



**USAID**  
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## U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) **NEW PARTNERSHIPS INITIATIVE (NPI)**

“ We could help our partners by prioritizing programs that show measurable impact, incentivize reform, diversify our partner base, foster local capacity-building, and mobilize their own domestic resources.”

— USAID Administrator Mark Green

### **I. STRATEGIC VISION**

The USAID of tomorrow will enable partner countries to plan, fund, and manage their own development through strengthened capacity and commitment—this is both the essence of the *Journey to Self-Reliance* and a key rationale for diversifying USAID’s partner base and our modes of partnership.

USAID’s [Acquisition and Assistance \(A&A\) Strategy](#), announced in December 2018, provides guiding principles for partnering and procurement that will support the *Journey to Self-Reliance* by meeting individual countries on their own terms and by empowering USAID’s partners to produce results-driven solutions. Building on the many creative and entrepreneurial approaches we are developing, the Agency is moving beyond our traditional partnering approaches toward greater collaboration, co-design, and co-financing.

The New Partnerships Initiative (NPI) will help operationalize this vision and catalyze new approaches outlined in the *USAID A&A Strategy* and the broad priorities of the forthcoming implementation plan for Effective Partnering and Procurement Reform (EPPR) under the Agency’s Transformation. NPI also builds on USAID’s [Policy Framework](#) announced by Administrator Green on April 11, 2019. The focus of all of these efforts is on helping governments, civil society, and the private sector make progress on the *Journey to Self-Reliance*, achieve sustainable and resilient results, and create more-effective partnerships for impact. Under the Administrator’s direction, USAID is placing a new emphasis on adaptive partnering (designing, procuring, and managing awards).

The NPI will support USAID's Regional and Technical Bureaus and field Missions, as they develop plans for engaging new partners through new and existing procurement mechanisms. Many local, U.S.-based, and international development partners deliver significant private assistance with little to no financial support from USAID, including community-based and faith-based organizations, small and multinational businesses, social entrepreneurs, institutions of higher education, and diaspora groups. These organizations and groups are often essential in building long-term local capacity, and providing services, accountability, and sustainability in the partner countries USAID prioritizes. Many are unfamiliar with the processes used by the U.S. Government, including USAID, to request applications, solicit proposals, and manage the implementation of awards (e.g., grants, cooperative agreements, contracts, etc.). To encourage new partnerships, USAID is reviewing and improving our communications and support mechanisms to inform, educate, and mentor these organizations and groups more effectively.

To provide maximum flexibility, USAID Operating Units may utilize existing mechanisms to support NPI objectives and/or develop new mechanisms or approaches based on the NPI vision, as described below. In using existing mechanisms, Missions and Bureaus may identify targets of opportunity to catalyze new partnerships at the sub-award level, through modifying current awards to achieve their existing objectives, or to respond to emerging challenges. In developing new mechanisms or approaches based on the vision for the NPI, USAID Regional and Technical Bureaus will actively support designs that may orient new partnerships to sector or regional priorities, but will remain focused on country progress. All Operating Units (Bureaus and Missions) will develop plans for achieving new partnerships in accordance with the *USAID A&A Strategy*.

## 2. THE VISION FOR THE NPI

The NPI will increase USAID's programmatic impact, based on more collaborative and adaptive partnering, and country progress outcomes, by doing the following:

- Leveraging private development assistance to respond to the Administration's priorities and strengthen long-term partners for the *Journey to Self-Reliance*;
- Equipping and empowering new and underutilized development partners to maximize the impact of American tax dollars;
- Supporting solutions to near- and long-term Administration priorities that will advance the President's *National Security Strategy* and support the Foreign Assistance Realignment;
- Identifying development solutions that will be country- and partner-driven for maximum long-term impact; and
- Creating incentives for expanding and diversifying USAID's partner base so that we help to equip and fund more partners to support country-level progress.

To end the need for foreign assistance, we must focus on building self-reliance in all of these ways. The cornerstone for how we orient USAID's programming and partnerships will be strengthening the ability of the government, civil society, and the private sector in a country to plan, finance, and implement sustainable solutions to development challenges.

In support of this new focus, USAID will prioritize efforts to simplify the process of partnering with new or underutilized organizations, because a larger and more-diverse partner base, built through competition, will address development challenges better by incorporating new ideas and perspectives and expanding available capabilities and networks.

USAID's Transformation has underscored the importance of making it easier for a broader cross-section of development organizations to collaborate with the Agency. By fostering an expanded partner base, USAID will be more responsive to a broad range of partners' ideas and approaches, and thereby better able to mobilize resources—by leveraging larger amounts of private development assistance that are often outside of USAID's visibility. The NPI will build on the networks, platforms, and resources of new potential partners, including non-traditional and underutilized partners, to expand and amplify our work. The corresponding goals and metrics are in development, and forthcoming solicitations will reflect them.

The NPI will initially prioritize three channels to attract a diverse range of potential applicants. Each is intended to offer different entry points for the Agency to invest in new, underutilized, or established partner organizations to advance the NPI vision:

1. New and underutilized entrants: The heart of the NPI is to reach organizations that have limited or no recent experience in working with, and receiving funds from, USAID, which can include U.S. and local community-based and faith-based partners.
2. Existing partners that direct a majority of funds from a USAID award to new or local partners and play a mentorship role: Recognizing that the bar for qualifying for direct awards can be quite high for many new or local actors, this channel will allow an established recipient of funding from USAID to provide mentoring and capacity-building to new or local organizations; however, the bulk of the funds under an NPI must go to those actors via sub-awards actively supported by the prime partner.

New or existing partners that demonstrate significant investments of private development assistance:

This approach aims to incentivize private voluntary organizations—including, but not limited to, faith-based organizations—to co-finance shared priorities with USAID. While the partner's private resources should be monetary, rather than in-kind, USAID will consider this money leveraged funding, and not require that the Agency and the recipient of an NPI award spend the funds jointly (as in a cost-share).

### ***Strategic Guidance on Diversifying USAID's Partner Base***

Diversifying USAID's partner base is an important component of the *Journey to Self-Reliance* and EPPR under the Agency's Transformation, because it helps mobilize the increasing number of funders of all types engaged in the development efforts of partner countries around the world. The *USAID A&A Strategy* highlights the problems associated with a reduced number of partners, and Administrator Green's new objectives for diversifying the USAID partner base:

*The concentration of our portfolio in so few hands does not adequately serve the Agency, our partners, our beneficiaries, or U.S. taxpayers. We commit to shifting this trend by engaging new partners and investing more holistically in local entities, as well as locally established partners that catalyze resources toward partner countries' Journey to Self-Reliance. We will create opportunities to forge new partnerships, leverage private resources, and tap into innovative solutions that expand our approaches with the intent of finding the right partners for the right activities. We will support effective program models that not only help us accomplish our mission today, but also strengthen long-term partner organizations and networks that will assist partner countries in the future.*

### **Engaging New and Underutilized Partners**

Promising prospective local, U.S., and international organizations that are new or underutilized partners represent untapped potential for partnership and impact in the *Journey to Self-Reliance*, and funding more of them will require new initiatives and targeted approaches. The *USAID A&A Strategy* states:

*There are many development actors that deliver significant private assistance in a broad range of areas, with little to no financial support from USAID. Some potential partners with good ideas and innovative approaches have—or believe they have—limited capacity or opportunity to compete for direct U.S. funding because of compliance and solicitation requirements and/or the dollar size and scope of awards ....*

*USAID will shift our focus to increasing and sustaining relationships with such new and underutilized partners, especially those locally established and in the private sector. Supporting countries to finance their own path to self-reliance requires working more intentionally and consistently with these partners. USAID will invest in new and underutilized partners by increasing the number of competitions that target them, both through direct awards and encouraging more subawards from USAID's experienced long-standing partners.*

## Incentivizing and Strengthening our Engagement with the Private Sector

The *USAID A&A Strategy* also emphasizes the need to engage new private-sector partners:

*Effective development work requires vibrant private-sector actors in both donor and host countries. Private-sector engagement and enterprise-driven development are fundamental to the goal of ending the need for foreign assistance and empowering partner countries and communities on their Journey to Self-Reliance, and are at the core with how the United States approaches development. Many of the Agency's long-standing partners have played an important role in connecting development activities with private sector actors. To expand and diversify partners, we will prioritize early collaboration with the private sector and reap greater benefits from the private sector's creative thinking, market-based, and enterprise-driven solutions.*

### **3. INFORMATION PLATFORM FOR SUPPORTING NEW PARTNERSHIPS**

One of the major challenges to engaging with new partners is the complexity of working with the Federal Government. All organizations that receive U.S. Government funding must follow U.S. laws and regulations. Although USAID cannot waive these requirements, we can make them easier to understand and address. While it can be challenging to understand how to work with USAID, the NPI will advance new support mechanisms for prospective partners that have less experience.

To support new partners, the Agency will review and update available resources and training on how to work with USAID and increase staff capacity to engage new partners. One goal is to create an information “Resource Hub” on the USAID website that is easy to access, understand, and navigate. The Resource Hub will support our new partners by providing training, resources, and information on the application and reporting process, and other important details on how to work with USAID.

### **4. DEMONSTRATION PROJECTS TO DEVELOP NEW PARTNERSHIPS**

To initiate new partnership engagement under the NPI vision, provide early lessons learned, and create an evaluation mechanism to shape and better target this initiative, initial demonstration projects are under development and will be launched on a rolling basis. The USAID Bureaus for Democracy, Conflict and Humanitarian Assistance (DCHA) and Global Health (GH) will be issuing Annual Program Statements (APS) to advance the NPI objectives and to test the proposed approaches and goals and inform follow-on NPI iterations.

## **ANNEX I - DEMONSTRATION PROJECTS — PLANS AND APPROACHES**

### ***Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA)***

The USAID Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA) is publishing an Annual Program Statement (APS) that will advance the objectives of the Agency's New Partnerships Initiative (NPI) and serve as the initial demonstration project. The DCHA APS, in line with the NPI vision, will initially prioritize three channels of engagement to attract a diverse range of potential applicants. Each is intended to offer different entry points for the Agency to invest in new, underutilized, or established partner organizations to advance the NPI vision:

1. New and underutilized entrants: The heart of the NPI is to reach organizations that have limited or no recent experience in working with, and receiving funds from, USAID, which can include U.S. and local community-based and faith-based partners.
2. Existing partners that direct a majority of the funds from a USAID award to new or local partners and play a mentorship role: Recognizing that the bar for qualifying for direct awards can be quite high for many new or local actors, this channel will allow an established recipient of funding from USAID to provide mentoring and capacity-building to new or local organizations; however, the bulk of the funds under an NPI award must go to those actors via sub-awards actively supported by the prime partner.

### 3. New or existing partners that demonstrate significant investments of private development assistance:

This approach aims to incentivize private voluntary organizations—including, but not limited to, faith-based organizations—to co-finance shared priorities with USAID. While the partner’s private resources should be monetary, rather than in-kind, USAID will consider this money leveraged funding, and not require that the Agency and the recipient of an NPI award spend the funds jointly (as in a cost-share).

Under the Agency-level NPI, the USAID/DCHA APS will apply the creative approaches that are emerging from USAID’s Effective Partnering and Procurement Reform process to address a long-standing need with which the Agency’s recovery/transition and conflict practitioners have struggled—namely, the “missing middle” that often exists between our well-established and effective near-term crisis response programs and the long-term development approaches that are USAID’s hallmark.

USAID/DCHA will create easier avenues for non-traditional partners to engage with the Agency on critical peacebuilding and post-conflict recovery activities, as well as efforts to counter violent extremism. In parallel, we will create incentives for Missions to expand existing awards to engage more of those same types of change agents for the same purposes.

The USAID/DCHA NPI APS aims to test streamlined approaches for expanding and diversifying USAID’s partnerships with local, U.S., or international organizations. The initial focus will be on countries at risk of, or recovering from, violent conflict, with an emphasis on both prevention and recovery priorities. The USAID/DCHA APS will establish specific priorities and definitions of “new” and “underutilized” partners. (See Appendix.) Individual USAID Bureaus, Missions or other Operating Units will request Concept Papers via Addenda for country-specific awards under the APS. In addition, the APS will have an Addendum for regional or global partnerships that could span geographies and sectors.

### Illustrative program areas could include the following:

- *Peacebuilding* (e.g., supporting religious leaders or women and girls to lead efforts in conflict-prevention, peacebuilding, or reconciliation);
- *Crisis governance* (e.g., efforts to expanding the access of vulnerable populations to health care or critical social services);
- *Early recovery* (e.g., supporting community-led efforts to bolster and support the restoration of critical social services and economic activity in the wake of a crisis);
- *Community protection and self-protection* (e.g., assisting vulnerable communities to identify and manage physical-security risks and coordinate with state security providers); and
- *Transitional justice* (e.g., grassroots efforts to foster accountability and reconciliation in the wake of wide-scale violence or human-rights abuses).

Country Selection: The USAID/DCHA NPI APS will focus on an initial set of 10-14 countries identified based on a variety of factors, including risk, recent budget requests that prioritize prevention or recovery, and the primary Agency Self-Reliance metric that indicates civil-society capacity.

USAID/DCHA aims to ensure that the NPI APS and subsequent awards work “with the grain” in terms of the U.S. inter-agency approach to prevention and stabilization as reflected on the [Stabilization Assistance Review](#), and will engage other stakeholders as a matter of course. Drawing on best practices from past efforts in coordinating the review of proposals for the Complex Crisis Fund and Section 1207, USAID/DCHA will maximize opportunities for inter-agency input and consultation, while ensuring a streamlined and manageable process.



## ANNEX 2 - DEFINITIONS FOR THE NEW PARTNERSHIPS INITIATIVE (NPI)

Key definitions related to the NPI are the following:

- “New Partner”: An individual or organization that has not received any funding from the U.S. Agency for International Development (USAID) as a prime partner over the last five years.
- “Underutilized Partner”: An individual or organization that has received less than \$25 million over the past five years from USAID, and delivered more total funding in private development assistance than it has received from USAID in financial awards over the past five years.
- “Local Entity”: An individual or organization that: (1) Is legally organized under the laws of a country that is receiving assistance from USAID; (2) Has as its principal place of business or operations in a country that is receiving assistance from USAID; (3) Is majority-owned by individuals who are citizens or lawful permanent residents of a country that is receiving assistance from USAID; and, (4) is managed by a governing body, the majority of whom are citizens or lawful permanent residents of the country that is receiving assistance from USAID.
- “Locally Established Partner”: An organization (indigenous, U.S., or international) that (1) provides private development assistance with funding from sources other than the U.S. Government; and, (2) works through locally led operations to enhance the capabilities and commitments of organizations in partner countries.