



USAID
FROM THE AMERICAN PEOPLE

Program Project Management Training

**PROGRAMMING
FOREIGN ASSISTANCE
(PFA)
Participant Workbook**

USAID/OHR

Dear Training Participant:

Welcome to the **Programming Foreign Assistance (PFA)** workshop. PFA is part of an integrated suite of USAID training courses available from the Office of Human Resources, Training and Education Division through the Program/Project Management Training (PPMT) contract # RLA-I-00-05-00017-00.

PPMT is implemented by the International Resources Group (IRG) and its consortium partners. Its purpose is to provide training, management and advisory services for the design, development, and delivery of a suite of courses that encompass strategic planning, budgeting and program/project management, monitoring and evaluation, and tools required for using this knowledge and associated skills. The PPMT contract was awarded in the spring of 2005. PPMT includes:

- **Programming Foreign Assistance (PFA) Course**
Broad overview of the planning, programming, and budgeting of U.S. foreign assistance in the inter-agency context associated with current foreign assistance reforms.
- **Program/Project Management Training (PPM)**
Intensive skill-building on planning, program and project management skills, and teamwork behaviors. Leads to USAID Project Management Certification. *This training will be redesigned and is not presently offered.*
- **Cognizant Technical Officer (CTO) Certification Training Program**
Designed to provide USAID CTOs with the basic knowledge and skills they need to effectively carry out the role of an Agency CTO. The CTO Certification Training Program consists of two one-week courses, **Acquisition Management for CTOs** and **Assistance Management for CTOs**. The courses focus on acquisition and assistance (A&A) guidelines, the role and responsibilities of CTO, and ensuring the understanding of development impacts of A&A decisions. Successful completion of this set of courses leads to CTO certification.
- **A&A for Senior Managers**
Advanced two-two day seminar highlighting the role and major responsibilities of the senior manager and how those relate to the Agency's A&A process. The seminar helps develop and practice skills to address and resolve A&A challenges and to manage tensions inherent in the A&A process. The optional second day focuses on the responsibilities and documentation standards associated with the federal warrant, and applying federal ethics guidelines and principles to managing the A&A process.
- **A&A for CTO Supervisors**
Two-day seminar to increase understanding of the source of the CTO authority, distinguish the relationships and responsibilities between CTOs and managers, recognize challenges, and develop skills to appropriately monitor and provide quality control. The second day focuses on functions performed by the CTO that may involve other offices in the agency.
- **Advanced, Just-in-Time, Surge, and Strategic Planning/Policy Change**
Follow-up impact support services to PPMT suite participants; specialized courses to deal with just-in-time, surge, and strategy and policy change concerns; advanced courses for senior managers.

In addition to HR-funded courses, missions and bureaus can purchase courses and services directly by task order.

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AGENDA

DAY ONE Start 8:30 End 4:30	1: Opening
	2: Participant Introductions and Table Teams
	3: Introduction to Programming Foreign Assistance
	4: Form Follows Function: State, USAID, and State/F's Organization
	5: Building a USG Team
	Learning Journals and Wrap-Up Day One
DAY TWO Start 8:30 End 4:30	Review Day One and Overview Day Two
	6: Introduction to Planning
	7: Overview of Strategic Planning
	8: Operational Plans
	9: Results Statements
	10 Results Frameworks
	11: Activity Planning and Pre-Obligation Requirements
Wrap-Up Day Two: Learning Journals for "Planning"	
DAY THREE Start 8:30 End 4:30	Review Day Two: Koosh ball
	12: Implementing Partners That Compete for Foreign Assistance Funds
	13: Managing Organizational Conflict of Interest
	14: Acquisition and Assistance and Funding Public-Private Alliances
	15: Roles/Responsibilities of CTOs and Activity Managers
	16: The Budget Process
	Wrap-Up Day Three:
DAY FOUR Start 8:30 End 4:30	Review Day Three: Mind Map Review and Overview of Day Four
	17: Financial Management (Part 1: Terminology)
	17: Financial Mgt (Part 2: Calculations, Audits and Risk Management)
	Learning Journals for "Achieving"
	18: Performance Management
	19: Evaluations at USAID
	Wrap-up Day Four
DAY FIVE Start 8:30 End 1:00	Review Day Five Agenda; Address any questions remaining from Day 4
	20: Portfolio Reviews and Intensive Program Reviews
	21: Annual Reporting and Close-out Reports
	"Gallery Walk" review of flipcharts and content to prepare for Final Jeopardy
	Course Review Team Competition (Jeopardy) and Closing, Certificates, Photos)

List of Icons



Exercise:

The PFA workshop contains many exercises and activities. Instructions and materials are indicated by this icon.



Key Messages: Need to Know

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.



Additional Information:

This icon indicates information resources related to the topic.



CD Rom:

Each Participant’s Workbook for the PFA workshop includes a CD ROM. It contains a variety of resources related to the topic, including tips, tools, example documents, and additional references.



Learning Journal:

This section of the Participant Workbook allows participants to map how key messages and learning objectives from PFA can be applied at work to improve performance and results.



PFA Learning Space:

Indicates material available on-line in the PFA Learning Space, or an Activity which requires the use of the Learning Space.

NOTE: This feature is in planning stages. Full implementation is contingent on availability of funding.

INTRODUCTION

LESSON I: OPENING

Learning Objectives:

- To explain the purpose, content, and approach of the PFA workshop
- To confirm our schedule for the week
- To introduce some key flipcharts
- To begin to hand out and examine the course materials

The Programming Foreign Assistance – “PFA” – course has several purposes:

- 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
- To enable you to learn and apply this information in an inter-agency training environment

PFA has been designed to familiarize participants with the people, policies and procedures involved in programming U.S. foreign assistance. For field deliveries, the PFA course is not specific to your individual Mission; rather, it is a standard curriculum for all USAID Operating Units, as well as personnel from other USG agencies that program foreign assistance. It is expected that course participants will have different levels of experience and familiarity with programming foreign assistance. For this reason, the week-long course is intended to provide opportunities for learning and team-building in an inter-agency context. During table-team exercises and plenary discussions, USG colleagues are encouraged to contribute actively to mutual learning and improved collaboration.

Origins of the PFA Course

Staff from the Office of the Director of Foreign Assistance (State/F), USAID, the Department of State, and the Program/Project Management Training contract team designed PFA together. PFA is an overview course presenting the concepts and tools of results-based management. It builds upon legacy courses and materials, including:

- Planning, Achieving and Learning (PAL) Training
- FY 2007 Operational Plan Training

- Performance Management Workshop
- Strategic Planning Workshop
- Change management and team-building techniques that have been used successfully in the public and private sectors to help staff cope with change and to collaborate within and across organizations

A Note on the Evolution of the PFA Course

The PFA training has been developed during a period of rapid change at USAID and State/F. The foreign assistance reforms described throughout the course are continuing, with associated changes in policy and lexicon. Some legacy terms that are undergoing change, such as Strategic Objective and Strategic Objective Agreement (SOAg) remain in the course materials pending their replacement by State/F. The course instructors may indicate that certain new procedures and terms are under development, and they may invite participants to write up questions for the “Parking Lot” to be researched during the week.

This PFA Participant Workbook is not a policy document and should not be considered a replacement for the USAID Automated Directives System now undergoing revision, nor for the Foreign Affairs Manual or Handbooks. Because the PFA course is new and evolving, participants’ suggestions and insights are encouraged

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 best practices of adult learning, which includes providing a safe venue for the sharing peer-to- peer experiences among course participants, and more broadly with their USG colleagues.

PFA registrants will receive access to the USAID University’s USAID Ecco Collaboration space, and specific access to the web space developed especially for the PFA session you are taking. (IF you did not receive this, please let your Instructor know).

On that site, you 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 you to the PPMT Learning Space; for overseas courses, IRG will provide an audio PowerPoint presentation explaining how to access this material. The Learning Space will also support instructor-instructor support, interchanges and updates.

Foreign Assistance Reform

Initiated by Secretary of State Rice in 2006, the objectives of the U.S. foreign assistance reforms are: to improve strategic direction, performance accountability, transparency in the use of funds, and information systems. The reform integrates State/USAID Foreign Assistance planning and budgeting processes. 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.

EXCERPTS from the Testimony of Ambassador Randall L. Tobias

Administrator of USAID and U.S. Director of Foreign Assistance

FY 2007 Budget Hearing for USAID

House Appropriations Committee

Subcommittee on Foreign Operations, Export Financing and Related Programs

April 26, 2006

Strategic vision: Why reform now?

First, why reform now? We are entering a new era of foreign assistance. In announcing her Transformational Diplomacy and Development initiative, Secretary Rice noted that both the content and organization of foreign assistance require adjustment to meet the challenges of today's world.

The world has changed and we must make adjustments to recognize that change. As we all recognize, globalization has drastically reduced the barriers to communication with our international neighbors, allowing ideas, goods, and people to travel across borders at speeds unknown just a decade ago. The ease of proximity makes our security vulnerable to previously unheeded enemies. The locus of national security threats has shifted to the developing world, where poverty, oppression, injustice and indifference are exploited by our foes to provide haven for criminals and the planning of criminal acts. Foreign assistance is an effective tool for countering these new threats, and thus has become a foundational pillar of our new national security architecture.

It is under this new security environment that President Bush first introduced transformational development as a new paradigm for foreign assistance. He called on foreign assistance to "reward good performers" – governments that govern justly, invest in people, and create opportunities for economic growth.

In further recognition of the importance of development to our national security, the President has requested, and Congress has supported, a near doubling of funding for foreign assistance since the previous Administration – to over \$20 billion in 2006. I believe, as you do, that American taxpayers deserve the maximum return on their

increased investment. To realize this, we must reorganize our approach to foreign assistance.

What is the problem with how foreign assistance is organized now?

Our current approach to foreign assistance planning and budgeting is fragmented across multiple departments and agencies, duplicative, and difficult to track. The result is poor accountability and a lack of focus – all matters that dilute our impact.

Under the current USAID and State organizational structure, each entity maintains independent budgeting and planning offices to focus on their own part of foreign assistance. This requires two staffs to develop multiple and parallel iterations of their individual budgets in the same subject areas, two staffs to agree to and integrate a set of numbers, two staffs to brief the Hill, and a myriad of programs that may be redundant – or worse, working at cross purposes. While each agency collaborates with the other, and in spite of the best efforts of the people involved, it is done at enormous cost in terms of time, personnel, and impact.

Of great concern to me – and I know to many of you – is the difficulty in tracking our budgeting process. As you know from your experience in working with me on the President’s Emergency Plan for AIDS Relief, I have placed a great deal of emphasis on knowing exactly who was receiving our funds, what they were doing with the money, what was expected as a result, and how that result would help us reach our goals. I know it will not be easy, but I want to assure you that it is my intent to bring that same level of transparency and accountability to the rest of our foreign assistance resources.

I realize that as I outline the challenges we face, I do not need to convince you this morning of what we need to do. Congress has consistently called for improved transparency in the way budgets are put together and funds expended – and vastly improved accountability for the results. I simply want to emphasize that I, too, am focused on that issue, and that I look forward to working with you in achieving our joint goal.

Our approach: We will do better

In announcing her intent to address these problems, Secretary Rice echoed the concerns of Congress. In summarizing, she said, “The current structure of America’s foreign assistance risks incoherent policies and ineffective programs and perhaps even wasted resources. We can do better and we must do better.”

Let me take the Secretary’s statement one step further: we will do better. And this morning, I want to explain how I intend to proceed in approaching our processes differently, with the overall goals of:

- Aligning our resources with the transformational development goals, and
- Improving our efficiency, effectiveness and accountability in the use of those resources.

Fact Sheet

Office of the Director of U.S. Foreign Assistance
June 22, 2006

U.S. Foreign Assistance Reform: Achieving Results & Sustainability in Support of Transformational Diplomacy

"America's foreign assistance must promote responsible sovereignty, not permanent dependency."

– Secretary Rice, January 19, 2006

**The Benefits of Reform – A Strategic, Coherent Approach to Achieving Our Goals **

- *In recent years, America has significantly increased its assistance to our partners around the world. Yet, as Secretary Rice has noted, the current structure of America's foreign assistance risks incoherent policies and ineffective programs and perhaps even wasted resources.*
- Reform will focus foreign assistance on one overarching goal: "Helping to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system."
- The reform aims to provide a comprehensive foreign assistance strategy for the U.S. against which to measure success and upon which the U.S. Government will report to all stakeholders both at home and abroad.

Why Now? – Stove-Piped Approach Risks Waste and Ineffectiveness

- The 2006 National Security Strategy lays out our goals – promoting freedom, justice, human dignity, and confronting the challenges of our time – all of which require effective foreign assistance.
- Under the current structure, where and how we spend money is not strategically tied to our overarching goal.
- With foreign assistance processes fragmented across numerous bureaus and agencies, our efforts lack the coherence necessary for maximum impact, and accountability becomes increasingly difficult.

Getting from Here to There – A New Strategic Framework

- The new framework is built around five priority objectives that, if achieved, support our overarching goal by helping move countries toward self-sufficiency and strengthening strategic partnerships.
- The priority objectives are:
 - **Peace and security** – preventing, mitigating, and recovering from internal or external conflict;
 - **Governing justly and democratically** – making governments accountable to their people by controlling corruption, protecting civil rights, and strengthening rule of law;
 - **Investing in people** – including appropriate expenditure on health, education, and environment;
 - **Economic growth** – including reduction in barriers to entry for business, suitable trade policy, fiscal accountability;

- **Humanitarian assistance** – emergency relief and rehabilitation

A Full Picture – Achieving Country-Level, Regional, and Global Objectives Toward a Shared Goal

- Our framework includes five categories based on shared country characteristics to make common goals clear:
 - **Rebuilding countries** – states in or emerging from and rebuilding after internal or external conflict;
 - **Developing countries** – states with low or lower-middle income, not yet meeting performance criteria;
 - **Transforming countries** – states with low or lower-middle income, meeting performance criteria;
 - **Sustaining partner countries** – states of importance where U.S. support is necessary to sustain partnerships, progress, and peace;
 - **Restrictive countries** – states of concern where there are significant governance issues.
- The new framework also captures those **global and regional** activities that advance the five objectives, but transcend a single country's borders, and are addressed outside a country strategy.

Increased Coherence – Making U.S. Efforts Yield More than the Sum of Their Parts

- Achieving results requires leveraging talents and resources – and speaking with one voice – across the U.S. Government, both in the field and in Washington.
- The reform focuses Washington and the field on their respective strengths and responsibilities – integrated strategic direction and priorities across agencies set in Washington, operational plans and tactics for the achievement of results developed and implemented by the field.

Need to Know:



- Participants will leave PFA with key documents, references and contacts on policies and procedures for programming foreign assistance.
- This is an introductory course on the concepts and tools of results-based management of the U.S. foreign assistance program.
- You'll get in the course the web address for the PFA Learning Space where you can find more background material, discuss issues with students and the instructor, and receive updates and related information after the course is over.

NOTE: This feature is in the planning stage. Full implementation is contingent on funds availability.



The Office of Human Resources Learning Support Division –
[<http://inside.usaid.gov/m/hr/lzd>]

LESSON 2: PARTICIPANT INTRODUCTIONS AND TABLE TEAMS

Learning Objectives:

- To establish table teams for the week
- To get to know your fellow participants better

Table Teams and Introductions

Task: Mix table teams and participants introduce themselves.

Objective: Blend participants from different USG agencies and who have different levels of experience programming foreign assistance.

Time: 20 minutes

Process:



- Participants stand up and form a line between two extremes: longest period of USG service/experience and shortest period of service/experience, OR, if all participants have similar length of experience, line up by other criteria to be announced.
- Count off by the number of tables available.
- Participants briefly introduce themselves, by stating:
 - Name
 - Mission/Operating Unit and Job Role
 - Number of years working in the USG (in any capacity)
 - The most satisfying part of my job is:

NOTES:

LESSON 3: INTRODUCTION TO PROGRAMMING FOREIGN ASSISTANCE

Learning Objectives:

- 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.

Exercise: Who Cares About US Foreign Assistance Results and Why?



Task: Brainstorm “Who cares about U.S. Foreign Assistance Results? “What do they care about?”

Time: 5 minutes

Process:

- Develop your own list; then compile a joint team list.
- After 5 minutes, teams will each list two stakeholders and what they care about, to avoid repetition.

Who Cares?

What Do They Care About?

What does it mean to “Manage for Results”?

Government Performance and Results Act (GPRA)

In 1993, the U.S. Congress enacted a government-wide management initiative called GPRA or “the Results Act.” The purposes of the law are to:

- 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.

GPRA requires each USG agency to submit a strategic plan with long-term strategic goals, and to report on progress against these plans.

President’s Management Agenda (PMA)

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. It focuses in particular on the following areas of management weakness across the government where improvements can be made based on three principles: results-oriented, citizen-centered, and market-based. All USG agencies are required to report quarterly, and receive quarterly scores, on PMA priority areas, including:

- 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. The PFA course and broader suite of integrated courses in the Program/Project Management Training contract relate to USAID’s Human Capital Strategy and its emphasis on workforce development in USAID.
- Competitive Sourcing: Encourages market-based competition throughout the government to outsource commercial type activities. This outsourcing may be done by U.S. Government agencies providing shared services to other agencies, or it may be done outside the government.
- 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. Budget and Performance Integration is a key theme of the PFA course.
- Faith-Based and Community Initiative: Increase the involvement of faith-based and community organizations.

NOTES:

Policies and Procedures Align with Higher Level Rules and Priorities

USG agencies align their policies and procedures with higher level statutory and Administration requirements. As illustrated in the next several slides, at the Department of State and USAID, these policies and procedures are codified in the Foreign Affairs Manual and Handbooks, and in the USAID Automated Directives System (ADS). External partners and stakeholders can also review these policies and procedures on-line, increasing USG transparency and illustrating “e-government.”

Foreign assistance programming policies and procedures also reflect U.S. foreign policy goals and help ensure that USG agencies use taxpayer resources effectively to advance U.S. interests. Subsequent PFA lessons explain strategic and operational

planning, program implementation, and performance management and evaluation consistent with the Joint Department of State-USAID Strategic Plan.

Foreign Affairs Manual

- 1 FAM Organization and Function
- 2 FAM General
- 3 FAM Personnel
- 4 FAM Financial Management
- 5 FAM Information Management
- 6 FAM General Services
- 7 FAM Consular Affairs
- 8 FAM (incorporated into 7 FAM)
- 9 FAM Visas
- 10 FAM Public, Educational, and Cultural Affairs
- 11 FAM Political Affairs
- 12 FAM Diplomatic Security
- 13 FAM Training and Professional Development
- 14 FAM Logistics Management
- 15 FAM Overseas Buildings Operations
- 16 FAM Medical Program

Foreign Affairs Handbooks

- 2 FAH-1 Foreign Affairs Manual Handbook
- 2 FAH-2 Post Management Organization Handbook
- 3 FAH-1 Personnel Operations Handbook
- 3 FAH-2 Foreign Service National Handbook
- 4 FAH-1 Account Structure and Classification Codes Handbook
- 4 FAH-2 Disbursing Officer Handbook
- 4 FAH-3 Financial Management Procedures Handbook
- 5 FAH-1 Correspondence Handbook
- 5 FAH-2 Telecommunications Handbook
- 5 FAH-3 TAGS/Terms Handbook
- 5 FAH-4 Records Management Handbook
- 5 FAH-5 Information Technology Systems Handbook
- 5 FAH-7 Graphics Standards Handbook
- 5 FAH-8 Web Development Handbook
- 5 FAH-10 Pouch and Mail Handbook
- 6 FAH-1 General Services Handbook
- 6 FAH-2 Material has been moved to 14 FAH-2
- 6 FAH-4 Material has been moved to 15 FAH-1
- 6 FAH-5 International Cooperative Administrative Support Services Handbook
- 6 FAH-6 Material has been moved to 14 FAH-3
- 12 FAH-3 Field Office Management Handbook
- 12 FAH-7 Local Guard Program
- 14 FAH-1 Personal Property Management Handbook
- 14 FAH-2 Contracting Officer's Representative Handbook
- 14 FAH-3 Acquisition Career Management Handbook
- 15 FAH-1 Facilities Maintenance Handbook

Automated Directives System At USAID

- 100 – Agency Organization and Legal Affairs
- 200 – Program Policy
 - 200: Overview to Managing for Results
 - 201: Planning
 - 202: Achieving
 - 203: Assessing and Learning
 - 204-253: Programming policies on specific topics
- 300 – Acquisition and Assistance
- 400 – Personnel
- 500 – Management
- 600 – Budget and Finance

All ADS chapters can be found at:

- <http://inside.usaid.gov/ADS/> (internal USAID website)
- <http://www.usaid.gov/pubs/ads> (external website)

NOTES:

Need to Know:



- 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.
- Government Performance Results Act of 1993 (GPRA) – [http://www.whitehouse.gov/omb/mgmt-gpra/gplaw2m.html]
- The President’s Management Agenda (FY 2002) – [http://www.whitehouse.gov/omb/budget/fy2002/mgmt.pdf]
- OMB results site: www.results.gov
- Department of State budget and performance planning at www.state.gov/s/d/rm
- PFA Learning Space Library



NOTES:

LESSON 4: FORM FOLLOWS FUNCTION

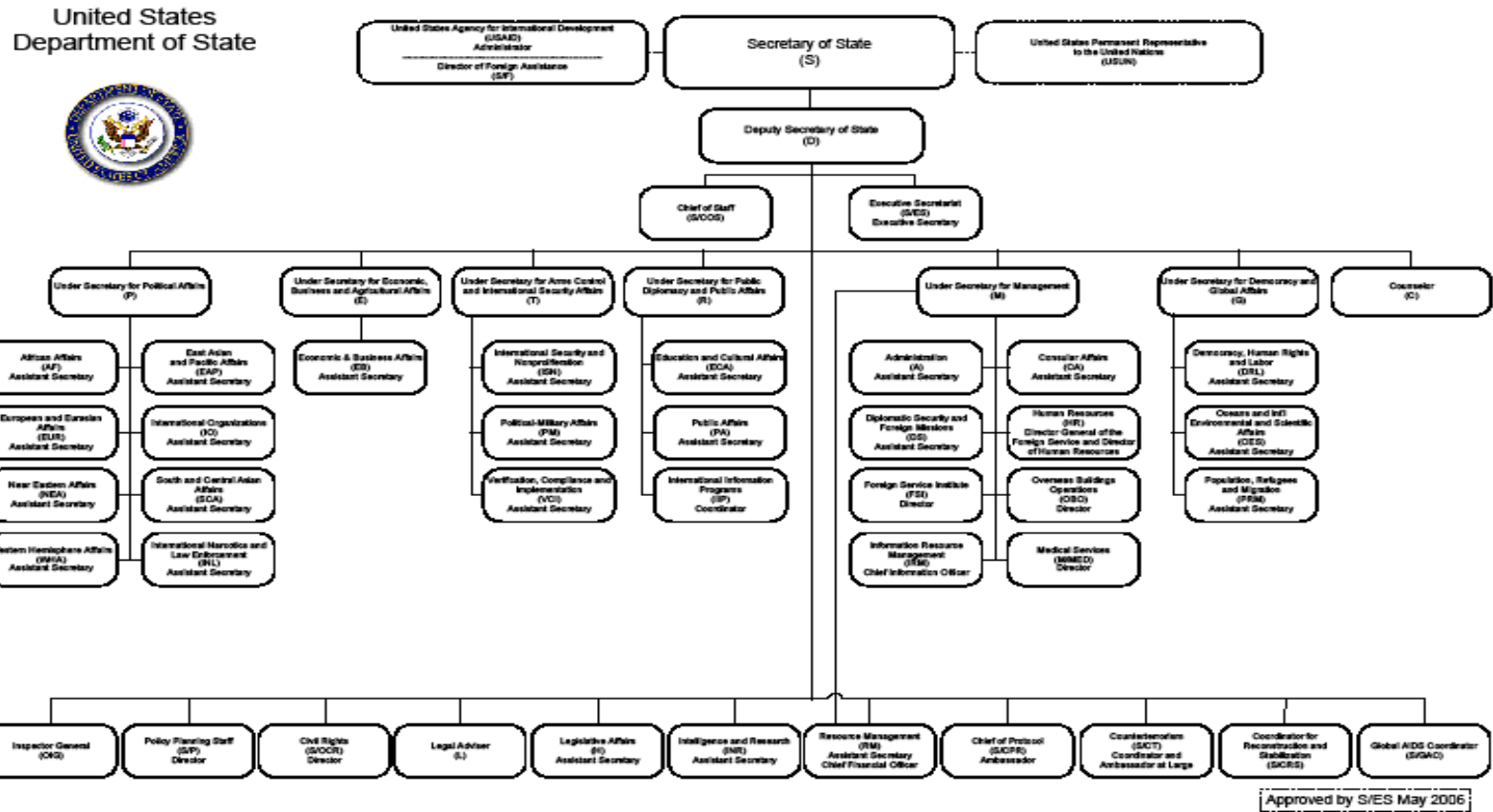
Learning Objectives:

- To understand the Department of State's, USAID's, and State/F's organizational structures, and how they support the achievement of foreign assistance results.
- To examine shifting paradigms of organizational form and function to program foreign assistance

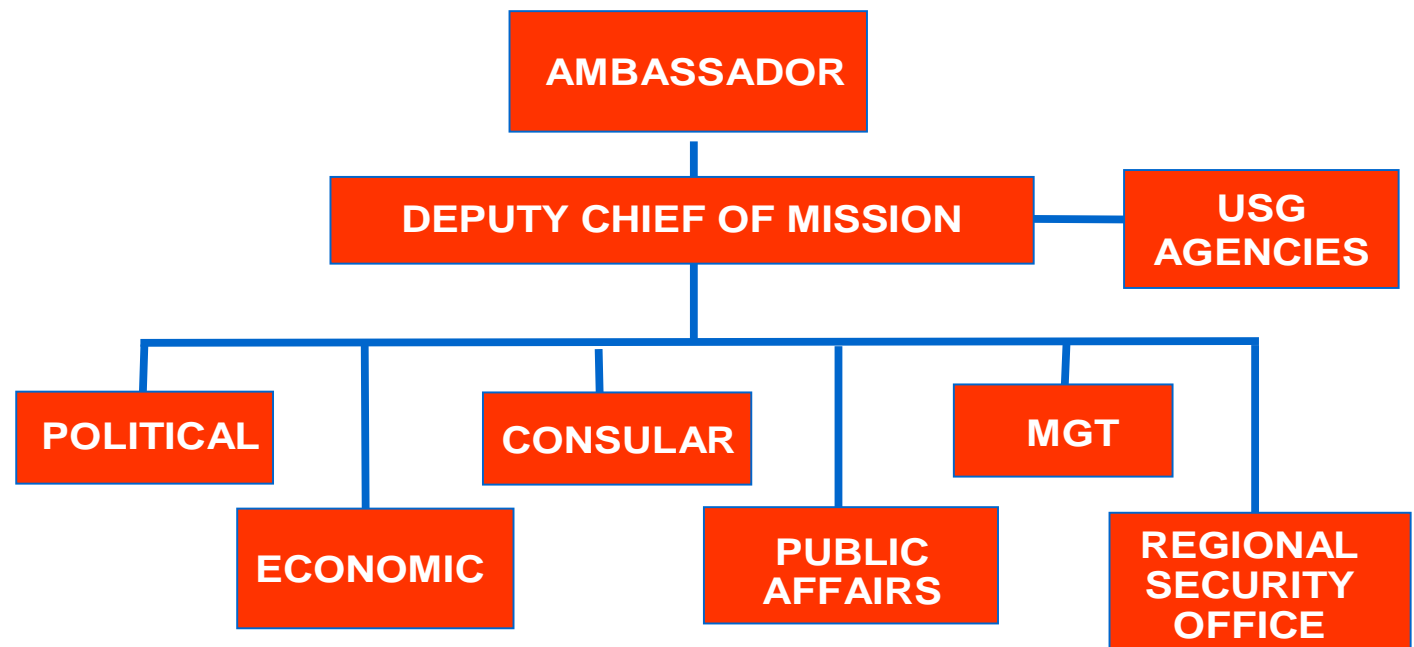
The Office of the Director of Foreign Assistance (State/F)

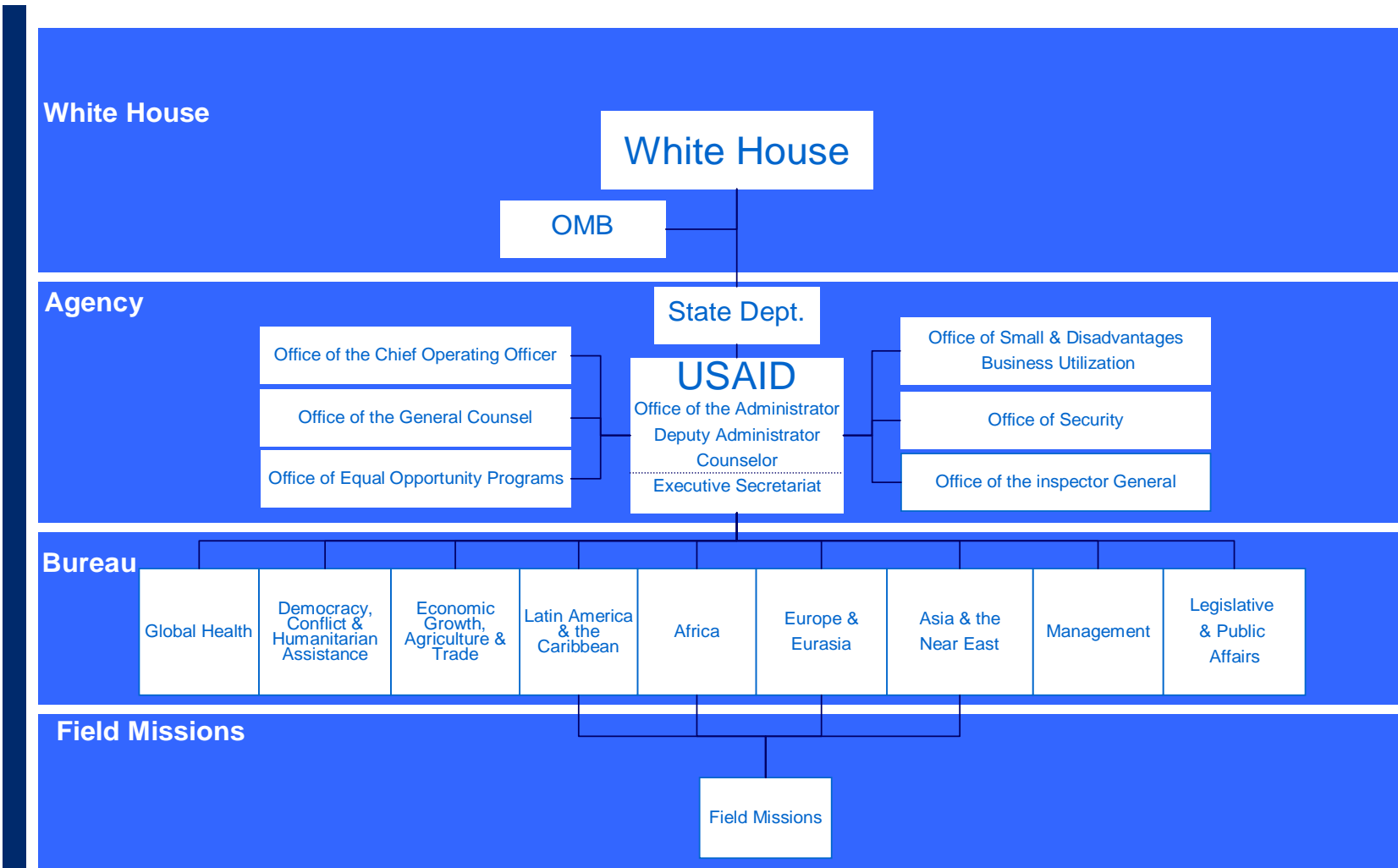
The Secretary established the Office of the Director of Foreign Assistance (State/F) to "transform our capabilities to use foreign assistance to meet our current challenges." Ambassador Randall Tobias, who concurrently serves as the Administrator of USAID and Director of Foreign Assistance, leads State/F. State/F coordinates all foreign assistance policy, planning, and oversight and manages the Foreign Operations budget submission. State/F has direct oversight over all foreign assistance for State and USAID, and will coordinate with other agencies that receive foreign assistance funds.

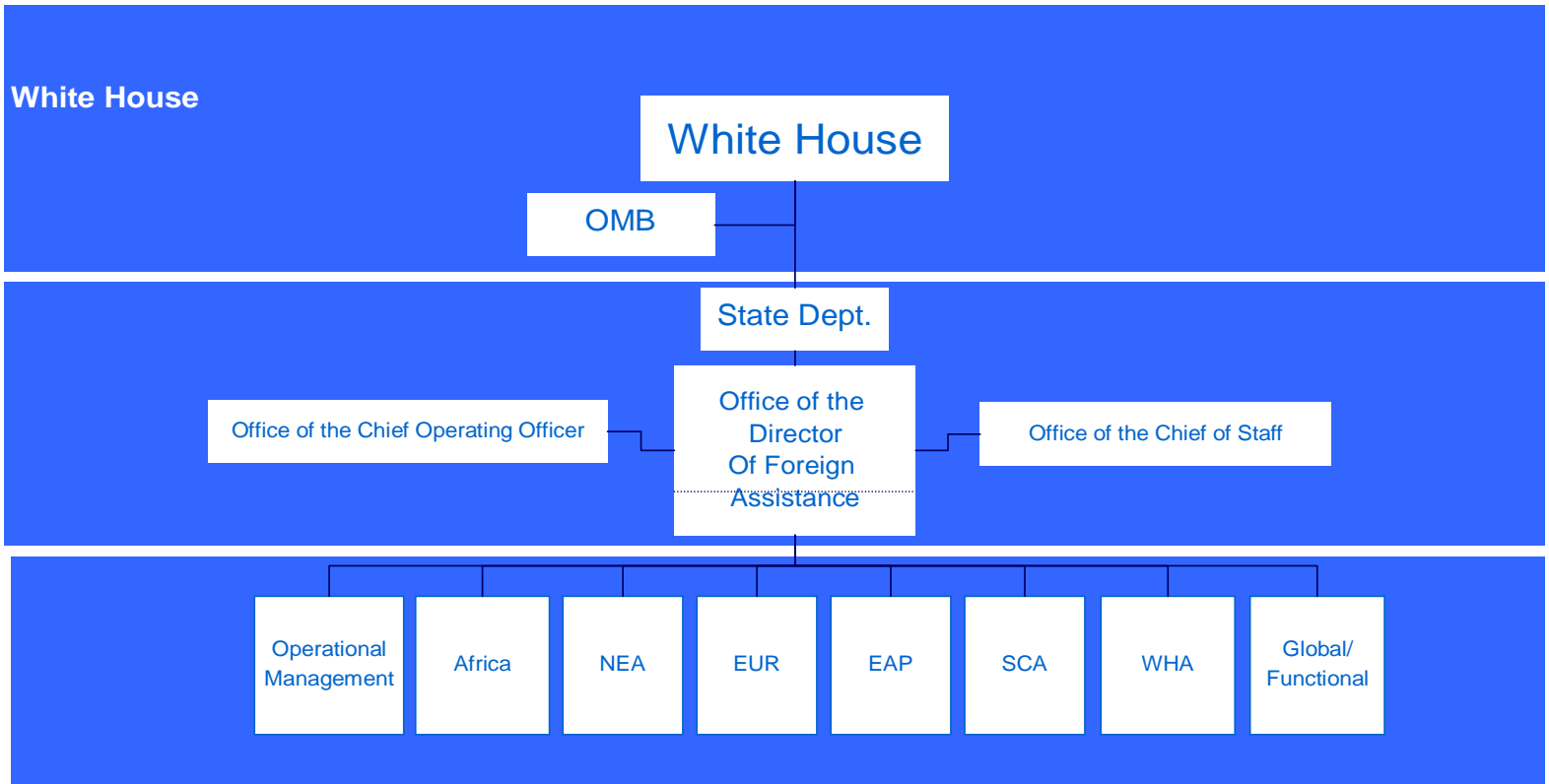
NOTES:



Organizational Chart of Embassy







State/F Organization

WHO'S WHO IN A U.S. EMBASSY?

The following chart describes some of the staff positions and corresponding responsibilities for a United State Embassy. Embassies differ in size and staffing. Not all of these positions will exist in every embassy.

Office	Staff titles	Area of responsibility
Front Office	Ambassador	<ul style="list-style-type: none"> • Nominated by the President • Subject to Senate confirmation • Serves as the President's representative to the host country • Public face of the embassy
	Deputy Chief of Mission (DCM)	<ul style="list-style-type: none"> • Second-in-charge of the Embassy • In charge of day-to-day business • All section heads report to the DCM • In the absence of the Ambassador, becomes Chief of Mission as charge d'affaires.
Political Section (POL)	Political Officer	<i>Promotion of U.S. Policy; Information-gathering & reporting on...</i> <ul style="list-style-type: none"> • internal politics • external politics • democracy • human rights • labor
Economic Section (ECON)	Economic Officer	<i>Promotion of U.S. Policy; Information-gathering & reporting on...</i> <ul style="list-style-type: none"> • trade • commercial • aviation • energy
Consular Section (CON)	Consular Officer	<u>Visa Services</u> <ul style="list-style-type: none"> • Non-immigrant Visas • Immigrant Visas <u>American Citizen Services (ACS)</u> <ul style="list-style-type: none"> • Jail visits, W & W, Repatriation, Death Cases, etc. • Passports
Management Section (MGT)	Management Officer	<ul style="list-style-type: none"> • General Services Office • Human Resource Management • Financial Management • Information Management • Medical Services

Office	Staff titles	Area of responsibility
Public Affairs Section (PAS)	Public Affairs Officer	<i>Engaging, informing, and influencing key international audiences</i> <ul style="list-style-type: none"> • Press • Culture and Education • Information Resource Centers • American Corners

WHO'S WHO IN A USAID MISSION?

The following chart describes some of the staff positions and corresponding responsibilities for a USAID Mission. Missions differ in size and staffing, and not all of these positions will exist in every Mission.

Office	Examples of staff titles	Area of responsibility
Front Office	Mission Director (MD)	<ul style="list-style-type: none"> • Responsible for results and performance of entire Mission. • Responsible for all acquisition and assistance. • Liaison with Department of State (such as the Ambassador and other Embassy staff) and other USG agencies at post.
	Deputy Mission Director	<ul style="list-style-type: none"> • Manages overall Mission operations. • Handles broader Mission personnel issues and important technical decisions in the Mission's portfolio. • Often thought of as the Chief Operating Officer.
	General Counsel (Regional Legal Advisor)	<ul style="list-style-type: none"> • Provides legal advice to Operating Unit staff on host country and US laws, regulations, authorities, practices, and privileges affecting agreements, transactions, and operations of USAID, and the personal conduct of its employees.
	Mission Environmental Officer (MEO), Deputy Mission Environmental Officer	<ul style="list-style-type: none"> • Often is a virtual member of every FA Team • Advises on 22 CFR 216 processes and compliance¹

¹ The Mission Environment Officer (MEO) and the Deputy Mission Environment Officer (D/MEO) (when one is appointed) can be administratively based in any office. They serve as members of all Strategic Objective Teams, functioning as technical and procedural advisors to Activity Managers and CTOs on 22 CFR 216 and ADS Chapter 204. It is important to note that the Activity Manager or CTO has the primary responsibility for properly completing the 22 CFR 216 process prior to authorization of funds and for ongoing management of it during activity implementation. In addition to their role on FA Teams, the MEO or D/MEO also serve as the Mission advisor to the Mission Director, Program Officer, Contracting or Agreement Officer, Regional Legal Advisor, Regional Environmental Advisor, and Bureau Environmental Officer on these matters.

Office	Examples of staff titles	Area of responsibility
Executive Officer (EXO)	EXO	<ul style="list-style-type: none"> • Handles areas covered by the “Operating Expenses (OE)” budget such the building, grounds, motor pool, and physical assets such as computers. • Handles FSN hiring and support (health insurance, retirement, salaries) employee evaluations, housing for USDH employees, communications and records management. • EXO Staff provide important support to a Mission’s functioning and often serve as FA Team members.
FA Team²	FA Team Leader	Review team membership and structure and make any adjustments needed for achieving Identify Activity Managers and Cognizant Technical Officers (CTOs) and clarify their respective roles Support effective FA Team functioning and decision-making
	Core FA Team Member	One of several team members, all collectively responsible for achieving the approved results. Must be a US Government employee.
	Activity Manager	<ul style="list-style-type: none"> • Responsible for the day-to-day management of one or more specific activities. • Selected by the FA Team, and may or may not be the Cognizant Technical Officer. • May or may not be the FA Team or sub-team Leader.
	Cognizant Technical Officer (CTO)	<ul style="list-style-type: none"> • The individual who performs functions that are designated by the Contracting or Agreement Officer, or is specifically designated by policy or regulation as part of contract or assistance administration. • Not usually a member of the Contracts Office.
	Technical Officer (Education, Environment, Economic Growth, Agriculture, D&G, Health)	<ul style="list-style-type: none"> • Provides advice, guidance, and direction to the Mission and the cooperating government in planning, design, development, negotiation, financial analysis, and implementation.

² Note that this chart on USAID Mission personnel only includes USG staff as FA Team members. In practice, many FA Teams also include expanded team members from the host government, implementing partners, other donors, and other key stakeholders who are directly involved in achieving the foreign assistance result.

Office	Examples of staff titles	Area of responsibility
Program/ Project Development Office	Program Officer	<ul style="list-style-type: none"> • Handles many reporting requirements to and from Washington. • Is Mission counterpart with Regional Bureau Development Programs/Strategy Office. • Supports in understanding the planning, achieving and learning guidelines (ADS 200 Series) for using program funds. • Usually handles public relations. Acts as the “staff office” for the Mission Director. • Responsible for preparing the Mission’s Annual Report in coordination with all offices. • May be the counterpart office with the Ministry of Finance. • Usually works with FA Teams to develop SOAg and Implementation Letters to be signed with the host government, as well as activity design documents prior to signing a SOAg. Responsible for assuring that all pre-obligation requirements are met. • Program office staff often serve as FA Team members.
<ul style="list-style-type: none"> • Financial Management Office or Controller’s Office 	<ul style="list-style-type: none"> • Financial Management Officer 	<ul style="list-style-type: none"> • Tracks and reports on mission-level financial data. • Provide assistance to FA Teams to help them accurately track and report on the financial performance of their programs. • Handles voucher processing, closing open audit recommendations, management controls, pre-award surveys for financial systems advice on vulnerabilities. • May also work with supreme audit agencies of host-country governments.
Contracts Office or Procurement Office	Contracts Officer Agreement Officer	<ul style="list-style-type: none"> • Handles the negotiation and administration of grants and cooperative agreements (assistance) and contracts (acquisition). • Responsible for designating CTOs
	Contracts Specialist	<ul style="list-style-type: none"> • Oversees contracts and grants at the pre-award, award, and administration stages. • Is familiar with a wide range of contractual vehicles including fixed price and cost type contracts, purchase orders, task orders, grants, cooperative agreements, Participating Agency Service Agreements (PASAs). etc. • Conducts RFA, RFP and IFB negotiations and documents them in a “Memorandum of Negotiation.” • Contracts officers and their staff often serve as FA Team members.

USAID and Department of State Offices of the Inspector General

The USAID Office of the Inspector General (OIG, or simply IG) and its regional offices (RIGs), and the Office of Inspector General for the Department of State and the Broadcasting Board of Governors (“State OIG”) 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.

In USAID, the OIG and RIGs are independent units that report directly to the Administrator. In addition to performing performance and financial audits, the OIG also investigates waste, fraud, and abuse – all of which are illegal and carry substantial penalties.

The Department of State OIG conducts independent audits, inspections, and investigations to promote effective management, accountability, and positive change in the Department of State, the Broadcasting Board of Governors, and the foreign affairs community. Additional information can be found at State OIG’s website at <http://oigweb.state.gov>.

All USG staff have a responsibility to report instances of waste, fraud or abuse and can do so anonymously if they wish. To facilitate reporting, both the Department of State and USAID IGs have set up “hot lines” and emails:

USAID: 1-800-230-6539 or 202-712-1023, or email: ig.hotline@usaid.gov
State: 1-800-409-9926 or (202) 647-3320, or e-mail at oighotline@state.gov.

Statement by the Department of State Inspector General

I was sworn in as Inspector General on May 2, 2005, with the intent to lead the Office of Inspector General (OIG) in promoting effective management, integrity, accountability, and positive change in the Department of State (Department), the Broadcasting Board of Governors (BBG), and the foreign affairs community.

As Inspector General, I have reporting responsibilities to the Secretary of State and the U.S. Congress. My staff and I prevent, and where necessary, identify waste, fraud, and mismanagement. The work of OIG auditors, inspectors, and investigators affects not only Department headquarters, but also 260 diplomatic missions in 163 countries, and international broadcasting operations in 61 languages that reach an audience of more than 140 million people.

OIG conducts high quality, independent audits, inspections and investigations that assist the Department and BBG; increase integrity and accountability; encourage the

most efficient, effective, and economic use of resources; and improve management. OIG's work is in accordance with professional standards, including those established by the President's Council on Integrity and Efficiency and the Government Accountability Office.

During the past decade, world events have exponentially increased demands upon OIG, while at the same time amplifying OIG's potential to bring about positive change. For example, the 1998 Embassy bombings in East Africa, the terrorist attacks of September 11, 2001, and resulting combat, reconstruction, and policing in Iraq and Afghanistan, as well as new programs such as the U.S. Global AIDS initiative and new areas of concern regarding passports, visas, and border security, have expanded OIG's oversight role and have been of particular interest to Congress and other agencies. Some have resulted in requests for joint activities with other Offices of Inspectors General.

For more information about OIG, please visit our website, <http://oig.state.gov>. I welcome your comments and questions about our website and our work. I invite you to report to us any allegations of fraud, waste, abuse, or mismanagement regarding the Department or BBG by contacting the OIG Hotline at 1-800-409-9926.

Howard J. Krongard
Inspector General

Need to Know:

- Your ability to program foreign assistance is enhanced by your understanding of the organizational structure of the relevant USG agencies
- 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.



LESSON 5: BUILDING A USG TEAM

Learning Objectives:

- To recognize that we share 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 a team.
- To encourage the inclusion of partners on the Team.

Foreign Assistance Teams (FA Teams)

Foreign Assistance Teams at post will differ in their size, function, degree of transparency, and other characteristics, based on the management style of the Ambassador and the working relationships between, the Embassy, USAID, and the other USG agencies involved in programming foreign assistance. In addition, FA Team composition and roles will be affected by the country environment. Some FA Teams will include members from the host government, other donors, and implementing partners, while others may not. Regardless of their size or structure, inter-agency FA Teams will need to work effectively to achieve foreign assistance results. FA Teams should consider using the management best practice of a Team Charter to help codify roles and responsibilities.

Department of State-USAID Core Values (Joint Strategic Plan 2007-20012):

Section I.c: Core Values

In the conduct of diplomacy and development, people are critical. Indeed, the success of the Department of State and USAID is directly tied to the knowledge, skills, integrity, and creativity of our dedicated employees. Their principles, talents, and diversity—reflecting the America they represent—strengthen their ability to move the world in the direction of greater security, democracy, and prosperity....

This *Joint Strategic Plan* reflects the core values of the Department and USAID. These values represent the high standards our employees—whether Foreign Service, Civil Service, Foreign Service National, career, or appointed—must uphold. We recognize and respect the fact that our Foreign Service National employees remain loyal to their countries even as they work to uphold these values. These key employees work with their American colleagues to perform vital services for U.S. citizens and to ensure the effective operation of our diplomatic posts and USAID Missions.

These values will be posted in every Embassy, Mission, and office of the Department and USAID. We will continue to integrate them into how we hire, train, evaluate, and reward our employees, and into how we conduct ourselves... Even as the Department's and USAID's specific goals and priorities may change to keep pace with the dynamic international environment, our core values will remain constant.

Joint Department of State-USAID Core Values 2007-2012

- Loyalty: Commitment to the United States and the American people.
- Character: Maintenance of the highest ethical standards and integrity.
- Service: Excellence in the formulation of policy and program management with room for creative dissent. Implementation of policy and management practices, regardless of personal views.
- Accountability: Responsibility for meeting the highest performance standards.
- Community: Dedication to teamwork, professionalism, and the customer perspective.
- Diversity: Commitment to having a workforce that represents the diversity of America.

HOW DO INTER-AGENCY DIFFERENCES COMPLEMENT ONE ANOTHER TO ENHANCE THE DELIVERY OF FOREIGN ASSISTANCE?

Exercise: Inter-Agency Collaboration

The Department of State-USAID core values help forge inter-agency collaboration, 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. These differences can make collaboration a challenge. The foreign assistance community is not alone in facing the challenge of inter-agency collaboration: The following exercise focuses on another USG community to help generate your ideas for collaboration in programming foreign assistance.

Task: Read the case study on the next page. Answer questions about collaborating with other USG agencies that program foreign assistance.

Time: 20 minutes

Product:



As a table team, develop a flipchart with your answer to the questions assigned to you from the list below:

1. Identify three goals for inter-agency collaboration that would be appropriate for your Operating Unit.
2. What are three or four specific opportunities for building more trusting working relationships among the U.S. Government personnel at your post? How would you go about building increased trust?
3. Reward and recognition drive individual and organizational behavior. Other than performance evaluation criteria or promotion precepts, what other ways could your Operating Unit recognize and reward staff and teams that collaborate? Who would need to participate and how could you build their participation?
4. What are three or four specific, clear “rules of engagement” for collaborating as a team that would maximize team output?
5. In your Operating Unit, could you use a Team Charter to codify agreements across USG agencies on the manner in which you would work together? What would be some of the elements of an inter-agency Team Charter? Who would draft and approve such a Team Charter to make sure it affected management and staff behavior?

Forging Inter-Agency Collaboration

The Intelligence Community (IC) Collaboration Baseline Study³ was commissioned in the late 1990s to examine policy, procedural, and cultural barriers to interagency collaboration. Interviews conducted with senior IC executives identified significant cultural barriers to effective collaboration. Key areas of concern included:

- Lack of common goals for collaboration across the community
- Lack of trust in other IC organizations, individuals, and systems
- Lack of perceived mutual benefit to participate in collaboration efforts
- Inadequate reward systems to support collaboration.

The study identified issues that contribute to a widespread lack of trust across the IC. For example, one factor found to reduce trust is the different personnel security clearance processes used by the different intelligence organizations. Among the study findings was the perception within CIA that personnel who do not undergo a full polygraph cannot be trusted to the same degree as those who receive a less stringent security screening, even though these individuals are issued the same clearance level.

A lack of understanding of each others' organizational mission, structure, and operating restrictions also diminishes trust across the intelligence community. And in some cases, the lack of trust results from a failure to understand regulations that limit the exchange of information. For example, many in the community described the FBI as more of a taker than a giver of information. However, restrictions on the release of case-sensitive information and "rules of discovery" significantly limit the amount of information exchange that can occur between the FBI and the rest of the community.

"Rules of discovery" refers to the use of information in legal proceedings. This is an issue for interagency collaboration because information accessible to law enforcement personnel (e.g., FBI, Drug Enforcement Agency) on shared IC networks may be subject to rules of discovery and, therefore, allowable for use in legal proceedings. However, the collaboration study found that there is no single definition of "rules of discovery" within the IC. Because of the issues of data classification and national security interests, the definition is usually established via a memorandum of understanding (MOU) or a memorandum of agreement (MOA). The general lack of understanding on this issue creates a tendency among some in the U.S. intelligence community to be reluctant to share intelligence data with law enforcement entities.

³ Source: Intelligence Community Collaboration Baseline Study Final Report, December 1999

Another issue impacting the trust associated with IC collaboration networks is the disparate perspectives and implementation of “need-to-know” principles. For example, Department of Defense (DOD) organizations that have a mission to support the warfighter generally interpret need-to-know more liberally than national Agencies whose primary customers are policymakers.

Strategies for Success:

The study identified strategies to address these and other barriers based on a review of academic research, as well as an examination of case studies within private industry and government. The mitigation strategies included:

1. identifying collaboration goals
2. defining the role of communities of interest to support collaboration goals
3. expanding cross-organizational knowledge of mission, structure, and processes through increased rotational assignments and joint training
4. instituting reward systems to support collaboration

Strategies for Success: Working Relationships

Collaboration is based upon trust. Trust, in turn, begins with the formation of personal working relationships. Senior IC managers and analysts agreed that expanding their personnel’s knowledge of each other’s organizational mission, structure, and processes will greatly enhance the community’s ability to draw from its widespread capabilities and expertise. Many senior managers interviewed for the study recommended expansion of rotational assignments and community-level training as mechanisms for extending an informal network of personal contacts throughout the community. These activities also allow analysts to gain a better appreciation of what each organization can bring to the table, as well as the constraints under which each organization must operate.

Trusting Working Relationships

- Expand cross-organizational knowledge of mission, structure, and processes through rotational assignments and community-level training.
- Invest in face-to-face interactions among team members, when possible, especially during the initial stages of team formation.
- Define clear rules of engagement for collaboration.

Strategies for Success: Reward and Recognition Systems

Both formal and informal recognition and reward systems influence organizational behaviors. As with other aspects of organizational change, small steps may be required to reach the final objective. Instituting a reward system that is a radical change from the existing culture and practice may create more conflict than evolution.

The standards for behaviors and outcomes against which workers will be evaluated need to be clearly communicated. And when the standards are set, evaluation of collaborative behaviors in a performance review will not carry much weight unless the individual is rewarded for those behaviors. Individuals will work hardest on the tasks for which they receive the greatest reward.

Reward systems supporting collaborative behaviors should focus on team, rather than individual, performance. Team rewards, however, are not without their challenges. Even within a team, there will be varying degrees of participation and value-added. Timing of rewards is also important. It is best to provide rewards concurrent with team accomplishments rather than on an annual basis.

Team Rewards

- Ensure congruence with organizational culture.
- Align evaluation and reward systems.
- Focus on team, rather than individual, accomplishments.
- Distribute rewards and recognition concurrent with accomplishments.



The Study also included a "Checklist for Successful Collaborations." This is posted on the PFA Learning Space. Go to this page and start an on-line discussion!

Review: Foreign Assistance (FA) Team Composition:

What is an FA Team?

Who may be on an FA Team?

Who is a USG member?

What are inherently governmental functions?

Who may carry out inherently governmental functions?

Who may be a core member of an FA Team?

Who may be an FA Team Leader?

Are there any limits on what FSN, LES and PSCs may do?

Can an FSN or LES be an FA Team Leader?

NOTES:

Mandatory Reference: 601
Supplementary Reference: N/A
File Name: ads15/60157ml

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

***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](#).

Optional FA Team Membership Exercise



Task: Draw an artistic representation of the ideal FA Team for a Democracy program. Use the list below for ideas.

Time: 15 min.

- 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

Need to Know:

- 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 all USG employees and may be Foreign Assistance Team Leaders and core members
- Large or small, FA Teams need access to a broad range of skills
- FA 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 FA Teams will change over time.



NOTES:

PLANNING

LESSON 6: INTRODUCTION TO PLANNING FOREIGN ASSISTANCE

Learning Objectives:

- o To recognize that planning improves results.
- o To understand that planning foreign assistance results is informed by broader U.S. Government strategies.
- o To understand that foreign assistance planning is required at five interdependent levels

Planning: The process 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. Planning occurs at multiple levels and for multiple purposes: at the Department and Agency level through the Joint Strategic Plan; at the Operating Unit level through the Mission Strategic Plan and Operational Plan; and at the activity and obligation level.

Exercise: People, Policies, and Procedures Involved in Planning Foreign Assistance

Task: With a partner, brainstorm as large a list as you can on your assigned topic:



- Which people are involved in foreign assistance planning?
- What policies guide foreign assistance planning?
- What procedures and systems are used in foreign assistance planning?

Time: 5 min.

NOTES:

Levels of Programming

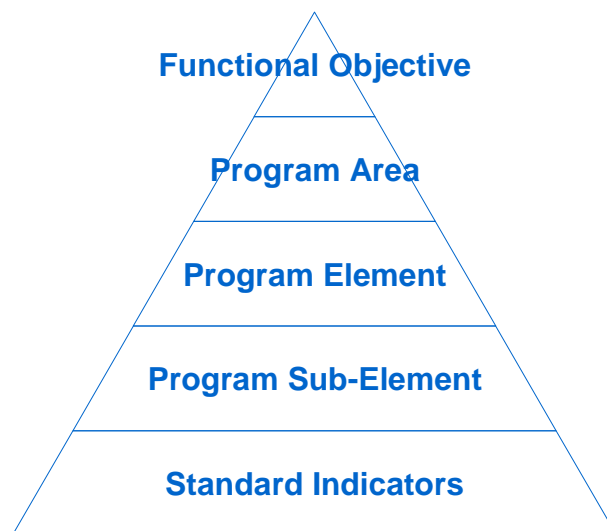
USG Entity	Budgeting	Planning	Reporting
Administration	President's Summary Budget	National Security Strategy	OMB Reports, e.g., PMA Scorecard and PART Scores
Dir. Of Foreign Assistance	Allocates 150 Acct. Resources to State and USAID	Foreign Assistance Framework and Strategy	Foreign Assistance Report
State and USAID Mgt.	Senior review of budget allocations	Annual Budget Submission plus GPRA docs: JSP and Performance Budget	GPRA-requirement: Performance & Accountability Report
State and USAID Bureau	"INFLUENCE"	"INFLUENCE"	"INFLUENCE"
Operating Unit	Receives allowance to Program Element level	Strategy Statement & Operational Plan	Annual Performance Report
Activity	Obligation or sub-obligation through Implementing Mechanism	Partner Workplans	Partner Quarterly and Annual Reports

The Foreign Assistance Hierarchy: Historically, USAID 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 the Administration and Congress. Furthermore, State and USAID did not use common language to describe the programs they implemented (e.g., What is a “Democracy Program”?).

In order to collect standardized data, the Office of the Director of Foreign Assistance has developed a standard Program Hierarchy for the purpose of collecting and communicating standardized information on 1) who are our partners, 2) how much funding are we providing 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. The hierarchy depicts **WHAT** you do with appropriated foreign assistance resources, not how. The how, *the tactics that determine how you will implement your program, are up to the Operating Unit.*

Foreign Assistance Hierarchy: Standardized Foreign Assistance Structure and Definitions



Department of State/USAID Joint Strategic Goal Framework 2007-2012*

- Strategic Goal 1: Achieving Peace and Security
 - Counterterrorism
 - Weapons of mass destruction and destabilizing conventional weapons
 - Security cooperation and security sector reform
 - Conflict prevention, mitigation, and response
 - Transnational crime
 - Homeland security
- Strategic Goal 2: Governing Justly and Democratically
 - Rule of law and human rights
 - Good governance
 - Political competition and consensus building
 - Civil society
- Strategic Goal 3: Investing in People
 - Health
 - Education
 - Social services and protection for especially vulnerable populations
- Strategic Goal 4: Promoting Economic Growth and Prosperity
 - Strengthen private markets
 - Trade and investment
 - Energy security
 - Environment
 - Agriculture
- Strategic Goal 5: Providing Humanitarian Assistance
 - Provide protection, assistance and solutions
 - Prevent and mitigate disasters
 - Promote orderly and humane means for migration management
- Strategic Goal 6: Promoting International Understanding
 - Offer a positive vision
 - Marginalize extremism
 - Nurture common interests and values
- Strategic Goal 7: Strengthening Consular and Management Capabilities
 - Consular services (Visas, Passports, American Citizen Services)
 - Major management functions

* As of April 2, 2007, this joint Strategic Framework is pending clearance in the Office of the Secretary of State as the newly revised Joint Strategic Plan is being reviewed.

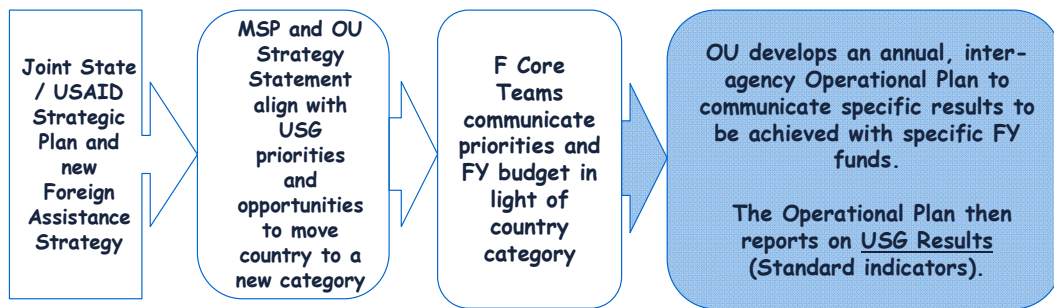
NOTES:

LESSON 7: OVERVIEW OF STRATEGIC PLANNING

Learning Objectives:

- 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 and tactical choices based on planning mandates and priorities

Strategic Planning and Reporting Process Map



Secretary of State requires strategic and policy coherence in U.S. foreign assistance

Issues

Overseers require clear, aggregated foreign assistance results reporting

Need for more effective inter-Agency planning processes

How do we consult effectively with diverse stakeholders within this new model?

NOTES:

Exercise: Costa Brava Case Study

TASK:

- Read the case study silently
- Prepare a team flipchart with the following:
 - 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 to inform your tactical choices
 - 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.



PRODUCT: Flipchart report

TIME: 20 minutes

Case Study: Financial Services in Costa Brava

Background:

Costa Brava is a middle-income Muslim country in North Africa that has assumed increased importance to U.S. interests in the post-9/11 era. Although the country was slated for graduation from U.S. foreign assistance in 2003, Costa Brava’s proximity to Europe and associated trade and tourism potential; its large population of unemployed males under the age of 30; increased potential for political instability; and significant lags in economic opportunity and access to credit by large numbers of rural, female, and other historically disadvantaged groups

have resulted in the continuation of U.S. foreign assistance programming through the year 2010.

Challenges in governance and economic opportunity are closely interconnected in Costa Brava. The sharply uneven distribution of wealth in the country stems from centuries of political and economic leadership by the same ruling family, who have neglected members of other ethnic groups in national development programs. Extended kinship patterns within the royal family's ethnic group have prevented broader access to land, credit, and other financial services by other ethnic groups, by rural communities, and by almost all Costa Bravan females.

To date, the United States and other donors have been stymied in their efforts to encourage broader economic opportunity and political pluralism, due largely to the political and economic oligarchy enjoyed by the ruling family. However, USG support for free and fair municipal elections has increased the representation of minority groups in many regions of the country, and a USAID-supported land registry program has enabled many small-holders to gain secure title of their land. While access to credit and other financial services by rural and marginal groups is less than half the access to financial services enjoyed by members of the ruling family's ethnic group, more secure land tenure and the ongoing gains in rural literacy are expected to help increase the demand for credit and banking services.

In addition, complementary programs funded by the World Bank and Millennium Challenge Corporation to improve information and communications technology (ICT) in the financial sector are expected to improve services in poor and rural areas that have not had access to telephone and other ICT infrastructure in the past. At the same time, the Ministry of Finance has requested support through the Development Credit Authority to help capitalize more Costa Bravan banks and credit unions.

Based on communication with Washington, the Ambassador and USAID Mission Director have tasked a joint USG economic growth team at post with outlining sections of a new Operational Plan for U.S. foreign assistance to Costa Brava. The Costa Brava country team has received its planning mandates from F in the Functional Objective for economic growth. Costa Brava is a Transforming country and is to work in the financial sector, in the Element called "Financial Services." The U.S. Mission to Costa Brava has worked closely with colleagues in State/F and their home agencies in Washington, and has begun developing its Operational Plan, as evidenced by the Narratives below. The new FA Team for Economic Growth is now forming to begin work on the Operational Plan, and is planning a consultation with partners as a first step.

Overview:

When all citizens have equal access to financial services for personal and business purposes, their country can be viewed as providing economic freedom, which is a long-term objective of the USG in Costa Brava. At the end of five years, there will be expanded access to financial services (primarily credit) for all segments of society, but especially for micro-enterprises, small- and medium-sized enterprises (SME), women, and other groups that have historically lacked access to funds.

Issues of risk management and credit information systems at financial institutions will have been addressed in order to provide greater options both for suppliers (such as institutional investors) and users of funds in order to expand financial services for personal use. Structural barriers and market inefficiencies impeding the growth of an accessible banking system will have been removed.

Work of Other Players:

Although reform in the sector has been mainly donor-funded, the Central Bank of Costa Brava and the Costa Brava Securities Commission have helped catalyze the private sector. The USG remains the lead agency improving financial services. The International Finance Corporation's IDEA project is working on a framework to promote capital markets. The French are upgrading the trading software used by the Stock Exchange, including enhancing the surveillance system. Through the Costa Brava Upgrading and Mobilization Program, the European Union is providing technical assistance to the Costa Brava Credit Guarantee Corporation to promote lending to small and medium enterprises. Coordination occurs through regular donor meetings and information-sharing at the technical level.

Narrative of USG Participants:

In the past, through funding from the Middle East Partnership Initiative (MEPI), the Financial Services Volunteer Corps provided technical assistance and training on risk management, bank supervision and a strategy for small and medium enterprise (SME) lending. The MEPI-funded "For Costa Brava" project worked with banks and SMEs on encouraging increased financing for small lenders. A U.S. Treasury Advisor provided assistance to the Ministry of Finance to develop the Government bond market and foster the issuance of bonds to fund government debt. These activities have been closely coordinated with USAID's programs and are expected to continue. They will complement the Agency's focus on improving economic opportunity and livelihoods for marginalized groups as an engine of rural development and employment, and will complement the USG goal of reducing political instability.

NOTES:

Consultation is required in the planning process, and is key to sustainable development. The Operational Plan Guidance does not specify how this consultation should occur. This is up to the Operating Unit. A central challenge is eliciting useful input and stakeholder buy-in while also managing stakeholder expectations. One way to deal with this concern is to explain to stakeholders that the Mission must adhere to USG planning mandates as illustrated in the Framework.

Discussion Question: What's the difference between a consultation and a briefing?



Need to Know:

- Foreign Assistance planning needs to align with the Joint State-USAID Strategic plan, as well as with local priorities and plans.
- The Joint Strategic Plan is currently under revision and will be consistent with the new Foreign Assistance Framework and Hierarchy.
- Consultation is required in planning, and is consistent with good development practice.

NOTES:

LESSON 8: THE OPERATIONAL PLAN

Learning Objectives:

- 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

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.

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.

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.

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.

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.

NOTES:

Need to Know:



- o Operational Plans are one of the most significant changes in the ongoing foreign assistance reforms.
- o 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.
- o They must align with higher level planning mandates, and should also align with host country priorities.

Exercise: What kind of Result?

Task: Identify output and outcome results in the following scenarios.



Process: Read the scenarios below and discuss the answers to the questions with your table team.

Time: 10 minutes

1. In Costa Brava, the USG is implementing a program to improve environmental management of wastewater treatment plants in targeted sites. Materials, including a manual, will be developed for a sustainable certification system. Training of Government of Costa Brava staff and community members on wastewater operations may be conducted. Replication of Wastewater Advisory Committees throughout the country may be provided, as well as efforts to raise public awareness on the committees and their roles, with special emphasis on the private sector.

What are some of the output results of this activity? What do you think are the expected outcome results?

2. In Costa Brava, an NGO is awarded a cooperative agreement to develop a land registry database for the courts and to populate it with 20 years of backlogged land titles and related documents. After 4 years, the NGO has successfully populated the database with 80% of the land titles, thus reducing the time to process dispute settlements from an average of 5 years to 8 months.

What are some output results of this activity? What might be the outcome results?

3. In Costa Brava, the USG participated in a polio immunization program by providing refrigeration equipment for the vaccines. The USG coordinated with UNICEF, which funded the delivery of the vaccinations in clinics and schools; and with local municipal councils, which who gave additional funding, provided facilities, and

developed locally sensitive marketing campaigns for the program. The vaccination program lasted four years; by its conclusion 525,000 children were vaccinated against polio.

What are some of the USG-supported output results of this activity? What are some of the USG-supported outcome results?

4. In Costa Brava, the USG is supporting political pluralism through efforts to increase the participation of minority ethnic groups at both the national and municipal level. USG-supported activities include: policy dialogue with the host government to encourage overturning a requirement that members of Parliament own at least 100 hectares of land; parliamentary training on drafting new legislation; message testing for a civic education campaign on pluralism; an exchange program for Costa Bravan parliamentarians to visit the U.S. Congress and Members' district offices; and capacity-building to improve municipal council operations through a project implemented by the American Association of Local Government Officials.

What are some of the USG-supported output results of this activity? What are some of the USG-supported outcome results?

Exercise: Effective Results Statements

TASK: In each pair below,

- 1) Identify which is the more effective result statement. Be prepared to explain why.
- 2) Suggest ways of improving the result statement you consider to be ineffective.

Economic well-being of Costa Bravan women improved	<input type="radio"/>	<input type="radio"/>	Participation of Costa Bravan women in formal economic activities increased
Train Costa Bravan health workers	<input type="radio"/>	<input type="radio"/>	Costa Bravan health workers certified in safe birthing procedures
Increase provision of better financial services to more women	<input type="radio"/>	<input type="radio"/>	Women's access to financial services increased
Strengthen institutional capacity	<input type="radio"/>	<input type="radio"/>	Financial management practices of targeted NGOs improved
Legal and policy constraints to marketing agricultural products reduced	<input type="radio"/>	<input type="radio"/>	Markets liberalized
Encourage economic growth	<input type="radio"/>	<input type="radio"/>	Revenues of small and medium sized enterprises increased
Incomes in targeted rural areas increased	<input type="radio"/>	<input type="radio"/>	Broad based sustainable economic growth
Health care and education services improved	<input type="radio"/>	<input type="radio"/>	Quality of primary health care services in targeted areas improved
Population growth reduced	<input type="radio"/>	<input type="radio"/>	Use of modern contraceptives increased
Use of safe sex practices among target population increased	<input type="radio"/>	<input type="radio"/>	Prevalence of HIV reduced

NOTES:



Need to Know:

- o 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.

CHARACTERISTICS OF GOOD RESULTS STATEMENTS

Characteristic	Poor Example	Better Example
1. The result statement should be a statement of a result (not an activity or process).	Train health workers	WHO standard maternal and child healthcare available to 80% of the time within 10 miles of 60% of the population
	Encourage economic growth	Annual revenues of formal sector small and medium-sized enterprises increased
	Strengthen institutional capacity	Financial management practices of targeted NGOs improved
2. The result statement should be measurable and objectively verifiable.	Markets liberalized	Legal and policy constraints to marketing selected agricultural products reduced
	Ability of entrepreneurs to respond to regulatory environment improved	Annual revenues of formal sector small and medium-sized enterprises increased
3. The result statement should be meaningful and realistic	Broad based sustainable economic growth	Annual income of full-time labor in the formal, off-farm private sector increased
	The health and economic well-being of Costa Bravan women improved	Participation of Costa Bravan women in formal economic activities increased
4. The result statement should be one-dimensional	Agricultural productivity and farm incomes increased	Result 1: Agricultural productivity increased Result 2: Farm incomes increased
	Quality of health care and education services improved	Use of primary health care services in rural clinics increased
	Increase provision of better quality financial services to more women	Women's access to financial services increased
6. Results statements should reflect a change that can be materially affected by the Operating Unit and its partners, with the resources provided in the given time period. (Within the " manageable interest " of the Operating Unit.)	Broad based sustainable economic growth	Annual export revenues from targeted value-added products increased
	Population growth reduced	Use of modern contraceptives increased
	Prevalence of HIV reduced	Use of safe sex practices among target population increased

NOTES:

LESSON 10: RESULTS FRAMEWORKS

Learning Objectives:

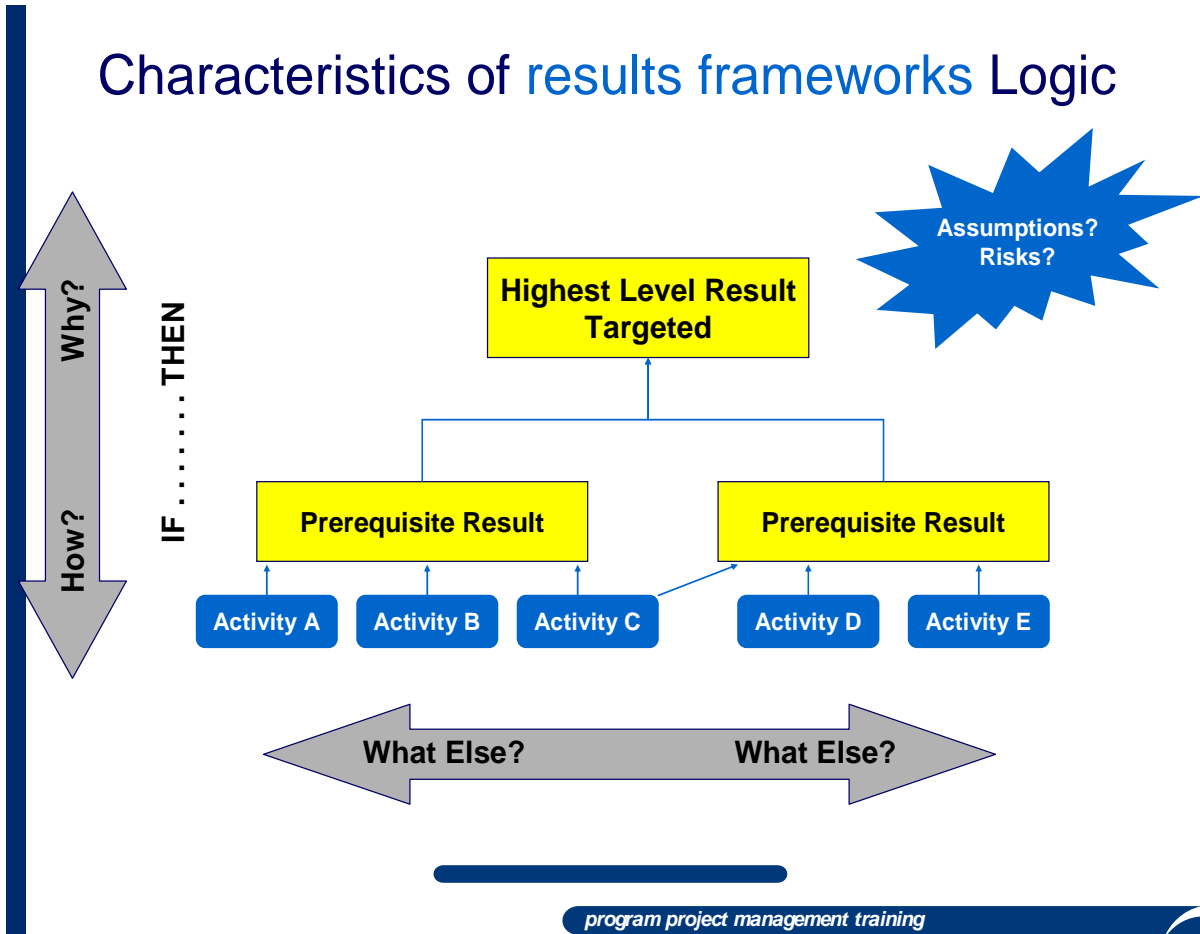
- To understand the methodology and planning purposes of Results Frameworks
- To practice developing a Results Framework

Results Framework: A graphic and narrative representation of the development hypothesis for achieving a specific result – for solving the specific problem we have identified, based upon what is possible in the country environment within the time period and with the resources we expect to have available.

Development Hypothesis: A narrative description informed by the country category and by what we believe is possible in that country environment, of the causal linkages between lower level, "prerequisite results" and the highest level result to be achieved. The development hypothesis articulates how these lower level results, when taken together, are expected to be necessary and sufficient to achieve the highest targeted result within the time and resources available.

NOTES:

Characteristics of results frameworks Logic



NOTES:

Exercise: Building a Results

Objective: To understand how a Results Framework represents the causal linkages implicit in a development hypothesis for solving a development problem.



Process:

Each group will receive cards on which are written results statements. Arrange the cards to show the causal linkages among the results. When the team reaches consensus, tape the cards to your flipchart and select someone to present the Results Framework.

Tip: Groups may find it helpful to state critical assumptions and some of the underlying principles behind its development hypothesis.

Time: 15 min.

Need to Know:



- Results Frameworks are a planning and design tool that provide a graphic and narrative description of a development hypothesis: what it will take to reach a significant development result in a given country environment with specific time and resources available.
- A development hypothesis describes the specific causal linkages between the necessary and sufficient set of prerequisite results that are expected to lead to the achievement of a higher level result: the development problem to be solved.

NOTES:

LESSON 11: PRE-OBLIGATION AND ACTIVITY PLANNING REQUIREMENTS

Learning Objectives:

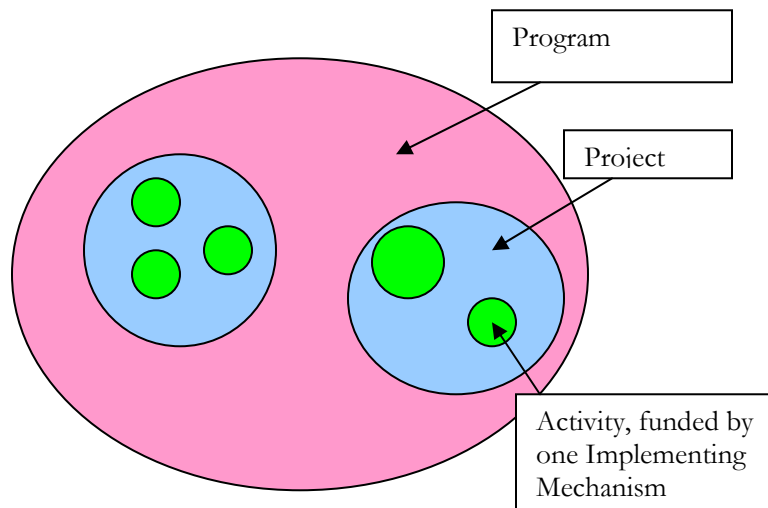
- To understand that certain planning steps are required by law
- To explain the new process for activity planning by Operating Units
- To understand that the USG obligates funds in different ways in support of foreign assistance programs.

The term “activity” has a particular meaning in State/F for planning and reporting on foreign assistance.

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

A **Project** is the set of activities performed by one Implementing Mechanism.

A **Program** is the set of projects an Operating Unit implements to achieve one goal or outcome defined by the Operating Unit Strategy. For example, an Operating Unit may have a set of projects in education, health, and job creation all designed to address counter-terrorism. This represents a counter-terrorism Program. The parts of this program will be captured “budgetarily” under the corresponding sections of the Program Hierarchy and will be implemented by one or more Implementing Mechanisms.



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).

The Operational Plan is where you first lay out 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:

- Who is the partner
- How much money using to fund 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

Definition of Obligation (ADS Chapter 621):

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.

Note: 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 should be entered into carefully. Planned obligations are always "Subject to the availability of funds."

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

- (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;

USAID/General Notice
ADMINISTRATOR A/AID
01/01/2007

Subject: Interim Guidance on the Status of USAID Strategic Plans Under the New Foreign Assistance Framework

Many USAID Operating Units have raised questions regarding the status of their Strategic Plans (given various aspects of foreign assistance reform, including the new Foreign Assistance Standardized Program structure and the requirement for approval of annual Operational Plans (OP), as well as the viability of existing ADS guidance regarding planning, achieving and learning as noted in ADS 200-203 and in other ADS chapters). This Interim Guidance is offered to facilitate continued operation and implementation of USAID programs until new guidance and operating policies and procedures have been developed.

Until further guidance is issued, please consider your Operating Unit's most recent Strategic Plan (including any that may have expired), as modified by the OP (and its associated guidance and element level budgets), to be your Approved Strategic Plan for purposes of meeting statutory, policy, and planning requirements. This includes, but is not limited to, any modifications in funding levels that may have been included in the OP. The Approved Strategic Plan, as herein defined, is extended until further notice as modified by annual budgets set by F and approved Operational Plans.

USAID may continue with procurement actions, including Requests for Applications and Proposals, up to the point of actual award, while awaiting approval of the Operational Plan(s). However, award (including starting new multi-year contracts and grants) and obligation of funds may only occur when all pre-obligation requirements have been met and:

* For FY 2006 carryover funds and prior year recoveries, use of the funds has been notified to Congress, or in the case of funds being reprogrammed for use other than that previously notified, F has approved the use of the funds and Congress has been notified of the planned use in accordance with existing notification procedures.

* For FY 2007 funds, F has approved the use of funds either through approval of a memo requesting such use or through approval of the Operational Plan identifying the use of funds, and Congress has been notified of the planned use. The FY 2007 Congressional Budget Justification serves as a notification of funds for this purpose, except in the case of special notification countries or where separate notification is otherwise required, such as for anti-trafficking programs or where notification is required as a result of the changes stemming from Foreign Assistance reforms.

The appropriate memo necessary for approval of funds is noted in my Memorandum regarding Approval of Foreign Assistance Funding in FY 2007 dated October 10, 2006.

Ambassador Randall L. Tobias

Point of Contact: Any questions concerning the Notice may be directed to:
Kevin Brownawell, A/AID, (202) 712-4532.

NOTES:

Pre-Obligation Requirements at USAID

- 1. **Adequate Planning.** 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.
 - a. **Link to Approved 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.

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

What are some of the management issues the Operating Unit should be thinking about before determining which tactics it will pursue? Have you considered how long it may take to develop a "contractible Statement of Work"?

- 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 as part of the activities implemented.

What policies and procedures cover the Environmental Review Process? Who is responsible for compliance with Reg. 216?

3. **Country and obligation-level statutory reviews:** 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**.
 - 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.
 - 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.

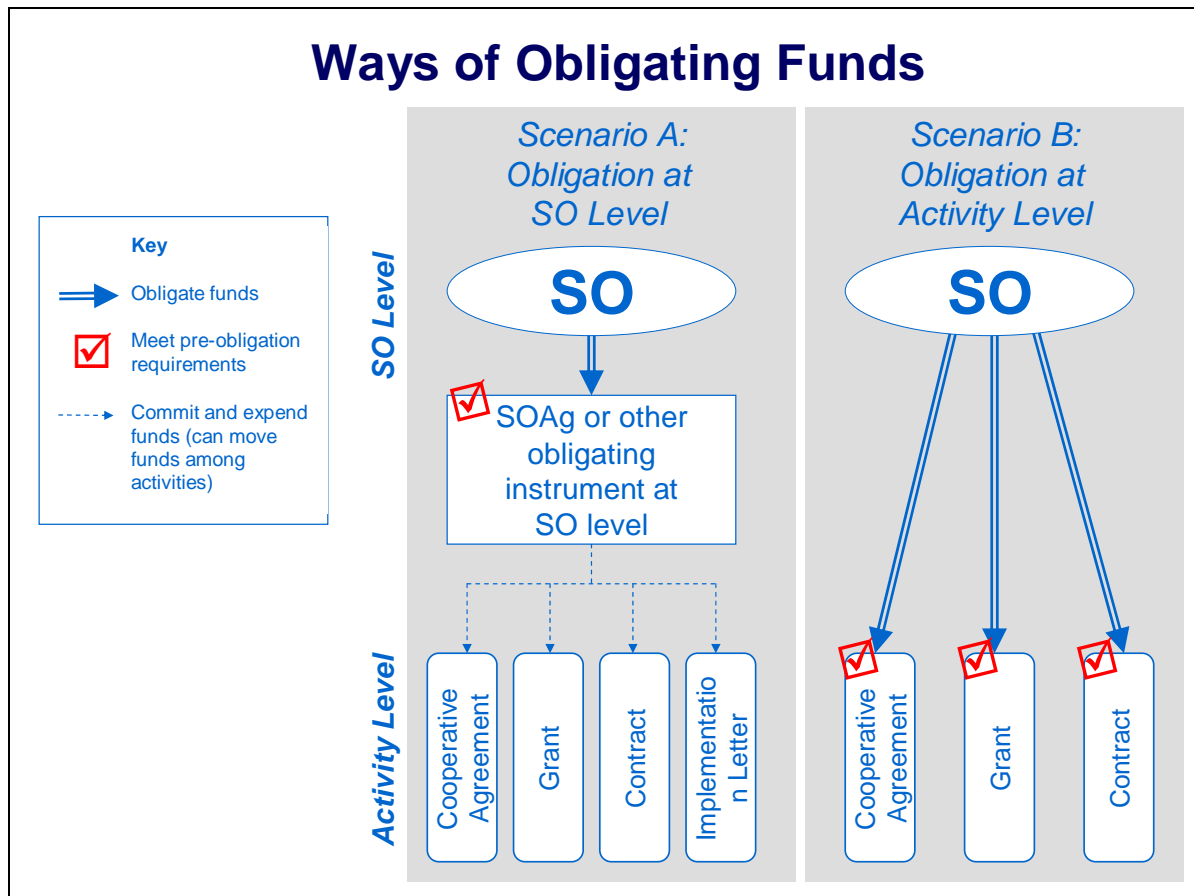
4. **Congressional Notification:** Congress must be **notified** of the Agency's intent to obligate funds and there must be no outstanding Congressional objection. With Foreign Assistance reforms, a process that has typically been done through the CBJs of both Agencies separately has been moved to joint notification through a separate process

5. **Funds Availability:** 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.

6. **Approval by an Authorized Official:** An authorized official must **approve** all activities and related obligating instruments.

Thirteen Steps in Activity Planning

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





Additional Help: 200-203
 Last Revised: 04/18/2001

Model Checklist for USAID Pre-obligation Requirements

The following checklist is designed to assure obligating officials that all pre-obligation planning and other requirements have been met and are documented before an obligation is incurred for a given activity. You can fill the checklist out and attach it to obligation documentation to support a decision to obligate funds.

PRE-OBLIGATION REQUIREMENT	WHERE IS THIS DOCUMENTED?
1. Will the activity (or activities) directly support achievement of an approved Strategic or Special Objective (SO) or a related intermediate result?	
2. Is there an illustrative budget for the activity providing a reasonably firm estimate of the cost to the U.S. Government?	
3. Is there a plan for monitoring performance of the activity?	
4. Have analyses necessary for adequate planning been completed?	
5. Have steps been taken to minimize the use of new obligating instruments? Has consideration been exercised to use existing instruments? If a new instrument will be established, will it be designed to support multiple SOs?	
6. Additional Planning Considerations: a. Was this activity selected from among alternative approaches? b. Are findings from the gender analysis adequately reflected in the activity design? Has the gender statement or rationale been included? c. Are appropriate obligating and subobligating instruments planned? d. Are appropriate partner organizations (or types of organizations) identified? e. Are acquisition and assistance (A&A) plans clear and any waiver requirements documented? f. Do proposed implementing entities have the requisite financial and other management capacities?	

Mini Exercise: Inter-Agency Activity Planning	
<p>15 min.</p>  	<p>Task: Discuss and develop answers to the following questions.</p> <p>Time: 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>Go to the PFA Learning Space to start a discussion on inter-agency planning.</p>

NOTES:

LEARNING JOURNAL: LESSONS 6 – 11



How can key messages and learning objectives be applied in my work programming foreign assistance?

IMPLEMENTATION

LESSON 12: IMPLEMENTING PARTNERS THAT COMPETE FOR U.S. FOREIGN ASSISTANCE FUNDS

Learning Objectives:

- 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 improved partnering, by leveraging lessons learned and improved ITC systems.
- To know where to find additional resources for working with partners.

Partner:

“An organization or individual with which/whom the USG 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.”

Implementing Mechanisms are the funding instruments we use to program foreign assistance through a variety of partners – from host governments to other USGs to local NGOs. There are six main categories of “Implementing Mechanisms.” All six categories involve obligating or sub-obligating funds to one of the partners listed above.

Implementing Mechanisms include:

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

There are several large categories or types of Implementing Partners that compete for USG funds and therefore pose particular Organizational Conflict of Interest concerns. What are these categories of implementing partners?

Exercise: USG-Implementing Partner Relations

Task: Identify Critical Success Factors for making a partnership work.



Process: Form pairs and spend two minutes each describing a USG-implementing partner relationship that was particularly effective, and WHY this was so. The listener should write down as many critical success factors as possible and be prepared to report these out in plenary.

Time: 5 min.

NOTES:

Need to Know:



- o The USG depends on implementing partners and all its partners to jointly achieve and report results.
- o Programming Foreign Assistance = Managing Partner Relations.
- o The USG is positioned for improved partnering, by leveraging lessons learned and improved information systems.



- Your Contracts Officer
- The Acquisition and Assistance Ombudsman –
[www.usaid.gov/procurement_bus_opp/procurement/ombudsman.html]
- The Office of Procurement –
[http://www.usaid.gov/op_contact.html]
- The Office of the General Counsel
- 22CFR 226 – [<http://www.usaid.gov/pubs/ads/cfr22/22cfr226.pdf>]
- The Federal Acquisition Regulation (FAR) –
[<http://www.arinet.gov/far/>, the AIDAR]
- USAID Policy on Working with the Higher Education Community –
[http://www.usaid.gov/pubs/ads/pps/higher_ed/]

NOTES:

LESSON 13: MANAGING ORGANIZATIONAL CONFLICT OF INTEREST (OCI)

Learning Objectives:

- 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.

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.

There are two types of OCI. What are they called and what do these terms mean?

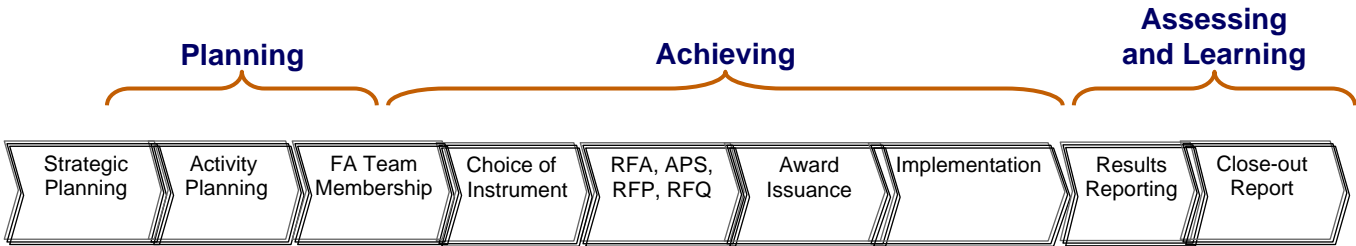
Exercise: Avoiding OCI While Programming Foreign Assistance

Task: Determine occasions when the FA Team should be particularly careful about OCI.

Deliverable: A list of the junctures when you should not engage with implementing partners in order to avoid organizational conflict of interest.

Time: 10 minutes

**Which of these are appropriate opportunities for engaging with implementing partners?
When should you avoid engaging with them to avoid the risk of OCI?**



NOTES:

Exercise: Scenarios for Possible Organizational Conflict of Interest



Task: Read the scenario assigned to your table team and determine whether an organizational conflict of interest exists. When finished, please, read the other scenarios so that you will understand the other teams' responses.

Time: 15 min.

Scenario One

An FA Team working on a Democracy program 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

An FA Team including both USG staff and outside organizations holds a meeting to brainstorm possible future activities for a 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 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, an 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 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 an 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 an 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: ACQUISITION AND ASSISTANCE AND FUNDING ALLIANCES

Learning Objectives:

- 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>Acquisition A legally binding relationship in which the principle purpose is "to acquire (by purchase, lease, or barter) property or services for the direct benefit or use of the U.S. Government"</p>	<p>Assistance Assistance is used "to carry out a public purpose of support or stimulation authorized by a law of the United States."</p>
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NOTES:

FUNCTIONAL SERIES 300: ACQUISITION & ASSISTANCE

ADS CHAPTER 304 - CHOICE OF IMPLEMENTATION INSTRUMENT

304.1 Authority

1. Foreign Assistance Act of 1961, as amended, Sections 621 and 635(b).
2. Federal Grant and Cooperative Agreement Act of 1977 (PL 95-224)(31 USC 6301-8).
3. OMB Guidance, "Implementation of Federal Grant and Cooperative Agreement Act of 1977, 8/18/78."

304.2 Objective

To establish the criteria for selecting and using the Agency's assistance and acquisition instruments which implement the Agency's programs by establishing appropriate relationships with non-Federal parties, such as hospitals, other non-profit organizations, and commercial organizations.

304.3 Responsibility

1. Strategic Objective Team: The Strategic Objective Team is responsible for determining the purpose of the transaction and the intended nature of the relationship.
2. Contracting Officers in USAID/W and the overseas Missions are responsible for:
 - a. Approving the selection of the proper implementation instrument;
 - and
 - b. Soliciting offers and making award to the non-Federal party.
3. The Bureau for Management, Office of Procurement, Policy Division (M/OAA/POL) is responsible for developing and interpreting Agency policy for both acquisition and assistance types of implementation instruments.
4. Procurement Executive/Assistance Executive is responsible for:
 - a. Making the final determination of choice of instrument when there is a disagreement between the contracting activity and the strategic objective team; and
 - b. Issuing Agency policy for both acquisition and assistance types of implementation instruments.

304.4 Definitions (See **GLOSSARY Word** | [PDF](#) | [HTML](#))

AGREEMENT OFFICER/CONTRACTING OFFICER
ASSISTANCE EXECUTIVE
CONTRACT
COOPERATIVE AGREEMENT
GRANT
IMPLEMENTATION INSTRUMENT
PROCUREMENT EXECUTIVE
RECIPIENT
STRATEGIC OBJECTIVE TEAM

304.5 POLICY

The following are the official Agency policies and corresponding essential procedures:

304.5.1 SELECTION OF IMPLEMENTATION INSTRUMENTS

The following criteria shall be used to determine whether a contract, grant or cooperative agreement is the appropriate instrument for a USAID-direct award.

a) CONTRACT

A Contract shall be used when the principal purpose of the instrument is the acquisition, by purchase, lease, or barter of property or services for the direct benefit or use of USAID or any other Federal Government entity; but also see 304.5.3.

b) COOPERATIVE AGREEMENT

A Cooperative Agreement shall be used when:

1. The principal purpose of the relationship is the transfer of money, property, services or anything of value to the recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute; and
2. Substantial involvement is anticipated between USAID and the recipient during the performance of the proposed activity.

c) GRANT

A Grant shall be used when:

1. The principal purpose of the relationship is the transfer of money, property, services, or anything of value to the recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute;
2. The recipient is to have substantial freedom to pursue its stated program; and
3. Substantial involvement is not anticipated between USAID and the recipient during the performance of the proposed activity. [See next page for definition of "substantial involvement."]

E304.5.1 Selection of Implementation Instruments

When there is a disagreement between the contracting activity and the strategic objective team on whether the criteria in 304.5.1 indicate that a contract, grant, or a cooperative agreement shall be utilized to implement a particular USAID program requirement, the Procurement Executive/Assistance Executive shall make the final determination of the choice of implementation instrument to be used.

304.5.2 PROHIBITION ON USE OF ASSISTANCE INSTRUMENTS

Assistance instruments (grants and cooperative agreements) shall not be used to provide for the performance of activities or programs over which USAID foresees a need to exercise a substantial degree of operational control. Nor shall assistance instruments be used to discharge responsibilities of the U.S. Government under international agreements because USAID lacks the ability as a grantor to enforce performance by a recipient. [See next page for definition of "operational control."]

E304.5.2 Prohibition on Use of Assistance Instruments - N/A

304.5.3 EXCEPTION TO POLICY

USAID has a legal right to use a contract in lieu of an assistance instrument, regardless of the selection criteria in 304.5.1.

E304.5.3 Exception to Policy

See E304.5.1.

304.6 Supplementary Reference - N/A

304.7 Mandatory Reference

Substantial involvement is defined as participation or intervention by the USAID So Team and is normally limited to the elements described in ADS 303:

- Approval of the recipient's Implementation Plan
- Approval of specified key personnel
- Agency and recipient collaboration or joint participation
 - Collaborative involvement in selection of advisory committees
 - Concurrence on the substantive provision of subawards
 - Approval of the recipient's monitoring and evaluation plan
 - Agency monitoring to permit specified kinds of direction or redirection due to interrelationships with other projects
- Agency authority to immediately halt a construction activity

Operational control is defined as performing day-to-day oversight of the implementation of the program and exercise of technical direction.

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."

**FUNCTIONAL SERIES 300
ACQUISITION AND ASSISTANCE**

INTERIM UPDATE #17

SUBJECT: Choosing Between Acquisition and Assistance Instruments

NEW MATERIAL: This Notice provides tips for FA Teams on choosing between acquisition and assistance instruments.

EFFECTIVE DATE: 08/17/2000

**USAID/General Notice
POLICY M/OP
08/17/2000**

Subject: CHOOSING BETWEEN ACQUISITION AND ASSISTANCE INSTRUMENTS

Part of the duties of Strategic Objective (SO) Team members is to make decisions regarding the most appropriate type of instrument(s) to be used to implement the various activities under a Strategic Objective. There is a wide range of implementing instruments available, however, for the most part, USAID implements activities via acquisition or assistance instruments. This guidance assumes that your decision has already been narrowed down to either acquisition or assistance. It does not address factors to be considered when choosing from the larger pool of available implementing instruments. Your Contracting Officer and/or Legal Advisor should be consulted to assist FA Teams with criteria and application of implementing instruments outside of the acquisition and assistance arena.

U.S. Government regulations define acquisition and assistance (A&A). These definitions, in and of themselves, do not provide much help when you are choosing the right mix of instruments to implement your programs.

USAID has no preference for acquisition instruments over assistance instruments (or vice versa). In June 1998, a General Notice addressing the choices between acquisition and assistance instruments stated, "The intent of this Notice is to unequivocally state that the Agency does not have a preference on choice of instrument and that either type of instrument may be structured as results-oriented." Available historical award data demonstrates that the usage of assistance awards compared to acquisition awards has remained a fairly constant collective 55/40 ratio (the remaining 5% being inter-agency agreements). Experience has largely shown that a Strategic Objective is best achieved by a mix of instruments by taking advantage of the strong points of the distinct relationships USAID enters into as a result of using either assistance or acquisition.

ADS 304 assigns responsibility to the FA Team for the initial determination regarding the "...purpose of the transaction and the intended nature of the relationship." The Contracting Officer, as a member of the FA Team, is responsible for "...approving the selection of the proper implementation instrument." The Agency Procurement Executive is responsible for making a final determination on choice of instrument if there is an impasse between the Contracting Officer and the other FA Team members.

Choosing an instrument type is not an exact science and there is no one factor that determines whether an acquisition or assistance award is the more appropriate instrument for the implementation of an activity. Rather, the FA Team chooses an instrument by careful and thorough analysis. The following factors may aid you in the decision-making process:

- (I) **Nature of the Activity:** There are no clear categories of activities that are better suited for one type of instrument over the other. In fact, at the very earliest stages of activity planning, the design can be tailored toward the use of either type of instrument. The role

USAID desires to play in the activity implementation, however, is a key consideration in selecting instrument type.

With acquisition, USAID states what goods/services/results it wants to buy, then monitors and evaluates the Contractor's performance in providing these goods/services/results. USAID decides the requirements and standards, and frequently provides technical direction during contract implementation.

By contrast, with assistance, USAID has more limited involvement in the day-to-day operational control of the activity. The program is largely the Grantee's/Recipient's, with USAID ensuring (prior to award) that the proposed program supports a Strategic Objective. Example: Where a politically sensitive situation exists, it may be necessary or desirable for USAID to have more day to day operational control and oversight of the implementation of a program. If the FA Team believes this level of involvement is needed, acquisition would be the more appropriate choice of instrument.

(2) Type of Implementing Organization: There are no restrictions with respect to what type of organization (e.g., PVO, profit-making firms or non-profit organizations) may receive an acquisition or assistance award. Normally, most profit-making firms propose for acquisition awards while most non-profit organizations and universities propose for assistance awards.

It may be that one source of confusion on the "type of implementing organization" is the May 1995, USAID Policy Principles. These principles set forth an understanding with respect to choice of instrument as follows: "This Policy Statement applies to the award of grants and cooperative agreements, which is the preferred method of cooperation between USAID and the PVO/NGO community. When contracts are solicited by USAID, the FAR/AIDAR procedures will be used, and PVOs and NGOs seeking such contracts will follow those regulations." These statements appeared to be a "commitment" to always use assistance awards when dealing with the PVO/NGO community. However, this simply means that USAID anticipates that most of USAID's engagement with PVOs/NGOs will be through assistance, but when the correct instrument is a contract, then acquisition rules apply even if the implementing organization is a PVO/NGO.

There is a basic flaw in interpreting the Policy Principles as guaranteeing the use of assistance instruments to an organization type: in the Planning Phase (where choice of instrument is made), it is the activity that is identified - not the organization. Consideration of the types of organizations that are leaders in a sector and likely to submit proposals for given solicitation may be one factor in choosing an instrument; however, there is no practical way to select an instrument based purely on organization type during the Planning Phase.

The type of implementing organization may come into the decision making process as follows: If there is a convergence of views among the FA Team (including host country and other non-USAID representatives) that the preponderance of knowledge and/or expertise in a given activity is with organizations who usually receive grants, then the FA Team would use this information as part of the overall consideration. The same thing would hold true if the expertise were with an organization that generally receives contracts.

(3) Achieving Results: Both acquisition and assistance instruments can be written to achieve results. With acquisition, the contract can incorporate "performance-based" contracting methods, and, with assistance, grants and cooperative agreements may be "results-oriented." Remedies for failure to achieve stated results and outcomes, although different

between these instrument types, are available for both acquisition and assistance instruments.

- (4) Sector and Stakeholder Considerations:** In general, acquisition and assistance are equally appropriate instrument types for any sector (e.g., Democracy, Health, Population, Environment, Education, Energy, etc.). However, FA Teams should scan the environment of the proposed activity, and answer questions such as “Are there any issues that support the use of one instrument type use over the other?”

Example: Where there isn’t political will within the host government to reform Institutions or policies, use of assistance initially may be most appropriate as a means to start building support for reform since assistance provides a more “hands-off” relationship. Some sectors may more readily lend themselves to one type of instrument over the other. Humanitarian Assistance, for example, is often carried out by Public International Organizations (PIOs) under assistance awards.

- (5) 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. Even if the current instrument is working well, the FA Team will want consider the kinds of requirements it needs in the follow-on activity that may lead to a different instrument for that activity.

- (6) USAID Resources:** The type of instrument that the FA Team selects has direct implications on USAID resources. In general, acquisition instruments are more labor intensive than assistance instruments, requiring more substantial direct USAID support. When the Team is determining an instrument type, it should pay careful attention to what resources are available for administration of that instrument.

Example: In a small country program, the FA Team may want to consider whether there is enough staff to handle both contracts and grants. If staffing is limited, then the FA Team may need to rely heavily on one or the other depending upon the Strategic Objective. In non-presence or closeout countries, it’s generally advisable to use assistance only since there is no staff or diminishing staff in country to provide the type of oversight and support normally required for administration of contracts.

FA Teams need to consider all factors and issues carefully when it makes its determination of the most appropriate instrument type. When the FA Team does this, its rationale for choosing a particular instrument will be well-documented and based upon sound business practices.

This guidance will become a mandatory reference to ADS 304.

Date:03/05/2007

Subject:Acquisition and Assistance (A&A) Planning for Fiscal Year (FY) 2007

Type:Information

Agency Notice Message:

INFORMATION

USAID/General Notice
M/OAA/OD
03/05/2007

Subject: Acquisition and Assistance (A&A) Planning for Fiscal
Year (FY) 2007

As an Agency that implements the majority of its programs through acquisition and assistance instruments, it is imperative that USAID undertake appropriate procurement planning. Early submission of A&A plans to the Office of Acquisition and Assistance (OAA) ensures that execution of A&A requests are distributed over several quarters rather than having the vast majority arrive during the fourth quarter. A massive influx of A&A requests during the fourth quarter severely jeopardizes OAA's ability to meet client's needs with regard to A&A customer standards.

Beyond the sound business case for preparing A&A plans, USAID's current and future partners benefit as well, since data from the A&A plans are used to update USAID's Business Forecast. This forecast is published on USAID's public website. This A&A forecast is a consolidated version of the A&A plans submitted to OAA. The A&A forecast is a fundamental tool that contains basic information on acquisitions and assistance anticipated for award during the fiscal year, long before the actual requirements are formally advertised. The forecast provides small businesses and potential new USAID partners additional time to prepare to compete in the acquisition process, allowing greater time to build teaming and other arrangements. It has also been very favorably received on the Hill as an effective method by which our Agency can attract new partners.

As noted in the General Notice dated 1/11/07, you should not postpone procurement actions pending approval of the Operational Plan. You should consider your Operating Unit's most recent Strategic Plan, as modified by the Operational Plan, to be your approved Strategic Plan for the purpose of A&A activities. You should initiate procurement actions based upon this and continue with procurement actions, up to the point of award, while awaiting approval of the Operational Plan. Once your Operational Plan is approved, discuss any needed changes to your A&A plan with your Contracting Officer.

FY07 A&A Plans

OAA has established March 16, 2007 as the deadline for Bureaus and Offices to enter their respective FY 07 A&A plans into A&A on the Web. The icon appears on the desktop in the corporate applications folder. A report will be provided to the Administrator regarding compliance by Bureaus and Offices with this critical deadline.

In developing your A&A plans, you should use the timeframes set forth below for each type of A&A action request. These timeframes represent the average amount of time needed to award a specific type of action once an acceptable statement of work/program description is received. If a request is submitted to OAA after the established cutoff date and the request wasn't included in your A&A plan, the cognizant Contracting Officer will negotiate a change to your A&A plan, possibly substituting the respective action for another action on your plan. Absent specific guidance from the cognizant CO, all FY07 requirements must be entered into the NMS Planning Module application before OAA will accept an action. (For those offices involved in the GLAS pilot currently underway, A&A actions should be entered into the Advance Procurement Plan module of GLAS).

If you have any questions regarding the submission of your A&A plan, contact your cognizant Contracting Officer. The Contracting Officer is the focal point for the review and approval of A&A plans.

TYPE OF ACTION
REQUIRED TO PROCESS

Definitive Contract (Competitive)	245 days
Definitive Contract (Sole Source)	135 days
Cooperative Agreement (Competitive)	150 days
Cooperative Agreement (Non-Competitive)	90 days
Cooperative Agreement Modification	90 days
Grant (Competitive)	150 days
Grant (Non-Competitive)	90 days
Grant Amendment	90 days
Inter-Agency Agreement	50 days
Option Exercise Modification	60 days
Unilateral Modification	10 days
Bilateral Contract Modification	80 days
Personal Services Contract	75 days
Personal Services Contract Modification	50 days
Purchase Order (non-Competitive)	27 days
Purchase Order (Competitive)	30 days

Point of Contact: Any questions concerning this Notice may be directed to Anne Quinlan, M/OAA/GH, (202) 712-4614.

USAID Support for Global Development Alliances through a new instrument called a Public-Private Alliance Collaboration Agreement (PPA CA)

The following excerpts from Acquisition and Assistance Policy Directive (AAPD) 04-16 explain this funding instrument:

3. GUIDANCE ON ALLIANCES:

The PPA CA is appropriate when:

- A Non-Traditional Partner* will be receiving USAID funds directly,
- The proposed alliance is within the GDA precepts, above, and the alliance program is deemed appropriate under the terms of the Annual Program Statement (APS) or Request for Application (RFA),
- There is a compelling reason for the government and non-government funding resources to be jointly programmed, and
- Other funding/implementing mechanisms have been considered and rejected as unfeasible or inappropriate

4. ATTACHMENTS:

Attachment 1. Step one, Finding a Partner

Section I. Guidance Regarding Competition, Public Notice & Advertising Requirements for PPAs.

Section II. Guidance Regarding Outreach Efforts

Attachment 2. Step two, Reaching Agreement

Section I. Responsibility and Due Diligence

Section II. Cost Share/Match vs. Leveraging

Section III. Memorandums of Understanding (MOU)

Attachment 3. Step three, Funding the Agreement, including guidance regarding the Public Private Alliance Collaboration Agreement (PPA CA)

POINT OF CONTACT: Mark Walther, M/OAA/DCHA, (202)712-5719, and Jean Horton, USAID A&A Ombudsman, (202) 712-1431.

* A non-traditional partner is a private organization offering resources at a leveraged ratio in excess of one to one, whose principal business purpose is other than foreign development assistance or whose development assistance purpose was recently established, and who has not routinely received federal funding under traditional grants and cooperative agreements.

EXERCISE: Choice of Instrument

Task: Read the mini-scenario(s) assigned to your table and determine which instrument you would likely use and why.

Time: 10 minutes.

Scenario 1

The USG will fund an election program under a DG strategic objective and wants to support local civic education NGOs that conduct “get out the vote” campaigns. The USG does not want to be perceived as having any political bias or direct involvement in the election process.

Scenario 2

Under an environmental SO, USAID will fund local civil society organizations to help neighborhoods develop their capacity to organize local solid waste disposal activities in the capital city.

Scenario 3

Under a health SO, USAID 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.

Scenario 4

Under an economic growth SO, 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.

Scenario 5

Under an education SO, 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.

Scenario 6

Under an environmental program for India the USG will fund a project to reduce air pollution. Pollution is a huge problem and the funding and expertise the USG possesses in the area of pollution research is limited. The Indian government, three NGOs and General Motors currently have projects that address the problem in varying degrees.

Scenario 7

USAID has become aware that North Carolina A&T State University in cooperation with, several NGOs, Planters food company and Giant Food 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.

NOTES:

True or False?

- A cooperative agreement is a form of acquisition.
- An RFP is used to solicit a grant.
- It is possible for a “for-profit” company to receive a grant.
- You must issue an RFA to competitively award a grant.
- The USG’s role in Assistance is as the donor and funding agency.
- Assistance is an instrument used to achieve results.
- The AO’s performance dispute decision in a grant can be appealed outside the Agency.

Need to Know:



- 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.

Some Fundamental Differences Between Acquisition and Assistance

Characteristic	Acquisition Instruments	Assistance Instruments
Instrument Type(s)	Contract ("Procurement") IQC Purchase Order	Grant Cooperative Agreement Leader/Associate
Purpose	Purchase for the U.S. Government's direct benefit or use	Support or stimulate a public purpose
Results-Oriented?	Yes! (Performance-based contracts)	Yes! (Results-oriented assistance instruments)
USAID's role	Purchaser/client	Donor/funding agency
Implementer's role	Provide goods or services	Implement program
Whose program is it?	The U.S. Government's	The recipient's
Solicitation mechanism	Request for Proposals (RFP) Invitation for Bids (IFB)	Request for Applications (RFA) Annual Program Statement (APS)
Offer Mechanism	Bid or Proposal	Application
USAID Officer	Contracting Officer (CO)	Agreement Officer (AO)
Description of Activity	Statement of Work	Program Description
Cost-sharing?	Rarely	Often, but not required. Level must be "flexible and case specific"
Competition?	Yes. Mandated by Statute (Certain exceptions exist)	Yes. Required by USAID (Certain exceptions exist)
Consider past performance?	Yes	Yes
Activity Manager's Administrative Authority	CO delegates broad technical directions to Cognitive Technical Officer (CTO)	Limited by regulation to selected essential aspects, e.g., areas of "substantial involvement" under cooperative agreements
Basis of Payment	Usually fixed price or rate, or Cost plus fixed fee	Costs
Termination Rights	For default or unilaterally by USAID for convenience	For cause, mutually, or due to changed circumstances

NOTES:

LESSON 15: ROLES AND RESPONSIBILITIES OF CTOS AND ACTIVITY MANAGERS

Learning Objectives:

- 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.

Cognizant Technical Officer (CTO):

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.

Activity Manager:

Member of an FA Team or sub-team 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.

Exercise: CTO Designation Letter

TASK:

Read the excerpt and answer the following questions with your table team. Prepare a flipchart with your answers:



- 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.

TIME: 15 minutes

NOTES:

COGNIZANT TECHNICAL OFFICER (CTO) DESIGNATION –

Contract/Task Order Administration

You have been nominated to be the cognizant technical officer (CTO) for administration of the referenced contract. I accept this nomination and hereby designate you to be the CTO. As CTO, your first responsibility is to read the entire contract and thoroughly acquaint yourself with the requirements it places on the contractor, the contracting officer, and the cognizant technical officer.... Your additional CTO responsibilities are to

- Monitor the contractor’s performance and verify that it conforms to the technical requirements and quality standards agreed to in the terms and conditions of the contract. Accordingly, your approval of implementation plans, work plans, or monitoring or evaluation plans must be consistent with the terms and conditions of the contract. You must document any material deficiencies in the contractor’s performance and bring them to the immediate attention of the contracting officer (me or my successor).

Participate in the periodic evaluation of the contractor’s performance and preparation of the Contractor Performance Report (CPR)....

- Recommend in writing (with justification for the proposed action) to the contracting officer any changes needed in the scope of the contract, including any changes to technical provisions of the contract that affect the timing of the deliverables/services or the overall cost-price of the contract (see I.A below).

I. DELEGATION

I hereby delegate to you, as CTO, the following authorities...:

- A. Technical Directions/Guidance. You may issue technical directions or guidance in accordance with the terms of the contract. “Technical guidance” under a performance-based contract may be very limited; if this is a performance-based contract, consult the CO for guidance. “Technical directions” are interpretations of the technical requirements of the contract and you must give them to the contractor, in writing, when questions or discrepancies arise. They may be directives to the contractor that

- Approve workplans, approaches, solutions, designs, or refinements;
- Fill in details or otherwise complete the general description of work or documentation items;
- Shift emphasis among work areas or tasks; or
- Otherwise furnish instruction of a similar nature to the contractor.

Technical directions shall not include any instruction that affects the cost/price or duration of the contract, or that interferes with the contractor’s rights to perform the terms and conditions of the contract. In any and all cases, technical directions must be within the scope of the Statement of Work and comply with the requirements for Technical Directions/Relationship with USAID in Section G of the contract.

- B. Receipt and Inspection. You may receive and inspect completed services or supplies upon delivery, and verify that they meet the acceptance standards, including time of delivery, specified in the contract. If the contractor’s services or supplies do not meet the acceptance standards in the contract, you are responsible for directing the contractor in writing to take appropriate action to

correct the deficiencies. Should the contractor fail to correct deficiencies, you must advise the CO so he/she can take appropriate action.

- C. Security. You must coordinate with the Office of Security (or its designee) to obtain necessary security clearances and appropriate identification for the contractor and designated personnel
- D. Government-furnished Property. You are responsible for ensuring that Government-furnished property is available to the contractor in a timely manner, if this property is required by the terms of the contract. You are also responsible for monitoring the contractor's management of and annual reporting on this property and any property acquired by the contractor for use in the contract and titled to either USAID or a cooperating country. Finally, you are responsible for verifying the return or disposition of Government-furnished property.
- E. Financial Management. Although the responsibility for making payments and accounting for funds and balances rests in the Office of Financial Management (M/FM) or overseas Controller, you must administer financial management responsibilities by
 - Reviewing the contractor's request for payments (usually the contractor's vouchers or invoices) and providing or denying your administrative approval in accordance with the stipulations of the contract administration plan and the procedures in Automated Directives System Chapter 630, Payables Management...
 - Recommending disallowance of costs to the CO, in accordance with ADS Chapter 630.
 - Ensuring that all funding actions comply with the Agency's forward funding guidelines (ADS 602 and ADS 603 Forward Funding).
 - Monitoring the financial status of the contract on a regular basis to ensure that the level of funding is the minimum necessary.
 - Developing an estimate of accrued expenditures on a quarterly basis in accordance with ADS 631, Accrued Expenditures, and instructions from M/FM or the mission controller.
 - Initiating a request to the contracting officer to deobligate funds at any point that funding in the contract is considered excessive (see ADS 621).
 - Reviewing any unliquidated obligation balance in the contract, and working with the CO to deobligate excess funds before beginning to close-out actions (see ADS 621).

II. ADMINISTRATION

- A. Communications. Please provide the contracting officer with a copy of the following written communications, in either electronic or paper copy format, within two (2) working days after you transmit it to the contractor:
 - Technical directions/guidance per #I.A. above,
 - All formal communications between you and the contractor re the contractor's alleged failure to comply with delivery terms or acceptance standards or both, per #I.B. above,
 - Any other written communication of a similar nature that may have an impact on the contractor's rights or responsibilities for performing under this contract.
- B. CTO Files. As the CTO, you have an important responsibility for establishing and maintaining adequate CTO files. These files are your primary tools for carrying out your duties and responsibilities as the CTO for this contract and must document actions you take as CTO.

Inadequate files will impede your or your successor CTO's ability to manage the contract and therefore may jeopardize the program for which it was awarded. These files will also help successor CTOs to understand your actions as CTO and the reasons behind such actions, as well as to have adequate documentation for audit purposes.

You are responsible for ensuring that the files contain the following, at a minimum:

- A copy of this CTO designation letter;
- A copy of the contract and all of its modifications;
- A copy of all correspondence between the CTO and the contractor, including property reports;
- Names of technical and administrative personnel assisting the CTO;
- A copy of records of CTO inspections and receiving/acceptance documents, invoices, and other administrative paperwork and correspondence;
- A copy of other performance records as specified in the contract;
- Documents justifying and supporting Accrual estimates (see ADS 631 Accruals, section 631.3.1 and Additional Help—Accrual Documentation);
- A copy of financial documentation to support their activities in the financial management area such as the invoice and Administrative Approval Form and Checklist (ADS 630.3.3. and Internal Mandatory Reference—Administrative Approval Form and Checklist) for all invoices; and
- Budget pipeline analysis documentation.

III. LIMITATIONS

A. Scope of Authority/Avoiding Unauthorized Commitments. Your authority does not include directing the contractor, either in writing or verbally, to make changes to the contract statement of work, the terms and conditions of the contract, or the total estimated cost or price of the contract. Only a contracting officer has the authority to take such actions, which include but are not limited to making changes that affect

- The delivery schedule or period of performance,
- The quantity or quality of the work,
- The terms and conditions of the contract,
- The monetary (dollar or foreign currency) limit of the contract or the authorization of work beyond the monetary limit,
- The qualifications of key personnel, or
- The composition of the contract team members, if the contract places specific limits on either qualifications or the mix of specialists.

If you take actions that only the contracting officer has the authority to take, you may be making an unauthorized commitment (AIDAR 750.71), which can lead to serious contractual disputes and legal action that unnecessarily tie up Agency personnel and resources. In the worst case, such unauthorized actions may result in disciplinary action, particularly if the action is determined to be a violation of the Anti-Deficiency Act, 31 U.S. C. secs. 1341-1351, which also provides for criminal

penalties. Actions you take or directions you give must be within the authorities provided in this designation.

- B. Redelegation. You may not redelegate the authorities provided in this memorandum to approve/disapprove vouchers, provide written interpretations of technical requirements, or to certify acceptance of goods or services, to any other person. As you carry out your CTO duties, you may ask others to assist you, but such assistance has limits. For example, you may ask others to conduct fact-finding, provide you with analyses or interpretations of technical requirements, or make recommendations to you regarding actions you may take as CTO. However, anyone assisting you must not take any action that directly affects the contractor's rights or ability to perform under the terms of the contract, including (but not limited to) providing interpretations of technical requirements to the contractor. The ultimate responsibility for any actions taken, by you or others assisting you, remains with you.

Exception: In your absence, and only in your absence, (See AAPD 04-10, Section 3. GUIDANCE, subsection (e) "Naming an alternate CTO"), _____ is hereby authorized to act on your behalf. If this individual is not available to carry out your CTO responsibilities during your absence, notify the contracting officer as soon as possible and recommend a substitute who can be designated as CTO for the duration of your absence. To ensure minimal disruptions, please notify the contractor and the contracting officer as soon as possible when you will be unavailable to discharge your CTO responsibilities for a period of more than two weeks.

- C. Duration of CTO Designation. This designation is effective for the life of the contract or order referenced on the first page of this designation letter, unless the contracting officer rescinds it in writing or you resign this position. If you cannot fulfill your responsibilities as CTO for any reason (e.g., transfer to another post), please notify the contracting officer as soon as possible in order to ensure the timely designation of a successor.

COGNIZANT TECHNICAL OFFICER (CTO) DESIGNATION – Cooperative Agreement Administration

You have been nominated to be the designated representative to provide technical and administrative oversight of the referenced assistance award. In this letter, I formally accept this nomination and designate you the Cognizant Technical Officer (CTO) for the award. As the CTO, you are required to **work as part of a team with me** (or my successor agreement officer) to ensure that USAID exercises prudent management over its assistance funds. This letter and the relevant sections of Automated Directives System (ADS) Chapter 303, “Grants and Cooperative Agreements to Non-Governmental Organizations,” state the specific duties, authorities, and limitations that accompany this designation. Your familiarity with ADS 303; 22 CFR 226, “Administration of Assistance Awards to U.S. Non-Governmental Organizations”; and Contract Information Bulletins (CIBs) or Acquisition and Assistance Policy Directives (AAPDs) issued periodically that affect your duties as CTO is critical to your carrying out your responsibilities successfully. You are to maintain frequent liaison and direct communications with the recipient, but you must understand that the nature of the relationship is that of supporting their public purpose and not for obtaining the recipient’s technical assistance or services for USAID.

Properly discharging your duties and responsibilities as a CTO minimizes your risk of facing disciplinary action. The areas in which you must be particularly cautious involve contracting authority and financial management, when your improper actions could indicate gross negligence.

- In CA Administration, this involves exceeding your authority as a CTO and taking actions that are beyond your authority as delegated in this letter. If you have any questions in this area, contact the AO for advice BEFORE you take any action.
 - In Financial Management, your risk increases when you act in a manner that is other than what would be expected of a reasonable individual.

I. RESPONSIBILITIES

As CTO, your first responsibility is to read the entire cooperative agreement and thoroughly acquaint yourself with its purpose, terms, conditions, and the respective roles and responsibilities of the recipient, the agreement officer (AO), and the CTO in ensuring it accomplishes its purpose. You should also periodically review the cooperative agreement....

The following summarizes your CTO responsibilities:

- A. Monitoring. You are responsible for monitoring the recipient’s progress in achieving the objectives of the Program Description in the subject award and for verifying that the recipient’s activities being funded by USAID under the referenced award conform to the terms and conditions of that award. If this award is for \$300,000 or more to a non-U.S. organization, this includes the requirement that the recipient obtain an annual audit.
- B. Cooperative Agreement Revisions. You are responsible for making written recommendations to the AO when any changes to the Program Description, technical provisions, and/or any other term or condition of the award are necessary, along with a justification for the proposed action.
- C. Substantial Involvement. You are responsible for any USAID substantial involvement specifically delegated to the CTO in the schedule of the cooperative agreement in the section entitled “Substantial Involvement” or as delegated below: (List here)

- D. Financial Management. Although the responsibility for making payments and accounting for funds and balances rests in the Office of Financial Management (M/FM) or overseas Controller, you must administer financial management responsibilities by
- Ensuring that all funding actions comply with USAID's forward funding guidelines (ADS 602, Forward Funding of Program Funds).
 - Reviewing the recipient's request for payments or financial reports and providing or denying your administrative approval if required by the procedures in ADS Chapter 630.
 - Monitoring the financial status of the award on a regular basis to ensure that the level of funding is the minimum necessary.
 - Developing accrued expenditures on a quarterly basis in accordance with ADS 631, Accrued Expenditures, and instructions from M/FM or the mission controller.... You are to do this using information on hand and must not interpret this requirement as authority for requesting any additional financial reports from the recipient.
 - Reviewing financial status reports for U.S. organizations with letters of credit to monitor financial progress, contacting the recipient for further explanation if questions arise regarding the appropriateness of expenditures, and contacting the agreement officer if not satisfied with the recipient's explanation.
 - Initiating a request to the agreement officer to deobligate funds if at any point it is apparent that the amount of available funds is more than will be necessary to complete the cooperative agreement activities (see ADS 62).
 - Monitoring recipient compliance with the requirement for them to obtain any host country tax exemptions for which they are eligible; and
 - Upon completion of the work under the award, reviewing any unliquidated obligation balance in the award and working with the agreement officer to deobligate excess funds before beginning close-out actions (see ADS 621).
- E. Security. You must coordinate with the Office of Security (or its designee) to obtain necessary security clearances... for the recipient and designated personnel.

II. ADMINISTRATION

- A. Communications. ADS sections 303.5.13 and E303.5.13 contain the policies and procedures for our joint administration of grants and cooperative agreements. Agreement officers are the mandatory control point of record for all official communication that would constitute an amendment to the award; therefore, please ensure that you provide me, within two business days after you transmit it to the recipient, a copy of any communications between you and the recipient that may lead to an amendment to the award or that may affect the recipient's rights or responsibilities under this cooperative agreement.

You are responsible for reviewing all performance and financial reports for adequacy and responsiveness and for requesting that I take the necessary action when these reports are not submitted, are inadequate, or indicate a problem.

- B. CTO Files. As the CTO, you have an important responsibility for establishing and maintaining adequate CTO files. These files are your primary tools for carrying out your duties and responsibilities as the CTO for this cooperative agreement and must document actions you take as

CTO.... These files will also help successor CTOs to understand your actions as CTO ..., as well as to have adequate files for audit purposes.

You are responsible for ensuring that the files contain the following, at a minimum:

- A copy of this CTO designation letter;
- A copy of the cooperative agreement and all of its amendments;
- A copy of all correspondence between the CTO and the recipient;
- The names of technical and administrative personnel assisting the CTO;
- A copy of records of CTO approvals, invoices and other financial documents, and other administrative paperwork and correspondence;
- The basis for the CTO's accrual estimates (see ADS 631 Accruals, section 631.3.1 and Additional Help – Accrual Documentation);
- A copy of financial documentation to support their activities in the financial management area such as the SF-269 (ADS 630.3.3.4); and
- Budget pipeline analysis documentation.

III. LIMITATIONS

- A. Scope of Authority/Avoiding Unauthorized Commitments. Your authority does not include making any changes in the Program Description, the terms and conditions of the award, or the total estimated budget. You must not exceed the limitations provided in the Substantial Involvement provisions. You may not require the recipient to make any changes in staffing. I must caution you that actions you take or directions you give beyond the authorities provided in this memorandum or in ADS 303 may create unauthorized commitments under the award. Any such unauthorized actions can lead to serious disputes and legal action that unnecessarily tie up Agency personnel and resources. In the worst case, you may be subject to disciplinary action....
- B. Redelegation. You may not redelegate the authorities or responsibilities contained in this memorandum to any other person. As you carry out your CTO duties, you may ask others to assist you, but such assistance has limits. For example, you may ask others to conduct fact-finding or make recommendations to you regarding actions you may take as CTO. However, anyone assisting you must not take any action that directly affects the recipient's rights or ability to carry out the program for which the CA was awarded.
- Exception: In your absence, and only in your absence, (See AAPD 04-10, Section 3. GUIDANCE, subsection (e) "Naming an alternate CTO"), _____ is hereby authorized to act on your behalf. If this individual is not available to carry out your CTO responsibilities during your absence, notify the AO as soon as possible and recommend a substitute who can be designated as CTO for the duration of your absence.
- C. Duration of CTO Designation. This designation will remain in effect for the life of the award unless the AO rescinds it in writing or you resign this position....

DIFFERENCES BETWEEN USAID ACTIVITY MANAGERS AND CTOS

	Activity Manager	Cognizant Technical Officer (CTO)
Nominated by		
Designated by		
Authority Delegated from		
Responsibility		
When designated		
Certifications		

Mini-Exercise: True or False?

- The CTO is responsible for security clearance for contractors' personnel.
- The CTO approves contractors' daily rates.
- The CTO may assign his or her assistant as a temporary CTO during leaves of absence.
- The CTO of a grant should approve the annual implementation plan of the grant.
- The CTO has the authority to disallow payment.

Need to Know:



- For each acquisition or assistance instrument, a Contracting Officer or Agreement Officer must designate a person to be the Cognizant Technical Officer (CTO).
- 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 undertaken by the same individual.

CTO RESOURCES

ACQUISITION/ASSISTANCE MANAGER

FAR	Federal Acquisition Regulations
AIDAR	USAID Acquisition Regulations
AAPDS	Acquisition and Assistance Policy Directives
CIBs	Contract Information Bulletins
ADS 302	Direct Contracting
ADS 303	Grants and Cooperative Agreements to Non-Governmental Organizations

OMB Circulars:

- A-110: Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Educations, Hospitals, and Other Non-profit Organizations
- A-122: Cost Principles for Non-Profit Organizations
- A-133: Audits of States, Local Governments, and Non-Profit Organizations

USAID Standard Provisions for U.S. Nongovernmental and Non-U.S. Nongovernmental Organizations

FINANCIAL MANAGER

ADS 591	Financial Audits of USAID Contractors, Grantees and Host Government Entities
ADS 592	Performance Audit
ADS 592	Audit Management Program
ADS 601	Funding Source Policy
ADS 602	Forward Funding Program Funds
ADS 603	Forward Funding Non Program Funds
ADS 621	Obligations
ADS 631	Accrued Expenditures

RESOURCE MANAGER

CNs	Congressional Notifications
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The "A" Words:

Appropriation, Apportionment, Allocation, Allotment, Allowances

PROPERTY MANAGER

ADS 534	Personal Property Management Overseas
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RECORDS MANAGEMENT

CIB 90-12	Guidance for USAID Missions Closing Out Contracts, Grants and Cooperative Agreements.
ADS 502	USAID Records Management Program

LESSON 16: THE BUDGET PROCESS

Learning Objectives:

- To introduce the program-funded accounts managed by the Director of Foreign Assistance and understand the implications of those different accounts.
- 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).

Overview:

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. 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.

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. 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, OMB sends us a Passback, we send a reclama (from the Latin for complaint – an appeal really), final levels are established, and this becomes the President's Budget Request.

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.

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

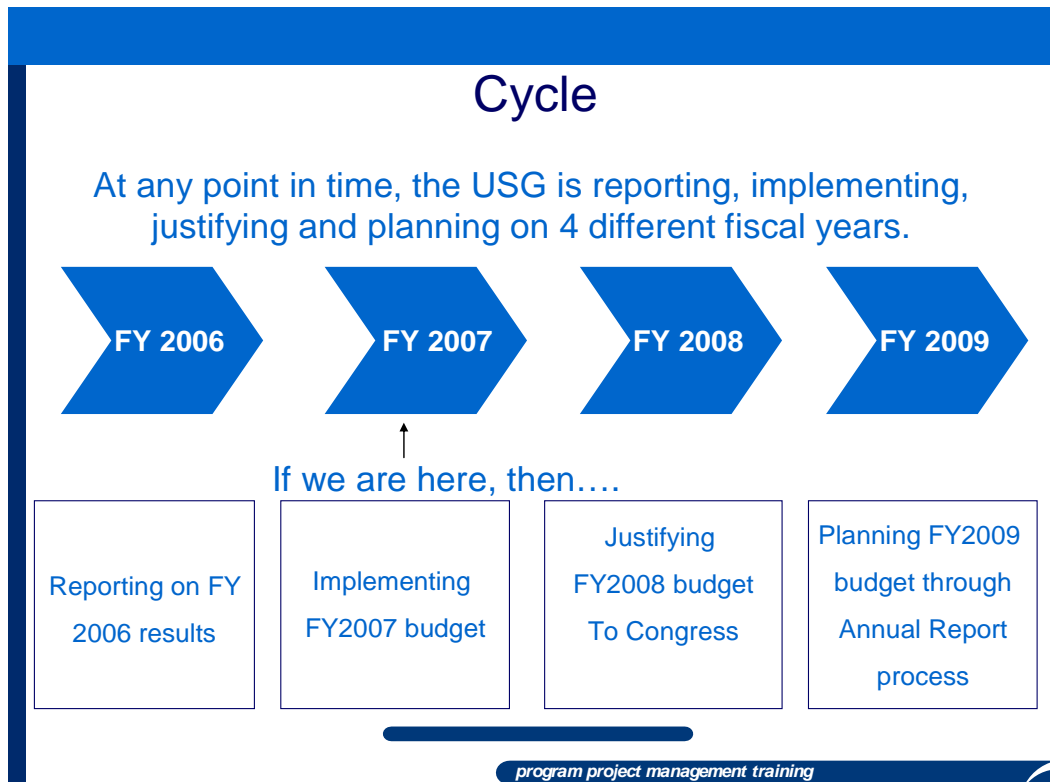
The type of account determines the purposes for which the money may be obligated. There are also constraints on the use of funds according to when they may be obligated. For example:

- One-year appropriation - available for obligation during a specific fiscal year. Operating Expense (OE) funds are one-year money.
- Multi-year appropriation - available for obligation for a definite period of time in excess of one year
- 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”).

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.

Keeping in mind that each account could have an “expiration” date, funds within each account are further classified as:

- 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.



Need to Know:

- o Funds carry constraints regarding both how and when they can be obligated.
- o The Budgetary Cycle involves many actors who may reflect conflicting perspectives on how U.S. taxpayer dollars should be spent.
- o The budget process is affected as much by politics as by performance. Good performance is not always rewarded with funding.



LESSON 17: FINANCIAL MANAGEMENT

Learning Objectives:

- 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.

Financial Management Terms and Definitions

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)

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)

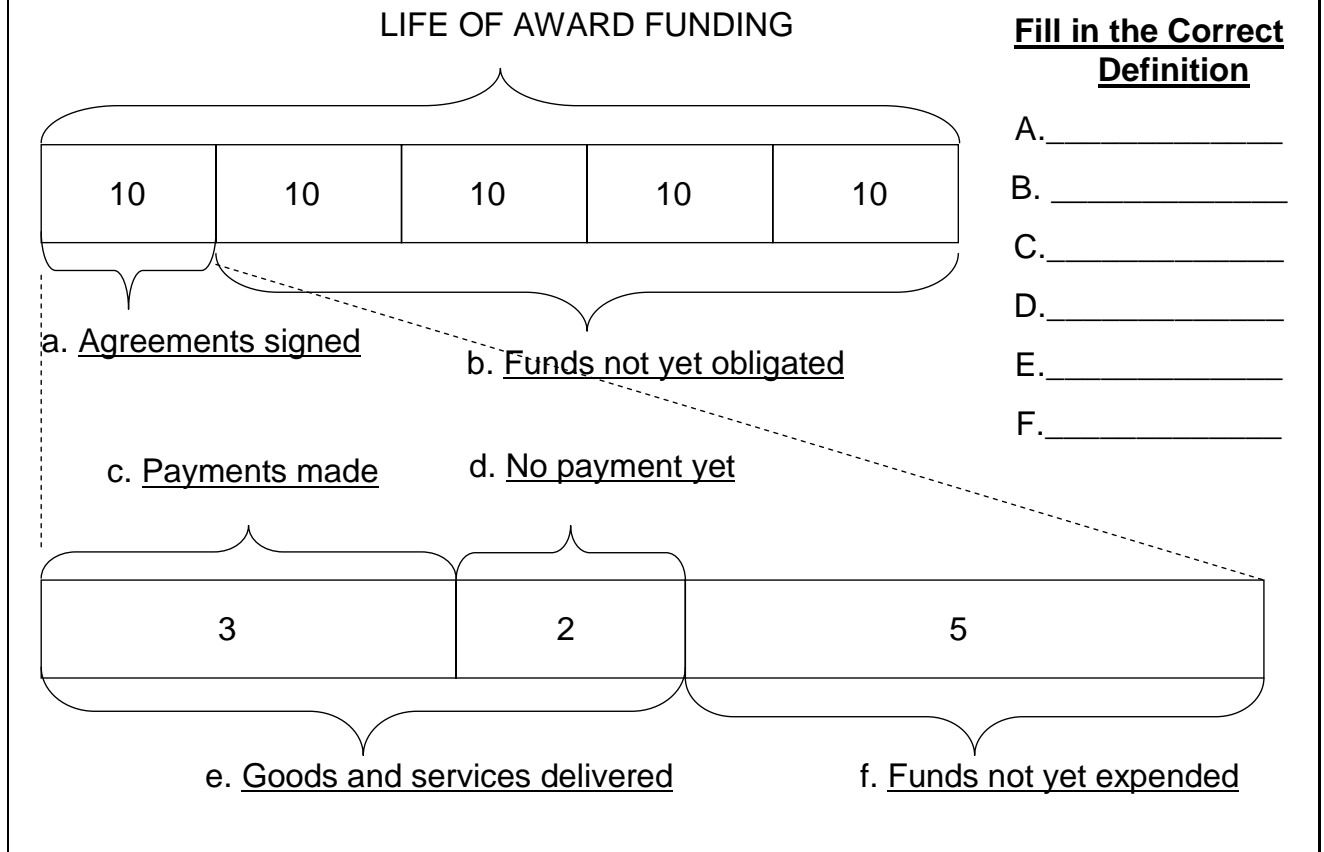
Expenditures (Also called Accrued Expenditures): The sum total of disbursements and accruals in a given time period. These are typically calculated for specific agreements, activities, and programs. Expenditures are estimates of the total cost incurred by the Agency for a given agreement, activity, or program. Also referred to as accrued expenditure. (See ADS Series 600 for a more technical discussion of this term)

Mortgage: 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 to a particular strategic objective, intermediate result, or activity.

Obligation: 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 SOAs 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.

Pipeline: The amount of funds obligated but not expended; the difference between cumulative obligations and cumulative expenditures, including accruals.

Snapshot of Financial Management Concepts



Exercise: Applying Financial Management Terminology

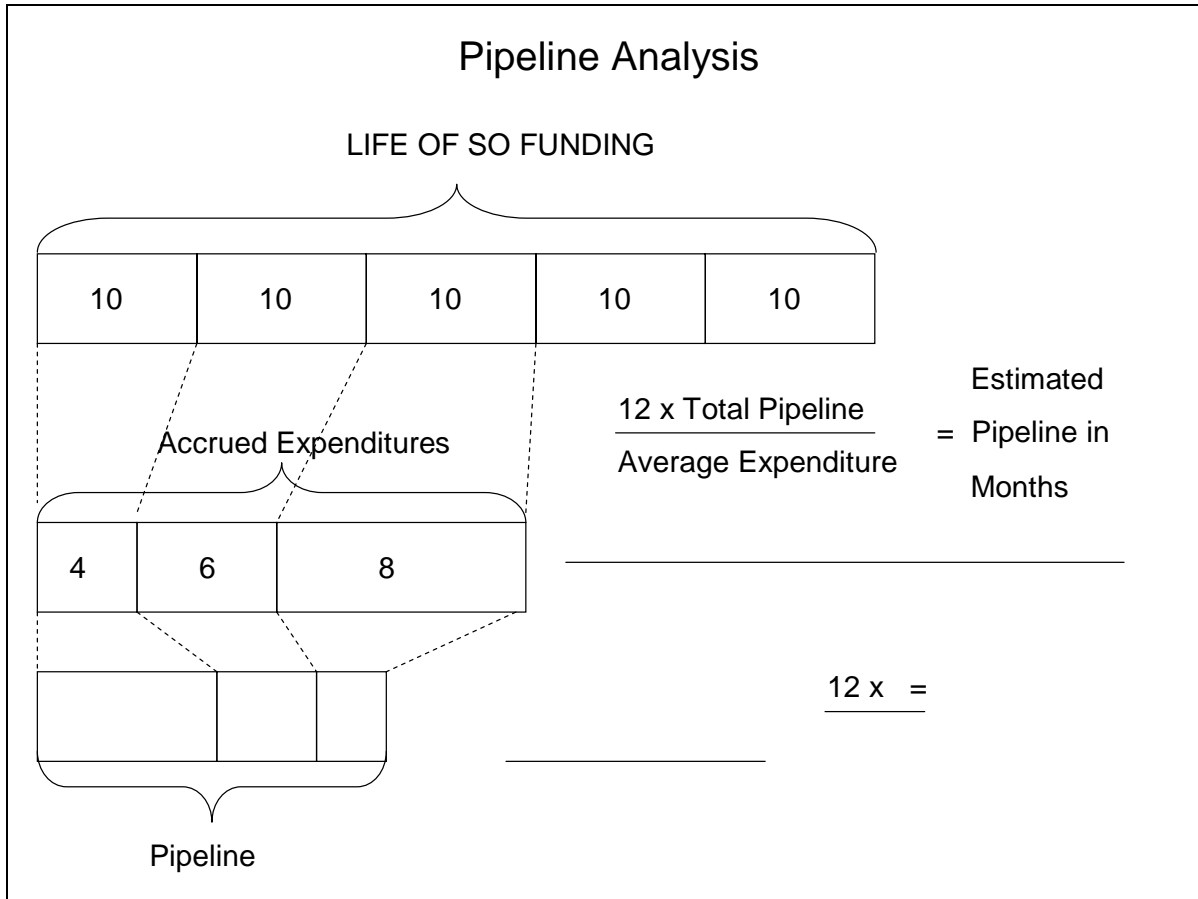
Task: Fill in the blanks in the Financial Management graphic above as the Instructor reads the scenario. When everyone at your table has finished, discuss your answers with your table team.

Time: 10 minutes.

NOTES:

PIPELINE ANALYSIS:

Determine your pipeline in dollars and months if you are in the 3rd year of a 5-year SO and your expenditures are \$4 million, \$6 million, and \$8 million respectively. Each year your SO was obligated \$10 million. (Use the graphic to complete the question)



EXERCISE: Calculating Pipeline in Months

Task: Use the information above and provided by the Instructor to calculate pipeline in months (instead of a dollar amount.)

Time: 10 minutes

Need to Know:

Everyone, not just CTO or the CO, should become familiar with key financial management terms and concepts.

The FA Team, along with the Controller's Office, should periodically review the status of all obligated funds and make necessary adjustments to ensure that these funds are used in a timely manner or are de-obligated if no longer needed.



Expect to be audited.

Risk assessments enable operating units and FA Teams to develop controls that reduce vulnerabilities. FA Teams should ask 3 questions:

1. Have all the risks been identified?
2. Do the controls cover the risks?
3. Are the controls working?



- o Anti-Deficiency Act (a useful web site of the Naval Sea Systems Command with links to key sections of the ADA) - [<http://www.navsea.navy.mil/sea01p/ada/list.htm>]

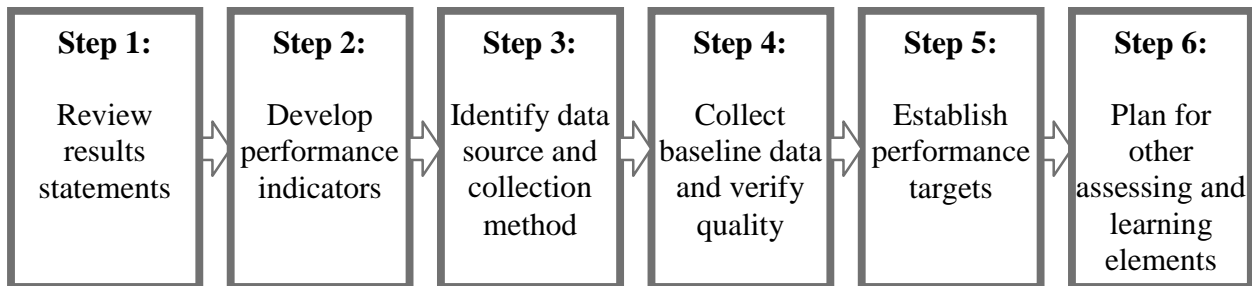
PERFORMANCE MONITORING AND EVALUATION

LESSON 18: PERFORMANCE MANAGEMENT

Learning Objectives:

- 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

Steps in Developing a Performance Management Plan



- What is a PMP and what information does it contain?

State/F Uses the Following Types of Indicators:

Type of Indicator	Standard	Measure Program Performance	Tell Agency Story
<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.	Yes	No	Yes; provide a context for why we provide assistance
<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.	No	Yes	No
<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.	Yes	Only with difficulty	Yes, but we're not entirely sure how we'll use them. TBD
<u>Humanitarian Assistance Indicators on Crude Death Rate and Nutritional Status of Children Under-Five</u>	Yes	Yes	Yes

Exercise: Choosing an Indicator

Task: Decide upon a Performance Indicator for one of the results statements in your Costa Brava Results Framework.



Process/Deliverable:

- o Select one result and determine a performance indicator that will help you measure progress.
- o As a table, write the result and indicator on a sheet of paper that you can pass to a colleague table.
- o Include the information below to describe your proposed indicator.

Time: 10 min.

RESULT:

INDICATOR:

INDICATOR TYPE (qualitative or quantitative; whether it's an index, check list, milestone scale, etc.):

WOULD YOU DISAGGREGATE THE DATA for THIS INDICATOR? IF SO, HOW (e.g., by age group) and WHY?

Exercise: Applying Quality Standards to an Indicator

Task: Assess whether a Performance Indicator meets quality standards.



Process/Deliverable:

- Pass the result and indicator flipchart page to a colleague table.
- Determine whether the indicator meets the quality standards by filling out the assessment tool below.

Time: 10 min.

NOTES:

PERFORMANCE INDICATOR QUALITY ASSESSMENT TOOL

Indicator: _____

Relevant Result: _____

Characteristics of Good Performance Indicators 203.3.4.2	Yes	No	COMMENTS
Is the indicator OBJECTIVE ? Is there general agreement about what is being measured? <i>Bonus:</i> Is there general agreement about how to interpret positive or negative changes in the data?			
Is the indicator PRACTICAL ? ○ Are timely data available (i.e., is data current and available on regular basis)?			
Is the Indicator USEFUL FOR MANAGEMENT ? ○ Is it appropriate to the level of decision-making?			
Is the indicator DIRECT ? ○ Does it closely measure the result it is intended to measure?			

<p>Is the Indicator ATTRIBUTABLE TO USAID EFFORT?</p> <ul style="list-style-type: none"> ○ If there had been no USAID activity, would the measured change have been different? 			
<p>Is the Indicator TIMELY?</p> <ul style="list-style-type: none"> ○ Is this data reported when needed to make decisions? ○ Is the data reported on a U.S. Fiscal Year basis? 			
<p>Is the indicator ADEQUATE?</p> <ul style="list-style-type: none"> ○ Does this indicator attempt to capture all achievements towards the results statement? (It doesn't need to, since indicators are not full descriptions of everything achieved.) ○ <i>Bonus:</i> Taken as a group, are all the indicators for this result statement the minimum necessary to capture progress toward the given result? 			

Discussion Question: What are the five data quality standards?

1. _____
2. _____
3. _____
4. _____
5. _____

Need to Know:



- 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 inform program decision making and resource allocation, and communicating results achieved, or not attained, to advance organizational learning and tell the USG's story.
- A Performance Management Plan is a tool used by an Operating Unit and FA Team to plan and manage the process of assessing and reporting progress towards achieving an approved objective.



- Performance Management Toolkit – [www.usaidresults.org]

NOTES:

Instructions for Completing the Performance Indicator Reference Sheet
<p>Objective:</p> <p>Prerequisite Result:</p> <p>Indicator: Enter the full title of the indicator. Is this an Annual Report Indicator? ___Yes ___No</p>
DESCRIPTION
<p>Precise Definition(s): Define the indicator more precisely, if necessary. Define specific words or elements within the indicator as necessary.</p> <p>Unit of Measure: Enter the unit of measure (e.g., <i>number of...</i>, <i>percent of...</i>, <i>US dollars</i>, etc.).</p> <p>Disaggregated by: List planned data disaggregations (male/female, youth/adult, urban/rural, region, etc.)</p> <p>Justification/Management Utility: Briefly describe <i>why</i> this particular indicator was selected and how it will be useful for managing performance of the FA Team's portfolio.</p>
PLAN FOR DATA ACQUISITION BY USAID
<p>Data Collection Method: Describe the <i>tools</i> and <i>methods</i> through which the data will be collected.</p> <p>Method of Acquisition by USG: Describe the form in which the FA Team will receive the data (e.g., periodic monitoring report, compiled survey analysis report, etc.)</p> <p>Data Source(s): Identify who is responsible for providing the data to the USG (e.g., implementing partners, M&E contractor, specific FA Team member, etc.).</p> <p>Frequency/Timing of Data Acquisition: Describe <i>how often</i> data will be received by Operating Unit, and <i>when</i>.</p> <p>Estimated Cost of Data Acquisition: Estimate the cost (in dollars and/or level of effort) of collecting the data.</p> <p>Responsible Individual(s): Identify the specific FA Team member who will be <i>directly responsible</i> for acquiring the data.</p>
DATA QUALITY ISSUES
<p>Date of Initial Data Quality Assessment: Enter the date of initial data quality assessment and the responsible party.</p> <p>Known Data Limitations and Significance (if any): Describe any data limitations discovered during the initial data quality assessment. Discuss the significance of any data weakness that may affect conclusions about the extent to which performance goals have been achieved.</p> <p>Actions Taken or Planned to Address Data Limitations: Describe how you have or will take corrective action, if possible, to address data quality issues.</p> <p>Date of Future Data Quality Assessments: Enter the planned date for subsequent data quality assessments.</p> <p>Procedures for Future Data Quality Assessments: Describe <i>how</i> the data will be assessed in the future (e.g., spot checks of partner data, financial audit, site visits, software edit check, etc.).</p>
PLAN FOR DATA ANALYSIS, REVIEW, & REPORTING
<p>Data Analysis: Describe <i>how</i> the raw data will be analyzed, <i>who</i> will do it, and <i>when</i>.</p> <p>Presentation of Data: Describe how tables, charts, graphs, or other devices will be used to present data, either internally within the FA Team or Operating Unit, or externally to Washington or other audiences.</p> <p>Review of Data: Describe <i>when</i> and <i>how</i> the FA Team or Operating Unit will review the data and analysis (e.g., portfolio review, mission internal review, activity-level reviews with implementing partners, etc.)</p> <p>Reporting of Data: List any internal or external reports that will feature data for this indicator (e.g., Operational Plan, report to ambassador, activity manager's report, etc.)</p>
OTHER NOTES

LESSON 19: EVALUATIONS

Learning Objectives:

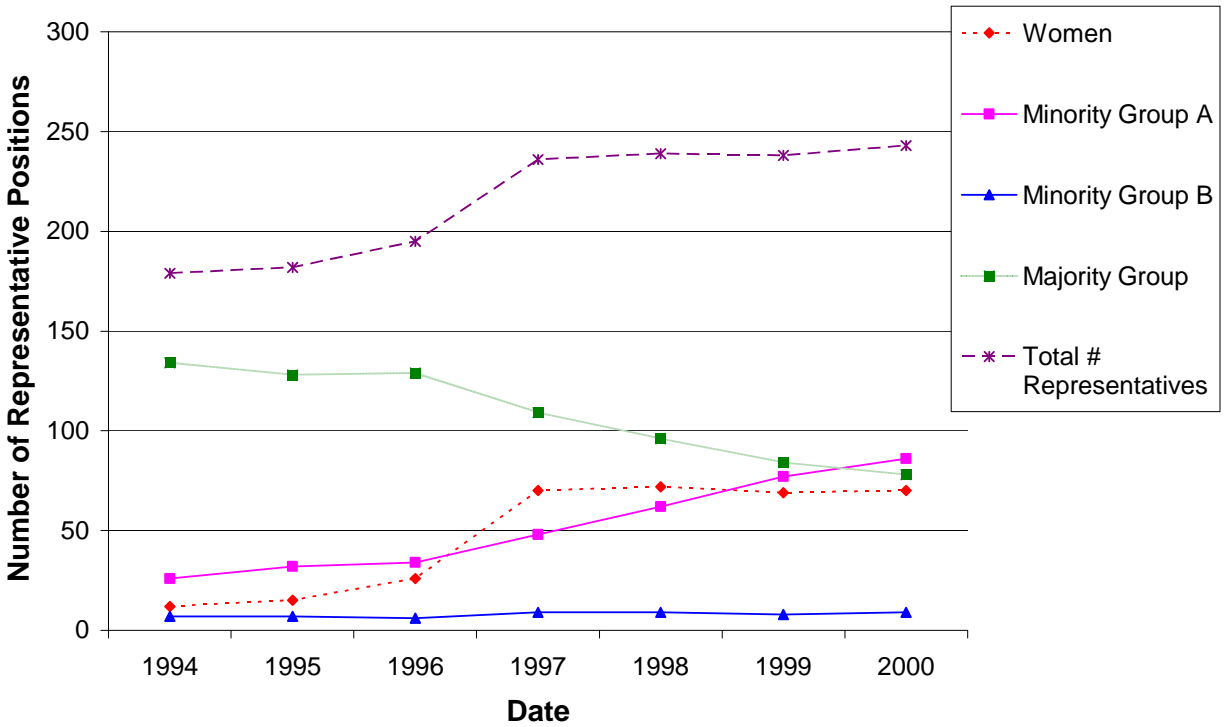
- To distinguish between performance management and evaluation.
- To know the kinds of management needs that should drive the decision to evaluate.
- To learn that useful evaluations are based on well thought out scopes of work.

Performance Monitoring vs. Evaluation

Performance Monitoring	Evaluation
<u>Whether</u> results are being achieved	<u>Why/how</u> results are being achieved
On-going, routine	Occurs during or at the end of an activity, based on evaluation purpose
A process that involves: <ul style="list-style-type: none"> -Identifying indicators, baselines and targets -Collecting results data - Comparing performance against targets 	A structured inquiry to answer management questions about: <ul style="list-style-type: none"> - Validity of hypothesis - Unexpected progress - Stakeholder needs - Sustainability - Impacts - Lessons learned

NOTES:

Capacity Building Activity



Year	# Women	# Minority Group A	# Minority Group B	# Majority Group	Total # Representatives
1994	12	26	7	134	179
1995	15	32	7	128	182
1996	26	34	6	129	195
1997	70	48	9	109	236
1998	72	62	9	96	239
1999	69	77	8	84	238
2000	70	86	9	78	243

Evaluation Worksheet

Objective: More representative and accountable democracy achieved in Costa Brava

Prerequisite Result: Inclusion of women and disadvantaged groups increased in municipal government positions

Indicator: Number of women and disadvantaged groups in representative positions at municipal level (disaggregated by gender, ethnicity)

BACKGROUND

Purpose of activity: Civic education on municipal governance roles and responsibilities, procedures, and election process to increase representation of women and disadvantaged groups on Costa Bravan municipal councils.

Present status of activity: See graphs for multi-year data on activity results

PURPOSE OF EVALUATION: To inform the design of future activities under a new but similar D/G Objective

Proposed Evaluation Title based on your research question(s) below:

RESEARCH QUESTION

Research question(s) evaluators need to answer:

Who should conduct the evaluation? Why?

LESSON 20: PORTFOLIO REVIEWS AND INTENSIVE PROGRAM REVIEWS

Learning Objectives:

- 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.

Operating Units and FA Teams should consider examining the following items during the course of a fiscal year as part of their portfolio review process:

- Progress towards the achievement of results during the past year, and expectations regarding future results achievement
- Evidence that outputs of activities are adequately contributing to the achievement of approved objectives
- Adequacy of inputs for producing activity outputs and efficiency of processes leading to outputs
- Status and timeliness of input mobilization efforts (such as receipt of new funding, procurement processes, agreement negotiations, staff deployments, etc.)
- Status of critical assumptions (i.e., whether they continue to hold) and causal relationships defined in the Results Framework, along with the related implications for performance
- Status of related partner efforts that contribute to the achievement of results
- Pipeline levels and future resource requirements
- FA Team effectiveness and adequacy of staffing
- Vulnerability issues and related corrective efforts

NOTES:



Need to Know:

- 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.

LESSON 21: ANNUAL REPORTING & CLOSE-OUT REPORTS

Learning Objectives:

- 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.

NOTES:

Lined writing area consisting of approximately 25 horizontal lines for notes.

Need to Know:

- o 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.
- o FA Teams must produce a brief "close out" report for each project that is completed or terminated.
- o 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.
- o The close out report is included as a special annex to the Annual Performance Report.



LEARNING JOURNAL: LESSONS 18 – 21

PFA SCAVENGER HUNT

Question	Answer
How many core values do the Department of State and USAID have?	
What is an Operating Unit?	
What do the lines in a Results Framework represent?	
What are the Pillar Bureaus?	
Who approves an Op U's Operational Plan?	
What is the difference between an output result and an outcome result?	
Who ultimately selects the implementing instrument?	
Who may be an FA Team Leader?	
Name the inherently governmental functions that FSNs, LESs, TCNs and PSCs may not carry out.	
What's the primary difference between Acquisition and Assistance?	
What is Substantial Involvement?	
What's the definition of pipeline and how is it expressed?	
Who grants administrative approval of vouchers?	
What is the meaning of, "Directly, predictably, and without delay"	
When must an Operating Unit prepare a PMP?	
How frequently must a Mission conduct a data quality assessment?	
How often must an Operating Unit conduct a data quality assessment?	
How frequent are Intensive Program Reviews?	

ANNEX L: Glossary from the FY 2007 Operational Plan Guidance

Annual Procurement Plan: An Operating Unit's plan that identifies all procurement actions in a fiscal year.

Accruals: Expenses incurred but not yet paid. Also called accrued expenditures.

Bilateral Agreements: An agreement between the US government and the host country government.

Cash-Transfers: Includes only direct cash transfers to Host Country Governments.

Central/Functional Implementing Mechanism Location – Select this option if the procurement action is taking place in one of the Functional Bureaus at the Agency headquarters. This would include field support (USAID) to a functional bureau managed activity, MAARDS (USAID) to a functional bureau managed activity, buy-ins to functional bureau managed activities, task orders to functional bureau managed activities and PASA activities.

Central/Regional Implementing Mechanism Location – Select this option if the procurement action is taking place in one of the Regional Bureaus at the Agency headquarters. This would include field support (USAID) to a regional bureau managed activity, MAARDS (USAID) to a regional bureau managed activity, buy-ins to regional bureau managed activities, tasks orders to regional bureau managed activities and PASA activities.

Cooperative Agreement: A legal instrument used where the principal purpose is the transfer of money, property, services or anything of value to the recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute and where substantial involvement by the USG is anticipated.

Contract: A mutually binding legal instrument in which the principal purpose is the acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of the Federal government, or in the case of a host country contract, the host government agency that is a principal, signatory party to the instrument.

Component areas: The distinct types of work that are undertaking in support of the purpose of an implementing mechanism. These answer the question of how we will be supporting the Program Elements and sub-elements outlined in the Foreign Assistance Standardized Program Structure and Definitions. Includes: Capital, Commodities, Construction/Infrastructure, Operations Support, Technical Assistance, and Training.

Core Teams: The Washington-based teams, which consist of members from State and USAID geographic and functional (pillar) bureaus, led and managed by the Core Team Lead. The Core Teams serve as a communication link with the field on USG policies and technical expertise affecting the country programs.

Core Team Leads: The F staff member that manages the Core Team. In addition to leading and managing the Core Team, the Core Team Lead facilitates direction on foreign assistance planning and policies for USG agencies in Washington and at Post.

Country Teams: The USG interagency in-Country Team in the field headed by the U.S. Ambassador.

Developing Countries: States with low or lower-middle income, not yet meeting MCC performance criteria, and the criterion related to political rights.

Direct Contract: With this mechanism, the Foreign Assistance resources are more closely managed and the achievement of outputs and results are generated through contract instruments where the USA is a direct party with the implementing entity and USG procurement rules and practices are used (e.g., Federal Acquisition Regulations). Includes direct USG Contracts. The important point is that the program/activity implementer has a direct relationship with the responsible USG Operating Units.

Direct Grant/Cooperative Agreement: With this mechanism, the Foreign Assistance resources are more closely managed and the achievement of outputs and results are generated through agreement or grants instruments where the USA is a direct party with the implementing entity and USG procurement rules and practices are used (e.g., Federal Acquisition Regulations). Includes Grants, and Cooperative Agreements, USG Interagency Agreements such as PASA's, RSSA's, and CASU's. The important point is that the program/activity implementer has a direct relationship with the responsible USG Operating Units.

Host government managed: With this mechanism, the host government enters into a bilateral agreement with the USG Operating Unit (e.g., USAID's Strategic Objective Agreements) and then utilizes host government procurement rules and practices to execute the program/activity, maintain accountability standards and achieve results. Instruments include: Host Country Contracts and Grants, Fixed Amount Reimbursements, Performance Disbursement Agreements, Public Sector Commodity Import Programs, Public Sector Credit/Loan Programs, and Operational Grants.

Foreign Assistance Coordination and Tracking System (FACTS) Data System: The information system designed to capture Operational Plans and performance reporting data for foreign assistance.

Faith-Based Organization (FBO): Nonprofit institutions that have a religious character or mission.

Fast-Track countries: Countries selected to produce Operational Plans and 5-year Strategic Plans covering both USAID and State assistance for FY2007.

Field/Bilateral Implementing Mechanism Location – Select this option if the procurement action is taking place in the country where the Operational Plan is being formulated. This includes local mechanisms such as, contracts or grants with the host country

government, Associate Awards (USAID), and in-country RFA/RFP/RFC that is not yet awarded.

Field/Regional Implementing Mechanism Location – Select this option if the procurement action is taking place in one of the Field Regional Platforms.

Foreign Assistance Framework: A framework that details the overarching foreign assistance goal, foreign assistance Objectives, accounts, illustrative Program Areas, category definitions, end goals, and graduation trajectory.

Functional Core Teams: The teams that serve as primary advisors on technical approaches to program design and best practices.

Glide path: The desired or prescribed path to reach a goal.

Higher Education Institution: University or college.

Host Government Agency: An agency that is run by the government of the country in which a program is run.

Implementing Mechanism: A unique contract, agreement, grant, or other instrument between one USG Agency and one partner that relates to the Program Elements.

Implementing Partner: The organization/vendor that has the contractual relationship with the USG Agency and is undertaking the work.

Minority Serving Institution: Historically Black Colleges and University (HBCUs), Hispanic Serving Institutions (HSIs), and Tribal Colleges and Universities (TCUs).

Multi-Lateral Organization: An organization that has as its members more than two countries.

New Obligation Authority: Funds appropriated in the current fiscal year.

Non Governmental Organization (NGO): Non-profit organizations that are not affiliated with a government entity or agency and operates outside of institutionalized political structures.

Obligation: 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. The practical consequence is reservation of a specific amount of available funding for a specific recipient or project-executing agent.

Operating Expenses: Costs related to personnel, other administration costs, rental, and depreciation of fixed assets. Includes costs from program fund accounts as well as Operating Expense accounts.

Operational Plan: An Operational Plan details the implementation plan for foreign assistance funding of a specific fiscal year.

Operating Unit: An Operating Unit is the organizational unit responsible for implementing a foreign assistance program for one or more elements of the Foreign Assistance Framework and thus is writing an Operational Plan for the expenditure of funds and the achievement of results. For the purpose of the FY 2007 Operational Plan Guidance an Operating Unit includes all USG Agencies implementing any funding from the relevant foreign assistance accounts (the 150 accounts) in the Fast Track countries where a joint Operational Plan is to be prepared, as well as USAID offices in the field and Bureaus/offices in Washington where USAID is preparing them alone. Next year, Operating Units will include other USG Agencies as well and will include the joint preparation of Operational Plans by Washington bureaus in State and USAID.

Organization: A vendor or host country institution; an organization becomes a partner by being selected by a USG Agency as either a prime or a sub partner.

Other USG direct: With this mechanism, the Foreign Assistance resources are more closely managed and the achievement of outputs and results are generated through instruments where the USA is a direct party with the implementing entity and USG procurement rules and practices are used (e.g., Federal Acquisition Regulations). Includes those that cannot be classified into one of the 3 direct categories listed above.

Parastatal: A company or agency owned or controlled wholly or partly by the government.

Pipeline levels: The amount of funds obligated, but not expended; the difference between cumulative obligations and cumulative expenditures, including accruals.

Prime partner: An entity which receives funding directly from, and has a direct contractual relationship (Contract, cooperative agreement, grant, etc.) with the USG agency.

Private Contractor: An organization or person that is hired to implement USG programs.

Program Areas: Program area is a mutually exclusive and exhaustive category. This is a very broad level cut at the different segments of foreign assistance, for example, Health, Environment or Counter Narcotics. Program Areas can be funded by more than one appropriation account.

Program Elements: A Program Element is a category within the major Program Areas. Program Elements are mutually exclusive and exhaustive categories and reflect the different elements that make up a Program Area. An example would be HIV/AIDS within Health, Business Enabling Environment within Private Sector Competitiveness, or Alternative Development and Alternative Livelihoods within Counter Narcotics.

Program Sub-Elements: A Program Sub-Element is a category within each Program Element. Program sub-elements are mutually exclusive and exhaustive categories and

reflect the different sub-elements that make up a Program Element. An example would be Preventing Mother-to-Child Transmission within HIV/AIDS, Property Rights within Business Enabling Environment, or Farmer/Community Group Support within Alternative Development and Alternative Livelihoods.

Prorating: The breaking down of comprehensive activities into parts that can then be fit into multiple different Program Areas, Elements, and Sub-Elements.

Rebuilding Countries: States in or emerging from and rebuilding after internal or external conflict.

Regional/Global Programs: Activities that advance the five Objectives outlined in the Foreign Assistance Framework that transcend a single country's borders, and are addressed outside of a country strategy.

Re-programming process: The request and approval of changes to an Operational Plan, after the plan has been approved by F.

Restrictive Countries: States of concern where there are significant governance issues.

Strategic Objectives (SOs): The most ambitious result that a USAID Operating Unit, along with its partners, can materially affect, and for which it is willing to be held accountable. SOs can be designed for an Operating Unit to provide analytic, technical, logistical, or other types of support to the SOs of other Operating Units (whether bi-lateral, multi-country, or global in nature).

Strategic Plan: Brief documents that concisely capture the five year planning horizon and strategic direction of an Operating Unit's foreign assistance programs as articulated in the Foreign Assistance Framework.

Sub-partner: An entity which receives funding from a prime partner.

Sustaining Countries: States with upper-middle income or greater for which U.S. support is provided to sustain partnerships, progress, and peace.

Third party managed: With this mechanism funds are provide to third party entities and it utilizes its procurement rules and practices to execute the program/activity. The USG Operating Unit does not use Federal Acquisition Regulations. In short, the USG relies on the management practices of the Third Party to maintain accountability standards and produce results. These mechanisms may be governed by a bi-lateral agreement between the USG Operating Unit and the host government or by an agreement directly between the USG Operating Units and the third party. Instruments include: Grants to Public Int'l Org.'s, Enterprise Funds, Private Sector Commodity Import Programs, GDA, DCA-Guarantees, Mixed Credits, Endowments, etc.

Transformational Diplomacy: Helping to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system.

Transforming Countries: States with low or lower-middle income, meeting MCC performance criteria, and the criterion related to political rights.

“USG Agency: An agency run by the United State’s government.

State/F's "Sushi Menu"

Sushi Menu	
	Budget Year
TOTAL	
1 Peace & Security	
1.1 Counter-Terrorism	
1.1.1 Deny Terrorist Sponsorship, Support and Sanctuary	
1.1.2 De-Legitimize Terrorist Ideology	
1.1.3 Governments' Capabilities	
1.1.4 Program Support (Counter-Terrorism)	
1.2 Combating Weapons of Mass Destruction (WMD)	
1.2.1 Counter WMD Proliferation and Combat WMD Terrorism	
1.2.2 Program Support (WMD)	
1.3 Stabilization Operations and Security Sector Reform	
1.3.1 Operations Support	
1.3.2 Disarmament, Demobilization & Reintegration (DDR)	
1.3.3 Destruction and Security of Conventional Weapons	
1.3.4 Explosive Remnants of War (ERW)	
1.3.5 Immediate Protection of Civilians in Conflict	
1.3.6 Defense, Military, and Border Restructuring, Reform and Operations	
1.3.7 Law Enforcement Restructuring, Reform and Operations	
1.3.8 Program Support (Stabilization)	
1.4 Counter-Narcotics	
1.4.1 Eradication	
1.4.2 Alternative Development and Alternative Livelihoods	
1.4.3 Interdiction	
1.4.4 Drug Demand Reduction	
1.4.5 Program Support (Narcotics)	
1.5 Transnational Crime	
1.5.1 Financial Crimes and Money Laundering	
1.5.2 Intellectual Property Theft, Corporate Espionage, and Cyber Security	
1.5.3 Trafficking-in-Persons and Migrant Smuggling	
1.5.4 Organized and Gang-related Crime	
1.5.5 Program Support (Crime)	
1.6 Conflict Mitigation and Reconciliation	
1.6.1 Conflict Mitigation	
1.6.2 Peace and Reconciliation Processes	
1.6.3 Preventive Diplomacy	
1.6.4 Program Support (Conflict)	

2 Governing Justly & Democratically	
2.1 Rule of Law and Human Rights	
2.1.1 Constitutions, Laws, and Legal Systems	
2.1.2 Judicial Independence	
2.1.3 Justice System	
2.1.4 Human Rights	
2.1.5 Program Support (Rule of Law)	
2.2 Good Governance	
2.2.1 Legislative Function and Processes	
2.2.2 Public Sector Executive Function	
2.2.3 Local Government and Decentralization	
2.2.4 Anti-Corruption Reforms	
2.2.5 Governance of the Security Sector	
2.2.6 Program Support (Governance)	
2.3 Political Competition and Consensus-Building	
2.3.1 Consensus-Building Processes	
2.3.2 Elections and Political Processes	
2.3.3 Political Parties	
2.3.4 Program Support (Political Competition)	
2.4 Civil Society	
2.4.1 Civic Participation	
2.4.2 Media Freedom and Freedom of Information	
2.4.3 Program Support (Civil Society)	
3 Investing in People	
3.1 Health	
3.1.1 HIV/AIDS	
3.1.2 Tuberculosis	
3.1.3 Malaria	
3.1.4 Avian Influenza	
3.1.5 Other Public Health Threats	
3.1.6 Maternal and Child Health	
3.1.7 Family Planning and Reproductive Health	
3.1.8 Water Supply and Sanitation	
3.2 Education	
3.2.1 Basic Education	
3.2.2 Higher Education	
3.3 Social and Economic Services and Protection for Vulnerable Populations	
3.3.1 Policies, Regulations, and Systems	
3.3.2 Social Services	
3.3.3 Social Assistance	
4 Economic Growth	
4.1 Macroeconomic Foundation for Growth	
4.1.1 Fiscal policy	
4.1.2 Monetary policy	
4.1.3 Program Support (Macro Econ)	

4.2 Trade and Investment	
4.2.1 Trade and Investment Enabling Environment	
4.2.2 Trade and Investment Capacity	
4.2.3 Program Support (Trade)	
4.3 Financial Sector	
4.3.1 Financial Sector Enabling Environment	
4.3.2 Financial Services	
4.3.3 Program Support (Financial Sector)	
4.4 Infrastructure	
4.4.1 Modern Energy Services	
4.4.2 Communications Services	
4.4.3 Transport Services	
4.4.4 Program Support (Infrastructure)	
4.5 Agriculture	
4.5.1 Agricultural Enabling Environment	
4.5.2 Agricultural Sector Productivity	
4.5.3 Program Support (Agriculture)	
4.6 Private Sector Competitiveness	
4.6.1 Business Enabling Environment	
4.6.2 Private Sector Productivity	
4.6.3 Workforce Development	
4.6.4 Program Support (Private Sector)	
4.7 Economic Opportunity	
4.7.1 Inclusive Financial Markets	
4.7.2 Policy Environment for Micro and Small Enterprises	
4.7.3 Strengthen Microenterprise Productivity	
4.7.4 Inclusive Economic Law and Property Rights	
4.7.5 Program Support (Econ Opportunity)	
4.8 Environment	
4.8.1 Natural Resources and Biodiversity	
4.8.2 Clean Productive Environment	
4.8.3 Program Support (Environment)	
5 Humanitarian Assistance	
5.1 Protection, Assistance and Solutions	
5.1.1 Protection and Solutions	
5.1.2 Assistance and Recovery	
5.1.3 Program Support (Protection)	
5.2 Disaster Readiness	
5.2.1 Capacity Building, Preparedness, and Planning	
5.2.2 Mitigation	
5.2.3 Program Support (Disaster Readiness)	
5.3 Migration Management	
5.3.1 Protection and Assistance	
5.3.2 Institutional Support and Capacity-building	
5.3.3 Program Support (Migration)	

Post Event Training Survey:

1. **Access the survey** at the following link (must be entered exactly as appears below to work):

www.metricsthatmatter.com/usaidnonfei

2. **Select the class** corresponding to the Course Title, Course End date and Instructor for the class you are evaluating:

Class list for USAID (non-FEI)

If this is not the correct location, please notify your instructor.

Please select the class related to you:

Select one

Select one

A&A 103: Assistance Mgmt -- Librizzi (June 17 2005)

Developing Performance-Based Work Statement -- Williams (for NPI) (June 29 2005)

New Employee Orientation -- Leonhardt (June 24 2005)

Supervision New Skills (HHS-provided) -- Levin (July 01 2005)

Working Across Cultures -- Leonhardt (June 27 2005)

(example)

Email

Your email is needed for a one-time evaluation follow-up

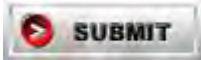
START

3. **Enter your email address** and click start:

4. **Enter your Business Unit** (This is the category of USAID employee you fall under; Example: Foreign Service National (FSN), General Schedule (GS))

Business Unit

NEXT

5. **On the Survey page**, once you click the  button, the survey is completed and you can no longer add any new information to the survey.

This survey will be open for one week after the last date of your course. This survey can be access from the internet. You do not have to be at a USAID computer system to access this survey.

Thank you

--

USAID Training Registration - Washington, DC

