2006 Summer Seminar Series

Grants Under Contracts (GUCs) USAID 2006 Summer Seminar

Panel Members:

Mark Walther, OAA/DCHA

Anicca Jansen, EGAT/PR/MD

Jeanne Briggs, DCHA/OTI

Alan Chvotkin, Professional Services Council

Kevin Wiedmann, Abt Associates

August 22, 2006

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GUCs Seminar Context

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

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Historical Policy Context

Mark Walther
USAID/OAA/DCHA

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

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Historical Policy Context

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

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Current Policy

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

Current Policy

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

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GUCs As A Program Tool

Annica Jansen, USAID/EGAT,
Office of Microenterprise
Development

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What the Microenterprise Development Office does ...

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

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How GUCs have supported MD programs

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Pass through…

WE NEED SOME ASSISTANCE

GUC

WE HAVE A MECHANISM THAT CAN ASSIST

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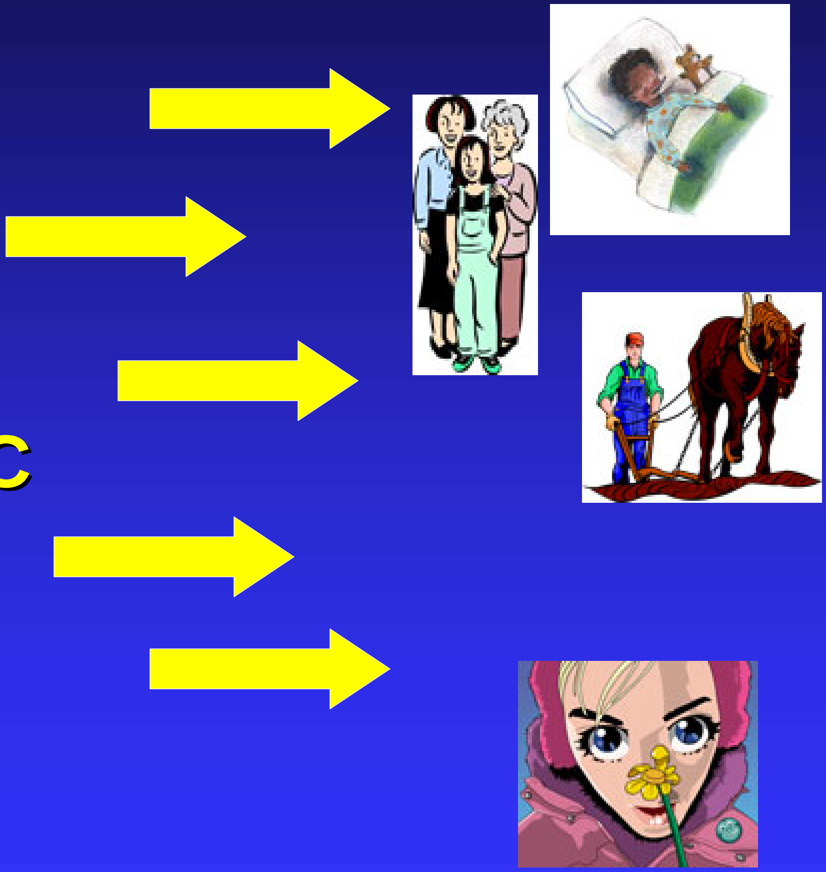
Reaching Special Populations

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

GUC



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Poverty Tool Testing

IRIS oversight

Prototype developed → **GUC** → **Roll out of Poverty Tool**

Grants through PACT to test

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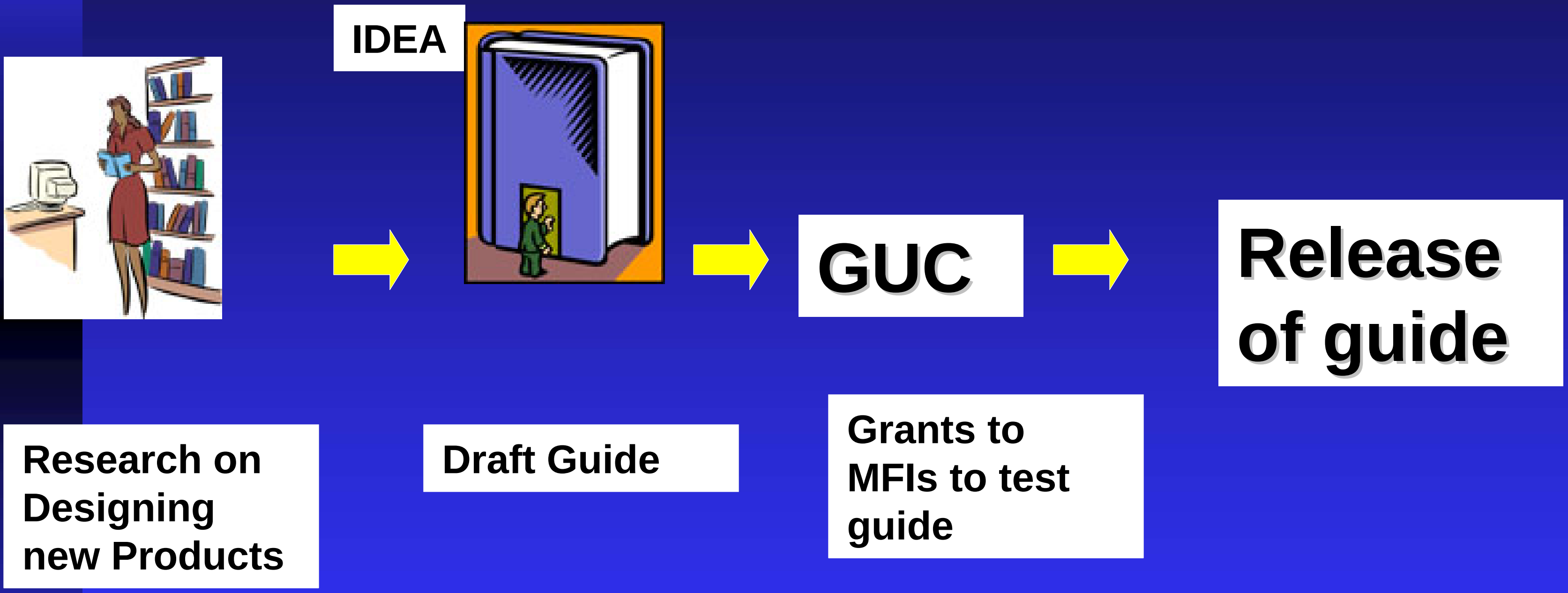
Guide to New Product Development



Research on Designing new Products

IDEA

Draft Guide

GUC

Grants to MFIs to test guide

Release of guide

Learning what is happening in the field

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

Woah!

I better learn about insurance!

Insurance

Insurance

Summary of Uses

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

Challenges

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

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Benefits

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

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Office of Transition Initiatives

Jeanne Briggs,
USAID/DCHA/OTI

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

Examples of OTI Use of GUC

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

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Examples of OTI Use of GUC

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

PAMOJA TUJENGE
SEca
TOTONGA ELONGO
APPUI A LA REHABILITATION DU MARCHE DE LA 15ème AVENUE COMMUNE TSHOPO
EXECUTEE PAR LA COMMUNAUTE DE LA 15e AV. TSHOPO
FINANCE PAR USAID/OFFICE OF TRANSITION INITIATIVES
AVEC L'APPUI DE CHEMONICS INTERNATIONAL
JUILLET 2004

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Examples of OTI Use of GUC

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

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Why does OTI use GUC?

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

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Why does OTI use GUC?

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

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Characteristics of an OTI Grant Under Contract

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

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Division of Labor and Responsibility

OTI

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

Contractor

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

How do we manage all of these grants?

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

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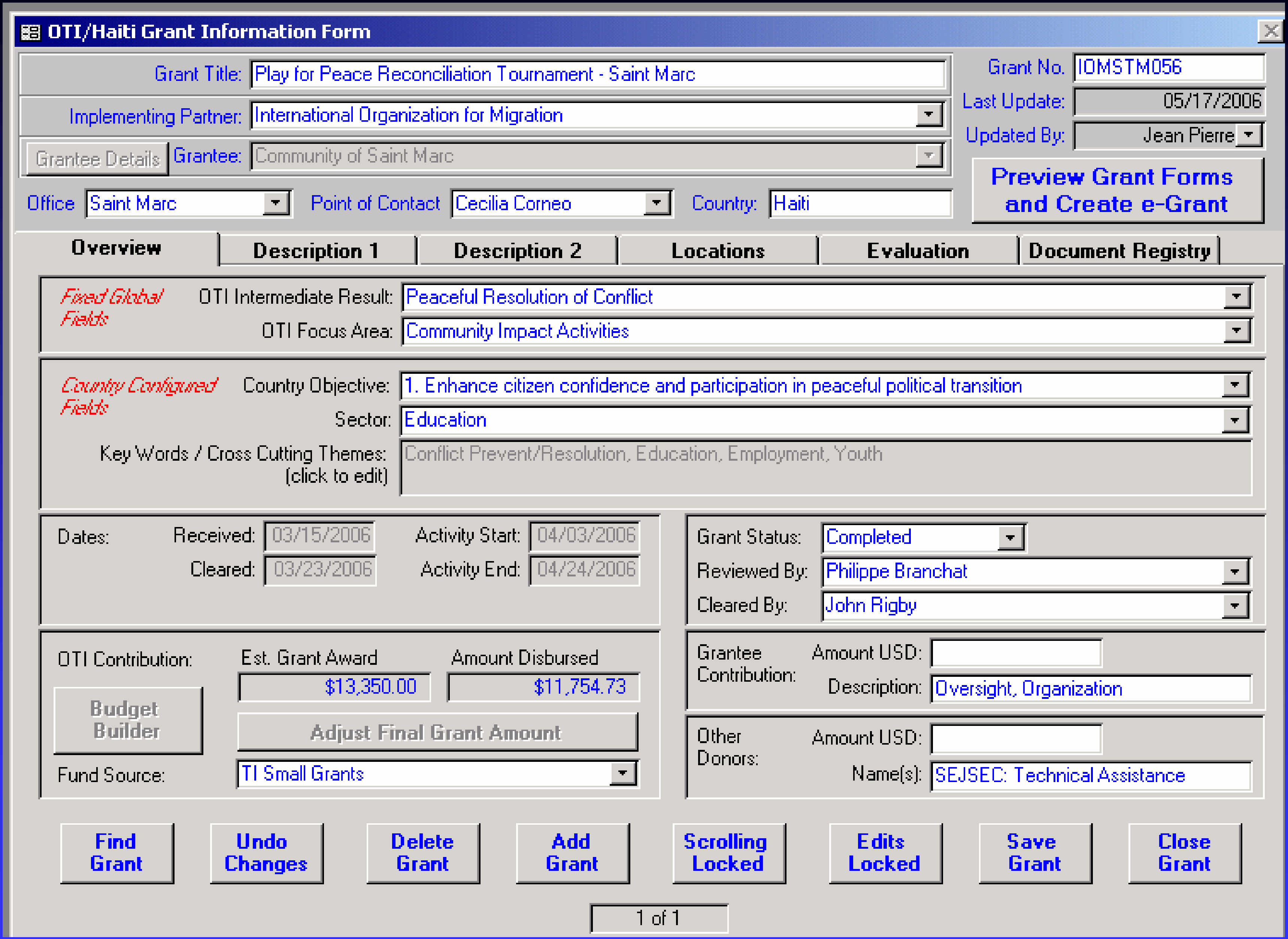
OTI/Haiti Grant Information Form
Grantee Details
Preview Grant Forms and Create e-Grant
Overview
Description 1
Description 2
Locations
Evaluation
Document Registry
Budget Builder
Adjust Final Grant Amount
Find Grant
Undo Changes
Delete Grant
Add Grant
Scrolling Locked
Edits Locked
Save Grant
Close Grant
1 of 1

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

Fixed Global Fields
OTI Intermediate Result: Peaceful Resolution of Conflict
OTI Focus Area: Community Impact Activities

Country Configured Fields
Country Objective: 1. Enhance citizen confidence and participation in peaceful political transition
Sector: Education
Key Words / Cross Cutting Themes: (click to edit) Conflict Prevent/Resolution, Education, Employment, Youth

Dates:
Received: 03/15/2006
Cleared: 03/23/2006
Activity Start: 04/03/2006
Activity End: 04/24/2006

Grant Status: Completed
Reviewed By: Philippe Branchat
Cleared By: John Rigby

OTI Contribution:
Est. Grant Award: $13,350.00
Amount Disbursed: $11,754.73
Fund Source: TI Small Grants

Grantee Contribution:
Amount USD:
Description: Oversight, Organization

Other Donors:
Amount USD:
Name(s): SEJSEC: Technical Assistance

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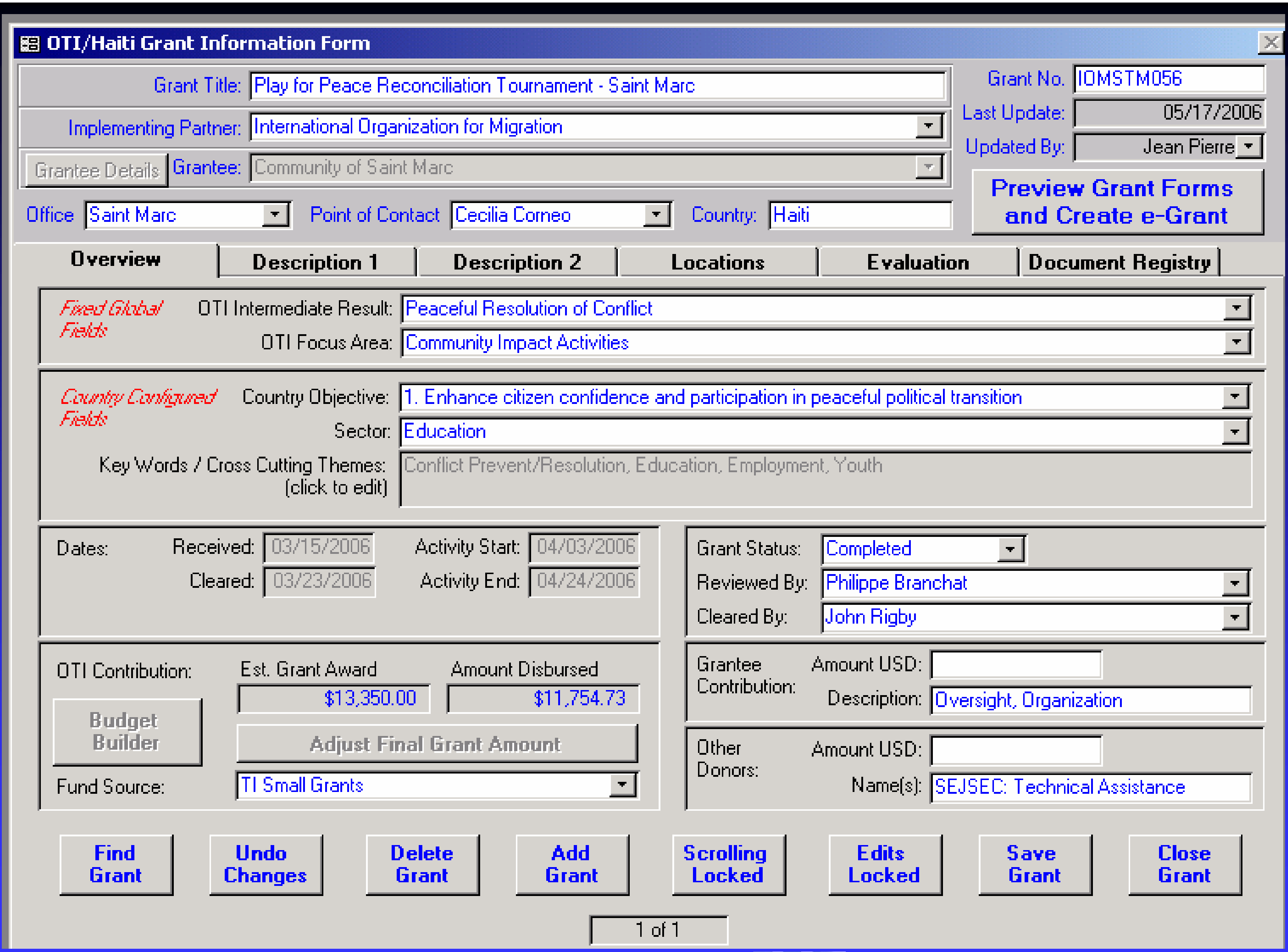
Grantee Details
Preview Grant Forms and Create e-Grant
Overview
Description 1
Description 2
Locations
Evaluation
Document Registry
Budget Builder
Adjust Final Grant Amount
Find Grant
Undo Changes
Delete Grant
Add Grant
Scrolling Locked
Edits Locked
Save Grant
Close Grant
1 of 1

OTI/Haiti Grant Information Form

Grant Title: Play for Peace Reconciliation Tournament - Saint Marc
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Monitoring, Evaluating, Reporting

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

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A Private Sector View

Alan Chvotkin,
Professional Services Council

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GRANTS UNDER CONTRACTS
KEY TOPICS

THREE MAJOR TOPICS TO BE COVERED

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

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Financial and Administration Issues

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

Corporate Accounting Treatment Issues

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

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Contracting Issues

Kevin Wiedmann

Abt Associates

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

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INDUSTRY QUESTIONS?

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THANK YOU!

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

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Thank you!

for attending the

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