1st Quarter FY 2021
Business Forecast Webinar and Partner Outreach
November 19, 2020
8:30 - 9:30 AM ET
As Prepared

USAID Participants

- Mark Walther, Director, Bureau for Management, Office of Acquisition and Assistance
- Deb Broderick, Deputy Director, Bureau for Management, Office of Acquisition and Assistance
- Randy Tift, Chief Acquisition and Assistance Policy Officer, Bureau for Management, Office of Acquisition and Assistance
- Teneshia Alston, Small Business Goaling Program Manager, Office of Small and Disadvantaged Business Utilization
- Maureen Shauket, Senior Deputy Assistant Administrator, Bureau for Policy, Planning, and Learning
- Tracy Quilter, Deputy Director, Office of Strategic and Program Planning, Bureau for Policy, Planning, and Learning
- Julie Lelek, Policy Analyst, Office of Policy, Bureau for Policy, Planning, and Learning
- Matt Johnson, Industry Liaison, Communications Director, Bureau for Management, Office of Acquisition and Assistance

Agenda
- Welcome and introductions by Matt Johnson
- Remarks from Mark Walther
- Remarks from Deb Broderick
- Remarks from Randy Tift
- Remarks from Teneshia Alston
- Remarks from Maureen Shauket
- Remarks from Tracy Quilter
- Remarks from Julie Lelek
- Business Forecast Q&A, Moderated by Matt Johnson
- Conclusion of the call.

<h1 style="text-align:center">Conference Call Transcript</h1>

<u>Welcome and Introductions from Matt Johnson</u>

Greetings. My name is Matt Johnson and I am USAID Industry Liaison as well as the Communications Director for the Management Bureau's Office of Acquisition and Assistance.

Thank you for joining our first quarter FY 2021 Business Forecast Webinar. We appreciate everyone's continued interest in our Business Forecast. This quarter we received more questions than we have ever had previously.

If you're new to joining us for a Business Forecast webinar, rather than going through all questions that we've received, we like to just provide some general updates on what's happening at USAID and address some of the broader questions that were submitted. Later today we plan to post responses to the majority of the questions we have received on our website -- as well as a recording and transcript from this call. We will notify you that it has been posed through our Industry Liaison newsletter and our Twitter handle @USAIDBizOpps.

Additionally, during today's webinar, we are pleased to be joined by the Bureau for Policy, Planning, and Learning to share a number of updates.

During the webinar, you will hear from a number of different individuals. I would like to briefly introduce them.

- Mark Walther, Director, Bureau for Management, Office of Acquisition and Assistance
- Deb Broderick, Deputy Director, Bureau for Management, Office of Acquisition and Assistance
- Randy Tift, Chief Acquisition and Assistance Policy Officer, Bureau for Management, Office of Acquisition and Assistance
- Teneshia Alston, Small Business Goaling Program Manager, Office of Small and Disadvantaged Business Utilization
- Maureen Shauket, Senior Deputy Assistant Administrator, Bureau for Policy, Planning, and Learning
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- Julie Lelek, Policy Analyst, Office of Policy, Bureau for Policy, Planning, and Learning

I would like to turn the call over to Mark Walther, USAID's Director of the Office of Acquisition and Assistance.

<u>Remarks from Mark Walther</u>

Thank you to everyone that has joined us for today's webinar. It is a pleasure to be speaking with you. We appreciate your continued support of USAID and our efforts around the world.

I would like to thank our colleagues from PPL for joining us for today's call. We appreciate our partnership with them and are thankful they are able to join us for today's call.

Since today is the first time we've connected since the end of FY 2020 in September, I would like to provide a brief overview of last year by the numbers. We obligated over $21.4 billion in acquisition and assistance mechanisms last year -- this far exceeds our previous high of over $17 billion. It's been a record breaking year, and COVID-19 supplemental funds obviously played a significant role in that as well. In terms of the breakdown of funding, $15.1 billion was obligated in Washington, and $6.3 billion was obligated in the field. Finally, we continued to see a consistent breakdown in acquisition vs. assistance, with $6.2 billion obligated to contracts, $5.1 billion to cooperative agreements, and $10 billion to grants.

Two additional data points that I believe you will find helpful. On the assistance side (grants/cooperative agreements) about half of the $15 billion total reflects obligations to NGOs and about half to Public International Organizations (PIOs). On the acquisition side, roughly $3 billion reflections obligations under our Agency's Indefinite Delivery Indefinite Quantity (IDIQs) awards, and a little under $600 million reflect BPA calls, GSA orders and other federal orders.

I'm sure Teneshia will highlight this more in her remarks shortly, but the preliminary data indicates the Agency awarded approximately $918 million to small businesses, which is the most dollars obligation that we have ever achieved.

There is no doubt that COVID-19 has had a major impact on how we do our work around the world. Thank you for your continued efforts to execute your programs around the world during this time.

As you're likely aware, the majority of USAID's staff have been working remotely or have been on Global/Authorized Departure in the United States. As we have shared, the Global/Authorized Departure will be ending December 9th and USAID staff will be reporting back to their post by that date.

Through-out COVID, we have appreciated our close collaboration with our partners. All of the regular engagements, webinars, and questions you've submitted has been vital to ensuring we are addressing the challenges faced by our partners. We will continue these efforts into the future and will continue to ensure our COVID-19 Partners Resources pages are updated with information as the situation progresses.

In addition, there is no doubt that Section 889 of the John S. McCain National Defense Authorization Act that went into effect on August 13, 2020, has impacted our work. As we continue to work through the implementation of Section 889, we will continue to engage with you and share updates and address your questions to the best of our ability.

Another major update that I want to highlight is the updates to the Agency's Business Forecast. We know that this is an important tool for you and we are continuing to prioritize its further

development. With the launch of FY 2021, we have included new fields in the Forecast including:

- **A&A Plan ID:** A unique ID for each activity, making it easier for you to track an activity. In conjunction, we will be introducing a change log that will help track efforts so you know where changes are made, any alteration in approaches throughout the solicitation procurement process.
- **Category Management Contract Vehicle:** If an activity falls within USAID's Category Management objectives, we will use this to identify the contract vehicle that will be used.
- **Co-Creation:** In this field we will highlight if and how the Agency plans to use co-creation in the design, solicitation, or procurement of an activity.
- **Eligibility Criteria**: This field will be used to note if we anticipate eligibility criteria being restricted to specific organizations.
- **Principal Geographic Code:** This field will be used to help note if there are any additional eligibility requirements for the planned activity.

I know that Randy will highlight more on Effective Partnering and Procurement Reform, as well as the New Partnerships Initiative, but I want to say that I'm excited by our continued reforms efforts and the progress we are making across the board. In particular, I'm pleased to share that we are staffing up our Foreign Service Contracting Officers and are rebuilding our team based in Washington, DC. Looking over the next year, we will continue our reform efforts and continue our implementation of the Agency's Acquisition and Assistance Strategy.

Thanks again for joining us for this call. I'd like to turn the call over to Deb/Randy.

Remarks from Deb Broderick

Thanks Mark. I want to start by thanking everyone for their efforts in helping us to achieve our Category Management goals. USAID achieved both the Spend Under Management and the Best In Class targets, which are agency priority goals. A reminder that Category Management is a USG-wide initiative that is not unique to USAID. IPs should read OMB Memo M-19-13 to understand CM and the key definitions related to CM, such as the meaning of SUM, BIC, and each of the Tiers. We have provided a link to this memo in the written Q&A.

The BIC contract vehicle that USAID is most likely to use for Professional Services is GSA's OASIS IDIQ. IPs are encouraged to visit the OASIS site for more information. We have provided a link to the list of GSA's BIC vehicles in the written Q&A.

Many of our IPs have noticed that there are new fields and drop down menu choices as they relate to CM. These two fields are "Award/Action Type" and "Category Management Contract Vehicle".

Under "Award/Action Type":
- Stand Alone Contract - refers to stand alone contracts, likely issued on beta.sam.gov, that are not orders under another master contract. These would typically be FAR 15 procurements.
- GSA Schedule Order (FAR 8.405) - refers to orders issued under the Multiple Award Schedule (MAS) according to FAR 8.405.
- Other Federal Order (FAR 16.505) - refers to task orders issued under IDIQs from other Federal Agencies (such as GSA's OASIS IDIQ) according to FAR 16.505.
- USAID IDIQ Task Order - this refers to task orders issued under USAID IDIQs according to FAR 16.505, and not task orders issued under IDIQs from other Federal Agencies.

Under "Category Management Contract Vehicle":
- The CO must enter the name of the Category Management Contract Vehicle they intend to use for the procurement, such as:
- GSA Schedule Order (FAR 8.405): E.g.: Multiple Award Schedule (MAS) SIN 541611, etc.
- Other Federal Order (FAR 16.505): E.g.: OASIS UR Pool 1, or HCaTS SB Pool 2, etc.

Remarks from Randy Tift
Over the past several months, the Effective Partnering and Procurement Reform (EPPR) initiative has made great progress towards achieving several key priority actions in the EPPR recommendation package that was approved for action last year.

Based on the *Acquisition & Assistance Strategy*, the Agency has now established three new indicators as part of its Agency Priority Goal in the State/USAID Joint Strategic Plan. Starting with FY21, we will measure the increased use of new and underutilized partners at both prime and sub-award levels. Missions set targets for this metric, along with metrics for strengthening the capacity of local partner organizations (which we established in 2019), and increasing the use of co-creation (established in 2018) through New Partnership Initiative (NPI) Action Plans this year. In implementing these objectives -- engaging new and underutilized partners, capacity building, and co-creation -- USAID will measure effective sub-award practices (not only prime awards) for the first time. Mission targets for all three metrics are based on country strategies and local contexts. Please look for the Agency's FY20 Q4 report and FY21 plan for this Agency Priority Goal on the OMB website soon.

The Acquisition and Assistance (A&A) Labs have expanded their work supporting innovation. We released a co-creation field guide, designed to clarify and dispel myths around co-creation. This co-creation guide is available on USAID.gov under a new co-creation webpage. More field

guides will be issued in the next year addressing other key A&A objectives. Over the summer, we also released a mandatory reference on the use of [Broad Agency Announcements (BAA)s](), providing guidance and clarification on issues like using BAAs for research and development, protecting intellectual property, etc. We welcome your feedback on all these resources.

In October, the EPPR team convened a workshop of nearly 100 representatives from prime and sub-award organizations for a discussion on the strategic use of sub-awards and the importance of complying with sub-award reporting requirements. To emphasize this importance, the Acting Deputy Administrator issued notices on existing requirements for sub-award and sub-contract approvals and reporting to both our staff and our partners. He asked partners to update their sub-award and sub-contract reporting on the FSRS database by November 30.

The New Partnerships Initiative (NPI) had a successful year in FY20. The goal of NPI is to multiply USAID's development impact by elevating local leadership, fostering creativity and innovation, and mobilizing resources across the Agency's programs. To date, USAID has made 29 awards, valued at over $400 million, and is working with almost 60 organizations through NPI. A number of other USAID activities are operating based on NPI objectives -- targeting new and local partners, using co-creation including in designing sub-awards, and strengthening local capacity as a component of an increasing number of awards across all sectors. Missions and overseas Operating Units have completed their two-year NPI Action Plans. The NPI action plans are road maps for over 100 countries to expand Agency engagement with new and local partners in numerous ways, particularly with an emphasis on co-creation and capacity building. In FY 2021, Missions anticipate launching more than 500 NPI or NPI-aligned activities globally. And nearly half of all activity designs will incorporate co-creation, a significant increase in the use of co-creation in just two years.

So beyond just NPI awards, we would highlight that we are seeing the principles of the A&A Strategy and NPI in many of our new awards. For example, the recently awarded Monitoring and Evaluation activity, a global buy-in mechanism, prioritized including new U.S. Small Business. This 100% small business contract with a five-year ceiling of $655 million awarded to 19 small businesses -- four of which are new to USAID.

Recently, the Acting Deputy Administrator released an Executive Message on expanding the use of phased acquisition, which can be used to lower barriers to entry in contract solicitations and potentially speed up acquisition.

One of our A&A Strategy guidance principles that gets less attention is enabling and equipping the workforce. So we are excited to announce assignments to new positions created based on EPPR recommendations. In M/OAA, we now have a lead for Strategy and a lead for Engagement. We are also excited to announce that new Senior Regional Advisors will serve the Bureaus for Africa, Middle East, and Asia. These senior Contracting Officers will provide guidance to senior leaders, encourage the use of innovative A&A approaches, and coach and support professional development of CO/AOs in their regions.

Adaptive management remains a high priority, as we implement EPPR-driven revisions to ADS 303 from a year ago and move to expand use of the Changes clause through revisions to ADS 302, training and support -- encouraging adaptive management under acquisition and assistance.

So keep your eyes open to these and other EPPR announcements coming soon -- including the second iteration of the A&A Strategy and updates on development of USAID's first-ever Local Capacity Development policy.

Remarks from Teneshia Alston

Good morning. I want to thank Mark Walther and Matt Johnson for the opportunity to share OSDBU plans for the new year and what has taken place over the past three months.

First, many may be aware that Mauricio Vera, the Director for the OSDBU for approximately 13 years, retired in October 2020. The Agency will identify Mr. Vera's successor in due time. In the interim, we have two newly appointed Deputy Directors managing the small business program. The Deputy Directors are Jamala Peyton and John Watson. For the past eleven years Ms. Peyton served as a senior contracting official for USAID's Office of Acquisition and Assistance (M/OAA) Washington and Foreign Service Operations. John Watson has been a member of the OSDBU team for the past five years serving as the Agency's Minority Serving Institutions Coordinator. With the onboarding of new Deputy Directors, the OSDBU has been restructured to better serve internal and external stakeholders. Our mission to advocate the use of small businesses to maximum practicable extent remains the same.

Despite the challenges of FY 2020, I am pleased to announce that the preliminary data indicates the Agency has surpassed its previous small business contract obligations for FY 2019 by more than $80 million. Our accomplishment of 13.65 percent for prime awards significantly exceeded our official small business goal of 12.00 percent. As Mark Walther stated, the Agency awarded approximately $845 million to small businesses which is the highest dollar obligation that we have achieved to date.

USAID exceeded its goal for prime contract obligations to Women-Owned Small Businesses by awarding approximately $330 million (5 percent). We have also exceeded our goal for Small Disadvantaged Businesses for the tenth consecutive fiscal year by awarding $410 million to these companies (6.90 percent). We made notable increases in our awards to small businesses located in Historically Underutilized Business Zones (HUBZones) and Service-Disabled Veteran-Owned small businesses (SDVOSB). We awarded $40 million, $8 million above FY 2019 to HUBzones, and $30 million, $9 million above FY 2019 to Service-Disabled Veteran-Owned small businesses.

I serve as the Agency's Small Business Goaling Program Manager. I can sincerely state that we can attribute our success to the excellent collaborative spirit of our Washington and Mission staff. Their support of the small business program was essential in identifying prime contract opportunities worldwide for U.S. small businesses. On behalf of the entire OSDBU team, thank you!

In anticipation of the changing landscape the OSDBU created an online training module for the Washington and field operations staff which will be launched by March 2021. The virtual training will serve as a substitute for the full one-day, in-person small business program training typically offered to acquisition and program officials worldwide. In addition, we have hosted several virtual outreach activities to maintain continuity of small business partnership engagement. The next activity is scheduled for December 8, 2020. The Agency will co-host and outreach activity with the U.S. Women's Chamber of Commerce to increase our cadre of woman-owned small business partners.

I also wish to thank the many partners and soon-to-be partners who have reached out to the OSDBU to share their experiences and to confirm their interest in working with the Agency. Please continue to review our Business Forecast and Joint Regional and Country Development Cooperation Strategies to learn how your firm can support the Agency's development objectives.

With that I will turn it over to Maureen.

Remarks from Maureen Shauket

Mark, Deb and Matt, Thanks so much for inviting PPL to join this call today. I am joined by a few of my colleagues from the Bureau of Policy, Planning and Learning and we are pleased to share some updates with you today.

First, we'll hear from Tracy Quilter on our mission-level strategic planning process - our Country Development Cooperation Strategies--the CDCSes. Tracy will also provide an update on ADS Chapter 201, which governs USAID's program cycle.
Then, Julie Lelek from the Policy Office will give an overview of the Over the Horizon strategic review process -- an exercise that is helping to position USAID for a world altered by COVID-19.

We hope these updates are helpful to you and we appreciated the opportunity to be with you all today..

Remarks from Tracy Quilter

Country Development Cooperation Strategies

PPL has continued working toward our target dates for completion of CDCSs. As we near the end of 2020, we are forging ahead with strategy development. We have been providing virtual support to our Missions, from workshops to document review, while navigating this new normal to continue supporting our Missions as they work through the phases of CDCS development.

We have 32 CDCSs approved as of November 16. We are diligently working with the remainder of the Missions submitting final strategies for approval before the end of the year. An

additional 16 CDCSs and 5 RDCSs are in process and most are in the final stages.

ADS 201 Revisions to Project and Activities

USAID revised its ADS 201 Program Cycle Operational Policy at the end of October, following an extensive revision in December 2019. These revisions better incorporate the Journey to Self-Reliance in Program Cycle processes by enhancing the Agency's ability to better achieve development outcomes while streamlining strategic planning to design and ultimately implementation.

The biggest change is that projects are now optional, and Missions that choose to use projects will no longer complete Project Design Plans or Project Appraisal Documents. Rather, we have introduced a new streamlined Project Development Document template that is up to 15-pages maximum.

USAID's activity design requirements have also been changed. They are now harmonized and processes are standardized, for improved efficiency and effectiveness in programming.

These changes can all be found online at USAID.gov in ADS Chapter 201.

Remarks from Julie Lelek

Now, let's talk about Over the Horizon. What is Over the Horizon and why did we initiate this review?

Soon after the COVID pandemic hit, and while the Agency was responding to the immediate health impacts of the virus, we learned that COVID was so much more than a health crisis. It is a development and humanitarian crisis that has had, and will continue to have, an extraordinary impact on the people, places, and partners to which USAID provides assistance.

We knew we had to be proactive and better-position USAID for a world altered by COVID, looking at evolving humanitarian, development, and wider national security and foreign policy priorities to produce actionable recommendations to the Acting Dept Administrator.

To do so, we had to look at our policies, programs, and operations, and how we need to adapt them accordingly, to ensure success in the medium to long term.

So we initiated Over the Horizon, to examine these areas through a data-driven, evidence-based approach.

The first task was a big one: to develop an understanding of the impacts of COVID, thinking beyond just the immediate health implications. To do this, the OTH team wrote a paper, the Landscape Analysis paper, and conducted a Scenario Planning Exercise.

Then, based on this analysis, the OTH team developed three strategic objectives that underpin

the final recommendations and guide the Agency's medium- to long-term response to the pandemic. These objectives are: (1) building resilience in countries that are increasingly fragile due to COVID-19; (2) responding to dramatic increases in food insecurity, poverty, and loss of educational opportunities in communities most impacted by COVID-19; and (3) strengthening public and private health systems under strain due to COVID-19, in partner countries critical to global health security.

Guided by the Strategic Objectives, we then looked to develop a list of focus countries -- places that are critically important to advancing a particular strategic objective. The focus countries identify areas that, given the impacts of COVID-19, are at the nexus of greatest humanitarian and development need, opportunity for impact, and U.S. national security interests. USAID missions in OTH Focus Countries will pivot programs and efforts to align and advance the SO. They will receive additional support from Washington to advance the SOs as well. OTH Focus Countries will not be receiving additional funds, nor will other missions or programs be losing funds. The prioritization process may inform future budget allocation processes. The list of Focus Countries is currently being finalized. Once it is final, it will be put on our website.

After conducting a process to identify Focus Countries, the OTH also developed two sets of recommendations. OTH has one set of recommendations that directly support each strategic objective. OTH also has a second set of cross-cutting recommendations that provide operational support. All recommendations have been approved by Agency Leadership. We are beginning work on implementation. They are included in the "OTH snapshot" doc on the public website.

For more information on OTH, please visit the usaid.gov OTH page, including a Landscape Analysis paper and summary of the scenario planning exercise.

Business Forecast Q&A

1. **[MARK] Missing Items from Forecast:** We understand over 100 previously-posted opportunities were removed from USAID's Business Forecast between October 3rd and October 4 th due to a fiscal year-end technical glitch. Has USAID fully resolved this glitch?

    USAID Response: Yes, this issue has been addressed. When USAID transitioned from our FY 2020 to FY 2021 acquisition and assistance planning tools, we made several updates to our A&A Planning tool. The update caused these activities to drop off of the Forecast. We have worked with our Missions and Bureaus to ensure that all opportunities have been added back to the Forecast.

2. **[MARK] Posting of Funding Opportunities:** USAID seems to be moving away from the USG mandated central portals to post solicitations (Grants.gov and Beta.SAM.gov) to using Twitter and newsletters. This causes a lot of extra work to search, monitor and causing confusion as to USAID's involvement, applicable regulations, and version control. What can be done to bring the agency back to use of central portals for posting solicitations?

USAID Response: USAID is not moving away from the USG mandated central portals, Grants.gov and Beta.SAM.gov, in publicizing new/existing procurement activities. In order to promote competition, diversify its partner base and to attract small businesses (US and local partners of each Mission), USAID uses social media, newsletters, local print and electronic media as well. All these additional publicizing actions provide a link to Grants.gov and or Beta.SAM.gov as applicable.

3. **[MAUREEN] Country Development Strategies**: USAID had planned for a second 'Wave' of Country Development Cooperation Strategies (CDCSs) to be completed by December 2020. Could USAID please provide an update on the timing of the CDCS process and when this second Wave of new CDCSs might be made public?

   USAID Response: The CDCS launch began with Wave 1 and Wave 2 countries, respectively, and took place between 2017-2019. Since then, all Missions that were not exempt began their CDCS development process. As of November 2020, we have 32 CDCSs approved and are diligently working with the remainder of the Missions submitting final strategies for approval before the end of the year. An additional 16 CDCSs and 5 RDCSs are in process and most are in the final stages. Approved public versions of CDCS's are available on USAID.gov.

4. **[TENESHIA] Sub-Contracting Plans:** USAID OSDBU requires that prime contractors and prime grants with a subcontracting requirement about SAP to send the requirement to OSDBU 45 days in advance? What happens to them after submission to OSDBU? Where can US small businesses find the posted solicitations?

   USAID Response: The OSDBU helps increase contracts and subcontracts to U.S.-based small businesses, it does not review grant opportunities. When OSDBU receives a subcontracting plan, relative to a contract, it makes sure the plan conforms to Federal Acquisition Regulations, Part 19 requirements. Small businesses may locate solicitations in the U.S. Small Business Administration SubNet website (https://eweb1.sba.gov/subnet/client/dsp_Landing.cfm). It is not a marketing system. However, prime contractors utilize SubNet to post small business opportunities.

5. **[DEB] Category Management:** Does USAID consider IQCs or IDIQs as Tier 0 or Tier 1 for Category Management purposes?

   USAID Response: Category Management (CM) Tiers are defined by OMB Memo M-19-13. GSA also has a CM resource page and a list of CM Best-in-Class (BIC)/Tier 3 contracts here. Contract type does not put a contract into any of the CM Tiers. A contract (including IDIQs) must be specifically designated as Tier 3, 2, or 1 by OMB. An IDIQ could therefore be any of the Tiers (3, 2, or 1), or could not be aligned with CM at all and would therefore be Tier 0.

6. **[MARK] Grants Under Contract:** In the previous Business Forecast call, USAID mentioned that a GUC Ceiling increase to $500,000 was under review. Can USAID provide a status update on this action?

USAID Response: Currently, the $100,000 threshold limitation for GUCs to U.S. non-governmental organizations remains in place. Removing or increasing the $100,000 threshold limitation is an Effective Partnering and Procurement reform (EPPR) recommendation, and the EPPR team has held internal discussions on this topic for the past several months. USAID is consulting OMB on a potential threshold increase, after which USAID will submit an approval memorandum to the Agency Front Office for approval. We hope to have this completed during Q1 of FY21.

7. **[RANDY] NPI:** Can USAID provide a list of NPI awards to include awardee name, amount and NPI partner category?

   USAID Response: To date through NPI we have formed 29 new partnerships with nearly 60 organizations, valued at over $400 million; it's been a variety of sectors, including youth, higher education, conflict prevention, global health. Also a variety of types, including direct to new and underutilized partners and mentoring awards as well. This is where any partner can submit an application, and compete, by offering the best approach to mentoring new and local partners. In a couple of cases we've had very effective use of award types, fixed amount award, etc, that have at sub award level, proven effective for partners less experienced in working with USAID, but effective as development actors.

   All awards issued under the New Partnerships Initiative are available on our website -- including the awardee name, amount, partner category, and a description of the activity. I would encourage you to take a look at usaid.gov/npi.

   We also share information in our bi-monthly NPI newsletter on each of the new awards issued through the initiative. These updates include sharing of practices that are aligned with NPI and our A&A Strategy, but were not developed through NPI but are aligned with NPI objectives and the A&A Strategy. They reflect the shift of Agency practice in diversifying partnerships and changing how we partner, such as using co-creation and capacity development under acquisition and assistance.

8. **[RANDY] NPI:** Can USAID please describe the type of solicitations that will be released in support of the NPI for 2021?

   USAID Response: USAID has historically issued NPI solicitations as APS and Addendum to APS and has issued a few BAAs. However, NPI is not restricted to this procurement modality and missions may choose a variety of options as they move forward on their NPI action plans. USAID is encouraging the principles of NPI to be incorporated into all awards, whether or not they are a specific "NPI award." As a result, partners will see opportunities for new and underutilized partners in many of USAID's more traditional awards. Experienced partners may take on more mentoring approaches in implementing awards.

   In addition, over the past few months, all 77 of USAID's Missions completed 2-year NPI

action plans, which identified a significant number of actions that will target new and underutilized partners, mentoring awards and other new ways of working.

Stay up to date with the latest NPI information at https://www.usaid.gov/npi. Potential partners are also encouraged to continue monitoring the forecast, grants.gov and betasam.gov for future opportunities.

9. **[MARK] Co-Creation:** We noticed Missions are increasingly using co-creation phases that require substantial resources from implementing partners and their respective consortium members in advance of award. Would USAID please encourage Missions utilizing co-creation to be cognizant of resource constraints and plan with smaller groups, or hold co-creation post-award?

   USAID Response: Co-creation has to be managed, designed, and facilitated. Co-creation can involve substantial time, human capital, and financial resources, and we have encouraged both Missions and implementing partners to think strategically about whether the use of co-creation is right for them and the project. We will continue to emphasize this in messaging around the use of co-creation. In effort to obtain industry feedback for future iterations of its Co-creation Field Guide you may share your experience with AALab@usaid.gov. It really is critical for us to continue to hear from you when you have participated in a co-creation process that has worked extremely well. We want to hear from you so that we can then amplify that.

10. **[RANDY] Local Capacity Development:** What is USAID doing to ensure capacity of new and underused partners will meet USAID requirements for financial and performance management?

    USAID Response: We recognize that USAID's compliance requirements can be cumbersome, especially for new and underutilized partners. If the new and underutilized partner is a subaward recipient, we encourage the sub-awardee to work closely with the prime implementing partner for support on compliance and reporting requirements. Prime implementing partners are often the best positioned to mentor sub-award recipients on learning how and what to report to USAID.   This is one of the reasons we have emphasized sub-awards as being more strategic on how we implement. We want increasingly, for sub-award partners that are well positioned to lead a country's journey to self reliance, to be leading in the implementation of the development objectives, and to receive that technical oversight and compliance support, and capacity building from a prime award partner, often a traditional parter, that's well positioned to provide it.

11. **[RANDY] Local Capacity Development:** What areas of capacity are targeted most directly under NPI?

    USAID Response: As part of NPI and envisioned by the A&A Strategy as a whole, USAID is shifting our focus on local capacity development from a focus on the ability to receive and manage federal funding, to measuring success by the strengthened

performance of local actors and local systems in achieving and sustaining demonstrable development results. As a result, we are more focused on the outcomes of an organization's development work. In order to measure progress on this capacity front, we have developed a Capacity Building and Local Development indicator (CBLD-9) to measure improved performance. It's now on the foreign assistance framework of the State Department, and it's implemented across the Agency to support the improvement of organizational performance through capacity development. So several thousand organizations receiving capacity development assistance through programs of USAID all over the world will have the measure of their organizational performance over the coming year.

12. **[RANDY] Local Capacity Development:** Is USAID planning to provide guidance for the types of capacity building needed for NPI local partners?

    USAID Response: As USAID finalizes its Local Capacity Development Policy, implementing partners will receive updates and invites for webinars to learn more about the policy. In the meantime, implementing partners can learn more about capacity building and the CBLD-9 indicator on USAID's NPI website.

13. **[MARK] Virtual Industry Days/Co-Creation:** Does USAID intend to host virtual industry days and co-creation events in FY21?

    USAID Response: Yes, the Agency will continue to host virtual industry days through FY 2021. Co-creation is one of our Agency Priority Goals, for which we report to Agency Leadership and OMB on our progress in the use of co-creation. In addition, Co-creation is called out in our A&A Strategy and a key effort as a part of the New Partnerships Initiative.

    Please sign-up for our Industry Liaison newsletter for Agency-wide events. For events related to specific funding please pay attention to grants.gov and beta.SAM.gov. In addition, you can also look at the Agency's Business Forecast where information on co-creation is now available.