



Acquisition and Assistance Launch Transcript 03/15/2023

Paloma Adams-Allen, Deputy Administrator

Thanks, Matt, and good morning everyone. I want to extend a huge thank you to our M Bureau—specifically our colleagues in the Office of Acquisition and Assistance for all of their work to deliver on a fundamental piece of our Agency reform agenda: our new Strategy for Acquisition and Assistance.

We routinely hold events for strategy launches and policy rollouts that drive our work forward and set the tone for the entire development community to tackle the world’s biggest challenges: Strategies to mitigate and adapt to the severe effects of climate change; to promote gender equality and combat the harmful stereotypes that prevent women from leading; to build a more diverse workforce and inclusive workplace, and integrate principles of diversity, equity, inclusion, and accessibility into all of our work.

Each of these strategies envisions a USAID that partners more directly with local actors and empowers underrepresented communities. But beyond *where* we invest our resources and *who* we actually partner with, we must be willing to change *how* we partner.

The “*how*” is a major focus of our A&A team, and they have gone to extraordinary lengths to consult with current and prospective partners, and staff across the Agency, to develop a strategy that will fundamentally change how and with whom USAID does business, including by identifying barriers that prevent local actors, small businesses, the private sector, and faith-based and community groups from joining our mission.

The “*how*” often goes unnoticed. It is highly technical, behind-the-scenes work that requires legal prowess, business acumen, and a deep understanding of USAID’s development objectives. It is, at its core, the process of making and managing contracts and awards to nearly all of our partners. In fact, 85 percent of our work is implemented through A&A mechanisms. USAID’s Acquisition and Assistance is so fundamental to our ability to deliver for our partners, that it can be easy to take it for granted and to lose sight of its value.

When a devastating earthquake struck Türkiye and Syria last month, a cross-Agency team from the USAID Middle East Regional Platform, the Evaluation Division in OAA Washington,

USAID/Syria, and the Bureau for Humanitarian Assistance – acted fast to make an award to a local partner to provide emergency relief in just two days.

In the words of Amy McQuade, a Contracting Officer for our Middle East Regional Platform, “In two days, we were able to do 40 days of work.”

The result was a \$30 million cooperative agreement to the White Helmets organization. The team achieved this by splitting the program description into phases. The first phase focused only on the White Helmets’ emergency response, so the team was able to co-create the program description and budget in just two days.

The second phase, to provide capacity strengthening to the White Helmets, was intentionally left broad to allow the award to be made quickly, and will be defined in the coming months and then reflected in an award modification.

As a result of USAID’s rapid award to the White Helmets, they were able to purchase 3 ambulances and 10 emergency rescue vehicles, which were crucial to accelerating their response efforts.

The White Helmets rescued 2,953 people in the aftermath of the earthquake, an outcome made possible by local commitment and expertise, as well as nimble and responsive A&A operations on the part of USAID.

USAID’s new Acquisition and Assistance Strategy charts a bold path that incentivizes a more localized, a more equitable, and thus, more effective approach to development—like that which has been developed with the Syrian Civil Defense.

It recognizes the urgency of investing in our indispensable A&A workforce and commits us to fully utilizing their expertise and creativity to achieve truly sustainable results.

It articulates how we will open up our Agency to partners and partnerships that are not just representative of, but rooted in the communities we aim to serve by eliminating barriers that prevent nontraditional actors from joining our mission—including small businesses, the private sector, indigenous communities, and faith-based and community groups.

And importantly, it fuels our commitments to deliver assistance more equitably and efficiently by reducing paperwork burdens through enhanced automation; streamlining partner interactions, and modernizing the tools we use to provide easier access and greater transparency throughout the USAID partnership process.

Several commitments in the strategy are already underway. We have made great strides to cut unnecessary red tape and attract smaller and more local actors to our work. In November 2021, we launched the Work with USAID platform to help prospective partners navigate USAID's historically burdensome partnership process. To date, more than 3,700 entities have registered in the Partner Directory. The website has garnered almost 2 million pageviews and over 200,000 new users.

This year, we are adding new tools and features to the platform, including the translation of the pages into multiple languages to increase accessibility for non-English speakers, a Sub-Opportunities Portal for USAID prime partners to share subaward and subcontract opportunities in one central location, a Funding Opportunity Feed to provide greater transparency, and a Partnership Pathway Tool.

We are also improving our ability to reach new and underserved communities by allowing organizations to submit concept papers in their native languages and developing a support mechanism for "last-mile" translations during the pre-award process. And we are accelerating our use of simplified award mechanisms such as pay-for-results awards, setting milestones that are realistic and flexible. Already, USAID has increased our use of fixed-amount awards from \$97 million to \$141 million from FY 2021 to FY 2022.

To further reduce administrative burdens, we streamlined the process for reviewing high-value contracts, saving more than 200 hours of staff time per contract and reducing the award process by a minimum of ten days. We are saving an estimated 20,000 hours by eliminating just two optional forms from the assistance process. And we're not stopping there. We are now encouraging applicants to submit brief concept papers as the first step to competing for funding opportunities, shifting submission of the full application to a later stage. This move alone is expected to draw smaller and new applicants, while reducing the overall time spent on paperwork by more than 22,000 hours.

Burden reduction is a key component of the new A&A Strategy, but it is abundantly clear that our A&A staff are nevertheless stretched too thin to implement new priorities.

Last fiscal year, USAID's contracting officers handled a workload that vastly exceeded that of COs at other agencies: \$108 million per CO at USAID vs. \$11.6 million per CO at the Department of Defense.

As an Agency, we processed a record number of A&A obligations, with \$36.4 billion dollars obligation through more than 22,000 A&A actions—an increase of \$9.5 billion from the previous year.

That is why we are hiring new permanent Civil Service and Foreign Service Contracting Officers to help address gaps, and we are surging A&A support through short-term hiring mechanisms to crucial Bureaus, including those on the front lines of the world's biggest crises. To elevate the expertise of our local staff who lead our overseas A&A operations and to create more capacity in our teams, we are doubling the number of Foreign Service Nationals/Cooperating Country Nationals who hold administrative warrants.

The objectives of this new strategy—to strengthen the A&A workforce, to slash administrative burdens and streamline the A&A process, and to enable the Agency's localization agenda—will not only provide our colleagues with the support they so desperately need, but also help USAID become a better partner to local communities.

I encourage you all to review the strategy and think about how it can help us achieve our goals more effectively, efficiently, and equitably. And I'd urge you to review the implementation plan and provide feedback and share with our partners to do the same.

I am so impressed each day by what we are able to achieve as an Agency under considerable constraints, with resources that are dwarfed by the scale of the world's needs. This new strategy positions us to take a great leap forward toward the reforms we must embrace to be able to work with the partners we need—and I look forward to working with all of you to bring its vision to life.

With that, I'll turn it back to Matt. Thank you.

Sarah Rose, Senior Localization Advisor

Thanks so much. I'm really glad for the opportunity to join this session today and am looking forward to the discussion.

And I'm really thrilled that the A&A strategy is now live. It is critical infrastructure for the Agency's localization efforts and will underpin progress toward our localization goals. These, of course, involve a commitment to channeling a quarter of our funding directly to local actors by FY25 and, by 2030, ensuring half of our programs create space for local actors to exercise leadership over priorities, program design, implementation or measuring and evaluating results. To be clear, expanding our work with local actors isn't a new goal for USAID.

The Agency—and all of you—have been pursuing these goals in various ways for the last 10+ years—and really even longer than that. And along the way—with thanks to our partners who have shared their experiences, perspectives, and expertise—we've accumulated a lot of lessons

learned that can inform this renewed push. We know that working with partners who are new to USAID is time and staff intensive. We know that local actors continue to face a number of barriers to working with USAID. And we know that there is a role for everyone, for all of our partners, in expanding work with local actors.

The A&A strategy embraces those lessons and charts a path forward.

I want to highlight some links between the A&A Strategy and localization, but I'm going to do it out of order and talk about the third objective first—the focus on lowering barriers to engagement with USAID.

First, the strategy highlights efforts to improve equity and accessibility—through things like starting with concept notes as opposed to full-blown applications, expanding outreach opportunities in local languages, and creating more opportunities for local partners to engage in A&A processes in languages other than English.

For example, USAID/Guatemala is tailoring communications and using local and indigenous communication channels to reach new organizations with information on USAID programs and partnership opportunities. And USAID/Nepal is working on providing Nepali language resources to prospective partners and translating award materials submitted in Nepali to English.

I'd also note that while it's clear that these commitments support our first localization goal of increasing direct funding, they also support the goal of creating space for local leadership—even when local partners aren't in prime partner roles. A lot of local partners highlight the value of international intermediaries, and the A&A Strategy, with its principles of equitable partnership approaches, is relevant for these relationships, too.

As I noted above, expanding our work with local partners, many of which are new to USAID, requires new demands on USAID staff. USAID is staffing up to manage these needs, recognizing our responsibility to support all partners as they navigate USAID award requirements. But importantly, the strategy goes beyond discussions of the types of support USAID staff can offer to recognize the importance of “how” we approach these steps—how we come to the table as partners, engaging partners as equals in activity design and throughout implementation. It is this work that we do that is at the heart of localization and locally-led development.

I had the chance to visit the Southern Africa Regional Mission late last year and had the opportunity to converse with some of the local partners of the Mission who reflected that a key piece of their successful partnerships with the Agency was the open-door USAID A&A staff conveyed, and their efforts to build mutual and supportive partnerships.

The A&A Strategy commits us to have this open door. And we want to open it wider to more partners whether they are local partners, small businesses, universities, or any number of other types of partners.

So with that, thank you. Thank you for your hard work and creative thinking about how we can push forward our efforts to make our work more locally led. All of our partners are critical to the pursuit of our shared goals of sustainable, locally-led development.

Mark Walther, Senior Procurement Executive

Partners play a critical role in our work. We appreciate the continued engagement and interest in the topics around A&A. These meaningful contributions help us to better deliver on USAID's mission.

Our team went through an extensive consultative process of drafting A&A Strategy. This includes:

Over 300 members of the A&A workforce, as well as colleagues from other Bureaus including activity designers and COR/AORs.

Last year the Agency held more than 15 partner events where the key objectives of the A&A Strategy were shared and input was received from the partner community. Additionally, USAID released its first Partnering Experience Survey in October 2022. USAID collected feedback for 30 days and received more than 1,800 responses, which were used to inform the A&A Strategy's upcoming Implementation Plan.

USAID convened a group of over 50 experts from across the Agency through 2022 to jointly develop the A&A Strategy implementation plan and ensure that it reflected the operational needs of USAID Missions and Bureaus.

Colleagues across the Agency and the Partner Community will have the opportunity to give input on the implementation plan.

None of our work would be possible without partners, so it was important that the A&A Strategy also reflect the priorities we have heard from partners over the years.

We have already been implementing the A&A Strategy and making progress on localization, diversifying the partner base, and working in new ways in FY22.

Moving forward, today's conversation is the first of many around the A&A Strategy.

I highly encourage you all to read our Implementation Plan and provide feedback to our team. We will be organizing different outreach sessions with our partner associations to help us think how we can best implement the A&A Strategy.

We will be looking to you for your ideas and input, based on your experience and knowledge. We look forward to continuing our partnership with you and implementing this A&A Strategy together

Now, I'll pass it back to Matt.

Fabiola Loy, USAID/Guatemala Senior A&A Specialist

Good morning, good evening! buenos días, buenas tardes a todos!

My name is Fabiola Loy, I am a senior acquisition and assistance specialist from USAID/Guatemala I'm also a warranted local specialist and currently, I'm leading the Management council of local A&A staff.

Objective 1 includes to major results: hire and retain diverse and inclusive A&A professionals and effective and equitable capacity building and knowledge management

Objective 1 is focused on having the necessary staff with the necessary skills to perform the job. We work in almost 100 Missions across the world, and all of our staffing issues are different. There isn't a one size fits all solution to our staff crisis.

One of the first steps of implementing the A&A Strategy will be to conduct a workforce and workload analysis, to better understand how workload is distributed across Missions and Divisions and ensure that our staffing decisions enhance equity for all staff.

One thing that I would like to highlight is that the Agency is focusing on local staff. As local staff, we have the institutional memory and the local context of the activities.

For example, we understand your challenges particular to the country and we communicate with local staff and partners in the local language.

There is formal inclusion of local staff empowerment in the A&A Strategy for the first time. The updated A&A Strategy acknowledges the important role of local staff in leading as A&A experts in Missions.

Objective 1 of the A&A strategy provides opportunities to empower local staff through several important initiatives.

The warrant for local staff is an important initiative that provides A&A professionals the opportunity to support their countries by having additional contractual support. This means that in addition to the US contracting officer, some of the local staff is given the authority to sign and approve certain administrative actions such as administrative modifications and contractual approvals.

In the past local staff was not allowed to have this authority, instead, this authority was exclusive to US staff. By having additional warranted staff, we can cover the period of absence of the US Contracting Officers, provide timely responses to day-to-day administrative issues and provide better customer service.

USAID has only 35 warranted local A&A specialists out of more than 350 local A&A professionals. OAA is looking for ways to use this existing program, as well as other opportunities for local staff to take on leadership roles, to better empower A&A professionals and improve Mission A&A operations. The goal is to increase the number of local staff warrants to 38 by the end of 2023.

Being a warranted local A&A specialist is an opportunity to expedite administrative procurement actions and support the technical teams. Day-to-day contractual management absorbs a big part of the time we devote to our job, having additional warranted staff that knows the job and local context helps to make processes more efficient.

When I was hired more than 23 years ago, having the authority of signing an approval was something that I could not even imagine, even senior staff at that time had to go through the supervisory Contracting officer for every single approval.

Washington is very interested in me as a person and they are interested in using my skills and knowledge to provide better customer service and reduce the burden of our processes. I have been able to grow as an A&A professional and be able to share my knowledge by mentoring other junior staff.

Usually, when I mentor new staff my advice is to work closely with the partners, go to the field, understand the challenges implementing partners are facing, and be flexible.

I'm also glad to share that In April 2022, the OAA Management Council of local A&A staff was formed by representatives from different regions to elevate the needs and priorities of local A&A professionals and ensure our expertise is represented in decision-making.

The council serves as a communication channel between the A&A local professionals and the OAA in Washington. We are able to share the local perspective to our A&A leaders to improve A&A processes to work more efficiently with our implementing partners.

The first step in developing new partnerships starts with addressing the staffing needs of the Agency's A&A workforce. And enable the agency to rapidly respond to our development goals. We are ready to work together as an A&A community to implement the proposed activities through the A&A strategy implementation plan.

Now my colleague Alex Mavroukakis will present objective No. 2.

Alex Mavourkakis, USAID/M/OAA Division Chief

Gracias Fabi, and hello everyone, my name is Alexander Mavroukakis and I am a Division Chief and Contracting Officer in OAA/Washington supporting the Regional Bureaus, M Bureau, and the Domestic Offices of HCTM, SEC, LPA, OSDDBU, and GC and I am thrilled to be here today.

I have been in the A&A profession for over 18 years at 5 different Federal Agencies, 7 of which support International Affairs Agencies like State and USAID, but prior to joining USAID, I was an Industry Liaison supporting the Chief Procurement Officer at the US Department of Homeland Security, and if anyone knows Industry Engagement at DHS, they are one of the most forward-thinking Federal Agencies when it comes to that space. I am grateful for having come to USAID and seeing an equal level of interaction with Industry.

Today I would like to talk a little about how we are looking to implement Objective 2 as it relates to our Industry Counterparts. Our Industry partners are vital to USAID's mission success and as we focus on streamlining our A&A Processes internally, we also must look outside on how to better streamline engagement and be more strategic with Industry.

That is the importance of objective 2, strategic and streamlined A&A through the International Development life-cycle. I want to touch briefly on 4 areas of emphasis to help achieve and implement this objective with Industry.

The first is to ensure we, as USAID, maximize and most importantly provide MEANINGFUL communications with Industry throughout the A&A life-cycle. I am a huge proponent of ensuring we engage Industry as early as possible in the process with our problem statements,

things we want to buy, or to even solicit feedback. This includes leveraging tools such as Industry days and RFIs to keep Industry abreast of happenings with a potential opportunity and draft solicitations.

Maintaining two-way channels allows industry to better learn our requirements, but also receive higher quality products that address our International Development needs. I primarily manage a staff of 35 A&A professionals but have had the opportunity to work on a few activities as a lead CO. Two of those projects, HR Delivery and Transformation for HCTM, and the Central America Regional Support Services program for the missions in Central America included multiple RFIs and highly collaborative and engaging Industry Days, which has yielded quality engagement on USAID's requirements and our priorities. For CARSS as an example, that Industry Day event included 110 organizations, including 40 local organizations from the region and 31 U.S. small businesses. The event contained simultaneous translation in English and Spanish for in-person participants and over half of the sessions was fully conducted in Spanish. We even held breakout sessions facilitated by our Agency Front Office expert on localization, Sarah Rose, to further discuss how locally-led solutions could play a major role under this activity.

The second area is to ensure communications between Industry and Government remain positive and collaborative. As we have mentioned in this session, we are making significant strides in the A&A space, but we still have areas for improvement. I would like to let you in on a little secret, rarely are our offices 100% staffed. As an, my Division is currently at 85%, previously around 75% at the beginning of the calendar year, and by this summer, it may be the first time EVER, we would be at 100%. Our portfolio volumes both domestically and overseas continue to increase, yet the proportion of A&A support does not follow that trend in unison. Understand, we are trying to navigate through those realities and we are always accommodating to Industry to the greatest extent possible. However, when entities call us out on behalf of their constituents for whatever the reason, or as a way to make noise, that does not help bring down barriers between us, but actually builds them back up. In many circumstances, our A&A staff may legitimately not have additional information, may be tackling significant workload constraints, or may even not feel comfortable sharing information because we still have some folks who are unfortunately risk-averse, and more collaborative engagement is a way to continue breaking down those barriers, however, the reality is when those communications do not remain positive, that progress is reversed. Please be mindful of that and this leads to the last area, shifting the mindset.

A&A staff tend to be seen in a variety of different capacities, whether it is more administrative (or my favorite, paper pushers), or at fault when things don't go well or not enough praise when things go too well. Here are some realities, A&A professionals are mission enablers, and we always try to find a way to get the job done. We report directly to the Administrator and if it wasn't for A&A, the Agency would simply not be able to deliver on International Development objectives and priorities. We continue to be leaders in the development of integrated project

teams for requirements that foster a more collaborative approach to design and implementation and most importantly, we strive to make the process easier for our customers through burden reduction, such as exploring revisions in ADS 302 to streamline the Grants Under Contract approval process, to name just one example. But in order to do this, we need Industry's support and advocacy on this to help shift that mindset.

To close, this is only a subset of items to focus on in Objective 2, but I hope this lays the groundwork USAID continues to strive to enhance more streamlined and strategic A&A with Industry. Thank you for giving me the opportunity to share some of my experiences with all of you, and for everything, you all do to help support USAID's mission around the globe. With that, I will now turn it over to Ayana to talk a little bit about objective 3.

Over to you Ayana.

Ayana Angulo, USAID/RDMA Supervisory CO

When I started at USAID 14 years ago, I had no intention of being a CO for more than three years and was really hoping to help people in the democracy and governance space. Engagements with a small business that did not know how to engage with USAID in the Dominican Republic and helping a few first-time Jamaican partners overcome obstacles in a stalled award process changed everything for me.

As a CO I have a unique opportunity to make USAID more accessible and set a positive tone for how we engage with our partners. Over time, what keeps me motivated are two things: 1) helping the people around me thrive - those that work with me and work with our partner community and 2) helping our partners and potential partners new to USAID thrive and succeed every step of the way

I want to believe the wording in objective 3 is purposefully broader than simply giving more \$\$ directly to local organizations because localization includes internal reforms and behavior changes that place local actors in the lead, strengthen local systems, and respond to local communities.

It is easy to become focused on the targets, the workload, and the pressure associated with localization and forget our "why". Localization is needed because the development challenges that we are working on in this agency are *inherently* local and if we really want to be effective and implement solutions that don't fall apart after awards end, then local leadership over where, how, and why we collaborate has to increase.

Since 2012, I have been fortunate to support local leadership by making direct awards, building relationships with partners rooted in mutual respect and admiration, and providing guidance.

One of my most impactful memories is of our partnership with Monkey Orange Crafts in Zambia. The founding director of this organization, Michael Mwandila, worked to prevent deforestation by convincing community members in Chibombo District to stop cutting trees to make and sell charcoal and taught them to use monkey orange fruit to make products that could be sold. Before we met him, he was doing this work. We knew that to support Mr. Mwandila's small organization, we needed to structure the award in a way that compliance requirements would not distract from the organization's purpose. So, we worked with him and other local organizations to apply for the grant by first submitting a brief concept note, and then only requesting full applications from the strongest candidates. This saved resources for all the local organizations involved. Then, we structured the grant to pay Monkey Orange Crafts upon achievements of milestones that we co-created. At the beginning of the grant while waiting on his first milestone payment, he had no gasoline to get to the village and conduct the first training. He used the \$60K to purchase tools for gutting and repurposing the fruit and training community members. By the end of the one-year grant, his work was being showcased at the Lusaka National Museum. How was the 60k used? As I was transitioning out of Zambia, I stopped by Mr. Mwandila's market stall and he proudly showed me the new barcodes on some of his products now that Game (a Walmart company) approached him about selling. The members in this community now had an alternative livelihood to cutting down trees which of course yields environmental benefits.

I acknowledge that it took significant time and effort between the Econ Growth office, a third-year PeaceCorps volunteer activity manager, our OFM colleagues, and OAA to help make this happen on this scale.

Given that the resources needed to replicate this experience everywhere all the time are not available, I consider mission resource availability to be a major factor when shaping procurement strategies with my technical counterparts.

The A&A Strategy aims to institutionalize these ways of working and provide tools to facilitate this time-intensive collaboration between USAID offices.

It is challenging to advance our agency's ambitious priorities with excellence and limited resources. As a supervisor, I empower my staff to lead -- including through full use of the warrant program for the FSNs in RDMA, and this results in a better enabling environment for our partners. As USAID's new Risk Appetite Statement says, we must shift from risk avoidance toward risk management to achieve localization. For example, I do not routinely approve salary increases for contractor employees and instead review compensation plans for fairness and reasonableness once. This matters because it leaves compensation decisions in the hands of partners, who know their own staff better than USAID does, and helps advance pay equity in the partner community. We understand that working with USAID can be challenging.

To make the process easier for 1st-time applicants, USAID will sometimes provide feedback on

first-draft submissions without evaluating them so the partner can focus more on their ideas and not overcome procedural obstacles. Through our feedback, we expect to receive stronger revised applications and will evaluate those. More importantly, we are going to work hard as a USAID team to take a step back during co-creation and let organizations, both local and US-based, lead in terms of proposed solutions because you all are the experts.

Finally, I want to acknowledge that I am only one of many OAA colleagues at USAID doing their best to advance USAID's agenda in terms of diversifying our partner base.

Thank you, back to you Matt.