

ADS Mandatory Reference: N/A  
ADS Supplementary Reference: 202

## Implementation Letters

Implementation Letters (**ILs**) represent a formal, standardized means of communicating on important matters affecting the implementation of an agreement with a public sector entity. To assist the grantee in the implementation of an agreement, USAID, from time to time, will issue ILs that will furnish additional information about matters stated in the agreement. The parties to the agreement may also use jointly agreed-upon ILs to confirm and record their mutual understanding on aspects of the implementation of the agreement. ILs can also be used to record revisions or exceptions which are permitted by the agreement. In cases where the use of an IL is not indicated, less formal communications are used, including letters, meetings, etc. ILs are addressed to the party designated by the grantee in the "**Communications**" section of the agreement. Such letters are typically prepared by the team charged with achieving a particular result or set of results supported by the agreement in question. The persons or offices clearing and signing such communications depends on the internal procedures established by the operating unit.

The "**Basic Implementation Letter**", usually IL No.1, gives the grantee detailed guidance on matters covered in the agreement and is issued with or shortly following the execution of the agreement. It typically explains what documents are to be submitted to satisfy the conditions precedent set forth in the agreement; spells out contracting and purchasing procedures and source/origin rules; provides specific information on disbursement procedures ([see Chapter 3 of Handbook 19, Financial Management](#), or its subsequent ADS replacement for specific guidance on **disbursement procedures and documentation**); includes guidance on initial planning and organization of the activity; and specifies what reports USAID requires, defining their content, format, and frequency. Since the grantee would likely be represented on the Strategic Objective Team overseeing the development and execution of the program supported by the agreement, the contents of the Basic IL should have been discussed and negotiated with the grantee prior to its issuance.

Subsequent ILs are serially numbered to permit control and identification. Such letters may address any number of significant topics affecting the activity's implementation, including satisfaction of conditions precedent, changes in the budget, compliance with covenants, changes in the Terminal Dates for meeting conditions precedent or in the Completion Date, changes in the representatives of the parties to the agreement, contract approvals, etc.

Items 202.6.2a through 202.6.2d are examples of the Basic Implementation Letter as well as other ILs. Although some of the examples are taken from existing "**projects**", their basic content is relevant to the types of interventions envisioned under

the ADS, which would generally involve one or more activities supportive of a strategic objective or special objective.

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