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GUIDE
TO USAID'S ASSISTANCE APPLICATION PROCESS
AND
TO SUBMITTING UNSOLICITED ASSISTANCE APPLICATIONS

1. Introduction

The United States Agency for International Development (USAID) is the independent government agency that provides economic development and humanitarian assistance to advance U.S. economic and political interests overseas. USAID was created under the Foreign Assistance Act of 1961 in recognition of the above objectives. More information concerning USAID's approach to sustainable development can be found under Strategies for Sustainable Development.

2. Assistance Instruments

Use of Grants and Cooperative Agreements. In each instance, USAID shall decide on the appropriate award instrument (i.e., grant or cooperative agreement). The Federal Grant and Cooperative Agreement Act (31 U.S.C. Sec. 6301-08) governs the selection of grants and cooperative agreements. A grant or cooperative agreement shall be used only when the principal purpose of a transaction is to accomplish a public purpose of support or stimulation authorized by Federal statute. The statutory criterion for choosing between grants and cooperative agreements is that for the latter, "substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement."

Except as otherwise authorized by statute, 22 CFR 226 establishes uniform administrative requirements for grants and cooperative agreements awarded by USAID to U.S. institutions of higher education, hospitals, and other non-profit organizations, and to U.S. commercial organizations; and to subawards thereunder (see <http://www.usaid.gov/policy/ads/cfr.html#22cfr226>). In addition to 22 CFR 226, USAID has established an Automated Directive System (ADS) chapter to implement USAID policies and standards for awarding and administering grants and cooperative agreements (see <http://www.usaid.gov/pubs/ads/300/303.pdf>).

3. Assistance Applications

USAID generally undertakes direct assistance programs to benefit developing countries through COMPETITIVE grants and cooperative agreements. This ensures that all activities are concentrated on pre-defined objectives to maximize impact; and that they are consistent, mutually reinforcing and draw support from the best available sources. While unsolicited applications can be received and reviewed for funding, potential applicants should be aware that only in highly exceptional cases are such applications likely to be approved for funding. Resources available to USAID for programs must be

concentrated and focused on clear objectives which fit within program priorities. Thus, only exceptional unsolicited applications can be considered for funding on a noncompetitive basis--ones which present a unique approach, are fully supportive of USAID's development objectives, and demonstrate a unique capacity by the applicant to carry out proposed activities and where there is clear support for such activities by the recipient country government or private institutions. Further, only limited funding may be available for even the best of such applications, since most funding is reserved for development priorities already established by USAID. Accordingly, it is strongly recommended that potential applicants review USAID competitive announcements (see http://www.usaid.gov/procurement_bus_opp/procurement/announce) as well as specific USAID bureau open announcements (e.g., humanitarian response, http://www.usaid.gov/hum_response). Applicants responding to specific announcements should follow the directions contained in that announcement. If a potential applicant still desires to submit an unsolicited application, the applicant should follow the procedures described below under Concept Paper.

4. Concept Paper Stage

USAID strongly encourages the submission of a concept paper for initial consideration as opposed to a more lengthy detailed application. An unsolicited concept paper (generally not to exceed five pages) should contain the following:

(a) Cover Page/Introduction:

1. Name and address of organization;
2. Type of organization (e.g., non-profit, university, etc.);
3. Contact point (phone and e-mail);
4. Names of other organizations (federal and non-federal as well as any other USAID offices) to whom you are/have submitted the application and/or are funding the proposed activity; and
5. Signature of authorized representative of the applicant, authorized to contractually obligate the applicant.

b) Technical Information:

1. Concise title and objective of proposed activity;
2. Discussion of the objectives, the method of approach, the amount of effort to be employed, the anticipated results, and how the work will help accomplish USAID's mission as elaborated in USAID's Strategies for Sustainable Development; and
3. Type of support the applicant requests from USAID (e.g., funds, facilities, equipment, materials, or personnel resources).

(c) Supporting Information:

1. Proposed estimated cost;
2. Brief cost breakdown (e.g., salaries, travel, etc.);
3. Proposed duration of activity.
4. Any proposed "cost-sharing or matching" (see 22 CFR 226.23 and ADS 303.5.10); and
5. Brief description of applicant's previous work and experience, both functionally and geographically.

5. Submission of Concept Paper

Unsolicited concept papers may be submitted directly to the Program Offices within USAID/Washington Bureaus, or directly to USAID missions. The technical nature of the proposed concept paper, region or country of implementation will determine the applicable Bureau/Mission to which the paper should be submitted. Please select the most applicable USAID/Washington Bureau as listed below, or designate a specific Mission:

Bureau for Global Programs, Field Support and Research
Democracy and Governance Center
Economic Growth and Agricultural Development Center
Environment Center
Human Capacity Development Center
Population, Health and Nutrition Center
Women in Development
Bureau for Humanitarian Response
Bureau for Africa
Bureau for Latin America and the Caribbean
Bureau for Asia and the Near East
Bureau for Europe and the New Independent States
Specific Mission

Concept papers should be addressed to the attention of the "Senior Program Officer." TWO copies of the application should be submitted.

6. USAID Review of Concept Paper

The cognizant USAID Senior Program Officer or his/her designee should notify the applicant within 60 days of any further interest in the application or lack thereof. If USAID has further interest in the proposed activity, USAID may request the applicant to submit a more detailed application. Such a request is not a commitment by USAID to support the activity. The applicant's decision to submit a more detailed application is at the applicant's discretion, and any expenses associated with preparation and submittal of the application are the responsibility of the applicant.

7. Application Stage

The applicant, upon notification from the USAID technical/program office that reviewed the concept paper, should follow any specific instructions provided by them. In general, a more detailed application will involve greater elaboration of the following:

- (a) Program Goals/Objectives;
- (b) Background/Introduction;
- (c) Program Description;
- (d) Milestones/Results/Time line;
- (e) Monitoring/Evaluation Plan;
- (f) Management Plan;
- (g) Business/Cost Section:
 - 1. SF424 (activities/line items--headquarters/field--
http://www.usaid.gov/procurement_bus_opp/procurement/forms/SF-424 for the forms, and see Attachment A for example);
 - 2. Detailed support for cost (breakdown/basis/support --see Attachment A for example);
 - 3. Cost Share/Other Donor Support/Program Income (see 22 CFR 226.23-24 and ADS 303.5.10); and
 - 4. Past Performance (similar projects last 3 years)
- (h) Representations/Certifications:
 - 1. Assurance of Compliance with Laws and Regulations Governing Nondiscrimination in Federally Assisted Programs;
 - 2. Certification Regarding Debarment, Suspension, and Other Responsibility Matters--Primary Covered Transactions, and Lower Tier Covered Transactions;
 - 3. Certification Regarding Drug Free Work place Requirements;
 - 4. Restrictions on Lobbying; and
 - 5. Prohibiting Assistance to Drug Traffickers (Required as applicable--USAID Agreement Officer can advise as to applicability).

8. Evaluation

Decisions to proceed with the award of a noncompetitive grant or cooperative agreement on the basis of an unsolicited application shall be made in accord with the requirements of ADS 303.5.5d. If it is determined that the subject matter of any unsolicited application is acceptable for funding on a noncompetitive basis, the unsolicited application will serve as the basis for negotiation.

9. Award Consideration Stage

The USAID Agreement Officer upon receipt of an award recommendation with accompanying justification(s) from the USAID Cognizant Technical Office (CTO) will proceed to negotiate an award. A recommendation does not guarantee an award, nor does it mean that a successful negotiation will lead to an award within the same fiscal year that the concept paper/application was submitted. The final negotiation will typically involve clarifications and/or discussions of any remaining cost issues, and a pre-award responsibility determination that may or may not require additional information from the applicant. The Agreement Officer is required to make a pre-award responsibility determination (see ADS 303.5.9).

(a) Applicants with continuing relations with USAID:

This responsibility determination can usually be made by the Agreement Officer based on existing information in the application, and by consulting materials from other sources (e.g., A-133 audit).

(b) Applicants new to USAID:

This responsibility determination will normally require obtaining the following additional information from the applicant:

1. audited financial statements (last three years);
2. projected budget, cash flow and organization chart; and
3. applicable policies and procedures (e.g., accounting, purchasing, property management).

(c) If the Agreement Officer cannot make a positive pre-award responsibility determination, he/she will undertake a formal selection survey that may involve a pre-award audit.

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SF424 & SF424a Budget Support Information

Personnel:

Project Director: \$50,000 (based on 50% time)
Country Director: \$80,000 (based on 100% time)
Research Assistant: \$20,000 (based on 50% time)

Personnel estimates based on current salaries. Experience of staff was highlighted in our application. Salaries are based on written personnel policies, and represent current staff employed by our organization.

Fringe Benefits:

Project Director: \$10,000 (based on rate of 20% applied to salary)
Country Director: \$16,000 (based on rate of 20% applied to salary)
Research Assistant: \$2,000 (based on rate of 10% applied to salary)

Fringe benefits based on negotiated indirect rate agreement dated xx/xx/xx with our cognizant government audit agency (USAID), and represent costs associated with FICA, leave, and retirement benefits.

Travel:

Project Director: \$5,500 (1 RT from a to b @ \$3,000; \$2,000 based on 10 days of per diem at \$200/day; and \$500 based on airport taxis/in-country travel.

Country Director: \$25,000 (1 RT from a to b @ \$3,000; Living quarters allowance @ \$15,000; Regional air travel @ \$5,000 based on 10 trips at \$500/trip; Regional travel per diem @ \$1,000 based on 20 days at \$50/day; and \$1,000 for miscellaneous in-country travel.

Research Assistant: \$11,000 (2 RTs from a to b @ \$3,000/each; \$4,000 based on 20 days of per diem at \$200/day; and \$1,000 based on airport taxis/in-country travel.

Airfare based on economy rates quoted from ABC travel agency. Per diems/Allowances based on written travel policies which follow Department of State travel regulations.

Equipment:

\$4,000 (Computer @ \$2,000, Printer @ \$500, Fax @ \$500, and Copier @ \$1,000)

Equipment based on quotes from ABC company, and meet U.S.

source/origin/nationality requirements. Equipment needed to produce/track the extensive research efforts involved in this program, and purchase is more cost effective than leasing.

Supplies:

\$1,500 (Paper, printer/fax/copier cartridges, and general office supplies)

Supplies based on prior experience with similar projects of this magnitude.

Other:

\$5,000 (Communication costs @ \$3,600 based on \$300/month for international phone/faxes/express mail, and \$1,400 for other expenses including monitoring/evaluation regional site visit reporting, ... The above communication costs are significant based on the extensive dissemination efforts with this program.

Indirect Charges:

\$69,000 (Based on 30% of total direct costs and fringe benefits in accordance with our negotiated indirect rate agreement dated xx/xx/xx with USAID.

The above sample is for illustrative purposes to serve as one example of the type of minimal detail and rationale needed in order to assist USAID in determining cost reasonableness. Typically, the more effectively the applicant can detail, support and link costs to their proposed program, the more streamlined negotiations will proceed. USAID Agreement Officer will advise applicants on needed cost information during proposed award negotiations.