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Sample Action Memorandum and Acquisition and Assistance Review Document (AARAD)

An Additional Help for ADS 300

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USAID
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Date

ACTION MEMO FOR THE ADMINISTRATOR

THROUGH:

FROM: Assistant Administrator or Independent Office Director

SUBJECT: (Project Name) Acquisition and Assistance Review and Approval Document (AARAD) for Pre-award

Recommendation

That you sign the Acquisition and Assistance Review and Approval Document (AARAD) for awarding (Project Name) by _____, 2013.

Approve _____ Disapprove _____

Background

In xxx 2013, xxx, in cooperation with xxx, selected the proposed awardee -- which includes a consortium of sub partners -- for a xxx year xxx million development xxx program in xxx....

Approximately xxx million people in xxx face food security of which the xxx is targeting xxx million. This scalable program is targeting approximately xxx million citizens through three programs: vulnerability targeting (xxx); food vouchers (xxx); and maternal and child health (xxx). The cost per beneficiary ranges from \$xxx to \$xxx per year (dependent on which of the three programs) to an average of \$xxx per year or \$xxx over the xxx year life of the program. It is understood that some people will receive benefits from more than one of these programs. If one were to benefit from all three of the programs, the combined programming costs would be up to \$xxx over the xxx years of these programs.

The program complements (and was built in coordination) xxx, but largely does not geographically overlap with xxx as this program targets the most vulnerable to hunger and does not have an agricultural component. The program builds on Agency advances in Science, Technology, Innovation, and Partnerships through the use of e-vouchers, mobile phone technology, and drawing on evidence-based research to prevent stunting.

xxx and xxx have completed the acquisition review and approval document in accordance with ADS 300.3.4, Senior Management Review of Planned Acquisition and Assistance Awards (7/9/2013).

After many cycles of xxx programs in xxx, USAID is seeking “to more directly support the continued development of a xxx safety net program, consistent with xxx and USAID Forward in xxx. xxx made this approach clear in the FY 2013 Request for Applications for xxx for xxx it issued in xxx 2012. Specifically, xxx expects the proposed awardee to make this xxx year program cycle consolidate the achievements gained in nutrition and agricultural production under previous xxx cycles while reorienting programming to xxx owned food security goals and objectives....

Program Summary

The finalist’s winning proposal has a program goal to reduce food insecurity and vulnerability by supporting the xxx in establishing a replicable safety net system and expanding capacities for preventing child under-nutrition. It includes work streams relating to four strategic objectives:

1. **Vulnerability Targeting:** The program seeks to institutionalize within the xxx an objective, equitable, and effective mechanism for targeting vulnerable households.
2. **Food Voucher Based Safety Net:** The program seeks to institutionalize within xxx an electronic food voucher-based safety net program targeting extremely vulnerable households and promoting women’s empowerment and the purchase of locally produced food.
3. **Maternal and Child Health and Nutrition:** xxx households with lactating women or children under two are practicing targeted behaviors for ensuring infants and children are born healthy and nurtured effectively.
4. **Stewardship:** Key government institutions, local partners and women are using expanded decision making capacity to support food security, disaster risk management and social assistance programming.

The xxx eventually aims to target between xxx million people chronically food insecure with its safety net; and it also envisions the safety net system as a “surge” mechanism to respond to expanded need in times of acute crises. The xxx program will have a direct impact on xxx households through maternal and child health and nutrition interventions and provide electronic food vouchers to over xxx households in xxx communes throughout xxx Departments of xxx. More importantly, this program creates the platform to demonstrate results and leverage other resources to allow for the national expansion envisioned by the xxx. xxx is in discussions now with USAID and the xxx regarding a “buy-in” to the Program.

xxx will conduct an independent baseline study and final evaluation of the xxx program. Both will include surveys that measure prevalence of stunting among children under five years of age; average household dietary diversity as a proxy for income and food

access; prevalence of households with moderate or severe hunger; and mean depth of poverty, which measures the difference between a household's income and the xxx poverty line.

Through support for a government led safety net that builds demand for locally produced foods among vulnerable households, the program will build linkages and coherence between the safety net and the agricultural production activities of xxx. In addition, complementary activities to improve income and food access will create opportunities for participants to “graduate.” This approach is a major shift for USAID, which is moving from a decades-long investment in multiple, stand-alone food assistance programs that operated exclusively at the community level, to a government-owned and led safety net *system* that creates a platform for multi-donor and other investments.

Resource Implications

The expected life of activity funding for this program is \$xxx million of xxx and \$xxx million of xxx over xxx years for a total of \$xxx million.

Attachment:

Tab 1 – AARAD for Pre-Solicitation and Pre-Award

TAB 1

**ACQUISITION AND ASSISTANCE REVIEW AND APPROVAL DOCUMENT FOR
PRE-SOLICITATION AND PRE-AWARD**

Project Name: xxx

Bureau/Office/Mission: xxx

Task Order Series (if applicable):

Pre-Solicitation **Pre-Award**

This document authorizes the cognizant official to move forward with an activity award for the finalist, based on a description of how the activity satisfies the criteria below.

- 1. Policy Relevance:** The activity is consistent with the Country Development Cooperation Strategy (CDCS) and U.S. policy and Agency Priorities.

The new xxx Program is consistent with U.S policy and Agency priorities in xxx, as articulated in the Mission's xxx strategy. The project adheres to the strategy's xxx development principles set forth by xxx:

USG assistance will be country-led and build country capacity: The xxx program supports the Government of xxx's unprecedented assumption of responsibility for defining and providing appropriate social protection measures to prevent hunger and malnutrition. xxx's national strategic framework to combat hunger, called xxx plans to xxx. In order to achieve these objectives, xxx includes a social safety net, expansion of agricultural production, and programs to improve basic services. The xxx program directly supports the objective of establishing a "social safety net program to improve access to food for the most vulnerable".

USG assistance will be comprehensive and integrated. The program supports three of the USG's four pillars of xxx's development, including food and economic security; health and other basic needs; and democratic governance. Activities will focus on the following:

- The development and operationalization of a national socio-economic data base that will aid in vulnerability targeting and the selection of beneficiaries;
- Increasing demand for locally produced and nutritious foods by increasing the purchasing power of poor households through food vouchers;
- Use of a food voucher tool in piloting a school meals program provided through local private sector vendors;
- Increasing nutrition service provision and behavior change in a xxx day approach nutrition program;

- Complementary activities tied to the safety net to allow, for example, food voucher households to be linked with services such as literacy training, home gardens development and extension support, as well as savings and loans opportunities;
- A disaster risk reduction component that provides the xxx with tools for early warning and food emergency response.
- As a cross-cutting priority, the xxx program will reinforce the xxx capacity to oversee, monitor, manage and support this integrated food security and social assistance program.

USG assistance will leverage and be coordinated with the resources of other strategic partners. xxx have worked closely with the xxx and other stakeholders to develop this new program. The new program will promote further coordination with other donors and seeks to enhance xxx confidence in the value of donor harmonization. Under the Ministry xxx leadership, discussions with other donors related to the financing of the national safety net system are already underway and will continue.

USG will use multilateral mechanisms wherever appropriate. The proposed awardee has demonstrated its unique partnership with its consortium of sub partners, which includes xxx institution, and has outlined how it will leverage other donor or xxx funded programs to reach economies of scale. For example, in order to effectively identify the poorest households and select beneficiaries, the new program incorporates key lessons from xxx initiative, which developed a census-based approach for the provision of social security services. The xxx program will further refine the xxx-tested tool and work with the xxx and all donors to adopt it. A single data base with this information will be maintained at xxx and can be accessed by different programs as needed.

USG assistance will be sustained and accountable: The development of a national safety net program will be a long-term, multi-faceted endeavor. By supporting the xxx years of the process, the xxx program represents a significant and sustained investment aimed at establishing the foundation of an effective, accountable safety net program by the end of the program period. xxx will monitor the program through xxx’s monitoring system and the xxx team is working with xxx staff to identify evaluation opportunities that will contribute to the initiative’s broader learning agenda.

This program is strategically aligned with xxx and will help achieve xxx’s goals in xxx. This program will contribute to reducing stunting rates and the depth of poverty in the areas of xxx that are the most vulnerable and therefore will help to increase the resilience of the most vulnerable people to the regularly recurring shocks that strike xxx. Similarly, through the use of targeted food vouchers, this program will improve agricultural markets and encourage local agricultural production. It is envisioned that food will flow synergistically from the food production surplus areas in which xx and xxx are working in to the food deficit areas where this program will be operating thereby improving the impact of the xxx programs. xxx is also ready to use the novel food voucher “surge” emergency tool in xxx corridors if and when required, thereby providing a safety net to those households in need in times of shock or crisis. It is also important to note that FFP program’s in xxx are aligned with the existing xxx monitoring and evaluation system xxx and will report directly into that system. See attached map for xxx.

Science and Innovation: This program’s design incorporates lessons learned and applies the state of the art knowledge and innovation.

Cash and vouchers are an effective way to help shock-affected populations meet their needs during and after crises. This program will use an e-voucher that uses mobile phone technology developed and strengthened with xxx.

The food voucher for school meals pilot will provide vouchers to school committees to access daily, fresh school meals for students through the local private sector (mostly traditional caterers in the community). A variation of “home-grown school feeding,” this effort will focus on providing training to participating caterers about nutritious meal preparation and hygiene, leaving all other aspects of procurement and provision to the caterers themselves.

For the *maternal and child health component*, the program draws on evidence-based research on preventing stunting that was well documented in a xxx article that showed that stunting, wasting and underweight were xxx points lower in communities where a prevention model was applied. This program will scale-up that model including behavior change strategies around essential nutrition actions and conditional food transfers to pregnant lactating women and their children between xxx and xxx months for participation in preventive maternal child health and nutrition services.

2. Commitment to Sustainable Results: The activity reflects a clear commitment to effective programs designed to deliver results that can be sustained beyond the U.S. engagement.

The xxx program represents a significant shift from past xxx development programs. The new program emphasizes a systems-based approach to reducing vulnerability and the need for emergency food assistance by helping to institutionalize the xxx’s social protection mechanism within xxx and helping to build the capacity of government and local partners to implement it. Previous programs focused more on individual, household, and community level impact and less on capacity building.

The Government of xxx launched its xxx strategy in xxx, following months of research and consultation with international organizations, donors, and pertinent ministries. The first of its kind in xxx, the strategy encompasses existing programs in nutrition, food security, and school feeding, amongst others, and seeks to oversee and coordinate xxx activities operating in cross cutting sectors that target hunger and malnutrition. Given xxx commitment to xxx, a xxx official participated with xxx staff in the review of all the proposal submissions and made recommendations for the award. xxx engagement throughout the solicitation and review process has solidified xxx ownership and approval of the Program.

Under xxx, the xxx adopted xxx as the model for scaling up as part of the national safety net system. The xxx determined that the xxx emergency project -- which followed xxx -- included an electronic voucher component based on mobile phone technology developed with xxx.

Other aspects of the new Program also encourage sustainable outcomes. For example, the food voucher for school meals pilot provides vouchers to school committees which in turn can access

daily, fresh school meals for students through the local private sector (mostly xxx). A variation of “xxx,” this effort will focus on providing training to participating caterers about nutritious meal preparation and hygiene, leaving all other aspects of procurement and provision to the caterers themselves. For the maternal and child health component, behavior change strategies for improved nutritional outcomes which have already (xxx) been evaluated as having long term beneficial results at the household level will be scaled up, and linked to ambitious, but achievable stunting prevention targets.

3. Feasibility: The situation on the ground is conducive to the success of the activity.

Because of xxx ownership of this activity and its use of components that have already been effectively implemented in different circumstances, there is confidence on the part of xxx and xxx that the environment and situation in xxx is conducive to successful program implementation. Key challenges and risks associated with supporting this xxx led process have been considered and reviewed.

- *The political environment:* The xxx has articulated for the first time a clear vision and agenda to develop a social safety net and has strategically linked it to broader goals (in the agriculture and nutrition sectors) to sustainably improve conditions for the most poor in xxx. It has recognized the importance of institutionalizing the initiative and has identified xxx as the lead xxx to work with xxx on the implementation of this program.
- *xxx capacity:* xxx is a key xxx within the xxx and it currently has very strong leadership. However, the capacity of xxx to oversee and manage this program will need to be reinforced. Through separate xxx funding, xxx is currently providing technical assistance to xxx to identify capacity building needs and gaps.
- *Recurring costs:* Of paramount importance will be the ability of xxx to “leverage” the new program and seek support from other donors at the early stages. In addition, over time, the xxx is expected to demonstrate accountability and results to support the case for additional public and/or other investments in the future. For the near term, encouraging discussions have taken place between xxx and xxx regarding xxx’s interest to xxx to the Program.

4. Value for Money: The overall funding is consistent with the Agency’s objectives and priorities and the projected funding level is commensurate with the expected results to be achieved.

- Note: In the Independent Government Cost Estimate (IGCE), the activity manager confirms that anticipated support costs are as low a percentage of total costs as possible and that local costs are as high a percentage of total costs as possible.

The anticipated overall funding for this xxx program is a total of xxx to be provided in one award incrementally funded over xxx years. A total of xxx million of this amount will be xxx. The exciting combination of these xxx resources allows for flexibility in programming that would not have been possible if all xxx from one source alone.

The xxx resources will support the nutrition component, allowing for the direct, targeted distribution of nutritionally enhanced xxx food commodities to pregnant, lactating women and children xxx to prevent malnutrition. With xxx complementary funding, the distribution of these commodities will be accompanied to linked services, such as pre and post natal care, immunization, behavior change and nutrition education. The xxx resources will fund the implementation of food voucher activities which will support the procurement of local agricultural production by beneficiary households. Similar to the xxx programs, specific guidance for the commodities eligible for procurement in the voucher system will developed, focusing on nutritious, locally produced foods. The medium and long-term impact of the food voucher program is predicted to be an increased demand for local commodities, complementing other xxx objectives to increase local agriculture production of key staple crops in xxx.

In addition to the implementation of the food voucher component, the new program will implement “complementary activities” tied to the safety net activity. For example, food voucher households will be linked with services such as literacy training, home gardens development and extension support as well as savings and loans opportunities. Discussions with xxx are continuing regarding the potential to include “conditionality” in the national safety net system. A learning agenda established for the program will help to identify the impacts of various services (whether provided as entitlements or conditionally) on household depth of poverty, the reduction of which can mitigate the likelihood of negative inter-generational impacts stemming from chronic hunger. The number of people facing chronic food insecurity is approximately xxx million. The number of people in the targeted xxx communes is approximately xxx million. This program aims to reach approximately xxx million.

	Beneficiaries	Budget (\$)	Cost/Ben (LOA - 4 Years)	Cost/Ben (Annual Ave)
SO1 - Vulnerability Targeting				
SO2 - Food Voucher - Based Safety Net & School Feeding Pilot				
SO3 – Maternal Child Health and Nutrition				
TOTAL				

The awardee has designed implementation of activities to ensure xxx. The awardee will work directly with xxx. xxx will also work directly with xxx....

Within the food voucher component the awardee will work at different levels:

- A) Directly with xxx;
- B) Directly with xxx;
- C) The awardee will also work with the xxx.

The TEC chair confirms that the support costs are as low a percentage of total costs as possible, local costs are as high a percentage of total costs as possible and fall within the established Independent Government Cost Estimate.

5. **Partner Capacity:** In the event of a final “Go/No-Go” decision, the proposed partner demonstrates sufficient technical capacity to perform the activity and a commitment to developing local capacity, if applicable.

The finalist and its consortium is a novel combination of agencies and organizations, each with very different strengths and experiences to offer. The finalist, as lead, has worked in xxx for xxx. The emergency food voucher programs implemented by xxx and subsequently adopted by the xxx have provided initial expertise and lessons learned that would allow the rapid startup of this new development program. An evaluation of the xxx’s emergency activities indicated very positive results in xxx. One of the sub partners also has significant xxx. This sub partner has worked in xxx. The xxx member of the consortium adds strength and weight vis-à-vis xxx. This member’s international experience in xxx brings xxx to this effort.... The consortium clearly demonstrates xxx.... The Agreement Officer completed the responsibility determination and concluded the finalist is sufficiently responsible to receive USAID funding.

6. **Funding:** In the event of a final “Go/No-Go” decision, the Operating Unit must note if and when any planned funding is expiring.

It is expected that funding of xxx will be available each year.....

7. **Internal Clearance:** The regional bureau AA has received no objection from the pillar bureau AA and vice versa, if applicable .

There are no objections from the (bureau name) regarding this program.

**ACQUISITION AND ASSISTANCE REVIEW AND APPROVAL DOCUMENT FOR
PRE-SOLICITATION AND PRE-AWARD**

Project Name: xxx Bureau/Office/Mission: xxx

PRE-SOLICITATION APPROVAL (AT OR ABOVE \$25 MILLION)

Approve

Disapprove

The solicitation was issued prior to the effective date of this policy. (If applicable)

Xxx
xxx/AA

Date

xxx
xxx/AA

Date

Comments:

PRE-AWARD AUTHORIZATION (AT OR ABOVE \$75 MILLION)

Award Recommended

Award Not Recommended

/s/

Xxx
xxx/AA

Date

xxx
xxx/AA

Date

Comments:

Award Authorized

Award Not Authorized

Xxx
A/AID

Date

xxx
A/AID

Date

Comments:

ACTS Folder No. xxx

ES Special Assistant: xxx