or the appearance of OCI in your scenario. When teams finish, ask them to read the other scenarios while waiting for their colleague teams.

ASK each table team for their finding. **REVEAL** Scenarios 1, 2, 3, and 5 are legal. Scenario 4 presents OCI.

Scenario One: No OCI. To avoid complaints, post the invitation to the retreat on the Mission website, newsletter, bulletin board, etc.; the Agency cannot ensure that everyone will come, but it can ensure that the invitation to participate was well publicized.

Scenario Two: No OCI. Do not privately ask an implementing partner for notes after a meeting. At each expanded SO team meeting, publicly assign a note taker (perhaps rotating among USAID staff and partners), and post these on the Mission website, bulletin board, etc.

Scenario Three: No OCI. If possible, post all suggestions (whether provided in writing or by phone) on the website, bulletin board, etc.

Scenario Four: OCI. Because the Director of Organization A drafted the core content of the Statement of Work, Organization A cannot compete for this contract.

Scenario Five: No OCI.

HANDOUT the answer sheet.

	Wrap-Up and Need to Know
Optional 10 min.	Q&A with Contracting Officer or Regional Legal Advisor (if present).
	<ul style="list-style-type: none"> FA Teams must be vigilant to avoid Conflicts of Interest and ensure procurement integrity; the Internet helps ensure a “level playing field” and transparency. The Contracting Officer and Regional Legal Officer are your best resources for avoiding OCI. Consult with them whenever you are in doubt, and consult with them before you take action.

Scenario One

Determine if the following scenario implies an Unfair Competitive Advantage. Be prepared to explain why or why not.

A PFA Democracy Team holds an annual orientation retreat to familiarize new Team members, including newly arrived USG staff and outside organizations, with the Team’s portfolio and operating procedures. The retreat agenda includes get-acquainted exchanges, substantive sessions regarding current and planned FA Team activities, and review of the FA Team’s rules and procedures spelled out in an operating charter approved by the original Team members.

At this retreat, the FA Team’s existing activities, carried out under both contracts and assistance instruments, may be discussed. Possible future activities also may be discussed. However, the retreat agenda, distributed to all participants beforehand, clarifies that no recommendations or decisions regarding future procurement actions, including possible extensions of existing contracts, will be made during these sessions. The FA Team charter, to be reviewed at the retreat, also states that only the core members (USG employees) will be involved in making decisions about funding and choice of instrument, and that external members will not be involved in discussions about upcoming competitions. The Team decides it is not necessary to take or post minutes during the retreat in view of the clear limits on discussions established in the Team charter and retreat agenda. However, when the democracy RFA is published, a U.S. group that does not currently have operations in-country and was unable to attend the meeting argues vehemently that the organizations that were invited to the retreat enjoy an unfair advantage in the RFA.

Scenario Two

Determine if the following scenario implies an Organizational Conflict of Interest. Be prepared to explain why or why not.

A FA Team (including both USG staff and outside organizations) holds a meeting to brainstorm a list of possible future activities in furtherance of its child survival program. The Team charter states that only the core members (USG employees) will be involved in making decisions about funding, choice of instrument, and specifics of activity design. External members will not be involved in discussions about identified upcoming procurements. The expanded Team meeting results in a list of possible future activities, but no decisions are made, and no formal minutes are taken or posted regarding these discussions. However, before going into a meeting with fellow core members to discuss their choice of instrument, the Team leader asks the health officer of Organization Z, one of the implementing partners on the expanded SO Team, for a favor: She is famous for taking great notes; would she mind giving the core members a copy of her notes from the last expanded team meeting. She agrees, but only if the FA Team leader has the notes typed up and posted on the Internet to prevent her organization from running afoul of OCI. The notes are posted; the FA Team decides to issue an RFA, and Organization Z decides to compete.

Scenario Three

Determine if the following scenario implies an Organizational Conflict of Interest. Be prepared to explain why or why not.

In anticipation of possible future funding, a FA Team core member writes to outside organizations, both members and non-members of the FA Team, to invite their written comments on possible activities that may be undertaken in the USG economic growth portfolio. The Team's core members include technical staff familiar with organizations that work in this area. The letter explains that the FA Team is sending the same letter to a number of outside organizations and that the suggestions and ideas that are received might be used in future program activities. Anticipating that some outside organizations might call USG staff members to share their ideas and speak directly to USG staff rather than send written responses, the FA Team core members agree to the following procedures:

- USG staff who are core members of the FA Team may accept such calls and take notes on the organizations' suggestions.
- USG staff may repeat the information in the letter that that there may be future funding and that the exact activities and implementation instruments have not yet been determined.

Several organizations respond in writing and by phone. The funding comes through and the FA Team core members decide to proceed with an RFP. A sub-team of the SO Team core members drafts the statement of work ("SOW") for the request for proposal ("RFP") using the organizations' responses as input.

Scenario Four

Determine if the following scenario implies an Organizational Conflict of Interest. Be prepared to explain why or why not.

The Director of Organization A, who is an expanded member of a FA Team and who works in the health sector in Costa Brava, joins USAID and other implementing partner members of the FA Team on an assessment of the health care needs in the country. Upon completion of the needs assessment, the expanded Team discusses the findings. These findings, along with minutes of the FA Team deliberations, are posted on the Internet with an invitation for broader partner comments. Subsequently, the SO Team core members meet and, taking into consideration the assessment, expanded Team discussions, and many comments received after the Internet posting, decides to proceed with a Request for Proposals. A sub-team of the FA Team composed of two USAID employees and the Director of Organization A then design the Scope of Work. In preparing the SOW, the subteam draws on the needs assessment, knowledge obtained from the earlier expanded Team meetings and minutes, broad partner comments, and firsthand experience. Upon completing the SOW, the PFA sub-team writes a brief memo outlining the range of resources it considered for the SOW design and proceeds to work with the Contracting Officer to issue the RFP.

Scenario Five

Determine if the following scenario implies an Organizational Conflict of Interest. Be prepared to explain why or why not.

The core members of a FA Team have just decided to prepare an RFP for upcoming contract. The core members are seeking ways to obtain as much input as possible to conduct an independent analysis in preparing the statement of work ("SOW") for the RFP. In addition, the FA Team core members are concerned that incumbent Contractor X, represented on the expanded Team, may wish to bid on the upcoming procurement. Contractor X has not done work specifically towards design of the SOW for the upcoming procurement. However, USAID staff intend to draw upon on related work products that Contractor X produced under its last USAID contract in preparing the design.

The core members agree to the following:

- To hold brainstorming sessions of the expanded team, to consider possible activities for the SOW, with minutes kept;
- USG staff will not discuss the draft design with outside organizations other than in group meetings with minutes kept;
- USG staff will not discuss preliminary drafts of the evaluation criteria in the RFP with outside organizations and will consider whether to withhold other portions of preliminary drafts of the RFP out of concern not to disclose source selection information;
- Once the SOW has reached the point of a final draft, a draft RFP will be posted on the Internet and written comments accepted from outside organizations;
- All non-sensitive work products produced by Contractor X under its USAID contract will be made available to all potential offerors on the Internet;
- Portions of FA Team minutes and any other meetings leading towards development of the SOW attended by outside organizations will be made available to all potential offerors on the Internet; and
- USG staff will document sources drawn on, including the expanded Team meeting discussions and responses to the draft RFP, in reaching their informed determination regarding the best design for the SOW.

LESSON 14: 60 Minutes	Acquisition and Assistance
MODULE OVERVIEW	<p>This lesson is based on a different section of the ADS from most of PFA, i.e., the ADS 300 series. The content is designed to help acquaint participants with the major differences between acquisition (contracts) and assistance (grants and cooperative agreements) and to understand factors involved in the choice between using an acquisition or assistance instrument. The lesson also provides content on the GDA public-private collaboration agreement, a new obligating instrument that is neither acquisition nor assistance. The lesson concludes with an exercise on choice of instrument.</p>
	<ul style="list-style-type: none"> • More information is available at: http://www.usaid.gov/procurement_bus_opp/procurement/cib/ (Contract Information Bulletins) • Some staff have misinterpreted “Managing for Results” as a preference for contracts over grants and cooperative agreements, but there is no such preference. • Note that Assistance awards have monitoring and evaluation requirements. 22CFR226.51 describes reporting requirements under Assistance awards as follows: • 226.51 Monitoring and reporting program performance. a) Recipients are responsible for managing and monitoring each project, program, sub-award, function or activity supported by the award. Recipients shall monitor sub-awards to ensure sub recipients have met the audit requirements as delineated in Section 226.26. b) The terms and conditions of the agreement will prescribe the frequency with which the performance reports shall be submitted. Except as provided in paragraph 226.51 (f), performance reports will not be required more frequently than quarterly, or less frequently than annually.... d) Performance reports shall generally contain, for each award, brief information on each of the following: <ol style="list-style-type: none"> 1. A comparison of actual accomplishments with the goals and objectives established for the period, the findings of the investigator, or both. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs. 2. Reasons why established goals were not met, if appropriate. 3. Other pertinent information including, when appropriate, analysis and explanations of cost overruns or high unit costs. • When brainstorming types of Assistance Awards, participants may include a mechanism known as “Leader/Associate Grants.” As

	<p>described in Contract Information Bulletin (CIB) 99-10, "The basic idea is that a Request for Applications (RFA) will be issued at the request of the Global Bureau [now, one of the Pillar Bureaus] and it will state that a grant (or grants) will be awarded covering a specified worldwide activity and that this Leader grant will also provide that Missions, or other offices, may fund Associate grants under the Leader grant. Each Associate grant shall contain a separate activity description that fits within the broader program description of the Leader grant, as well as separate budget and reporting requirements, but will otherwise be considered to be covered by the terms and conditions of the Leader grant. The anticipated benefits of this mechanism include: 1) no further competition required for Mission awards under the Leader/ Associate grant, 2) simplified Mission award documents; 3) simplified certification by the recipients, and 4) reporting directly to the Missions on use of Mission funds."</p> <ul style="list-style-type: none"> • The Annual Program Statement (APS) can be used instead of Requests for Applications to fund assistance awards. As described in ADS 303, an APS "shall be used to generate competition for new awards where USAID intends to support a variety of creative approaches by the non-governmental community to develop their own methodologies in assessing and/or implementing activities which are in keeping with strategic objectives. When issuance of an RFA is not appropriate or practical, an APS shall be used instead of relying on unsolicited proposals." • The GDA public/private alliance collaboration agreement is a new obligating instrument that is neither acquisition nor assistance.
Opening	
 <p>SLIDES 2-3</p>	<p>SHOW Slide Two: Learning Objectives ☺</p> <ul style="list-style-type: none"> • To understand that the USG uses both Acquisition and Assistance instruments to achieve and report development results. • To understand the difference between Acquisition and Assistance (A&A). • To become familiar with criteria for Choice of Instrument. • To become familiar with the new obligating instrument used for public-private partnerships. <p>PROCESS OVERVIEW: For about the next hour, we'll learn key definitions and differences between the competitive instruments we use to program foreign assistance. We'll do some mini-scenarios to help apply information on "choice of instrument, and at the conclusion of the lesson, we'll do a quick review quiz.</p>

	<p>SHOW Slide Three: ☹️ “Differences Between Acquisition and Assistance”</p> <p>SAY The differences between these instruments are significant.</p> <p>ASK for definitions of Acquisition and Assistance, and then ask for examples of different types of instruments in each category. (Do NOT yet reveal Slide Four, which provides the definitions.)</p>
 <p>FLIPCHART of A&A Comparison</p>	<p>BEGIN a 2-Column FLIPCHART with Acquisition as the header of one column and Assistance at the head of the second column. Build this flipchart throughout the lesson.</p> <p>[Answers to be written in the first row of the flipchart:</p> <p>Examples of acquisition instruments include: contracts, purchase orders, PSCs, Indefinite Quantity Contracts (IQCs), Task Orders, and Delivery Orders.</p> <p>Examples of assistance instruments include: grants, cooperative agreements, annual program statements, Leader/Associate grants. Information on Leader/Associate grants is provided in Instructor’s Notes]</p>
Discussion	
 <p>SLIDE 4</p>	<p>SHOW Slide Four: ☹️ “Definitions” Note, these definitions are in the Participant’s Workbook.</p> <p>ACQUISITION is “a legally binding relationship in which the principle purpose is ‘to acquire (by purchase, lease or barter) property or services for the U.S. Government.”</p> <p>ASSISTANCE is used “to carry out a public purpose of support or stimulation authorized by a law of the United States.”</p> <p>Under a contract, the USG owns the program being implemented; this is not the case under Assistance, where the recipient’s program is funded by the USG to achieve a shared objective.</p> <p>EXPLAIN that in both cases, the results achieved with the money in the award must help achieve a higher level, approved USG result, which in turn must align all the way up through the joint USAID-Department of State Strategic Plan.</p>

 <p>SLIDES 5-6</p>	<p>EXPLAIN that USAID guidance acknowledges that these U.S. Government-wide definitions do not provide much help when you are choosing the instruments to implement your programs. Therefore, ADS 304 provides guidance on when to use acquisition (contracts) and when to use assistance (grants or cooperative agreements).</p> <p>SAY that the next group of slides, drawn from the ADS, helps differentiate when to use these different instruments, and Read these slides describing when to use which instruments.</p> <p>SHOW <u>Slide Five</u>: ☞ Contract – When to Use?</p> <p>SHOW <u>Slide Six</u>: ☞ Grant – When to Use?</p>
 <p>SLIDES 7-8</p>	<p>SHOW <u>Slide Seven</u>: ☞ Cooperative Agreement – When to Use?</p> <p>ASK: What is meant by “substantial involvement” under cooperative agreements? What are the areas in which USAID can be “substantially involved”?</p> <p>[Ans: SHOW and READ <u>Slide Eight</u>: ☞ Potential Areas of Substantial Involvement:</p> <ul style="list-style-type: none"> • Approval of the recipient’s Implementation Plans • Approval of specified key personnel • Agency and recipient collaboration or joint participation: <ul style="list-style-type: none"> ○ selection of advisory committees ○ concur on selection of subaward recipients or the substantive provisions of subawards ○ approval of the recipient’s monitoring and evaluation plans ○ monitoring to permit specific kinds of direction or redirection because of interrelationships with other projects • Agency authority to halt a construction activity.
	<p>SAY that ADS 304.7, the Mandatory Reference on Choice of Implementation Instrument, explains several factors that FA Teams should review as they choose implementing instruments.</p> <p>DIRECT participants to Interim Update #17 on Choosing Between Acquisition and Assistance Instruments in their Workbook and ask one participant to read the first sentence: “Part of the duties of FA Team members is to make decisions regarding the most appropriate type of instrument(s) to be used to implement the various activities under a Functional Objective.”</p>



SLIDE 9



A&A
OMBUDSMAN

EXPLAIN that the guidance helps Teams make this decision.

SHOW and READ Slide Nine: Factors to Consider

EMPHASIZE the third bullet below stating that both acquisition and assistance achieve results.

Nature of Activity: There are no clear categories of activities that are better suited for one type of instrument over another. The role the USG desires to play in the activity implementation, however, is a key consideration. This also entails the management burden that the USG wishes to assume. Acquisition is the more management-intensive instrument.

Type of Implementing Organization: Unless stated specifically in the eligibility requirements of the solicitation, there are no inherent restrictions on what type of organization may receive an acquisition or assistance award. In other words: the type of organization does not determine the instrument, but it may become part of the decision making process. For example, if a “preponderance of knowledge or expertise” for the activity resides in organizations that typically receive grants, this would be useful information as part of the overall consideration. Helpful questions: “Has this activity been implemented before? How and by whom? Which instrument funded it? What was the experience in using that instrument?”

Results to be Achieved: Both types of instruments can be written to achieve results. Remedies for failure to achieve results are different but available for both types. Similarly, both acquisition and assistance should be used to ensure that the Agency’s reporting needs are met. It is incorrect to assume that Assistance awards cannot be structured to ensure results reporting. See 22CFR 226.51 on building reporting requirements into the award agreement. [text in Instructor’s Notes] So this criterion focuses more on what type of results we need to achieve and whether one instrument is better than another. For example, for this course, the result to be achieved is that USG staff will be trained. The USG has purchased this course and the associated materials. Thus, it is funded via a contract. In contrast, if the result is “free and fair elections are held,” the USG does not want to be perceived as buying the election and would be unlikely to support such a program through contracts.

Sector and Stakeholder Considerations: In general, acquisition and assistance are equally appropriate instrument types for any sector. However, FA Teams should scan the environment of the proposed activity, and answer such questions as, “Are there any issues that

support the use of one instrument type over the other?" See the Mandatory References for Examples.

Lessons Learned. When a proposed activity is a "follow-on" to an activity being implemented, FA Teams should carefully evaluate the effectiveness of the instrument type of the existing award, and whether the nature of the follow-on activity suggests a different instrument.

USAID Resources: As suggested earlier, the type of instrument that the Team selects has direct implications on USAID resources. When the Team is determining the instrument type, it should pay careful attention to what resources are available for administration of that instrument. In general, acquisition instruments are more labor intensive than assistance instruments, requiring more substantial direct USG support. If there are few USG staff at post, acquisition may be too demanding for the personnel available.... Or NOT! The USG may decide that a "grants under contracts" acquisition mechanism to shift much of the management burden on a contractor.

Decision Time and Responsibility: Typically, during the activity design phase, the FA Team will decide which implementing instrument it wants to use. The team then communicates their preference to the CO or AO, who are ultimately responsible for the choice of instrument.

ENCOURAGE participants to make use of the A&A Ombudsman when issues arise about choice of instrument or other A&A issues.

ASK participants: What is the role of the Acquisition and Assistance Ombudsman? [**Ans:** From the A&A Ombudsman homepage: "The primary goal of the Office of the A & A Ombudsman is to ensure equitable treatment of all parties participating in USAID acquisition and assistance programs. The A&A Ombudsman is the Agency official tasked with handling specific complaints as well as cross-cutting issues related to the acquisition and assistance process at USAID. For specific complaints, the A & A Ombudsman facilitates the achievements of fair resolution by reviewing the action in question in relation to relevant regulations and, where appropriate, consulting with Senior Agency Management and other federal-wide and USAID experts."]

ASK: Who is the USAID A&A Ombudsman? [**Ans:** Jean Horton.]

FLIPCHART her contact information by email at jhorton@usaid.gov.

<p>2 min.</p>	<p>EXPLAIN that USAID is trying to expand its use of flexible A&A mechanisms due to staffing and other constraints. The Annual Program Statement is one example.</p> <p>ASK: Has anyone used this Assistance mechanism? What are some of its limitations and benefits?</p> <p>[Ans: It can only be used to fund assistance. It has wider applicability than a single activity, since it lays out the Operating Unit’s entire program for the year.]</p>
<p>GDA Public-Private Collaboration Agreement</p>	
 <p>SLIDES 10-11</p>	<p>ASK: Has anyone used a public-private collaboration agreement?</p> <p>EXPLAIN that USAID has developed a new implementing instrument for alliances, because these relationships fall into neither acquisition nor assistance.</p> <p>SHOW <u>Slides Ten and Eleven:</u>  Public-Private Collaboration Agreement:</p> <p>The GDA Public/Private Alliance Collaboration Agreement: is a legally binding funding mechanism used to achieve a collaborative relationship beyond that allowed with the use of contracts and grants and cooperative agreements. <i>The relationship is not one where USAID is a buyer of services or products (contract) or donating a gift in support of an organizations program (grant/CA).</i></p> <p>The PPA CA is an obligating or sub-obligating instrument that describes the integrated efforts of USAID (<i>public entity</i>) and a non traditional partner (<i>private entity</i>) to address a development problem and achieve shared goals using government and non-government funding resources that are jointly programmed. AAPD 04-16 is the policy directive that sets forth the parameters for use of the PPA CA.</p>
<p>Exercise: Choice of A&A Instrument</p>	
	<p>ASSIGN one or two of the following mini-scenarios to each table Give them three minutes to decide which instrument they would likely use and why:</p> <p>1. USAID will fund an election program under a DG program and wants to support local civic education NGOs that conduct “get out the vote” campaigns. USAID does not want to be perceived as having any political bias or direct involvement in the election process. [Grant]</p>

<p>15 min.</p> 	<p>2. Under an environmental Program Area, the USG will fund new community-based civil society organizations to help neighborhoods develop their capacity to organize solid waste disposal activities in Costa Brava’s capital city. [Grant]</p> <p>3. Under a health Program Area, the USG will fund implementers to train village health workers in child survival interventions. Several U.S. and local organizations and institutions of higher education are already doing this type of work, but USAID wants to participate on the implementers’ curriculum advisory committees in order to help standardize the curriculum and interventions in targeted regions. [Cooperative Agreement]</p> <p>4. Under an economic growth Functional Objective, the USG will fund a project to privatize the state-owned hydropower industry. The activity will entail close USG oversight to ensure coordination with a U.S. Department of Energy program and to closely monitor and customize institutional strengthening of the Ministry of Public Works. [Contract]</p> <p>5. Under an education Program Area, USAID will fund a national workforce development activity linked to a potential regional free trade agreement. USAID expects aspects of the activity to change over time as the free trade negotiations continue, and anticipates a need for close oversight and management of the implementer to track with evolving opportunities. [Contract]</p> <p>6. Under an environmental program USAID will fund a project to reduce air pollution. Pollution is a huge problem and the funding and expertise USAID possesses in the area of pollution research is limited. The host government, three NGOs and General Motors currently have projects that address the problem in varying degrees. [PPA CA]</p> <p>7. USAID has become aware that an HBCU in cooperation with several NGOs, a U.S. food company and a chain of U.S. grocery stores is working in several African countries to develop new value added peanut products in order to enhance the profitability of, and safer products for, the peanut industry. Peanuts are a major source of income and nutrition in this part of Africa. Under an economic growth program USAID will fund a project that helps farmers solve local processing problems and diversify market niches for peanut products. [PPA CA]</p>
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	<p>A&A Instruments Chart</p>
	<p>WRAP up by directing the participants to review the Implementing Instruments Chart in their Workbooks and remind them that more information on Acquisition and Assistance instruments is included in the Implementing Mechanisms handout provided earlier.</p>
<p>Optional</p>  <p>SLIDE 12 True or False</p>	<p>Time-permitting, SHOW Slide Twelve: True or False A&A Review</p> <p>ASK participants to answer True or False to the following questions:</p> <ul style="list-style-type: none"> • A cooperative agreement is a form of acquisition. (False) • An RFP is used to solicit a grant. (False) • It is possible for a “for-profit” company to receive a grant. (True) • You must issue an RFA to competitively award a grant. (False – there is also the Annual Program Statement). • The USG’s role in Assistance is as the donor and funding agency. (True) • Assistance is an instrument used to achieve results. (True) • The AO’s performance dispute decision in a grant can be appealed outside the Agency. (False)
	<p>What’s in a name? Confusing Mechanisms and Instruments</p>
	<p>Be alert to the tendency to confuse terms. For the purposes of this training course, we distinguish between types of instruments (generic categories such as contracts, indefinite quantity contracts, grants, cooperative agreements, etc.) with specific mechanisms (the name of a specific contract, or IQC, IQC task order, or grant or Cooperative Agreement) with an activity, (where there is a budget, a Scope of Work and specific outputs).</p> <p>Ask if they can think of some examples in their experience. Here’s what you want them to illustrate:</p> <p>The Microenterprise Office uses an IQC instrument, called the AMAP Project, for carrying out much of its microenterprise work. The specific mechanism used for a given piece of work might be a Task Order under AMAP. In this example, the activity supporting microenterprise knowledge sharing is called the Knowledge Management and Communications Activity, using a Task Order mechanism under the AMAP IQC instrument.</p>

	<p>While some mechanisms may have core funds providing a certain level of management and program costs, in general instruments and mechanisms are the empty vessels we'll use to get work done, while the actual work, and the money that pays for it, resides within a specific activity.</p>
Wrap-Up and Need to Know	
	<ul style="list-style-type: none"> • The USG wants and needs a broad portfolio of instruments. • The USG uses both Acquisition and Assistance instruments to achieve development results and to ensure results reporting. • ADS 304 provides guidance on Choice of Implementation Instrument. • The Public/Private Alliance Collaboration Agreement is a new obligating instrument developed by USAID for GDA activities.

<p>LESSON 15: 60 Minutes</p>	<p>Roles and Responsibilities of CTOs and Activity Managers</p>
<p>MODULE OVERVIEW</p>	<p>This lesson acquaints participants with the basic roles and responsibilities of CTOs and Activity Managers, who may be the same person. Participants learn different possible configurations of responsibilities among FA Team members with regard to activity oversight, and then examine excerpts of CTO designation letters in their Participant Workbooks. The letters provide a rich opportunity to review numerous content areas and are another opportunity to emphasize the need to <u>Document and File</u></p>
	<p>Some participants may be Cognizant Technical Officers or Activity Managers and be able to contribute to the lesson by highlighting their duties and how they were delegated the authority to carry out their responsibilities.</p> <p>Some participants will be surprised to learn that the CTO is not automatically the activity manager's supervisor and that the activity manager can just as often be the CTO's supervisor. Clarify that these are functions, not job title.</p> <p>As part of HR's PPMT Suite, USAID provides in-depth CTO Training, leading to CTO certification at USAID.</p>
<p>Opening</p>	<p>Opening</p>
 <p>SLIDE 2</p>	<p>SHOW Slide 2: Learning Objectives </p> <ul style="list-style-type: none"> • To understand the different roles of CTOs and Activity Managers. • To understand how these roles and functions may be performed by the same or different members of the FA Team. <p>PROCESS OVERVIEW</p> <p>Explain that this lesson provides a 45-minute overview of the roles of CTO and Activity Manager, two important functions that help manage the delivery of foreign assistance. In our analysis of CTO letters, we'll identify specific roles of a CTO, while also reviewing other information we've learned in the course thus far. We'll conclude with a brief quiz to test your knowledge. When you take the CTO course, you'll have a final exam!</p>

 <p>Document and File CTO Letter</p>	<p>ASK:</p> <ul style="list-style-type: none"> • How many of you are Activity Managers? • How many of you are Cognizant Technical Officers (CTOs)? • How do you know that you are a CTO?" <p>[Ans: To serve as Cognizant Technical Officer, the individual must receive the formal letter of designation from the Contracting Officer or Agreement Officer. To be eligible to receive this letter, the individual needs to be certified via the CTO course. You may receive the letter before being certified, but you must take the course and be certified by passing the exam within six months.]</p> <p>REFER participants to the two-column Delegations of Authority graphic we reviewed earlier in their WORKBOOK. Review: CTOs are "designated" by the CO/AO. The CO/AO is basically re-delegating a portion of their award administration duties.</p> <p>[Note: COs/AOs do not re-delegate the signatory part of their warrant, but they can re-delegate some of the technical contract administration functions. More specific guidance can be found in the FAR Part 42 (www.arnet.gov).]</p> <p>ASK: What do you think you should do if you receive such a designation and letter? [Ans: Document and File!]</p>
<p>Exercise: Review Key Elements of a CTO Designation Letter</p>	
 <p>SLIDE 3</p>	<p>SHOW Slide 3: Answer These Questions About the CTO Letter (listed below in the task.)</p>
<p>15 min.</p> 	<p>REFER participants to the "Sample Contents of CTO Designation Letters" in their Workbooks. Assign different letters to the tables.</p> <p>TASK:</p> <p>Read the excerpt and answer the following questions with your table team. Prepare a flipchart with your answers:</p> <ul style="list-style-type: none"> • The letter delegates authority to the CTO in what specific areas? • What are the limitations on the CTO's authority? • Identify three specific content areas in the letter that refer to something you have learned in PFA. Explain why these are important to successfully carrying out the duties of CTO.

	<p>DEBRIEF:</p> <p>Ask each table to provide their answer to one question and discuss. Use the debrief to review differences between acquisition and assistance, as well as other PFA content, such as: performance and budget integration, Delegations of Authority, teamwork, communication, activity planning, need to document and file both for audit risk and to provide information for CO/AO and future CTO, and differences between acquisition and assistance. Explain that we will turn to financial management soon and address any concerns about the CTO’s role in financial management during that lesson.</p>
<p>Distinguishing between the function of a CTO & Activity Manager</p>	
 <p>Document and File CTO Letter</p>	<p>ASK class to define CTO. READ definition of a <u>CTO</u>: The Individual who performs functions that are designated by the Contracting or Agreement Officer, or are specifically designated by policy or regulation as part of contract or assistance administration.</p> <p>ASK class how they would define Activity Manager. READ definition of an <u>Activity Manager</u>: “Member of a FA Team or subteam who is responsible for the day-to-day management of one or more specific activities. The Activity Manager is selected by the FA Team, and may or may not also have the delegated authorities of CTO, whose authority to carry out contract or assistance management functions are designated by a Contracting or Agreement Officer.”</p> <p>UNDERSCORE the definitions’ emphasis on CTOs requiring a formal designation of authority. Link this back to the letter and earlier topic on DOA, as well as necessity to Document and File.</p>

<p>5 min.</p>  <p>SLIDES 4-6</p>	<p>SHOW Slides Four to Six ☺.</p> <p>Summarize key points about CTO and Activity Managers, in their Workbooks:</p> <ul style="list-style-type: none"> • The CTO is the technical representative on a FA Team who has received a delegation of authority from the CO for the technical administration of the award. • The CTO is generally nominated by the FA Team, but must be formally designated by the CO. The CTO function can only be redelegated by the CO unless specifically stated in the CTO designation letter. • While CTO duties (i.e., contract and grant administration) are important, these are not the only roles in the implementation process. “Activity Manager” covers these broader functions (technical leadership, interaction with partners, other USG agencies, host government counterparts, other donors, etc.), as well as managing the relationship with Washington. • For an uncomplicated project, the CTO, FA Team Leader, and Activity Manager could be the same person; in a very complex project with a bilateral agreement and numerous awards, there could be several Activity Managers and several CTOs, from multiple USG agencies. 		
<p>CTO and Activity Manager Chart</p>			
<p>10 min.</p> 	<p>A blank version of the chart below is in the Workbook. Depending on time available:</p> <p>EITHER ASK each table to discuss and fill out the table before you facilitate the discussion,</p> <p>OR CREATE matrix on Flipchart and lecture on the differences and encourage the participants to take notes.</p>		
		<p>Activity Manager</p>	<p>Cognizant Technical Officer (CTO)</p>
	<p>Nominated by</p>	<p>FA Team</p>	<p>FA Team</p>
	<p>Designated by</p>	<p>FA Team</p>	<p>Contract or Agreement Officer, in a formal letter</p>
	<p>Authority Delegated from</p>	<p>Bureau AA--Mission Director--FA Team Leader--Activity Manager</p>	<p>Office of Acquisition and Assistance—Contract Officer or Agreement Officer—CTO</p>

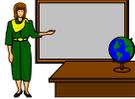
	Responsibility	Day to day management of one or more specific activities	Performs functions designated by the Contract or Agreement Officer ... as part of the administration of contracts or assistance awards from a technical standpoint. (Functions are generally spelled out in the CTO designation letter and/or the award document.)
	When designated	Can be designated at any time. If multiple activities per award, could have multiple Activity Managers.	One CTO designated per award. Usually designated at the start of an award. CTO role is coterminus with the life of the specific award.
	Certifications	No certification required.	All USAID CTOs will need to receive certification as required of all Federal CTOs by the OMB Office of Federal Procurement Policy. USAID's Certification Program is implemented by HR/LSD with input from the Office of Acquisition and Assistance and technical officers agency-wide.
Discussion			
 SLIDE 7	<p>ASK for field experience with CTO and activity managers and discuss as time permits.</p> <p>SHOW Slide 7 ~ Key differences between CTO and Activity Manager.</p>		
Quick Quiz			
<p>ASK participants to answer the following questions in their WORKBOOKS. Encourage them to write down their own answers first, and then to discuss them as a table team. Circulate around the room and encourage teams to give their colleagues time to finish individual answers before the discussion begins.</p>			

	<ul style="list-style-type: none"> • The CTO is responsible for security clearance for contractors' personnel. (True) • The CTO approves contractors' daily rates. (False) • The CTO may assign his or her assistant as a temporary CTO during leaves of absence. (False) • The CTO of a grant should approve the annual implementation plan of the grant. (False) • The CTO has the authority to disallow payment. (True)
Wrap-Up and Need to Know	
	<ul style="list-style-type: none"> • For each acquisition or assistance instrument, a Contracting Officer or Agreement Officer must designate a Cognizant Technical Officer (CTO). Certain categories of non-direct hire employees are not eligible to serve as CTOs. • In order to serve as Cognizant Technical Officer, the individual MUST receive the formal letter of designation from the Contracting Officer or Agreement Officer. • FA Teams may designate one or more Activity Managers who are core FA Team members to “manage a broad range of relationships between USAID and partner organizations.” • The CTO and Activity Manager functions are distinct, but could be performed by the same individual.

<p>LESSON 16: 60 Minutes</p>	<p>The Budget Process</p>
<p>MODULE OVERVIEW</p>	<p>Participants learn the accounts programmed by USAID as well as the process through which the Agency requests, justifies, and allocates its budget in the context of the Administration's Budget and Congressional appropriations. A future version of this lesson will include an exercise in which participants review a mini-scenario and identify which phase of the budget process is presented.</p>
	<p>The budget cycle is complex, and entails many actors. Some participants will find the impact of U.S. politics on the foreign assistance budget disconcerting.</p> <p>For many participants, this lesson is a real eye-opener for "why does it take us so long to get our money."</p> <p>If the class is relatively inexperienced, begin by flipcharting a time line that shows the Fiscal Year and ask when on the time line Operating Units normally receive their Operating Year Budget (OYB).</p> <p>During the flipchart process early in the lesson, encourage Dept. of State participants to help list all of their accounts, as well as the time constraints on use of these funds.</p> <p>This lessons includes four slides: learning objectives, the budget process map that is also a HANDOUT, and graphics provided here and in the Workbook on overlapping budget years and phases.</p>
	<p>Opening</p>
 <p>SLIDE 2</p>	<p>SHOW Slide 2: Learning Objectives ☺</p> <p>To introduce the program-funded accounts managed by the Director of Foreign Assistance and understand the implications of those different accounts.</p> <p>To know some key aspects of the budget cycle and the interdependencies among the Operating Unit, the Agency, State/F, OMB, and Congress in determining the Operating Year Budget (OYB).</p> <p>PROCESS OVERVIEW: For about the next hour, we'll track the budget process and the different actors involved in that process. We'll provide you with a handout that you'll be able to share with colleagues as a good summary of the process.</p>

	<p>Before we go into the specifics of the foreign assistance budget, and how it is now formulated, justified and implemented in State and USAID, lets talk about how the USG budget process works more generally.</p>
	<p>The USG Budget Process</p>
	<p>There is a tendency to believe that Washington capriciously asks for budget information from the field. Actually, there are reasons Washington behaves the way it does with respect to the budget request: it is because of the FEDERAL process that ALL USG Agencies must follow.</p> <p>EVERYBODY DOES IT</p> <p>It you have any friends or colleagues at another Agency, ask them sometime about how and when they do their budget requests. All USG Agencies follow the same budget guidance coming out of OMB: OMB Circular A-11. All USG Agencies are following the same deadlines that are established therein and in all Agencies the budget process is informed by multiple actors. We are in foreign affairs agencies where our requests are informed by overseas missions, but if you were in USDA, information used to formulate USDA's budget would come from farm districts around the US. In all Agencies choices are made about competing programs that usually result in a request that is less than the sum of all the little submissions.</p> <p>As part of the foreign assistance reforms, USAID's budget process is managed by State/F, in order to coordinate the use of all foreign assistance funds to advance foreign policy goals. As we'll see in a few moments, State/F submits the foreign assistance budget request to OMB where it is combined with all the budgets from all the other Agencies and Departments in the U.S. Government. After review, OBM sends us a Passback, we send a reclama (from the Latin for complaint – an appeal really), final levels are established, and this becomes the Presidents Budget Request.</p>
	<p>Now that you understand that the budget process you experience is actually influenced by a Federal process, let's begin to delve into the process as we know it at State and USAID.</p>

	<p>Budget Process Map</p>
 <p>SLIDE 3 Budget Process Map</p>	<p>ASK: "How long is the planning process for one fiscal year budget? [Ans: It can take almost two years.]</p> <p>ASK: "Who are the different actors who determine the budget?" [Ans: May include: Congress, OMB, the President, various appropriations committees, different players within State/F, State and USAID, etc.]</p> <p>DISTRIBUTE handout on the Budgetary Process.</p> <p><u>SHOW the same graphic on Slide 3.</u></p> <p>Give participants about five minutes to read the budgetary process. Discuss and respond to questions.</p>
	<p>Integration of USAID and State Budget Planning – Steps A through H in the Budget Process Map</p>
	<p>For the first time, the FY2008 Foreign Operations budget process integrated State and USAID budget planning against the new strategic framework. "Allocation Teams" for each country, composed of representatives from State and USAID regional and functional bureaus, used input from Country Teams, foreign policy guidance, information about the status of each country's performance, and the new Strategic Framework for U.S. Foreign Assistance, to allocate initial FY2008 budgets. The Allocation teams worked within hard budget parameters at the aggregate account level determined by the Director of Foreign Assistance to craft the break-out of the funds by objective area and element. Initial allocations were reviewed on a regional basis by leadership from both State and USAID regional and functional bureaus, and presented to the Secretary by region.</p>

	<p>Policy priorities and related budget requests were presented to the Secretary by the regional Assistant Secretary, with support from the relevant functional Assistant Secretaries and regional and functional Assistant Administrators. This allowed the Secretary, Director of Foreign Assistance, and other senior leadership to evaluate budget proposals and priorities on the basis of a comprehensive, coordinated, and coherent picture of how all foreign assistance resources would be used to achieve the transformational diplomacy goal in each country and the region overall. In short, this is where each Operating Unit's "number" came from. While this process is more top-down than in the past, the new process managed by State/F took field and Bureau inputs into account and utilized these inputs in a more strategic and coherent inter-agency process for programming foreign assistance.</p>
<p>Discussion: How Four Budget Cycles Overlap in One Year</p>	
 <p>SLIDES 4 - 5</p>	<p>ASK participants to look at the graphic below in their Workbooks and SHOW the same graphic on Slide 4.</p> <p>EXPLAIN that the U.S. Government budget cycle spans four years and consists of four distinct but overlapping phases: Formulating, Justification, Implementation, Reporting. While implementing the current fiscal year budget (FY), the USG is also formulating a budget for FY +2, submitting the budget request to Congress for FY +1 and reporting on FY-1.</p> <p>At any point in time, the Federal Government is Formulating, Justifying, Implementing, and Expending/Reporting on four different budget years. Each of the blue "strips" above represents the life of a budget year broken up into the four stages. However, within each of those stages, there are several steps that are undertaken. Using FY 2008 as our example, the steps are as follows:</p>

Formulation: The budget formulation process begins with guidance to the field telling them to submit their requests for FY 2008.

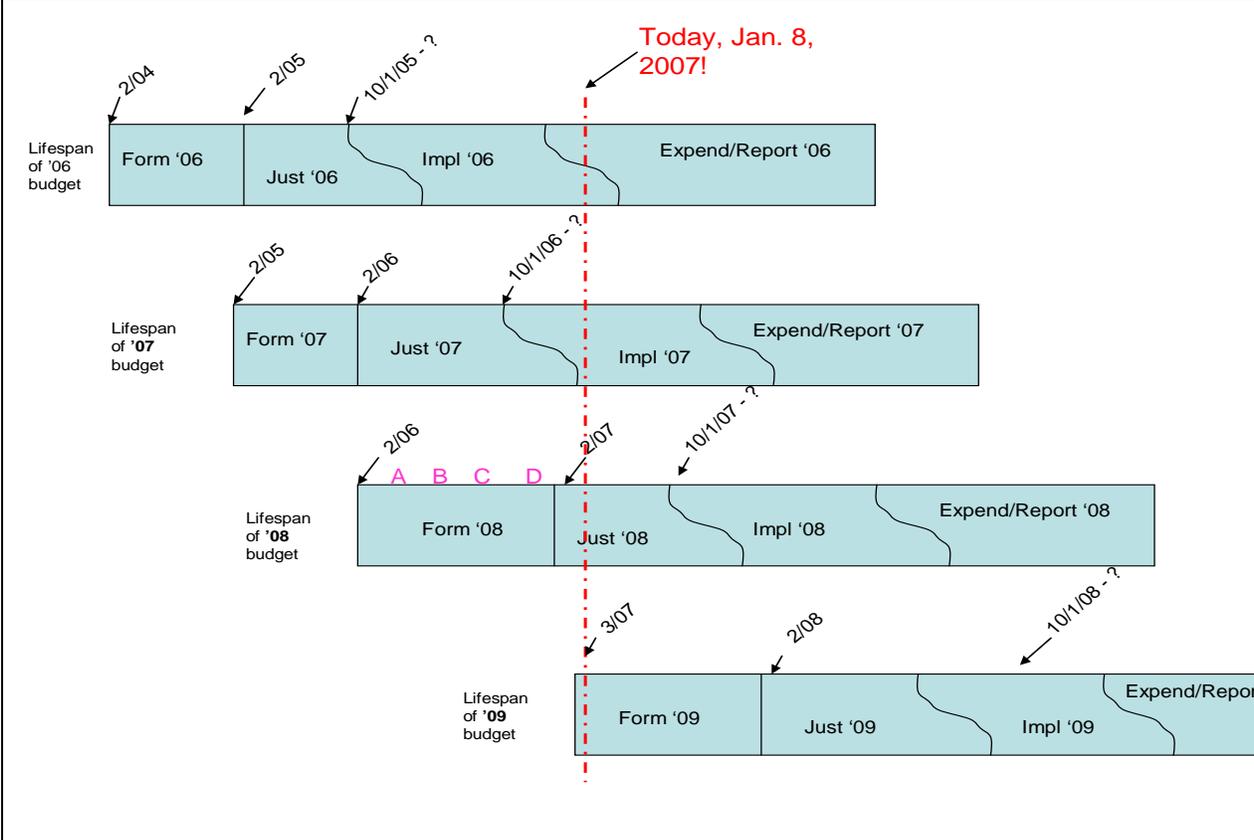
Point A: Although FY 2008 was a little different than previous years, between April and June Bureaus evaluate the information sent from missions. Then, for FY 08, the Core Teams began the '08 budget formulation process.

Point B: Senior Reviews in August/September 2006.

Point C: Submission to OMB in September/October 2006.

Point D: Passback with final numbers allows construction of CBJ in December 2006.

Justification: Begins once the CBJ is submitted to the Hill. Most of the work is now on the Hill, although State and USAID will contribute much through briefings. For the FY08 budget, this will continue, until Oct. 1, 2007, or such time as we have a signed FY 2008 Bill.

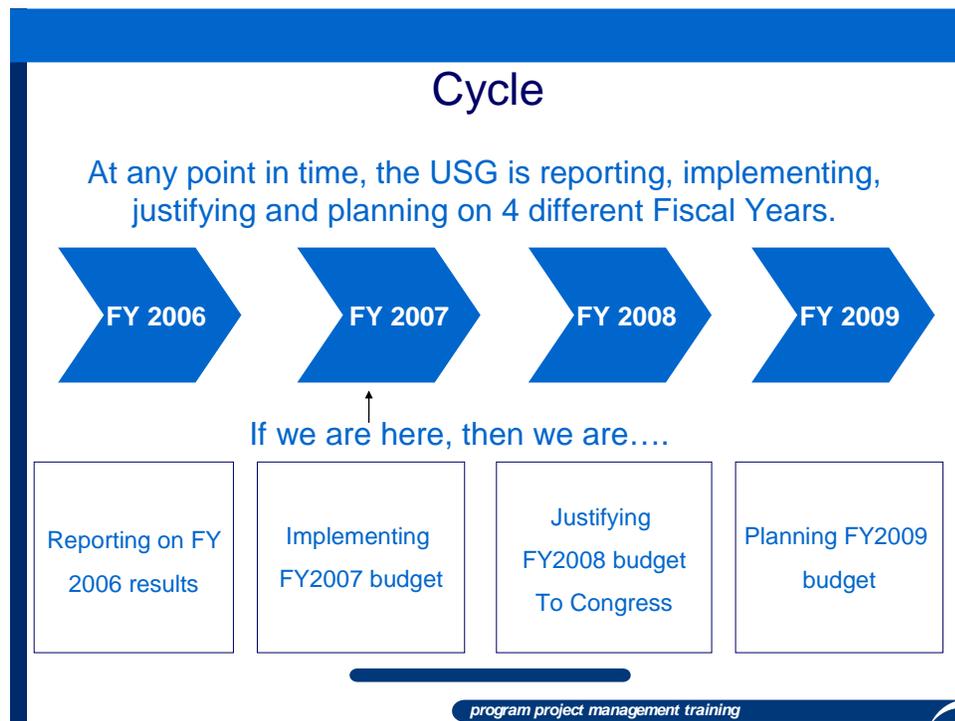


This process is the reason why it takes so long between the time a bill is signed and when the operating unit receives its funds.

Implementation: This stage typically begins in earnest long before a Bill is signed. The time required for activity development require that everything possible be accomplished **before** funds actually arrive in the mission.

Expending and Reporting: This stage follows implementation and is the least easy to associate with a particular date.

The following graphic represents these concurrent processes in a different way:



ASK from the "Budget Process Map" and the "Overlapping Budget Years" discussions, what are some other budget processes we would like to know more about?

	<p>Congressional Notification</p> <p>REFER back to the Budget Process Map SAY that in addition to setting the funding levels for the USAID budget, Congress must be notified of how State and USAID intend to obligate their funds.</p> <p>In the past both State and USAID used the CBJ to notify Congress of their intent to obligate funds. Beginning with the 2007 Budget, as a result of the foreign assistance reforms, notification for both Agencies will take place outside the CBJ and will utilize information from Operational Plans (for Operating Units that produced Operational Plans – Operating Units that did not produce an Operational Plan are utilizing the FY 2007 Notification that stands) [this last sentence will be removed when 2007 is concluded].</p>
	<p>What is the "653a Report"?</p>
	<p>ASK Does anybody know what the 653a report is?</p> <p>ANS The 653 part refers to the section of the Foreign Assistance Act of 1961. It states as follows:</p> <p>Sec 653, Change in Allocation of Foreign Assistance. – (a) Not later than thirty days after the enactment of an law appropriating funds to carry out an provision of this Act (other than section 451 or 637) of the Arms Export Control Act, the President shall notify the Congress of each foreign country and international organization to which the United States Government intends to provide any portion of the funds under such law and of the amount of funds under that law, by category of assistance, that the United States Government intends to provide to each.</p>
	<p>What are all those "A's"?</p>
	<p>Appropriation Congress signs legislation approving the transfer of resources from XXX to our Agency</p> <p>Apportionment OMB distributes the appropriated funds to agencies</p> <p>Allotment Agency distributes the apportionment to Bureaus</p> <p>Allocation Bureaus distribute the allotments among programs</p> <p>Allowances Field units (operating units) receive funds</p> <p>Availability of funds All the above is complete</p>

	<p>What are the mechanisms that actually move the funds? Once funds are apportioned to us from OMB (via a transfer from Treasury), the Financial Management offices in State and USAID enter the dollars (tagged with codes that tells us what the money is) into the accounting systems of our Agencies (e.g. Phoenix for USAID). Moving it to the next lowest level requires an action in the accounting system. For example, for USAID, Sheila Blackman allots the money to each bureau via a Phoenix action. Notice that if the money has to be “backed out” the same Phoenix processes have to be done in reverse!</p>
<p>Discussion: Types of Accounts</p>	
 <p>FUNDING ACCOUNTS</p>	<p>SAY “We’ve told you about the U.S. Federal budget process, explained why it takes so long to get money, looked at the four overlapping budget years. What else could you need to know about the budget?”</p> <p>ASK “What are the different types of funding accounts your Operating Unit deals with?”</p> <p>FLIPCHART responses.</p> <p>The list should include these funds, which are some of the largest accounts. All except Food for Peace are appropriations from the Foreign Operations Subcommittee:</p> <ul style="list-style-type: none"> Economic Support Fund & International Fund for Ireland (ESF) Child Survival and Health (CSH) Transition Initiatives (TI) Development Assistance (DA) Operating Expenses (OE) International Disaster and Famine Assistance (IDFA) P.L. 480 Food for Peace Title II (from Agriculture Subcommittee) International Narcotics and Law (?) Andean Counter-drug Initiative (ACI) Assistance to the Independent States (ex-Soviet) (Freedom Support Act, FSA) Assistance to Eastern Europe and the Baltics (AEEB) Political/Military (PKO) INCL Foreign Military Financing

	<p>IMET NADR (and sub-accounts) ERMA IO&P MRA Global HIV/AIDS Initiative Development Credit Authority Conflict Response Fund</p> <p>ASK: which accounts are co-managed with the Dept. of State? ANS: ESF, FSA, AEEB, ???</p>
	<p>Explain: The type of account determines the purposes for which the money may be obligated. There are constraints on the use of funds according to how they may be obligated (i.e., Child Survival and Health, Development Assistance with earmarks, IDA).</p> <p>There are also constraints on the use of funds according to <u>when</u> they may be obligated. For example:</p> <p>One-year appropriation - available for obligation during a specific fiscal year. Operating Expense (OE) funds are one-year money.</p> <p>Multi-year appropriation - available for obligation for a definite period of time in excess of one year</p> <p>No-year appropriation - has no statutory limitations on when the funds may be obligated and expended (usually identified by appropriation language such as "to remain available until expended" or "without fiscal year limitation").</p> <p>Although most USAID funds come from accounts that are multi-year appropriations (usually for 2-years), and most State funds are between one and three years, participants should refer to their Program Officer or Controller to be certain, or refer directly to the legislation.</p> <p>Keeping in mind that each account could have an "expiration" date, funds within each account are further classified as:</p> <p>NOA funds – New Obligation Authority (i.e., new funds) Carryover funds – Explain that these are 2-year funds. Funds that are being "carried" over to the 2nd year. This usually means they must be obligated by the end of the fiscal year (30 September) since you are now in year 2. Check with your Program Officer to be certain.</p>

	<p>De-obligation/Re-obligation funds (recoveries)– funds originally obligated towards another activity. Decisions regarding the redistribution of deobligated funds are made by the Director of Foreign Assistance, following recommendations from F/Resources & Appropriations and Core Team Leads. They are considered an Agency resource. For this reason, CTOs and FA Teams should not consider funds deobligated from a instrument as guaranteed to be available to them.</p> <p>Transfers – fund moved to us from other agencies for implementation</p> <p>Gifts and Donations</p>
Wrap-Up and Need to Know	
 <p>KEY MESSAGES</p>	<p>Funds carry constraints regarding how and when they can be obligated.</p> <p>The Budgetary Cycle lasts at least 22 months and involves many actors whose roles reflect sometimes conflicting opinions and perspectives on how U.S. taxpayer dollars should be spent.</p> <p>The budget process is affected as much by politics as by performance. Good performance is not always rewarded with funding.</p>

LESSON 17: 120 Minutes	Financial Management
MODULE OVERVIEW	<p>This lesson acquaints participants with key financial management terms and the importance of managing USG funds. Pipeline analysis, estimating accruals, and issues of forward funding and audit risk are also included, providing another opportunity to emphasize Document and File. The lesson includes two pipeline exercises: one to help participants test their knowledge of the terminology and to calculate pipeline in terms of a dollar amount; and the second to demonstrate how to calculate pipeline in terms of months. The only slides in the lesson are the title and Learning Objectives.</p>
	<ul style="list-style-type: none"> • The ADS 600 series contains guidance on Financial Management Responsibilities. Relevant chapters include: • ADS 631 Accrued Expenditures • ADS 621 Obligations • ADS 601 Funding Source Policy • ADS 602 Forward Funding for Program Funds • ADS 603 Forward Funding Policy for Non-Program Funds • There is a quiz on financial matters at the end of this lesson that serves as a good review of both the Budget and Financial Management content. • This lesson is a great opportunity to involve and feature the expertise of participants who work in the Controller’s Office or FM. Speak with these participants in advance and ask if they would be comfortable in presenting information on the way their missions manage forward funding, or how they calculate pipeline, etc. But make sure they understand the basic content that we need to get across before going into too much mission-specific detail. • This lesson concludes the “Achieving” content of PFA. Take about 15 minutes at the end of the lesson for participants to work in their Learning Journals.
	Opening
 SLIDE 2	<p>SHOW Slide 2: Learning Objectives </p> <ul style="list-style-type: none"> • To understand key financial management terms. • To understand some of the CTO and FA Team’s financial management responsibilities. • To test your knowledge about an Operating Unit’s financial and budgetary concerns by answering a list of Frequently Asked Questions.

	<p>PROCESS OVERVIEW</p> <p>This lesson builds upon information we covered in the budget lesson, as well as A&A and CTO content. For the next 90 minutes or so, we're going to learn some of the key financial management terms and procedures and learn how to apply this information in some basic calculations. By the end of this lesson, everyone in the class will know how to calculate pipeline in two ways and you won't feel left out when this topic arises in your Operating Unit.</p>
	<p>ASK Let's begin again with People: Who has financial responsibilities?</p> <p>[Ans: Everyone who works in the USG is responsible for ensuring that funds are used wisely and can be accounted for.]</p> <p>DISCUSS: Financial management is not just the responsibility of the Office of Financial Management in Washington or the Office of the Controller in the field. FA Team members should also view themselves as financial managers.</p> <p>POINT to the "Hierarchy of Rules" flipchart from the Opening session and the discussion of the President's Management Agenda.</p> <p>REPEAT that "Improved Financial Management" is one of the PMA priorities. It is essential for proving to foreign assistance stakeholders (point to other flipchart re: "Who Cares about Foreign Assistance") that we are using taxpayers' money effectively and accountably.</p>
<p>Financial Management Terminology</p>	
 <p>FINANCIAL MANAGEMENT TERMS</p>	<p>DISCUSS definitions and FLIPCHART these key terms, which are also in their Workbooks.</p> <p>Accrual: The estimated cost of goods and/or services or other performance received but not yet paid for by the Agency. Accruals are calculated for specific agreements and help provide current information on the financial status of an activity (or group of activities), agreement, or program. In the case of construction, they may be based on percent completed. (See ADS Series 600 for a more technical discussion of this term)</p> <p>Disbursements: Payments made using cash, check, or electronic transfers. Disbursements include advances to others as well as payments for goods and services received and other types of payments made. (ADS 631.6)</p>

 <p>FINANCIAL MANAGEMENT TERMS</p>	<p><u>Expenditures; also called Accrued Expenditures:</u> The sum total of disbursements and accruals in a given time period. These are typically calculated for specific agreements, activities, and programs. Expenditures are estimates of the total cost incurred by the Agency for a given agreement, activity, or program. Also referred to as accrued expenditure. (See ADS Series 600 for a more technical discussion of this term)</p> <p><u>Mortgage:</u> A claim on future resources, which has been authorized in the Operating Unit’s Management Agreement; the difference between the total authorized level of funding and the cumulative total amount of funds obligated.</p> <p><u>Obligation:</u> A written agreement between USAID and another party for which USAID has financial and management responsibility to make payment for delivery of goods or services. An obligation occurs through SOAGs between USAID and host governments, through the execution of contracts, grants or purchase orders to organizations, or by the use of an Agency credit card.</p> <p><u>Pipeline:</u> The amount of funds obligated but not expended; the difference between cumulative obligations and cumulative expenditures, including accruals.</p>
<p>Exercise: Applying Financial Management Terminology</p>	
 <p>Applying FM Terminology</p>	<p>ASK participants to turn to the diagram in their Workbooks.</p> <p>POINT TO a BLANK diagram you have already prepared like the “Snapshot of Financial Management Concepts” below. Do NOT fill in the amounts or names yet.</p> <p>EXPLAIN that you are going to tell a story about Costa Brava, which you will illustrate on this diagram. As you do so, participants should label the same diagram in their Workbooks with the correct financial management term. <u>Ask participants to try to do this individually, rather than as a table team.</u></p> <p>DESCRIBE the funding of a hypothetical award, filling in the dollar amounts in each box as you go:</p>

Costa Brava has no SOAGs, and obligates its funds directly at the award level. In this case, the Costa Brava mission signed a new award that has a total estimated cost of \$50 million dollars, subject – of course -- to the availability of funds. During Year 1, the Costa Brave mission funded the award at \$10 million. The mission expects to incrementally fund this award over the next few years at a level of \$10 million a year. (Write 10 in the top boxes.)

During Year 1, payments of \$3 million were made for goods and services delivered. (Write 3 in box C.)

About \$2 million of goods and services that were delivered have not been paid for yet. (Write 1 in box D.)

In other words, \$5 million of goods and services have been delivered. (Point to E.)

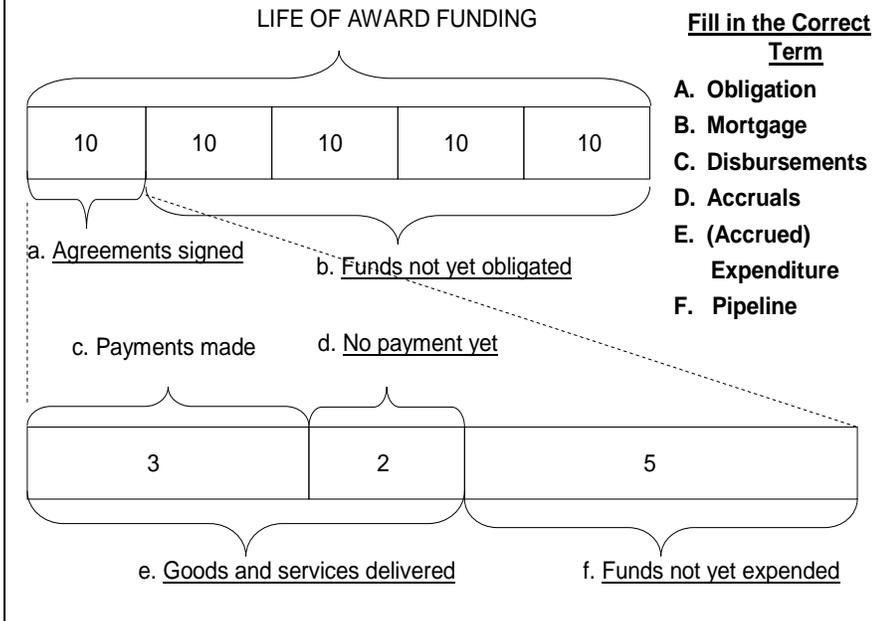
Some funds remain. They have been obligated but not expended. (Write 5 in box F.)

Some funds haven't even been obligated yet. (Point to B.)

10 min.



Snapshot of Financial Management Concepts



	<p>ASK participants to fill in the blanks in their Workbook, referring to the terms just discussed. (“Answers” are in the instructor’s diagram above.)</p> <p>ASK participants to please sit quietly when they are finished, to give their colleagues a moment to complete their work.</p> <p>REVIEW the answers in plenary and ask if there are any questions. Check for understanding.</p> <p>EXPLAIN: The process and terminology we just used here at the award level is also used higher up at the objective level. When a mission’s strategy is approved, it receives a notional dollar figure for the “life of objective.” For example, we might speak of a five-year, \$50 million DG objective. As we know, the mission does not receive the entire \$50 million at once; instead, it receives its annual DG budget and then obligates and disburses those funds. POINT TO the diagram again and explain that each of these terms also works at a larger, portfolio level, based on an aggregation of all the individual award data.</p>
	<p>Accruals</p>
	<p>ASK: How to calculate accruals, acknowledge responses and mention at least the following:</p> <ul style="list-style-type: none"> • Unpaid/unprocessed vouchers • Call the contractor or grantee • Go on site visits and observe activities • Look at the burn rate • Consider the cost of known activities on a work-plan or discussed with the implementer] <p>ASK: Who can define burn rate? [ANS: A burn rate is an average that expresses how quickly we are using up our funds. It measures cumulative expenditures divided by time. Check for understanding: So does this mean only what we’ve paid on those vouchers? ANS: NO. Burn rate includes both disbursements and accruals: that’s the meaning of expenditure.]</p>

 <p>ACCRUALS</p>	<p>ASK: How do you calculate projected expenditure? [Ans: Calculating/projecting your expenditures may be more of an art than a science. The science part is determining your fixed costs. Your implementing partners help you do that. You also look at your implementing partners' annual work plans for new costs. You get all this input and either double it, divide it by two or three. You must look at recent history to figure out if you believe it. For example, can you really double their expenditures if the Ministry of Education has NEVER been able to spend over \$2 million in one year for the last five years?]</p>
<p>Pipeline Discussion</p>	
	<p>Review that the first exercise came up with a dollar figure for pipeline. Ask if that figure is sufficient to know if we have sufficient funds until the next replenishment. [ANS: No.] EXPLAIN that, in addition to know the dollar amount of pipeline, we also need to know <u>how many months of pipeline</u>.</p>
 <p>PIPELINE</p>	<p>ASK, How much should be in pipeline? [Ans: Most missions keep 6-18 months of funds, with 18 months being the maximum allowed. The IG did a report in 2000 that concluded that most missions have too much pipeline.]</p> <p>STATE that the amount of pipeline that is needed depends on the lag time between the last replenishment and the next. In assessing the appropriateness of pipeline, Operating Units should consider the predictability of the funding source and their own capacity to manage their programs at that level of pipeline. Expenditures, accruals, and "burn rate" are scrutinized to determine funding needs and cash flow.</p>
	<p>DISCUSS how pipelines accumulate when expected costs are overestimated. Overestimates can occur due to:</p> <ul style="list-style-type: none"> • the failure of a counterpart to meet an expected commitment; • implementation delays due to technicians who can't be recruited or placed in the field, • delays in the procurement of goods and equipment, • strikes, and • political disturbances that disrupt scheduled commodity deliveries or ability to carry out planned work; • the activity may be reduced in scope due to a change in focus or transfer to another activity.

	<p>CONCLUDE this part of the lesson by explaining that these are times when CTOs and FA Teams should assess their funding and consider deobligating excess or unneeded funds, either fully or partially, before the activity ends/expires. The idea is to free up excess funds before the award goes to closeout, an administrative process that can take 2-3 years, so that they can be reprogrammed and re-obligated to another activity.</p> <p>NOTE: The next exercise is optional. It gives participants an opportunity to calculate pipeline in terms of months, using the formula developed by Skip Waskins, now Mission Director in Afghanistan.</p> <p>If time is running short, skip the exercise and move into the content on forward funding and audit risks.</p>
<p>Optional</p>	<p>Washington calculates the estimated pipeline with the following formula. The formula for determining the number of months in your pipeline is 12 times the combined pipeline (at the end of the year) divided by the average expenditures. In the formula below, FYC = current fiscal year.</p> <p style="text-align: center;"><u>12 x Cumulative Pipeline</u> Cumulative expenditures / Number of FY</p> <p>WALK the participants through the pipeline exercise in their Workbooks, which is now an application of the same terms at the objective (rather than award) level to illustrate how the same terms are used and how Operating Units must calculate pipeline at aggregate levels. The bottom boxes are blank in their Workbook.</p> <p>Add all the expenditures and divide by 3. [Ans. = 6] Add all the pipelines. [Ans. 12] Put those two numbers into the Estimated Pipeline and walk through the calculation. [Ans 24 months]</p> <p>ASK: Is this pipeline too small, too large, or just right? [Ans. Too large, because it exceeds 18 months even though the expenditures are increasing each year.] ASK: Do you think you're going to get your OYB if you have such a large pipeline?</p>

	<p style="text-align: center;">Pipeline Analysis</p> <p style="text-align: center;">LIFE OF OBJECTIVE FUNDING</p> <p style="text-align: center;"> $\frac{12 \times \text{Total Pipeline}}{\text{Average Expenditure}} = \text{Estimated Pipeline in Months}$ </p> <p style="text-align: center;"> $18/3 = 6$ </p> <p style="text-align: center;">*Add all numbers and divide by # of fiscal years</p> <p style="text-align: center;"> $\frac{12 \times 12 = 144}{6} = 24$ </p> <p style="text-align: center;">*Add all numbers here</p>
	<p>if you're working at the award level and want to know how much pipeline you've got left : Calculate pipeline in months by dividing pipeline by the burn rate.</p> <p>DISCUSS Deobligation refers to the process of removing unneeded funds from an obligating instrument. CTOs and FA Teams should work deobligation into their normal workload, undertaking it as often as necessary, in order to control pipelines.</p> <p>SAY: Funds obligated under a SOAg are generally returned to the SO if not spent or decommitted from an award.</p> <p>State/F is determining how to utilize and allot deobligated funds.</p>
Forward Funding	
	<p>ASK, Who can define Forward Funding?</p> <p>[Ans. The availability of funds to support future expenditures for a specified time period after a planned obligation. This definition of forward funding applies to the use of program funds. (Chapter 602)].</p>

	<p>The definition of the <i>process</i> of forward funding is: Obligating, from current year funds, amounts to cover the cost of goods and/or services to be received/provided in a subsequent fiscal year. Rules for forward funding will vary somewhat depending on the good/services under consideration. See ADS Chapter 602 for definition as it relates to program funds.</p>
 <p>FORWARD FUNDING</p>	<p>ASK: When do you usually get your money from Washington? [Ans Missions get the bulk of their money in the 3rd or 4th quarter (often 4th). They can request urgent funding earlier and may or may not get it.]</p> <p>ASK, why does the U.S. Government care about forward funding? [Limits expenditures to the remaining timeframe in the current fiscal year plus 12 months.]</p> <p>When developing a budget, most people remember to ensure availability of funds and use of the proper appropriation account. However, many forget to follow or enforce the Agency's forward funding guidelines which set limits on advance funding to ensure that:</p> <ul style="list-style-type: none"> • Funds that may be used for current requirements aren't tied up • The Agency is in compliance with Federal law • The Operating Unit has adequate funds at the beginning of a fiscal year, when available funding may be minimal.
	<p>EMPHASIZE that it is critical that CTOs and FA Teams make careful, thought-out projections and monitor them closely so adequate resources are available when needed.</p> <p>Program managers may forward fund activities up to 12 months beyond the end of the fiscal year in which the obligation takes place. For example, if a program manager makes an obligation for an activity on April 1st, the funding for that activity must not exceed 18 months. [Counting the number of months from April 1 - September 30 (or six months) plus 12 months) gives you 18 months.]</p> <p>NOTE that forward funding for OE is much more limited.</p>
<p>Discussion: Risk Management Controls</p>	
 <p>RISK MANAGEMENT</p>	<p>Explain the importance of minimizing financial and performance vulnerability, i.e., a circumstance or set of circumstances that could result in fraud, mismanagement, waste, and/or an inability to meet funds control and accountability standards. Vulnerabilities can be placed in two categories: (1) those that deal with activities, including issues over resources, inputs, and outputs; and (2) those involving higher-level results and concern overall performance.</p>

 <p>RISKS</p>	<p>ASK What are types of risks a FA Team is susceptible to? FLIPCHART responses. Answers may include:</p> <ul style="list-style-type: none"> • Mismanagement • Erroneous reports or data • Unauthorized uses of resources • Illegal or unethical acts • Adverse or unfavorable public opinion <p>ASK: Do you need an IG audit to identify these risks? No. Operating Units can conduct their own risk assessments as:</p> <ul style="list-style-type: none"> • The first step in improving management controls • A screening devise (early warning) • A quick evaluation • A documented review of susceptibility • A risk identifier <p>Managers should use existing knowledge, IG and GAO audit reports, management studies and other sources of information to help self-assess the risks in their missions.</p>
<p>Discussion: Audits (Optional)</p>	
	<p>ASK for prior experience with audits.</p> <p>EXPLAIN Audits provide for a systematic examination of records and documents, and the securing of other evidence by confirmation, physical inspection or comparison. There are different types of audits, including performance audits, financial-related audits, agency contracted financial audits, foreign recipient contracted financial audits, OMB Circular A-133 audits, and many special audit reports.</p> <p>FA Teams should:</p> <ul style="list-style-type: none"> • Ensure that Grants and Contracts requiring audit are included in the audit inventory; • Budget for audit expenses under relevant obligations instruments; and • Advise mission management on audit status and issues.

 <p>FA TEAM FILES</p>	<p>ASK: How can you guarantee that you are ready for an audit? [ANS: Comply with mandatory requirements and keep good files.]</p> <p>For USAID staff, ADS 202.3.4.6, lists standard documents that should be included in FA Team files:</p> <ul style="list-style-type: none"> • Documents include: • Strategic Plan • Management Agreement • Performance Monitoring Plan • Team delegations and membership lists • Activity approval documents • Environmental reviews • Congressional notifications • Bilateral obligation documents (grant and loan agreements) • Non-obligating agreements (memoranda of understanding) • Procurement Requests, Commitment/Obligation Records • Implementation letters • Official correspondence • Audit reports • Annual Reports • Evaluations • Close out reports
	<p>DISCUSS: PKA Teams should work with the Audit Management Office at the Mission to help prepare for audits:</p> <p>Organize an audit inventory (include all contracts, grants, and cooperative agreements) Prepare a Audit Management Plan Complete the Internal Control Checklist (ADS 596)</p> <p>Participants should see ADS 591 (Financial Audits of USAID Contractors, Grantees, and Host Government Entities), 592 (Performance Audits) and 595 Audit Management Program) for more information regarding audits.</p>
<p>Wrap-Up and Need to Know</p>	

	<ul style="list-style-type: none"> • Everyone should become familiar with financial management concepts. • The PKA Team, along with the Controller’s Office, should periodically review the status of all obligated funds and make any necessary adjustments to ensure that these funds are used in a timely manner, or are deobligated. • Expect to be audited: Document and File! • Risk assessments enable Operating Units and PKA Teams to develop controls that reduce vulnerabilities. Risk Assessments should ask 3 questions: <ul style="list-style-type: none"> • Have all the risks been identified? • Do the controls cover the risks? • Are the controls working?
Learning Journals for Achieving	
 <p>LEARNING JOURNAL</p>	<p>Say that before we move into the Assessing and Learning content, they should take about 15 minutes to work in their Learning Journals.</p>

ASSESSING AND LEARNING

<p>LESSON 18: 120 minutes</p>	<p>Performance Management</p>
<p>MODULE OVERVIEW</p>	<p>This lesson begins discussion of “Assessing and Learning” as essential steps in programming foreign assistance. Participants learn the basics of performance management, which includes ongoing monitoring of activities, as well as formal and informal evaluations. Performance management is the foundation of assessing and learning in USAID and is a U.S. Government requirement. The lesson includes lecture, flipcharting and exercises. To shift gears somewhat, participants do an exercise on selecting a performance indicator BEFORE learning content on indicator quality standards.</p>
	<ul style="list-style-type: none"> • A Performance Management Plan is a USAID requirement, but all Federal Agencies need to track their indicators in order to report with confidence on the use of taxpayer funds. • USAID Operating Units must prepare a complete PMP for each Functional Objective. • The Indicator Reference sheet is provided at the end of the lesson; participants will find the entire Performance Management Toolkit on their CD-ROM. • This lesson can be divided between two presenters due to its length.
	<p>Opening</p>
 <p>SLIDE 2</p>	<p>SHOW Slide Two:  Learning Objectives</p> <ul style="list-style-type: none"> • To recognize the need for an on-going system for performance management in the context of foreign assistance reform • To know that effective program management is based on data. • To review how a performance management plan organizes data collection and monitoring processes, including evaluations. • To understand the importance of quality standards for data and performance indicators

	<p>Process Overview:</p> <p>This is a long lesson that we'll divide into parts:</p> <ul style="list-style-type: none"> • First, we'll discuss different types of indicators and data • Second, we'll link our measurement procedures to the famous "budget bumps" slide to review the role of performance management vis a vis the PMA priority on budget and performance integration works • Third, we'll focus on use of standard indicators in the Operational Plan • And Fourth, we'll learn about performance management methodologies for managing our programs <p>This topic will last about two hours. We'll use presentations, slides, table top exercises and share a number of performance management tips and resources.</p>
<p>Purpose and Types of USG Indicators</p>	
	<p>EXPLAIN that all USG agencies are required to track the results they achieve with taxpayer funds.</p> <p>ASK: How do you prove that you are achieving results? [ANS: You assess <u>data</u> about your performance. Part of the rigor of managing for results is using data – not just our best guess, or our professional judgment – to determine whether we are achieving the results we committed to achieve and measure.]</p> <p>ASK: What do we use to measure data? [ANS: We use performance indicators, which are performance measures, and are sometimes referred to as "metrics."]</p> <p>Explain that performance management serves two related purposes: to help us implement and manage our programs in a way that will achieve the results we committed to achieve, and to help us be able to communicate that progress in a way that is clear and credible. Therefore, State and USAID collect data for two main purposes:</p> <ul style="list-style-type: none"> • For measuring and managing our Operating Unit performance, • For telling an Agency-level performance story. <p>Data collected for the first purpose is used by Operating Units to manage for results (i.e., make program adjustments based on performance), and by Washington to inform budgeting decisions.</p>

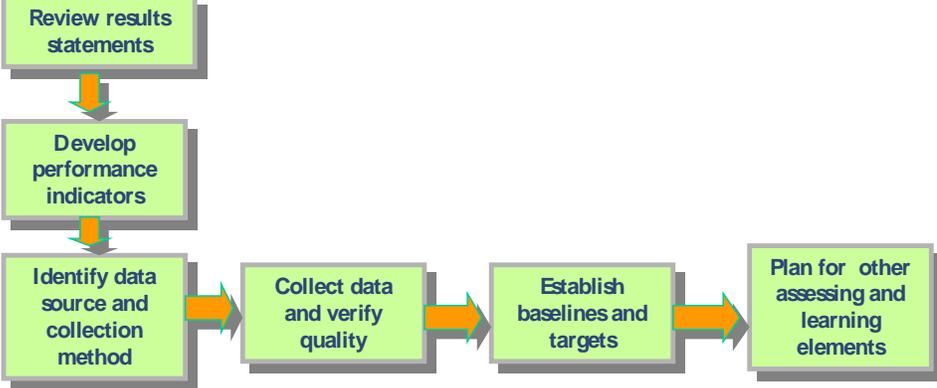
	<p>Data collected for the second purpose is used mostly for reporting in documents such as Congressional Notifications (CNs,) the Joint Performance Plan, the Performance and Accountability Report, and the Program Assessment Rating Tool.</p>				
	<p>EXPLAIN: <u>It takes different indicators to meet those two purposes.</u> For the first purpose, Operating Units use their own “custom” indicators, and for the second purpose we have the Standard Indicators. Did USAID’s effort to establish common indicators in the late 90’s fail because we were trying to find indicators that would serve both purposes? Possibly.</p>				
	<p>STATE/F WILL USE THREE TYPES OF INDICATORS</p>				
 <p>Slide 3: State/F will use three types of indicators</p>	<p>Type of Indicator</p>	<p>Common</p>	<p>Measure Program Performance</p>	<p>Tell Agency Story</p>	
	<p><u>Context indicators for Functional Objectives and Program Areas</u> (e.g. GDP/Cap, Child Mortality rate). Collected by third party such as Heritage or IMF.</p>	<p>Yes</p>	<p>No</p>	<p>Yes; provide a context for why we provide assistance</p>	
	<p><u>Custom indicators</u> (Advocacy index of CSO Coalitions; Improve and integrate acute-flaccid-paralysis surveillance with surveillance for other infectious diseases). Collected by USAID or implementers.</p>	<p>No</p>	<p>Yes</p>	<p>No</p>	
	<p><u>Standard Indicators for the Program Hierarchy</u> An OU must track if they have a particular type of program. These are the new “standard indicators” for our revised strategic planning process.</p> <p><u>Humanitarian Assistance Indicators on Crude Death Rate and Nutritional Status of Children Under-Five</u></p>	<p>Yes</p>	<p>Only with difficulty</p>	<p>Yes, but we’re not entirely sure how we’ll use them. TBD</p>	
	<p>Yes</p>	<p>Yes</p>	<p>Yes</p>		

Telling a USG Story: The Purpose and Use of Standard Indicators	
	<p>EXPLAIN: Purpose and Use of Standard Indicators: To collect data that can be rolled up to inform the Administration (PMA), Congress (GPRA) and the US public:</p> <ul style="list-style-type: none"> • How Foreign Assistance funds are being used; • What is being achieved with these funds; and • What progress are we making towards our Foreign Assistance goals
 <p>SLIDE 3 Budget Bumps</p>	<p>SHOW Slide Three: Use of FY Appropriations to Achieve Foreign Assistance Results</p> <p>Say Describing point two – what is being achieved with the funds the Congress is appropriating for us – can be very challenging, because the Hill often wants to see the immediate product – or output -- those resources are buying as well as the long-term impact – or outcome. Refer participants to the Reaching for Results handout again to remind them that the level of impact differs over time – as should our performance metrics.</p> <p>This slide on Use of FY Appropriations to Achieve Foreign Assistance Results demonstrates two important assumptions coming out of State/F in regard to explaining what is being achieved with appropriated funds. The first assumption is that the “bulk” of our resources will achieve the “bulk” of our “results” by the end of the immediately following fiscal year, and second, we therefore have to re-define a “result” to include something one can achieve within the immediately following fiscal year, which means for the most part an “output.”</p> <p>Examine this diagram closely. Some “results” are achieved in the same fiscal year that the funding is received (the first “tail” of the same-colored normal curve), and yes, many results from any one fiscal year of funding may not be achieved until two or more years later (the second “tail”). We all recognize this. BUT!!! Ambassador Tobias has formally chosen to make that first assumption in order to be able to explain our achievements to the Hill and that is his prerogative.</p>

	<p>However, in order to support that assumption, it is necessary for us to define our results to include something that can be achieved within the immediately following fiscal year, which for the most part will have to be input and output level changes. That is not to say that this is where the explanation stops. It is incumbent upon State/F to demonstrate over time how the achievement of output level results is leading to the achievement of impact level results. If we wanted we could draw a line increasing over the bumps that is supposed to represent the impact of accumulated output-level results on outcome level changes.</p>
<p>Performance Measures in the Operational Plan</p>	
<div style="text-align: center;">  <p>SLIDE 4 Operational Plan Indicator Requirements</p> </div>	<p>SHOW Slide Four: ☺ “Table of Operational Plan Indicator Requirements”</p> <p>This table presents the type of data State/F will request from Operating Units both through the Operational Plans and the Performance Reports. Each of the columns has a separate and distinct purpose.</p> <ul style="list-style-type: none"> • The first column, “Cumulative Results Achieved with USG Assistance to Sept. 30,” may only be used in this first year to provide State/F with a “jumping off” place as we move forward with the Foreign Assistance reforms. • The second column represents data that will result from all sources of money (New Obligating Authority (NOA), Obligating Year Budget (OYB), pipeline, recoveries...). CHECK for UNDERSTANDING: And we remember what these terms mean from our budget and financial management lessons, right? For Operational Plans this will be targets set based on all resources, and for the Performance Report this will be actual data resulting from those resources. This is the column that will be used for performance management purposes and will allow us to compare target data with actual achievements (see green shaded boxes below showing when the FY08 target gets set and when the FY08 actuals are collected for comparison to targets).

	<ul style="list-style-type: none"> The final column requests target data to be achieved with the current year's NOA by the end of the immediately following fiscal year (for example, the targets we set for end-FY 08 are based on what we think we can achieve with FY 07 NOA). The purpose of this column is to be able to tell Congress what we can achieve with the resources they are appropriating to us in this fiscal year. It will also be used by Washington in the review of the Operational Plans to assess whether the planned results are consistent with the funding allocated, and are allocated strategically to get the best value added in reaching the overall foreign assistance objectives. <p>Note: Targets that are set based on NOA should never be compared to the actual data achieved using OYB.</p>
	<p>What are the business process changes for Partners with regard to Performance Reporting?</p> <ul style="list-style-type: none"> Current performance reporting is usually done using quarterly progress reports, unless the terms of an acquisition award specify more frequent progress report End of fiscal year reporting and end of second quarter (March 31) are especially important under the new reforms: <ul style="list-style-type: none"> End of fiscal year reporting <ul style="list-style-type: none"> Primary use is for annual report to public and Congress on foreign assistance performance End of second quarter reporting <ul style="list-style-type: none"> Primary use is for portfolio reviews sometime during May-August to help prepare for Sept/Oct. submission of Operational Plan Reporting from Operating Units to Washington based on standard set of indicators for both State and USAID financed activities, as well as, a standard set of program categories (program objectives, areas, elements and sub-elements) OAA and GC are currently developing new guidance and templates to help COs and AOs include specific performance reporting criteria into awards. This will inform implementing partners of their role in providing data aligned with the Standard Indicators. Does not negate importance of activity specific, or "custom" indicators for managing for results

	<p align="center">Managing our Operating Unit Performance: Purpose and Use of Custom Indicators.</p>
	<p>SAY Standard indicators are essential to aggregate and report foreign assistance results to our overseers, but what about the indicators Operating Units and partners need to track to know if the program is being managed correctly to achieve the desired outcomes? Activity specific indicators – custom indicators – are still critical to this purpose.</p> <p>For the standard indicators, there is no room for you to define the indicator. That has been done for you. Most of the rest of this lesson will focus on the indicators that you select <u>for the purpose of performance management</u>. However, the information to follow on documentation applies even to the Standard Indicators.</p>
	<p align="center">Definitions of Performance Management</p>
 <p>SLIDES 5 – 6</p> <p>Definitions</p>	<p>ASK What do you think of when you hear “Performance Management’?”</p> <p>SHOW <u>Slide Five:</u> 🗨️ What is Performance Management Performance management is: ...the systematic process of monitoring the results of activities; collecting and analyzing performance information to track progress toward planned results; using performance information to influence program decision making and resource allocation; and communicating results achieved, or not attained, to advance organizational learning and tell the Agency’s story. Performance management represents our commitment to manage programs with greater accountability and for the most advantageous development outcomes. Performance management includes both ongoing performance monitoring <u>and</u> structured assessments and evaluations.</p> <p>ASK What is a PMP?</p> <p>SHOW <u>Slide Six:</u> 🗨️ What is a PMP? A tool used by an Operating Unit and a Team to help plan and manage the process of assessing and reporting progress towards achieving an objective. It contains full documentation on the indicators to be used, their sources, the quality of data available, and responsibilities for collection and analysis of data. A Performance Management Plan is prepared during the first year of a program and is reviewed and updated at least annually.</p>

	<p>ASK How many of you have ever worked on a PMP? What was your experience like? Do you feel that the PMP was used effectively in making data-informed decisions?</p> <p>NOTE: Performance <u>Monitoring</u> is just one task in Performance <u>Management</u>. A PMP serves no purpose if data are not analyzed and assessed to inform management decisions.</p> <p>EMPHASIZE Performance management is about more than reporting!</p>
 <p>SLIDES 7-9</p>	 <pre> graph TD A[Review results statements] --> B[Develop performance indicators] B --> C[Identify data source and collection method] C --> D[Collect data and verify quality] D --> E[Establish baselines and targets] E --> F[Plan for other assessing and learning elements] </pre> <p>SHOW <u>Slide Seven</u> (above) and refer participants to the diagram in their Workbooks. This depicts the overall process of developing a PMP. Check for understanding.</p> <p>SHOW <u>Slide Eight</u>: Elements of a PMP</p> <p>SHOW <u>Slide Nine</u> and Answer Frequently Asked Questions about PMPs.</p>
<p>Discussion: "S" Curve as it Relates to Indicators</p>	

	<p>DRAW the S-curve again on flipchart to introduce discussion of performance indicators. Review the following points as you draw:</p> <ul style="list-style-type: none"> • In development, there is a starting condition (at one end of the S-curve) and a desired/different condition (at the other end of the S-curve). • This progression could take place in any length of time. In a disaster response situation, it could be 36 hours. In sustainable development situations, the process could take 5-20 years. Some (NRM) may take 50. The whole S-curve may be broken into separate Strategic Plans, each of which has its own short-term desired result (which is not the same thing as the final result at the end of the S-curve).
	<ul style="list-style-type: none"> • Under Foreign Assistance reform, we are re-emphasizing the importance of short-term inputs and outputs – in order to be able to explain what our tax-payer dollars are buying – and linking it to long-term results, including the progress a country makes along the development spectrum. • When assessing progress towards results, ask: <ul style="list-style-type: none"> • “are we making progress” • “why are we making progress” • “based on ‘why’, what does this tell us about the development hypothesis?” • The level of accountability to which we can hold ourselves will probably change over time as the expected results change.
Performance Indicators	
	<p>ASK participants to turn to the definition of a performance indicator in the WORKBOOK. Have one participant read:</p> <p>Performance Indicator A particular characteristic or dimension used to measure intended changes defined by a Results Framework. Performance indicators are used to observe progress and to measure actual results compared to expected results. Performance indicators help answer how or if an Operating Unit or Team is progressing towards its objective, rather than why such progress is or is not being made. Performance indicators may measure performance at any level of a Results Framework (Program Area or Prerequisite Results level).</p>

 <p>INDICATORS</p>	<p>This definition is important, because it underscores the role of an indicator to provide information about <u>whether</u> a result is being achieved, <u>not why or how</u>. As we will discuss further in the next lesson, evaluations help us answer the “Why” and even many “How” questions.</p> <p>REVIEW, does the same indicator work for the entire life of a program? [ANS: No]</p> <p>CONCLUDE this overview by repeating that, like a thermometer, an indicator measures change, but does not explain change.</p>
	<p>EXPLAIN that there are several types of performance management indicators, each of which is suited to different types of programs:</p> <ul style="list-style-type: none"> • <u>Quantitative indicators</u>: measure number or percentage • <u>Qualitative indicators</u>: measure defined characteristics (e.g., responsiveness, quality, knowledge, etc.) • <u>Sequential milestone indicators</u>: measure progress towards a desired outcome by dividing the progress into a series of defined steps (e.g., drafting, debate, passage, and implementation of a law). • <p>ASK: why would you want to use milestone indicators in such a program? [Ans: Otherwise, only a binary (met/not met) system could be used, which would not clearly track interim, “milestone” progress.]</p> <p><u>Component or index indicators</u>: combine two or more data sources into a single measure, e.g., the Corruption Perceptions Index or the Freedom House Index of Economic Freedom.</p> <p>EXPLAIN that quantitative measures are not necessarily preferred over qualitative measures. However, there are techniques that can and should be applied (precise definition of milestones, using the same raters, etc) to reduce the level of subjectivity associated with qualitative indicators. This allows us to “trust” qualitative measures even more.</p> <p>EMPHASIZE: There is no single performance indicator for all situations.</p> <p>ASK: What are some of the indicators used in your Operating Unit?</p>

 <p>INDICATORS</p>	<p>ASK: Why does the USG disaggregate data for many of our indicators?</p> <p>[Ans: Data may mask disparities in progress towards achieving a result. Disaggregating between men and women, different age groups or communities, etc. helps us understand how interventions affect groups differently. We can't make adjustments and data-informed decisions if we don't know these details.]</p> <p>[See Optional Section in Data quality on Pros and Cons of data disaggregation. The main point is to disaggregate if this helps to help manage for results; it may not be necessary or advisable for reporting purposes.]</p>
<p>Exercise One: Choosing an Indicator</p>	
<p>10 min.</p> 	<p>ASK participants to look at their team's Results Framework. Have each group select one of the cards as their result statement. Next, have each team determine an indicator for this result and fill in the blanks in their Workbook.</p> <ul style="list-style-type: none"> • Result (i.e., a card from their Results Framework). • Performance Indicator • Indicator Type (quantitative, qualitative, milestone, component or index, etc.) • Would the Operating Unit want to disaggregate the data on this indicator? If so, how and why? (e.g., by gender, age, urban/rural, ethnic group, etc.)
<p>Discussion: Performance Indicator Quality Standards</p>	
 <p>INDICATORS QUALITY STANDARDS</p>	<p>EXPLAIN there are two types of quality standards to keep in mind: quality standards for performance indicators and quality standards for data collected against the performance indicators.</p> <p>Prepare flipcharts in advance illustrating Results Statements, with examples of Direct, Proxy, and Objective indicators, e.g.:</p> <ul style="list-style-type: none"> • Result: Citizens' knowledge of their rights expanded. • Direct Indicator: Percentage of survey respondents who can correctly identify three civil rights. <p>ASK participants: why might this indicator be unrealistic?</p> <p>[Ans: Surveying takes time, money, direct access to target population, appropriate sampling techniques, etc.]</p> <ul style="list-style-type: none"> • Proxy Indicator: Number of court cases instigated by citizen groups in target areas. <p>ASK What is the assumption behind this proxy indicator?</p> <p>[Ans: that increased knowledge will lead to behavior change.]</p>

	<p>ASK: Is there a potential flaw in the logic behind this proxy? What could be the reasons for increased court cases besides good rights training impact on citizen groups?</p> <p>[ANS: Increased incidence of human rights abuses]</p> <p>Caution participants to think through proxy indicators carefully and be prepared to defend them. While some are widely accepted (e.g., consumption as a proxy for income), others may lead to problems.</p> <p>Move on to the next prepared flipchart sheet and discuss:</p> <ul style="list-style-type: none"> • Result: Performance of export firms improved. • Imprecise (and therefore insufficiently objective) indicator: Number of successful export firms. • Precise (and more objective) indicator: % of export firms experiencing annual increase in revenues of at least 5% <p>Before revealing the flipcharts, present and explain the Agency's Standards for performance indicators. A trick for remembering them is the term: "OPU-DATA"</p> <p>Characteristics of effective performance indicators:</p> <ul style="list-style-type: none"> • <u>Objective</u> – "An indicator should be unambiguous about (1) what is being measured; and (2) what data are being collected." [For example, <i>number of jobs created or improved employment</i>. Would everyone agree to what is being measured? Is it employment sustained over a period of time, formal employment only, jobs for recent school graduates, or new jobs created for anybody? When defining an indicator, SO teams should try to reduce the ambiguity about what is being measured and why.] • <u>Practical</u> – "An indicator is practical if data can be collected in a timely way and at a reasonable cost." • <u>Useful for Management</u> - Performance indicators selected for inclusion in the PMP should be useful for the relevant level of decision-making. Operating Units may also choose to include Agency level indicators in the PMP for each Functional Objective. • <u>Direct</u> – "An indicator should closely track the result it is intended to measure." (also mention Proxies). [For example, <i>number of condoms used</i>. How would you
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	<p>directly measure whether the condoms were used? An indirect but adequate “proxy” indicator might be how many condoms sex workers take/request from a health clinic.</p> <ul style="list-style-type: none"> • <u>Attributable to USG efforts</u> - Performance indicators selected for inclusion in the PMP should measure changes that are clearly and reasonably attributable, at least in part, to USAID efforts. In the context of performance indicators and reporting, attribution exists when the outputs of USAID-financed activities have a logical and causal effect on the result(s) being measured by a given performance indicator. One way to assess attribution is to ask, “If there had been no USAID activity, would the measured change have been different?” • <u>Timely</u> - Performance indicators should be available when they are needed to make decisions. Experience suggests that the information needed for managing activities should be available on a quarterly basis. Data that is available after a delay of a year or more may be difficult to use. The U.S. fiscal year is the standard for reporting all data. Operating Units should make every effort to report against this standard. • <u>Adequate</u> - “Taken as a group, a performance indicator and its companion indicators should be the minimum necessary to ensure that progress toward the given result is sufficiently captured.” <p>REVEAL the flipcharts as described above and check for understanding on direct, proxy, and objective examples.</p>
Exercise Two: Indicator Quality Standards	
	<p>TASK</p> <p>Have participant pass the indicator they developed to a table near them. The table with their indicator will now determine if it meets quality standards by using the Performance Indicator Quality Assessment Tool (Workbook.)</p>

	<p>DISCUSS key points:</p> <ul style="list-style-type: none"> • Measuring inputs/outputs does not always correlate to outcomes. For example, number of people trained in farmer’s best practices does not measure the implementation of best practices. This is an example of how an indicator that is good for reporting is not great for managing a program. • One size/type of indicator does not fit all sectors or all situations. • Often performance indicators don’t directly measure the performance of the intended final result (welfare, improved policy environment), but rather component pieces or the output aimed for in the shorter life of the SO. This, in turn, is causally linked to the end result, as explained in the Results Framework.
<p>Discussion: Data Quality Standards</p>	
	<p>SAY that in addition to quality standards for performance indicators, there are also quality standards for data.</p> <p>STATE: data quality assessments are currently required for USAID once every three years for performance indicators submitted in official documents. As many new indicators have been added for reporting in the Operational Plans, any indicator for which a mission sets a target in its Operational Plan must have a DQA done on it prior to submitting the Operating Unit Annual Performance Report.</p> <ul style="list-style-type: none"> • <u>Data Validity</u> - “Data are valid to the extent that they clearly, directly, and adequately represent the result that was intended to be measured.” [i.e. free from significant error] • <u>Data Reliability</u> - “Data should reflect stable and consistent data collection processes and analysis methods from over time.” • <u>Data Timeliness</u> – “Data should be available with enough frequency and should be sufficiently current to inform management decision-making at the appropriate levels.” [e.g. - What if you are counting on reports from the Ministry of X which are reported every two years? Will that provide timely enough information?]

	<ul style="list-style-type: none"> • <u>Data Precision</u> “Data should be sufficiently accurate to present a fair picture of performance and enable the Team to make confident management decisions.” [i.e., narrow margin of error, smaller than the change to be measured. Something to keep in mind is that the more precise the data, the more expensive it is to collect. The World Bank has set a margin of error around 10%, for example, as a cost-benefit guideline. For example, how precise do the voting systems in Florida need to be to serve our purposes of choosing presidents every four years?]
 <p>DATA QUALITY</p>	<ul style="list-style-type: none"> • <u>Data Integrity</u> “Data that are collected, analyzed, and reported should have established mechanisms in place to reduce the possibility that they are manipulated for political or personal reasons.” {i.e., unbiased, accurately transcribed. For example, an SO in Eurasia was planning on measuring the revenue earned by farmers who were receiving USAID TA; revenue would be measured by surveys of farmers or local government reports. Then someone pointed out that farmers had incentives to underreport their revenue to local officials so that their tax burden would be reduced. An alternative would be to survey the quantity or volume of their sales, which was not likely to be underreported.] <p>ASK: Are you expected to have perfect data? If you have a performance audit, what will the IG hold you to?</p> <p>[ANS: No, we are not required to have perfect data, and it is rarely available in the country settings where we work. But we are required to know how good our data are, which we ascertain by undertaking a data quality assessment. The IG will want to know what you know about your data, how you have documented your latest data quality assessment, and what you have done to improve any identified weaknesses in your data.]</p> <p>DISCUSS: No set of performance indicators will be perfect and no data collection process is free of error. Data “quality” is not about having perfect data, but rather about <i>knowing how much confidence you can have in the information you use and report</i>. Understand data limitations, mitigate those limitations, and report with professional integrity. So, one final thought: don’t let “perfect” data be the enemy of “good” data, but do disclose the limitations of data collection.</p>

	<p>DISCUSS: No set of performance indicators will be perfect and no data collection process is free of error. Data “quality” is not about having perfect data, but rather about <i>knowing how much confidence you can have in the information you use and report</i>. Understand data limitations, mitigate those limitations, and report with professional integrity. So, one final thought: don’t let “perfect” data be the enemy of “good” data, but do disclose the limitations of data collection.</p> <p>ASK: Why is it important to document your data quality standards? [Ans: To know/document how much confidence you have in the information. This is information that will be used by the Secretary of State; we want to be confident in the data that supports her. If you don’t, the IG will determine the standards for you in the event of a performance audit. Therefore, these standards are good guidelines to follow as insurance against an audit, in addition to improving overall performance management.]</p>
 <p>DATA QUALITY ASSESSMENTS</p>	<p>ASK: How would you assess the data? [ANS: Review implementer reports vs. site visits; spot check data entry for transcription error; visit host government counterparts and query their data – which can be an important capacity-building intervention in itself.]</p>
	<p>REFER to the Performance Indicator Reference Sheet (Workbook.)</p> <p>STATE that it is not possible to go over all details in the reference sheet with the constraints of this introductory workshop. However, reference sheets are a useful tool for developing an effective Performance Monitoring Plan.</p>

	<p>Disaggregation -- pros and cons</p> <ul style="list-style-type: none"> • May use different levels of disaggregation for different purposes; maybe six indicators for managing the activity and monitoring your assumptions about the environment you are working in, but only one indicator for the OPU/Mission reports to Congress/Washington. • For example, how much detail would you choose to report to Washington, if you were tracking "Number of SME loans made"? Would you disaggregate by: <ul style="list-style-type: none"> • Gender of borrower • Age of borrower • Number of people in borrower's family/business • Region/location of borrower • Specific size of loan • Sector/use of loan <p>Do you need all this information for program management?</p>
Wrap-Up and Need to Know	
	<ul style="list-style-type: none"> • Performance management is the systematic process of monitoring the results of activities; collecting and analyzing performance information to track progress toward planned results; determining whether and when assessments and evaluations are needed; using performance information to inform program decision making and resource allocation, and communicating results achieved, or not attained. • A Performance Management Plan is a tool used by an Operating Unit and FA Team – including participants from multiple USG agencies at post – to plan and manage the process of assessing and reporting progress towards achieving a high level result. • Operating Units must include performance indicators in their PMPs and must conduct data quality assessments once every three years for those indicators used in the Annual Report.

LESSON 19: 60 Minutes	Evaluations in USAID
MODULE OVERVIEW	This lesson examines evaluations, one of the key “other assessing and learning tasks” that an FA Team should include in its performance management plan. The lesson helps familiarize participants with some basic evaluation terms and types, and includes an exercise in which they determine the focus of an evaluation, based on review of performance data.
	<ul style="list-style-type: none"> • This lesson may change as a result of the ADS revision. • Participants should contact Janet Kerley in State/F with questions about evaluation. • Evaluations inform and improve performance. They should be designed to meet management need and support the process of managing for results, rather than simply for meet reporting or ADS requirements.
	Opening
 <p>SLIDE 2</p>	<p>SHOW Slide 2: Learning Objectives </p> <ul style="list-style-type: none"> • To distinguish between performance monitoring and evaluations. • To know the types of management needs that should drive the decision to evaluate. • To learn that useful evaluations are based on well-thought out scopes of work. <p>Process Overview</p> <p>For about the next hour, we’ll examine the importance of evaluations to programming foreign assistance. We’ll learn that different types of evaluation are suitable to different management needs, and that mixed evaluation teams are frequently used but require careful planning.</p>

 <p>WHAT IS AN EVALUATION?</p>  <p>SLIDE 3</p>	<p>ASK, “What is an Evaluation?” and FLIPCHART responses.</p> <p>SHOW <u>Slide Three</u> Evaluation Defined. “An evaluation is a relatively structured, analytical effort undertaken to answer specific program management questions”</p> <p>ASK: How many of you have either participated in an evaluation or been associated with an activity that was evaluated? What were some of the “specific program management questions” the evaluation was designed to address?</p> <p>FLIPCHART responses and ASK when was the evaluation done?</p>										
<p>Discussion</p>											
 <p>SLIDE 4</p>	<p>ASK “How often does an Operating Unit need to perform an evaluation?” [Ans. As often as necessary.)</p> <p>Depending on the timing and purpose of the evaluation, it might be a:</p> <ul style="list-style-type: none"> • <u>Formative Evaluation</u> (conducted during the activity or program in order to help make adjustments, or afterwards to answer particular questions about the development hypothesis or to inform a key management decision) • <u>Summative or Impact Evaluation</u> (conducted after the activity or program to gauge results, identify lessons learned, or inform future programming) <p>ASK: “What is the difference between Performance Monitoring and Evaluation?” Acknowledge good responses.</p> <p>SHOW <u>Slide Four</u> Performance Monitoring vs. Evaluation</p> <table border="0" data-bbox="503 1428 1412 1890"> <thead> <tr> <th data-bbox="503 1428 941 1459">Performance Monitoring</th> <th data-bbox="974 1428 1412 1459">Evaluation</th> </tr> </thead> <tbody> <tr> <td data-bbox="503 1470 941 1543"> <ul style="list-style-type: none"> • Focuses on whether results are being achieved </td> <td data-bbox="974 1470 1412 1543"> <ul style="list-style-type: none"> • Focuses on why/how results are being achieved </td> </tr> <tr> <td data-bbox="503 1554 941 1585"> <ul style="list-style-type: none"> • On-going, routine </td> <td data-bbox="974 1554 1412 1585"> <ul style="list-style-type: none"> • Management driven </td> </tr> <tr> <td data-bbox="503 1596 941 1627"> <ul style="list-style-type: none"> • A process that involves: </td> <td data-bbox="974 1596 1412 1627"> <ul style="list-style-type: none"> • A structured analytical tool to answer management questions about: </td> </tr> <tr> <td data-bbox="503 1638 941 1816"> <ul style="list-style-type: none"> • Identifying indicators, baseline & targets, collecting actual results data, comparing performance against targets </td> <td data-bbox="974 1638 1412 1890"> <ul style="list-style-type: none"> • Validity of hypothesis, unexpected progress, sustainability, stakeholder needs, unintended impacts, lessons learned </td> </tr> </tbody> </table>	Performance Monitoring	Evaluation	<ul style="list-style-type: none"> • Focuses on whether results are being achieved 	<ul style="list-style-type: none"> • Focuses on why/how results are being achieved 	<ul style="list-style-type: none"> • On-going, routine 	<ul style="list-style-type: none"> • Management driven 	<ul style="list-style-type: none"> • A process that involves: 	<ul style="list-style-type: none"> • A structured analytical tool to answer management questions about: 	<ul style="list-style-type: none"> • Identifying indicators, baseline & targets, collecting actual results data, comparing performance against targets 	<ul style="list-style-type: none"> • Validity of hypothesis, unexpected progress, sustainability, stakeholder needs, unintended impacts, lessons learned
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SLIDE 5

Say that OMB has pointed out that while different, these measurement and evaluation tasks should be connected.

SHOW Slide Five. "Performance Measurement and Evaluation: What's the Connection?" ☺



SLIDE 6-7

SHOW Slide Six. "To Evaluate or Not to Evaluate?" ☺

DISCUSS whether this depiction of program performance suggests the need for an evaluation. Solicit a variety of responses if possible.

ASK, then, "So how do you decide when to evaluate?" **FLIPCHART** responses.

SHOW Slide Seven. ☺ Why Evaluate?

SAY: "The decision to evaluate should mostly be driven by management need."

ASK What are some examples?

SHOW Slide Eight. Management Needs ☺

- **Impact** - the need to determine why or how the activity produced the desired result
- **Strategy** - the need to know to know why something did or did not work, or whether the development hypothesis was correct
- **Resource Management** - the need to determine how efficiently resources were used.



SLIDE 8-10

SAY: In addition to responding to management needs, a good evaluation should be constructed around one or more well thought-out research questions whose answers will meet the management needs.

SHOW Slide Nine, ☺ Good Research Questions Are:

- Sufficiently clear in specifying what to measure
- Answerable within time and resource constraints
- Fair and objective
- Bounded in time and space
- Grounded in existing knowledge

SHOW Slide Ten: "Data Collection and Analysis Methods" ☺

	<p>EXPLAIN that a full evaluation may not be necessary, and that less expensive and time consuming appraisal methods may be sufficient. This is a judgment that the SO Team must make with regard to investing more time, staff resources, and/or money in evaluation. However, SO teams must recognize that the more informal the methods, the lower the data quality may be.</p>
	<p>Evaluation Exercise</p>
<p>20 min.</p>  <p>SLIDE 11</p> 	<p>SHOW Slide Eleven: "Evaluation Exercise"</p> <p>ASK participants to turn to their Workbook and review the exercise instructions:</p> <p>TASK</p> <ul style="list-style-type: none"> • Read the background information in the Evaluation Worksheet. • Analyze the data collected against the performance indicator. • Using the information in the graphs and in the Evaluation Worksheet below, decide as a group: <ul style="list-style-type: none"> • Whether the performance data suggests the need for an evaluation, • If so, what research question(s) such an evaluation should be designed to answer. <p>Fill out the worksheet upon reaching a decision.</p> <p>DEBRIEF table by table.</p> <p>DISCUSS some of the issues associated with designing a scope of work for an evaluation. Points to cover will include:</p> <ul style="list-style-type: none"> • Purpose of Evaluation (management decision, questions that need answers) • Methods and methodology • Operational Implications (funding, team composition) <p>[Note: On the PFA CD-ROM there is an example of a best practice from USAID/Ghana entitled "Participatory Approach to Evaluations." This document describes the advantages of designing and conducting an evaluation involving members of an expanded SO Team as opposed to outsourcing the evaluation.]</p>

 <p>SLIDE 12 - 13</p> 	<p>SHOW <u>Slide Twelve</u>: “Do the Following to Manage for Results”</p> <p>SHOW <u>Slide Thirteen</u>: “Sharing Evaluation Results Within USAID”</p> <p>EMPHASIZE that FA teams in USAID must submit their results to CDIE.</p> <p>DIRECT participants to the CDIE homepage for Evaluation tips.</p>
<p>Wrap-Up and Need to Know</p>	
	<ul style="list-style-type: none"> • An evaluation is a relatively structured, analytical effort undertaken to answer specific program management questions. • The decision to evaluate should be driven by management need. • Evaluation results must be submitted to CDIE.

<p>LESSON 20: 60 minutes</p>	<p>Portfolio Reviews</p>
<p>MODULE OVERVIEW</p>	<p>This lesson is a brief presentation of a critical tool in the assessing and learning processes: portfolio reviews at the Operating Unit level. Participants from USAID usually have had some experience with portfolio reviews in their operating unit and can actively contribute examples of different procedures and approaches. The exercise focuses on identifying ways to use a joint portfolio review as a means of strengthening inter-agency collaboration.</p>
	<ul style="list-style-type: none"> • Elicit information from participants who may have participated in either or both of these reviews. Ask State colleagues about the ways in which Embassies take a holistic view of what they manage. • If participants believe their Operating Unit has developed best practices, invite them to provide meeting agendas or templates for inclusion in the PFA Learning Space or CD-ROM.
<p>Opening</p>	
 <p>SLIDE 2</p>	<p>SHOW Slide 2: Learning Objectives </p> <ul style="list-style-type: none"> • To know how to conduct a portfolio review • To understand how the portfolio review is relevant to other assessment tools (i.e., the Operational Plan and Annual Performance Report) • To cite how information contained in a portfolio review can be used in decision-making. <p>PROCESS OVERVIEW</p> <p>For the next 45 minutes or so, we'll discuss how conducting a portfolio review is a great opportunity to review progress towards our approved objectives, as well as to monitor our use of funds, the adequacy of other resources involved, and to begin to prepare for annual reporting. We'll conclude with an exercise in which you will design a portfolio review to get the most out of this process from the most appropriate participants.</p>
<p>Discussion: Definition and Purpose of Portfolio Reviews</p>	
	<p>ASK participants for their definition of a Portfolio Review.</p> <p>ASK how many of them have participated in a Portfolio Reviews (and why). ASK how often their Operating Unit holds Portfolio Reviews and how the reviews were conducted.</p>

 <p>PORTFOLIO REVIEWS</p>	<p>ASK What is the purpose of a Portfolio Review?</p> <p>ASK participants to explain what aspects of a Portfolio Review is common to other planning/reporting/assessment tools and in what ways a Portfolio Review allows a team to examine other aspects of their operations.</p> <p>Emphasize that a Portfolio Review is a holistic process whose focus on budget and performance integration can feed into many other tasks (e.g., Operational Plan, Annual Performance Report and PMP).</p>
<p>Discussion</p>	
	<p>REVIEW the explanation of a Portfolio Review in the Workbook, including the excerpt from the Op Plan Guidance that recommends doing a Portfolio Review.</p> <p>If asked how a Portfolio Review is different from a Project Implementation Report (PIR), explain that a Portfolio Review occurs at the strategic level and is a broader review than a PIR (project level). The format of a Portfolio Review is up to the operating units as opposed to the PIR which was predetermined.</p>
	<p>REVIEW the components of a portfolio review in their Workbook.</p> <ul style="list-style-type: none"> • Progress towards the achievement of objectives during the past year, and expectations regarding future progress • Evidence that activities are adequately supporting the relevant Prerequisite Result(s) and ultimately contributing to the achievement of the higher level result • Adequacy of inputs for producing planned outputs • Adequacy of the performance indicators selected in the PMP • Status and timeliness of input mobilization (such as receipt of new funding, procurement processes, agreement negotiations, and staff deployments) <p>(continued on next page)</p>

	<ul style="list-style-type: none"> • Status of critical assumptions (i.e., whether they continue to hold) and causal relationships defined in the Design Framework, along with the related implications for performance • Status of related partner efforts that contribute to the achievement of prerequisite results and the higher level result • Status of the Operating Unit’s management agreement and the need for any changes to the approved Strategic Plan • Pipeline levels and future resource requirements • FA Team effectiveness and adequacy of staffing • Vulnerability issues and related corrective efforts <p>NOTE that some Operating Units involve all teams in the entire Portfolio Review; others review objectives and sectors sequentially. In addition, some Operating Units involve Partners in certain parts of their Portfolio Reviews, although Implementing Partners would not be permitted to participate in sessions where financial and procurement-sensitive information is discussed. Repeat that the actual design of the Review is up to the discretion of the Operating Unit.</p>
Exercise: Designing an Inter-Agency PFA Portfolio Review	
<p>20 mins.</p> 	<p>TASK:</p> <p>Design the agenda and participant list for a portfolio review, including how and whether to involve different internal USG partners and external, non-USG groups. If you have participated in a Portfolio Review in the past, suggest ways of improving upon your experience to inform your table’s proposed design.</p> <p>PROCESS: Build your design upon:</p> <ul style="list-style-type: none"> • Who • When • Where • How <p>Product: This design information on a flipchart.</p>

	<p>Debrief: Invite table teams to get up and walk around the room for each flipchart presentation.</p> <p>Conclude in plenary by asking the following questions:</p> <ul style="list-style-type: none"> • What’s the role of State/F in your portfolio review? • What are some of the issues you need to consider if you invite external partners to the review? • How would you document the review to maximize lessons learned, inter-agency collaboration, and knowledge sharing?
USAID/Guinea’s Portfolio Review Process	
	<p>DISCUSS how one Mission organizes portfolio reviews: <i>Guinea performs a Performance Results Assessment (PRA) once a year. The goals of the PRA are as follows:</i></p> <ul style="list-style-type: none"> • Review and discuss PRA documents to determine extent to which SO teams are meeting their objectives. • Identify Teams’ strengths and areas where assistance is needed. • Identify actions to capitalize on strengths and to improve in areas where assistance is needed. • Identify area of synergy. • Review the critical assumptions. • Tell our story better in looking at the big picture, etc. • They use an outside facilitator whose job is to keep the group on schedule, keep discussions on track; monitor time; assist participants in reaching consensus; clarify; maximize participation; minimize destructive comments; and identify/list key unresolved or follow-up issues. • They establish Ground Rules at the beginning of the process (e.g., Limiting time of presentations). • <i>Each SO Team presents a summary PRA document to the rest of the Mission. Teams are encouraged to limit presentations to a maximum of 40 minutes after which there is facilitated discussion.</i> • <i>At the end, the Team provides a brief summary, including: key points, issues, decisions, etc.; response to input received from other participants; description of unexpected learning, any changes in emphasis, long- or short-term actions to be taken, etc. The Director has the option to present his/her comments</i> <p>[Say the CD-ROM contains a document about the PRA process.]</p>

	Wrap-Up and Need to Know
	<ul style="list-style-type: none">• A Portfolio Review is a periodic review of all aspects of an Operating Unit or FA Team’s programs, often held in preparation for submission of the Annual Report.• A Portfolio review provides an opportunity for the entire USG team at post to prepare for the Operational Plan.

<p>LESSON 21: 30 Minutes</p>	<p>Annual Performance Report</p>
<p>MODULE OVERVIEW</p>	<p>This lesson acquaints participants with two required reporting processes that are essential to the USG’s compliance with GPRA and OMB requirements, as well as for knowledge management. This is the last PFA lesson and concludes with time for participants to make entries in their Learning Journals.</p>
	<ul style="list-style-type: none"> • Explain that the course evaluation forms are available on-line, and that instructions for the on-line evaluation are included at the back of the Workbook. Direct participants to computer terminals provided for this use. • Because the Annual Performance Report guidance will most likely change each year, it is advisable that instructors try to read the most recent year’s guidance in advance, or invite the Mission Program Officer or an S/F representative to help deliver this lesson.
<p>Opening</p>	
 <p>SLIDE 2</p>	<p>SHOW <u>Slide Two: Learning Objectives</u> ☺</p> <ul style="list-style-type: none"> • To understand how the Annual Performance Report is used for different USG purposes • To know the components of the Annual Performance Report. • To know the reporting procedures for activities not covered in an Annual Performance Report. • To understand when it is necessary to create a project Close Out Report. <p>PROCESS OVERVIEW</p> <p>In this final lesson, we’ll spend about a half-hour discussing the Reporting requirements we face in programming foreign assistance. We’ll revisit the “levels of programming” graphic to review how our planning and implementation feeds into required reports at multiple levels. We’ll also discuss the process for closing out projects.</p>
<p>Informing Those Who Care</p>	
 <p>INFORMING STAKE-HOLDERS</p>	<p>Point to the flipchart from the first day about the question “Who Cares about Foreign Assistance Results.”</p> <p>ASK participants: How does USAID inform those stakeholders about our activities and/or results? How do they know we are doing a good job?</p> <p>FLIPCHART answers.</p>

Discussion: Reporting at the Agency	
 SLIDES 3	<p>REFRESH participants about the topic of Planning and the multiple levels where it is required. That graphic has been replicated in the Workbook and on Slide 3. Remember that we discussed the plans at the Agency, Bureau and field level.</p> <p>SHOW <u>Slides Three</u>  Levels of Programming.</p> <p>EXPLAIN That planning documents like the Joint Performance Plan are interdependent with the reports completed at the mission level and Bureau level. Once a year the Agency prepares its budget submission. One of the foreign assistance reforms we mentioned earlier entails a joint budget submission with the Department of State covering foreign assistance.</p>
 SLIDE 4	<p>The Annual Budget Justification to the Congress reflects the Administration's program and budget request for bilateral foreign economic assistance appropriations.</p> <p>SHOW <u>Slide Four</u>  and discuss the Congressional Budget Justification.</p> <ul style="list-style-type: none"> • The CBJ reflects the Administration's program and budget request for foreign assistance appropriations.

	<p>Discussion: Annual Performance Report</p>
	<p>Earlier in this course you learned about the Operational Plan. Some people forget or don't understand that the Operational Plan is just that – a PLANNING document. It does not contain actual performance reporting. That information has to come from a separate process: The Annual Performance Report.</p> <p>DISCUSS the various parts of the Annual Performance Report assuming that we have some notion of what it will contain. Encourage note taking as you go through the process.</p> <ul style="list-style-type: none"> • Cover Memo (contains a simple transmittal message from the Ambassador to S/F) • Performance Narrative • Performance Overview • Program Area and Element-specific narrative • Custom Indicator Data Tables • Standard Indicators Table • Environmental Compliance (various stakeholders) <p>Each year, new guidance will be sent from Washington and will take precedence over the ADS guidance; until this year's guidance is available, we can only speak generally about the process.</p>
	<p>Wrap-Up and Need to Know</p>
	<p>The Annual Performance Report feeds into the GPRA requirement for an annual Performance and Accountability Report. The Director of Foreign Assistance will also use information from the APR for his Annual Report on Foreign Assistance.</p>

Project Close-Out Reports	
 <p>SLIDE 8</p>	<p>DISCUSS how the Close-Out Report is included in the Special Reporting Situations section of the Annual Performance Report. Stress that a Close Out report is different from the narrative given in the main sections of an Annual Performance Report, which only covers the one-year span of the activities for the Program Element. <u>The closeout report covers the life of the project.</u></p> <p>ASK How can you tell if a project's objectives were achieved? Use this question to generate review of planning, performance management, evaluation, portfolio review, and other prior content about making results explicit and then measuring our progress with specific indicators that track data we have assessed for validity and integrity.</p> <p>SHOW <u>Slide Eight</u> Project Close Out Status and describe the different scenarios.</p> <ul style="list-style-type: none"> • Yes Achieved – Submit Project Close Out Report • Yes Achieved; want to continue prerequisite results or activities under a new project – Submit Close Out Report on old project • Not yet achieved, want to continue – request to extend • Not yet achieved, don't want to continue – Submit Close Out Report
 <p>CLOSE OUT REPORT CONTENT</p>	<p>ASK Have any of you helped prepare a Close Out report? What were some of the content areas?</p> <p>FLIPCHART responses.</p> <p>SAY The purpose of a closeout report is to account for our use of government funds to achieve results. What happened? Were we successful based on our definition of "success"? Why or why not? How can this experience inform future work?</p> <p>Although the list is not mandatory, reports should cover the following:</p> <ul style="list-style-type: none"> • Basic identifying information, such as project name, number, approval date, and geographic area (country[ies] and region[s] assisted) • Total cost of the project by USAID funding account • Principle implementing partners • Summary of overall impact at project level and prerequisite result level in relation to what was originally planned

	<ul style="list-style-type: none"> • Summary of activities used to achieve the objective and their major outputs • Prospects for long-term sustainability of impact and principal threats to sustainability • Lessons learned for application to other projects, including follow-on projects in the same country or sector and similar objectives in other countries or sectors • Summary of performance indicators used and an assessment of their relative usefulness for performance management and reporting • List of evaluations and special studies conducted during the life of the project, including reports that provide annual assessments • Names and contact point of individuals who were directly involved in various phases of the project(planning, achieving, and assessing and learning), and who would be good sources of additional information
Wrap-Up and Need to Know	
	<p>EXPLAIN that copies of the closeout reports should be sent to the DEC in CDIE’s Development Information Division.</p>
 <p>KEY MESSAGES</p>	<p>FA Teams must produce a brief “close out” report for each project that is completed or terminated.</p> <p>The close-out report is the last performance narrative for the entire life of the project, summarizing the overall experience in achieving intended results as well as providing references to related materials and sources of information.</p> <p>The close out report is included as a special annex to the Annual Performance Report.</p>
Learning Journals for Assessing and Learning	
 <p>LEARNING JOURNAL</p>	<p>CONGRATULATE the class on completing PFA. Before the final team competition, they should take about 15 minutes to work in their Learning Journals and reflect on the relationship between what they’ve learned about Assessing and learning, to their responsibility in the USG to manage for results.</p>