BUILDING STRONG SUB-PARTNERSHIPS TRAINING MODULE

SLIDE 1: Introduction

Welcome to the "Building Strong Sub-Partnerships" module of the "How to Work with USAID" training series. This module is for organizations with limited or no experience working with the U.S. Agency for International Development. However, this module will also be valuable for *any* organization that wants to engage with partners to enhance outcomes.

SLIDE 2: Learning Objectives

This module will help you with the process of forming successful partnerships with other organizations through teaming agreements.

The learning objectives of this module are to:

- Understand how to identify potential partners with whom you can implement USAID-funded activities;
- Review steps you can take to become better-known by more effectively marketing your organization; and
- Know what developing a strong partnering agreement entails when forming a team with other organizations.

Note that, at the end of the module, we will provide some links to regulations and resources you may find helpful.

SLIDE 3: Why USAID Partners with Organizations

USAID partners with thousands of organizations around the world to fulfill its mission of leading the U.S. Government's international development and disaster assistance efforts on behalf of the American people. Partnerships and investments assist USAID to:

- Save lives;
- Reduce poverty;

- Strengthen democratic governance; and
- Help people emerge from humanitarian crises and progress beyond assistance.

Partners include non-governmental organizations, for-profit companies, U.S. small businesses, charitable organizations, universities, internationally based national groups, community and faith-based organizations, and more. In fact, USAID works with more than 3,000 different organizations each year.

SLIDE 4: Partnering Between Organizations

Partnering also often occurs between organizations to more effectively compete for and/or implement an Agency award.

One partner, often called the "prime" partner or recipient, leads the effort, incorporating one or more sub-partners in the response and budget. The prime benefits by leveraging the expertise, in-country knowledge, and local contacts of the sub-partner.

For smaller or newer organizations, partnering with a larger or more experienced organization is a great way to learn about working with USAID. If you are a potential partner, you may have some but not all of the required qualifications for an Agency funding opportunity. Maybe you have the technical expertise but not the operational capacity, or you have experience but not in the geographic area.

These are all good reasons to consider partnering with other organizations on USAID-funded projects.

SLIDE 5: Subawards and Subcontracts

Before we begin, let us start with a couple of basic definitions.

In this module, we will discuss sub-partnerships as they relate to two types of USAID awards.

A *subaward* is an award of financial assistance made under a USAID grant or cooperative agreement by a recipient organization to an eligible sub-recipient. The subawardee helps carry out implementation of the award. The Automated Directives System, or ADS, Chapter 303, addresses specific requirements for subawardees under various assistance awards.

A *subcontract* is created when a USAID lead, or "prime," contractor awards a contract to another organization to assist it with carrying out an Agency acquisition award. The subcontractor provides goods or specialized services to the program and may be a U.S.-based or local non-profit organization, small business, or large firm. Chapter 302 in the ADS provides more information on subcontracts, and Section 19.701 in the Federal Acquisition Regulations, or FAR, includes additional requirements that govern subcontracts.

See the "Understanding USAID Awards" training module for more details.

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SLIDE 6: Potential Partners

Now, let us begin by discussing the benefits and risks of partnership and how to identify potential partners.

SLIDE 7: Potential Benefits

Partnering with another organization comes with many potential benefits. In many cases, USAID's development activities require specialized skills that a single organization may not be able to provide on its own. For example, one organization may not have all of the professional skills, services, and knowledge base the Agency requires to reform education in a post-conflict country, or a single organization may not be able to deliver health services to all the communities that need to be reached.

In this case, there is a need for two or more organizations to join together to successfully compete for and implement Agency programs.

Partnerships improve your chances of success by:

- Combining complementary expertise and capabilities;
- Enhancing stakeholder and community awareness of your efforts;
- Providing opportunities to network and share knowledge; and
- Gaining insight into local context.

To support this last point, USAID encourages prime organizations to partner with local entities to the greatest extent possible. These organizations can bring a lot of local knowledge, language skills, and experience to the table. For local entities, working with a larger or more experienced partner offers insight into USAID's programming process. It also offers opportunities to build organizational capacities and systems.

SLIDE 8: Potential Risks

When considering a partnership, it is also important to consider risks. You will need to manage risks carefully to reduce their impact on success.

The first potential risk is a compromise of organizational vision and integrity. It is critical that your organization partner with others that have a similar or complementary vision and can carry out their work with a high level of integrity.

Another risk is the chance that competing interests could impede cooperation. Confusion or disagreements over the division of roles and responsibilities is another risk that can result in redundancy and low productivity. It is important for all to agree on each organization's focus, technical

area, and geographic scope when implementing a project. By communicating regularly, partners can avoid duplicating efforts and become more effective.

Finally, incorrect assumptions of financial benefits are a serious risk. For example, partners may underestimate the level of effort required or the costs that will be incurred, which can strain the relationship. You can reduce this risk by clearly outlining these terms early in the partnering process. We will discuss more about the financial considerations of teaming agreements later in this module.

SLIDE 9: Considerations When Choosing Partners

When considering whether to partner with other organizations, focus on those that have:

- A mission and values similar to or complementary with your organization's;
- Leadership that is open to developing a partnership with your organization;
- Credibility in the community where the activity will be implemented;
- Good relationships with key stakeholders, including USAID, and especially with those that operate in your geographic area of focus;
- A willingness to comply with Agency regulations and requirements;
- Programming that complements your organization's skills and services;
- A strategic geographic focus that strengthens the potential for impact;
- Financial management experience and sound internal controls; and
- A history of positive performance and high potential for future success.

Overall, you want to make sure the potential partners you identify and select are able to demonstrate readiness to work with USAID.

SLIDE 10: Steps for Exploring Potential Partners

Now, we will provide some concrete steps for researching and identifying organizations with which you may wish to partner.

First, research potential partners through their websites or profiles in the Partner Directory of the USAID-funded website, w-w-w-dot-Work-with-USAID-dot-o-r-g. Read through their mission statements and note which types of partners may be a good fit with your organization.

Second, keep tabs on those organizations currently engaged in Agency work as well as the broader community of potential partners. You can find recent prime and subaward recipients at the website w-w-w-dot-USASpending-dot-gov. Click on "Award Search" in the top menu and select "Keyword Search." Enter "USAID" in the search box to see award types, amounts, and recipient organizations.

You can attend industry days and networking events hosted by USAID Missions. It is also helpful to join professional networks such as InterAction and InsideNGO, as well as country-, sector-, and subject-specific communities of practice, which often share useful information about participating organizations.

Finally, local organizations outside of the United States may want to consider contacting their country's aid coordinator or ministry of finance or economic planning. These offices may provide a list of donor-funded partners operating within the country. For example, Rwanda's Ministry of Finance and Economic Planning maintains a central database of donor-funded projects.

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SLIDE 11: Marketing Your Organization

Now that you understand how to identify potential prime or experienced USAID partners, we will focus on helping you market your organization, so you can become better-known to these organizations.

SLIDE 12: Roles of Primes vs. Subawardees

First, it is important to familiarize yourself with the different roles of a prime organization and a subawardee.

Prime or lead organizations:

- Lead the development of the application or proposal;
- Identify the strategy to plan and manage the award;
- Select partners; and
- Serve as the point of contact with USAID.

Subawardees:

- Expand the capacity of the team to achieve objectives by providing expertise in a technical area or particular service;
- Support development of the proposal or application by providing information needed for the budget or proposed interventions; and
- Contribute to the monitoring, evaluation, learning, and reporting requirements of the activity.

When planning who is responsible for implementing which aspects of the award and when, be mindful that the team should cover all aspects of the USAID solicitation's statement of work or program description—without duplicating effort.

Local partners can bring an invaluable perspective to a project and can be critical for its success. They also can contribute to the sustainability of results achieved.

Remember, prime or lead organizations and their sub-partners should work together to prepare a budget that contains sufficient financial resources to fund sub-partner interventions. And teams should ensure that there are sufficient personnel for the project's management and technical needs.

Additional guidance on budgets; reporting; and monitoring, evaluation, and learning is provided in the "Resources" section at the end of this module.

Now, let us discuss how to communicate that you are ready to form a successful team with other organizations.

SLIDE 13: Communicate Your Readiness to Sub-Partner

Primes can logically select only those sub-partners they know about. Therefore, the question is: How does your organization become better-known?

You may take several steps to improve awareness of your organization and its efforts within the development community.

First, create a partner profile in the Partner Directory at WorkwithUSAID-dot-org. Here, you can input information about your organization, its mission, and the impact you have in the communities in which you work.

Second, market your organization with the prime's needs in mind. For example, you may wish to explain your organization's ability to share costs that will be incurred by the team. Some ways your organization might contribute to cost-sharing include providing volunteer services, donating supplies, or sharing office space.

In addition to thinking about the prime's needs, promote your organization as though you were marketing directly to USAID. To gain a sense of what the Agency is looking for in proposals and applications, check the USAID Business Forecast. This is a searchable database of upcoming funding opportunities in the planning stages across all USAID Missions and Bureaus.

Finally, network with contacts in the development community to learn who is applying for a particular award. Position your organization as being available, capable, and prepared to successfully work with USAID.

SLIDE 14: Capability Statement Basics

A vital marketing tool is a professional capability statement, which is a document that your organization can share with primes to describe your organization's strengths and expertise. This is the statement you can post on your website and distribute at conferences.

Your organization's capability statement serves three important purposes.

First, it is a door-opener for new partners. It is a way to introduce yourself to prime organizations.

Second, it serves as proof of your organization's qualifications and past performance.

Third, it communicates the benefits that come with a partnership with your organization, setting you apart from your competitors.

Your organization's capability statement should be brief—two pages at the most—but also comprehensive. Make sure that all of the critical information, such as past projects, technical expertise, and geographical experience, is on the first page. Be concise. Remember to include contact information so others can easily find or reach out to you. It is a good idea to create the capability statement document in .pdf format with your organization's name in the filename.

Finally, it should be written on a template that has your organization's branding and logo. Then, you will easily be able to modify the language in subsequent capability statements.

SLIDE 15: Four Elements of Successful Capability Statements

Having a general capability statement on hand for general marketing will be useful, but when looking for a partner for a particular award, your organization's capability statement should target the needs of a particular organization as it implements a USAID award. That means it should be customized for each target organization.

The following are four elements of successful capability statements.

The first element is core competencies. Provide a short introduction about your organization, followed by bullet points on your core expertise. Include keywords, so that your organization can be easily found if a prime conducts a search through the Partner Directory at WorkwithUSAID-dot-org or through an Internet search engine.

The second element is past performance. List organizations with whom you have done similar work before, focusing on work that is relevant to the target prime's projects and that might fill any gaps in the organization's capabilities as it implements an activity. Past performance could include experience working on U.S. Government-funded projects or with the host country government or the broader community. Newer organizations might highlight the experience of their key personnel.

The third element is differentiators. Include a succinct, clear statement that relates the specific needs of the prime to the unique benefits you bring to the table and the results you can deliver. This will help readers understand why they should pick your organization over competitors.

The fourth element of your capability statement is organizational data. Include one or two short sentences that describe your organization and list contact details, such as the mailing address, email address, a main office landline, and your website. Also consider including the name of a point person and their email address and mobile phone number, as well as your organization's social media tags and profiles. In this section, you might also list the pertinent codes that confirm your organization is registered to work with the U.S. Government, such as your organization's DUNS number or Unique Entity Identifier, or UEI, which is a 12-character code that will replace the DUNS number on April 4, 2022. If you are applying for a subcontract, you may also list your CAGE or NCAGE code.

SLIDE 16: Capability Statement Example

Here is an example that includes a section for:

- Core competencies;
- Past performance;
- Differentiators; and
- organizational data.

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SLIDE 17: Developing Teaming Agreements

A teaming agreement is simply an agreement between a prime partner and sub-partners to combine resources in order to respond to a USAID funding opportunity.

SLIDE 18: Benefits of Teaming Agreements

A teaming agreement is beneficial for both the sub-partner and the prime, and they should work together to develop it.

The sub-partner can obtain access to a U.S. Government-funded project that it would not otherwise have had the resources to implement on its own. By teaming with the larger prime organization in submitting an application or proposal, the sub-partner is engaged in the process of creating solutions to development challenges. The sub-partner also signals its readiness to work with USAID.

Teaming agreements, particularly with local organizations, can help a prime organization gain access to specialized knowledge and expertise, control costs for local activities, and be better prepared to sustain the results achieved.

SLIDE 19: Formalizing a Teaming Agreement

A properly established teaming agreement reflects the role of each sub-partner, as well as the prime. Teaming agreements are legally binding and are negotiated by people with authority from the organizations.

A teaming agreement should be signed as early as possible in the application or proposal phase. In particular, it is needed before a partner can review confidential material in a draft. Retain control of your organization's creative solutions to development challenges and do not share your application or proposal with a potential partner before a signed teaming agreement is in place.

SLIDE 20: Types of Sub-Partners

In your teaming agreement, one important area your organization must consider is whether it wants to be an exclusive or nonexclusive sub-partner or a supporting partner.

An *exclusive sub-partner* will work only with the prime organization on the agreed-upon proposal or award. The partner is free to collaborate with other organizations on other funding opportunities. If the prime wins the award, you will include an exclusivity clause in your teaming agreement. As outlined in your teaming agreement, a sub-partner may share confidential information with the prime.

A *nonexclusive sub-partner* can work with several primes irrespective of who wins. To maintain the confidentiality of your proposed ideas and budget, do not share specific information about the proposal or application with nonexclusive sub-partners.

A *supporting partner* serves as a key collaborator. For example, the ministry of health in a given country can be a supporting partner for a project. This type of partner often provides a letter of support for the application or proposal.

SLIDE 21: Key Points

Let us take a moment now to review some key points that we covered in this module.

When assessing sub-partnerships, carefully consider the benefits and risks associated with partnering with another organization and discuss the pros and cons with your staff.

To increase your organization's visibility, be proactive about market research and marketing. Reach out to organizations that interest you and align with your mission and strategy.

Learn what is required to be eligible and prepare to work with USAID. Become familiar with relevant regulations and compliance requirements and ensure you have the management systems and personnel to receive and properly manage an award.

Keep your capability statement updated and customize it for each potential partner.

Developing teaming agreements is an important step in the partnership formation process. Make sure that your teaming agreement reflects the role of each partner and does not compromise your organization's project-related and financial information.

Finally, start small, start smart. As a local, new, or nontraditional organization, you bring specialized knowledge and insights, language skills, trusted relationships, and practical experience to development efforts. Use a sub-partnership opportunity to learn and grow—and build your profile with USAID—at a pace that is right for your organization.

SLIDE 22: Resources

Here, we provide the links to resources we shared or referenced in this module. We also invite you to view other modules in the "How to Work with USAID" training series. You can share these resources with organizations you are planning to work with.

SLIDE 23: Thank You

Thank you for taking time to learn about how to prepare for successful sub-partnerships and build successful teaming agreements for working with USAID.

Remember: It takes time to develop a successful partnership that achieves both your organization's and the Agency's goals. Download and print the quick reference guide for this module to remind you of important guidelines and helpful hints.

SLIDE 24: Acknowledgement

This module was produced by the United States Agency for International Development. The presentation team includes staff from USAID and the Partnerships Incubator.

USAID thanks all the individuals who contributed their time and ideas toward the development of this training module.

Please email any feedback and questions to IndustryLiaison@USAID.gov.

To learn more about partnering with USAID, please visit www.WorkwithUSAID.org.