

## **Breakout Session A—USAID 101: An Introduction to USAID for New PVOs**

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This session was designed to help PVOs work effectively with USAID. The facilitators provided an overview of USAID's role, structure, priorities, and operating principles. Grant applications procedures were highlighted, followed by a discussion of what makes an effective grant submission.

### **Overview**

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- USAID is subject to the Government Performance and Results Act. It develops Strategic Objectives (SOs) and a Results Framework for each country in which it conducts activities. The SOs are USAID's "basic unit of accounting."
- USAID's budget process is complex, and the agency manages budgets for multiple years simultaneously. Many steps must be taken before USAID can obligate money to an activity.
- Based on government priorities and other factors, USAID guides missions in the projects they must focus on in order to achieve or maintain funding. Missions must track outcomes and report on them to USAID.

### **Funding Processes**

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- Funding may be obligated through a Strategic Objective Agreement (SOAG), or may be granted directly to the host country government. Funding is obtained through a competitive process of grant applications. The bidding process includes three steps: (1) solicitation of applications, (2) evaluation of applications received, and (3) discussion and selection of grantees.
- There are two channels for applicants to learn about bidding opportunities:
  - Annual Program Statement (APS), open for a minimum of six months.
  - Request for Application (RFA), open for a minimum of 30 days.
- Applicants do not need to have prior USAID experience.
- Applicants must pay strict attention to the criteria called for in the bid and should provide a clear description of the proposed activity. The grant application must describe an exit plan and mechanisms for native peoples to sustain the program.
- Applicants must be willing to partner with other entities.

### **Reporting Processes**

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- USAID is obligated to report on the status of funded activities to Congress, the Administration, the Office of Management and Budget, and U.S. taxpayers.

- USAID measures progress through Performance Management Plans (PMP); quarterly reports from PVO partners; portfolio reviews, which examine all work in a given country; annual reports; and evaluations.
- Grantees are closely involved in the reporting process.

## **PVO Registration**

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Registered PVOs must adhere to the annual document submission requirement. Timely reporting is necessary to avoid any interruptions in receipt of assistance resources such as grants, cooperative agreements, and subventions. Further, registered organizations should submit annual documents 180 days, or six months, after its fiscal year end, or within nine months if undergoing an A-133 audit. USAID has made several changes involving AID-Form 1550-2 that have been approved by OMB. USAID will issue guidance on changes to the 20 percent “privateness” requirement. Information can be obtained from the website at: [www.usaid.gov](http://www.usaid.gov), keyword: “PVO Registration.”

## **Discussion, Session 1**

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Participants asked a number of questions about the online resources available to them in the grant-application process, such as location of SOs and business opportunities. Speakers provided a list of appropriate websites: [www.usaid.gov](http://www.usaid.gov) (click on “Our Work,” “Location,” and “Policy”) and [www.usaid.gov](http://www.usaid.gov) (click on “Business Opportunities”).

Participants raised a number of questions about the grant application process. Clarification was made that it is not possible to submit additional materials after the original application has been filed. Additionally, although funding may be requested for an activity not included in an APS or RFA, such requests are strongly discouraged. Facilitators also noted that PVC-ASHA’s Matching Grants program has been phased out.

Evaluation of grant applications was another topic that elicited several questions. Participants were told that grant applications are evaluated by both internal and external reviewers, and that applicants may request a debriefing if their program is not selected for funding. USAID does not publish a list of winning grantees.

One participant raised a common perception that it is easier to work with USAID missions in the field than with the Washington office, asking for clarification of the relationship between USAID headquarters and the field offices. Facilitators answered that the field missions and Washington offices are all doing the same work: trying to meet SOs. In response to another question, they clarified that USAID and the Millennium Challenge Corporation are complementary rather than competitive organizations.

A participant asked whether USAID channeled funds to the military for distribution. The answer was that USAID did not operate in such a manner.

## **Discussion, Session 2**

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In response to questions about the average length of the PVO registration process and mission strategies, session facilitators said registration for a new PVO generally takes six to eight weeks. Mission strategies range from three to eight years (five years on average).

Responding to a complaint from one attendee, facilitators observed that application deadlines are publicized well in advance and should provide sufficient time for applicants to prepare and submit their proposals.

The session leaders were also asked whether there had been a philosophical shift in the way USAID funds are allocated. They replied that grant awards are subject to the availability of funds and are influenced by world events. The response to an observation that some organizations appear to know about RFAs before they are published was that incumbent grantees would know about additional bidding rounds planned to occur upon expiration of their current grants.

When asked whether USAID provided training for new grantees, facilitator responded that the Agency was considering such training. They also stated that USAID could not endorse or comment on private workshops offered on navigating the grant-application process.