ADS Chapter 201

Program Cycle Operational Policy

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201.1 OVERVIEW

Effective Date: 10/28/2020

The Program Cycle is USAID's operational model for planning, delivering, assessing, and adapting development programming in a given region or country to advance U.S. foreign policy. It encompasses guidance and procedures for:

1) Making strategic decisions at the regional or country level about programmatic areas of focus and associated resources;

2) Designing supportive projects and/or activities to implement these strategic plans; and

3) Learning from performance monitoring, evaluations, and other relevant sources of information to make course corrections as needed and inform future programming.

Program Cycle implementation also facilitates USAID's compliance with many requirements of the **Government Performance and Results Modernization Act of 2010 (GPRAMA)**, the **Foreign Aid Transparency and Accountability Act of 2016 (FATAA)**, and the **Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act)**.

201.2 PRIMARY RESPONSIBILITIES

Effective Date: 08/02/2022

a. The **Administrator (A/AID)** formulates and executes U.S. foreign assistance policies and programs subject to the foreign policy guidance of the President, the Secretary of State, and the National Security Council. Under the direct authority and foreign policy guidance of the Secretary of State, A/AID serves as a principal advisor to the President and Secretary of State regarding international development and humanitarian assistance matters. The A/AID administers appropriations made available under the **Foreign Assistance Act (FAA) of 1961**, as amended, and supervises and directs overall Agency activities in the United States and abroad.

b. The **Bureau for Foreign Assistance, Department of State (State/F)** leads the coordination of U.S. foreign assistance. It advances U.S. national security and development objectives by strategically managing State and USAID foreign assistance resources; leading and coordinating policy, planning, and performance management efforts; promoting evidence-informed decision-making; and directing State and USAID foreign assistance resources.

c. **Operating Units (OUs)** implement foreign assistance programs with funding from relevant foreign assistance accounts. OUs include USAID Missions and

USAID/Washington (USAID/W) Bureaus and Independent Offices (B/IOs) that expend program funds to implement activities to achieve foreign development objectives.

d. **Bilateral Missions** serve as the focal point for USAID's Program Cycle in the countries in which they operate. In collaboration with USAID Regional and Pillar Bureaus and the Department of State, USAID Missions are responsible for the design and management of development programs. This includes monitoring programs and financial performance and routinely reporting on results.

- Mission Program Offices play a leadership role in Program Cycle implementation under the direction of the Mission Director. This includes facilitating cross-team collaboration to ensure that multiple perspectives are brought to the planning and design process, and that all relevant actors in the Mission fulfill their implementation, management, and reporting responsibilities.

- Mission Technical Offices provide technical leadership in Program Cycle implementation under the direction of the Mission Director.

e. **Regional Missions/Regional Platforms** manage regional programs and, in some instances, provide USAID Missions with administrative support services—such as legal, financial management, executive management, and procurement—as well as limited, specialized technical assistance and/or program assistance when client Missions have limited full-time equivalent staff capacity.

f. The **Bureau for Policy, Planning and Learning (PPL)** is responsible for ADS Chapters 200 and 201 and, as needed, provides interpretation of the language in these chapters in collaboration with the Office of the General Counsel.

g. The **Bureau for Policy, Planning and Learning, Office of the Assistant to the Administrator (PPL/AtA)** provides internal and external leadership on USAID's development Mission by shaping Agency and United States Government (USG) development policy and promoting good practice.

h. The **Bureau for Policy, Planning and Learning, Office of Policy (PPL/P):**

- Leads the Agency in a collaborative process of articulating development policy and producing policy documents per **ADS 200, Development Policy** to guide programming decisions;

- Informs external audiences about Agency direction;

- Inserts development perspectives into foreign and national security policy formulation; and

- Represents USAID within the development community.

i. The **Bureau for Policy, Planning and Learning, Office of Strategic and Program Planning (PPL/SPP)** establishes and oversees the implementation of Program Cycle policies and procedures for USAID Missions and, as relevant, Washington OUs, for designing, implementing, assessing, and adjusting country strategies, projects, and activities based on the best available information to achieve and sustain results. SPP builds Agency capacity in strategic planning, and project and activity design and implementation, through the provision of targeted trainings, tools, technical assistance, and the facilitation of peer-to-peer learning, all in coordination with the Office of Human Capital and Talent Management and other Agency stakeholders.

j. The **Bureau for Policy, Planning and Learning, Office of Learning, Evaluation, and Research (PPL/LER)** catalyzes USAID's transformation into an effective learning organization by strengthening the integration of monitoring; evaluation; and Collaborating, Learning, and Adapting (CLA) throughout the Program Cycle. LER supports the implementation of relevant legislation and Agency policies, and builds the Agency's capacity in monitoring, evaluation, and CLA by providing training and technical assistance, developing policy and guidance, and leading communities of practice around established and emerging approaches. USAID's Agency Evaluation Officer and Agency Knowledge Management and Organizational Learning Officer are both located in LER. The Office provides a focal point for partnership on these topics, including with implementing partners, domestic and international agencies and donors, non-governmental organizations, foundations, academic institutions, multilateral organizations, and local governments or organizations in the countries where USAID works. PPL/LER supports implementation of **FATAA, GPRAMA** and Title 1 of the **Evidence Act**. This includes, among other actions, ensuring that Agency policies reflect the legislative requirements for monitoring, evaluation and learning, and managing the Agency Learning Agenda, Agency Evaluation Plan, and Capacity Assessment for Statistics, Evaluation, Research, and Analysis.

k. The **Bureau for Policy, Planning, and Learning, Office of Development Cooperation (PPL/ODC)** leads Agency efforts in mobilizing collective action that promote USG foreign assistance priorities in the international arena. PPL/ODC advocates and builds key relationships by strategically engaging in major multilateral, bilateral, and international fora.

l. **Regional Bureaus** serve as the main link between Washington OUs and the field. They are the primary point of contact with State/F, other USG agencies, international donors, and multilateral organizations regarding foreign assistance policy, budget, and programmatic issues pertaining to the region. Regional Bureaus are responsible for influencing/providing input on foreign assistance policy and budget decisions based on regional and country expertise and analyses. They work in tandem with State/F, the relevant State Regional Bureau, the Office of Budget and Resource Management, and USAID Missions to build, justify, and implement foreign assistance budgets. As part of this process, Regional Bureaus articulate foreign assistance

programmatic and funding priorities for countries and cross-border programs in the region and represent USAID Mission perspectives on budget priorities. Regional Bureaus provide technical guidance and support for their respective field Missions in strategic planning, the design of projects and activities, monitoring, evaluation, and CLA. This includes engaging with PPL and Pillar Bureaus to ensure consistent application of the Program Cycle and to coordinate the provision of technical assistance. Regional Bureaus may also manage central mechanisms to support Program Cycle implementation.

m. Pillar or Technical Bureaus provide technical leadership for the Agency. They disseminate knowledge on recent advances and innovations in their respective technical fields to help the Agency make evidence-based and strategic choices; this includes maintaining strategic relationships with public and private actors in their areas of technical expertise. Pillar Bureaus play an important role in promoting new approaches, adaptations, and country-specific approaches based on learning from research and implementation experience. Pillar Bureaus provide technical guidance and support for strategic planning, project, and activity design; and monitoring, evaluation, and CLA. This encompasses the provision of field support for research, data collection for routine assessments, and monitoring. Pillar Bureaus also manage central mechanisms that support the design, implementation, and evaluation of field projects and activities, as well as mechanisms that support the implementation of sector strategies and the achievement of sector goals.

n. The **Bureau for Management (M)** provides centralized management support services for the Agency and ensures that core systems related to operational expense budgets, financial accounting and management, acquisition and assistance (A&A), and information management are adequately integrated and support programming processes. The Assistant Administrator of the M Bureau represents the Agency before the Office of Management and Budget (OMB), other Federal agencies, Congress, and the public on matters pertaining to program and management operations.

o. USAID's Chief Financial Officer (CFO) and the **Bureau for Management, Office of the Chief Financial Officer (M/CFO)** oversee financial management activities relating to programs and operations; ensure the compilation of financial data to enable effective performance measurement and management decision-making; and provide leadership and direction in financial management and play specific roles in the analysis, planning, and design of government-to-government (G2G) programs (see **ADS 220, Strengthening the Capacity of Partner Governments Through Government-to-Government (G2G) Assistance**).

p. USAID's Chief Information Officer (CIO) and the **Bureau for Management, Office of the Chief Information Officer (M/CIO)** offer advice on strategies to leverage information technology for use in development programming. M/CIO provides oversight and approves all information technology investments within Agency operations. For more information, see **ADS 509, Management and Oversight of Agency Information**

Technology Resources. For roles and responsibilities related to data management and USAID's open data policy, see **ADS 579, USAID Development Data**.

q. The **Bureau for Management, Office of Management Policy, Budget and Performance (M/MPBP)** serves as the central unit for the planning and implementation of the Agency's Operating Expense (OE) budget; the formulation of management policy; the monitoring and evaluation of management performance, compliance with and oversight of the USAID suspension and debarment program; and administrative support services.

r. The **Bureau for Management, Office of Management Services, Overseas Management Division (M/MS/OMD)** supports the management functions that underpin USAID's field offices and are generally managed by Backstop 03, Executive Officers.

s. The **Bureau for Management, Office of Acquisition and Assistance (M/OAA)** provides primary leadership in communicating and advising how the Agency can leverage its broad range of acquisition and assistance (A&A) instruments to achieve Program Cycle outcomes. M/OAA also develops, issues, and maintains the Agency's A&A regulations, policies, procedures, and standards, in accordance with statutory and Federal regulations and Agency delegations and requirements, and administers the Agency's A&A Plan.

t. The **Office of Budget and Resource Management (BRM)** serves as USAID's central, corporate-level budget office. BRM guides the Agency's allocation of program funds in accordance with Agency-wide, sector specific, and/or Mission strategic plan priorities and facilitates the timely allotment and programming of program funds for implementation. BRM leads Agency-wide resource planning and program budget processes associated with the development of Country Development Cooperation Strategies (CDCSs), Regional Development Cooperation Strategies (RDCSs), Foreign Assistance Operational Plans (OPs), Bureau and Mission Resource Requests (BRR/MRRs), the annual funding report required under Section 653(a) of the Foreign Assistance Act of 1961 (FAA), as amended, and other critical steps in the budget process.

u. The **Office of the General Counsel (GC)** and **Resident Legal Officers (RLOs)** provide legal counsel and advice on a broad range of matters related to Program Cycle planning and implementation, including those relating to statutory requirements, source and nationality and other types of waivers, and use of partner country systems. GC and RLOs:

- Guide planning and design teams on ensuring compliance with relevant policies and statutes;
- Guide the process of negotiating accords with other development actors; and

- Review and provide feedback on all documentation for agreements signed by the Agency Administrator, Assistant Administrators, Mission Directors, and others authorized to sign on their behalf.

v. The **Office of the Inspector General (OIG)** reviews the integrity of operations for USAID, the Millennium Challenge Corporation, the African Development Foundation, the Overseas Private Investment Corporation, and the Inter-American Foundation through audits, investigations, and inspections. OIG conducts and supervises audits and investigations of these organizations' programs and operations and recommends policies designed to promote economy, efficiency, and effectiveness, and to prevent and detect fraud and abuse. OIG provides a means for keeping the head of each respective organization and Congress fully and currently informed about problems and deficiencies relating to the administration of the organization's activities and the necessity for and progress of corrective action.

w. The **Office of Human Capital and Talent Management (HCTM)** provides leadership and direction in defining and managing USAID workforce planning processes, which includes recruiting staff that directly and indirectly support implementation of the Program Cycle. In coordination with PPL, HCTM designs and implements training to build the knowledge and skills of Agency staff to implement the Program Cycle.

x. The **Bureau for Development, Democracy, and Innovation (DDI)** supports the Agency in using science, technology, innovation, and partnerships to achieve the development results identified in country or sector strategies. DDI also generates new ideas and additional funding from outside sources to implement new approaches, often in collaboration with other development actors, including the U.S. Development Corporation (DFC).

201.3 POLICY DIRECTIVES AND REQUIRED PROCEDURES

Effective Date: 09/07/2016

This ADS chapter provides the policies, statutory requirements, and procedures for USAID's Program Cycle. It applies in its entirety to all field-based OUs, including Missions, Country Offices, and regional platforms, hereinafter collectively referred to as "Missions." The parts of this chapter that apply to Washington-based OUs are explicitly noted in each section. However, much of the guidance and many of the good practices in the chapter are relevant to Washington OUs, and they should adopt them whenever feasible.

The mandatory procedures in this chapter are identified by the words "must" or "required." Non-mandatory procedures represent best practices. These procedures are identified by the words "should," "recommend," "may," or other clear designation. USAID Missions do not have to document deviations from non-mandatory procedures;

however, they might wish to do so for purposes of Agency learning and to ensure continuity during staff transitions.

Mandatory References contain both mandatory and non-mandatory procedures and important details that do not appear in the core chapter. If a reference includes any mandatory language, it must be termed a “Mandatory Reference.” References that do not include mandatory language, but rather provide additional information about a given topic, are termed “Additional Help.”

201.3.1 The Program Cycle

Effective Date: 09/07/2016

The Program Cycle is USAID’s operational model for planning, delivering, assessing, and adapting development programming in a given region or country to advance U.S. foreign and economic policy.

201.3.1.1 Relationship to Development Policy

Effective Date: 12/23/2019

The Program Cycle provides the means through which USAID operationalizes development policy, as described in **ADS 200, Development Policy**.

Internal USAID policies, strategies, and vision papers articulate the Agency’s approaches to complex development challenges. The Agency’s development policy is grounded in broad U.S. Government foreign policy, economic and development priorities, and reflects commitments to international accords. It comprises required and recommended practices and approaches for international development assistance broadly and in specific fields. The Agency’s policies, strategies, and vision papers aim to ensure policy coherence, quality, and technical rigor to support evidence-based decision-making and enhance the impact of all USAID development programs. A list of the Agency’s current policies, strategies, and vision papers appears in the **Policy Registry database**.

The Program Cycle allows the Agency to advance U.S. foreign policy, economic, and development priorities in the countries and regions in which it works, while tailoring programs to the local country context to produce sustainable results.

201.3.1.2 Program Cycle Principles

Effective Date: 08/02/2022

USAID uses the Program Cycle to ensure that its policies, strategies, allocations of human and financial resources, budget requests, and award management practices are evidence-based and advance the Agency’s development objectives. The Program Cycle includes the process for developing RDCSs or CDCSs, as well as processes governing

the design of projects and activities and their subsequent implementation. Threaded throughout the Program Cycle is a systematic focus on monitoring, evaluation, and Collaborating, Learning, and Adapting (CLA) to assess implementation progress, make decisions, and inform course corrections as needed (including to the adjustment of non-performing awards).

The following principles serve as the foundation for the successful implementation of the Program Cycle:

A. Apply Analytic Rigor to Support Evidence-Based Decision-Making

USAID's decisions about where and how to invest foreign assistance resources must be based on analyses and conclusions supported by evidence. "Analysis" refers to formal assessments, evaluations, and studies conducted by USAID or other development actors to build and use evidence to promote efficient, equitable, effective, cost-effective, and high-quality development programs. It also includes structured thinking based on experiences, insights, and internalized knowledge, as well as consultations with key stakeholders, including beneficiaries. The level of rigor and depth of analysis will depend on the information needed at key decision points, as well as the availability of resources, both financial and human, to conduct new analysis, while recognizing that it is not always possible to have complete or perfect information. When USAID needs information on whether an intervention is achieving a specific outcome, the Agency prefers the use of impact evaluations. Adequate planning and budgeting can help to ensure the timeliness and relevance of information. In addition to mandatory analyses required at relevant phases of the Program Cycle, a range of analytic tools are available to support decision-making in a given country context.

B. Manage Adaptively through Continuous Learning

Facilitating international development inherently requires that USAID work in countries with evolving political and economic contexts. USAID is increasingly working in countries that are unstable or in transition. Yet even in the most stable environments, it is difficult to reliably predict how events or circumstances will evolve and impact programs. Therefore, USAID must be able to adapt programs in response to changes in the context and new information as it emerges. To do this, the Agency must create an enabling environment that encourages the design of more flexible programs, promotes intentional learning, minimizes obstacles to modifying programs, and creates incentives for learning and adaptive management. Learning can take place through a range of processes and use a variety of sources, such as monitoring data, evaluation findings, research findings, analyses, lessons from implementation, and observation.

C. Promote Sustainability through Local Implementation and Financing

The sustainability and long-term success of development assistance ultimately requires local financing and the strengthening of local systems to produce outcomes at the

regional, national, sub-national, or community levels, as appropriate. USAID should seek out and respond to the priorities and perspectives of local stakeholders, including partner country governments, beneficiaries, civil society (including faith-based organizations), the private sector, multilateral organizations, regional institutions, and academia. These processes should be inclusive of poor, marginalized populations, religious and ethnic minorities, and women and girls. USAID's assistance should align with the priorities of local actors; leverage local resources; and increase local implementation to sustain results over time.

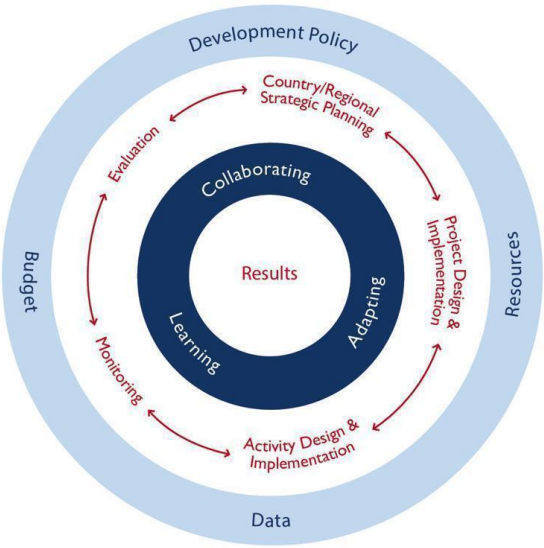
D. Use a Range of Approaches to Achieve Results

The Program Cycle provides the framework for USAID to consider a range of approaches to address specific development challenges in a given country context. The development community has experimented with diverse approaches in recent years, including solutions driven by science, technology, innovation, and private capital. In addition, new partnerships and commitments with developing country governments, the private sector, universities, civil society, faith-based organizations, multilateral organizations, regional institutions, and other donors provide new tactics for planning, achieving, and measuring development outcomes. It is important to consider a range of options to select the most appropriate means for achieving the desired results, matched to the context, needs, and resources available to carry them out.

201.3.1.3 Program Cycle Components

Effective Date: 08/02/2022

The diagram below graphically represents the Program Cycle and illustrates the interconnected and mutually reinforcing nature of its individual components. The Program Cycle systemically links all aspects of development programming and integrates them through Collaborating, Learning, and Adapting (CLA). The Program Cycle is neither linear nor sequential; Missions are often engaged in the various components simultaneously.



USAID uses practices in strategic planning, project and activity design and implementation, monitoring, evaluation, and CLA to achieve better development outcomes, and continuously improve as a learning organization that builds and uses evidence to inform decisions.

The components of the Program Cycle contribute to the following:

1) Accountability to stakeholders (including program beneficiaries, local partners, the U.S. Congress, and U.S. taxpayers) for achieving results: Accountability includes defining objectives and results; managing risk; understanding and transparently reporting results; and continuously learning and using evidence to inform planning, implementation, and adaptive management to achieve better development outcomes.

2) Learning and adapting to improve the achievement of development outcomes: Learning includes analyzing a wide variety of information sources and knowledge, including evaluation findings, monitoring data, research, analyses conducted by USAID or others, and experiential knowledge of staff and development actors, and adapting as needed to improve the achievement of development outcomes.

3) USAID's ability to build and use evidence to effectively accomplish its mission and goals: This includes defining a theory of change based on evidence to achieve country-level strategic development objectives and project and activity results.

While the Program Cycle components are presented in separate sections throughout **ADS 201**, they are interdependent. All Program Cycle processes should:

- Consider how best to support the achievement of sustainable results, including by engaging local stakeholders; aligning with local priorities; using and strengthening local systems; and building local capacity and commitment;

- Be grounded in development hypotheses and/or theories of change, and be designed to fill knowledge and evidence gaps related to the theory of change, program performance, and/or the operating context; and

- Be mutually reinforcing.

A. Country and Regional Strategic Planning

Strategic planning is the process through which USAID determines the best strategic approach in a given country or region based on the U.S. Government's foreign policy and economic priorities, individual country or regional priorities, and USAID's comparative advantage and available foreign assistance resources, among other factors. This process results in a Country or Regional Development Cooperation Strategy (CDCS or RDCS). The CDCS/RDCS defines the highest-order Goal and Development Objectives (DOs) (or, in the case of an RDCS, Regional Development Objectives [RDOs]) that each Mission, in collaboration with its development partners, will work to address during the strategy period. In addition, the CDCS describes the Mission's theory of change or "development hypothesis" regarding how, why, and under what conditions the Mission believes—based on the given parameters and best available information—that it will be successful in advancing identified DOs/RDOs. At the center of the CDCS is a Results Framework, a type of logic model that provides a summary of the development hypothesis and illustrates the key results that the Mission expects to achieve. The process of developing a CDCS/RDCS is just as important as the product itself. The process also affords an important opportunity for Washington OUs to align their efforts with each Mission's objectives, wherever possible (see **ADS 201man**).

B. Project Design and Implementation

A project is an optional framework to ensure that activities are designed and managed in a coordinated way to advance identified result(s) set forth in a CDCS. Through a project approach, Missions can create synergies among complementary activities that generate higher-level results than would be possible to achieve through the sum of their individual performances. In addition, Missions can more strategically leverage the wide range of partnering approaches or mechanisms at the Agency's disposal to strengthen local actors and systems for greater sustainability. During the project design process, Missions define project boundaries, a high-level theory of change, and an adaptable plan for implementation. This process results in a short Project Development Document

(PDD). During project implementation, USAID staff work collaboratively alongside implementing partners to ensure that activities, taken together, achieve intended results and adapt as needed through continuous learning.

C. Activity Design and Implementation

Activity design refers to the process by which USAID determines how to advance intended result(s) in a given country or region through a given type of implementing mechanism. In Missions, activities should contribute to development result(s) set forth in their CDCS and the relevant PDD, where applicable. “Activities” range from contracts or cooperative agreements with international or local organizations, to direct agreements with partner governments, to partial credit guarantees that mobilize private capital, among other examples. Activities also include buy-ins under global agreements (*e.g.,* Field Support agreements) that generate programmatic results. USAID often complements activities with actions undertaken directly by USAID staff, such as policy dialogue, stakeholder coordination, or capacity building. During activity implementation, USAID staff provide technical direction for, and administrative oversight of, legal agreements and, in some cases, carry out activities directly. They also monitor, evaluate, and learn from implementation to track progress, make decisions, and inform course corrections as needed.

D. Monitoring

Monitoring is the ongoing and systematic tracking of information relevant to USAID’s strategies, projects, and activities. Information derived from monitoring serves two important functions:

1) Monitoring data gathered during implementation support learning and adaptive management. When relevant and high-quality monitoring data are available to aid in analysis, complement and reinforce evaluation, and inform decisions during implementation, USAID is better able to adapt in a timely way to ensure that strategies, projects, and activities contribute to intended result.

2) Monitoring data are the backbone of the accountability structure at USAID. These data provide the public with information on the progress USAID is making; and Washington and other external stakeholders with information (through the Performance Plan and Report and other reporting processes) needed to inform decision-making.

E. Evaluation

Evaluation is the systematic collection and analysis of information about strategies, projects, and activities as a basis for judgments to improve or inform decisions about programming. Evaluation also has a two-fold purpose: 1) ensuring accountability to stakeholders; and 2) learning to improve development outcomes. Timely, high-quality

evaluation supports adaptive management and complements programmatic monitoring by generating evidence on what is working and what is not. USAID evaluations should use the highest level of rigor appropriate to the evaluation question. When USAID needs information on whether a specific outcome is attributed to and achieved by a specific intervention, the Agency prefers the use of impact evaluations.

F. Collaborating, Learning, and Adapting (CLA)

CLA is USAID's approach to organizational learning and adaptive management. Strategic collaboration among a wide range of internal and external stakeholders, continuous learning, and adaptive management connect all components of the Program Cycle and play an integral role in ensuring that USAID resources support local and U.S. priorities. Sources for learning include data and information from monitoring, portfolio reviews, research findings, evaluations, analyses, knowledge gained from experience, and other sources. These sources may be used to develop plans, implement projects, manage adaptively, and contribute to USAID's knowledge base to improve development outcomes. CLA helps ensure that USAID coordinates its investments with other development actors, grounds them in evidence, and adjusts them as necessary throughout implementation.

G. Budgets and Resources

Budgets should reflect policy decisions and the prioritization of resources to achieve USAID objectives. Budgetary projections, both program-wide and sector-specific, should reflect the Agency's strategic planning process. When developing a CDCS, Missions should also consider centrally-managed funds by Washington OUs, including humanitarian assistance and transition initiatives, and non-appropriated resources, including leveraged funding, other donor assistance, and in-kind contributions.

H. Data Management

Data management refers to the practices that USAID staff and implementing partners use to treat data as a strategic asset and ensure that timely and high-quality monitoring, evaluation, research, and other data generated or acquired during an activity are available and ready for analyses; accessible and usable for learning and adaptation (both now and in the future); sharable for accountability and transparency; and that the sharing and use of data come with strong privacy and security protections. OUs should account for planning, budgeting, resourcing, and other mechanisms needed to acquire, store, analyze, share, and use data responsibly to inform decisions related to USAID strategies, projects, and activities. OUs should include procedures for delivering USAID-funded data and information to the Agency per award guidelines and Agency policies (see **ADS 579, USAID Development Data** for further guidance).

201.3.1.4 Program Cycle Management and Implementation

Effective Date: 09/21/2021

Missions must define clear responsibilities and delegations of authority that support Program Cycle implementation. The structure and organization at individual Missions will vary depending on the overall size and complexity of their programs, their staffing patterns, and their country context; they may also evolve over time. Missions should consider how best to streamline internal processes and procedures and strengthen their structure, operations, and staff competencies while leveraging existing capacity, particularly that of Cooperating Country National (CCN) and Foreign Service National (FSN) staff.

201.3.1.5 Waivers and Exemptions

Effective Date: 09/21/2021

Information on waivers and exemptions related to specific Program Cycle policies and procedures, such as waivers and exemptions of the process for developing a CDCS or activity design, appear in the relevant sections of this chapter.

201.3.1.6 Contingency Operations

Effective Date: 06/11/2019

Missions operating in areas of overseas contingency operations (generally defined with reference to **10 U.S. Code (USC) 101(a)(13)**, *e.g.,* when there is armed conflict that involves American armed forces) are subject to a number of special requirements. These requirements focus on three areas: 1) assessments of necessity and sustainability with regard to certain capital assistance projects, 2) requirements on the funding and use of private security contractors, and 3) special contract risk assessments and risk mitigation plans. For a comprehensive discussion of these requirements and when they are applicable, see **ADS 201maj, Contingency Operations**.

201.3.1.7 Key Considerations for Programming in Politically Sensitive Countries

Effective Date: 09/21/2021

OUs that manage non-humanitarian programming in designated “politically sensitive” countries must assess such programming against a set of “key considerations” to ensure that the unique risks inherent to these contexts are appropriately managed. These “key considerations” reviews must take place, at minimum, during project or activity design, and during implementation, as appropriate. In addition, these reviews must take place under the guidance and oversight of the cognizant Regional Bureau.

Assistant Administrators (AAs) in the Regional Bureau are responsible for determining which countries within their respective region are “politically sensitive countries” that merit a “key considerations” review. USAID defines a “politically sensitive country” as a country in which the government:

- Is politically repressive; and

- Has explicitly rejected USAID assistance, or has such an adverse relationship with the United States that the Agency cannot work or cooperate with the government on development assistance.

Politically sensitive countries may or may not be countries in which USAID has Direct-Hire field presence. However, the risk profile is typically heightened in non-presence countries.

See **ADS 201may, Key Considerations for Programming in Politically Sensitive Countries** for additional guidance.

201.3.1.8 Legal Requirements on the Use of Funds

Effective Date: 10/28/2020

USAID's funds are subject to numerous legal requirements on their use. The Agency should document compliance with these requirements prior to the obligation of funds, whether an initial obligation associated with a new agreement or an incremental funding obligation thereafter.

In most cases, the OU that obligates the funds is the party responsible for addressing and documenting compliance with legal requirements. However, for field buy-ins into Washington agreements (*e.g.,* transfers under Field Support agreements), the Mission is often responsible for some or all of their documentation (see section **201.3.4.5(b)**).

For Missions that obligate funds into Development Objective Agreements (DOAGs), GC/RLO may approve a deferral of certain requirements to the sub-obligation stage (see section **201.3.2.19** for additional guidance on DOAGs, and **ADS 201mad, Summary Checklist of the Legal Requirements for Obligating Funds into a Development Objective Assistance Agreement**).

The General Counsel's Office produces annual Country and Activity Checklists (also known as Country- and Activity-Level Statutory Reviews) to assist OUs in ensuring compliance with legal requirements (see **ADS 200sbs** for the most recent statutory checklist). OUs should work with their RLOs or Points of Contact (POCs) in GC on questions related to these requirements, and at what stage in planning and implementation they should address them. Because these checklists do not include every country prohibition or restriction, OUs should consult their RLO/GC POCs to determine if there are additional country-specific or activity-specific prohibitions or "notwithstanding" authorities.

- Country-Level Statutory Review (Country Checklist): Cognizant Bureau Desk Officers complete annual Country Checklists, with clearance from GC and the

Department of State. Missions and Washington OUs must review, and keep on file, the Country Checklist(s) that correspond to the fiscal year(s) in which funds were appropriated prior to the obligation of funds, as well as prior to sub-obligation, where applicable. Because restrictions on assistance to a country that affect prior-year funds may be triggered in subsequent years, OUs should also review the most current Country Checklist. If answers to the current Country Checklist change during the fiscal year—for example, if a restriction is triggered after clearance of the checklist—the RLO or GC POC may request changes to the answer in the cleared checklist.

- Activity-Level Statutory Review (Activity Checklist): Missions and Washington OUs complete Activity Checklist(s) that correspond to the fiscal year(s) in which funds were appropriated prior to the obligation of funds. They should also complete or review them prior to sub-obligation, where applicable. It is crucial that USAID staff with close knowledge of the activity complete/review the checklists. In the case of activities funded incrementally in more than one fiscal year, OUs should review the Activity Checklist before subsequent increments of funding in future fiscal years to ensure compliance with any new or different requirements that could apply to those fiscal year funds.

201.3.2 Strategic Planning and Implementation

Effective Date: 08/02/2022

Strategic planning is the process by which USAID determines the best strategic approach to foster or accelerate development progress in a given country or region. This process requires that USAID consider trade-offs and make difficult choices based on a rigorous analysis of national or regional needs and priorities, U.S. Government policy imperatives, foreign assistance resources, and USAID's comparative advantage. Strategic planning is essential in all the contexts in which USAID works—from relatively stable countries to those that are constantly in flux. A thoughtful, evidence-based approach to prioritizing and utilizing available funding and resources (from all sources), staff, and convening power, is necessary for successful development in any context.

The strategic planning process culminates in a CDCS or RDCS (hereinafter collectively referred to as "CDCS" unless otherwise specified). The process of developing a CDCS is just as important as the product itself. Internally, the process provides an opportunity for staff to consider current resource and policy parameters; review lessons from data from monitoring and evaluation, implementation experience, site visits, third-party development data sources, and other sources of evidence; explore different hypotheses about how change is expected to unfold; and promote shared buy-in around the final approach. Externally, the process creates a forum for Missions to understand the views and perspectives of local partners and others in the development community and explore ways in which to complement and/or leverage their efforts for greater sustainability of results.

The CDCS defines the highest-order Goal and Development Objectives (DOs) (or, in the case of an RDCS, Regional Development Objectives [RDOs]) that the Mission, in collaboration with its development partners, will address during the strategy period. It also describes the Mission's theory of change or "development hypothesis" regarding how and why, and under what conditions, the Mission believes—based on the given parameters and best available information—that it will be successful in advancing these objectives. At the center of the CDCS is a Results Framework, a type of logic model that provides a summary snapshot of the development hypothesis by illustrating the key results that the Mission expects to achieve and the major ways it expects these changes to unfold.

The CDCS is not a rigid blueprint for change; it is an organizing framework to facilitate an ongoing process of monitoring, evaluation, learning, and adapting in support of its strategic objectives. During CDCS implementation, Missions should work with and through local partners to support them in leading their own change, facilitate collaborative learning both inside and outside the Mission, monitor the country or regional context, assess the validity of the CDCS' overall development hypothesis, and make iterative adjustments, as necessary.

201.3.2.1 Functions of the Country Development Cooperation Strategy (CDCS)

Effective Date: 09/21/2021

The CDCS that results from the strategic planning process has several functions:

1) It translates goals outlined in the **National Security Strategy (NSS)**; the **State-USAID Joint Strategic Plan (JSP)**; **State-USAID Joint Regional Strategies (JRSs)**; and other Administration and Agency strategies and policies relevant for the Mission context. It also serves as the development foundation for the **State-USAID Integrated Country Strategy (ICS)**.

2) It provides a guide for the subsequent design of projects and/or activities to operationalize specific results in the CDCS. It also affords an important opportunity for Washington OUs and USAID's Regional Missions to align their field-based activities with CDCSs wherever feasible and appropriate, as encouraged in section **201.3.4.3**.

3) It serves as a frame of reference for the annual Congressional Budget Justification (CBJ), the Operational Plan (OP), and the Performance Plan and Report (PPR) that is required under Section 653(a) of the FAA, as amended.

4) It provides a communications device to tell stakeholders, including the U.S. Government interagency, partner governments, the development community, local partners, the private sector, and others, about a Mission's goal and objectives.

5) It promotes the principles of aid effectiveness, including local financing and stewardship, alignment with partner country development priorities, harmonization with other donors, and mutual accountability.

6) It provides an organizing framework for the Mission-wide Performance Management Plan (PMP), and collaborating, learning, and adapting that occurs throughout activity implementation (see section **201.3.2.15** on the PMP).

201.3.2.2 Mission and Washington OU Roles in CDCS Development

Effective Date: 08/02/2022

CDCS development is an Agency- and Mission-wide effort led by Mission Directors. The following roles are critical:

- Missions: During the CDCS development process, Missions collaborate with USAID/Washington to set overarching priorities and sectoral focus; assess the most pertinent third-party development data and analysis; engage with local stakeholders; conduct mandatory analyses; examine other sources of evidence or information as relevant; apply findings to develop proposed approaches; prepare, submit, and/or present required deliverables in each phase of the CDCS development process; and develop the full CDCS. During CDCS implementation, Missions develop a PMP to track and assess performance; negotiate and execute DOAGs with partner governments (as relevant); work with the Country Team at the relevant U.S. Embassy to reflect CDCS DOs in the interagency ICS; design and implement projects and/or activities that support the CDCS; use CDCS objectives as the basis for planning, budgeting, and reporting processes; monitor and evaluate CDCS implementation; periodically revalidate the CDCS' strategic approach through strategy-level portfolio reviews, the mid-course stocktaking, and other learning activities; and amend and/or update the CDCS and associated PMP as necessary.

- PPL: PPL develops Agency-wide policies, procedures, and guidance related to the CDCS and associated processes connected to the Program Cycle; provides oversight of the CDCS development process and its subsequent implementation; mediates disagreements between Regional and Pillar Bureaus during the CDCS process as necessary; and supports Missions with technical assistance on CDCS development and implementation. PPL also clears the Summary of Conclusions memorandum at the end of Phase One and Phase Two of the CDCS process. In addition, the AtA for PPL co-approves the initial CDCS and any amendments or extensions over six months, along with the relevant Regional Bureau AA.

- Regional Bureaus: Regional Bureaus provide guidance to Missions on policies, regional and country priorities, and other regional issues, and support Missions with technical assistance on CDCS development and implementation. As the primary interlocutor between Washington OUs and the field, Regional Bureaus

also provide essential support to Missions to facilitate engagement with stakeholders and Washington OUs throughout the CDCS development process and are the conduits for feedback to Missions regarding their proposed strategic plans. Regional Bureaus draft the Summary of Conclusions memorandum at the end of Phase One and Phase Two of the CDCS process. In addition, Regional Bureau AAs co-approve the initial CDCS and any amendments or extensions over six months, along with the AtA for PPL.

- Pillar Bureaus: Pillar Bureaus provide technical leadership, ensure the implementation of Agency-wide sectoral strategies and initiatives, and provide technical assistance to Missions, as requested, in support of the functions outlined in this section, including for assessments and the collection of other evidence needed to develop the CDCS. Pillar Bureaus provide critical input and clearance on CDCS development parameters and clear subsequent CDCS deliverables, as relevant and appropriate. To the greatest extent possible, Pillar Bureaus also align their centrally-managed programs with priorities and needs in approved CDCSs.

- BRM: BRM guides the resource planning aspects of the CDCS process, including providing parameters at the beginning of the process to inform the Mission's budget scenarios, providing historical data and analysis on budget trends, and addressing any budgetary questions or concerns during each phase of the CDCS development process. BRM also clears all Summaries of Conclusions during the process that include budget information, in addition to the CDCS itself.

- U.S. Department of State Office of Foreign Assistance Resources (State/F): State/F leads interagency strategic planning for the implementation of foreign assistance, including through the State/USAID Joint Strategic Plan and State/USAID Joint Regional Strategies. At the country level, State/F guides the development of the ICS, a multi-year, overarching strategy that encapsulates the U.S. Government's policy priorities and objectives, and the means for achieving them.

- Bureau for Management (M): M serves as an advisor on business processes, public financial management, risk, and procurement, and works with Missions, as requested, to ensure the appropriate incorporation of issues into each CDCS. In conjunction with Regional Bureaus, M Bureau provides parameters for, and feedback on, a Mission's proposed use of Operating Expense (OE) funds. M Bureau also provides substantive feedback on the Management Resources and Structure section of the full CDCS during Phase Three of the CDCS process (see **ADS 101.3.1.6** for further detail on M).

- Office of Human Capital and Talent Management (HCTM): HCTM provides parameters for, and feedback on, a Mission's proposed staffing pattern and any

requests for changes to human resource levels. In some cases, HCTM will need to consult with backstop coordinators in the Pillar Bureaus to provide Missions with the most accurate information.

- Center for Environment, Energy, and Infrastructure (DDI/EEI):
    - DDI/EEI, in partnership with Regional Environmental Officers, provides Missions with direction on the mandatory strategy-level tropical forests and biodiversity analysis, and the integration of findings into CDCSs as relevant. For additional guidance, see **ADS 201mag, Process for Developing and Approving a Country Development Cooperation Strategy (CDCS)**, **ADS 201maz, Process for Developing and Approving a Regional Development Cooperation Strategy (RDCS)**, **ADS 201mav, Foreign Assistance Act Sections 118 and 119 Tropical Forests and Biodiversity Analysis** and **Foreign Assistance Act Sections 118/119 Tropical Forests and Biodiversity Analysis Best Practices Guide**.
    - DDI/EEI, in partnership with Bureau and Mission Climate Integration Leads, provides Missions with direction on the mandatory strategy-level climate change analysis, and the integration of findings into CDCS as relevant. For additional guidance, see **ADS 201mag**, **ADS 201maz**, and **ADS 201mat, Climate Change in Country/Regional Strategies**.
- Gender Equality and Women's Empowerment Hub (DDI/GEWE): DDI/GEWE, in partnership with Gender Advisors in the Regional Bureaus, provides Missions with direction on the mandatory strategy-level gender analysis, and the integration of findings into CDCSs as relevant. For additional guidance, see **ADS 201mag**, **ADS 201maz**, and **ADS 205, Integrating Gender Equality and Female Empowerment in USAID's Program Cycle**.

For more information, see **ADS 201mag** and **ADS 201maz**.

201.3.2.3 Applicability of CDCS Guidance

Effective Date: 08/02/2022

The CDCS guidance herein and in associated Mandatory References is applicable to all Regional and Bilateral Missions (hereinafter referred to collectively as Missions), unless exempted in section **201.3.2.4** or the Mission acquires a waiver under section **201.3.2.5**. This guidance does not apply to other types of overseas OUs, such as Country Offices or Regional Platforms that do not meet the criteria for a Mission described in **ADS 102, Agency Organization**; however, exempt OUs, including those in Washington, are encouraged to apply this guidance with adaptations as appropriate and necessary. PPL, in collaboration with the Regional Bureaus, must update and internally disseminate a list of Missions required to complete a CDCS on at least an annual basis.

Recognizing that Missions and countries are diverse, this guidance articulates principles and requirements generally adaptable to all contexts, including those with factors that contribute to a non-permissive environment (NPE). During Phase One of the CDCS process, Missions and USAID/Washington negotiate customized parameters that govern the development of each CDCS and document resultant decisions in a Summary of Conclusions (SOC) memorandum approved by the Assistant Administrator (AA) of the relevant Regional Bureau (see section **201.3.2.10** on the three phases). For Missions that operate in NPEs, customizations may include adjustments to the Results Framework, a shorter CDCS timeframe, greater attention to country or regional context indicators, and/or scenario planning, among other options.

201.3.2.4 CDCS Exemptions

Effective Date: 08/02/2022

A. Types of Operating Units (OUs)

As described in section **201.3.2.3**, the guidance herein applies to Missions. Therefore, Washington OUs and the following types of overseas Bilateral OUs are exempt from this guidance:

1) Overseas OUs such as Country Offices that have a limited presence or that do not manage at least $20 million in programming; and

2) Overseas OUs that implement single-sector programs.

Similarly, the following types of Regional OUs are exempt from this guidance:

1) Overseas OUs that only provide technical support (*e.g.,* on gender, environment), pooled support services (*e.g.,* legal, financial management, procurement), and/or regional convening/facilitation services without implementing regional programming. However, these platforms are still required to follow the **Regional Platforms Optimization Guidance**;

2) Overseas OUs that implement single-sector regional programs; and

3) Offices or divisions within Bilateral OUs that implement limited regional programming.

An OU that is exempt may request approval to develop a regional- or country-level strategic framework that is not subject to the process or requirements herein. However, such OUs are encouraged to use CDCS guidance and templates with adaptations as necessary and appropriate. In such cases, the OU must submit the request through an Action Memorandum to be approved by the relevant Regional Bureau AA, with clearance from the AtA for PPL. The Action Memorandum must describe how the OU

will customize the process and resulting document. The Regional Bureau AA must provide oversight of the subsequent process.

In addition, an overseas OU that is exempt may request approval to develop a CDCS pursuant to process and requirements herein. In such cases, the OU must submit the request through an Action Memorandum for co-approval by the relevant Regional Bureau AA and the AtA for PPL.

B. Types of Programming

The following types of programming are exempt from inclusion in the CDCS:

1) Programming that is both funded and managed by other OUs (*e.g.,* Washington OUs);

2) Programming that is targeted at preventing, responding to, recovering from, and/or transitioning from crisis, including:

- Activities funded by the International Disaster Account (IDA) and managed by the Bureau for Humanitarian Assistance (BHA), including emergency and non-emergency programs; and

- Activities managed by the Office of Transition Initiatives (OTI) within the Bureau for Conflict Prevention and Stabilization (CPS).

While such programming is exempt, Missions should leverage their CDCS process to the extent practicable and feasible to bring greater alignment and synergy between Mission-funded and managed development programming and other USAID activities implemented in-country or across the region, particularly programming funded by Washington, humanitarian assistance, and programming targeted at addressing crisis and/or instability. In addition, Missions in countries with protracted crises and/or instability should consider including a Special Objective in their CDCS that addresses humanitarian, transition, and/or stabilization issues (see section **201.3.2.12**).

201.3.2.5 CDCS Waivers

Effective Date: 09/21/2022

Under extenuating circumstances that restrict the Agency's ability to plan, Missions may request a waiver of the CDCS process. The relevant Regional Bureau AA and the AtA for PPL must co-approve an Action Memorandum that provides a justification for requesting the waiver and the duration of the waiver, which may not exceed two years. The Regional Bureau AA and the AtA for PPL may extend the waiver based on a review of a follow-on justification.

201.3.2.6 CDCS Alignment with Agency and Inter-Agency Strategies/Policies

Effective Date: 08/02/2022

Development policies and strategies should closely align with one another. This includes U.S. Government-wide, multi-agency/department, USAID-specific, regional and sectoral strategies, as well as CDCSs and other Mission-level planning documents. USAID OUs that develop strategies or development policies that are not an R/CDCS (*e.g.,* Washington OUs, and, in some cases, Regional Missions) should ensure that they do not undermine approaches set forth in approved R/CDCSs, except in exceptional circumstances such as when mandated by the Administration or the Congress.

Missions must align their CDCSs with the following policies and strategies as described below:

- State Department-USAID Joint Strategic Plan (JSP): The JSP outlines overarching goals and objectives for both institutions in support of the NSS. The JSP informs the development of Joint Regional Strategies and Integrated Country Strategies. Missions must ensure that their CDCS aligns with relevant goals and objectives in the JSP. The current JSP is available **here**.

- Administration-Approved Regional and Sectoral Strategies: These documents flow from the NSS and set out the major national security and international economic concerns of the United States in regions of the world or in cross-cutting sectoral areas (such as counter-terrorism or biosecurity) and how the Administration plans to address them. A strategy is considered "Administration-approved" when a Deputies' or Principals' Committee has endorsed it and the National Security Council has published it. The current, unclassified versions of approved regional and sectoral strategies are available **here**.

- State Department-USAID Joint Regional Strategies (JRSs): JRSs outline overarching goals and objectives for both institutions at the regional level in support of the JSP and NSS. JRSs inform the development of Integrated Country Strategies. Missions must ensure that CDCSs align with relevant goals and objectives in their respective JRS. The JRSs for each region are available **here**.

- Integrated Country Strategies (ICSs): ICSs outline overarching goals and objectives at the country level for State, USAID, and other U.S. Government Departments and Agencies with programming in the country through a coordinated and collaborative planning effort led by the Chief of Mission. ICSs support respective JRSs, the JSP, and the NSS. The ICSs for each country can be found **here**.

  Per ICS guidance from the Department of State, Country Teams must clearly reflect CDCS DOs in their ICS because they are central to the annual foreign assistance resource request and performance monitoring systems at the State

Department and USAID. Therefore, each Mission must work with their Country Team to ensure that CDCS development priorities are incorporated into ICS Mission Objectives (MOs).

Since Missions are accountable for results at the IR level in their CDCS, Missions should preferably keep IRs together for reporting purposes. In the event that a Mission divides its IRs among multiple MOs or Sub-Objectives, the Mission must document why it is necessary and how the division will be tracked and reported.

Missions must indicate in the ICS where the DOs are incorporated (*i.e.,* at the Mission Objective or Sub-Objective levels), with parenthetical references in Sections 3 and 4. Missions must also include these references with the MOs in the FACTSInfo NextGen system to ensure that users can easily map and find the CDCS DOs when submitting resource requests and/or reporting on performance.

Missions must also submit a draft revised ICS goal–objective structure as part of the Results Framework Matrix that is included as an annex to their final CDCS (see section **201.3.2.11**).

- USAID Policy Framework: USAID's Policy Framework serves as the guiding policy document for USAID and takes its direction from the JSP and the NSS. The Policy Framework translates the goals outlined in the JSP and NSS specifically for USAID. Missions must reflect the principles and guidance from the Policy Framework in their CDCS. The current Policy Framework is available **here**.

- USAID Acquisition and Assistance (A&A) Strategy: USAID's A&A Strategy outlines key changes that USAID needs to make to better enable and equip its A&A workforce and systems to achieve more effective results. Missions should reflect principles from this Strategy into their CDCS to the extent appropriate. The A&A Strategy is available **here**.

- USAID Risk Appetite Statement: USAID's Risk Appetite Statement sets forth expectations for how USAID OUs should assess and manage risks and associated opportunities. The Statement is available **here**.

- USAID Development Policies, Strategies, and Vision Papers: Per **ADS 200**, USAID publishes three different types of development policy documents: 1) policies; 2) strategies; and 3) vision papers. Not all USAID development policy documents are equally relevant for all contexts. Missions should consider the relevance of each policy for their context (based on partner country needs and priorities, available resources, findings in analyses, and investments by other members of the development community, among other factors) to determine whether and how they should integrate the policy into their CDCS and other planning processes under the Program Cycle. In exceptional cases when a

USAID policy mandates roles and responsibilities for specific Missions, these Missions must align their CDCS and associated projects and activities in accordance with the policy. A registry of USAID policies is available **here**.

201.3.2.7 CDCS Alignment with Projects and Activities

Effective Date: 09/21/2021

CDCSs should inform the design and implementation of projects and activities:

- A "project" refers to a group of activities that are designed and managed in a coordinated way to advance identified result(s) set forth in a CDCS. Per section **201.3.2.14**, the use of projects is optional.

- An "activity" generally refers to an implementing mechanism that carries out an intervention or set of interventions to advance identified development result(s) in a CDCS. Activities may be component activities under a project, or standalone activities that are not part of a project approach.

Oftentimes, the life of projects and/or activities will not coincide with the life of a CDCS. The Index of Existing and Planned Projects is an annex to the CDCS (see section **201.3.2.11**) that describes the Mission's best thinking at the time of CDCS approval regarding how it plans to achieve intended results through new projects and/or the realignment of existing projects. Missions are not required to complete this annex if they do not plan to use a project approach during CDCS implementation (see section **201.3.2.14** on making this determination).

To not constrain future design processes, a Mission should not provide in-depth details about projects or activities in its CDCS. If the strategy changes as a result of further analysis during subsequent project or activity design processes, Missions must update or amend their CDCS as applicable per section **201.3.2.21**.

See sections **201.3.3** and **201.3.4** for additional guidance on projects and activities, respectively.

201.3.2.8 Country Transition Planning

Effective Date: 08/02/2022

Recent annual appropriation bills have required that USAID's country strategies include a "transition plan." Therefore, as part of the process of developing a CDCS, all Bilateral Missions should develop a plan to evolve—or "transition"—their approach as development in the country or region progresses. Because the requirements in appropriations bills change on an annual basis, any Mission that is initiating the development of a CDCS should consult with GC or their RLO on the current status of Congressional directives with respect to transition planning and how their CDCS must address them.

For most Missions, planning for transition will be a long-term endeavor. However, for a subset of Bilateral Missions that operate in countries that demonstrate relatively advanced levels of development, Missions will be required to plan for a type of transition called a “strategic transition” during the lifetime of their CDCS. Specifically, these designated Bilateral Missions must leverage the process of developing their CDCS to identify how they will shift their assistance relationship from a donor-recipient dynamic to one of enduring economic, diplomatic, and security partnership. Such strategic transitions do not necessarily signal the end of USAID’s engagement, but more typically, its evolution to a new relationship. PPL must consult with Regional Bureaus to identify and designate countries that have relatively advanced levels of development and where it may be appropriate for the Agency to plan for a strategic transition during CDCS implementation.

General opportunities to change the nature of USAID’s relationship with a partner country may include, but are not limited to, transitioning out of specific sectors, shifting from programming to technical/policy assistance, and leveraging other resources and development actors, among other options. For designated “strategic transition” countries, opportunities may also include, but are not limited to, building stronger security alliances, commercial ties, and/or trilateral cooperation as the partner country becomes a donor and international leader.

For additional guidance on transition planning, including strategic transitions, see **ADS 201mak, Country Transition Planning**. **ADS 201mag, Process for Developing and Approving a Country Development Cooperation Strategy (CDCS)** also provides customized guidance for Bilateral Missions undertaking a strategic transition in Section VI.

201.3.2.9 Preparation for the CDCS Process

Effective Date: 08/02/2022

The official CDCS process takes place on a prescribed timeline that should last no more than eight months. To maximize this compact process, Missions should initiate preparations prior to the official launch of the process by 1) conducting portfolio-wide country contextual analysis using Policy Framework guidance and additional data and evidence as relevant; 2) engaging local stakeholders, including their partner country government, where relevant, to identify local priorities and potential partnerships; and 3) beginning to conduct the three mandatory analyses (gender, tropical forest and biodiversity, and climate change). In addition, Missions should undertake other work to assess, review, and/or synthesize evidence and lessons learned from program implementation and other sources to inform strategic choices and priorities for their CDCS.

For additional guidance on preparing for the CDCS process, see **ADS 201mag** and **ADS 201maz, Process for Developing and Approving a Regional Development**

Cooperation Strategy (RDCS) for Bilateral Missions and Regional Missions, respectively.

201.3.2.10 Overview of the CDCS Process

Effective Date: 08/02/2022

The official CDCS process includes a series of milestones and associated timeframes to facilitate an iterative dialogue between Missions and USAID/Washington that results in clear decisions and, ultimately, the Agency's endorsement of a Mission's final CDCS. The total process should take no more than eight months. As described in section **201.3.2.9**, Missions should initiate preparations prior to the launch of this process to maximize this period of time.

The official CDCS process consists of three phases:

- Phase One: Initial Consultations and Parameters Setting: During Phase One, Missions initiate a formal dialogue with relevant Washington Bureaus and Independent Offices (B/IOs) and interagency stakeholders to ensure that subsequent drafts of their CDCS reflect a corporate view of Washington's expectations. In addition, they discuss the relative strengths, weaknesses, challenges, and opportunities in their partner countries based on their assessment of the most relevant Mission- or third-party sourced data and other evidence. This phase culminates in agreement between the Mission and Washington on priorities, sectoral focus, and other parameters for the CDCS. It also results in agreement on the Mission's plan for developing the CDCS during Phases Two and Three.

- Phase Two: Development of a Results Framework: During Phase Two, Missions finalize key analyses, assess evidence and/or other types of information, engage with local stakeholders and relevant Washington B/IOs to establish their initial development hypothesis; finalize their budget scenarios; prepare the Summary Paper and Matrices annex associated with their Results Framework; and outline the next steps to prepare the full CDCS. This phase culminates in Agency agreement on the approaches the Mission will use to advance its strategic goal, budget scenarios that reflect strategic priorities, and an organizing framework that will inform the subsequent development of their CDCS, PMP (see section **201.3.2.15**), and projects and/or activities (see section **201.3.3** and **201.3.4**).

- Phase Three: Preparation and Approval of the CDCS: During Phase Three, Missions apply findings from additional analyses and consultations, further refine their strategy, and prepare and submit the full CDCS. This phase culminates in the final approval of the Mission's CDCS by the responsible Regional Bureau AA and the AtA for PPL.

Within 30 days of final CDCS approval, Missions must submit their final CDCS for dissemination through the internal USAID websites, **ProgramNet** and **USAID Pages**. In addition, Missions must submit a public version that does not include any Sensitive But Unclassified information for dissemination through two external USAID websites: **USAID.gov** and the **USAID Development Experience Information**. The Regional Bureau AA and the AtA for PPL must also approve this version. Both the internal and public versions of the CDCS must be "508 compliant" as described in **ADS 551**.

For detailed guidance on the process for developing a CDCS and associated timeframes and deliverables, see **ADS 201mag** and **ADS 201maz**.

201.3.2.11 Overview of CDCS Content

Effective Date: 08/02/2022

A CDCS should be no more than 35 pages long, excluding annexes. The RDCS should be 20 to 25 pages long, excluding annexes. The life of both an RDCS and CDCS is typically five years; however, variations are sometimes appropriate, particularly in countries or regions characterized by recurrent crises and/or instabilities.

A CDCS includes the following sections:

I. Executive Summary—A high-level summary of the CDCS, coupled with a diagram of the Results Framework that provides a snapshot of intended results.

II. Country or Regional Context—A description of the factors that informed the Mission's approach to its CDCS. This should include a description of the partner country's level of development progress, as indicated by the most pertinent third-party development data and other evidence sources; overarching U.S. foreign policy, economic, and national security considerations, partner country needs and priorities, and other circumstances in the development context, in addition to any identified knowledge gaps about the country or regional context. For most Bilateral Missions, this section must also include a sub-section on country transition planning (see section **201.3.2.8** and **ADS 201mak**, **Country Transition Planning** on the Country Transition Plan).

III. Strategic Approach—A high-level description of the Mission's approaches to advance the long-term sustainability of results, in view of the country or regional context. This should include a description of the role of the partner country government, the private sector, civil society, faith-based and community organizations, multilateral organizations, regional institutions, interagency partners, and others, as well as mechanisms to align or coordinate efforts as relevant.

IV. Narrative Results Framework—A narrative description of the Mission's goal and the development hypotheses that underpin each DO in the Mission's Results Framework. This includes the Mission's hypothesis regarding the causal

relationships between each of the IRs that lead to each DO, and how success in advancing each DO will contribute to sustainable development progress. It also identifies key actors or institutions that are critical to advancing each DO trajectory, and major assumptions and/or risks that could affect the success of these hypotheses. Regional Missions must also include a justification for the need for, or value-add of, regional programming in the proposed focus areas.

V. Monitoring, Evaluating, and Learning—A high-level description of the Mission's overall priorities and approaches to monitoring, evaluation, and learning (MEL) and Collaborating, Learning, and Adapting (CLA) during CDCS implementation. This includes how the Mission and partners will use MEL and CLA to understand whether and how approaches are building the capacity and commitment of local actors and institutions. This description should also identify and prioritize any knowledge gaps to be addressed. This section, together with the Summary Paper and Matrices annex to the Results Framework, should inform the subsequent development of the PMP (see section **201.3.2.15** on the PMP).

VI. Program Resources and Priorities—A description of program budget resources that are needed to advance CDCS objectives, as well as the Mission's preferred prioritization for the use of these resources. This section could also include discussion of staffing resources, as appropriate.

VII. Management Resources and Structure—A discussion of the management considerations (both opportunities and challenges) that could affect CDCS progress. This section could also include discussion of staffing considerations, as appropriate. This section is required for CDCSs, but optional for RDCSs.

VIII. Annexes:

A. Climate Change Analysis—One of the mandatory analyses for a CDCS. (See **ADS 201mag** and **ADS 201maz** on the mandatory analyses.)

B. Two Budget Scenarios—A base scenario based on historical funding levels and a scenario that reflects an optimal distribution of funding focused on maximizing a zero-based budgeting approach irrespective of history, Congressional directives, mortgages, or pipeline.

C. CDCS, NSS, JSP, and ICS Mapping Table—A table that maps the objectives of the CDCS to that of other USG strategies (see section **201.3.2.6** on other USG strategies).

D. Index of Existing and Planned Projects (as applicable)—A preliminary plan for designing projects and standalone activities under the new CDCS and realigning current projects as appropriate (see section **201.3.2.7** on the relationship between strategies, projects, and activities). Missions must

complete this annex if they intend to use a project approach during CDCS implementation (see section **201.3.2.14**).

E. Summary Paper and Matrices for the Results Framework—An annotated version of the Results Framework that was initially submitted during Phase Two of the CDCS process. This annex, together with the MEL section, should inform the subsequent development of the PMP (see section **201.3.2.15** on the PMP).

F. CDCS Scenarios, if applicable—A set of scenarios to facilitate adaptive management during implementation in country contexts that are characterized by high levels of uncertainty.

G. For Regional Missions, a Regional Operations Map—A table and associated narrative that outlines the Mission's current footprint, including its geographic area of focus; its current priority areas; and the support services it provides.

H. For Regional Missions, a Bilateral Programming Annex—An outline of the Mission's bilateral programs, including its bilateral programs in non- and limited-presence countries.

I. For Regional Missions, the final Regional Optimization Action Plan.

See the **CDCS Outline** and the **RDCS Outline** for detailed descriptions of each of these required sections for CDCSs and RDCSs, respectively.

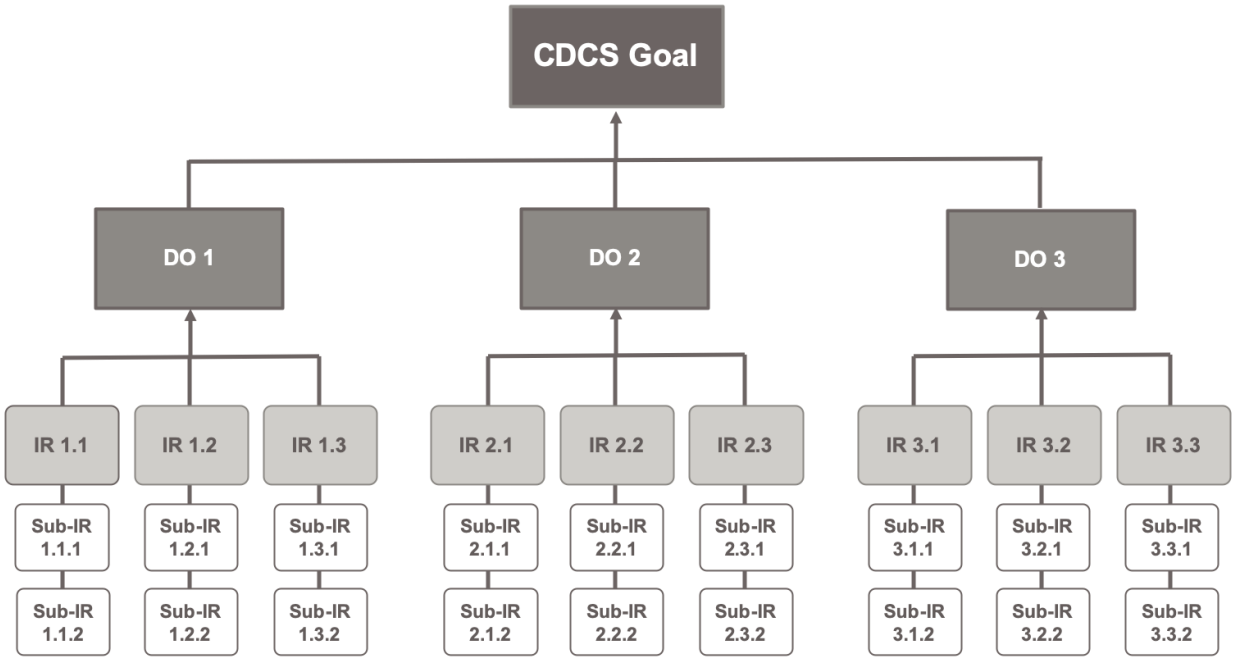
201.3.2.12 CDCS Results Framework and Associated Development Hypotheses

Effective Date: 08/02/2022

A. The Results Framework (RF)

At the center of a Mission's CDCS is the Results Framework (RF). The RF is a type of logic model that shows the results that USAID, in collaboration with its partners, expects to contribute to or achieve during the strategy period. The RF must include the following: 1) a Goal; 2) up to four DOs in support of the Goal; and 3) a set of complementary IRs in support of each DO. The RF should also include sub-IRs that contribute to each of the IRs. The RF is organized as a vertical flow chart with boxes and arrows to show the assumed causal and/or sequential connections that link each of these results. As described in section **201.3.2.9**, the CDCS, as reflected in the RF, must reflect the strategic approaches that the Mission has identified to advance development progress in each partner country, grounded in available data and evidence as appropriate.

The following graphic illustrates the structure of a typical RF:



The RF is not a complete representation of a full CDCS. It is a snapshot useful for purposes of planning, implementation, and communication that is supported by accompanying development hypothesis narratives that are the foundation of each CDCS. The Mission must update its RF during CDCS implementation as necessary in response to new evidence or changes in the context. The RF should be dynamic, not fixed.

For Missions that operate in highly volatile contexts, an RF, as defined herein, may not be practical, as quickly changing conditions may not allow for definitive statements on results. In these cases, customizing the RF may better suit the Mission's needs. For example, a customized RF may identify an overall aspirational Goal with Special Objectives that articulate broad lines of effort, rather than detailed expected results specified by a more traditional Framework. Missions that are considering customizing an RF must consult with their Regional Bureau and PPL as early as possible.

Once a CDCS has been approved, the RF provides Missions with a communications device to show stakeholders at a glance what the CDCS is about. The RF also serves as an organizing framework for the Mission's MEL and CLA approaches (see section **201.3.2.15** on the Performance Management Plan). Finally, the RF provides a guide for subsequent project and activity design processes aimed at operationalizing its results (see section **201.3.2.7** on the alignment of the CDCS and subsidiary projects and activities).

Definitions for each type of result appear below:

- Goal: The highest-level result that a Mission, together with the partner country government, civil society actors, multilateral organizations, regional institutions, and other development partners, will advance. While USAID is not solely accountable for achieving the Goal, the CDCS should provide a guidepost for its strategic choices.

  DOs: The most ambitious results to which a Mission, together with its development partners, will contribute. DOs reflect specific development problems that a Mission intends to address in support of the CDCS Goal. Informed by evidence and analysis, Missions may focus DOs on a particular sector, a geographic region, a targeted population, a local system, or a combination of these factors. DOs may also integrate the efforts of various technical sectors.
- IRs: Lower-level results that, when combined, are expected to contribute to the advancement of a DO. IRs should be specific and measurable. IRs are the highest-level results against which USAID is accountable for reporting. Missions must identify at least one illustrative performance indicator to monitor progress toward the achievement of each IR. The RF Matrix must include illustrative indicator(s) for each IR.

- Sub-IRs: Lower-level results that, when combined, are expected to contribute to the advancement of an IR. Missions must identify sub-IRs during Phase Two in the RF Matrices and should include them in the final RF graphic; however, sub-IR narratives are not required in the final CDCS. Missions must identify at least one illustrative performance indicator to monitor progress toward the achievement of each sub-IR. The RF Matrix must include illustrative indicator(s) for each sub-IR.

In addition to these standard elements, there are two types of objectives that Missions may use in addition to, or in lieu of, traditional DOs, as agreed-upon with USAID/Washington:

- Special Objectives (SpOs): A type of DO that is more flexible for purposes of addressing or acknowledging unique or extenuating circumstances. For example, depending on agreements reached with USAID/Washington, some Missions may use SpOs to reflect strategically important programs that do not fit into the Mission's Goal statement, including programs that have been externally mandated or deemed essential. Other Missions may use SpOs for time-limited programs that will not last the duration of the CDCS. In addition, Missions that operate in highly fluid contexts may use SpOs to articulate broad lines of effort rather than a specific result specified in a more traditional RF. In addition, Missions in countries with protracted crises and/or instability should consider including an SpO in their CDCS that addresses humanitarian, transition, and/or

stabilization issues. Missions that want to customize the RF to include Special Objectives in lieu of traditional DOs must consult with the relevant Regional Bureau and PPL as early as possible. SpOs typically count toward a Mission's limit of four DOs.

- Support Objectives: A type of DO that reflects services that a Mission will provide to other Missions in its region. Because Support Objectives focus on management, rather than the implementation of program resources, they do not count toward the DO limit.

B. The Development Hypotheses

Each DO in the RF depends upon a development hypothesis that underpins the results presented in the Framework. A development hypothesis, also known as a "theory of change," describes how and why USAID believes it will achieve a particular high-level development result in a given context. The development hypothesis consists of a development hypothesis statement and an associated development hypothesis narrative. The development hypothesis statement is generally an "IF-THEN" statement that explains how results will lead to a high-level outcome or change. The accompanying short narrative explains the causal logic and relationships between results upward from the sub-IRs to the IRs, to the DOs. The development hypothesis statements and narratives, taken together, must include four key characteristics:

- A clear articulation of the developmental logic (from development theory, experience from implementation, and other evidence—such as the Country Roadmap, Regional Landscape Analysis, and secondary metrics) that a Mission believes will unfold to achieve the identified development results;

- A brief explanation of how USAID will leverage national or institutional commitment and/or capacity at the DO level, or conversely, where the Mission will make efforts to address the deficits that hold the country back;

- A general statement on USAID's role in achieving these results; and

- A reflection of key assumptions or risks that could affect the success of the hypothesis.

Missions must also account for actors whose involvement is critical to helping USAID achieve and sustain the stated results (*e.g.,* the government, civil society, the private sector, or other donors) in their development hypotheses. Accounting for all actors in the Mission's particular development context can help explain how USAID will advance its goal and objectives, even if a Mission's own capacity and resources are limited.

Results should be part of the development hypotheses and Results Framework even if USAID will not directly spend any Program funds to achieve them (*e.g.,* policy reform

that comes from the influence of USAID staff rather than the investment of program funds).

While it is not necessary or practical for a Mission to have complete knowledge about the context in which it is operating, the development hypotheses must articulate the Mission's best understanding of the specific problems it seeks to address and ensure that available evidence supports its chosen approach. As appropriate, Missions should also identify any knowledge gaps that could affect its RF and document them in the MEL section of the CDCS. In addition, Missions must be explicit about any assumptions implied in the hypotheses, and plan to monitor and revisit these assumptions regularly. Scenario planning could be helpful for Missions that seek to address development challenges that hinge on specific, but uncertain, outcomes.

201.3.2.13 Overview of CDCS Implementation

Effective Date: 09/21/2021

Mission Directors are responsible for overseeing CDCS implementation and identifying an appropriate management structure to advance its objectives most effectively. USAID promotes the use of multi-functional teams (teams that intersect various offices within the Mission) to ensure collaboration and synergy in support of CDCS objectives. This may be accomplished through the creation of DO Teams, as well as project teams, where applicable.

The duties and responsibilities of a Mission Director and associated management teams in implementing a CDCS include, but are not limited to, the following:

A. After Approval

- Identify (or revalidate) the initial portfolio of projects and/or standalone activities that will implement the CDCS (see section **201.3.2.14**).

- Develop an initial PMP within three months of CDCS approval (see section **201.3.2.15**).

- If applicable, negotiate a DOAG agreement with the partner country government or amend the existing DOAG (see **ADS 201.3.2.19**).

- Realign existing projects as appropriate and begin designing new projects and/or activities in support of the Country Roadmap and the results in the RF (see section **201.3.2.11** regarding the Index of Existing and Planned Projects, if applicable).

- Ensure that the State-USAID ICS reflects the CDCS' Development Objectives (see section **201.3.2.6** regarding the alignment of a CDCS with an ICS).

- Identify the most appropriate management structure(s) to effectively implement the CDCS (see **ADS 201sam, Section 11** regarding project teams).

B. Oversight

- Oversee the design and management of projects and/or activities and ensure their cohesiveness in achieving CDCS objectives.

- Amend and/or update the CDCS and associated PMP as necessary (see sections **201.3.2.21** and **201.3.2.15**, respectively).

C. Planning, Budgeting, and Reporting of Foreign Assistance

- Use CDCS objectives, as reflected in the ICS, as the basis for the annual Mission Resource Request (MRR); Operational Plan; Congressional Budget Justification; and other planning, budgeting, and reporting processes.

D. Monitoring, Evaluation and Learning

- Monitor CDCS implementation, progress, performance, results, and operational context.

- Track performance indicators described in the PMP (see section **201.3.2.15** for requirements for indicators).

- Ensure that project and activity-level efforts in monitoring, evaluation, and CLA are consistent with and meet the PMP's data collection needs.

- Update the PMP to reflect changes or updates to baselines, targets, or indicators.

- Plan and implement evaluations pursuant to the requirements described in section **201.3.6.5**.

E. Collaborating, Learning and Adapting

- Facilitate collaborative learning, both internally in the Mission and among implementing partners and local stakeholders, through periodic meetings with partners, learning networks, and/or topical communities of practice, among other means.

- Continually assess and/or revalidate the CDCS' strategic approach through MEL activities such as portfolio reviews, stocktaking, and engagement with stakeholders.

- Conduct at least one CDCS-level portfolio review per year that focuses on progress toward CDCS-level results (see section **201.3.2.18**).

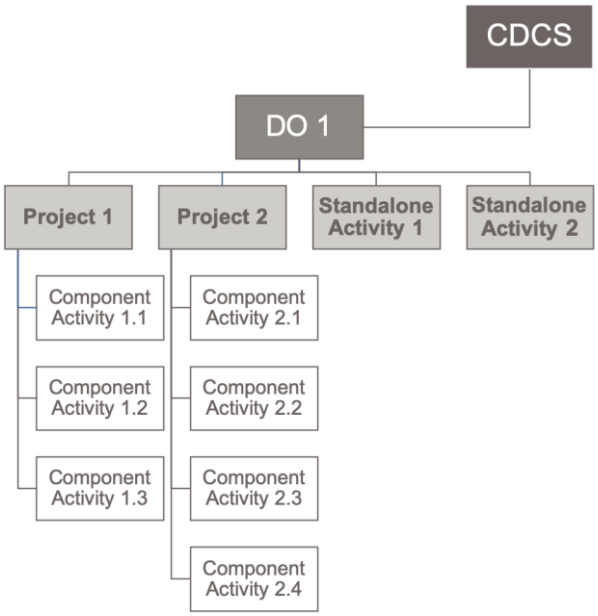
- Conduct at least one CDCS mid-course stocktaking during the life of the CDCS to better align implementation with changes in the context and the Agency's direction (see section **201.3.2.18**).

- Based on learning, adjust CDCS implementation as appropriate (see section **201.3.2.21**).

201.3.2.14 Identifying the Portfolio of Projects and/or Standalone Activities

Effective Date: 08/02/2022

After CDCS approval, Missions must exercise professional judgment to determine an initial portfolio of "projects" and/or "standalone activities" that will effectively advance the high-level objectives set forth in their CDCS. As part of this determination, Missions should consider whether to retain legacy projects and activities from their previous CDCS in their current constructs or realign them into new projects and/or standalone activities. In making all these judgments, Missions should consider the Index of Existing and Planned Projects (if applicable) that provides a preliminary plan with respect to these decisions (see section **201.3.2.11** on content in the CDCS).



- A "project" refers to a group of activities that are designed and managed in a coordinated way to advance identified result(s) set forth in a CDCS. The use of projects is optional. However, where a project approach is used, Missions should follow guidance on project design and implementation in section **201.3.3** and **ADS 201sam, Project Design and Implementation Process**.

- A "standalone activity" refers to an activity that is not bundled with other activities under a project approach; however, like projects, standalone activities should similarly support identified result(s) set forth in a CDCS. For these activities, the project design guidance in section **201.3.3** does not apply.

Under both scenarios, Missions must: 1) follow guidance on activity design and implementation in section **201.3.4**, and 2) approve activity designs through Activity Approval Memorandums (AAMs) that briefly describe how the activity will support the

achievement of results in a project and/or CDCS (see **ADS 201mai, Activity Approval Memorandum (AAM)**).

Subsection A below provides non-mandatory guidelines on how to determine when a project approach may be the most appropriate means to advance CDCS results. **Subsection B** conversely describes when standalone activities may be more appropriate. Ultimately, projects are optional.

A. Considerations for When to Use a Project Approach

A project approach is an optional organizational framework that—when used as intended—can help Missions design and manage complementary activities in a coordinated way to generate higher-level results than can be achieved through the sum of their individual performances. The initial project design process provides teams with an opportunity to conduct a higher-order analysis and engage diverse local actors to inform the design of multiple activities. After a project is approved, the establishment of a project implementation team can support ongoing collaboration to ensure that component activities are synergistically designed and managed to achieve project success.

With this in mind, Missions should consider the following questions to help them determine whether a project approach may be the most appropriate means to advance a given result or set of results in their CDCS:

- Will supporting activities address a shared development problem? Will they seek to advance the development of a common local system or network of institutions? Will they contribute to a shared theory of change? (If not, should they?)

- Will there be interdependencies between supporting activities that will need to be coordinated?

- Will there be major risks that will span across activities that will need to be managed?

- Are there learning questions that will span across activities that a coordinated approach to monitoring, evaluation, and CLA could help address?

In considering all of these questions, Missions may also ask whether a project approach could help facilitate linkages between results in the CDCS and the portfolio of activities thereunder. This could be the case for large, complex portfolios.

For identified projects, Missions should follow the guidance on project design and implementation in section **201.3.3** and **ADS 201sam, Project Design and Implementation Process**. In addition, Missions must design and implement component

activities concurrent with, or subsequent to, the project design process, as described in section **201.3.4**.

B. Considerations for When to Use Standalone Activities

Like projects, standalone activities should also contribute to the achievement of higher-order results set forth in a Mission's CDCS. Unlike projects, however, standalone activities are not designed and implemented under a project construct.

With this in mind, "standalone activities" tend to be more appropriate under the following scenarios:

- Activities designed under the previous CDCS;
- Activities implemented under certain Washington initiatives, Congressional directives, or political mandates for which there is limited flexibility to support a more integrated approach;
- Activities that, in large measure, represent a continuation of the previous strategic direction and that are being carried over into the new strategy period; and
- Activities that are implemented in small Missions with relatively simple portfolios.

For identified standalone activities, the guidance on designing projects in section **201.3.3** does not apply, and Missions may proceed directly to activity design and implementation according to section **201.3.4**.

201.3.2.15 Performance Management Plan (PMP)

Effective Date: 08/02/2022

A PMP is a Mission-wide tool for planning and managing the processes of monitoring strategic performance, programmatic assumptions and risks, and operational context; evaluating performance and impact; and learning and adapting from evidence. The PMP, together with associated Activity MEL Plans, also ensures that USAID meets **FATAA's** requirement to establish annual objectives for monitoring and evaluation and timetables to plan and manage the process of monitoring, evaluating, analyzing progress, and applying learning toward achieving results.

Each Mission must prepare a Mission-wide PMP and update it at least once a year. Missions should use and update PMP information during portfolio reviews and the CDCS mid-course stocktaking. Missions that do not have a CDCS are still required to have a PMP that covers any projects or activities that they fund. Missions should use a PMP to inform their allocations of resources and management decisions.

A PMP must be grounded in the development hypotheses, objectives, learning questions, Results Framework, and operating context of a Mission's CDCS. It articulates learning priorities, expected programmatic results, and a Mission's approach for using monitoring, evaluation, and CLA to understand progress toward results. It informs management decisions that support CDCS objectives. It should also include plans for monitoring, evaluation, and CLA activities and approaches to build the capacity and commitment of local partners. Missions should ensure that the PMP reflects ongoing processes and adapts as necessary in response to new evidence, learning, changes in assumptions, risks, and the local context to remain effective throughout implementation.

Missions are not required to maintain the entire PMP in a single document; its content may exist in different tracking systems or databases. While the PMP is primarily an internal tool for performance management, Missions should create a public summary of the PMP and share portions of it with partners (including the host country government, other donors, and implementing partners).

See **How-To Note: Prepare and Maintain a Performance Management Plan (PMP)** for additional guidance.

A Washington OU may use the guidance in this section to develop a PMP for the management of its portfolio.

A. PMP Content

The content of the PMP must include the following:

- Table of Contents and Modification Log: This document describes each required part of the PMP, and links to that information if it is in different systems. It also provides a log of modifications over time.

- Identification of Learning Priorities and a Plan to Address Them with Monitoring, Evaluation, and CLA: This document identifies the Mission's initial learning priorities, which are a short list of themes or topics critical to CDCS programmatic and operational decisions and implementation. In this document, Missions must also describe how they plan to address the learning priorities, such as through monitoring, evaluation, CLA, and/or studies, research, or analysis. Missions may base learning priorities on their CDCS learning questions. They may include how the Mission will validate the development hypotheses and Results Framework articulated in their CDCS, and implications for achieving and understanding progress toward results.

- Performance Indicators for Intermediate Results (IR): Each IR in the CDCS must have at least one performance indicator. Missions must document their performance indicators in a Performance Indicator Reference Sheet and their

indicator tracking table or system, and must indicate the unit of analysis, any disaggregates, baseline data where available (or note the plan for collecting baseline data), and actual data. Missions may also choose to include applicable Standard Foreign Assistance Indicators and context indicator information in their PMP indicator tracking system. Once available, USAID OUs must use the Agency-wide Development Information Solution (DIS) for storing information on performance indicators.

- Evaluation Plan: List of Evaluations planned during the life of the CDCS. This information should be located in the Mission's Evaluation Registry in the FACTS Info Next Gen system.

- Schedule of Performance Management Tasks and Associated Resources: In this section, a Mission must identify the performance management tasks it expects to conduct over the life of the CDCS and should include information on the timeline for each task, who is responsible, and an estimate of the human and financial resources needed to accomplish it. Note that funding for evaluation should total one to three percent, on average, of an OU's program funds. Program monitoring and CLA activities may require another three to ten percent, on average, of program funds.

  Typical performance management tasks in the schedule include, for example, collecting and analyzing data; reviewing monitoring processes, roles, and responsibilities; assessing the quality of data; designing and conducting evaluations as planned, needed, and/or required; and preparing for portfolio reviews and the mid-course stocktaking of the CDCS. Missions may create this information for the PMP or include it in their existing calendar of tasks if one already exists. For additional guidance, see the **PMP Task Schedule Guidance and Template**.

B. PMP Approval

Each Mission must prepare an initial Mission-wide PMP, which must reflect the current status for all its required content. The Mission Director must approve the initial PMP within three months of CDCS approval. A Mission Director may make a one-time exception to the three-month timeline, which may not exceed an additional 60 days, and must inform PPL/LER and the appropriate Regional Bureau Program Office of the reason for the extension and the date that the initial PMP is expected to be approved.

A Mission must continually update PMP content over the life of its CDCS to include new information as it designs projects and/or activities, and to account for other changes in context, performance management, and learning needs.

Missions should track initial clearance and subsequent updates to the PMP in the "Table of Contents and Modification Log."

Upon initial PMP approval, Missions must upload the "Table of Contents and Modification Log" and the "Learning Priorities and Plan to Address Them with Monitoring, Evaluation and CLA" to **ProgramNet**, and inform their Regional Monitoring and Evaluation Points of Contact and the PPL Office of Learning, Evaluation, and Research.

C. PMP Modifications

The Mission must review the PMP at least once per year as part of its portfolio review process and as described in the "Schedule of Performance Management Tasks," and should make any needed updates at that time, including any adjustments to learning priorities and learning questions. Missions may make updates more often, as needed.

In addition, Missions must keep the PMP up-to-date to reflect changes related to the CDCS or associated programming, including to the operating context, risks and assumptions, development hypotheses, Results Framework, learning priorities, or project and/or activity logic models. Missions must update the PMP or associated indicator tracking table and Evaluation Registry with new indicators, newly-planned evaluations, and new learning activities, as applicable, and as each new project or activity is approved. The Mission Director is not required to approve updates to the PMP.

201.3.2.16 Monitoring During CDCS Implementation

Effective Date: 08/02/2022

USAID has a responsibility to monitor strategic performance. Throughout implementation, Missions should ensure that performance monitoring and context monitoring are adequate to facilitate evaluation, strategic learning, and adaptive management during CDCS implementation. This includes understanding progress toward achieving strategic objectives and fulfilling any reporting requirements.

Missions must monitor progress, at a minimum, by tracking performance indicators for each IR. In addition, Missions should monitor operational context and any key risks identified during CDCS planning or implementation that could affect the achievement of CDCS results in the Mission's annual Risk Profile. Program Officers are responsible for working with technical offices to ensure that the planned collection and updating of indicators and monitoring data described in the PMP takes place on time; that partners deliver the data to USAID; and that the data are of sufficient quality for the purposes of accountability, learning, and adaptive management (see section **201.3.5.7** for data quality standards).

201.3.2.17 Evaluation During CDCS Implementation

Effective Date: 08/02/2022

Throughout CDCS implementation, Missions should ensure that evaluation efforts build from monitoring efforts and are adequate to facilitate strategic learning and adaptive management to understand progress toward achieving strategic objectives .

Sections **201.3.6.7** and **201.3.6.8** describe evaluation requirements and procedures for planning and implementing an evaluation. Although evaluations that address strategic-level concerns are best planned during the development of a CDCS, a Mission may decide to conduct an evaluation at any point during CDCS implementation, particularly if new information arises that indicates an evaluation is appropriate for accountability or learning purposes.

201.3.2.18 Collaborating, Learning, and Adapting During CDCS Implementation

Effective Date: 08/02/2022

During CDCS implementation, a Mission generates knowledge and learning by overseeing projects and/or activities; participating in learning activities, such as portfolio reviews and stocktaking exercises; conducting monitoring, evaluation, and other research, analysis, and learning activities as described in the PMP; engaging stakeholders; and making use of the experiential knowledge of staff, partners, and counterparts, among other activities. Based on this learning, the Mission should make changes to the strategic implementation of its programs as needed.

A. Portfolio Reviews

Portfolio reviews are opportunities for Missions, including **regional platforms**, to periodically examine all aspects of the Mission's strategy, projects, and/or activities. Missions must conduct at least one portfolio review per year that focuses on progress toward strategy-level results. Missions should consider addressing the following topics during portfolio reviews:

- Progress toward achieving CDCS DOs, and intermediate project results where applicable, as well as expectations regarding future progress;
- Country and regional trends and how the context is evolving;
- The status of key risks, critical assumptions, and/or changes in context, along with related implications for the performance of the CDCS and subsidiary projects and activities, where applicable;
- The extent to which implementing partners under the Mission's purview collect and use feedback from beneficiaries;
- What USAID has learned from monitoring data, evaluations, and information from partners, beneficiary feedback, or other sources;

- Opportunities to adapt as a result of learning, including to adapt USAID programming to better address partner country priorities;
- The status of cross-cutting themes;
- The allocation and management of resources to support the Mission's objectives;
- Status of actions in Post-Evaluation Action Plans (see section **201.3.6.10**); and
- Challenges and next steps for improving performance.

The portfolio review during the final year of the CDCS must include a review of the cumulative achievements toward the DOs and IRs, with the results documented to support knowledge management.

After the portfolio review, the Mission should update the CDCS or PMP as needed to reflect changes in any planned activities and approaches for implementation, monitoring, evaluation, and CLA (see **How-To Note: Strategy-Level Portfolio Review**).

B. CDCS Mid-Course Stocktaking

At least once during the course of CDCS implementation, Missions must conduct a CDCS stocktaking with the objective of better aligning the implementation of the Mission's programs with changes in the context and Agency direction, as well as with emerging knowledge and lessons learned. A CDCS mid-course stocktaking fulfills the requirement for a Mission's strategy-level portfolio review for that particular year.

A CDCS mid-course stocktaking allows a Mission (and Washington OUs) to understand progress to date on CDCS implementation, as well as important changes in context. The Mission must develop an information memorandum to record any substantive changes in the country context or strategic approach and send it to the Regional Bureau for review.

A CDCS mid-course stocktaking should do the following:

- Revalidate the RF and review evidence relevant to its underlying assumptions, and other relevant sources of contextual data, and identify any potential amendments to the RF for review by USAID/Washington;
- Reinforce continuity and institutional knowledge among new staff;

- Re-engage partner country stakeholders and donor partners and facilitate stronger relationships with and among them, including by identifying opportunities to broaden the Mission's partner base;

- Assess progress on the country transition plan, as relevant;

- Review and update learning questions, as needed, based on learning from monitoring data, site visits, evaluations, partners, program participants, beneficiary feedback, or other sources of information to guide adaptations; and

- Look ahead to the next CDCS; including identifying future analytic needs and knowledge gaps.

The Mission must submit documentation of the stocktaking process to its Regional Bureau, which will distribute it to identified POCs in other Washington OUs. For more information, see **How-To Note: CDCS Mid-Course Stocktaking**.

201.3.2.19 Obligations through Development Objective Agreements (DOAGs)

Effective Date: 08/02/2022

Many Missions obligate funds through a bilateral assistance agreement, most commonly a Development Objective Assistance Agreement (DOAG). DOAGs generally set forth a mutually agreed-upon understanding of the time frame; results expected to be achieved and the means of measuring them; and the resources, responsibilities, and contributions of participating entities for achieving a clearly defined objective (typically a DO). These agreements serve as bilateral obligating documents under which USAID may make sub-obligations. In most cases, the parties to the DOAG agree that USAID may sub-obligate and disburse funds directly to third-party recipients and contractors in addition to the national government. DOAGs provide Missions with a degree of adaptability to respond to changing circumstances without necessarily having to de-obligate funds.

A. Commitments from Partner Governments

Missions should leverage the process of negotiating DOAGs to further U.S. foreign policy and economic objectives, increase burden sharing, and ensure that partner governments increase their commitments to addressing protracted development challenges. Missions should examine what they are asking of government counterparts—especially in terms of cost-share and any policy reforms—and how Missions hold both parties accountable for results.

A DOAG is one of the key places where Missions can document partner government agreements to make financial, policy, or in-kind contributions. At a minimum, these contributions must satisfy requirements in Section 110 of the **Foreign Assistance Act**, as amended. They may also include contributions that are not statutorily required. In

some cases, it may be appropriate to document partner government contributions in Implementation Letters. In addition, Missions may choose to document contributions in Memoranda of Understanding (MOUs) or multi-donor agreements with the partner government.

B. Legal Requirements Prior to Obligation

As described in section **201.3.1.8**, Missions must document compliance with legal requirements, as applicable, prior to the obligation of funds. In the case of DOAGs, obligation occurs when the DOAG is signed or amended to add funds. Missions may address some of these requirements prior to sub-obligation into an activity-level agreement, if advised by the RLO. In such cases, Missions must document the decision for deferral with RLO clearance (see **ADS 201mad, Summary Checklist of the Legal Requirements for Obligating Funds into a Development Objective Assistance Agreement** and section **201.3.1.8, Legal Requirements on the Use of Funds**).

C. Scope of DOAGs

Missions should scope DOAGs such that they only cover one DO. Limiting a DOAG to a single DO can 1) ensure that USAID commits, obligates, and uses funds for the DO purpose for which they were authorized and notified; 2) facilitate proper accounting; 3) ensure a valid, binding obligation of funds; and 4) facilitate the completion of statutory pre-obligation planning requirements prior to the obligation of funds.

However, Missions may have valid reasons for entering into a DOAG that includes more than one DO. In such cases:

- Missions may not develop a DOAG “purpose” that is higher than the purposes of the separate DOs.

- Missions must commit, obligate, and record funds for each individual DO; *i.e.,* they may not obligate funds above the level of individual DOs.

- Missions must clearly document compliance with all legal requirements prior to signing a multi-DO DOAG, and specifically attest that 1) they are obligating and using the funds only for the purpose (DO) for which they are authorized and notified; and 2) accounting and funds controls will be adequate (*i.e.,* at the level of the individual DOs).

A Mission that is considering a multi-DO DOAG should also consult its RLO and Controller prior to entering into negotiations with the partner country government.

D. DOAG Management Across CDCSs

The completion date of a DOAG should generally correspond to the end date (or extended end date) of its associated DO/CDCS. Missions should generally negotiate DOAGs initially as five-year agreements so they are tied to the period of the CDCS. As there is often some delay between the approval of a CDCS and the signature of a DOAG, a DOAG may extend for a limited time beyond the CDCS.

In addition, Missions should exercise caution to ensure they do not permit DOAGs to expire while funds from the DOAG are still active in instruments. Therefore, Missions may extend the completion date of a DOAG for the purpose of expending prior-year funds that remain in the DOAG after the end date of the CDCS.

When a Mission transitions to a subsequent CDCS, it does not have to retain a DO approved in the prior CDCS. If a Mission retains a DO, it may extend the completion date of its current DOAG to correspond with the period of the subsequent CDCS. When a Mission does not incorporate an existing DO into a subsequent CDCS, it would generally not be appropriate to obligate funding that supports the subsequent CDCS into the existing DOAG.

201.3.2.20 Expiration and Extension of a CDCS

Effective Date: 12/23/2019

CDCSs expire on the date specified in the CDCS approval memorandum or any subsequent CDCS extension memo. Extensions are not encouraged; however, in some cases, they may be justified.

There are two types of CDCS extensions:

1) Extensions for up to six months: Missions may only use this option once during the CDCS period. These extensions do not require clearance or approval from USAID/Washington as long as the combined duration of all extensions does not exceed two years.

2) Extensions beyond six months: These extensions require approval from the AtA for PPL and the relevant Regional Bureau AA based on a compelling justification.

Two years is the maximum cumulative duration of CDCS extensions.

See **ADS 201max, Regional and Country Development Cooperation Strategy Updates, Amendments and Extensions**, for additional guidance.

201.3.2.21 Amending and Updating a CDCS

Effective Date: 10/28/2020

CDCSs should be living documents, and Missions should regularly revisit their CDCS to take stock, capture learnings, and make adjustments as necessary. Triggers for

adjusting a CDCS include, but are not limited to the following: 1) changes in the country context that prompt major shifts in programming; 2) internal changes in funding or Administration or Agency policy priorities that call for a rescoping or revision of intended results; and/or 3) recommended changes to the development hypotheses revealed through monitoring, evaluation, site visits, portfolio reviews, the mid-course stocktaking, and/or learning during the course of implementation.

There are two types of CDCS adjustments:

1) An update: An update occurs when a Mission makes changes at the IR (or sub-IR level, if applicable) in the CDCS. Updates do not require clearance or approval from USAID/Washington. However, Missions must advise PPL and the Regional Bureau of any update.

2) An amendment: An amendment occurs when a Mission makes changes at the DO or Goal level in the CDCS. Changes made to either a Special Objective or Support Objective also require an amendment, unless the change is part of a phase-out previously specified in the CDCS. Missions must obtain approval from the AtA for PPL and the Regional Bureau AA for an amendment.

See **ADS 201max, Regional and Country Development Cooperation Strategy Updates, Amendments and Extensions**, for additional guidance.

201.3.2.22 CDCS Closeout

Effective Date: 12/23/2019

At the end of a CDCS, the Mission should capture and synthesize its experience and lessons learned to inform the subsequent CDCS. The subsequent CDCS does not have to incorporate DOs from the previous CDCS.

As described in section **201.3.2.7**, the life of subsidiary projects and activities will often not coincide with the life of a CDCS. For Missions with DOAGs, the de-obligation of leftover funds and close-out process for a DOAG will be complete when all activities under that DOAG have closed out (see **ADS 201.3.2.19** for additional guidance on DOAGs).

201.3.3 Project Design and Implementation

Effective Date: 08/02/2022

A “project” generally refers to a group of activities that are designed and managed in a coordinated way to advance result(s) set forth in a CDCS. Through a project approach, Missions can often create synergies among complementary activities that generate higher-level results than would be possible to achieve through the sum of their individual performances. In addition, Missions can more strategically leverage the wide range of

partnering approaches or mechanisms at the Agency's disposal to strengthen local actors and systems for greater sustainability of results.

As described in section **201.3.2.14**, projects are optional. However, if Missions opt to implement an aspect of their CDCS through a project approach, they should follow guidance in **ADS 201sam, Project Design and Implementation Process**. Guidance in this Additional Help reference is specifically aimed at minimizing internal bureaucracy while maximizing value to ensure that staff have the time they need to design, implement, and monitor activities—based on evidence and continuous learning—to achieve their intended results.

If Missions determine they do not need to bundle activities under a project to effectively advance CDCS results, the project guidance in **ADS 201sam** does not apply. In this case, Missions should proceed directly to activity design and implementation according to section **201.3.4**.

201.3.4 Activity Design and Implementation

Effective Date: 08/02/2022

An "activity" generally refers to an implementing mechanism that carries out an intervention or set of interventions to advance identified development result(s) in a given country or region. Activities range from contracts or cooperative agreements with international or local organizations to direct agreements with partner governments, to development finance instruments issued by the U.S. International Development Finance Corporation (DFC), among other examples. Activities also include buy-ins under global agreements (*e.g.,* Field Support agreements) that generate programmatic results in a specified country or region. Missions and Washington OUs (hereinafter referred to as "OUs") often complement activities with actions undertaken directly by USAID staff, such as policy dialogue, stakeholder coordination, or capacity building (see **USAID's Implementing Mechanism Matrix** for a list of common mechanisms used by the Agency).

In Missions, activities should contribute to development result(s) set forth in their CDCS. Activities should also contribute to project results, where applicable. Per section **201.3.2.14**, Missions should bundle activities into projects if they determine that designing and/or managing them in a coordinated way can most effectively advance CDCS results (see section **201.3.2.14** for additional guidance on how to make this determination).

The activity design process has two phases:

- During "Phase One: Activity Design Planning," OUs identify a Point of Contact (POC)/Design Team to lead the design process. In addition, OUs identify or revalidate high-level parameters to guide the process (*e.g.,* purpose, available budget, etc.). OUs may document these guiding parameters in meeting minutes

or email correspondence with the Program Office, among other options. For additional guidance, see section **201.3.4.4**.

- During "Phase Two: Activity Design," OUs determine how to advance intended result(s) through a given type of implementing mechanism. The design that results is ultimately approved through a brief Activity Approval Memorandum (AAM) (see **ADS 201mai, Activity Approval Memorandum (AAM)**). OUs may approve one design or multiple, complementary designs through an AAM, depending on the circumstances. In most cases, Phase Two culminates in a solicitation or finalization of an agreement. For additional guidance, see section **201.3.4.5** on A&A activities, or section **201.3.4.6** on non-A&A activities.

During activity implementation, OUs oversee activities in accordance with the terms of their agreements and collaborate with implementing partners, local stakeholders, and other members of their project teams, as applicable. They also monitor, evaluate, and learn from implementation to make decisions and course corrections as needed to yield intended results most effectively (see sections **201.3.4.7** through **201.3.4.12**).

201.3.4.1 Roles in Activity Design and Implementation

Effective Date: 09/21/2021

Activity design and implementation is a core interdisciplinary function that requires skills and expertise that span organizational and functional boundaries. OUs should therefore promote efficient and constructive interactions between key offices and functions to ensure alignment and consistency among the technical, legal, budgetary, and managerial facets of each activity.

For activities that are designed and managed by Missions, roles and responsibilities include, but are not limited to, the following:

- Mission Program Office: The Program Office provides oversight of the Mission's activity design and implementation processes; provides Mission-specific guidance in the relevant Mission Order; ensures that activities support associated projects (where applicable) and the CDCS; manages the budget planning process to ensure funds availability for activities; advises on non-A&A mechanisms and facilitates the preparation of documentations for such mechanisms; advises on monitoring, evaluation, and CLA approaches in accordance with the guidance herein and provides additional Mission-specific guidance in the relevant Mission Order; ensures that Activity MEL Plans meet the management needs of projects, if applicable, and the data collection needs of the PMP; oversees evaluations; coordinates and guides the Mission portfolio review process; and oversees the Mission's development outreach efforts associated with communicating activity results to key stakeholders in the partner country and in Washington.

- Mission Technical Offices: Technical Offices typically take a lead role in designing and managing activities (under the oversight of the Program Office); collaborate with the partner government and development actors in their technical sector to ensure that activities align with local priorities; assume activity management roles (Contracting/Agreement Officer's Representative, etc.) to carry out responsibilities specified in signed designation letters; and adaptively manage activities in response to learning and evidence to support the achievement of activity results (and project results, where applicable).

- Mission Office of Acquisition and Assistance (OAA): OAA serves as a business advisor on how Missions can achieve intended results with the Agency's broad range of A&A instruments; reviews supporting solicitation documents prepared by the Design Team and makes the final determination on the selection of instrument; ensures that Statements of Work or Objectives, Program Descriptions, and other A&A documents are consistent with the selected type of instrument; solicits, negotiates, awards, and administers A&A awards; delegates certain award management responsibilities to designated Contracting Officer's Representatives/Agreement Officer's Representatives (CORs/AORs); and advises CORs/AORs during implementation on how to make programmatic adjustments, where necessary, to enable adaptive management, all in accordance with their delegated authority and within applicable statutes, regulations, and policies.

- Mission Office of Financial Management (OFM): OFM oversees all financial management matters relating to Mission activities; plans and conducts pre-award financial management risk assessments for agreements with the partner government and/or local organizations; supports Design Teams in developing cost estimates; provides advice or assistance to strengthen the financial management capacity of public- and private-sector organizations, where applicable; maintains an integrated financial management system that complies with the applicable requirements of Agency financial management systems; organizes periodic financial reviews; supports CORs/AORs with required financial documentation, such as analyses of forward funding and pipelines; and monitors the financial execution of the Mission's budget in relation to actual expenditures.

- Mission Executive Office (EXO): EXO is often responsible for the procurement of small activities under the Simplified Acquisition Threshold (*e.g.,* analyses, assessments, and other short-term support); oversees USAID's staffing needs that support activity design and implementation; maintains relevant Mission Orders or Mission Notices to supplement this chapter's policies and procedures; and provides implementing partners with advice and guidance to help them operate effectively in the partner country.

- Resident Legal Officer (RLO): The RLO provides legal counsel and advice on a broad range of matters related to activity design and implementation; guides the team in satisfying all relevant legal (including pre-obligation) requirements and documenting such; and guides the process of negotiating and finalizing non-A&A agreements (*e.g.,* agreements with partner governments; PIOs; Inter-Agency agreements under Section 632(b) of the FAA, as amended; etc.).

- Climate Integration Lead (CIL): The CIL provides support and advises Design Teams on how to conduct mandatory climate risk assessments, where applicable, per section **201.3.4.4** and **ADS 201mal**; and advises CORs/AORs and other managers on integrating risk management measures into design, monitoring, evaluation and CLA.

- Mission Environmental Officer (MEO): The MEO provides support and advises Design Teams on how to conduct mandatory environmental reviews per section **201.3.4.4** and **ADS 204**; submits environmental compliance documents to the appropriate Bureau Environmental Officer in Washington for review and concurrence; and advises CORs/AORs and other managers on monitoring and/or overseeing approved mitigation measures during implementation.

- Mission Gender Advisor/Point of Contact (Gender Advisor): The Gender Advisor advises Design Teams on how to integrate gender equality and female empowerment into the design and implementation of activities per section **201.3.4.4** and **ADS 205**. For standalone activities, the Gender Advisor conducts, facilitates, and/or reviews the mandatory gender analysis and ensures that findings are integrated in meaningful ways into activity design. For activities bundled into a project, the Gender Advisor ensures that findings from the project-level gender analysis (and any supplementary activity-level gender analyses, if applicable) are integrated in meaningful ways into activity design. The Gender Advisor also ensures that activity-level performance indicators are, as appropriate, sex-disaggregated and/or gender-sensitive; collaborates with CORs/AORs and other managers during implementation to monitor, evaluate, and learn from activities with regard to their impact on gender integration; and advises on course corrections, as appropriate, that could further close gender gaps.

- Other Cross-Cutting Advisors and POCs in the Mission: Other cross-cutting advisors/POCs in the Mission may include a Mission Engineer, a Mission Economist, a focal point for marginalized populations, and/or others depending on the Mission. Advisors/POCs take an active role in conducting, facilitating, or reviewing analyses to provide insights about technical issues related to their respective areas of responsibility; and provide advice, guidance, and follow-up on respective issues in the design and implementation of activities.

- Washington Operating Units/Regional Missions: Washington OUs and Regional Missions provide guidance to Missions on policies and priorities; support Missions with technical expertise consistent with the **Agency Approach to Field Services (AAFS)**; ensure the implementation of Agency-wide sector strategies and initiatives; and provide support to Missions, as requested, in support of the functions outlined in this section, including for analyses and the collection of other evidence needed to develop activity designs.

201.3.4.2 Applicability Activity Design and Implementation Guidance

Effective Date: 10/28/2020

A. Applicability

The guidance in this section (section **201.3.4**) generally applies to all activities, including those bundled into a project, as well as standalone activities that are not part of a project.

B. Exemptions

The following types of awards/activities are exempt from the requirements herein. While exempt, OUs must approve these awards/activities through AAMs, customized as appropriate, and ensure that they satisfy relevant pre-obligation requirements. See **ADS 201mai, Activity Approval Memorandum (AAM)** and **Additional Help: List of Pre-Obligation Requirements for New Activities** for further guidance.

1) Awards that Provide Management or Support Services: Awards that provide management and support services are exempt because they do not directly generate development results and, therefore, are not an “activity” as defined herein. These services include evaluations, assessments, MEL platforms, institutional support services, and other awards funded with Program Design and Learning (PD&L) funds. While these types of awards are exempt, OUs are encouraged to use aspects of this guidance as appropriate.

2) Emergency Food Assistance, Disaster Assistance, and Transition Assistance: Certain activities targeted at preventing, responding to, recovering from, and transitioning from crisis are exempt from the requirements herein. These activities include:

- Activities managed by the Bureau for Humanitarian Assistance (BHA); and
- Activities managed by the Bureau for Conflict Prevention and Stabilization’s Office of Transition Initiatives (CPS/OTI).

201.3.4.3 Mission Concurrence for Washington/Regional Mission-Funded Activities

Effective Date: 10/28/2020

Washington OUs and Regional Missions/Platforms (WOU/RMs) that both fund and manage activities implemented in the field must obtain concurrence for such activities from the responsible Mission Director or the senior official who has direct purview over the country, or their designee, unless exempted in **ADS 201man**. WOU/RMs must email concurrence requests using the **Mission Concurrence Request Form** to the responsible Mission at program.[country]@usaid.gov.

WOU/RMs must obtain concurrence as early as possible, ideally during the activity design process. If the country is not identified at the time of design, WOU/RMs must obtain concurrence during the solicitation process or prior to the start of in-country implementation. Both the WOU/RM and the bilateral Mission (or other OU that has purview over the country) must document concurrence.

In addition, as described in **ADS 201man**, WOU/RMs should align their field-based activities with Mission CDCSs wherever feasible and appropriate.

For additional guidance, see **ADS 201man, Process for Obtaining Concurrence for Washington, and Regional Mission Funded Activities**.

201.3.4.4 Phase One: Activity Design Planning

Effective Date: 08/02/2022

During Phase One of an activity design process, OUs 1) identify the need for a design; 2) identify a primary POC/Design Team to lead the design process; and 3) identify or revalidate high-level parameters to guide the design process.

A. Identify the Need for an Activity Design

OUs should aim to identify potential activity needs as early as possible. For A&A agreements, the Agency's Procurement Action Lead Time (PALT) averages about nine months for competitive acquisition solicitations, and about five months for competitive assistance solicitations. This is in addition to the timeline associated with the "pre-PALT" design process, which covers the period from the initiation of a design to the approval of an activity and submission of the requisition into the Agency's **Global Acquisition and Assistance System (GLAAS)** (see **ADS 300.5** for further guidance on PALT planning).

Missions should plan prospective activities based on priorities identified in their CDCS and supporting projects where applicable (see section **201.3.3** for additional guidance on projects). In many cases, Missions will also identify activity design needs based on new U.S. Government foreign policy imperatives, Congressional directives, or Agency mandates; changes in foreign assistance resources; the emergence of new evidence or

learning; and/or shifts in the development context. In the case of significant changes, Missions should consider whether updates are needed to their CDCS to reflect these changes (see section **201.3.2.21** on updates to the CDCS).

B. Identify a Primary POC/Design Team to Lead the Design Process

After identifying an activity need, OUs must identify a primary POC to lead the design process (known as the "Planner" in the case of A&A instruments; see **ADS 300.2**). For designs that are large, complex, or strategically important, OUs should establish an Activity Design Team—ideally, an intra-OU Design Team—to support the primary POC and ensure the consideration of diverse perspectives. For component activities under a project, OUs should ensure that members of the project team collaborate as needed to build in synergies between complementary activities.

C. Identify or Revalidate High-Level Parameters to Guide the Design Process

Finally, OUs must identify high-level scope/process parameters to guide the design process. The purpose of clarifying overall parameters at the outset is not to establish an early design or concept paper; it is to ensure that the Design Team has a clear mandate and understanding of what it needs to do to proceed efficiently with the activity design. OUs must also document identified parameters to create a record and for follow-up purposes. OUs may satisfy this requirement by mandating that teams confirm parameters with the Program Office over email or that they meet with identified senior staff and record decisions in the form of minutes, among other approaches. For activities planned in a PDD, the parameters therein may satisfy this requirement.

Note: In addition to this parameters-setting phase, some OUs may require a concept paper/review during an early juncture in the design process. This is allowed, but not required, and OUs should balance the time and effort associated with extra clearance or review processes with the level of resources, complexity, and strategic importance of the activity.

At a minimum, OUs must identify (or revalidate, if included in a PDD) the following parameters:

1) The preliminary purpose of the activity;

2) How the activity will advance CDCS and/or project-level results, where applicable;

3) The activity's preliminary budget;

4) The preliminary mechanism type (*i.e.,* whether the activity is expected to be an A&A instrument or non-A&A type mechanism such as a partner government agreement (G2G), a finance instrument issued by the DFC, etc.); and

5) For planned Government-to-Government (G2G) activities, additional parameters are described in **ADS 220.3.4.2**.

In addition, OUs are highly encouraged to consider other scope and process parameters during this phase, such as:

Overall Plan for Analysis and Stakeholder Engagement: OUs should consider their overall plan for analysis and engagement to ensure that the design is grounded in evidence. In making this determination, OUs should use their professional judgment regarding the type and depth of analysis and engagement needed, depending on the context and nature of the development problem, as well as the applicability of evidence gathered during the CDCS or project design process, where applicable.

Potential sources of evidence include, but are not limited to, the following:

- Relevant analyses or analytic work conducted or reviewed during the CDCS or project design processes;
- New analyses conducted or commissioned by the Design Team; *e.g.,* **political economy analysis**; **cost-benefit analysis**; comparative cost-effectiveness analysis such as **cash benchmarking**, **inclusive-development analysis**, etc. (see **Additional Help: Compilation of Analyses and Assessments** for a more complete list);
- Evaluations, analyses, monitoring data, and lessons learned from prior projects and activities, including those conducted by other donors;
- Sector-specific analyses, assessments, studies, or data conducted or disseminated by other organizations or researchers;
- Analyses regarding the cost-effectiveness of the proposed design;
- Focus groups, consultations, or co-creative design processes with local stakeholders and potential beneficiaries, among other options; and
- Geospatial data that combines location data with attributes (*e.g.,* attributes in the development context or from the implementation of previous projects or activities, etc.).

Co-Creative and Collaborative Approaches to Design: To strengthen local engagement and ownership, and/or invite new ideas or approaches, OUs may consider pursuing a more co-creative or collaborative approach to design. Depending on the approach, this could imply a multi-phase solicitation process (*e.g.,* use of a Broad Agency Announcement (BAA) or Annual Program Statement (APS),

a Request for Concept Papers, the use of oral applications or presentations, etc.). See USAID's **A&A Strategy** and **Discussion Note: Co-Creation** for additional guidance on the wide range of approaches to advance co-creation.

Plan for Mandatory Analyses: OUs should also consider their plans for conducting or reviewing mandatory analyses, as applicable, that must inform the activity design:

- Gender: Per **P.L. 115-428** and **ADS 205**, OUs must ensure that gender analysis shapes strategies, projects, and activities as applicable. To implement this mandate, Missions must conduct, commission, or review a gender analysis and incorporate findings into the activity design as appropriate. OUs may use third-party gender analyses (*e.g.,* from another donor or multilateral organization), or a project-level analysis where applicable, to satisfy this requirement as long as such analyses yield data at a level useful for directly informing the subject design(s) (see **ADS 201san, Guidance Note: Integrating Gender in Broad Agency Announcements** for additional guidance).

- Environment: Per **22 CFR 216** and **ADS 204**, OUs must identify, assess, avoid, and mitigate, as appropriate, the potential environmental impacts of all USAID activities, unless otherwise exempted. As part of this mandate, OUs must complete an environmental review that covers the activity at the earliest point during the design process in which a meaningful review can be conducted so that it can inform the activity design as appropriate. Based on this review, OUs must prepare an Initial Environmental Examination (IEE) or a Request for Categorical Exclusion for approval by the Mission Director (if in a Mission) or the Office Director (if in Washington), with final concurrence by the responsible Bureau Environmental Officer. For those activities that have the potential for a significant effect on the environment—*i.e.,* those described in **22 CFR 216.2(d)** or that have a positive threshold determination—an Environmental Assessment (EA) may be required in addition to, or in lieu of, an IEE. If there is not sufficient information upon which to complete a meaningful review during the design process, the IEE may defer the threshold determination to a specified pre-award or post-award juncture, but in no event later than the onset of major programmatic implementation.

- Climate Risk: Per **Executive Order 13677** and **ADS 201mal**, OUs must assess climate-related risks for all USAID investments (unless otherwise exempted in **ADS 201mal**); and incorporate climate risk management (CRM) measures into the design and implementation of activities, if applicable (*e.g.,* into a Statement of Work; Environmental Mitigation and Monitoring Plan; Activity Monitoring, Evaluation and Learning Plan, etc.). Missions must implement this requirement through a mandatory climate risk screening during R/CDCS development (see section **201.3.2.11** and **ADS 201mat**), and, if applicable, a more-rigorous climate risk assessment for sectors or areas

identified in the R/CDCS as moderate or high risk during project or activity design. Much like the mandatory environmental review (see above), Missions must conduct applicable assessments at the earliest point during project or activity design in which meaningful analysis can be conducted so that it can inform the design as appropriate. Missions and other OUs must document findings from climate risk assessments, along with associated CRM approaches where applicable, in the relevant environmental compliance document associated with the activity (*e.g.,* an IEE). Where CRM is not applicable because either an activity-level or higher-level assessment identified low risks for the sector/area/activity, the relevant environmental compliance document must certify this finding. If there is not sufficient information upon which to complete a meaningful assessment during the design process, such document may alternatively approve a deferral, in part or full, to a specified pre-award or post-award juncture, but in no event later than the onset of major programmatic implementation.

Monitoring, Evaluation, and CLA: OUs should identify any monitoring, evaluation, and/or CLA plans that must be incorporated into the design (*e.g.,* learning or data needed for the PMP, the annual PPR or, if applicable, a PDD). This is particularly important if such plans create a need to collect indicator baseline data before major implementation begins or plan an impact evaluation in parallel if the activity includes an innovative approach.

Special Requirements/Processes: OUs should identify any instrument, sector, or country/region-specific requirements/processes, as applicable, that require special planning. See **Additional Help: List of Pre-Obligation Requirements for New Activities** for a general list of requirements, most of which are contingent on the sector or type of instrument, among other scenarios. Examples include a Senior Obligation Alignment Review (SOAR) process if the activity meets or exceeds certain thresholds (see **ADS 300** and **ADS 300man**), a construction risk screening if an activity has a construction component (see **ADS 201maw**), a “key considerations” assessment if the activity will be implemented in a politically sensitive country (see **ADS 201may**), or a G2G risk assessment if the activity will be a G2G mechanism (see **ADS 220**). OUs should also consult with their RLO/GC POC, their Program Office, and/or OAA for further guidance.

Resource Implications Associated with the Design: OUs should plan/budget for any estimated costs associated with the design process (*e.g.,* the time and cost of commissioning analyses, collecting a baseline, funding temporary duty travel, etc.).

Timeline and Benchmarks: OUs should consider the timeline and benchmarks for completing the analytic and other steps necessary to complete the design process.

Activities Scheduled for Concurrent Design (if applicable): OUs should consider any activities to be designed concurrently, particularly if such activities will jointly

contribute to a higher-level result in a project. This is encouraged, where feasible, to minimize lead times and ensure that activities are designed to complement one another. If OUs exercise this option, they may also approve these activities jointly within a single AAM (see **ADS 201mai, Activity Approval Memorandum (AAM)**).

Check-Ins During the Design Process: OU management should consider whether to require any check-ins during the design process. Some OUs may require a concept review, or development of an early concept paper, to ensure that the design is on track. As described earlier in this section, OUs should balance the time and effort associated with any extra clearance or review processes with the level of resources, complexity, and strategic importance of the activity.

201.3.4.5 Phase Two: Activity Design Process for Acquisition and Assistance (A&A) Activities

Effective Date: 08/02/2022

During Phase Two of an activity design process, OUs design an activity based on the parameters identified during Phase One and the preliminary instrument or mechanism type that was selected. This section provides guidance on designing A&A activities that will be implemented by contractors or grantees:

- See **Section A** for guidance on designing an activity in which the successful contractor/grantee will be selected through a competitive, single-phase process of solicitation and evaluation.

- See **Section B** for guidance on other types of A&A instruments.

A. A&A Instruments that are Procured Based on a Competitive, Single-Phase Solicitation Process

The following table reflects a typical process for designing an activity in which the successful contractor/grantee will be selected through a competitive, single-phase solicitation and evaluation process. The exact process will vary depending on the circumstances. As such, the intermediary results reflected in this table are not necessarily sequential or universal, and teams should adapt these guidelines as appropriate. For further guidance on this process, see **ADS 201mba, Activity Design Process for Acquisition and Assistance Mechanisms**.

KEY RESULTS	KEY SUB-RESULTS
A. Analytic Design Process Conducted	CDCS, PDD, and other Agency policies reviewed, as applicable Mandatory analyses (gender;

KEY RESULTS	KEY SUB-RESULTS
	environment; and climate risk, where applicable) conducted or reviewed Other sources of evidence reviewed/analyzed Design/solicitation approach identified Selection of instrument considered (with ultimate finalization by the Contracting/Agreement Officer) Market research conducted (as input to the Individual Acquisition Plan, if applicable)
B. Activity Description Developed; Cost Estimate Constructed	Activity Description for solicitation developed Independent Government Cost Estimate/Budget developed
C. If Applicable, Senior Obligation Alignment Review (SOAR) Process Executed	If applicable, SOAR document developed If applicable, Action Memorandum approved by Assistant Administrator (AA) or Administrator
D. Activity Approval Memorandum (AAM) approved by Mission Director/AA/Designee/Other Authorized Official	AAM approved by authorized official
E. Remaining Pre-Obligation Requirements Completed, as Applicable; Requisition Created in the Global Acquisition and Assistance System (GLAAS)	Remaining inputs for solicitation developed Remaining pre-obligation requirements addressed, as applicable (see **A&A Pre-Obligation Requirements Checklists**) GLAAS requisition created
F. Activity Solicited and Awarded	Solicitation released

Text highlighted in yellow indicates that the material is new or substantively revised.

KEY RESULTS	KEY SUB-RESULTS
	Technical Evaluation/Selection Committee Memorandum developed Award with successful offeror/applicant signed

B. Other A&A Mechanisms/Approaches

A number of other partnering and design approaches that result in A&A instruments use different design processes than that described in **Section A** above. These include, but are not limited to, the following:

- Multi-Phase Solicitation Approaches that Support Innovation or Co-Creation: Multi-phase solicitation approaches refer to A&A solicitations in which OUs select offerors/applicants based on a multi-step process of solicitation and evaluation (*e.g.,* a first-phase request for concept papers followed by a second-phase invitation to produce a full proposal or application). This includes multi-phase Requests for Proposals (RFPs) and certain BAAs and APS, among other examples. In these cases, the initial solicitation often broadly focuses on a given development problem to maximize the opportunity for innovation. In addition, Design Teams often collaborate closely with offerors/applicants during the solicitation process to develop or refine promising proposals or applications. As described in the Agency's **Acquisition and Assistance Strategy**, USAID highly encourages OUs to use these approaches to support greater innovation and co-creation. These approaches can also help reduce barriers to entry for local, new, and underutilized partners.

  Because these solicitations use a multi-phase process, the process outlined in **Section A** is not applicable. However, OUs should use aspects of this guidance as appropriate. OUs should also leverage the Phase One: Activity Design Planning period (see section **201.3.4.4**) to outline a customized design process. In all cases, OUs must approve these activities through AAMs (see **ADS 201mai, Activity Approval Memorandum (AAM)**). For these mechanisms, the "Activity Description" annexed to the AAM may be the Concept Note/application that emerges from the co-creation process.

- Unsolicited Proposals/Concept Papers/Applications: Unsolicited proposals (for acquisition) or unsolicited concept papers/applications (for assistance) refer to written requests for funding for new or innovative ideas that are submitted at the initiative of an offeror/applicant for purposes of obtaining a contract or assistance award with USAID (see **ADS 302map, Guidelines for Submitting Unsolicited**

Contract Proposals and **FAR Part 15.6** for additional guidance on policy directives and required procedures on unsolicited proposals).

Because these activities do not use a design process initiated by USAID, the guidance in **Section A** is not applicable. However, OUs must still approve these activities through AAMs, customized as appropriate (see **ADS 201mai, Activity Approval Memorandum (AAM)**).

- Field Support Mechanisms: Field Support mechanisms refer to A&A agreements that are managed by Washington OUs and that Mission's access using Operating Year Budget (OYB) transfers for a given fiscal year. While Washington maintains the managerial lead for these types of agreements, CORs/AORs typically work closely with Activity Managers in a Mission to ensure their successful implementation. For these reasons, Mission-level Field Support is considered to be a field-based "activity" in this guidance, and the decision to access Field Support must advance intended results in the Mission's CDCS and/or PDD, as applicable.

  Missions should use their professional judgment—based on the mechanism and circumstances involved—to determine whether, or the degree to which, an analytic design process is appropriate. However, at a minimum, Missions must approve multi-year Field Support activities through AAMs, customized as appropriate (see **ADS 201mai, Activity Approval Memorandum (AAM)**). Approval through an AAM: 1) provides Mission management with an opportunity to review and approve the Activity Description (however defined); and 2) documents compliance with applicable pre-obligation requirements described in **ADS 201mai**, which Missions are often responsible for addressing. (In some cases, Missions may request that Washington-based CORs/AORs provide supporting documentation on pre-obligation requirements). As described in **ADS 201mai**, Mission Directors may delegate authority to approve AAMs to the extent appropriate (*e.g.,* to an Office Director for Field Support activities under a certain threshold).

  There are two exceptions to the requirement to approve Mission-level Field Support through an AAM: 1) Field Support transfers for evaluations, assessments, and other management and support services are exempt because they do not directly generate programmatic results and, therefore, are not an "activity" as defined herein; and 2) Field Support activities with a total investment length of less than one year are exempt because they are otherwise approved through an annual (Country, Malaria) Operational Plan. However, Missions are still responsible for satisfying applicable pre-obligation requirements.

201.3.4.6 Phase Two: Activity Design Considerations for Non-A&A Activities

Effective Date: 08/02/2022

As described in section **201.3.4.5**, during Phase Two of an activity design process, OUs design an activity based on the parameters identified during Phase One and the preliminary mechanism type that was selected. This section describes a number of partnering approaches beyond A&A agreements to achieve identified development results. This section also provides links to additional guidance to inform these design processes.

These mechanisms include the following:

- Partner Government Implementing Mechanisms: Partner government implementing mechanisms, also known as G2G agreements, refer to direct funding agreements with partner governments. These agreements employ a variety of funding mechanisms, but a basic choice is between so-called "project" and "program assistance." (Note: The terms "program" and "project" in this context are legacy terms; they do not coincide with other uses of these terms in **ADS 201**).

    - "Project Assistance" refers to G2G agreements based on a design with the partner government that finances specified results based on cost (with either a Cost Reimbursement or Fixed Amount Reimbursement payment mechanism).

    - "Program Assistance," also known as Non-Project Assistance, refers to generalized resource transfers—in the form of cash, commodities, or sovereign bond guarantees—to partner governments based on meeting defined benchmarks (*e.g.,* policy reforms) that are not based on cost.

  OUs must complete a risk assessment before engaging in a design process with a partner government. Completion of this process and associated requirements is the basis for the Mission Director's approval of the use of partner government Systems as part of the AAM that permits a Partner Government Systems Team (*i.e.,* the Design Team) to proceed in finalizing the agreement. These requirements include a Risk Mitigation Plan and Capacity Development Plan, if applicable. They also include other requirements identified in Section 7031 of the annual appropriations act.

  For additional guidance, see **ADS 220, Strengthening the Capacity of Partner Governments through Government-to-Government (G2G) Assistance**.

- Agreements with Public International Organizations (PIOs) and Bilateral Donors: Agreements with PIOs refer to funding agreements with organizations composed of multiple member states (*e.g.,* the United Nations), while agreements with bilateral donors refer to funding agreements with other donor governments that provide development assistance.

These type of agreements help put into practice the Agency's commitment to donor coordination and multilateralism, consistent with and in furtherance of the spirit of, the **Paris Declaration on Aid Effectiveness**, the **Accra Agenda for Action**, the **Busan Partnership for Effective Development Cooperation**, the **Nairobi Outcome Document**, and the **Department of State-USAID FY 2018-2022 Joint Strategic Plan**.

For additional guidance on PIOs, see **ADS 308**. For additional guidance on grants to bilateral donors that provide development assistance to a third country, see **ADS 351**.

- Inter-Agency Agreements (IAAs) under Section 632(b) of the FAA, as Amended: Agreements under Section 632(b) of the FAA are a particular type of IAA in which USAID obtains the services or facilities of another U.S. Government department or agency to carry out the purposes of the FAA. One basis for engaging another Federal department or agency under Section 632(b) of the FAA is to carry out an inherently governmental function, as defined in **Office of Management and Budget (OMB) Circular A-76**.

  For additional guidance on these agreements, see **ADS 306, Interagency Agreements**.

- Tools of the U.S. International Development Finance Corporation (DFC): The DFC offers a range of legal instruments that can help mobilize private capital in support of USAID's development objectives. The DFC's tools include loan guarantees, direct loans, political risk insurance, and equity investments.

  The **Better Utilization of Investments Leading to Development Act of 2018 (BUILD Act)** established the DFC. The DFC's suite of tools replaces and expands USAID's previous Development Credit Authority (DCA).

  To access the DFC's tools, initiating Missions/OUs should consult with their designated DFC Liaisons and/or the Private Sector Engagement (PSE) Hub in the Bureau of Development, Democracy, and Innovation (DDI). Section 1434(j) of the BUILD Act provides USAID the authority to transfer appropriated funds to the DFC as subsidy for access to DFC loans and loan guarantee products.

  For additional guidance, including guidance on the subsidy transfer process, see the **DFC-USAID Field Manual**, as amended.

In all cases, OUs must approve activities through AAMs (see **ADS 201mai, Activity Approval Memorandum (AAM)**), customized as appropriate, and ensure that they satisfy relevant pre-obligation requirements. See **Additional Help: List of Pre-**

Obligation Requirements for New Activities for a general list of requirements, many of which are contingent on the sector or type of instrument, among other scenarios.

201.3.4.7 Activity Implementation

Effective Date: 09/21/2021

Activity implementation typically commences with the signing of an agreement between the Agency and the partner or awardee. During implementation, CORs/AORs/Government Agreement Technical Representatives (GATRs) (and other managers, depending on the mechanism type) should do the following:

- Oversee their activities in accordance with the terms of the agreement; see section **201.3.4.8** on these and other roles;
- Work with their project team, where applicable, to generate synergies across activities in support of project and CDCS-level results (see section **201.3.2.13** and **ADS 201sam, Section 11** on CDCS and project implementation, respectively);
- Monitor, evaluate, and learn from activity implementation, reflect on progress, and identify course corrections as needed to advance activity-level results (see section **201.3.4.9** on monitoring, evaluation, and CLA during implementation);
- Monitor or oversee the implementation of identified approaches/mitigation measures from mandatory analyses (gender, environment, climate risk);
- Adapt implementation and execute activity modifications, as needed, to yield the most effective course of action (see section **201.3.4.11**); and
- Work with the Contracting/Agreement Officer (CO/AO) and/or other officials (depending on the type of instrument) to close out the agreement per **ADS 302sat**, while ensuring that knowledge and learning gained during activity implementation is captured and/or shared so that it can be applied to future projects or activities (see section **201.3.4.12**).

201.3.4.8 Delegations of Authority and Other Roles in Activity Implementation

Effective Date: 09/21/2021

A. Obligating Officials

At USAID, certain officials—sometimes referred to as “obligating officials”—have Delegations of Authority (DOA) to sign, negotiate, amend, and administer different types of instruments/mechanisms. There are two paths for DOAs: one that flows from the Director of M/OAA (as the Senior Procurement Executive, Chief Acquisition Officer, and Assistance Executive) and one that flows from the USAID Administrator:

1) The Director of M/OAA delegates authority to COs/AOs to administer acquisition and assistance agreements within the specific limitations of their warrants (see **AIDAR Part 701.6** for information on acquisition, and **ADS 303.2(d)** for assistance).

2) In addition, the Agency Administrator delegates authority to AAs to administer agreements with partner governments, 632(b) interagency agreements, and agreements with PIOs and bilateral donors, which in the vast majority of cases, is redelegated to responsible Mission Directors (see **ADS 103.3.5.1(c)**, **ADS 103.3.8.4**, and **ADS 103.3.8.4**, respectively). The Agency Administrator also delegates authority to AAs and Mission Directors to administer A&A agreements in an amount not exceeding $150,000 (or local currency equivalent) in the aggregate (see **ADS 103.3.5.8**). These authorities do not impinge on the DOAs granted to COs/AOs.

B. Contracting Officer's/Agreement Officer's Representative (CORs/AORs)/Government Agreement Technical Representative (GATRs)

As described in **Section A** above, COs/AOs have the authority to sign, negotiate, amend, and administer A&A and certain PIO agreements within the limitations of their warrants. For each activity under management, COs/AOs generally assign certain authorities to a COR/AOR for purposes of ensuring day-to-day technical and administrative oversight of the activity. This DOA occurs through a signed designation letter addressed to a specific individual.

For other types of agreements (*e.g.,* partner agreements, PIO contributions, IAAs, etc.), an AA or Mission Director typically serves as the obligating official with the authority to sign, negotiate, amend, and administer the agreement. Like COs/AOs, AAs and Mission Directors also typically delegate certain authorities for day-to-day technical management; however, the nature of the relationship can be quite different, depending on the mechanism. For partner government agreements, such delegation is to a GATR through a signed designation letter. However, the Mission's RLO and other staff who represent different functions also often play key roles.

CORs/AORs/GATRs must closely review and follow all responsibilities, core functions, and limitations, as stated in their designation letter. Administrative responsibilities typically include, but are not limited to, ensuring inventory control, assuring data quality; approving implementation plans or work plans; ensuring prior, written approval by the CO/AO for certain types of proposed actions, such as a new subaward; reminding partners of their legal, regulatory and/or contractual responsibilities, such as the reporting of subawards through the **Federal SubAward Reporting System (FSRS)** per **31 U.S.C. 6101**; and filing required documentation in the **Agency Secure Image and Storage Tracking (ASIST) System**, the Agency's official electronic repository for all

A&A award documentation. (See **ADS 302**, **ADS 303**, and **ADS 220** for additional guidance on acquisition, assistance, and G2G agreements, respectively.)

In addition, CORs/AORs/GATRs/others must work with their implementing partners and other members of the project team to advance project- and CDCS-level results, where applicable. To the extent feasible and appropriate, CORs/AORs/GATRs/others should facilitate joint work planning, meetings with partners, working groups, and/or other collaborative approaches to avoid duplication of effort, generate synergies, and facilitate an environment that is open to learning and adapting (see **ADS 201sam, Section 11** on project implementation).

For additional guidance and support, see **COR/AOR Central**, a platform on ProgramNet dedicated to CORs/AORs.

C. Activity Managers

In addition to these roles with specific delegated authorities, CORs/AORs may also identify an Activity Manager to assist with post-award administrative oversight and monitoring. The principal roles and responsibilities of the Activity Manager may include the following:

1) Providing support to the COR/AOR in administering the award; and/or

2) Providing support to the COR/AOR in performing monitoring functions; *e.g.,* collaborating with the COR/AOR to conduct site visits, verify monitoring data, conduct periodic data quality assessments, and/or filing monitoring and other required documentation in **ASIST**, all in accordance with Agency policy and the award's terms and conditions.

The COR/AOR remains accountable for delegated responsibilities and is the only person authorized to provide technical direction to the contractor or recipient as described in the COR/AOR designation letter. However, Activity Managers may support the COR/AOR in providing technical and/or administrative oversight of the activity.

Activity Managers may be located in Washington or in the field. In the case of Field Support activities, the COR/AOR is typically located in Washington, while the Activity Manager is in the field.

If the identified Activity Manager is not a U.S. Direct-Hire (USDH) employee or a USAID Personal Services Contractor, the COR/AOR must consult with the CO/AO and the RLO and/or GC to ensure, among other things, that no conflicts of interest exist and that the individual would not impermissibly carry out inherently governmental functions.

201.3.4.9 Monitoring, Evaluation, and CLA During Activity Design and Implementation

Achieving results outlined in a CDCS through the implementation of a set of activities is a continuous process. It is important to integrate and clarify monitoring, evaluation, and CLA expectations, requirements, and necessary resources at the solicitation phase of an activity to ensure that implementing partners place the appropriate emphasis on these efforts.

Monitoring, evaluation, and CLA for activities should emphasize the systematic process of collecting and analyzing performance data and other information to track progress toward planned results. Monitoring and evaluation should influence the planning of activities, decision-making, and the allocation of resources, and inform changes as needed. It is also important to collaborate with and across implementing partners to manage the relationship among activities, or between activities and a project, to achieve higher-level outcomes.

Activity monitoring, evaluation, and CLA focuses on whether an activity is achieving programmatic results and generating learning to inform the adaptation of activities based on evidence. These tasks are distinct from award oversight, with some overlapping functions, such as conducting site visits (see **ADS 302** and **ADS 303** for USAID's policy on A&A oversight management). Missions should make every effort to integrate relevant PMP indicators and Standard Foreign Assistance Indicators into solicitations and awards. Review of activity-approval documentation by a Program Office can help ensure that solicitations reflect the relevant indicators.

A. Activity Monitoring, Evaluation, and Learning (MEL) Plans

Activities must have an approved Activity MEL Plan in place before major implementation actions begin. A Mission Director or, in the case of Washington OUs, the head of a Bureau/Independent Office (IO), may approve rare exceptions to this requirement. Any exception must be documented in a memorandum and shared with PPL/LER and, for Missions, the relevant Regional Bureau Program Office.

An OU's Program Office, Activity Planners, and COR/AOR/GATR should work with COs/AOs to ensure that the Activity MEL Plan is a requirement in an award or agreement. The Activity MEL Plan should be consistent with the Mission's PMP and meet the Mission's needs for monitoring, evaluation, CLA, and collecting or managing data; external reporting requirements, such as the Mission's annual Performance Plan and Report (PPR); the PDD if applicable; and the program monitoring needs for the management and oversight of activities by USAID. Implementing partners must submit a proposed Activity MEL Plan to the COR/AOR within 90 days of an award, and the COR/AOR must upload the Plan into **ASIST**, the Agency's official electronic repository for all A&A award documentation, immediately upon approval.

In addition to any individual exceptions approved by a Mission Director or head of a Bureau/IO for individual activities, certain types of activities do not require an Activity MEL Plan. These include project and general contributions to PIOs or bilateral donors; DFC transaction agreements; program assistance-type G2G agreements; and activities exempted from activity design requirements, as outlined in section **201.3.4.2** (*i.e.,* emergency food assistance, disaster assistance, and transition assistance activities and awards for management and support services, including those related to monitoring, evaluation, or CLA). These types of activities may opt to do a MEL Plan, and should monitor the results of activities whether an Activity MEL Plan is required or not. (See **DFC-USAID MEL Guidance** for more information on DFC transaction agreements.)

In the case of project assistance-type G2G agreements and cost-type agreements with bilateral donors and PIOs, the Mission and the partner government/PIO should agree jointly to the monitoring approach, including performance indicators, as part of the agreement.

Although an implementing partner typically proposes the Activity MEL Plan, it is the COR's/AOR's responsibility to provide input on any required elements, review the plan, collaborate on any necessary changes, and approve or concur with the plan.

Activity MEL Plans must include the following:

- The activity's monitoring approach, including any monitoring processes or information systems, and at least one relevant performance indicator for each activity-level outcome, with baseline values (or plans for collecting a baseline) and annual targets; and

- As appropriate, the activity's procedures for: collecting feedback from beneficiaries; responding to feedback from beneficiaries; and reporting to USAID on beneficiary feedback.

Activity MEL Plans should address the following:

- Expectations for collaboration between implementing partners and any external evaluations of the activity planned by the Mission or Washington OU;

- Any proposed internal evaluations;

- Plans for monitoring context and emerging risks that could affect the achievement of the activity's results;

- Learning activities, including plans for capturing knowledge at the closeout of activities;

- Estimated resources for MEL actions that are part of the implementing partner's budget; and

- Roles and responsibilities for all proposed MEL actions.

The Mission and the implementing partner should revise the Activity MEL Plan as needed in response to changes in the activity or context that occur during the life of the activity (see **How-To Note: Activity Monitoring, Evaluation, and Learning Plan** for additional guidance).

B. Management of Activity-Level Monitoring, Evaluation, and CLA

I. Monitoring

OUs must monitor implementation progress; including the quantity, quality, and timeliness of an activity's outputs; the achievement of an activity's outcomes; and ensure the quality and delivery of performance monitoring data collected by partners.

Monitoring is not limited to an activity's interventions; it also involves tracking programmatic assumptions and the operational context of the activity, including risks and opportunities, to recognize trends and shifts in external factors that may affect the activity's performance.

For each activity, OUs must do the following:

- Collaborate with the implementing partner to ensure it collects all necessary monitoring information consistent with the Activity MEL Plan to support the management and learning needs of the activity (and its associated project, if applicable). This includes:

    - Setting performance indicator targets and collecting performance indicator baseline data before beginning the implementation of major work; and

    - As appropriate, ensuring beneficiary feedback is collected, used, and reported to the AOR/COR;

- Collaborate with the implementing partner to revise the Activity MEL Plan's indicators and targets as needed; see section **201.3.5.6** for additional guidance about changing indicators;

- Ensure Performance Indicator Reference Sheets (PIRS) are complete and sufficient, and are consistent across all activities that are collecting data for the same indicator; see section **201.3.5.6** for additional guidance about PIRS;

- Review performance monitoring indicator data and technical reports to ensure the quality of the monitoring information is sufficient for decision-making and reporting, and conduct data quality assessments (DQAs) as required; (see section **201.3.5.7** for additional guidance about data quality and DQAs):
    - Missions may conduct DQAs remotely in non-permissive environments;
- Perform site visits to provide oversight over agreements/awards, inspect implementation progress and deliverables, verify monitoring data, and learn from implementation:
    - While each Mission and the activity's context should inform the number and frequency of site visits, in general, Missions should conduct site visits for each activity at least once every six months;
    - For poor performing activities, such as agreements or awards with audit or evaluation findings that point to moderate or high risk for waste, fraud, or abuse, site visits should occur more frequently; and
    - In non-permissive environments, Missions may use remote methods to conduct site visits;
- Within 30 days of a site visit, upload a brief report to highlight the findings from the site visit to the official award file in **ASIST**; see **How-To Note: Planning and Conducting Site Visits** for additional guidance;
- Meet, as needed, with activity stakeholders (*e.g.,* partners, sector experts, donors, beneficiaries, and the partner government) to inform decisions on what to monitor, share and analyze monitoring information, and review progress;
- Analyze and use performance, risk, and context monitoring information to learn, inform management and other decisions, and adapt interventions; and
- Analyze performance monitoring indicator data to identify any gender gaps (the extent to which females and males participate in, and benefit from, activities) and determine whether to adapt interventions to address those gaps (see **ADS 205 on Integrating Gender Equality and Female Empowerment in USAID's Program Cycle** for more information).

For additional guidance about performance and context monitoring, see section **201.3.5.4**.

II. Evaluation

Sections **201.3.6.7** and **201.3.6.8** describe the procedures for planning and implementing an evaluation. OUs should plan evaluations of agreements or awards during the process of designing projects and/or activities. When USAID needs information on whether an intervention is achieving a specific outcome, the Agency prefers impact evaluations over performance evaluations. OUs must plan impact evaluations of specific interventions during the activity design process to accommodate parallel implementation of the evaluation. If an OU plans an impact evaluation, activity planners must work with AOs/COs to include language about the evaluation in the solicitation for the activity undergoing an impact evaluation. However, OUs may decide to initiate a performance evaluation at any point during implementation, particularly if new information arises to indicate that an evaluation is appropriate for accountability or learning purposes.

AORs/CORs/GATRs should actively engage with the implementing partners of agreements or awards being evaluated to ensure they are collaborating productively with external evaluators. AORs/CORs/GATRs should inform implementing partners as early as possible if their activities will be evaluated and must share the draft and final designs of the evaluation design by the evaluation team with the implementing partner for feedback.

AORs/CORs/GATRs should also ensure that implementing partners are facilitating full, transparent, and timely access to data, documentation, personnel, and key stakeholders as appropriate for the completion of an evaluation. Following the completion of an evaluation, OUs must share the draft and final evaluation reports with the implementing partner being evaluated and should coordinate with the implementing partner on dissemination and utilization of evaluation findings (see section **201.3.6.10**). OUs must also ensure that the implementing partner delivers evaluation data and information to USAID as specified in the award, and in accordance with Agency standards for the management and submission of data (see **ADS 579, USAID Development Data**, for additional guidance).

III. Collaborating, Learning and Adapting (CLA)

OUs should facilitate an intentional approach to CLA, both within the boundaries of the activity as well as within the project to which the activity contributes, if applicable. Potential approaches include, but are not limited to, the following:

- Having partners identify opportunities to test and explore the activity's theory of change, and/or identify gaps in their technical knowledge base:
    - OUs should support partners in identifying and implementing ways to fill these gaps, including through monitoring, evaluation, and other sources of learning;

- Planning for, and engaging in, regular opportunities for partners to reflect on progress, such as partner meetings, portfolio reviews, and after-action reviews:
    - These opportunities could focus on challenges and successes in implementation to date, changes in the operating environment or context that could affect programming, opportunities to better collaborate or influence other actors, emerging risks that threaten the achievement of objectives, and/or other relevant topics;
- Encouraging partners to collaborate, where relevant (or requiring it by including language in awards):
    - Collaboration approaches could include joint work planning, regular partner meetings that facilitate knowledge and/or data sharing, and/or working groups organized along geographic or technical lines. These activities require time and resources, and the OU should ensure implementing partners have the appropriate resources available to participate;
- Involving implementing partners in the OU's learning activities, such as portfolio reviews or stocktaking efforts, as appropriate; and
- Using the knowledge and learning gained from implementation; opportunities to reflect on performance; monitoring data; evaluations; knowledge about the context, risks, and opportunities; and other sources to adjust interventions and approaches as needed.

For more information, see **Incorporating CLA into the Procurement Process, Incorporating CLA into Solicitations** and **Incorporating CLA in Activity Management**.

201.3.4.10 Resource Management During Activity Implementation

Effective Date: 10/28/2020

Resource management plays a key role in managing the performance of activities in support of activity-, project-, and CDCS-level results (as applicable). For this reason, resource management spans organizational boundaries and is not the responsibility of any one office or function.

In Missions, the Program Office typically plays a lead role in formulating budget requests, planning obligations, and processing allowances prior to obligation of funds. The Office of Financial Management (OFM), in collaboration with the Office of the Chief Financial Officer (CFO) in the Bureau for Management (M), typically plays a lead role in managing obligations and expenditures after obligation.

CORs/AORs/GATRs—in collaboration with the Program Office, OFM, and others—are typically responsible for managing the financial aspects of individual activities. The nature of this collaboration will vary depending on a Mission/OU's staffing levels and organizational footprints. Roles and responsibilities typically include, but are not limited to, the following:

A. Financial Analysis and Management

CORs/AORs—in collaboration with the Program Office and OFM—must identify, project, and analyze trends and relationships of key financial data throughout the life of an activity. CORs/AORs and others should use this data to manage activity-level performance and ensure the strategic allocation of resources in view of such performance.

Key financial terms include, but are not limited to, the following:

- Accrual—The estimated cost of goods and/or services or other performance received, but not yet paid for, by the Agency.

- Burn Rate—The rate at which the implementing partner is making expenditures under an agreement, usually quoted in terms of average expenditure per month during a given period of time.

- Commitment (or Sub-Commitment)—An administrative reservation of funds in anticipation of their obligation.

- Disbursements—The actual payments made by the Agency for goods and services or other performance under an agreement.

- Expenditures—Estimates of the total costs incurred by the Agency for goods and services and other performance received under an activity, whether paid for or not. Expenditures equal accruals plus disbursements. Expenditures can offer a valuable indicator of activity progress in monetary terms.

- Forward Funding—Obligations, typically from funds in the final year of the period of availability, to cover the cost of goods and services that the Agency will receive in a subsequent fiscal year.

- Mortgage—The difference between the total authorized level of funding (Total Estimated Amount/Total Estimated Cost) and the cumulative total amount of funds obligated to a particular activity.

- Obligation (or Sub-Obligation)—A term of appropriations law that means some action that creates a definite commitment, or that creates a legal liability of the

U.S. Government for the payment of funds for specific goods or services ordered or received.

- Pipeline (or Unliquidated Obligations)—The difference between the total amount obligated into an award or agreement and the total expenditures against that award or agreement.

- Total Estimated Cost/Amount (or Ceiling)—The total authorized level of funding under an award/agreement.

B. Administrative Approval of Payments

CORs/AORs/GATRs must perform the administrative approval of voucher payments submitted under USAID-funded agreements. For acquisition and assistance awards, CORs/AORs must provide administrative approval that: 1) the payment request conforms to the award or work plan (and where applicable, technical direction thereunder); 2) for contracts, that the contractor has rendered, and the Agency has received, the goods or services as described in the request; and 3) that payment is in order. CORs/AORs/GATRs should submit the administrative approval form with or without approval to the OFM payment office within five business days after receipt.

For additional guidance, see **ADS 630, Payables Management**.

C. Quarterly Accruals

CORs/AORs/GATRs—in collaboration with OFM—must estimate accrued expenditures each quarter and record data in **Phoenix**. Taken together, these data assist the Agency in managing its overall financial resources.

For additional guidance, see **ADS 631, Accruals**.

D. Quarterly Reviews

In Missions, CORs/AORs/GATRs must contribute to periodic Mission-wide financial reviews managed by OFM. Missions typically conduct these reviews quarterly to align with the Agency's financial reporting cycle. Financial reviews are an important tool for Missions to review implementation progress in financial terms. This includes reviewing the status of the budget, obligations, expenditures, and pipeline, as well as identifying de-obligations/re-obligations and proposed reallocations to the budget. Financial reviews should also help inform formulation of budget requests managed by the Program Office, including the Mission Resource Request/Bureau Resource Request, the Congressional Budget Justification, and the Operational Plan for the OU. (See the webpage of the **State Department's Bureau for Foreign Assistance's (State/F)** on USAID pages for annual guidance.)

E. Incremental and Forward Funding

CORs/AORs/GATRs—in close collaboration with the Program Office and OFM—must request and manage incremental funding over the life of the activity. Incremental funding refers to an obligation (or sub-obligation) of appropriated fiscal year funds into an activity-level agreement to support future expected payments over a specified period. Requests for incremental funding should be based on a number of factors, including:

- Projected Expenditures and Existing Pipelines: CORs/AORs/GATRs should base requests for incremental funding on projected expenditures and existing pipelines to ensure that an adequate level of resources is available to support implementation over a specified period. If pipelines are not adequate to finance projected expenditures during the fiscal year, there is a risk that new funds will not be available at that time to avoid slowing down or ceasing activity implementation.

- Activity Performance and Resource Allocation Considerations: CORs/AORs/GATRs—in close collaboration with Project Managers, where applicable, and the Program Office—should consider overall resource allocations in view of an activity's performance, competing funding priorities, and the activity's contribution to project-level and CDCS-level results, where applicable.

- Forward Funding Policy: Finally, CORs/AORs/GATRs should ensure that requests for incremental funding comply with the policy on forward funding in **ADS 602**. In general, this policy states that OUs may not forward fund obligations for more than 12 months beyond the end of the fiscal year in which the obligation takes place. Because most obligations occur in the last half of the fiscal year, the upper limit of pipelines is normally not expected to exceed 18 months of anticipated expenditures for ongoing activities. The upper limit is obtained by adding 12 months to the number of months remaining in the fiscal year after the obligation is made. Exceptions to this policy directive require the approval of the responsible Mission Director or Washington OU AA. (See **ADS 602.3.3** and **ADS 602.3.5**.)

For additional guidance, see **ADS 602, Forward Funding, Program Funds**.

201.3.4.11 Activity Modifications
Effective Date: 09/21/2021

As described in earlier sections, OUs should make course corrections as lessons are learned and circumstances change to most effectively advance activity results. Sometimes these course corrections may require amendments or modifications (hereinafter referred to as "modifications") to the underlying agreement. Agreement modifications may include adjustments in the scope, budget, ceiling, or key personnel

outlined in the agreement, among other examples. OUs must ensure that modifications are made in accordance with the regulatory and policy requirements applicable to the agreement type. For most acquisition and assistance mechanisms, OUs must submit these actions through GLAAS for approval and execution.

OUs are not required to modify AAMs to execute these modifications. Per section **201.3.4.8**, final authority to approve, negotiate, and/or sign modifications of activity agreements rests with the Contracting/Agreement Officer (CO/AO) or other obligating official with delegated authority. However, while not required, OUs may determine that certain types of activity-level changes—such as a proposed modification to significantly change an activity's scope or deliverables—should be cleared through the Program Office, the Project Manager, and/or other parties in the OU with equities before submitting them to the CO/AO/other with delegated authority. OUs may require that these changes be cleared through a modification to the AAM or another process that is more efficient.

201.3.4.12 Activity Closeout

Effective Date: 09/21/2021

When an activity concludes, OUs must execute formal closeout procedures. Closeout procedures allow the Agency to "close the file" officially on an activity or agreement programmatically and financially.

For A&A awards, COs/AOs are responsible for closing out agreements and should provide guidance to CORs/AORs/GATRs on their roles in this process. Although COs/AOs lead this process, CORs/AORs/GATRs play an important role in coordinating with OFM to de-obligate funds, or with M/CFO in the case of activities funded and managed by Washington. Both COs/AOs and CORs/AORs must also ensure that all final acquisition and assistance documentation, from planning and pre-solicitation through closeout, is filed in **ASIST** in accordance with the **ASIST & File Standardization Guide**. For further guidance on closeout procedures, see **ADS 302sat, Guidance on Closeout Procedures for A&A Awards** and the relevant COR/AOR designation letter.

As part of the closeout process, OUs should also consider how to capture and share the knowledge and learning gained during activity implementation, including how to apply such lessons learned to future projects or activities. OUs may document this information in a written final report, an evaluation, a conference/event, a video, or online materials, among other options. If produced by the implementing partner, OUs must ensure that the partner has planned and budgeted for these learning materials in advance, in accordance with the terms of their agreement.

201.3.5 Program Monitoring

Effective Date: 08/02/2022

Program monitoring is the ongoing and systematic tracking of data or information relevant to USAID's strategies, projects, and activities. OUs must consider their needs for data and information during planning and design, and at any point in the Program Cycle. Relevant data can include output, outcome, and impact measures directly attributable to, or affected by, USAID's interventions, secondary data from other institutions, or national information management systems, as well as measures of the operating context and programmatic assumptions and risks.

Monitoring informs the design and implementation of strategies, projects, and activities. The analysis of monitoring data should inform efforts to manage adaptively and promote accountability. OUs and implementing partners should use monitoring data in evaluations, and to address learning questions and gaps in knowledge, whenever appropriate.

Additional guidance and tools that provide greater clarity about monitoring throughout the Program Cycle are available in the **USAID Monitoring Toolkit**.

201.3.5.1 Applicability of Monitoring Guidance

Effective Date: 09/21/2021

The guidance in section **201.3.5** on monitoring is generally applicable to all OUs. However:

- Monitoring requirements based on CDCS or RDCS processes are only applicable to Missions with a CDCS or RDCS. However, note that Missions that do not have a strategy are still required to have a PMP that covers any programs they fund.

- Monitoring guidance on project design and implementation is only applicable to projects.

- Except as otherwise indicated, Mission Directors or heads of Washington Bureaus/Independent Offices (IOs) may approve exceptions to monitoring requirements for their OU. Any exceptions must be documented in a memorandum that outlines the reason for the exception, with approval by the Mission Director or, in the case of Washington OUs, head of the Bureau/IO. All OUs must share copies of such memoranda with PPL/LER; Missions must share them with the relevant Regional Bureau. AORs/CORs/GATRs must upload copies of these memoranda into **ASIST**.

- Emergency Food Assistance, Disaster Assistance, and Transition Assistance: Activities targeted at preventing, mitigating, responding to, recovering from, and transitioning from crisis are exempt from some requirements related to monitoring, planning, and timing, such as those related to PMPs or MEL plans.

Within their monitoring efforts, these activities should adhere to the quality standards for monitoring as feasible. These activities include the following:

- Disaster and Emergency Food Assistance managed by BHA; and
- Activities managed by OTI within CPS, or activities funded with the Complex Crises Fund (CCF) managed by Missions.

201.3.5.2 Monitoring Principles

Effective Date: 10/28/2020

- Plan Early: OUs must plan for monitoring while developing strategies and designing projects and activities. Missions must document plans for monitoring in their PMP and work with partners to include them in Activity MEL Plans, which must be uploaded into **ASIST**.

- Collaborate: Monitoring is more effective when it involves beneficiaries, partner country partners, implementing partners, other USAID and U.S. Government entities, and other development actors. Wherever possible, Missions should involve local partners, the partner country government, and donor counterparts in their monitoring efforts to align monitoring priorities, ensure access to relevant information systems and data sources through data sharing agreements, strengthen local capacity, and promote continuous learning and aid-effectiveness.

- Adequately Resource: OUs must include adequate funding and personnel resources for monitoring work in their strategies, projects, and activities, including, as appropriate, funds for managing and gaining access to data and improving capacity among local partners. Missions should plan for approximately three to up to ten percent of program funds for monitoring work, on average, not including additional funds set aside for evaluation and CLA.

- Be Practical and Efficient: OUs should only collect and report on the information that is directly useful for management decision-making or reporting purposes. Wherever possible, OUs should avoid collecting data that are already available through other verifiable sources. OUs should prioritize collecting information and data that are relevant and useful to local partners and stakeholders.

- Be Transparent: OUs should share information widely and report candidly.

- Be Responsible and Ethical: Collecting and using information and data responsibly includes protecting participants and human subjects from harm, obtaining informed consent to collect and use data, safeguarding individual privacy and security, protecting the sensitive information of vulnerable and

marginalized populations, and applying high ethical standards to decide what information to collect and how to use it.

201.3.5.3 Mission and Washington Operating Unit Roles in Monitoring

Effective Date: 09/21/2021

Each Mission and Washington OU Program Office must identify a POC that will lead processes and good practice in monitoring and evaluation; ensure compliance with ADS policies on monitoring and evaluation across the breadth of the Mission's and Washington OU's projects and activities; and interact with the POCs in Regional and Technical Bureaus, and with PPL/LER.

- Mission Program Office: At Missions, the Program Office supports Mission Technical Offices in monitoring throughout the Program Cycle, ensures compliance with monitoring requirements, promotes best practices for utilizing monitoring information during implementation, and supports consistency across monitoring plans. The Program Office maintains the Mission PMP and PIRS (see section **201.3.2.15** and section **201.3.5.6** for additional guidance about a Mission's PMP and PIRS). The Program Office is responsible for leading the annual PPR process.

- Mission Technical Offices: Mission Technical Offices are responsible for monitoring throughout the Program Cycle, including by working with the Program Office and partners to develop, review, and approve monitoring plans, develop or select indicators, conduct appraisals of relevant secondary data sources to determine their appropriateness for monitoring needs, ensure the collection and maintenance of data, conduct DQAs, ensure data are of sufficient quality, analyze data for decision-making and adaptation, and share and report data as appropriate.

- Washington OUs: Washington OUs support Missions (consistent with the **Agency Approach to Field Services (AAFS)**) in fulfilling monitoring requirements by providing technical support in selecting appropriate indicators, assisting in the development of Mission-wide PMPs and Activity MEL Plans, supporting data quality, and reviewing annual PPR data.

  Washington OUs must follow monitoring guidance described in sections **201.3.5.1** through **201.3.5.7** for any of the projects or activities that they implement. Regarding Field Support mechanisms, Washington OUs must coordinate with the Activity Manager at the Mission and ensure that both the Mission and Washington OU have the most up-to-date information from monitoring efforts of the Field Support activity.

For detailed information about staff roles and responsibilities for monitoring, see **ADS 201sal, Staff Roles and Responsibilities for Monitoring, Evaluation, and Learning**.

201.3.5.4 Types of Program Monitoring

Effective Date: 10/28/2020

A. Performance Monitoring

OUs must monitor the performance of their strategies, projects, and activities. Performance monitoring is the ongoing and systematic collection of performance indicator data and other quantitative or qualitative information to oversee implementation and understand progress toward results. Performance monitoring includes monitoring the quantity, quality, and timeliness of activity outputs within the control of USAID or its implementers, as well as the monitoring of activity, project, and strategy outcomes that are expected to result from the combination of these outputs and other factors. Performance monitoring continues throughout strategies, projects, and activities.

OUs should analyze performance monitoring data to inform judgments about the outputs and outcomes of programs as a basis to improve effectiveness and/or inform decisions about current and future programming. One way that OUs analyze performance is by comparing actual results achieved against the expected results and targets that were initially set at the beginning of a strategy, project, or activity. This analysis is critical in determining the progress that has been made in achieving the expected results identified in the CDCS Results Framework and/or project or activity logic models. Missions should use this analysis and knowledge gained to confirm or refute their assumptions and hypotheses and/or adaptively manage, as necessary.

B. Context Monitoring

OUs should also conduct context monitoring for strategies, projects, and activities.

Context monitoring is the systematic collection of information about the conditions and external factors relevant to the implementation and performance of a Mission or Washington OU's strategy, projects, and activities. This includes information about local conditions that may directly affect implementation and performance (such as non-USAID projects operating within the same sector as USAID projects) or external factors that may indirectly affect implementation and performance (such as macroeconomic, social, or political conditions). Context monitoring should be used to monitor assumptions and risks identified in a CDCS Results Framework and/or project or activity logic model.

Context monitoring data can be analyzed to form judgments about how actors and conditions outside the control of USAID may affect programming. Context monitoring may also reveal the unintended consequences of USAID programming. OUs should use this information to make management decisions and inform management actions about

implementation, including when and how USAID needs to engage with other donors and partners working in the same context.

201.3.5.5 Ensuring Monitoring and Reporting are Designed for Use

Effective Date: 10/28/2020

When planning for monitoring, OUs must consider the utility of the information for management at the relevant level of decision-making. OUs should identify a use and user for all monitoring data prior to collection. OUs must also ensure that the information that is collected will be of sufficient quality to be useful for intended users (see section **201.3.5.7**), obtain proper data sharing permissions, and appropriately manage data to safeguard privacy and security.

201.3.5.6 Monitoring Indicators

Effective Date: 09/21/2021

An indicator is a quantifiable measure of a characteristic or condition of people, institutions, systems, or processes that may change over time. OUs should consider what indicators are useful to understand the performance and evolving context of their strategy, projects, and activities. While indicators are not the only means of monitoring strategies, projects, and activities, they are an important part of such monitoring efforts.

A. Types of Indicators

1) Performance Indicators: These indicators measure expected outputs and outcomes of strategies, projects, or activities based on a Mission's Results Framework and/or project or activity logic model. Performance indicators help answer the extent to which a Mission or Washington OU is progressing toward its objective(s), but alone cannot tell a Mission or Washington OU why such progress is or is not being made.

Certain performance indicators are required within the Program Cycle to measure the performance of expected results that are key to a Mission or Washington OU's portfolio:

a. PMPs must include at least one performance indicator for each IR identified in the CDCS RF;

b. PMPs must include at least one performance indicator for any Project Purpose, if identified in an approved PDD; and

c. Activity MEL Plans must include at least one relevant performance indicator for each activity-level outcome.

Missions should include other performance indicators in the PMP and/or Activity MEL Plan as needed to support the management of strategies, projects, and activities and associated learning needs, and to meet reporting requirements.

2) Standard Foreign Assistance Indicators: Standard Foreign Assistance Indicators are a type of performance indicator defined by Washington Bureaus to collect data from multiple OUs by using common methods and definitions. Standard indicator data allow Washington Bureaus to aggregate and compare results across OUs. All OUs must work with partners to collect and report data on applicable Standard Foreign Assistance Indicators as part of their annual Performance Plan and Report (PPR) if an OU's programming is expected to produce results measured by the indicator (see the annual **Guidance for Performance Plan and Report**).

3) Context Indicators: These indicators measure factors outside the control of USAID that have the potential to affect the achievement of expected results. USAID recommends context indicators, which may be tracked at any level of an RF or logic model. Missions may use context indicators to track country/regional context; programmatic assumptions and risks of strategies, projects, and activities; and operational context. For example, key risk indicators identified during the CDCS planning process to monitor external factors and uncertainties that could affect the achievement of results are a type of context indicator.

B. Selecting Indicators

Selecting indicators requires balancing several factors, including the following:

- The quantity and quality of indicator information and data needed for management decision-making and reporting on strategies, projects, and activities;
- The availability of high-quality, verifiable primary or secondary data or information; and
- The management and financial resources required to collect and analyze indicator information and data.

The Mission's PMP and MEL plans should include as many or as few performance indicators as necessary to ensure that progress toward expected results is sufficiently tracked, while also being cost effective by eliminating redundant indicators. OUs must also select indicators as required to report results in their annual PPR or other required reporting documents or processes. OUs should design and select indicators that can meet data quality standards (see section **201.3.5.7(A)**).

C. Changing Indicators

During implementation, OUs may need to change, drop, or add indicators. Indicators may need to be adjusted, for example, to match changes in the scope or direction of strategies, projects, and/or activities; to address problems with the cost or practicality of data collection, or to take advantage of new monitoring opportunities that become available during implementation. However, OUs should be cautious about changing performance indicators because it compromises the comparability of performance data over time.

OUs have the authority to approve changes to their PMP and MEL plans and are responsible for documenting these changes when updating these plans. At the level of an award, the AOR/COR/GATR approves changes to the Activity MEL Plan in collaboration with the partner. For changes to performance indicators, OUs must note the reason(s) for the change, along with final values for all old performance indicators and baseline values for any new performance indicators.

D. Performance Indicator Reference Sheet

OUs must collect and maintain indicator reference information and document that information in a **Performance Indicator Reference Sheet (PIRS) Guidance & Template** to promote the quality and consistency of data across the Agency. A Performance Indicator Reference Sheet documents the definition, purpose, and methodology of the indicator to ensure that all parties that are collecting and using the indicator have the same understanding of its content.

A PIRS is required for all performance indicators that are included in a PMP or Activity MEL Plan, or that are reported externally (such as in the annual PPR). The PIRS must be complete and sufficient within three months of the start of the collection of indicator data. When possible, a PIRS should be complete prior to data collection to ensure the clear definition of indicators and its data collection methodology. This is critical to promote data quality.

A PIRS indicator definition must be consistent across all activities collecting data for the same indicator within an OU. Other information in the PIRS should be consistent across all activities, particularly when the need to aggregate multiple instances of an indicator outweighs the benefits of allowing activity discretion. If there are differences across activities that are collecting data for the same indicator within a single Mission or Washington OU (for instance, different data sources, reporting frequency, or known data limitations), the PIRS should document these differences in the relevant fields. An indicator's PIRS must be accessible by relevant Mission or Washington OU staff using that indicator and shared with partners who will be collecting data for that indicator.

The standard USAID PIRS Template is recommended, but an OU may also store indicator reference information in an information system. **ADS 201maf, Performance Indicator Reference Sheet (PIRS) Guidance and Template** describes the required indicator reference information for performance indicators.

While context indicators are not required, if a Mission's PMP or Activity MEL Plan includes them, the Mission should document indicator reference information on them. A Mission may do this by completing a **Context Indicator Reference Sheet (CIRS)**, or by documenting the location of existing reference information when a third party collects the indicator data.

E. Indicator Baseline

The indicator baseline is the value of a performance indicator immediately prior to the start of the intervention or interventions that are expected to lead to a result (output or outcome) measured by that performance indicator. Baseline data enable the tracking of changes that occurred during the project or the activity among the project's or activity's target population(s).

All performance indicators are required to have baseline data. Baseline data should be collected before the start of the intervention or interventions that are expected to lead to a result (output or outcome) measured by that performance indicator. If baseline data cannot be collected until later in the course of a strategy, project, or activity, the indicator's PIRS should document when and how the baseline data will be collected.

While not required, it is recommended that context indicators have baseline data.

F. Indicator Target

The indicator target is the specific, planned level of result to be achieved within a specific time frame with a given level of resources. Targets should be ambitious but achievable given USAID (and potentially other donor or partner) inputs. OUs are accountable for assessing progress against their targets. Rationales for targets aid in understanding deviations from targets in actual data and help ensure continuity of target setting over time. Rationales for targets should be maintained and updated in a PIRS.

In coordination with COs, CORs/AORs/GATRs and activity implementing partners must establish targets for each activity-level performance indicator in an Activity MEL Plan prior to reporting actual data. OUs must document targets in the Activity MEL Plan. OUs may set targets in consultation with a partner government, as appropriate.

Context indicators do not have targets; however, it may be useful to set a trigger for context indicators. A trigger is a value or threshold which, if crossed, would prompt an action, such as reexamination of the Results Framework or logic model.

G. Indicator Disaggregation

Disaggregating indicator data is valuable for understanding and using indicator data. Disaggregated data are indicator data broken out by key categories of interest (such as demographic characteristics).

Each reported disaggregate of a performance indicator must have the same data type and reporting frequency as the aggregated value of the performance indicator.
Each disaggregate of a performance indicator must have a calculated baseline. When useful for programming or learning purposes, disaggregated data should have a projected target (see **Disaggregating Monitoring Data** for additional guidance).

- Sex: Performance indicators must be disaggregated by sex when measuring person-level data (see **ADS 205**).

- Geography: It is recommended that indicator data be disaggregated by a geographical level that is feasible and useful for management purposes (see **Monitoring Data Disaggregation by Geographic Location**, **ADS 579saa, Geographic Data Collection and Submission Standards**, and **ADS 579mab, Activity Location Data** for additional guidance).

  OUs should determine if any additional disaggregated data would be useful for effective monitoring and achievement of results. These may include age, marital status, and other possible considerations related to sector and country context (see **Monitoring Data Disaggregation by Geographic Location** for additional guidance).

H. Indicator Data

OUs must store performance indicator data in an indicator tracking table or information system that allows quantitative analysis of indicator data. When available, USAID OUs must use the Agency-wide portfolio management system, the Development Information Solution (DIS).

Performance indicator data should include baseline values, the baseline time frame, and actual values. Standard Foreign Assistance Indicators reported in the PPR and performance indicators in Activity MEL Plans must also include targets. Tracking tables or information systems to store indicator data may also include narrative fields for describing a rationale for each target and deviations from a target. Missions may also include context indicator data and other monitoring data in a tracking table or information system. OUs must review indicator data at least annually and should update them per the reporting frequency set in the PIRS.

The Agency recommends monitoring information systems or centralized indicator tracking tables that will serve as a centralized repository and enable analysis of

monitoring data collected for PMPs and Activity MEL plans over decentralized tracking tables and other formats that do not enable Mission-wide analysis. OUs must protect USAID beneficiaries by preventing the unauthorized access and use of Personally Identifiable Information. For additional information about the proper handling of information about individuals, see **ADS 508, Privacy Program**. For additional information about the sharing and dissemination of data that includes information about individuals, please see **ADS 579, USAID Development Data**.

201.3.5.7 Ensuring the Quality of Performance Monitoring Data

Effective Date: 10/28/2020

High-quality data are the cornerstone for evidence-based decision-making. OU Program and Technical Offices must ensure the appropriate collection, management, and reporting of data to support management needs. Data that do not meet USAID's data quality standards could cause an erosion of confidence in USAID's programs and result in poor decision-making.

A. Data Quality Standards

OUs use a variety of data sources for their monitoring needs. To ensure that performance indicator data are credible and sufficient for decision-making, OUs and implementing partners must uphold these five standards of data quality:

- Validity: Data should clearly and adequately represent the intended result.
- Integrity: Data collected should have safeguards to minimize the risk of bias, transcription error, or manipulation.
- Precision: Data should have a sufficient level of detail to inform management decision-making.
- Reliability: Data should reflect stable and consistent data collection processes and analysis methods over time.
- Timeliness: Data should be available at a useful frequency, should be current, and should be timely enough to influence management decision-making.

When data do not meet one or more of these standards, OUs should document the limitations and establish plans for addressing them. OUs should file the completed documentation with the relevant PIRS (see **Performance Indicator Reference Sheets (PIRS) Guidance and Template**).

B. Data Quality Assessments (DQA)

To ensure high-quality performance monitoring data, OUs must conduct a DQA for each performance indicator they report to external entities, including but not limited to indicators reported in the PPR. OUs may not externally report any USAID data that has not had a DQA. OUs may conduct DQAs remotely in non-permissive environments.

OUs use DQAs to do the following:

- Identify the strengths and weaknesses of performance indicator data, as determined by applying the five data quality standards above;
- Determine if the data are of sufficient quality to influence management decisions;
- Participate in, and reinforce, data quality practices to build USAID's capacity and confidence in the collection and use of data; and
- Strengthen USAID's understanding of implementing partner data collection methods and activity implementation.

OUs must conduct a DQA for each performance indicator reported to entities external to the OU. The DQA must occur after the collection of the data on a new performance indicator and within the 12 months prior to the external reporting of the indicator data for the first time (such as in the PPR or external communication documents). After the initial DQA, OUs must conduct a DQA every three years thereafter, but may choose to conduct DQAs more frequently if needed.

OUs that report performance indicator data are responsible for the indicator's data quality, and must document the results of each indicator's DQA in the relevant PIRS (see **ADS 201sae, USAID Recommended Data Quality Assessment (DQA) Checklist**, **How-To Note: Conduct a Data Quality Assessment**, and **Performance Indicator Reference Sheets (PIRS) Guidance and Template** for additional guidance).

201.3.6 Evaluation

Effective Date: 10/28/2020

Evaluation uses systematic data collection and analysis of information about the characteristics and outcomes of one or more organizations, programs, policies, strategies, projects, or activities as a basis for judgments to improve effectiveness, timed to inform decisions about current and future programming. Evaluation is distinct from assessment (which is forward-looking) or an informal review of projects. When USAID needs information on whether an intervention is achieving a specific outcome, the Agency prefers impact evaluations to performance evaluations.

The purpose of evaluations is two-fold; to ensure accountability to stakeholders, and to learn to improve development outcomes. The subject of a USAID-funded evaluation

may include any level of USAID programming, from a policy to a strategy, to a project, individual award, activity, intervention, or even a cross-cutting programmatic priority.

Tools and guidance for planning, managing, and learning from evaluations are available in the **USAID Evaluation Toolkit**.

201.3.6.1 Applicability of Evaluation Guidance

Effective Date: 09/21/2021

The guidance in section **201.3.6** on evaluation is generally applicable to all OUs. However:

- Evaluation requirements based on CDCSs or RDCSs, or other strategy processes, only apply to Missions and OUs with strategies.

- Except as otherwise indicated (such as exceptions to the public disclosure of evaluation reports), Mission Directors and heads of Washington Bureaus/IOs may approve exceptions to evaluation requirements. OUs must document any exceptions in a memorandum that outlines the reason for the exception, with approval by a Mission Director or, in the case of Washington OUs, the head of Bureau/IO. All OUs must share copies of approved memoranda with PPL/LER; Missions must share them with the M&E POC of the relevant Regional Bureau. CORs/AORs/GATRs must upload copies of such memoranda into **ASIST** when related to a specific activity.

- President's Emergency Plan for AIDS Relief (PEPFAR): Projects and activities funded with 50 percent or more of HIV funds are exempt from the evaluation requirements in section **201.3.6.5**. USAID is required by the terms of an interagency agreement with the Department of State to follow the PEPFAR Evaluation Standards of Practice.

- Emergency Food Assistance, Disaster Assistance, and Transition Assistance: Activities targeted at preventing, mitigating, responding to, recovering from, and transitioning from crisis are exempt from the requirements in section **201.3.6** related to the planning and timing of evaluations. Within their evaluation efforts, these activities should adhere to the quality standards for evaluation as feasible. These activities include the following:

    - Disaster and emergency food assistance managed by BHA; and

    - Activities managed by OTI within CPS or activities funded with the CCF managed by Missions.

201.3.6.2 Evaluation Principles and Standards

Effective Date: 08/02/2022

Evaluations at USAID should be:

- Integrated into the Design of Strategies, Projects, and Activities: Planning for evaluation and identifying key evaluation questions at the outset should improve the quality of strategic planning and project and activity design, and should guide the collection, management, use, and delivery of data during implementation.

- Unbiased in Measurement and Reporting, Independent, and Objective: OUs must undertake evaluations so they are not subject to the perception or reality of biased measurement or reporting due to conflict of interest or other factors. Evaluators should strive for objectivity in the planning and conduct of evaluations, and the interpretation and dissemination of findings, to avoid conflicts of interest, bias, and other partiality.

- Relevant and Useful: Evaluations should address the most important and relevant questions about strategies, projects, or activities that cannot typically be answered alone through routine monitoring data, or other existing evaluations and studies, and that serve the informational needs of stakeholders. Evaluations should present information in ways that are understandable and that can inform the Agency's activities, such as budgeting, program improvement, accountability, learning, adaptation, management, and policy development.

- Based on Best Methods of Appropriate Rigor: Evaluations should use the most appropriate design and methods to answer key questions that generate the highest-quality, most credible data and evidence that correspond to the questions being asked, while taking into consideration time, budget, scale, feasibility, and other practical considerations. Evaluations must produce well-documented findings that are verifiable, reproducible, and on which stakeholders can confidently rely, while providing clear explanations of limitations. Qualified evaluators with relevant education, skills, and experience for the methods undertaken must manage credible evaluations.

- Oriented toward Reinforcing Local Ownership: The conduct of evaluations should be consistent with institutional aims of local ownership through respectful engagement with all partners, including local beneficiaries and stakeholders, while leveraging and building local evaluation capacity. When possible, evaluators should include relevant local stakeholders in determining the timing, questions, and design of an evaluation; the joint development of its recommendations; and strategies for the dissemination and use of its findings.

- Transparent: Evaluation must be transparent in the planning, implementation, and reporting phases to enable accountability. Before conducting an evaluation, OUs should clearly document decisions about its purpose and objectives, key stakeholders, design and methods, and its timeline and dissemination plan.

These decisions should take into consideration any legal, ethical, national security, or other constraints for disclosing information. USAID commits to full and active disclosure, and OUs should share findings from evaluations as widely as possible.

- Conducted According to the Highest Ethical Standards: USAID must conduct evaluations according to the highest ethical standards to protect the public and maintain public trust in the U.S. Government's efforts. OUs should plan and implement evaluations to safeguard the dignity, rights, safety, and privacy of participants and other stakeholders and affected entities. Evaluators should abide by current professional standards and legal requirements that pertain to the treatment of participants. Evaluations should be equitable, fair, and just, and should consider cultural and contextual factors that could influence the findings or their use.

201.3.6.3 Missions and Washington Operating Unit Roles in Evaluation

Effective Date: 09/21/2021

Each Mission and Washington OU Program Office must identify a POC that will lead processes and good practice in monitoring and evaluation; ensure compliance with ADS policies on monitoring and evaluation across the breadth of the Mission's or Washington OU's projects and activities; and interact with the POCs in the Regional and Technical Bureaus, and with PPL/LER.

- Mission Program Offices: Mission Program Offices manage external evaluations for all but the most exceptional cases to encourage the independence of external evaluations. Mission Program Offices lead the process of planning evaluations and develop budget estimates for evaluations to be undertaken. Program Offices provide information on planned, ongoing, and completed evaluations in USAID's Evaluation Registry available in the **FACTS Info Next Gen** system. They help identify the appropriate evaluation procurement mechanisms; organize in-house peer technical reviews to assess compliance with the ADS and the quality of evaluation Statements of Work (SOW); draft evaluation reports; share important preliminary findings with relevant stakeholders throughout the life of an evaluation; and develop post-evaluation action plans. Program Offices and the evaluation AOR/COR ensure that evaluation SOWs and awards include requirements for the management and delivery of evaluation data and results to USAID, as well as ensure the delivery of final evaluation data and required documentation to the **Development Data Library (DDL)** and the posting of final evaluation reports to the **Development Experience Clearinghouse (DEC)** (see **ADS 579, USAID Development Data** for additional guidance).

- Mission Technical Offices: Mission Technical Offices provide substantive technical input into Mission evaluation planning led by the Program Office and the development of evaluation SOWs; ensure that implementing partners of the

project or activity that will be evaluated are aware of any planned evaluations and the timeline and scope of their expected engagement; ensure that the evaluation team has all relevant background materials detailed in the SOW; provide additional documents, as feasible, upon the request of the evaluation team; provide technical input during the review of the evaluation design and draft evaluation report; and participate in discussions of post-evaluation action planning.

- Washington OUs: Washington OUs support Missions (consistent with the **Agency Approach to Field Services (AAFS)**) in fulfilling evaluation requirements by participating in peer reviews of evaluation SOWs and draft evaluation reports; supporting the review of evaluation data delivered to the Agency; assisting in the development of Mission-wide PMPs and Activity MEL Plans; reviewing data in the Agency's Evaluation Registry, available in the **FACTS Info Next Gen** system; and providing other support as requested by Missions.

  Washington OUs must follow evaluation guidance described in sections **201.3.6.1** through **201.3.6.10**. Washington OUs may develop Bureau-specific guidance for the division of evaluation management responsibilities between Program Offices and Technical Offices provided that evaluation independence is addressed and protected.

For detailed information about staff roles and responsibilities for evaluation, see **ADS 201sal, Staff Roles and Responsibilities for Monitoring, Evaluation, and Learning**.

201.3.6.4 Types of USAID Evaluations

Effective Date: 08/02/2022

USAID categorizes evaluations as impact or performance evaluations depending on the purpose, evaluation questions, and the corresponding design.

A. Impact Evaluations

Impact Evaluations measure changes in development outcomes that are attributable to a defined intervention, program, policy, or organization. Impact evaluations use models of cause and effect and require a credible and rigorously defined counterfactual to control for factors other than the intervention that may account for observed changes. When USAID needs information on whether a specific outcome can be attributed to a defined intervention, USAID prefers impact evaluations over performance evaluations.

Impact evaluations must use at least one of the following evaluation methods and approaches to credibly define a counterfactual:

- Experimental Design: Random assignment of an intervention among members of the eligible population is used to eliminate selection bias, so there are those who receive the intervention(s) (treatment group) and those who do not (control group). This type of design is also called a Randomized Controlled Trial (RCT).

- Quasi-Experimental Design: In the absence of an experimental design, a comparison group may be generated through rigorous statistical procedures, such as propensity-score matching, regression discontinuity, or analysis with instrumental variables. These difference-in-difference designs are only appropriate if it can demonstrate that, in the absence of treatment, the differences between a treatment and a non-randomly chosen comparison group would be constant over time.

In addition, all impact evaluations must include a cost analysis of the intervention or interventions being studied (see **Discussion Note: Cost Data Collection and Analysis** for additional information).

Impact evaluations anticipated to influence $100 million or more of award spending may be subject to the requirements for reporting and dissemination contained in **ADS 578**.

B. Performance Evaluations

Performance Evaluations encompass a broad range of evaluation methods. They often incorporate before-and-after comparisons, but generally lack a rigorously defined counterfactual. Performance evaluations can address descriptive, normative, and/or some types of cause-and-effect questions. Since performance evaluations do not contain a rigorously defined counterfactual, they should not answer questions about the amount of change attributable to an intervention, where other factors are likely to have influenced the variable in question.

Performance evaluation questions can include, but are not limited to, the following topics:

- Whether the theory of change of a strategy, project, or activity is valid;

- Whether the expected results of a particular strategy, project, or activity have been achieved;

- How a particular strategy, project, or activity is being implemented;

- How it is perceived and valued;

- Whether USAID assistance contributed to the results achieved;

- Possible unintended outcomes from USAID assistance;
- Whether outcomes have been, or are likely to be, sustained; and
- Other questions pertinent to the design, management, and operational decision-making of strategies, projects, or activities.

Performance evaluations include the following types of evaluations, including those defined by **OMB Memorandum M-20-12**, which provides program evaluation standards and practices for the U.S. Government:

- Developmental Evaluation: An approach to the continuous adaptation of interventions through the use of evaluative thinking and feedback. Developmental evaluation includes having one or more evaluators embedded in a program team, ideally on a full-time basis, and working with them to contribute to modifications in program design and targeted outcomes throughout implementation.
- Formative Evaluation: Conducted to assess whether a program, policy, or organizational approach—or some aspect of these—is feasible, appropriate, and acceptable before it is fully implemented. It can include process and/or outcome measures. A formative evaluation focuses on learning and improvement and does not aim to answer questions of overall effectiveness.
- Outcome Evaluation: An outcome evaluation can help answer the question, "Were the intended outcomes of the program, policy, or organizational approach achieved?"; however, unlike an impact evaluation, it typically cannot discern causal attribution.
- Process or Implementation Evaluation: Assesses how the program or service was delivered relative to its intended theory of change, and often includes information on the content, quantity, quality, and structure of services that were provided. These evaluations can help answer the question, "Was the program, policy, or organization implemented as intended?" or "How is the program, policy, or organization operating in practice?"

A single evaluation can be designed to use a variety of methods and to address a variety of purposes. In cases in which an evaluation uses methods that meet the definition of an impact evaluation, but also uses other methods to address questions more commonly addressed in performance evaluations, the evaluation should be classified as an impact evaluation.

The selection of method or methods for a particular evaluation should consider the appropriateness of the evaluation design for answering the evaluation questions and the

availability and accessibility of primary and/or secondary data, as well as balance cost, feasibility, and the level of rigor needed to inform specific decisions.

201.3.6.5 Evaluation Requirements

Effective Date: 10/28/2020

OUs should devote approximately one to three percent of their total program funding, on average, to external evaluation. Missions should begin considering evaluations during the CDCS process, and all Washington OUs should begin considering evaluations during the early stages of project and/or activity design to ensure adequate planning and implementation.

OUs must evaluate the majority of their program resources through a combination of required and non-required, external and internal evaluations.

Evaluations are required as follows:

- Requirement 1: Each OU or Mission with a CDCS, RDCS or other strategy framework must conduct at least one evaluation per Intermediate Result (IR) defined in the OU's strategy. This evaluation may focus on any level within the IR: on an intervention, activity, set of activities, or the IR as a whole.

- Requirement 2: OUs must conduct at least one evaluation per activity (*e.g.,* contracts, grants, and cooperative agreements) with a Total Estimated Cost/Amount (TEC/TEA) expected to be $20 million or more.

- Requirement 3: Each Mission and Washington OU must conduct an impact evaluation, if feasible, of any new, untested approach that is anticipated to be expanded in scale or scope through U.S. Government foreign assistance or other funding sources (*i.e.,* a pilot intervention). OUs should identify pilot interventions during project or activity design and should integrate the impact evaluation into their design. If it is not feasible to effectively undertake an impact evaluation, the Mission or Washington OU must conduct a performance evaluation and document why an impact evaluation was not feasible. An evaluation of a pilot intervention may count as one of the evaluations required under Requirement 1.

All OUs may conduct non-required evaluations for learning or management purposes as needed at any point during or after implementation of a strategy, project, or activity (see **ADS 201saf, Evaluation Triggers**).

Although evaluations should be planned during project and activity design, there is no Agency-wide requirement concerning when an evaluation must be conducted in relation to the time frame of the activity or project being evaluated. Evaluations may be ongoing throughout implementation (*e.g.,* a developmental evaluation), or conducted at any time that is appropriate for the decisions that the evaluation is designed to inform (*e.g.,* a

mid-term, final, or ex-post evaluation). There is no requirement related to the overall length of time of an evaluation, as both impact and performance evaluations may include multiple periods of data collection and analysis. Evaluations should be timed so that their findings can inform decisions such as, but not limited to, course corrections, exercising option years, designing a follow-on, or creating a country or sector strategic plan.

201.3.6.6 Evaluation Independence

Effective Date: 08/02/2022

To mitigate the potential for conflicts of interest, evaluations that are conducted to meet evaluation requirements described in section **201.3.6.5** must be external—*i.e.,* led by an expert external to USAID who has no fiduciary relationship with the implementing partner.

The outside expert who leads the external evaluation may come from another U.S. Government agency that is uninvolved in strategy/project/activity implementation or be engaged through an A&A mechanism. In cases where an OU's management determines that appropriate expertise exists within the Agency, and that engaging USAID staff in an evaluation will facilitate institutional learning, an external evaluation team may include USAID staff under the direction of an external team leader.

For external evaluations, all external evaluation team members must provide a signed statement attesting to a lack of conflict of interest or describing an existing conflict of interest relative to the project or activity being evaluated. USAID employees who participate as a team member on an external evaluation should not be asked to provide a signed statement regarding conflicts of interest.

In Missions, Program Office staff should manage external evaluations to enhance evaluation independence. Program Office staff should be supported by Technical Office team members, other knowledgeable members of a U.S. Government Operating Unit, or partner organizations. Exceptions to Program Office management of external evaluations may be approved by the Mission Director, provided that efforts are taken to separate the management of the evaluation from the management of the project or activity under evaluation.

Washington OUs may develop Bureau-specific guidance for the division of evaluation management responsibilities between Program Offices and Technical Offices provided that evaluation independence is addressed and protected.

Internal evaluations are those that are either commissioned by USAID and in which the evaluation team leader is a USAID staff member (a USAID internal evaluation); or conducted or commissioned by an implementing partner—or consortium of implementing partners and evaluators—concerning their own activity (an implementer internal evaluation). Funding may be dedicated within a project or activity design for

implementing partners to engage in an internal evaluation for institutional learning or accountability purposes.

Internal evaluations do not typically count toward the evaluation requirements described in section **201.3.6.5**. However, an OU may request to use an internal evaluation to meet evaluation requirements in cases in which the OU believes the evaluation meets or exceeds the evaluation standards in section **201.3.6.2**. The OU must provide such a request in an action memorandum for approval by the Agency's Evaluation Officer or his or her designee. To the extent possible, internal evaluations should follow the same processes and procedures that apply to external evaluations. Internal evaluations are subject to the same evaluation report requirements and quality criteria as described for external evaluations.

201.3.6.7 Planning Evaluations

Effective Date: 10/28/2020

Evaluations should use methods that generate the highest-quality and most credible evidence that corresponds to the questions being asked, while taking into consideration time, budget, and other practical considerations. A combination of qualitative and quantitative methods applied in a systematic and structured way can yield valuable findings and is often optimal regardless of evaluation design. Impact evaluations must use experimental methods (randomization) or quasi-experimental methods and may supplement these with other qualitative or quantitative methods to increase understanding of how or why an intervention achieved or did not achieve an expected impact.

Once Missions and Washington OUs have determined the need for an evaluation, they should engage stakeholders, including beneficiaries, local partners, implementing partners, and other USAID and U.S. Government entities, to inform the development and prioritization of evaluation questions. OUs should consider joint evaluations with other development actors. OUs should review existing available and accessible data to determine if additional primary data collection is necessary to answer evaluation questions.

Missions must develop and update information on planned evaluations in the Mission PMP and/or Evaluation Registry available in the **FACTS Info Next Gen** system (see section **201.3.2.15**) as they plan evaluations. During strategic planning and project and activity design, Missions should consider whether to plan for an ex-post evaluation to assess the sustainability of outcomes over time and after USAID support has ended.

In planning an evaluation, an OU may undertake an assessment of evaluability as an initial step to increase the likelihood that an evaluation will provide timely and credible information for decision-making. An Evaluability Assessment is a process that examines the extent to which an activity or project can be evaluated in a reliable and credible fashion. It helps in determining whether an OU should undertake an evaluation, and, if

so, what questions it should ask and how to design the evaluation (see **Conducting an Evaluability Assessment for USAID Evaluations**).

Regardless of an evaluation's scope, the Mission or Washington OU planning process should involve the following steps:

- Clarifying the evaluation purpose, audience, and timing;
- Reviewing and understanding the development hypothesis or theory of change;
- Reviewing past evaluations and research that could inform the planning of an evaluation;
- Identifying the type of desired evaluation (performance or impact);
- Identifying a small number of evaluation questions (between one and five questions are recommended) that are answerable with empirical evidence;
- Considering the availability and quality of primary and/or secondary data sources;
- Considering data management needs related to the collection, use, and delivery of evaluation data, information, and other findings to support reporting, dissemination, and continued learning;
- Considering evaluation methods that are rigorous and appropriate to the evaluation purpose, and that are best suited to answering the evaluation questions;
- Considering the appropriate expertise needed; and
- Considering evaluation products and channels for dissemination.

For more information, see **Developing an Evaluation SOW**.

These steps should be used to inform the evaluation SOW, which provides the framework for the evaluation and communicates the evaluation questions (see **ADS 201mab, USAID Evaluation Statement of Work Requirements**). The evaluation SOW is needed to implement evaluations through external entities, and also serves to guide internal evaluations with modifications as appropriate.

To ensure a high-quality evaluation that adheres to requirements, the draft SOW must undergo a peer review organized by the office that is managing the evaluation. OUs may involve peers from relevant Regional and/or Technical Bureaus in the review process as appropriate (see **ADS 201sah, Evaluation SOW Peer Review Process**).

OUs must design evaluations to be useful for decision-making and develop an Evaluation Dissemination Plan. Missions or Washington OUs should consider how key partners and other development actors would best receive information from the evaluation and plan their communications products accordingly, including by using products in addition to the evaluation report to share its findings, such as slide decks, videos, infographics, podcasts, or other means (see **ADS 201saj, Developing an Evaluation Dissemination Plan**). OUs should also consider including evaluation questions to examine the extent to which USAID programs address gender issues and whether addressing key gender gaps has resulted in better development outcomes (see **How-To Note: Engendering Evaluation at USAID**).

201.3.6.8 Evaluation Implementation

Effective Date: 09/21/2021

While the SOW proposes evaluation questions and recommended methods, the questions and methods may be altered once the evaluation team is recruited and further develops the evaluation design. Such revisions are permitted as part of the evaluation design process but should be made in consultation and agreement with USAID and be appropriately documented.

Evaluations must be conducted by individuals with appropriate training and experience, including, but not limited to, evaluation specialists and technical or subject matter experts, including local experts. To the extent possible, evaluation specialists with appropriate expertise from the partner country, but who are not involved in project implementation, should lead and/or be included in the evaluation team.

The CO may have to place restrictions on an evaluation contractor's future work due to organizational conflicts of interest (see **ADS 302**).

For USAID evaluations of all types, the methods, main features of data collection instruments, data analysis plans, and key questions must be described by the evaluators in a written evaluation design report. Except in unusual circumstances, the key elements of the design must be shared with implementing partners of the projects or activities addressed in the evaluation and with related funders before being finalized. After finalization of the design, it must be shared with the relevant implementing partners and funders and be made available upon request to development actors in a format deemed appropriate by the Mission or Washington OU.

In addition to the collection and analysis of other primary and secondary data, evaluations should use relevant monitoring data and feedback from beneficiaries that has already been collected by implementing partners as data sources, when appropriate. In addition, evaluations may directly collect and analyze feedback from program beneficiaries when relevant and feasible.

OUs are responsible for actively overseeing the work of evaluation teams over the course of the evaluation, including, but not limited to, reviewing evaluation designs and work plans, data collection tools, plans and tools for the management and analysis of data, and draft or interim products and reports (including data to be submitted as deliverables under the award). Mission and Washington OUs should ensure that evaluations are conducted with ethical integrity and respect for the dignity and rights of evaluation participants and stakeholders.

USAID staff, partners, and evaluation teams must follow appropriate procedures articulated in U.S. law, local legal requirements, and/or USAID policy when creating, collecting, using, processing, storing, maintaining, disseminating, disclosing, and disposing of data about individuals and entities, whether participants and evaluated entities provided the data (*i.e.,* they're from a primary source), or whether they consist of administrative or other data created or obtained from other sources (*i.e.,* they're from a secondary source).

201.3.6.9 Evaluation Reports

Effective Date: 10/28/2020

To ensure a high-quality evaluation report, the draft report must undergo a peer review organized by the office that is managing the evaluation. The OU should review the evaluation report against **ADS 201maa, Criteria to Ensure the Quality of the Evaluation Report**. OUs may also involve peers from relevant Regional and/or Technical Bureaus in the review process as appropriate (see **ADS 201sai, Managing the Peer Review of a Draft Evaluation Report**).

Draft reports must be shared with implementing partners of the projects or activities addressed in the evaluation and with related funders. Implementers, funders, and members of the evaluation team must be given the opportunity to write an individual statement of difference regarding any significant unresolved differences of opinion, to be attached to the final evaluation report.

Evaluation reports must meet the requirements described in **ADS 201mah, USAID Evaluation Report Requirements**. In addition, impact evaluation reports must also meet requirements to provide sufficient statistical data for USAID and other users to understand how the evaluation defined the counterfactual.

While all evaluations must have a report that meets the requirements described in **ADS 201mah**, OUs may request other dissemination products as a means of sharing evaluation findings, such as a summary in the form of a slide presentation. OUs must upload these materials (including the slide deck, evaluation summary, and learning brief) to the **DEC** along with the evaluation report and submit the evaluation data to the **DDL**. Evaluation reports and other products must also conform to USAID's branding requirements (see **ADS 320, Branding and Marking**) and comply with Section 508 of

the Rehabilitation Act of 1973, as amended (see **ADS 302mak, USAID Implementation of Section 508 of the Rehabilitation Act of 1973**).

201.3.6.10 Use of Evaluations

Effective Date: 10/28/2020

The value of an evaluation is in its use. OUs should use evaluations to inform their and the Agency's decision-making, contribute to learning, and help improve the quality of development programs. OUs also should distribute evaluation results widely, to both internal and external stakeholders.

A. Responding to Evaluation Findings

To help ensure that institutional learning takes place and evaluation findings are used to improve development outcomes, Mission and Washington OUs must develop a Post-Evaluation Action Plan upon completion of an evaluation, with a designated point of contact who will be responsible for overseeing implementation of the action plan. OUs must review the status of actions across Post-Evaluation Action Plans during Mission portfolio reviews and document when actions are complete.

OUs must take the following steps to develop the Post-Evaluation Action Plan:

- Systematically review key findings, conclusions, and recommendations;
- Determine and document whether the Mission or Washington OU accepts/supports each conclusion or recommendation;
- Identify any management or other program actions needed based on the evaluation's findings, conclusions, or recommendations; this may include changes to strategies, projects, activities, or other planning frameworks;
- Assign responsibility and the time frame for completion of each set of actions;
- Assign a POC responsible for overseeing implementation of the action plan; and
- Document the expected actions based on the evaluation, responsibilities, time frames, and completion of actions in the Post-Evaluation Action Plan.

B. Dissemination of Evaluations

OUs should promote transparency and learning by disseminating evaluations when the evaluation report has been completed. Missions and OUs should update and follow the Evaluation Dissemination Plan developed during the evaluation planning stage and consider dissemination channels in addition to posting the evaluation report and data, such as slide decks, videos, infographics, visualizations, podcasts, or other means of

sharing the evaluation findings. Missions and OUs should openly discuss evaluation findings, conclusions, and recommendations with relevant partners, donors, and other development actors. Missions can help build local evaluation capacity by sharing evidence from evaluations among development partners.

Evaluation reports, including all annexes to the report, must be made publicly available by submitting them to the **DEC** within three months of the evaluation's conclusion (see **ADS 540, USAID Development Experience Information** for standards and other requirements for material submitted to the DEC). In exceptional cases, OUs may request an exemption to the requirement to publicly publish the report on the DEC. The Agency Evaluation Officer will need to concur with any exemption (see **ADS 201mae, Limitations to Disclosure and Exemptions to Public Dissemination of USAID Evaluation Reports**, and **ADS 201sag, Action Memo Template for Exception to Public Disclosure of USAID-Funded Evaluation**).

OUs must submit data assets created or derived in the process of carrying out an evaluation to the **DDL** (see **ADS 579** for more information). OUs must ensure that USAID implementing partners submit datasets and supporting documentation—such as code books, data dictionaries, informed consents, and the scope and methodology used to collect and analyze the data—compiled under USAID-funded evaluations to the **DDL**. OUs should collaborate with implementing partners to maintain links among evaluation reports and supporting datasets.

OUs must provide the relevant requested information about planned, ongoing and completed evaluations in the Evaluation Registry (available in the **FACTS Info Next Gen** system) throughout the year and ensure that the information is up-to-date and complete at least annually, timed to coincide with the annual PPR process. Non-sensitive information derived from the Registry about ongoing and completed evaluations may be communicated to the public on the USAID website.

201.3.7 Collaborating, Learning, and Adapting (CLA)

Effective Date: 10/28/2020

CLA is USAID's approach to organizational learning and adaptive management. Strategic collaboration, continuous learning, and adaptive management link together all components of the Program Cycle (see **Collaborating, Learning, and Adapting Framework & Key Concepts**).

CLA helps ensure that programming is coordinated, grounded in evidence, and adjusted as necessary to remain relevant and effective throughout implementation.

An intentional, systematic, and resourced approach to CLA includes:

- Generating, capturing, sharing, analyzing, and applying information and knowledge, including performance monitoring data, findings from evaluations and research, and knowledge gained from experience and other sources.

- Understanding the theory of change behind programming, identifying potential gaps in technical knowledge, and developing plans to fill them.

- Learning from a variety of sources, including information and data from monitoring, portfolio reviews, research, evaluations, analyses conducted by USAID or third parties, and knowledge gained from experience. OUs should use learning from multiple sources to develop plans, implement projects, manage adaptively, and contribute to USAID's knowledge base to improve development outcomes.

- Engaging with key stakeholders, including local thought leaders, beneficiaries, local partners, and other development actors to understand the country context, design projects and activities appropriately, and keep abreast of changes.

- Coordinating efforts within the Mission and among partners and other development actors to share learning with country stakeholders and other USAID Missions and Bureaus, and to extend the Mission's influence and impact beyond its program funding.

- Pausing periodically to reflect on new learning and knowledge and adapting accordingly.

- Ensuring that sufficient resources are mobilized to support these processes.

Tools and guidance on planning for and implementing CLA approaches are available in the **USAID CLA Toolkit**.

201.3.7.1 Applicability of CLA Guidance

Effective Date: 09/21/2021

The guidance in section **201.3.7** that pertains to CLA is generally applicable to all OUs. However:

- CLA requirements based on CDCS or RDCS processes only apply to Missions. However, note that Missions that do not have a strategy are still required to have a PMP that covers any programs they fund.

- CLA requirements based on processes for the design and implementation of projects only apply to projects.

- Except as otherwise indicated, Mission Directors and heads of Washington Bureaus/IOs may approve exceptions to CLA requirements. OUs should document any exceptions in a memorandum that outlines the reason for the exception, with approval by the Mission Director or, in the case of a Washington OU, the head of the Bureau/IO. OUs should share copies of approved memoranda with PPL/LER. Missions should share them with the M&E POC in the relevant Regional Bureau.

- Emergency Food Assistance, Disaster Assistance, and Transition Assistance: Activities targeted at preventing, mitigating, responding to, recovering from, and transitioning from crisis are exempt from **ADS 201** requirements related to CLA planning and timing. Within their CLA efforts, these activities should adhere to the quality standards for CLA as feasible. These activities include the following:

    - Disaster and emergency food assistance managed by BHA; and

    - Activities managed by OTI within CPS, or activities funded with the CCF managed by Missions.

201.3.7.2 CLA Principles

Effective Date: 10/28/2020

Key considerations for CLA approaches in the Program Cycle include the following:

- CLA efforts should build upon and reinforce existing processes and practices as much as possible rather than creating new ones. Instituting these approaches takes time, and change is likely to be incremental.

- Collaboration and coordination should be approached strategically. Collaboration helps break down sectoral and institutional stovepipes; validates USAID programs against experience and local/contextual knowledge; and enhances the ability of partner country governments, organizations, commercial actors, and individuals to define and pursue their development agendas while informing USAID's work. While the value of collaboration is clear, it takes time and therefore should be guided by Mission priorities.

- USAID should value and use all forms of knowledge in the development of strategies, projects, and activities, and the ways to manage them adaptively. This includes tacit, experiential, and contextual knowledge.

- Implementing partners and local and regional actors play a central role in USAID's efforts to be a learning organization. Knowledge and learning should be documented, disseminated, and used to help spread effective practices widely for improved development.

201.3.7.3 Mission Roles in CLA
Effective Date: 10/28/2020

Staff across each Mission should use CLA approaches throughout the Program Cycle to help improve development effectiveness. The Mission's Program Office is responsible for meeting CLA requirements and overseeing key CLA activities, such as the Mission's portfolio review process and incorporating CLA approaches into the Mission's PMP. Missions may consider hiring or assigning a CLA Advisor to ensure that collaborating, learning, and adapting efforts are intentional, systematic, and resourced.

For detailed information about staff roles and responsibilities for CLA, see **ADS 201sal, Staff Roles and Responsibilities for Monitoring, Evaluation and Learning**.

201.3.7.4 Planning for CLA
Effective Date: 10/28/2020

Missions should integrate CLA throughout strategy, project, and activity planning and implementation. CLA includes many potential elements, and the areas of focus for each Mission will vary depending on the operating context, budget, and other factors.

To plan effectively for CLA, teams should reflect on the current state of their learning practice, decide on priority areas of focus, and develop and plan approaches that address those priorities. As CLA is a context-dependent and flexible practice, each Mission's CLA approaches will be different. Missions may use the CLA Maturity assessment and planning tool to help analyze their current work and decide where to focus future CLA efforts. For more information, see **Collaborating, Learning and Adapting (CLA) Maturity Tool Overview**.

201.3.7.5 Using CLA Approaches
Effective Date: 10/28/2020

OUs should embed CLA practices throughout the Program Cycle. The level of attention paid to certain activities and processes will vary by Mission, but Missions should focus on, at minimum, the following practices:

1) Undertaking strategic collaboration with key partners, both within USAID and externally, at the design phase and during implementation. For a CDCS, for example, this could include planning for collaboration among and between technical, DO, project or support offices and teams; engagement with development actors for input and feedback on the strategy, programs, and context in an ongoing way; or Mission-wide fora to share knowledge and learning gained from the implementation of strategies/projects/activities or evaluations.

2) Identifying learning questions, emerging patterns, cross-cutting themes, critical assumptions and risks, and knowledge gaps in the existing evidence base during

strategy development or project or activity design and implementing approaches to address them.

3) Taking regular opportunities to reflect on progress and using that knowledge to adapt accordingly. Opportunities for reflection include portfolio reviews, CDCS mid-course stocktaking exercises, after-action reviews, partner meetings, and other pause-and-reflect activities.

4) Conducting activities to support organizational effectiveness.

5) Determining how to resource (through staff, funding, and/or implementing mechanisms) CLA processes and activities.

Organizational culture affects CLA approaches, which are more likely to take root in a Mission with a supportive environment. A learning organization supports actively questioning assumptions, seeking evidence, reflecting, and exploring a range of solutions to development problems. Mission management should exhibit support by committing resources and encouraging staff to learn and adapt to change. Missions may decide, based on the results of the **CLA Framework, Maturity Tool and Spectrum Handouts** assessment or other planning, to focus on issues—such as openness, institutional memory, and knowledge sources—as part of the CLA approaches described in their PMP.

Transforming into a more effective learning organization requires sustained commitment. Progress can be slow and is likely to be non-linear. As with any change initiative, it is important to make time for regular reflection on progress. By repeating the **CLA Maturity Tool Assessment** or other tools at regular intervals—in preparation for or as part of an annual portfolio review, for example—Missions can determine where they are seeing increases or reductions in CLA maturity, and whether improvements align with the goals identified during the initial assessment or if priorities have shifted.

201.3.8 Accessibility of Program Cycle Documentation

Effective Date: 10/28/2020

The **USAID Development Experience Clearinghouse (DEC)** provides the Agency's staff, development partners, and the public with accurate, comprehensive, and timely information on the Agency's development experience. Mission and Washington OUs must submit to the DEC all relevant and appropriate Program Cycle planning, design, implementation, monitoring, evaluation, and learning documentation created by the Agency and its implementing partners. **ADS 540, USAID Development Experience Information** provides guidance regarding which Program Cycle materials OUs must submit to the DEC, who must submit Program Cycle materials to the DEC, and standards for Program Cycle materials submitted to the DEC.

201.4 MANDATORY REFERENCES

201.4.1 External Mandatory References

Effective Date: 09/21/2021

a. **2 CFR 200.328, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**

b. **22 CFR Part 211, Transfer of Food Commodities for Food Use in Disaster Relief, Economic Development, and other Assistance**

c. **22 CFR Part 216, Environmental Procedures**

d. **22 U.S.C. 2151, Foreign Aid Transparency and Accountability Act of 2016**

e. **22 U.S.C § 2361, Completion of Plans and Cost Estimates (Foreign Assistance Act of 1961, Section 611(a))**

f. **22 U.S.C. § 2451, Mutual Educational and Cultural Exchange Program**

g. **22 U.S.C. 32, Foreign Assistance (Foreign Assistance Act (FAA) of 1961, as amended)**

h. **29 U.S.C. § 794 (d) Electronic and Information Technology**

i. **31 U.S.C. § 39, Prompt Payment**

j. **31 U.S.C. § 901, Establishment of Agency Chief Financial Officers (Chief Financial Officers Act of 1990)**

k. **31 U.S.C. § 1115, Federal Government and Agency Performance Plans (Government Performance and Results Modernization Act of 2010, as amended)**

l. **31 U.S.C. Section 1341, Limitations on Expending and Obligating Amounts (includes the Federal Anti-Deficiency Act)**

m. **31 U.S.C. 1501, Documentary Evidence Requirement for Government Obligations**

n. **31 U.S.C. § 6301-6308, Using Procurement Contracts and Grant and Cooperative Agreements**

o. **48 CFR Federal Acquisition Regulations (FAR)**

p. **Executive Order 13279, as amended, Equal Protection of the Laws for Faith-Based and Community Organizations**

q. Executive Order 13642—Making Open and Machine Readable the New Default for Government Information

r. FISMA: Federal Information Security Modernization Act

s. FITARA Implementation Guidance: M-15-14: Management and Oversight of Federal Information Technology

t. FITARA: Title VIII, Subtitle D of the National Defense Authorization Act (NDAA) for Fiscal Year 2015, P.L. 113-291

u. Foundations for Evidence-Based Policymaking Act of 2018 (P.L. 115–435)

v. Office of Federal Procurement Policy Letter 05-01 Developing and Managing the Acquisition Workforce

w. Office of Federal Procurement Policy Letter 11-01, Performance of Inherently Governmental and Critical Functions (September 12, 2011)

x. OMB Bulletin 12-01, Guidance on Collection of U.S. Foreign Assistance Data

y. OMB Circular A-11, Instructions on Budget Execution

z. OMB Circular A-123, Management's Responsibility for Internal Control

aa. OMB Memorandum M-13-13, Open Data Policy-Managing Information as an Asset

ab. OMB Memorandum M-18-04, Monitoring and Evaluation Guidelines for Federal Departments and Agencies that Administer United States Foreign Assistance

ac. P.L. 103-356, Government Management Reform Act (GMRA) of 1994

ad. P.L. 104-208 - Federal Financial Management Improvement Act of 1996, beyond original FMFIA [FFMIA]

ae. U.S. Department of State-USAID Joint Strategic Plan

af. H.R. 302, Better Utilization of Investments Leading to Development (BUILD) Act

201.4.2 Internal Mandatory References

Effective Date: 09/28/2022

Text highlighted in yellow indicates that the material is new or substantively revised.

a. Acquisition & Assistance Policy Directive (AAPD) 16-02

b. ADS 200, Development Policy

c. ADS 201maa, Criteria to Ensure the Quality of the Evaluation Report

d. ADS 201mab, USAID Evaluation Statement of Work Requirements

e. ADS 201mac, Index of Existing and Planned Projects for USAID

f. ADS 201mad, Summary Checklist of the Legal Requirements for Obligating Funds into a Development Objective Assistance Agreement

g. ADS 201mae, Limitations to Disclosure and Exemptions to Public Dissemination of USAID Evaluation Reports

h. ADS 201maf, Performance Indicator Reference Sheet (PIRS) Guidance and Template

i. ADS 201mag, Country Development Cooperation Strategy (CDCS) Development and Approval Process

j. ADS 201mah, USAID Evaluation Report Requirements

k. ADS 201mai, Activity Approval Memorandum (AAM)

l. ADS 201maj, Contingency Operations

m. ADS 201mak, Country Transition Planning

n. ADS 201mal, Climate Risk Management for USAID Projects and Activities

o. ADS 201man, Process for Obtaining Mission Concurrence for Washington and Regional Mission Funded Activities

p. ADS 201mas, Counter Trafficking in Persons (C-TIP) Code of Conduct Guidance

q. ADS 201mat, Climate Change in USAID Country/Regional Strategies

r. ADS 201mau, Guidance on the Definition and Use of the Global Health Programs Account

s. ADS 201mav, Foreign Assistance Act Sections 118 and 119 Tropical Forests and Biodiversity Analysis

Text highlighted in yellow indicates that the material is new or substantively revised.

t. **ADS 201maw, Management of Construction Risk**

u. **ADS 201max, Regional and Country Development Cooperation Strategy Updates, Amendments and Extensions**

v. **ADS 201may, Key Considerations for Programming in Politically Sensitive Countries**

w. **ADS 201maz, Regional Development Cooperation Strategy (RDCS) Development and Approval Process**

x. **ADS 201mba, Activity Design Process for Acquisition and Assistance (A&A) Mechanisms**

y. **ADS 201mbb, Energy Assistance Guidance (available on the USAID Internal website only)**

z. **ADS 201mbc, Carbon-Intensive Assistance Exemptions Template (available on the USAID Internal website only)**

aa. **ADS 204, Environmental Procedures**

ab. **ADS 205, Integrating Gender Equality and Female Empowerment in USAID's Program Cycle**

ac. **ADS 220, Strengthening the Capacity of Partner Governments through Government-to-Government (G2G) Assistance**

ad. **ADS 225, Program Principles for Trade and Investment Activities and the "Impact on U.S. Jobs" and "Workers' Rights"**

ae. **ADS 300, Agency Acquisition and Assistance (A&A) Planning**

af. **ADS 302, USAID Direct Contracting**

ag. **ADS 303, Grants and Cooperative Agreements to Non-Governmental Organizations**

ah. **ADS 304, Selecting the Appropriate Acquisition and Assistance (A&A) Instrument**

ai. **ADS 306, Interagency Agreements**

aj. **ADS 308, Agreements with Public International Organizations**

Text highlighted in yellow indicates that the material is new or substantively revised.

ak. **ADS 320, Branding and Marking**

al. **ADS 351, Agreements with Bilateral Donors**

am. **ADS 508, Privacy Program**

an. **ADS 509, Management and Oversight of Agency Information Technology Resources**

ao. **ADS 540, USAID Development Experience Information**

ap. **ADS 579, USAID Development Data**

aq. **ADS 579mab, Activity Location Data**

ar. **ADS 597, Operations Performance Policy**

as. **ADS 602, Forward Funding, Program Funds**

at. **ADS 621, Obligations**

au. **ADS 631, Accruals**

av. **ADS 634, Administrative Control of Funds**

aw. **AIDAR**

ax. **Contract Information Bulletins (CIBs)**

ay. **Foreign Assistance Act**

az. **ADS 260, Benefiting Geographic Area Codes**

ba. **ADS 527mab, Administrative Guidance on How to Close a USAID Operating Unit - Checklists**

bb. **Local Systems – A Framework for Supporting Sustainable Development**

bc. **Mandatory Sharing of Projects with a Significant Counter Trafficking-in-Persons Component to the Senior Policy Operating Group (SPOG)**

bd. **Program Assistance Policy Paper**

be. **USAID Implementation of Section 508 of the Rehabilitation Act of 1973**

bf. **USAID Political Party Assistance Policy**

201.5 ADDITIONAL HELP

Effective Date: 08/02/2022

a. **Adaptive Management Discussion Note**

b. **Additional Guidance for 611(e) Certification Involving Construction Activities**

c. **ADS 200sbs, FY 2021 Statutory Checklists**

d. **ADS 201sab, Project Financial Plan Template**

e. **ADS 201sac, Project Management and Implementation Plan Template**

f. **ADS 201saf, Evaluation Triggers**

g. **ADS 201sag, Action Memo Template for Exception to Public Disclosure of USAID-Funded Evaluation**

h. **ADS 201sah, Evaluation Statement of Work (SOW) Peer Review Process**

i. **ADS 201sai, Managing the Peer Review of a Draft Evaluation Report**

j. **ADS 201saj, Developing an Evaluation Dissemination Plan**

k. **ADS 201sam, Project Design and Implementation Process**

l. **ADS 201san, Guidance Note: Integrating Gender in Broad Agency Announcements (BAAs)**

m. **ADS 306sai, Sample 632(a) Memorandum of Agreement to Transfer Funds From USAID to Another Agency**

n. **Application of ADS 201 to Washington Operating Units (OU)**

o. **CDCS Templates and Tools**

p. **Co-Creation Discussion Note**

q. **Common Types of A&A Activity Descriptions**

r. **Complexity-Aware Monitoring Discussion Note**

Text highlighted in yellow indicates that the material is new or substantively revised.

s. Data Quality Assessment Checklist

t. DFC-USAID Field Manual

u. DFC-USAID MEL Guidance

v. Discussion Note: Cost Data Collection and Analysis

w. Discussion Note: Implementing Local Ownership

x. Drafting a Collaborating, Learning and Adapting Plan

y. Foreign Assistance Act Sections 118/119 Tropical Forest and Biodiversity Analysis Best Practices Guide

z. Guidance for Optimizing Operational Platforms

aa. How-To Note: Activity Monitoring, Evaluation, and Learning Plan

ab. How-To Note: CDCS Mid-Course Stocktaking

ac. How-To Note: Conduct a Data Quality Assessment

ad. How-To Note: Developing a Project Logic Model (and its Associated Theory of Change)

ae. How-To Note: Engendering Evaluation at USAID

af. How-To Note: Prepare and Maintain a Performance Management Plan

ag. How-To Note: Strategy-Level Portfolio Review

ah. How-To Note: Tips for Conducting a Project Design Process

ai. Implementing Mechanism Matrix

aj. Inclusive Growth Diagnostic Guidelines

ak. List of Pre-Obligation Requirements for New Activities

al. Local Capacity Development: Suggested Approaches

am. Monitoring Data Disaggregation by Geographic Location

an. **Monitoring & Evaluation for a Government-to-Government Agreement**

ao. **Project Development Document (PDD) Approval Memorandum Template**

ap. **Project Development Document (PDD) Template**

aq. **Staff Roles and Responsibilities for Monitoring, Evaluation, and Learning**

ar. **Suggested Approaches for Integrating Inclusive Development Across the Program Cycle and in Mission Operations**

as. **The 5Rs Framework in the Program Cycle**

at. **Thinking and Working Politically through Applied Political Economy Analysis (PEA) – Guide and Supporting Materials**

au. **USAID Guidelines: Cost-Benefit Analysis**

201.6 DEFINITIONS

Effective Date: 08/02/2022

Accountability
The establishment of clear responsibility for designing and managing strategies, projects, and activities that articulate theories of change and define development objectives and intermediate results to be achieved within a specific timeframe and an estimated level of resources; to achieve and report on results; to manage risks; and to use learning from monitoring, evaluation, and other sources to inform design and management decisions and adapt programming so that USAID investments are more effective at achieving measurable development outcomes. (**Chapter 201**)

Accrual
The estimated cost of goods and/or services or other performance received, but not yet paid for by the Agency. Accruals are calculated for specific instruments and agreements and help provide current information on the financial status of an activity, project, or Development Objective (see **ADS 631**). (**Chapter 201**)

Activity
An implementing mechanism that carries out an intervention or set of interventions to advance identified development result(s). Activities range from contracts or cooperative agreements with international or local organizations, to direct agreements with partner governments, to partial credit guarantees that mobilize private capital, among other examples. Activities also include buy-ins under global agreements (*e.g.,* Field Support agreements) that generate programmatic results in a given country or region. In Missions, activities should contribute to development result(s) set forth in their Country Development Cooperation Strategy. (**Chapter 201**)

Activity Approval Memorandum (AAM)
A brief action memorandum that approves an activity design. AAMs may approve one design or multiple, complementary designs, depending on the circumstances. (**Chapter 201**)

Activity Design
The process by which OUs determine how to advance intended development result(s) in a given country or region through a given type of implementing mechanism. (**Chapter 201**)

Activity Manager
An individual who is identified by a Contracting Officer's Representative/Agreement Officer's Representative (COR/AOR) to assist with post-award administrative oversight and monitoring. Principal roles and responsibilities of the Activity Manager may include: 1) providing support to the COR/AOR in administering the award; and/or 2) providing support to the COR/AOR in performing monitoring functions (*e.g.,* collaborating with the COR/AOR to conduct site visits, verify monitoring data, conduct periodic data quality assessments, and/or file monitoring and other required documentation in **ASIST**, the Agency's official electronic repository for all documentation for acquisition and assistance awards, all in accordance with Agency policy and the award's terms and conditions. The COR/AOR remains accountable for delegated responsibilities and is the only person authorized to provide technical direction to the contractor or recipient as described in the COR/AOR designation letter. However, Activity Managers may support the COR/AOR in providing technical and/or administrative oversight of the activity. (**Chapter 201**)

Activity Planner (See "Planner" below)

Adaptive Management
An intentional approach to making decisions and adjustments in response to new information and changes in the context. (**Chapter 201**)

Agreement Officer's Representative (AOR) (See "Contracting Officer's Representative" below)

Assessment
A forward-looking process designed to examine country or sector context to inform strategic planning or project or activity design, or an informal review of a strategy, project, or activity. It is distinct from evaluation. (**Chapter 201**)

Assumptions
The stated conditions, behaviors, and/or critical events outside the control of the strategy, project, or activity that must be in place to achieve results. Assumptions form

part of the complete theory of change regarding the conditions under which change is envisioned to occur. (**Chapter 201**)

Attribution
The ascribed causal link between observed changes and a specific intervention. It refers to the extent to which the observed change is the result of the intervention, considering all other factors that may also affect the outcome(s) of interest. (**Chapter 201**)

Award
A form of implementing mechanism through which USAID transfers funds to an implementing partner that is typically selected through a competitive process. Award types include contracts, grants, and cooperative agreements. (**Chapter 201**)

Baseline
The value of an indicator before the implementation of USAID-funded strategies, projects, or activities. Baseline data enable the tracking of changes that occurred during the strategy, project or activity with the resources allocated to that strategy, project, or activity. (**Chapter 201**)

Beneficiary
Any foreign national who is a recipient of, derives advantage from, or is helped by USAID development assistance. Such individuals are not employees of USAID nor providers of USAID development assistance. (**Chapter 201** and **252**)

Burn Rate
The rate at which an implementing partner makes expenditures under an agreement, usually quoted in terms of average expenditures per month during a given period of time. (**Chapter 201**)

Co-Creation
A design approach that brings people together to collectively produce a mutually-valued outcome by using a participatory process that assumes some degree of shared power and decision-making. (**Chapter 201**)

Collaborating, Learning, and Adapting (CLA)
USAID's approach to organizational learning and adaptive management. CLA involves strategic collaboration, continuous learning, and adaptive management. CLA approaches to development include intentional collaboration with stakeholders to share knowledge and reduce duplication of effort, systematic learning by drawing on evidence from a variety of sources and taking time to reflect on implementation, and intentional adaptation through application of such learning. (**Chapter 201**)

Commitment

An administrative reservation of funds in anticipation of their obligation. (**Chapters 201, 621, 634**)

Component Activity
An activity that is bundled with other activities under a project approach. Taken together, component activities should support the achievement of project-level result(s). (**Chapter 201**)

Context
Conditions and external factors relevant to the implementation of USAID strategies, projects, or activities. Context includes the environmental, economic, social, and/or political factors that affect implementation, as well as how local actors, their relationships, and the incentives that guide them affect development results. It also includes risks that may threaten results or provide opportunities to achieve greater development impact. (**Chapter 201**)

Context Indicator
A means to monitor factors outside the control of USAID that have the potential to affect the achievement of expected results. OUs may track context indicators at any level of a Results Framework or logic model. Context indicators may track country/regional context; programmatic assumptions of strategies, projects, or activities; or operational context. Context indicators do not directly measure the results of USAID activities. (**Chapter 201**)

Context Monitoring
The systematic collection of information about conditions and external factors relevant to the implementation and performance of an OU's strategy, projects, and/or activities. Context monitoring includes the monitoring of local conditions that could directly affect implementation and performance (such as non-USAID programming operating within the same sector as USAID-funded programming) or external factors that could indirectly affect implementation and performance (such as macroeconomic, social, or political conditions). It also includes monitoring risks, such as programmatic, fiduciary, reputational, legal, security, human capital, and/or information technology risks. (**Chapter 201**)

Contingency Operation
Defined in **10 USC 101(a)(13)** – a military operation that –

1) Is designated by the Secretary of Defense as an operation in which members of the Armed Forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing military force; or

2) Results in the call or order to, or retention on, active duty of members of the Uniformed Services under Section 688, 12301(a), 12302, 12304, 12304(a),

12305, or 12406 of this title, Chapter 15 of this title, Section 712 of Title 14, or any other provision of law during a war or during a national emergency declared by the President or Congress. (**Chapter 201** and **411**)

Contracting Officer's Representative/Agreement Officer's Representative (COR/AOR)
An individual who performs functions designated by a Contracting or Agreement Officer or who is specifically designated by policy or regulation as part of acquisition or assistance administration. (**Chapter 201, 300**)

Country Development Cooperation Strategy (CDCS)
A strategy that defines a Mission's chosen approach in their partner country and provides a focal point for the development of projects and activities. A CDCS presents expected results within a time-bound period, provides a common vision and an organizing framework, and summarizes the status of the ongoing portfolio and how that will be continued, updated, or revised to address new priorities, lessons learned, or circumstances that have changed. The CDCS is usually five years long. (**Chapter 201**)

CDCS Goal
The highest-order, longest-term outcome that a USAID Mission, together with its development partners, expect to achieve or influence. The Goal may be related to U.S. foreign policy interests in a country, or the country's own national development plan. While USAID Missions are not accountable for achieving the Goal, the Goal should incorporate the purpose of USAID's in-country presence and provide a guide for all choices made under a CDCS. The Mission is responsible for advancing progress toward the CDCS Goal as it advances progress toward each of the DOs. (**Chapter 201**)

Country Team
An interagency group made up of the head of each State Department section in the Embassy, the USAID Mission Director, and the heads of the other U.S. Government Departments and Agencies represented at post. (**Chapter 201**)

Data Quality Assessment (DQA)
An examination of the quality of performance indicator data in light of the five standards of data quality (validity, integrity, precision, reliability, and timeliness) to ensure that decision-makers are fully aware of data strengths and weaknesses, and the extent to which data can be relied upon when making management decisions and reporting progress. (See "Data Quality Standards" below.) (**Chapter 201**)

Data Quality Standards
Standards for determining the quality of performance monitoring data for evidence-based decision-making and reporting credibility. The five standards of data quality are 1) validity, 2) integrity, 3) precision, 4) reliability, and 5) timeliness. (**Chapter 201**)

Delegation of Authority (DOA)

A document that officially recognizes when an official, vested with certain powers (authorities), extends that power (authority) to another individual or position within the chain of command. (**Chapter 201**)

Deobligation
The process of removing unneeded funds from an obligating instrument. This step is typically done during the annual review process for the certification of unliquidated balances and the separate certification of the validity of recorded obligations, or upon the completion of activities when unliquidated obligations may have become excessive or may no longer be needed for their original purpose. (**Chapter 201**)

Development Actors
Stakeholders that are engaged in development efforts in a partner country. Development actors often include the partner country government, civil society, other bilateral and multilateral organizations, non-governmental organizations (NGOs) (both local and international), other U.S. Government Departments and Agencies, and the private sector (both local and international). (**Chapter 201**)

Development Hypothesis
The theory of change, logic, and relationships between the building blocks needed to achieve or contribute to a long-term development result. The development hypothesis is based on development theory, practice, literature, and experience; is country-specific; and explains why and how the proposed investments from USAID and others are expected to collectively contribute to, or lead to achieving, the Development Objectives in a CDCS. It is a short narrative that explains the relationships between results upwards from the sub-Intermediate Results to the Intermediate Results, to the Development Objectives. (**Chapter 201**)

Development Objective (DO)
Typically the most ambitious result to which a Mission, together with its development partners, will contribute through its interventions. (**Chapter 201**)

Development Objective Agreement (DOAG)
A bilateral obligating document under which a USAID Mission may make sub-obligations for contracts, grants, and cooperative agreements; etc. It generally sets forth a mutually agreed-upon understanding between USAID and the partner government of the timeframe; results expected to be achieved and the means of measuring them; and the resources, responsibilities, and contributions of participating entities for achieving a clearly-defined objective. (**Chapter 201**)

Development Objective (DO) Team
A group of USAID staff with complementary skills who are empowered to work toward the achievement of a DO in a CDCS. The primary responsibility of a DO Team is often to make decisions in designing and implementing projects that will contribute to the result. Another essential function is to ensure open communication and collaboration

across organizational boundaries at all phases of the development process. (**Chapter 201**)

Development Policy
Guidance and analysis that covers the content and substance of USAID's programs. Development policies include Agency policies, strategies, and vision papers, as well as U.S. Government policies and those in support of international development agreements and approaches. (**Chapter 201**)

Disbursements
The actual payments made by the Agency for goods and services or other performance under an agreement. (**Chapter 201**)

Due Diligence
The technical term for the necessary assessment of the past performance, reputation, and future plans of a prospective alliance partner, private sector firm, or other entity with regard to various business practices and principles. This assessment of a prospective alliance partner would normally involve, at a minimum, examining their social, environmental, and financial track records. (**Chapter 201**)

Enterprise Risk Management (ERM)
An approach to risk management that supports the achievement of an organization's objectives by addressing the full spectrum of external and internal risks and managing their combined impact as an interrelated portfolio, rather than addressing risks only within silos. (**Chapters 201, 596mab**)

Environmental Impact Statement
A detailed study of the reasonably foreseeable positive and negative environmental impacts of a proposed USAID action and its reasonable alternatives on the United States, the global environment, or areas outside the jurisdiction of any nation (see **ADS 204** and **22 CFR 216**). (**Chapter 201**)

Evaluation (also see "Performance Evaluation," "Impact Evaluation" below)
The systematic collection and analysis of data and information about the characteristics and outcomes of one or more organizations, policies, programs, strategies, projects, and/or activities conducted as a basis for judgments to understand and improve effectiveness and efficiency, timed to inform decisions about current and future programming. Evaluation is distinct from assessment (which is forward-looking) or an informal review of projects. (**Chapter 201**)

Evaluation Plan (Mission-wide)
A plan to identify and track evaluations across a Mission and over the entire CDCS timeframe. Evaluation plans are a required part of USAID's Evaluation Registry available in the **Facts Info Next Gen** system and are a component of the Performance Management Plan. (**Chapter 201**)

Evaluation Registry
A module in the **Facts Info Next Gen** system that includes information, normally drawn from the evaluation plan in the Performance Management Plan, on completed evaluations during the previous fiscal year, and ongoing and planned evaluations for the current fiscal year, plus two out years. (**Chapter 201**)

Evidence
A body of facts or information that serve as the basis for programmatic and strategic decision-making. Evidence can be derived from experiential knowledge, assessments, analyses, performance monitoring, evaluations, research, and statistical activities. It can be sourced from within USAID or externally. Evidence should result from systematic and analytic methodologies, or from observations that are shared and analyzed. Evidence has four interdependent components: foundational fact finding and research, policy analysis, program evaluation, and performance measurement. Evidence can be quantitative or qualitative and can come from a variety of sources. Evidence has varying degrees of credibility, and the strongest evidence generally comes from a portfolio of high-quality, credible sources rather than a single study.
(**Chapter 201**)

Ex-Post Evaluation
A performance or impact evaluation that examines a strategy, project, activity, or intervention at least one year after it has ended. (**Chapter 201**)

Expenditures
Estimates of the total costs incurred by the Agency for goods and services and other performance received under an activity, whether paid for or not. Expenditures equal accruals plus disbursements. Expenditures offer a valuable indicator of activity progress in monetary terms. (**Chapters 201, 631**)

Experimental Design (of an evaluation)
An impact evaluation design that randomly assigns an intervention among members of the eligible population to eliminate selection bias such that some receive the intervention (treatment group) and some do not (control group). Also called a "Randomized Controlled Trial" (RCT). (**Chapter 201**)

External Evaluation
An evaluation that meets both of these criteria: 1) is commissioned by USAID or others, rather than by the implementing partner that is responsible for the activity being evaluated; and 2) has a team leader who is an independent expert from outside the Agency with no fiduciary relationship with the implementing partner. External evaluations may include USAID staff members, but not as the team leader. (**Chapter 201**)

Focus

An operational principle that USAID should focus U.S. Government resources in a manner that is likely to yield the strongest development impact (*e.g.,* by concentrating Mission efforts in a specific geographic area, on a specific targeted population, or through a particular sectoral approach). Given that other actors often provide assistance the development contexts in which USAID works, it is critical that USAID proactively engage other development actors to determine USAID's comparative advantage. (**Chapter 201**)

Foreign Assistance (F) Framework Standardized Program Structure and Definitions
A listing of program categories that provides common definitions for the use of foreign assistance funds. The definitions identify very specifically and directly what USAID is doing, not why it is doing it. It is most relevant for budget planning and tracking. (Also see "Program Area," "Program Element," and "Program Sub-Element" below.) (**Chapter 201**)

Formative Evaluation
A type of performance evaluation that is conducted to assess whether a program, policy, or organizational approach—or some aspect of these—is feasible, appropriate, and acceptable before it is fully implemented. A formative evaluation may include process and/or outcome measures. It focuses on learning and improvement and typically does not aim to answer questions of overall effectiveness. (**Chapter 201**)

Forward Funding
Obligations, typically from funds in the final year of the period of availability, to cover the cost of goods and services that the Agency will receive in a subsequent fiscal year. (**Chapter 201**)

Gender
A social construct that refers to relations between and among the sexes based on their relative roles. It encompasses the economic, political, and socio-cultural attributes, constraints, and opportunities associated with being male or female. As a social construct, gender varies across cultures, is dynamic, and is open to change over time. Because of the variation in gender across cultures and over time, gender roles should not be assumed but investigated. Note that gender is not interchangeable with women or sex. (**Chapter 201**)

Gender Integration
The process of identifying and then addressing gender inequalities during strategic planning, as well as during the design, implementation, monitoring, and evaluation of projects or activities. Since the roles and relations of power between men and women affect how a project or activity is implemented, it is essential that USAID staff address these issues on an ongoing basis. USAID uses the term "gender integration" in planning and programming. (**Chapter 201**)

Gender-Sensitive Indicator
Indicators that reflect to what extent and in what ways development programs have achieved results related to gender equality and whether/how reducing gaps between males/females and empowering women leads to better project/development outcomes. (**Chapter 201**)

Goal (See "**CDCS Goal**" above)

Government Agreement Technical Representative (GATR)
An individual who is typically designated by a Mission Director as part of the administration of partner government agreements. The GATR, like an AOR or COR for acquisition and assistance awards, has a formal designation letter or memorandum from the Mission Director to define their roles, responsibilities, and authorities. (**Chapter 201**)

Host Country (also known as "Partner Country")
The country in which a USAID-funded activity takes place. (**Chapter 201, 252, 301, 305, 322, 495**)

Impact Evaluation
An evaluation based on models of cause and effect that measures the change in a development outcome that is attributable to a defined intervention and requires a credible and rigorously-defined counterfactual to control for factors other than the intervention that may account for the observed change. Impact evaluations that make comparisons between beneficiaries that are randomly assigned to either a treatment or a control group provide the strongest evidence of the relationship between the intervention under study and the outcome measured. Impact evaluations must use experimental or quasi-experimental designs. (**Chapter 201**)

Implementation Letter
Formal correspondence between USAID and another party following a formal agreement that obligates funding. Implementation letters serve several functions, including providing more detailed implementation procedures, providing details on the terms in an agreement, recording the completion of conditions precedent to disbursements, and approving funding commitments and mutually agreed-upon modifications to program descriptions. (**Chapter 201**)

Implementing Mechanism
A means of achieving identified results, generally through the use of a legally-binding relationship established between an executing agency (generally a U.S. Government Department or Agency like USAID or a host government agency) and an implementing entity (contractor, grantee, host government entity, Public International Organization, etc.) to carry out programs with U.S. Government funding. Examples of implementing mechanisms include contracts; cooperative agreements; grants; interagency

agreements; fixed amount reimbursement, cost reimbursement and cash transfers to partner country governments, and public-private partnerships. (**Chapter 201**)

Implementing Partner
An implementing entity (contractor, grantee, partner government entity, public international organization) that carries out programs with U.S. Government funding through a legally-binding award or agreement. (**Chapter 201**)

Indicator
A quantifiable measure of a characteristic or condition of people, institutions, systems, or processes that may change over time. (**Chapter 201**)

Initial Environmental Examination (IEE)
A preliminary review of the reasonably foreseeable effects of a proposed action on the environment. Its function is to provide a brief statement of the factual basis for a threshold decision as to whether an Environmental Assessment or an Environmental Impact Statement will be required (see **ADS 204**). (**Chapter 201**)

Input
A resource, such as funding, information, or people, including the provision of USAID staff, whether funded by Operating Expenses (OE) or program funds, that is used to create an output. (**Chapter 201**)

Instrument
A contract, cooperative agreement, bilateral agreement, or other legally-binding mechanism that obligates or sub-obligates program funds or operating expenses. (**Chapter 201**)

Integrated Country Strategy (ICS)
A multi-year strategy with a whole-of-government focus developed by a U.S. Country Team overseas. As directed by the Presidential Policy Directive on Security Sector Assistance, the ICS also represents the official U.S. Government strategy for all Security Sector Assistance in a country. Additionally, and in line with the whole-of-government scope of each ICS, each USAID Mission's CDCS is nested within the ICS. Objectives from each ICS are used to frame the Department of State and USAID foreign assistance request in the Congressional Budget Justification. (**Chapter 201**)

Intermediate Result (IR)
A component of a Results Framework in a Mission's CDCS. Intermediate Results are seen as an essential contribution to advancing a DO. IRs are measurable results that may capture a number of discrete and more specific lower-level results and often define the purpose of projects. (**Chapter 201**)

Internal Evaluation

An evaluation that is either: 1) commissioned by USAID in which the evaluation team leader is USAID staff (a USAID internal evaluation); or 2) conducted or commissioned by an implementing partner—or consortium of implementing partners and evaluators—concerning their own activity (an implementer internal evaluation). (**Chapter 201**)

Intervention
A specific action that takes place under an activity and is typically performed by an implementing partner. (**Chapter 201**)

Joint Regional Strategy (JRS)
A three-year strategy that is collaboratively developed by the Department of State and USAID Regional Bureaus to identify the priorities, goals, and areas of strategic focus within a region. The JRS aims to provide a forward-looking and flexible framework within which Bureaus and Missions can prioritize engagement and resources and respond to unanticipated events. The JRS process is co-led by the State and USAID Regional Bureaus, with participation and input from stakeholders from relevant functional and Technical Bureaus. Missions are also involved in JRS development, as the JRS sets the general parameters that guide Mission planning. Bureaus develop the JRS in the fall, in advance of the Mission and Bureau budget-build process, so that it can serve as the foundation and framework for resource planning and for the analysis and review of the annual Mission and Bureau budget requests. Bureaus complete a JRS once every three years, with the ability to adjust it in interim years as circumstances necessitate. (**Chapter 201**)

Key Risk Indicators (KRIs)
Indicators that relate to a specific risk and measure the likelihood or impact of the risk event occurring. (**Chapter 201**)

Learning
A continuous organizational process throughout the Program Cycle of analyzing a wide variety of information sources and knowledge, including evaluation findings, monitoring data, research, analyses conducted by USAID or others, and experiential knowledge of staff and development actors. (**Chapter 201**)

Learning Agenda or Learning Plan
A systematic plan for identifying and addressing critical learning priorities and knowledge gaps by answering priority questions relevant to the programs, policies, and regulations of an Agency, or at the sub-agency level. Learning agendas should articulate critical questions, how to address them, and how to use the resulting evidence. More broadly, a learning agenda is a coordination tool for engaging stakeholders in evidence planning and building. In Missions, the learning priorities in the CDCS and Performance Management Plan reflect learning agendas. The Agency Learning Agenda is USAID's highest-level learning agenda, equivalent to the agency evidence-building plan required in Section 312 of the Evidence Act (**P.L. 115-435**). (**Chapter 201**)

Learning Priorities
A list of key themes or topics that are critical to programmatic and operational decisions and implementation for the Agency; or an Operating Unit, sector, strategy, project, or activity; or a specific initiative. Learning priorities can include emerging patterns, cross-cutting themes, knowledge gaps in the existing evidence base, critical assumptions, identified (or emergent) risks, and points of connection with scenario planning or with context monitoring. Learning priorities come from various sources and inform learning agendas. (**Chapter 201**)

Learning Questions
Specific, answerable, need-to-know questions that can be answered through monitoring, evaluation, research, or other analysis to incrementally address learning priorities. Several learning questions can cluster under a single learning priority and can contribute to a broader learning agenda or plan. (**Chapter 201**)

Leverage
Significant resources mobilized from non-U.S. Government sources. USAID seeks the mobilization of resources of other actors on a 1:2 or greater basis (*i.e.,* 50 percent of the proposed value of an award). Leveraged resources can include grants/awards from non-U.S. Government organizations or other donor governments. (**Chapters 201**, **303**, **623**)

Local Ownership
The commitment and ability of local actors—including governments, civil society, the private sector, universities, individual citizens, and others—to prioritize, fund, and implement development, so that development outcomes have greater potential to be sustained and generate lasting change without USAID assistance. (**Chapter 201**)

Local System
Interconnected sets of actors—governments, civil society, the private sector, universities, individual citizens, and others—that jointly produce a particular outcome. (**Chapter 201**)

Locally-Established Partner (LEP)
A U.S. or international organization that works through locally-led operations and programming models. LEPs:

- Have maintained continuous operations in-country for at least five years and materially demonstrate a long-term presence in a country through adherence or alignment to the following:

    - Local staff should comprise at least 50 percent of office personnel,
    - Maintenance of a dedicated local office,
    - Registration with the appropriate local authorities,

- A local bank account, and
- A portfolio of locally-implemented programs.

- Have demonstrated links to the local community, including:

  - If the organization has a governing body or board of directors, then it must include a majority of local citizens;
  - A letter of support from a local organization to attest to its work; and
  - Other criteria that an organization proposes to demonstrate its local roots.

(**Chapters 201** and **303**)

Logic Model
A graphic or visual depiction of a theory of change that illustrates the connection between what a strategy, project or activity will do and what it hopes to achieve. There are a wide range of logic models, including but not limited to LogFrames, causal loop diagrams, stakeholder-based models, and Results Frameworks. (**Chapter 201**)

Mechanism (See **"Implementing Mechanism"** below)

Memorandum of Understanding (MOU)
A document that sets forth a set of intentions between participants. An MOU is generally designed as a non-binding agreement that establishes political (not legal) commitments. (**Chapter 201**)

Mission Resource Request (MRR)
A country-specific document prepared by a field Operating Unit under the guidance of the U.S. Ambassador, which focuses on the resources required to implement Bureau- and country-level multi-year strategies. (**Chapter 201**)

Monitoring
The ongoing and systematic tracking of data or information relevant to USAID's policies, operations, programs, strategies, projects, and/or activities. Relevant data and informational needs are identified during planning and design and can include output and outcome measures directly attributable to or affected by USAID-funded interventions, as well as measures of the operating context and programmatic assumptions. (**Chapter 201**)

Monitoring, Evaluation, and Learning (MEL) Plan
A plan for monitoring, evaluating, and learning that is typically focused on the activity level. It is distinct from the Mission-wide Performance Management Plan (PMP). (**Chapter 201**)

Mortgage

The difference between the total authorized level of funding and the cumulative total amount of funds that have been obligated to a particular activity. (**Chapter 201, 602**)

National Security Strategy (NSS)
An overarching U.S. Government policy document that covers the national security principles that underlie U.S. foreign policy. (**Chapter 201**)

Non-Permissive Environment (NPE)
A "non-permissive" environment refers to an environment or context (at the national and/or sub-national level) that is characterized by uncertainty, instability, inaccessibility and/or insecurity, and in which USAID's ability to operate safely and effectively is constrained. Factors that may contribute to a "non-permissive" environment include the following:

- Armed conflict to which the U.S. may or may not be a party;
- Limited physical access due to distance, disaster, geography, or non-presence;
- Restricted political space due to repression of political activity and expression; and/or
- Uncontrolled criminality, including corruption. (**Chapter 201**)

Non-Required Evaluation
An evaluation whose completion does not fulfill an evaluation requirement. Missions may conduct non-required evaluations for learning or management purposes, and at any point during the implementation of strategies, activities, or projects. As evaluations, they still must meet all procedural, reporting, and quality standards stipulated in ADS Chapter 201. Non-required evaluations may be impact or performance, internal or external. (**Chapter 201**)

Obligating Officials
USAID officials with the delegated authority to sign obligating documents, including, but not limited to, the authority to negotiate, execute, amend, deobligate, and close out activities; maintain obligation files; record obligations in the Global Acquisition and Assistance System (GLAAS); and administer agreements or awards that obligate USAID funds. An Obligating Official may be a CO/AO, Executive Officer, Assistant Administrator, Deputy Assistant Administrator, Mission Director, or other Agency official. (**Chapters 201, 603, 621, 631, 634**)

Obligation
A term of appropriations law that means some action that creates a definite commitment, or that creates a legal liability, of the U.S. Government for the payment of funds for specific goods or services ordered or received. (**Chapter 201, 621**)

Operating Expense (OE)
Costs related to personnel, other administration costs, rental, and depreciation of fixed assets. (**Chapter 201**)

Operating Unit (OU)
An organizational unit that is responsible for implementing a foreign assistance program for one or more elements of the Department of State's Foreign Assistance Framework. The definition includes all U.S. Government Departments and Agencies that are implementing any funding from the relevant foreign assistance accounts (the 150 accounts). For USAID, it includes field Missions and regional entities, as well as Regional Bureaus, Technical Bureaus, and Independent Offices in USAID/Washington that expend program funds. Chapter 201 refers to field OUs as "Missions," and those in Washington as "Washington OUs." (**Chapter 201**)

Operational Plan (OP)
A plan that provides details on the use of foreign assistance funding for a specific fiscal year. It identifies where and on what programs funds will be spent, which U.S. Government Departments or Agencies will manage the funds, and who will implement the programs. A primary objective of the OP is to ensure coordinated, efficient, and effective use of all U.S. Government foreign assistance resources in support of American foreign policy priorities. (**Chapter 201**)

Operations Policy
Program procedures, rules, and regulations that affect the management of USAID's internal systems, including budget, financial management, personnel, procurement, and program operations. (**Chapter 201**)

Outcome
A significant and intended change in the conditions of people, systems, or institutions that indicate progress or lack of progress toward the achievement of strategy/project/activity goals. Outcomes are any result higher than an output to which a given output contributes, but for which it may not be solely responsible. Outcomes can be intermediate or end outcomes, short-term or long-term, intended or unintended, positive or negative, direct or indirect. (**Chapter 201**)

Outcome Evaluation
A type of performance evaluation that can help answer the question, "Were the intended outcomes of the program, policy, or organizational approach achieved?" However, unlike an impact evaluation, outcome evaluations typically cannot discern causal attribution. (**Chapter 201**)

Output
The tangible, immediate, and intended products or consequences of an activity that are within USAID's control or influence. Outputs are the direct result of inputs. (**Chapter 201**)

Partner
An organization or individual with which/whom the Agency collaborates to achieve mutually agreed-upon objectives and secure the participation of ultimate customers. Partners can include partner country governments, private voluntary organizations, international NGOs, universities, other U.S. Government Departments or Agencies, the United Nations and other multilateral organizations, professional and business associations, and private businesses and individuals. (**Chapter 201**)

Partner Country (also known as "Host Country")
The country in which a USAID-funded activity takes place. (**Chapter 201**)

Pause and Reflect
A component of learning and adaptive management; the act of taking time to think critically about ongoing activities and processes and to plan for the best way forward. (**Chapter 201**)

Performance Evaluation (See **"Evaluation," "Impact Evaluation"** above)
Evaluations that encompass a broad range of methods and often incorporate before-after comparisons, but generally lack a rigorously-defined counterfactual. Performance evaluations may focus on what a particular strategy/project/activity has achieved (at any point during or after implementation); how it was implemented; how it was perceived and valued; and other questions that are pertinent to design, management, and operational decision-making. (**Chapter 201**)

Performance Indicator
An indicator that provides a means to monitor the expected outputs and outcomes of strategies, projects, or activities based on a Mission's Results Framework or a project's or activity's logic model. Performance indicators are the basis for observing progress and measuring actual results compared to expected results. Performance indicators help answer the extent to which a Mission or Washington OU is progressing toward its objective(s) but cannot alone tell a Mission or Washington OU why such progress is or is not being made. (**Chapter 201**)

Performance Management
The systematic process of planning and defining a theory of change and associated results through strategic planning and project/activity design, and collecting, analyzing, and using information and data from monitoring, evaluations, and other learning activities to address learning priorities, understand progress toward results, influence decision-making and adaptive management, and ultimately improve development outcomes. A Mission's Performance Management Plan (PMP) describes performance management activities at the Mission level. Performance management supports continuous learning and adaptive management. (**Chapter 201**)

Performance Management Plan (PMP)

A Mission-wide tool to plan and manage the process of identifying and addressing strategic learning priorities through monitoring, evaluation, and CLA activities and approaches, including by validating theories of change; monitoring progress and performance; tracking programmatic assumptions and changes in operational context; evaluating performance and impact; and using other learning activities to convene key stakeholders to learn from evidence and inform decision-making, resource allocation, and adaptation at the strategy level. PMPs are Mission documents and are distinct from Activity MEL Plans. (**Chapter 201**)

Performance Monitoring
The ongoing and systematic collection of performance indicator data and other quantitative or qualitative information to reveal whether strategy, project or activity implementation is on track and whether expected results are being achieved. Performance monitoring includes monitoring the quantity, quality, and timeliness of activity outputs within the control of USAID or its implementers, as well as the monitoring of project and strategy outcomes that are expected to result from the combination of these outputs and other factors. (**Chapter 201**)

Performance Plan and Report (PPR)
A report that documents U.S. Government foreign assistance results that have been achieved over the past fiscal year and sets targets on designated performance indicators for the next two fiscal years. (**Chapter 201**)

Pillar Bureau (also known as a Technical Bureau)
A Washington OU that provides leadership and innovation in its respective field. The Pillar Bureaus are the Bureau of Development, Democracy, and Innovation (DDI); Humanitarian Assistance (BHA); Resilience and Food Security (RFS); Conflict Prevention and Stabilization (CPS); and Global Health (GH). Pillar Bureaus concentrate on programmatic activities that support USAID OUs in the field (see **ADS 200**). (**Chapter 201**)

Pipeline
The difference between the total amount obligated into an award or agreement and the total expenditures against that award or agreement. (**Chapter 201**)

Planner
The designated person who is responsible for developing and maintaining a written Individual Acquisition Plan (IAP), or the planning function in those acquisitions (**FAR Part 7.101**) or assistance actions that do not require a written plan. The Planner may be the Project Manager, where a project approach is used, or the intended COR/AOR, among other examples. The Planner works with the CO/AO to carry out the planning function. OUs must ensure that a Planner is identified for a particular procurement. Though OUs have discretion to determine the appropriate individual based on the organizational structure and functions of the unit, the Planner must be an individual with sufficient authority in the OU to ensure that planning complies with this chapter, the

FAR's acquisition planning requirements, and Office of Management and Budget Policy Letter 11-01 (see **ADS 300**). (**Chapter 201**)

Politically Sensitive Country
Generally defined as a country in which the internationally-recognized government:

- Is politically repressive; and
- Has explicitly rejected USAID assistance, or has such an adverse relationship with the United States that the Agency cannot partner or cooperate with the government on development assistance. (**Chapter 201**)

Portfolio Review
A periodic review of designated aspects of a USAID Mission or Washington OU's strategy, projects, or activities. (**Chapter 201**)

Pre-Obligation Requirement
A mandatory provision that must be met prior to obligation of funds. These items include a wide range of legal, policy, financial, and instrument-specific provisions. For Missions that have DOAGs with their partner government, obligations into activity-level agreements are often sub-obligations under a DOAG. (**Chapter 201**)

Pre-Procurement Action Lead Time (Pre-PALT)
A period of time that begins at design initiation and ends at activity approval and submission of the GLAAS requisition. (**Chapter 201**)

Process (or Implementation) Evaluation
A type of performance evaluation that assesses how the program or service was delivered relative to its intended theory of change, and often includes information on the content, quantity, quality, and structure of interventions that were implemented. These evaluations can help answer the question, "Was the program or policy implemented as intended?" or "How is the program or policy operating in practice?" (**Chapter 201**)

Program
Within the context of the Program Cycle, "program" usually refers to either a Mission's entire portfolio, or to an entire technical sector portfolio, under a CDCS. For Washington OUs and other OUs that do not have a CDCS, program generally refers to a set of projects or activities that support a higher-level objective or goal. (**Chapter 201**)

Program Area
One of the several categories in the Foreign Assistance Standardized Program Structure that identifies broad programmatic interventions (such as Counter Narcotics, Health, or Private Sector Competitiveness). Program Areas are primarily used for budget planning and tracking. More than one appropriations account may fund a Program Area. (**Chapter 201**)

Program Assistance
A generalized resource transfer, in the form of foreign exchange or commodities, to the recipient government based on meeting defined benchmarks or performance indicators that are not based on cost. This is in contrast to other types of assistance in which USAID finances specific inputs, such as technical assistance, training, equipment, vehicles, or capital construction. Program Assistance has also historically been known as “Non-Project Assistance.” (**Chapter 201**)

Program Cycle
USAID’s operational model for planning, delivering, assessing, and adapting development programming in a given region or country to advance U.S. foreign policy. It encompasses guidance and procedures for: 1) making strategic decisions at the regional or country level about programmatic areas of focus and associated resources; 2) designing projects and activities to implement strategic plans; and 3) learning from performance, monitoring, evaluations, and other relevant sources of information to make course corrections, as needed, and inform future programming. (**Chapter 201**)

Program Element
A category in the Foreign Assistance Standardized Program Structure that reflects the different components of a Program Area. Program Elements are primarily used for budget planning and tracking. Examples include Alternative Development and Alternative Livelihoods within Counter Narcotics, HIV/AIDS within Health, and Business Enabling Environment within Private Sector Competitiveness. (**Chapter 201**)

Program Sub-Element
A category in the Foreign Assistance Standardized Program Structure that reflects the different components of a Program Element. Program Sub-Elements are primarily used for budget planning and tracking. Examples include Farmer/Community Group Support within Alternative Development and Alternative Livelihoods, Preventing Mother-to-Child Transmission within HIV/AIDS, and Property Rights within Business Enabling Environment. (**Chapter 201**)

Project
A group of activities that are designed and managed in a coordinated way to advance result(s) set forth in a CDCS or RDCS (or other strategic framework). Through a project approach, Missions and other OUs can create synergies among complementary activities that generate higher-level results than can be achieved through the sum of their individual performances. (**Chapter 201**)

Project Design
A process undertaken by a designated Project Design Team to define a project’s boundaries, a high-level theory of change, and an adaptable plan for implementation. The project design process results in a Project Development Document (PDD). (**Chapter 201**)

Project Development Document (PDD)
A short document (generally not more than 15 pages) that summarizes key decisions made during a project design process and that is updated throughout implementation. The PDD is not intended to be a comprehensive plan or an exhaustive description of all design considerations; it is a management tool for facilitating an ongoing process of decision-making. (**Chapter 201**)

Project Manager
A designated individual who is responsible for providing overall guidance and direction at the project level during project implementation. The Project Manager may be an Office Director, Team Leader, or COR/AOR, among other options. As this is a function in the Mission, rather than a formal position in the Mission's staffing pattern, the designated Project Manager may or may not have formal supervisory authorities over technical staff. (**Chapter 201**)

Project Purpose
The highest-level result to be achieved by a project. The Project Purpose should support the Mission's CDCS Results Framework and be defined at a level of ambition that is manageable and judged to be attainable given the Mission's resources, staff, and influence. (**Chapter 201**)

Quasi-Experimental Design (of an evaluation)
A type of impact evaluation design that is used to attribute impact in the absence of a control group from an experimental design. Rather than a randomized control group, the evaluation generates a comparison group through rigorous statistical procedures, such as propensity-score matching, regression discontinuity, or analysis with instrumental variables. (**Chapter 201**)

Regional Development Cooperation Strategy (RDCS)
A strategy similar to a CDCS for a Regional Mission. (**Chapter 201**)

Required Evaluation
An evaluation whose completion fulfills a requirement. In most cases, it must be external and managed by Program Office staff. (**Chapter 201**)

Result
A significant and intended change in a development condition that affects people, systems, or institutions. Results can be outputs or outcomes, and include Development Objectives (DOs), Intermediate Results (IRs), sub-Intermediate Results (sub-IRs), Project Purposes and other project outcomes, as specified in a Mission's CDCS or PDD. (**Chapter 201**)

Results Framework (RF)

A type of logic model that is used to represent the development hypothesis that underlies a Mission's strategy. The RF diagrams the development hypothesis and outlines the logic for achieving DOs over time, including the causal logic and contribution between sub-IRs and IRs, IRs and DOs, and between DOs and the Goal. The RF includes the CDCS Goal, DOs, IRs, and sub-IRs. (**Chapter 201**)

Risk
The effect of uncertainty on objectives (see **596mab**). Within the Program Cycle, a risk refers to an uncertain event or circumstance that—if it occurred—would affect an OU's ability to achieve intended results, positively or negatively. (**Chapter 201**)

Risk Appetite
The broad-based amount of risk that an organization is willing to accept in pursuit of its mission/vision. (**Chapters 201, 596mab**)

Risk Assessment
The identification and analysis of key risks to the achievement of strategy, program, or operational objectives, which form a basis for determining how OUs should manage such risks. Risk assessment involves estimating the impact and likelihood of a risk, as well as any controls or other measures that may mitigate or eliminate the risk. (**Chapters 201, 596mab**)

Risk Profile
A document that provides a thoughtful analysis of the significant risks an Agency faces toward achieving its strategic objectives that arise from its activities and operations, and appropriate options for addressing such risks. (**Chapters 201, 596mab**)

Risk Tolerance
The acceptable level of variance in performance relative to the achievement of objectives, with special consideration to the relative importance of related objectives. Risk tolerance must align with risk appetite. (**Chapters 201, 596mab**)

Sex
A biological construct that defines males and females according to physical characteristics and reproductive capabilities. For monitoring and reporting purposes, USAID disaggregates data by sex, not by gender. Gender and sex are not synonyms. (**Chapter 201**)

Stakeholders
Those who are affected positively or negatively by a development outcome, or who have an interest in or can influence a development outcome. (**Chapter 201**)

Standalone Activity
An activity that is not bundled with other activities under a project approach. In Missions, standalone activities should support result(s) set forth in a CDCS. (**Chapter 201**)

Stocktaking
A structured review and assessment of ongoing efforts and options going forward; for example, a mid-course CDCS stocktaking exercise. (**Chapter 201**)

Strategic Planning
The process by which USAID defines its objectives for development in a given country or region to maximize the impact of development cooperation (including, as appropriate, cooperation with partner governments, partner country/regional stakeholders, other donors, and the interagency). USAID's strategic planning advances overall U.S. Government efforts to ensure the strategic use of resources. (**Chapter 201**)

Sub-Intermediate Result (Sub-IR)
Results necessary for achieving an IR. (**Chapter 201**)

Sub-Obligation
Expenditures of funds from a prior obligation of funds. Sub-obligations take place when an obligating official enters into a binding, activity-level agreement under a DOAG by using funds obligated into the DOAG. A sub-obligation leads to the final disbursement of such Federal funds. (**Chapters 201**)

Support Objective
An objective that reflects the technical and management assistance that a Mission, typically a Regional Mission, will provide to Bilateral Missions and non-presence programs within its region. Regional Missions may include a Support Objective for the provision of services in their RDCS, if appropriate. A Bilateral Mission or a Washington-based OU may also manage a Support Objective. (**Chapter 201**)

Sustainability
The ability of a local system, network, or institutions to produce desired outcomes over time. Programs contribute to sustainability when they strengthen a system's ability to produce valued results and to be both resilient and adaptive in the face of changing circumstances. (**Chapter 201**)

Target
A specific, planned level of result to be achieved within a specific timeframe with a given level of resources. (**Chapter 201**)

Total Estimated Amount (TEA)
The total authorized level of funding under an assistance award/agreement. (**Chapter 201**)

Total Estimated Cost (TEC)
The total authorized level of funding under an acquisition award/agreement. (**Chapter 201**)

Theory of Change
A narrative description, usually accompanied by logic model, that describes how and why a given purpose or result is expected to be achieved in a given context. (**Chapter 201**)

Transition Planning
A legislatively-mandated section of the CDCS that describes the proposed trajectory for USAID assistance in country. Transition plans identify the conditions under which USAID's assistance will no longer be needed, benchmarks toward achievement of those conditions, and options for transition once those conditions are met. (**Chapter 201**)

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