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ADS Chapter 201

Program Cycle Operational Policy

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 ADS 201 – Program Cycle Operational Policy
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Table of Contents

<u>201.1</u>	<u>OVERVIEW</u>	<u>5</u>
<u>201.2</u>	<u>PRIMARY RESPONSIBILITIES</u>	<u>5</u>
<u>201.3</u>	<u>POLICY DIRECTIVES AND REQUIRED PROCEDURES</u>	<u>10</u>
<u>201.3.1</u>	<u>The Program Cycle</u>	<u>10</u>
<u>201.3.1.1</u>	<u>Relationship to Development Policy</u>	<u>11</u>
<u>201.3.1.2</u>	<u>Principles of the Program Cycle</u>	<u>11</u>
<u>201.3.1.3</u>	<u>Components of the Program Cycle</u>	<u>13</u>
<u>201.3.1.4</u>	<u>Management and Implementation of the Program Cycle</u>	<u>16</u>
<u>201.3.1.5</u>	<u>Waivers and Exemptions</u>	<u>16</u>
<u>201.3.1.6</u>	<u>Contingency Operations</u>	<u>17</u>
<u>201.3.1.7</u>	<u>Key Considerations for Programming in Politically Sensitive Countries</u>	<u>17</u>
<u>201.3.1.8</u>	<u>Legal Requirements on the Use of Funds</u>	<u>18</u>
<u>201.3.2</u>	<u>Strategic Planning and Implementation.....</u>	<u>18</u>
<u>201.3.2.1</u>	<u>Functions of the CDCS</u>	<u>19</u>
<u>201.3.2.2</u>	<u>The Role of Missions and Washington OUs in Developing CDCSs.....</u>	<u>20</u>
<u>201.3.2.3</u>	<u>Applicability of CDCS Guidance</u>	<u>23</u>
<u>201.3.2.4</u>	<u>CDCS Exemptions</u>	<u>24</u>
<u>201.3.2.5</u>	<u>CDCS Waivers.....</u>	<u>25</u>
<u>201.3.2.6</u>	<u>Alignment of CDCSs with Agency and Inter-Agency Strategies/Policies ..</u>	<u>25</u>
<u>201.3.2.7</u>	<u>Alignment of CDCSs with Projects and Activities</u>	<u>28</u>
<u>201.3.2.8</u>	<u>Self-Reliance in the CDCS</u>	<u>28</u>
<u>201.3.2.9</u>	<u>Preparation for the CDCS Process.....</u>	<u>32</u>
<u>201.3.2.10</u>	<u>Overview of the CDCS Process.....</u>	<u>32</u>
<u>201.3.2.11</u>	<u>Overview of the Content of a CDCS</u>	<u>34</u>
<u>201.3.2.12</u>	<u>The Results Framework and Associated Development Hypotheses</u>	<u>36</u>
<u>201.3.2.13</u>	<u>Overview of Implementing a CDCS.....</u>	<u>40</u>
<u>201.3.2.14</u>	<u>Performance Management Plan (PMP)</u>	<u>42</u>
<u>201.3.2.15</u>	<u>Monitoring and Evaluation During Implementation</u>	<u>47</u>
<u>201.3.2.16</u>	<u>Learning and Adaptive Management During Implementation.....</u>	<u>47</u>
<u>201.3.2.17</u>	<u>Obligation by Development Objective Agreements (DOAGs)</u>	<u>49</u>
<u>201.3.2.18</u>	<u>Expiration and Extension of the CDCS</u>	<u>51</u>
<u>201.3.2.19</u>	<u>Amending and Updating the CDCS.....</u>	<u>51</u>
<u>201.3.2.20</u>	<u>Closing out a CDCS.....</u>	<u>52</u>

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

<u>201.3.3</u>	<u>Design and Implementation of Projects.....</u>	<u>52</u>
<u>201.3.3.1</u>	<u>Roles of Missions and Washington OUs in the Design and Implementation of Projects</u>	<u>53</u>
<u>201.3.3.2</u>	<u>Applicability of Guidance for Project Design.....</u>	<u>55</u>
<u>201.3.3.3</u>	<u>Exemptions for Missions.....</u>	<u>55</u>
<u>201.3.3.4</u>	<u>Waivers for Missions</u>	<u>57</u>
<u>201.3.3.5</u>	<u>Guidance for Washington OUs that Expend Program Funds.....</u>	<u>57</u>
<u>201.3.3.6</u>	<u>Mission Concurrence for Washington- or Regional Mission/Platform Funded Activities</u>	<u>57</u>
<u>201.3.3.7</u>	<u>Project-Design Considerations</u>	<u>58</u>
<u>201.3.3.8</u>	<u>Project-Design Process</u>	<u>60</u>
<u>201.3.3.9</u>	<u>Project-Design Team</u>	<u>60</u>
<u>201.3.3.10</u>	<u>Preparing for the Project-Design Process</u>	<u>61</u>
<u>201.3.3.11</u>	<u>Phase One: Project-Design Planning.....</u>	<u>62</u>
<u>201.3.3.12</u>	<u>Phase Two: Project Design</u>	<u>66</u>
<u>201.3.3.13</u>	<u>Project Implementation</u>	<u>77</u>
<u>201.3.3.14</u>	<u>Expirations and Extensions</u>	<u>78</u>
<u>201.3.3.15</u>	<u>Amending and Updating the [PAD].....</u>	<u>79</u>
<u>201.3.3.16</u>	<u>Close Out</u>	<u>80</u>
<u>201.3.4</u>	<u>Activity Design and Implementation</u>	<u>81</u>
<u>201.3.4.1</u>	<u>Mission and Washington Operating Unit Roles in Activity Design and Implementation.....</u>	<u>82</u>
<u>201.3.4.2</u>	<u>Applicability of Guidance for Activity Design</u>	<u>85</u>
<u>201.3.4.3</u>	<u>Activity Design Considerations</u>	<u>86</u>
<u>201.3.4.4</u>	<u>Approval for the Activity Design Process</u>	<u>88</u>
<u>201.3.4.5</u>	<u>Acquisition and Assistance Design Process.....</u>	<u>89</u>
<u>201.3.4.6</u>	<u>Partner Country Government Agreement Design.....</u>	<u>97</u>
<u>201.3.4.7</u>	<u>Design Considerations for Other Mechanisms.....</u>	<u>99</u>
<u>201.3.4.8</u>	<u>Implementation of Activities.....</u>	<u>101</u>
<u>201.3.4.9</u>	<u>Roles in Activity Implementation.....</u>	<u>102</u>
<u>201.3.4.10</u>	<u>Monitoring, Evaluation, and Learning.....</u>	<u>103</u>
<u>201.3.4.11</u>	<u>Resource Management During Implementation.....</u>	<u>107</u>
<u>201.3.4.12</u>	<u>Activity Modifications and Amendments</u>	<u>109</u>
<u>201.3.4.13</u>	<u>Alignment of Activities with Strategies and Projects</u>	<u>109</u>
<u>201.3.4.14</u>	<u>Close Out</u>	<u>110</u>
<u>201.3.5</u>	<u>Monitoring, Evaluation, and Learning.....</u>	<u>110</u>
<u>201.3.5.1</u>	<u>Applicability of Guidance for Monitoring, Evaluation, and Learning.....</u>	<u>111</u>
<u>201.3.5.2</u>	<u>Monitoring</u>	<u>112</u>
<u>201.3.5.3</u>	<u>Principles of Monitoring</u>	<u>112</u>
<u>201.3.5.4</u>	<u>Mission and Washington Operating Unit Roles for Monitoring</u>	<u>113</u>
<u>201.3.5.5</u>	<u>Types of Program Monitoring.....</u>	<u>114</u>
<u>201.3.5.6</u>	<u>Standards and Criteria for Monitoring and Reporting</u>	<u>115</u>

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

<u>201.3.5.7</u>	<u>Monitoring Indicators.....</u>	<u>115</u>
<u>201.3.5.8</u>	<u>Monitoring Data Quality</u>	<u>120</u>
<u>201.3.5.9</u>	<u>Evaluation</u>	<u>121</u>
<u>201.3.5.10</u>	<u>Principles of Evaluation</u>	<u>121</u>
<u>201.3.5.11</u>	<u>Missions and Washington Operating Unit Roles for Evaluation</u>	<u>122</u>
<u>201.3.5.12</u>	<u>Impact and Performance Evaluations</u>	<u>123</u>
<u>201.3.5.13</u>	<u>Evaluation Requirements</u>	<u>124</u>
<u>201.3.5.14</u>	<u>Evaluation Independence</u>	<u>125</u>
<u>201.3.5.15</u>	<u>Planning Evaluations</u>	<u>126</u>
<u>201.3.5.16</u>	<u>Evaluation Implementation</u>	<u>127</u>
<u>201.3.5.17</u>	<u>Evaluation Reports.....</u>	<u>128</u>
<u>201.3.5.18</u>	<u>Evaluation Utilization.....</u>	<u>129</u>
<u>201.3.5.19</u>	<u>Collaborating, Learning, and Adapting.....</u>	<u>130</u>
<u>201.3.5.20</u>	<u>Principles for Collaborating, Learning, and Adapting</u>	<u>131</u>
<u>201.3.5.21</u>	<u>Mission Roles for Collaborating, Learning, and Adapting</u>	<u>132</u>
<u>201.3.5.22</u>	<u>Planning for Collaborating, Learning, and Adapting</u>	<u>132</u>
<u>201.3.5.23</u>	<u>Using Collaborating, Learning, and Adapting Approaches</u>	<u>132</u>
<u>201.3.5.24</u>	<u>Accessibility of Program Cycle Documentation.....</u>	<u>133</u>
<u>201.4</u>	<u>MANDATORY REFERENCES</u>	<u>134</u>
<u>201.4.1</u>	<u>External Mandatory References</u>	<u>134</u>
<u>201.4.2</u>	<u>Internal Mandatory References</u>	<u>136</u>
<u>201.5</u>	<u>ADDITIONAL HELP</u>	<u>139</u>
<u>201.6</u>	<u>DEFINITIONS.....</u>	<u>141</u>

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

201.1 OVERVIEW

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 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 supportive 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.

Program Cycle implementation also facilitates USAID's compliance with many requirements of the Government Performance and Results Modernization Act (GPRAMA).

201.2 PRIMARY RESPONSIBILITIES

Effective Date: 07/23/2020

- 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. He/she 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)** serves as the U.S. Government's foreign assistance coordination hub, leading 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 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.

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d. Bilateral Country Missions serve as the focal point for USAID programming in the countries where 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 program 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 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 policy and producing policy documents in order to guide programming decisions,
- Informs external audiences about Agency direction,
- Inserts development perspectives in 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 policies

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and procedures for USAID Missions and, as relevant, Washington OUs, to design, implement, assess, and adjust country strategies, projects, and activities based on the best available information to achieve and sustain results. SPP builds Agency capacity in strategic planning, project and activity design, and implementation through the provision of targeted training, tools, and technical assistance and the facilitation of peer-to-peer learning, 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 learning throughout the Program Cycle. LER supports the implementation of relevant agency policies and builds the Agency's capacity in monitoring, evaluation, and learning by providing training and technical assistance, developing policy and guidance, and leading communities of practice. LER also 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.

k. The **Bureau for Policy, Planning, and Learning, Office of Donor Engagement (PPL/DE)** leads the Agency efforts in mobilizing collective action that promotes U.S. Government (USG) foreign assistance priorities in the international arena. PPL/DE 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 the 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 Missions' perspectives on budget priorities. Regional Bureaus provide technical guidance and support for their respective field Missions in strategic planning, project and activity design; and monitoring, evaluation, and learning. 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.

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m. Pillar 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 learning. 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 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. The Bureau for Management, Office of the Chief Financial Officer (M/CFO) ensures the compilation of financial data to enable effective performance measurement and management decision-making; and provides leadership and direction in financial management and plays specific roles in the analysis, planning, and design of government-to-government (G2G) programs (see [ADS 220, Use and Strengthening of Reliable Partner Government Systems for Implementation of Direct Assistance](#)).

p. The Bureau for Management, Office of the Chief Information Officer (M/CIO) offers 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](#). 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, and administrative support services.

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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, including the development of Country Development Cooperation Strategies (CDCSs), **Regional Development Cooperation Strategies (RDCSs)**, the Foreign-Assistance Operational Plans (OPs), Bureau and Mission Resource Requests (BRR/MRRs), the preparation of 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 project 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 to ensure 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

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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 the 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 **U.S. Global Development Lab** supports the Agency in using science, technology, innovation and partnerships to achieve the development results identified in country or sector strategies. The Lab also generates new ideas and additional funding from outside sources to implement new approaches, often in collaboration with other development actors.

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 noted explicitly in each section. However, Washington-based OUs should find that much of the guidance and many of the good practices in the chapter are relevant, and they should adopt them whenever feasible. For additional guidance, see [Application of ADS 201 to Washington Operating Units](#).

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

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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 and American values.

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, as well as American values, 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 measurable impact of all USAID’s 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, and American values, in the countries and regions where USAID works, and tailor them to the local country context to produce quantifiable, sustainable results. The [Administrator’s Policy Directive on Agency-Wide Policy and Strategy Implementation](#) provides guidance to Missions on how to align with, and propose exceptions to, the Agency’s policies and strategies.

201.3.1.2 Principles of the Program Cycle

Effective Date: 07/23/2020

To end the need for foreign assistance, USAID focuses on building self-reliance in its partner countries. USAID defines “self-reliance” as the capacity to plan, finance, and implement solutions to local development challenges, as well as the commitment to see these solutions through effectively, inclusively, and with accountability. As commitment and capacity in a country strengthens, USAID’s relationship and partnership with the government, civil society, and the private sector in that country should also evolve to ensure the programs the Agency implements best support the Journey to Self-Reliance. USAID fosters capacity and commitment in partner countries across all levels—individuals, communities, companies, and governing institutions—so partners eventually can solve their own development challenges without USAID’s assistance. (See the [USAID Policy Framework](#) for more details.)

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USAID uses the Program Cycle to ensure its policies, strategies, allocations of human and financial resources, budget requests, and award-management practices support governments, civil society, and the private sector in each country on their Journey to Self-Reliance. The Program Cycle translates this vision into action, starting with the process for developing **RDCSs or CDCSs**, and continuing with the design of projects and activities and their subsequent implementation. Threaded throughout is a systematic focus on data, monitoring, evaluation, collaborating, learning, and adapting (CLA) to assess the progress in implementation, make decisions, and inform course-corrections as needed (including 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 depend on analyses and conclusions supported by evidence. “Analysis” refers to formal assessments, evaluations, and studies conducted by USAID or other development actors. 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, recognizing it is not always possible to have complete or perfect information. 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 predict reliably how events or circumstances will evolve and impact programs. Therefore, USAID must be able to readily adapt programs in response to changes in context and new information. To do this, the Agency must create an enabling environment that encourages the design of more flexible programs, promotes intentional learning, minimizes the obstacles to and modifying programs, and creates incentives for learning and managing adaptively. 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

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The sustainability and long-term success of development assistance ultimately requires local financing and the strengthening of local institutions to produce measurable 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 the poorest, most-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

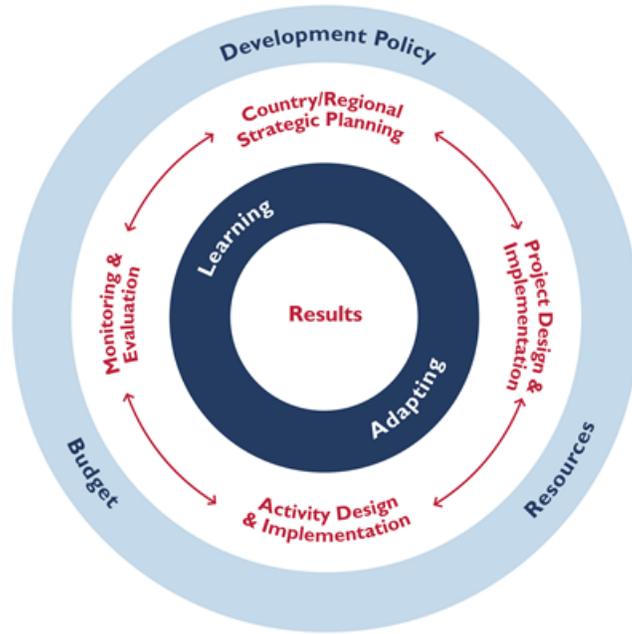
The Program Cycle provides the framework for USAID to consider a range of approaches to address specific development challenges in a given country context. The development community has experimented with a range of approaches in recent years, including solutions driven by science, technology, innovation, and private capital. In addition, new partnerships and commitments forged to work in tandem 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 Components of the Program Cycle

Effective Date: 07/23/2020

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 learning and adapting. The Program Cycle is neither linear nor sequential; Missions are often engaged in the various components simultaneously.

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



USAID Program Cycle

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. The CDCS 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’s period. The CDCS also affords an important opportunity for Washington OUs to align their efforts closely with each Mission’s objectives, wherever possible (see [ADS 201man](#)). 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 the Journey to Self-Reliance. 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, measurable results the Mission expects to achieve.

B. The Design and Implementation of Projects

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

The design of projects is the process by which USAID defines how it will achieve a result or set of results in a CDCS or other strategic framework to ensure investments advance the Journey to Self-Reliance. Projects should support the implementation of the CDCS. Informed by evidence, including from the monitoring and evaluation of previous and current projects and analyses of the context, the design of projects organizes multiple activities around a common purpose. During the implementation of projects, USAID staff work collaboratively alongside implementing partners to ensure that activities, taken together, achieve the intended measurable outcomes and continuously adapt them through learning.

C. The Design and Implementation of Activities

The design of activities is the process by which USAID defines how to implement an investment that contributes to a specific purpose. Activities planned during the design of projects should reflect choices made to build local capacity and commitment toward the Journey to Self-Reliance. “Activities” typically refer to a contract, grant, or cooperative agreement with an implementing partner, another U.S. Government Department or Agency, or with partner-country **governments**. An activity could also be an intervention undertaken directly by USAID staff, such as for policy dialogues or capacity-development. During the implementation of activities, 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 strategies, projects, and activities. Information derived from monitoring serves two important functions.

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

E. Evaluation

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Evaluation is the systematic collection and analysis of information about strategies, projects, and activities as a basis for judgements to improve or inform decisions about programming. Evaluation also has a two-fold purpose: ensuring accountability to stakeholders and learning to improve development outcomes. Timely and high-quality evaluation supports adaptive management and complements programmatic monitoring.

F. Learning and Adapting

Strategic collaboration among a wide range of internal and external stakeholders, continuous learning, and adaptive management connect all components of the Program Cycle. Sources for learning include data 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 measurable development outcomes. This helps ensure that USAID coordinates our investments with other development actors, grounded in evidence, and adjusts them as necessary to remain relevant throughout implementation.

G. Budgets and Resources

Budgets **reflect policy decisions and the prioritization of resources to achieve USAID's objectives.** Budgetary projections, both program-wide and sector-specific, **reflect the Agency's** strategic-planning process. When developing the 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.

201.3.1.4 Management and Implementation of the Program Cycle

Effective Date: 12/23/2019

Missions must define clear responsibilities and delegations of authority to support the implementation of the Program Cycle. Structure and organization at individual Missions will vary depending on the overall size and complexity of their programs, their staffing patterns, and country context, and could 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 Foreign Service National (FSN) staff.

201.3.1.5 Waivers and Exemptions

Effective Date: 06/11/2019

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

Information on waivers and exemptions related to specific Program Cycle policies and procedures, such as waivers and exemptions for developing a CDCS or project design, appears 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 Section 101(a)(13) of Title 10 of the United States Code (U.S.C.), *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: assessments of necessity and sustainability with regard to certain capital-assistance projects; requirements on the funding and use of private security contractors; and 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: 12/23/2019

OUs that manage non-humanitarian programming in designated “politically sensitive” countries must assess such programming against a set of “Key Considerations” to ensure the appropriate management of the unique risks inherent to these contexts. These reviews of “Key Considerations” must take place, at minimum, during the design of projects or activities, 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 review of “Key Considerations.” 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 might or might not be countries in which USAID has U.S. direct-hire field presence. However, the risk profile is typically heightened in non-presence countries.

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201.3.1.8 Legal Requirements on the Use of Funds

Effective Date: 12/23/2019

USAID funds are subject to numerous legal requirements the Agency must meet prior to obligation and/or expenditure. These legal requirements apply to both Missions and Washington OUs. Although USAID often refers to these legal obligations as “pre-obligation requirements,” the Agency also may address some of them at the time it sub-obligates funds from a Development Objective Agreement (DOAG). (See **ADS 201.3.2.17** and [ADS 350](#) for additional information on DOAGs).

Missions and Washington OUs should work with their RLO or point-of-contact (POC) in GC on questions related to legal requirements, and at what stage in planning and implementation they should address them. Missions and Washington OUs must document the satisfaction of legal requirements (or pre-obligation and/or pre-sub-obligation requirements) for all activities. For additional information, see [ADS 201mad, Legal Requirements Summary Checklist](#).

201.3.2 Strategic Planning and Implementation

Effective Date: 07/23/2020

Strategic planning is the process by which USAID determines the best strategic approach to foster or accelerate lasting gains along the Journey to Self-Reliance in a given country or region. (See **ADS 201.3.1** on USAID’s self-reliance vision and **ADS 201.3.2.8** on self-reliance in the CDCS.) 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, all framed around the Self-Reliance Country Roadmap (hereafter referred to as the “Country Roadmap”), USAID’s primary self-reliance tool, [the Country Roadmap \(or, in the case of an RDCS, the Regional Landscape Analysis\)](#). 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 resources, including a Mission’s funding (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 from Missions and Washington OUs to consider current resource and policy parameters; review lessons from data from monitoring and evaluation, implementation experience, site visits, 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, explore ways in which to complement and/or leverage efforts, and build self-reliance by

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facilitating greater financing and stewardship of, and commitment to, the development process.

The CDCS defines the highest-order Goals 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. The Goals and DOs must reflect principles of the Journey to Self-Reliance and clearly reflect the priorities of the Administration and USAID. 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—that illustrates the key results that the Mission expects to achieve and the major ways it expects the changes to unfold.

The CDCS is not a rigid blueprint for change; it is an organizing framework to facilitate the ongoing process of monitoring, evaluation, learning, and adapting in support of its strategic objectives. During the implementation of a CDCS, 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 overall development hypothesis that underpins the CDCS, and make iterative adjustments as necessary.

201.3.2.1 Functions of the CDCS

Effective Date: 07/23/2020

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 \(JRSs\)](#); the [USAID Policy Framework](#); Administration-approved Regional Strategies; USAID’s [Acquisition and Assistance Strategy](#), [Private-Sector Engagement Policy](#), and [Risk-Appetite Statement](#); 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. For Bilateral Missions, the CDCS defines a Mission’s Goal, DOs, and approach to build self-reliance in a partner country, based on a given level of resources over an agreed-upon period of time, typically (but not necessarily) five years. For Regional Missions, in line with the [regional platforms optimization guidance](#), the RDCS defines a Mission’s Goal, RDOs, and approach for addressing exclusively transboundary issues to contribute to the self-reliance of countries within that region.

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3. It provides a guide for the subsequent design of projects and activities that aim to carry out 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 the strategies of bilateral Missions as much as possible, as encouraged in **ADS 201.3.3.6**.
4. 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) required under Section 653(a) of the FAA, as amended.
5. 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 goals and objectives.
6. It promotes the principles of aid-effectiveness, including local financing and stewardship, strategic alignment with the development priorities in partner countries, harmonization with other donors, and mutual accountability.
7. It provides an organizing framework for the Mission-wide Performance Management Plan (PMP), and collaborating, learning, and adapting that occurs throughout implementation of activities. (See **Section ADS 201.3.2.14** on the PMP.)

201.3.2.2 The Role of Missions and Washington OUs in Developing CDCSs
Effective Date: 07/23/2020

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

- Missions. During the process of developing CDCSs, Missions collaborate with USAID/Washington to set overarching priorities and sectoral focus; assess their Country Roadmaps (or, in the case of an RDCS, their Regional Landscape Analyses and optimization action plans) and related self-reliance approaches; 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 process of developing a CDCS; and develop the full CDCS. During the implementation of CDCSs, 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 activities that support the CDCS; use CDCS objectives as the basis for planning, budgeting, and reporting processes; monitor and evaluate the implementation of

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the CDCS; revalidate periodically the 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 process of developing CDCSs and their subsequent implementation; mediates disagreements between Regional and Pillar Bureaus during the CDCS process, as necessary; and supports Missions with technical assistance on the development and implementation of CDCSs. PPL 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 CDCS, and any extensions or amendments thereto, 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 the development and implementation of CDCSs. 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 process of creating CDCSs, and are the conduits for feedback to the 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 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 CDCSs. Pillar Bureaus provide critical input and clearance on the parameters for developing CDCSs and clear subsequent CDCS deliverables, as relevant and appropriate. To the greatest extent possible, Pillar Bureaus should 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 process for developing CDCSs. BRM also clears all Summaries of Conclusions during the process that include budget information, in addition to the CDCS itself.

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- U.S. Department of State Office of Foreign Assistance Resources (State/F). State/F leads the interagency strategic planning for the implementation of foreign assistance, including through the Department of 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 the Regional Bureaus, the M Bureau provides parameters for, and feedback on, a Mission's proposed use of Operating Expense (OE) funds. The M Bureau also provides substantive feedback on the Management Resources and Structure section of the full CDCS during Phase Three of the CDCS process.
- Office of Human Capital and Talent-Management (HCTM). HCTM provides parameters for, and feedback on, a Mission's proposed staffing pattern and 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.
- Office of Forestry and Biodiversity within the Bureau for Economic Growth, Education, and the Environment, (E3/FAB). E3/FAB, in partnership with Regional Environmental Officers, provides Missions with direction on the mandatory strategy-level analyses of tropical forests and biodiversity, and the integration of their findings into the 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 \(RDCS\)](#), and [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](#).
- Office of Gender Equality and Women's Empowerment (E3/GenDev) in E3. E3/GenDev, in partnership with Gender Advisors in the Regional Bureaus, provides Missions with direction on the mandatory strategy-level gender analyses, and the integration of their findings into the 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 \(RDCS\)](#), and [ADS 205, Integrating Gender Equality and Female Empowerment in USAID's Program Cycle](#).

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- Office of Global Climate Change (E3/GCC) in E3. E3/GCC, in partnership with Bureau and Mission Climate-Adaptation Leads, provides Missions with direction on the mandatory strategy-level analyses of climate, and the integration of their 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 \(RDCS\)](#), and [ADS 201mat, Climate Adaptation in Country and Regional Strategies](#).

For more information, see [ADS 201mag, Process for Developing and Approving a Country Development Cooperation Strategy \(CDCS\)](#), and [ADS 201maz, Process for Developing and Approving a Regional Development Cooperation Strategy \(RDCS\)](#).

201.3.2.3 Applicability of CDCS Guidance

Effective Date: 07/23/2020

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 according to **ADS 201.3.2.4** or the Mission acquires a waiver under **ADS 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 the decisions in a Summary of Conclusions **(SOC)** memorandum approved by the Assistant Administrator (AA) of the relevant Regional Bureau. (See **ADS 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.

This guidance also recognizes that certain variations are appropriate for designated Missions operating in countries with advanced levels of capacity and commitment that will be undertaking a “Strategic Transition,” as described in **ADS 201.3.2.8**. This guidance describes these variations where relevant, both in this chapter and in associated Mandatory References. PPL must consult with the Regional Bureaus to

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identify and designate countries that have advanced levels of self-reliance and where a strategic transition will occur.

201.3.2.4 CDCS Exemptions
Effective Date: 07/23/2020

A. Types of Operating Units (OUs)

As described in **ADS 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 with limited presence or that do not manage at least \$20 million in programming, such as Country Offices; 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 provide only a combination of technical support (e.g., 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. Bilateral OUs that run limited regional programming.

An OU that is exempt may request approval to develop a **regional- or** country-level strategy framework that is not subject to the process or requirements herein. However, OUs are encouraged to use the CDCS guidance and templates, with adaptations as necessary and appropriate. In such case, 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.

An overseas OU that is exempt may request approval to develop a CDCS. In such case, 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:

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1. Programming both funded and managed by other OUs (e.g., Washington OUs);
2. Programming targeted at preventing, responding to, recovering from, and/or transitioning from crisis, including:
 - a. Activities funded by the International Disaster Account (IDA) and managed by the Bureau for Humanitarian Assistance (BHA);
 - b. Activities managed by the Office of Transition Initiatives (OTI) within DCHA; and
 - c. Activities managed by BHA, including emergency and non-emergency programs.

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 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 CDCSs that addresses humanitarian, transition, and/or stabilization issues. (See **ADS 201.3.2.12.**)

201.3.2.5 CDCS Waivers

Effective Date: 12/23/2019

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

201.3.2.6 Alignment of CDCSs with Agency and Inter-Agency Strategies/Policies

Effective Date: 07/23/2020

Development policies and strategies—including U.S. Government-wide, multi-agency, multi-Department, USAID-specific, regional, and sectoral strategies, as well as CDCSs and other Mission-level planning documents—should align with one another closely. In addition, USAID OUs that are developing other types of strategies or development policies (e.g., Washington OUs, and, in some cases, Regional Missions) should ensure that they do not undermine **align with** approaches set forth in approved CDCSs, except in exceptional circumstances, such as when mandated by the Administration or the

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Congress.

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

- *National Security Strategy (NSS)*. The NSS is a document prepared periodically by the Executive Branch of the U.S. Government that outlines American values and the major national-security and international economic concerns of the United States and how the Administration plans to deal with them. Missions must ensure their CDCSs align with the relevant pillars in the NSS. The current NSS is available [here](#). To complement the NSS, U.S. foreign assistance, including funding from USAID, must support America’s national interests through three primary guiding principles:
 - Win the Great Power competition;
 - Share foreign-aid burdens fairly and focus aid on friends and allies; and
 - Graduate countries and organizations from foreign assistance.
- *State-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 their CDCSs align with relevant goals and objectives in the JSP to advance self-reliance. The Fiscal Year 2018–2022 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 deal with 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, official, unclassified versions of the regional and sectoral Strategies are available here.
- *State-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 (ICS)*. 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](#).

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According to guidance on ICSs from the Department of State, Country Teams at U.S. Embassies must clearly reflect DOs from CDCSs in their ICSs because they are central to the annual foreign-assistance Budget Request and performance-monitoring systems of the State Department and USAID. Therefore, each Mission must work with the Country Team to ensure the development priorities of its CDCS are part of the process of developing Mission Objectives (MOs).

Since Missions are accountable for results at the IR level in the 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 users can easily map and find the CDCS DOs when submitting resource and performance-reporting requirements.

Missions must also submit a draft revised ICS goal–objective structure as part of the Results Framework Matrix in an annex to the final CDCS (see **ADS 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 the key changes that USAID needs to make to better enable and equip its A&A workforce and systems to advance self-reliance. Missions should reflect principles from this *Strategy* in their CDCSs as much as possible. The *A&A Strategy* is available [here](#).
- USAID Risk-Appetite Statement. USAID’s Risk Appetite Statement sets expectations about how USAID’s OUs should assess and manage threats and opportunities. The Statement is available [here](#).
- USAID Development Policies, Strategies, and Vision Papers. According to [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 the needs and priorities in

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partner countries, available resources, the results of analyses, investments by other members of the development community, or 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 Alignment of CDCSs with Projects and Activities

Effective Date: 12/23/2019

The CDCS informs the design and implementation of projects and activities:

- Projects operationalize a result or set of results in the CDCS. Typically, this alignment is at the level of an Intermediate Result; however, the alignment is not always a one-to-one relationship.
- Activities implement an intervention or set of interventions, typically through an implementing mechanism such as a contract, grant, cooperative agreement, or bilateral agreement with a host-country government, in support of a project.

Oftentimes, the life of projects (and associated activities) will not coincide with the life of a CDCS. The Index of Existing and Planned Projects annexed to the CDCS (see **ADS 201.3.2.11**) describes a Mission’s best thinking at the time of the *Strategy*’s approval regarding how it plans to achieve the results outlined in the CDCS through new projects and the realignment of existing projects.

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 future process to design projects or activities, a Mission must update or amend its CDCS according to **ADS 201.3.2.19**.

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

201.3.2.8 Self-Reliance in the CDCS

Effective Date: 07/23/2020

As described in [USAID’s Policy Framework](#) (see **ADS 201.3.2.6** regarding this and other U.S. Government policies), the Journey to Self-Reliance is at the forefront of USAID’s mission “to end the need for foreign assistance,” and each country context (or, in the case of an RDCS, regional context) is the first unit of analysis to make this vision real, reflected in large part through the Country Roadmaps. To this end, Missions, in collaboration with USAID/Washington, must develop CDCSs that orient their work around fostering capacity and commitment in partner countries across all levels—

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individuals, communities, civil society, the private sector, and governing **or regional** institutions—so they can solve their development challenges eventually without USAID assistance.

This means that Missions that are developing CDCSs must be innovative and strategic about where and how they work, and focus on the three principles for fostering self-reliance described in the USAID Policy Framework: advancing national progress in support of self-reliance, proposing investments that have the most impact, and sustaining results for meaningful change. Missions must also consider how programming addresses challenges to the Journey to Self-Reliance posed by external and internal malign actors.

To ensure CDCSs embody the self-reliance approach, Missions must apply the following guidance:

A. Use the Journey to Self-Reliance Country Roadmaps or **Regional Landscape Analyses to Inform Approaches**

First, a Mission must understand how self-reliant its partner country is overall (**or, for Regional Missions, partner countries**), including its self-reliance strengths and challenges. The Journey to Self-Reliance Country Roadmap is USAID’s standardized analytical tool for visualizing national progress overall and across the dimensions of commitment and capacity based on a set of third-party, publicly available metrics. **The Regional Landscape Analysis does the same for partner countries within a given region.** Since the Country Roadmap **and Regional Landscape Analysis** metrics are high-level, Missions also should analyze and apply additional secondary and **region- or country-specific** data sources and use other analyses to understand the **country or region’s** underlying self-reliance story, including the impact of external and internal malign actors.

Missions should use their Country Roadmaps (**or, in the case of Regional Missions, their Regional Landscape Analyses**) and any secondary metrics to inform the strategic choices they propose in their CDCSs. In addition, Missions should use the Country Roadmap **or Regional Landscape Analyses** as a tool to initiate conversations about self-reliance with local stakeholders, including with the partner-country **governments and/or regional institutions**.

To find Country Roadmaps for all low- and middle-income countries, see [USAID’s Journey to Self-Reliance Country Roadmaps web portal](#). This web portal also includes a number of additional resources, including a Compendium of Secondary Metrics that provides suggested context indicators and other resources to further inform decision-making processes related to self-reliance beyond the primary metrics in the Country Roadmap. For guidance on how to use the Country Roadmaps and secondary metrics during the process of creating a CDCS, see [Technical Note: Applying the Country Roadmap to the Country Development Cooperation Strategy \(CDCS\)](#).

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

Regional Missions should contact PPL's Journey to Self-Reliance Metrics Team to request a Regional Landscape Analysis.

B. Incorporate Key Approaches to Fostering Self-Reliance

Missions should apply the three principles in the Policy Framework: 1) advance country progress; 2) invest for impact; and, 3) sustain results. Among the broad considerations that pertain to each principle, a Mission must incorporate the following key approaches into its CDCS:

1. Advance Country Progress:

- **Redefining the Development Relationship with Partner Governments**—Missions should assess the range of policies, programmatic tools, and other measures they have at their disposal to promote greater commitment and capacity of their partner-country governments and/or regional partners or institutions to support the vision for self-reliance. This means Missions should engage their partner government to identify shared objectives and negotiate key commitments to cost-sharing and policy reforms that enable private investment and trade, enterprise-led growth, and democratic, citizen-responsive governance and individual rights and freedoms; coordinate with the U.S. Embassy Country Team(s) to align U.S. foreign-policy and economic objectives with efforts to incentivize commitments from the partner-country governments or regional institutions; strengthen the core capacities of the partner-country governments to lead on the Journey to Self-Reliance and use local institutions to deliver assistance as much as possible, where appropriate commitment and capacity exist; leverage broader civil society and the private sector to hold government accountable for delivering on its commitments; and identify opportunities to apply the collective influence of other donors to incentivize commitment from partner governments and improve burden-sharing.

2. Invest for Impact:

- **Financing Self-Reliance**—Missions should identify how they can strengthen the capacity and commitment of their partner-country government and the private sector to finance their nation's own economic and social development. This includes assisting partner-country governments in mobilizing additional public revenues; expending resources more effectively, transparently, and with accountability; and/or creating the enabling conditions for private investment and functioning capital markets.

3. Sustain Results:

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- **Private-Sector Engagement**—Missions should increase and deepen their collaboration with the private sector to identify market-based approaches that can address some of the vexing development challenges that countries face along their self-reliance trajectory. This includes supporting the development of market systems across sectors; expanding opportunities for U.S. firms; and aligning with private enterprises as co-creators of market-oriented solutions with shared risk and shared reward.

C. Develop a Transition Plan to Evolve Approaches as Self-Reliance Grows

As part of the process of developing a CDCS, all **Bilateral and Regional** Missions should plan to evolve—or “transition”—their approach as the government, civil society, and the private sector in the partner country—or, in the case of an RDCS, partner countries—builds self-reliance. The overall concept of transition planning aligns with principles set forth in the NSS, the JSP, and **USAID’s Policy Framework**, as well as related directives in the Agency’s annual appropriations. 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 an RLO on the current status of Congressional directives with respect to transition planning and how a CDCS must address them.

For most USAID 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 self-reliance, Missions must plan for a type of transition planning called “strategic transition” during the period of the CDCS itself. Specifically, these designated **Bilateral** Missions must leverage the process of creating their CDCSs 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 self-reliance and **where it might be appropriate for the Agency to plan for** a strategic transition will occur.

General opportunities to change the nature of USAID’s relationship with a partner country could 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 could 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

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customized guidance for Bilateral Missions undertaking a strategic transition in **Section VI**.

D. Engage Local Partners Meaningfully Throughout the Process of Developing a CDCS

A core tenet of the vision of self-reliance is building the commitment and capacity of local partners to chart and finance their own development paths and implement their own development solutions. To this end, Missions should collaborate meaningfully with local partners throughout the process of developing a CDCS to ensure self-reliance is a shared priority, and that the final CDCS reflects a shared commitment to change. This engagement should include dialogue with the partner-country **governments**, the private sector, civil society, faith-based and community organizations, **multilateral organizations, regional institutions**, and others. As part of this engagement process, Missions should also make efforts to look beyond their traditional local-partner portfolio to new collaborators, especially those with deep roots in the communities that they support and who are committed to fostering self-reliance.

201.3.2.9 Preparation for the CDCS Process

Effective Date: 07/23/2020

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) analyzing their Country Roadmaps (**or, for Regional Missions, Regional Landscape Analyses**) and other data/evidence to assess their country's trajectory on the Journey to Self-Reliance (as laid out in **ADS 201.3.2.8**); 2) engaging local stakeholders, including the partner-country **governments, 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 preparation for the CDCS process, see [ADS 201mag, Process for Developing and Approving a Country Development Cooperation Strategy \(CDCS\)](#) 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: 07/23/2020

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

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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 **ADS 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 Parameter-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 the CDCS reflects a corporate view of Washington's expectations. In addition, they discuss the self-reliance strengths and weaknesses in their partner countries based on their assessment of the Country Roadmap (or, in the case of Regional Missions, Regional Landscape Analysis). This phase culminates in agreement between the Mission and Washington on priorities, sectoral focus, and other parameters for a CDCS that will foster self-reliance. 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; prepare the Summary Paper and Matrices annex for their Results Framework (linked back to the Country Roadmap or, in the case of an RDCS, a Regional Landscape Analysis from Phase One), the two required annexes; and outline the next steps to prepare a full CDCS. This phase culminates in Agency agreement on the approaches the Mission will use to advance its strategic goal and the Journey to Self-Reliance, budget scenarios that reflect strategic priorities, and an organizing framework that will inform the subsequent development of the PMP (see **ADS 201.3.2.14**), projects, and activities (see **ADS 201.3.3 and ADS 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 a 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 [Development Experience Clearinghouse \(DEC\)](#). 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 compliant with [ADS 551](#).

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For detailed guidance on the process for developing a CDCS and associated timeframes and deliverables, see [ADS 201mag, Process for Developing and Approving a Country Development Cooperation Strategy \(CDCS\)](#) and [ADS 201maz, Process for Developing and Approving a Regional Development Cooperation Strategy \(RDCS\)](#).

201.3.2.11 Overview of the Content of a CDCS

Effective Date: 07/23/2020

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 self-reliance assessment, as reflected in the Country Roadmap or **Regional Landscape Analysis**; overarching U.S. foreign-policy, economic, and national-security considerations; the needs and priorities in the partner countries; and other circumstances in the development context, in addition to identified gaps in knowledge of the country or regional context. For most Bilateral Missions, this section must also include a sub-section on country transition planning. (See **ADS 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 country’s Journey to Self-Reliance in view of the country or regional context, the Country Roadmap or **Regional Landscape Analysis**, the U.S. Government’s principles for foreign assistance, and available established good practices for building self-reliance. (See **ADS 201.3.2.8** on the Journey to Self-Reliance in the CDCS.) This should include a description of the role of the partner-country governments, the private sector, civil society, faith-based and community organizations, **multilateral organizations, regional institutions**, interagency partners and others, and mechanisms to align or coordinate efforts as relevant.

All Missions should address countering malign external influences, such as from the People’s Republic of China, the Russian Federation, and the Islamic Republic of Iran. In addition, Missions that are operating in countries listed on the

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Tier 2 Watch List or Tier 3 in the [Trafficking In Persons \(TIP\) Report](#) must address TIP in their CDCS and Missions that are operating in countries listed on Tier 1 (Countries of Particular Concern) and Tier 2 of [USCIRF's Annual Report](#) and/or the Department of State's [Report on International Freedom](#) must address religious freedom in their CDCS.

- 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 the DO, and how success in advancing the subject DO will contribute to overall national self-reliance. It also identifies key actors or institutions that are critical to the DO's self-reliance trajectory and major assumptions and/or risks that could affect the success of the 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). 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 and fostering national self-reliance. This description should also identify and prioritize any knowledge gaps to address. This section, together with the Summary Paper and Matrices annex to the Results Framework, should inform the subsequent development of the PMP. (See **ADS 201.3.2.14** on the PMP.)
- VI. Program Resources and Priorities—**a description of the Program budget resources that represent policy and strategic priorities and are needed to advance the objectives of the CDCS, including 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 the Mission's ability to support a country's Journey to Self-Reliance. This section could also include discussion of staffing considerations, as appropriate. This section is required for CDCSs, but optional for RDCSs.
- VIII. Annexes:
 - A. **For Bilateral Missions, the Journey to Self-Reliance Country Roadmap**—USAID's primary analytical tool to assess and visualize self-reliance for the subject country. (See **ADS 201.3.2.8** on the Country Roadmaps.)
 - B. Climate-Change Analysis—one of the mandatory analyses for a CDCS.

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(See [ADS 201mag, Process for Developing and Approving a Country Development Cooperation Strategy \(CDCS\)](#) and [ADS 201maz, Process for Developing and Approving a Regional Development Cooperation Strategy \(RDCS\)](#) on the mandatory analyses.)

- C. Two Budget Scenarios—a base scenario based on historical funding levels and one that reflects an optimal distribution of funding focused on maximizing a zero-based, self-reliance-driven approach, irrespective of history, Congressional directives, mortgages, or pipeline.
- D. Table to Map the CDCS to the NSS, JSP, and ICS—a table that maps the objectives of the CDCS to that of other U.S. Government *Strategies*. (See **ADS 201.3.2.6** on other U.S. Government *Strategies*.)
- E. Index of Existing and Planned Projects—a preliminary plan for designing projects under the new CDCS and realigning current projects as appropriate. (See **ADS 201.3.2.7** on the relationship between strategies, projects and activities.)
- F. Summary Paper and Matrices for the Results Framework —an annotated version of the Results Framework initially submitted during Phase Two of the process for developing the CDCS. This annex, together with the MEL section, should inform the subsequent development of the PMP. (See **ADS 201.3.2.14** on the PMP.)
- G. CDCS Scenarios, if applicable—a set of scenarios to facilitate adaptive management during implementation in country contexts characterized by a high level of uncertainty.
- H. For Regional Missions, a Regional Operations Map—a table and subsequent narrative to outline the Mission’s current footprint, including its geographic area of focus, its current priority areas, and the support services it provides.
- I. 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.

See the [CDCS Outline](#) and the [RDCS Outline](#) for detailed descriptions of each of these required sections for Bilateral and Regional strategies, respectively.

201.3.2.12 The Results Framework and Associated Development Hypotheses

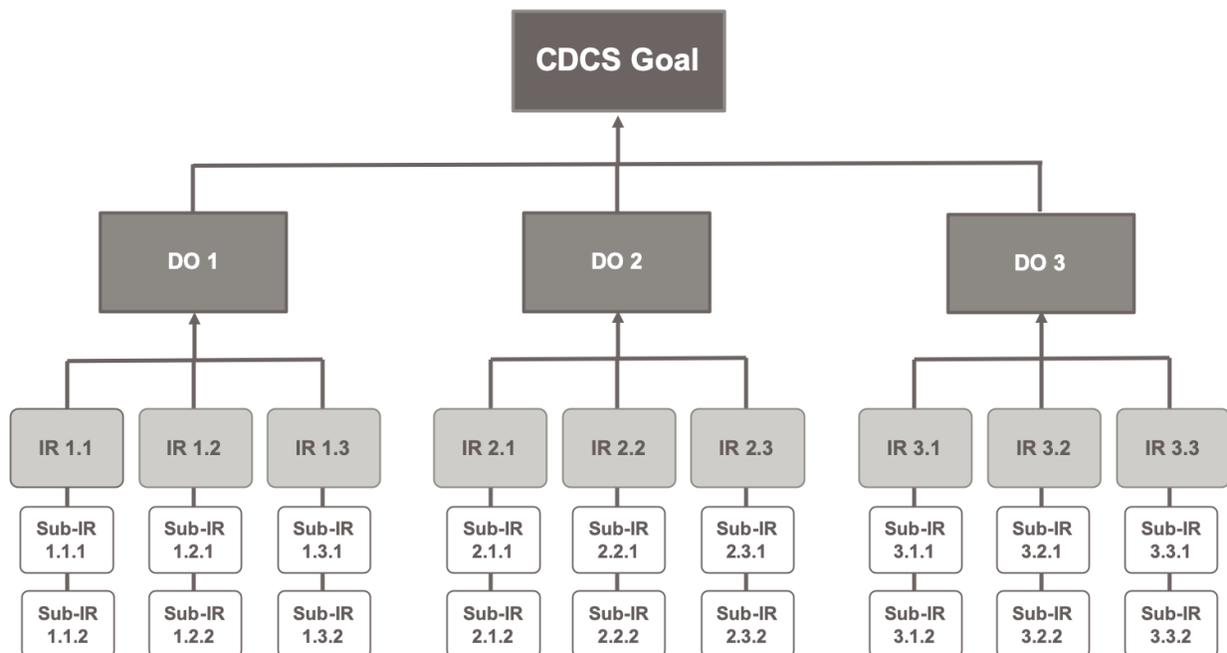
Effective Date: 07/23/2020

A. The Results Framework (RF)

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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 ADS 201.3.2.8**, the CDCS, as reflected in the RF, must reflect the strategic approaches that the Mission has identified to advance self-reliance in each partner country, grounded in the Country Roadmap **or Regional Landscape Analysis** and other secondary metrics 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 the purposes of planning, implementation, and communication, supported by accompanying narratives of the Development Hypotheses that is the foundation of each CDCS. The Mission must update its RF during the period of a CDCS to respond to new evidence or changes in context (including through the implementation of projects and activities), and should be dynamic, rather than fixed.

For Missions that operate in highly volatile contexts, an RF, as defined here, might not be practical, as quickly changing conditions might not allow for definitive statements on

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results. In these cases, customizing the RF could suit the Mission's needs better. For example, a customized RF could identify and explain an overall aspirational Goal with Special Objectives that articulates 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 the Agency has approved a CDCS, the RF provides Missions with a communications device to show stakeholders at a glance what the *Strategy* is about. The RF also serves as an organizing framework for the Mission's MEL and adaptation approaches. (See **ADS 3.2.14** on the Performance-Management Plan.) Finally, the RF provides a guide for subsequent project-design processes aimed at operationalizing its results. (See **ADS 3.2.7** on the alignment of the CDCS and subsidiary projects.)

Definitions for each type of result appear below:

- **Goal**—the highest-level result a Mission, together with the partner-country **governments**, civil-society actors, **multilateral organizations, regional institutions**, and other development partners, will advance in support of the Journey to Self-Reliance. The Goal should be practical and reflect the priorities of the broader U.S. Government and the Mission, particularly the vision for self-reliance. While USAID is not solely accountable for achieving the Goal, the CDCS should provide a guidepost for strategic choices.
- **DOs**—the most ambitious results toward which a Mission, together with its development partners, can contribute. DOs reflect specific development problems a Mission intends to address in support of a country's self-reliance trajectory and 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. Missions must ensure their DOs align to at least the three primary guiding principles of U.S. foreign assistance:
 - Win the Great Power competition;
 - Share foreign-aid burdens fairly and focus aid on friends and allies; and
 - Graduate countries and organizations from foreign assistance.
- **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 for which USAID is accountable for reporting. A Mission 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

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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. A Mission 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 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. The Development Hypothesis, or “theory of change,” describes how and why USAID believes it will achieve a particular high-level development result in a given context and what it will take to achieve these outcomes. The Development Hypothesis consists of a Development Hypothesis Statement and a 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 the 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:

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- 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) a Mission believes should lead to the 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 are critical to helping USAID achieve the stated results (e.g., 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 goals 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 spend any Program funds directly to obtain them (such as policy reform that comes from the influence of USAID staff rather than the investment of Program funds).

While it is not necessary, nor 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 available evidence supports its choice of approach. As appropriate, Missions should also identify any gaps in its knowledge that could affect its RF and document those in the MEL section of the CDCS. Missions must also 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 Implementing a CDCS

Effective Date: 07/23/2020

Mission Directors are responsible for managing the implementation of a CDCS 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 a CDCS’s objectives. They may do so through the creation of DO Teams, in addition to mandatory Project Teams as described in **ADS 201.3.3.14**.

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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

- Develop an initial PMP within three months of the approval of a CDCS. (See **ADS 201.3.2.14**.)
- If applicable, negotiate a DOAG agreement with the partner-country **governments** or amend the existing DOAG (see **ADS 201.3.2.17**).
- Realign existing projects as appropriate, and begin designing new projects in support of the Country Roadmap and the results in the RF. (See **ADS 201.3.2.11** regarding the Index of Existing and Planned Projects.)
- Ensure the State-USAID ICS reflects the CDCS's Development Objectives. (See **ADS 3.2.6** regarding the alignment of a CDCS with an ICS.)
- Identify the most-appropriate management structure(s) to implement the CDCS effectively. (See **ADS 201.3.3.14** regarding project teams.)

B. Oversight

- Oversee the design, management, and measurement of projects and activities, and ensure their cohesiveness in achieving the objectives of the CDCS and the results in the RF.
- Amend and/or update the CDCS and associated PMP as necessary. (See **ADS 201.3.2.19** and **ADS 201.3.2.14**, respectively.)

C. Planning, Budgeting, and Reporting of Foreign Assistance

- Use the objectives of the CDCS, as reflected in the ICS, as the basis for the annual **Mission Resource Requests** (MRRs); **Operational Plans**; Congressional Budget Justification; and other planning, budgeting, and reporting processes.

D. Monitoring, Evaluation and Learning

- Monitor the implementation, progress, performance, results, and operational context of the CDCS.
- Track performance indicators described in the PMP. (See **ADS 201.3.2.14** for requirements for indicators.)

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

- Ensure that associated MEL plans for Projects and Activities 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 **ADS 201.3.5.13**.

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.
- Assess and/or revalidate continually the CDCS's strategic approach through MEL activities such as portfolio reviews, stocktakings, and engagement with stakeholders.
- Conduct at least one strategy-level portfolio review per year that focuses on progress toward strategy-level results. (See **ADS 201.3.2.16**.)
- Conduct at least one CDCS Mid-Course Stocktaking during the life of the *Strategy* to align implementation with changes in the context and the Agency's direction. (See **ADS 201.3.2.16**.)
- Based on learning, make adjustments to the implementation of the CDCS as appropriate. (See **ADS 201.3.2.19**.)

201.3.2.14 Performance Management Plan (PMP)

Effective Date: 03/10/2020

A PMP is a Mission-wide tool for planning and managing the processes of monitoring strategic progress, project performance, programmatic assumptions, and operational context; evaluating performance and impact; and learning and adapting from evidence. Each Mission must prepare a Mission-wide PMP. Missions that do not have a CDCS are still required to have a PMP that covers any projects they fund. Missions should use the PMP to inform allocations of resources, the Mission's portfolio-review process, and the mid-course stocktaking of their CDCS.

A Washington OU may use the guidance in this section if it determines a PMP would be useful for the management of its portfolio. (See [How-To Note: Prepare and Maintain a Performance Management Plan \(PMP\)](#) for additional guidance.)

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

A. Content of the PMP

The PMP must include the following:

I. Section 1: Monitoring Plans for DOs

These are descriptions of how the OU will monitor progress, performance, programmatic assumptions, and operational context within each DO, including the following:

(1) Performance indicators, including, but not limited to, the following:

- At least one performance indicator for each IR identified in the CDCS RF;
- At least one performance indicator for each sub-IR identified in the CDCS RF; and
- At least one performance indicator for any Project Purpose not aligned to an IR or sub-IR. (For additional guidance on defining a Project Purpose, see **ADS 201.3.3.12.**)

(2) Supplemental information about each performance indicator, including the following:

- Baseline data, or plans to collect baseline data;
- End-of-CDCS or end-of-project targets, or plans to set targets; and
- A Performance-Indicator Reference Sheet (PIRS) for which data-collection for an indicator has started. (For additional guidance about the PIRS, see **ADS 201.3.5.7.**)

(3) A description of any additional efforts for monitoring programmatic progress and performance within each DO.

(4) A description of how the Mission will monitor contextual conditions relevant to a DO, including a list of any context indicators for monitoring assumptions or risks that could affect progress against the DO or the operational context in which the Mission is implementing strategies and projects. (For additional guidance on context monitoring, see **ADS 201.3.5.5.**)

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II. Section 2: Evaluation Plan

This plan identifies, summarizes, and tracks all evaluations as a Mission plans them, and over the entire CDCS timeframe by DO. An evaluation plan must include the following information for each planned evaluation, as it becomes available:

- The strategy, project, or activity to be evaluated;
- The purpose and expected use of the evaluation;
- The type of evaluation (performance or impact);
- Possible evaluation questions;
- Whether the evaluation is external or internal;
- Whether the evaluation fulfills an evaluation requirement or is a non-required evaluation;
- Estimated budget;
- Planned start date of the evaluation; and
- Estimated completion date of the evaluation.

The Mission should update information in the evaluation plan from Project and Activity MEL Plans upon their approval. The Mission must ensure to include information from the evaluation plan in the Evaluation Registry of the annual Performance Plan and Report.

III. Section 3: Collaborating, Learning, and Adapting (CLA) Plan

This plan describes the Mission's approach to CLA, a set of processes and activities that help ensure programming is coordinated, grounded in evidence, and adjusted as necessary to remain effective throughout implementation (see **ADS 201.3.5.19**). The plan should be based on an understanding of the Mission's current learning practice and should be grounded in the Mission context. At a minimum, the Mission must develop a plan that addresses the following, with timeframe and responsible offices listed in the schedule of performance management tasks:

- Plans for strategic collaboration;
- Knowledge gaps at the strategy level and plans for filling them;

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- Processes for periodic opportunities to reflect on progress, such as after-action reviews and partner meetings, to inform adaptation; and
- Plans for resourcing CLA at the Mission.

The Mission may identify other priority areas that should also be included in the plan and discuss how the CLA priorities will support the Mission's broader development goals. For more information, see [Drafting a Collaborating, Learning and Adapting Plan](#).

IV. Section 4: Schedule of Performance-Management Tasks and Responsibilities

In this schedule, the Mission lists the tasks it anticipates conducting over the life of the CDCS, as described in the monitoring, evaluation, and CLA plans. In this schedule, the Mission also identifies the timeframe and office or point of contact responsible for the listed task. Typical performance management tasks in the schedule include:

- Updating and revising the PMP (particularly during the annual strategic portfolio review process);
- Collecting and analyzing data;
- Assessing data quality;
- Designing and conducting evaluations as planned, needed, and/or required; and
- Periodic and intentional opportunities for reflection to inform adaptation, including portfolio reviews and mid-course stocktaking of the CDCS.

V. Section 5: Resources for Performance-Management Tasks

Description of human and financial resources needed for planned monitoring, evaluation and CLA efforts described in the PMP.

B. Approval of the Performance-Management Plan

Each Mission must prepare a Mission-wide PMP that reflects the current status for all the required sections of the plan within three months of the approval of a CDCS.

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The Mission Director must approve the initial PMP. Upon approval, this PMP must be uploaded on [ProgramNet](#).

It is not expected that the PMP will be comprehensive upon approval. Missions must update their PMPs continually over the life of their CDCSs because they typically design projects and activities after the approval of the PMP. At approval, the initial PMP must include the following:

- (1) **Monitoring Plan:** A description of how the Mission will monitor progress, performance, programmatic assumptions and operational context within each DO, including final or preliminary performance indicators for measuring the IRs and sub-IRs of the RF. Each performance indicator requires:
 - Baseline data, or plans to collect baseline data;
 - End-of-CDCS or end-of-project targets, or plans to set targets; and
 - PIRS for which data-collection on indicators has started.
- (2) **Evaluation Plan:** Summary information, as of the PMP approval date, on planned evaluations the Mission intends to complete during or after the CDCS timeframe.
- (3) **CLA Plan:** A complete draft, which the Mission must update as necessary during the implementation of a CDCS.
- (4) **Schedule of Performance-Management Tasks and Responsibilities:** A calendar of the performance-management tasks as planned in the aforementioned MEL and CLA plans, to date.
- (5) **Resources for Performance-Management Tasks:** Estimated staff level of effort and financial resources necessary to implement the MEL and CLA efforts described in the PMP.

C. Modifying the Performance-Management Plan

Missions must keep the PMP up-to-date to reflect changes in the CDCS or projects, especially new project indicators, evaluations, and learning efforts. Missions must review and update the PMP at least once per year as part of their portfolio-review process, as described in the PMP Task Schedule. Mission Directors are not required to approve updates to the PMP.

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201.3.2.15 Monitoring and Evaluation During Implementation

Effective Date: 03/10/2020

USAID has a responsibility to monitor progress, performance, and operational context of the implementation of CDCSs, especially through site visits and regular interactions with implementers. Throughout implementation, Missions should ensure that performance-monitoring, context-monitoring, and evaluation efforts are adequate to facilitate strategic learning and adaptively manage implementation of the strategy, and to ensure they are fulfilling their reporting requirements.

Missions must monitor the progress and context within each DO, at a minimum, by tracking performance indicators for each IR and sub-IR and any Project Purpose not already aligned at the IR or sub-IR level. Missions are responsible for ensuring that indicators and monitoring data, as described in the PMP, are up-to-date and of sufficient quality for the purposes of learning and managing adaptively.

Evaluation requirements and procedures for planning and implementing an evaluation are described in **ADS 201.3.5.13**. Although evaluations that address strategic-level concerns are best planned during CDCS development, a Mission may make a decision to evaluate at any point during the implementation of a *Strategy*, particularly if new information arises indicating that an evaluation is appropriate for accountability or learning purposes.

201.3.2.16 Learning and Adaptive Management During Implementation

Effective Date: 07/23/2020

During strategy implementation, the Mission generates knowledge and learning by implementing projects; participating in learning activities such as portfolio reviews and stocktaking exercises; using the PMP; engaging stakeholders; and making use of staff, partner, and counterparts' experiential knowledge, among other activities. Based on this learning, the Mission should make changes to the strategic implementation of the program 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, or activities. Missions must conduct at least one portfolio review per year that focuses on progress toward strategy-level results. The portfolio review examines:

- Progress toward achievement of CDCS and project results and expectations regarding future progress;
- The status of critical assumptions and changes in context, along with related implications for performance; and

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- Opportunities to adapt as a result of learning.
- Resource-management to ensure all funds, including pipeline, current appropriations, and budget requests, advance the goals of the CDCS or RCDS.

Missions should consider the following issues during portfolio reviews:

- Status of critical assumptions and the Development Hypotheses;
- Country and regional trends and how the context is evolving;
- Status of cross-cutting themes;
- What has been learned from monitoring data, evaluations, partners, program participants or other sources of information;
- The allocation and management of resources to support the Mission's objectives;
- Status of post-evaluation action plans (see **ADS 201.3.5.18**); 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 the evaluation plan, CLA plan, and/or new plans for monitoring. For more information on portfolio reviews, 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 to the context and Agency direction, as well as with emerging knowledge and lessons learned. This allows Washington OUs to understand progress to-date on CDCS implementation as well as important changes in context. The Mission must develop an information memorandum, recording any substantive changes in the country context or strategic approach, and send it to the Regional Bureau for review.

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A CDCS mid-course stocktaking should:

- Re-validate the RF and its underlying assumptions or identify potential amendments to the Framework for review with USAID Washington;
- Reinforce continuity and institutional knowledge among new staff;
- Review the correspondence between the CDCS and trends in the Country Roadmaps over the period of the *Strategy*;
- Re-engage stakeholders and donor partners and facilitate stronger relationships with and among them;
- Assess progress on the country transition plan, as relevant;
- Focus on learning from monitoring data, site visits, evaluations, partners, program participants, or other sources of information to guide adaptations; and
- Look ahead to the next CDCS; including identifying future analytic needs and knowledge gaps.

A CDCS mid-course stocktaking fulfills the requirement for a Mission’s strategy-level portfolio review for that particular year. The Mission must submit documentation of the stocktaking process to the Regional Bureau, which will distribute it to identified points of contact in other Washington OUs. For more information, see [How-To Note: CDCS Mid-Course Stocktaking](#) and [ADS 201mag, Process for Developing and Approving a Country Development Cooperation Strategy](#).

201.3.2.17 Obligation by Development Objective Agreements (DOAGs)

Effective Date: 12/23/2019

Many Missions obligate funds through a DOAG. DOAGs are grant agreements with a partner government. A DOAG is one of the key places to document a partner-country government’s agreement to make financial, policy, or in-kind contributions to address the critical development constraints to achieving self-reliance goals. Contributions could include those required by Section 110 of the [FAA](#), or ones that are not statutorily required. Missions should normally discuss these constraints, and the need for partner-country contributions, as part of the process of developing a CDCS, rather than fully deferring discussions to the DOAG-negotiation stage. In some cases, it could be appropriate to document contributions by the partner-country government in Implementation Letters. Missions and partner-country governments should also document contributions in MOUs or multi-donor agreements with the partner government.

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The process of developing and negotiating DOAGs presents an opportunity for Missions to rethink how they engage with partner governments to support them in achieving their self-reliance goals. Negotiations also provide an opportunity for Missions to ensure partner governments make full use of the leverage provided by USAID's foreign-assistance resources to further U.S. foreign-policy and economic objectives, increase burden-sharing, and address protracted development challenges. Missions should examine what they are asking of government counterparts—especially in terms of cost-share and policy reforms necessary to accelerate the Journey to Self-Reliance—and how Missions hold both parties accountable for results.

In most cases, the parties to the DOAG agree that USAID may sub-obligate and disburse funds through contractors and recipients of grants and cooperative agreements. DOAGs incorporate key conditions and requirements for both parties, and can serve as a way to obligate funds at the DO level, which provides Missions with a degree of adaptability to respond to changing circumstances without necessarily having to deobligate funds.

Missions should meet all pre-obligation requirements prior to the obligation of USAID funds in a DOAG, which occurs when the DOAG is signed or amended to add funds. In addition, prior to signing a DOAG, Missions must ensure that adequate planning is completed to satisfy Section 611(a) of the FAA, and that the DOAG constitutes a valid and binding obligation. Nevertheless, some pre-obligation requirements could be more appropriately satisfied at a sub-obligation stage. In such cases, the Mission must document the decision for deferral with RLO clearance.

Missions maintain control of funds at the DOAG level and the sub-obligation level. Missions should exercise caution to ensure they do not permit DOAGs to expire while funds from the DOAG are still active in instruments.

The completion date of a DOAG should generally correspond to the end date (or extended end date) of its associated DO/CDCS. USAID generally negotiates DOAGs initially as five-year agreements, and Missions should tie them to the period of a 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. A Mission may extend the completion date of a DOAG to expend prior-year funds that are remaining 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 a DOAG to correspond to some or all of the period of the subsequent CDCS, and it might be appropriate to obligate funding to support the new CDCS into the existing DOAG. When a Mission does not incorporate an existing DO in a subsequent CDCS, it would generally not be appropriate to obligate funding that supports the subsequent CDCS into the existing DOAG. Missions may choose to have a prior and

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subsequent DOAG overlap for a period of time to ensure the effective transition of funding and activities. In managing and amending DOAGs, Missions should consider the life spans of all instruments into which will sub-obligate funds from the DOAG. Mission Directors, RLOs, Controllers, Contracting/Agreement Officers, and Technical and Program Offices should work together to extend DOAGs appropriately to cover the period in which a Mission will use funds in sub-obligating instruments.

For additional guidance on legal requirements on the use of funds, see **ADS 201.3.1.8** and [ADS 201mad, Legal Requirements Summary Checklist](#).

201.3.2.18 Expiration and Extension of the 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 could be justified.

There are two types of CDCS extensions:

1. Extensions for up to six months: Missions may use this option only 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.

201.3.2.19 Amending and Updating the CDCS

Effective Date: 12/23/2019

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, and/or learning during the course of implementation.

There are two types of CDCS adjustments:

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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:** This 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 *Strategy*. 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.

201.3.2.20 Closing out a CDCS

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 **ADS 201.3.2.6**, 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 201.3.2.17** for additional guidance on DOAGs.)

201.3.3 Design and Implementation of Projects

Effective Date: 09/07/2016

Project design is the process by which USAID defines how it will operationalize a result or set of results in a CDCS or other strategic framework to ensure that efforts are complementary and aligned in support of the strategy. Whereas the strategic-planning process defines the strategic approach, the project-design process guides its execution.

Consistent with the Program Cycle principles in **201.3.1.2**, the project-design process recognizes that development seeks to influence complex systems and requires integrated tactics to achieve higher level results and sustainability of outcomes. For these reasons, project designs typically incorporate multiple activities such as contracts and cooperative agreements with international organizations, F to local organizations, and direct agreements with partner governments, as well as non-agreement-based activities such as policy dialogue undertaken directly by USAID staff. Missions should think creatively about how they can use the broad range of USAID's tools most strategically to strengthen local institutions and engage local actors as the drivers behind long-term, sustainable change.

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For Missions with an approved CDCS, the purpose of the project (hereinafter “Project Purpose”) must support the Mission’s CDCS Results Framework. In many cases, the Project Purpose will align with a single Intermediate Result (IR) in the Framework; however, it is not always a one-to-one relationship. Regardless of its alignment, the Project Purpose must be defined at a level of ambition judged to be attainable with the Mission’s resources, staff, and influence.

201.3.3.1 Roles of Missions and Washington OUs in the Design and Implementation of Projects

Effective Date: 09/07/2016

Project design is an Agency and Mission-wide effort. For Mission-led design, the following functions are critical:

A. Washington OUs

Washington OUs provide guidance to Missions on policies and priorities; support Missions with technical expertise; ensure the implementation of Agency-wide sector strategies and initiatives; and provide field support, as requested, to Missions in support of the functions outlined in this section, including for the analysis and collection of other evidence needed to develop project designs.

B. Mission Program Office

The Mission Program Office oversees the project-design process, including the review process for each phase of project design; ensures that staff follow mandatory policies and procedures; manages the budget-planning process to ensure funds availability for projects and associated activities; promotes and shares good programming practices and lessons-learned; advises on the development and implementation of Project MEL Plans; integrates USAID/Washington-level and Mission-level budgetary and analytical processes (monitoring, evaluation, learning, adaptation, resource-performance, and the organization of portfolio reviews); and provides objective, Mission-level review of project progress.

C. Mission Technical Offices

Mission Technical Offices oversee the technical aspects of the project-design process; play a leadership role in conducting or reviewing analyses and designing the project; and typically assume project-management responsibilities, including coordinating MEL and ensuring the management of activities in a complementary and synergistic manner to support the achievement of a project’s outcomes.

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D. Mission Office of Acquisition and Assistance (OAA)

The Mission OAA Office serves as a business advisor to providing guidance on how the design team can achieve the project's outcomes with the Agency's broad range of A&A tools; makes decisions in close consultation with the team on preliminary selection of new A&A mechanisms; and works with the team during implementation to provide guidance on how to make adjustments when necessary to ensure project-based A&A activities are working in the most synergistic manner in support of the project's outcomes, all in accordance with the limitations of their delegated authority and with applicable statutes, regulations, and policies.

E. Mission Office of Financial Management

The Mission Office of Financial Management (OFM) leads in the execution of the Public Financial Management Risk Assessment Framework (PFMRAF) Stage 2 Risk Assessment (in addition to the Stage 1 Rapid Appraisal prior to the project design process) and addresses all technical issues concerning the assessment of financial management systems of partner governments; assesses and reviews absorptive capacity if contemplating awards to local entities; provides guidance, where applicable, on how the financial management capacity of local partners can be built in support of project outcomes (given staff resources); and oversees all financial management matters related to the implementation of Mission projects.

F. Mission Executive Office

The Mission Executive Office (EXO) is often responsible for the procurement of small activities, goods, and services under the simplified acquisition threshold, such as analyses, assessments, and other short-term support; oversees USAID staffing needs that support project design and implementation; and maintains Project Design and Implementation Mission Orders or Mission Notices to supplement the project design policies and procedures in this chapter.

G. Mission RLO

The Mission RLO provides legal counsel and advice on a broad range of matters related to the design and implementation of projects, such as factors related to the use of partner country systems and minimizing financial and programmatic risk, among others.

H. Mission Environmental Officer

The Mission Environmental Officer (MEO) assists and advises Project Design Teams on how to conduct a project-level environmental review; documents

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deferrals where needed pursuant to [22 CFR 216](#) and [ADS 204, Environmental Procedures](#); submits 22 CFR 216 documents, with their written determination for review and concurrence, to the appropriate Bureau Environmental Officer (BEO) in Washington; and advises on how to effectively monitor implementation of approved mitigation measures.

I. Mission Gender Advisor/Point of Contact

The Mission Gender Advisor and/or Gender Point of Contact (POC), where applicable, takes a lead role in conducting or reviewing the mandatory project-level gender analysis (see [ADS 205](#)); provides guidance to staff as identified in the Mission Order on Gender to ensure that gender equality and female empowerment are integrated in meaningful ways into the project design; ensures that project-level performance indicators are, as appropriate, sex-disaggregated and/or gender-sensitive; and collaborates with the Project Design Team during implementation to monitor, evaluate, and learn from projects with regard to their impact on gender integration and advise on any course corrections that could further close gender gaps.

J. Cross-Cutting Advisors and Points of Contacts in the Mission

Cross-cutting technical advisors and/or POCs take an active role in conducting, facilitating, or reviewing mandatory and non-mandatory 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 projects.

201.3.3.2 Applicability of Guidance for Project Design

Effective Date: 09/07/2016

The project design guidance in this section is applicable to all field-based OUs (hereinafter “Missions”). However, there are specific categories of exemptions and waivers governing the process. Partial application of guidance for Washington OUs that expend program funds is also defined below.

201.3.3.3 Exemptions for Missions

Effective Date: 06/16/2020

Mission Awards for Management and Support Services: The project-design process is not required for Mission awards that provide institutional support services, such as Mission-wide or DO-level monitoring, evaluation and learning contracts, since they are not programmatic in nature. The process for developing Mission management and support services awards should comply with relevant activity design steps outlined in **201.3.4**.

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Standalone Activities under \$5 Million: The project-design process is not required for standalone activities not associated with a project where the total estimated budget is under \$5 million; however, these activities should still support the Mission's CDCS Results Framework. An Activity Approval Memorandum (AAM) (see [ADS 201mai, Activity Approval Memorandum Template](#)) must be used to approve such activities. Missions must satisfy requirements in **201.3.4** and document the satisfaction of pre-obligation (or pre-sub-obligation) and other instrument-specific requirements.

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 project design guidance. These activities include:

- (1) Natural and man-made disaster assistance managed by BHA;
- (2) Activities managed by the Office of Transition Initiatives (OTI), or activities funded with the Complex Crises Fund (CCF) managed by Missions; and
- (3) Emergency Food Assistance managed by BHA.

While these activities are exempt from the project-design guidance, USAID encourages Missions and Washington OUs to incorporate them into projects wherever feasible to facilitate greater integration with long-term development aid. Mission or Washington OUs (depending on who takes the managerial lead) may use OU-specific documentation to approve the activity. However, the Mission or Washington OU must document the satisfaction of pre-obligation (or pre-sub-obligation) requirements.

Cash Transfers, Sovereign Bond Guarantees, and Enterprise Funds: The following types of activities are exempt from the project-design process: 1) cash transfers designed to encourage policy reforms and provide balance of payments or budget support; 2) sovereign bond guarantees designed to provide host governments with access to affordable financing from international capital markets; and, 3) enterprise funds that make direct equity investments and/or loans and other financial products to private enterprises. Missions may use OU-specific documentation and processes to approve such activities. Although exempt from an AAM (see [ADS 201mai, Activity Approval Memorandum Template](#)), Missions must document the satisfaction of pre-obligation (or pre-sub-obligation) requirements.

President's Emergency Plan for AIDS Relief (PEPFAR): The Office of the Global AIDS Coordinator (OGAC) has authority over planning and approval of PEPFAR funds programmed through the annual Country Operational Plan (COP) process. However, PEPFAR activities should also be approved through a multi-year approval document if they are intended to be longer than one year in length. If a PEPFAR-funded activity contributes to a multi-sector project (i.e., PEPFAR plus any other sector, including

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health), its design must be approved through an AAM (see [ADS 201mai, Activity Approval Memorandum Template](#)).

201.3.3.4 Waivers for Missions

Effective Date: 09/07/2016

The project design process is Mission-driven, and Mission Directors have the authority to waive approval of activities—either standalone activities or multiple complementary activities—when:

- The established exemption criteria are not met, and
- The urgency of responding to short-term or unforeseen circumstances requires a substantial deviation from standard requirements.

The waiver must be documented through an Action Memorandum, signed by the Mission Director, that briefly describes the justification for the waiver. An AAM (see [ADS 201mai, Activity Approval Memorandum Template](#)) should be used to approve such activities.

201.3.3.5 Guidance for Washington OUs that Expend Program Funds

Effective Date: 09/07/2016

Washington OUs should approve the design of Washington-funded and managed activities in an AAM (see [ADS 201mai, Activity Approval Memorandum Template](#)), depending on whether activities or sets of activities constitute a “project” with multiple mechanisms contributing to a higher-level outcome or a standalone mechanism not associated with a project.

The OU must follow the guidance in **201.3.3.9** through **201.3.3.14**, with adaptations as appropriate and necessary. The OU should use sector strategies or other relevant multi-year strategic frameworks to define the Project Purpose at a level that requires the contributions of multiple complementary activities.

Regardless of the type of memorandum used to approve the activity, Washington OUs must follow the activity guidance in **201.3.4** and document the satisfaction of pre-obligation and instrument-specific requirements.

201.3.3.6 Mission Concurrence for Washington- or Regional Mission/Platform Funded Activities

Effective Date: 06/20/2017

Washington Operating Units and Regional Missions/platforms may fund and manage activities implemented in countries under the jurisdiction of a USAID Mission. However, before initiating implementation of such activities, the WOU/RM must obtain

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concurrence from the responsible Mission Director, or their designee. When possible, concurrence should be obtained during activity design. If the country is not identified at the time of design, concurrence must be obtained as early as possible, whether it be during the solicitation process or prior to the start of implementation. Both the Washington OU or the Regional Mission/platform and the bilateral Mission must document concurrence. In addition, these activities should ideally support results in the bilateral Mission's strategy (see [ADS 201man, Process for Obtaining Mission Concurrence for Washington and Regional Mission Funded Activities](#) for additional information on this requirement).

201.3.3.7 Project-Design Considerations

Effective Date: 03/10/2020

Missions must plan for and address, as applicable, the following considerations when designing or amending projects.

Missions Without an Approved CDCS: Pursuant to **201.3.2.4**, not every Mission is required to have a CDCS. However, this does not exempt a Mission from the project design process defined in this chapter. In the absence of a CDCS, Missions should use preliminary Results Frameworks, sector strategies, or other relevant multi-year frameworks to define the Project Purpose at a level that requires the contributions of multiple complementary activities. Missions may consider expanding the Project-Design Plan (PDP) in the first phase of the project design process to better describe the rationale for the Project Purpose and alignment with relevant Agency policies and strategies (see **201.3.3.11**).

Unsolicited Proposals and Applications: Unsolicited proposals and applications should only be considered when they support results in a Mission's strategy. Missions should incorporate these activities into the relevant AAM, whether as initially approved or as amended, as soon as practical. (See [ADS 302](#) and [ADS 303](#) for additional guidance on unsolicited proposals and applications respectively.)

Approaches that Support Innovation, Co-Creation, and/or Co-Design: Missions should use approaches that support innovation, co-creation, and/or co-design – such as Broad Agency Announcements (BAAs) or Annual Program Statements (APSs) or agreements derived under such approaches – as much as possible.

Field-Support Mechanisms: "Field support" is defined as a mechanism managed by a Washington OU that Missions access using Operating Year Budget (OYB) transfers. While Washington maintains the managerial lead for these agreements, Contracting Officer's Representatives/Agreement Officer's Representatives (CORs/AORs) typically work closely with the Mission to ensure successful collaboration. In addition, the Mission is responsible for documenting the satisfaction of pre-obligation (or pre-sub-obligation) requirements. For these reasons, field support activities are considered to be field-based activities in this guidance, and the decision to access and design for field support

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must support intended outcomes in a Mission’s project design. There are certain PEPFAR-funded activities, as described in **201.3.3.3**, that qualify for an exemption to this rule.

Program Assistance: Program Assistance, historically known as Non-Project Assistance, is a generalized resource transfer, usually in the form of foreign exchange, to the recipient government based on meeting defined benchmarks or performance indicators that are not based on cost. With the exception of cash transfers and sovereign bond guarantees (see **201.3.3.3**), Program Assistance must be approved through an AAM (see [ADS 201mai, Activity Approval Memorandum Template](#)). Guidance on using Program Assistance is evolving. Therefore, it is recommended that Missions that are considering using Program Assistance consult with PPL/SPP prior to initiating the design process.

Projects or Activities with a Counter-Trafficking in Persons (C-TIP) Component: [The Trafficking Victims Protection Reauthorization Act of 2003](#) requires USAID to share information on all planned projects or activities containing a significant anti-trafficking component with the interagency Senior Policy Operating Group (SPOG) before a final Agency decision is made and after an award is made (see [Mandatory Sharing of Projects or Activities with a Significant Counter Trafficking-in-Persons Component to the Senior Policy Operating Group \(SPOG\)](#) for additional guidance).

Activities with an Information Technology (IT) Component:

1. **IT Investments for Agency Use.** Pursuant to the [Federal Information Technology Acquisition Reform Act \(FITARA\)](#), [ADS 509, Management and Oversight of Agency Information Technology \(IT\) Resources](#), and [ADS 300, Agency Acquisition and Assistance \(A&A\) Planning](#), Missions and Washington-based Operating Units must request approval from M/CIO for IT components intended for Agency use in any planned projects or activities. Examples of IT for Agency use include a monitoring and evaluation system used for program evaluation and reporting, a prepositioning application for managing food delivery to host countries, and a tracking and management tool used for processing FSN job applications.

Project and activity planners must engage M/CIO as soon as an IT component for Agency use is identified. If IT for Agency use is identified in the acquisition planning stage, planners must obtain approval from the CIO prior to submitting the requisition into Global Acquisition and Assistance System (GLAAS). The requirement for M/CIO’s approval also applies during the performance of the contract as IT may be identified after the contract is awarded. Submit requests for M/CIO approval for IT components to ITAuthorization@usaid.gov.

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More information about Agency policy and procedures for acquiring IT resources can be found in [ADS 509](#) and [AAPD 16-02 Revised](#).

2. **IT Investments for Host Countries.** M/CIO approval is not required for IT procured for host countries. Examples of IT procured for host countries include health information management systems procured for the government of a host country and personal computers procured for schools in another host country.

201.3.3.8 Project-Design Process

Effective Date: 09/07/2016

There are two general phases to the development of a project design. In Phase One, the Mission defines the preliminary purpose of the proposed project and a roadmap of the analytic, and other, steps necessary to complete the design. This phase concludes in an approved PDP. In Phase Two, the Mission completes key analyses and synthesizes these analyses into a theory of change and associated implementation plan, which includes a brief description of the family of activities that will execute the project design.

The Mission Director approves the project design through a brief Approval Memorandum. This Memorandum provides approval to proceed with the design of activities for which certain minimum planning criteria, described in **201.3.3.13**, have been satisfied. During the project design process, some Missions may opt to concurrently initiate the process of designing activities before final approval. This is encouraged, where feasible, in order to minimize lead times and ensure activities are fully aligned with the project. However, the intention to design activities concurrently during the project design process must be included in the PDP. In addition, Missions must follow procedures defined in **201.3.4** and document the satisfaction of relevant pre-obligation (or pre-sub-obligation) and instrument-specific requirements.

Although the project design process described in this chapter defines a common methodology for all project designs across all Missions, not every project will be designed with the same investment of time and resources. Each project design is unique, and Missions have significant discretion to customize the process to meet the needs of each particular project.

201.3.3.9 Project-Design Team

Effective Date: 09/07/2016

The Project-Design Team (hereinafter the “Project Team”) and its leader must be defined at the inception of the project design process. The Project Team should be a multi-disciplinary group from across the Mission to ensure that there is alignment and consistency among the technical, managerial, and budgetary facets of the project and that the appropriate level of human and financial resources is deployed to carry out the design work.

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Missions have the authority to organize their staff to most efficiently carry out the project design process within certain common parameters:

- The Mission Director (or designee), in consultation with the appropriate DO Team Leader (or staff with similar function if there is no DO Team), should designate the Project Team Leader.
- The Project Team should include staff from the lead technical office(s), the Program Office, OAA, and OFM, as well as the RLO and other technical staff as appropriate. The MEO and Mission Gender Advisor/POC should also be members of Project Team. Because monitoring and evaluation is a critical aspect of project design, the team should include a monitoring and evaluation specialist.
- In addition to USAID Mission staff, the Project Team may include participation by members of the country team, other USAID Missions, and Washington OU staff.
- Where appropriate, and as available, cross-cutting technical advisors and POCs in the Mission—including but not limited to the Climate Integration Lead; the Mission Engineer; the Mission Economist; the Lesbian, Gay, Bisexual, Transgender, and/or Intersex (LGBTI) focal point; and others—should participate on the team.
- If the Mission is considering possible use of direct assistance to the partner government (G2G), it should have established a Partner Government Systems (PGS) Team under the leadership of the Controller, and completed a PFMRAF Stage 1 Rapid Appraisal by Phase Two of the CDCS development process (see **201.3.2.8**). Since the outcome of the Stage 1 appraisal should be taken into consideration early in the project design process, members of the PGS Team must be integrated into the Project Team. Missions must complete the PFMRAF Stage 2 Risk Assessment, the Approval to Use Partner Government Systems (AUPGS), and other requirements during the initial design process, or subsequent to initial approval through an amendment process.
- Since engaging local development actors from the beginning of a project design process is essential to facilitate local ownership, Missions should consider including key actors in an extended Project Team to inform the design process. Key actors often include individuals associated with the partner country government, private sector, think tanks, universities, and other local organizations. The Contracting Officer/Agreement Officer (CO/AO) and RLO should provide guidance to the team to mitigate potential conflicts of interest, where applicable.

201.3.3.10 Preparing for the Project-Design Process

Effective Date: 09/07/2016

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Before officially launching the project-design process, a Mission must ensure that it has reviewed previous plans and analytical work so it can build on this base and avoid duplication of effort. This includes reviewing analyses that were conducted during the CDCS process, as well as the Annex of Existing and Planned Projects in the CDCS in which the project was initially identified (see **201.3.2.8**). It also includes consolidating relevant lessons learned from analyses, reviews, evaluations, or portfolio reviews from prior projects or activities.

201.3.3.11 Phase One: Project-Design Planning

Effective Date: 10/29/2018

During Phase One, the Mission defines the preliminary purpose of the proposed project and outlines the analytic and other steps necessary to complete the design. Faced with potential multiple design processes in the same timeframe, this phase also provides Mission management an opportunity to decide which of these designs will benefit from the most significant investment of staff time and financial resources. Phase One concludes in an approved PDP.

The PDP may take the form of a memorandum or a PowerPoint presentation. If a memorandum format is used, it should not exceed 5-10 pages, with length depending on the complexity of the design process.

The PDP is intended to be a roadmap, not a preliminary project design; however, there may be instances when Mission management wants additional detail. This is a Mission decision based on the circumstances of the particular project design. At a minimum, the PDP must include the following sections:

- Preliminary Project Purpose,
- Plan for Engaging Local Actors,
- Plan for Conducting Analyses,
- Plan for Considering Possible Use of G2G (if applicable),
- Preliminary Estimate of the Total Amount of USAID Funding,
- Project Design Schedule and Estimated Cost, and
- Activities Scheduled for Concurrent Design (if applicable).

A. Content of the Project-Design Plan (PDP)

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

Preliminary Project Purpose: This section defines the Project Purpose, which is the key result to be achieved by the project. This Purpose must support a result or set of results in the Mission’s CDCS Results Framework, and it will often align with an IR in this Framework. It also must be defined at a level of ambition that is judged to be attainable given the Mission’s resources, staff, and influence.

The Project Purpose is typically a reframing of the development problem to the change or result to be achieved. For example, a problem of "high infant mortality" would be reframed as a result of "infant mortality reduced." Since understanding the problem is an iterative process that is likely to continue to be refined as a result of the analytic and engagement work during the subsequent design process, the Project Purpose is considered “preliminary” in the PDP.

This section should also establish boundaries to clearly delineate what is inside and what is outside the project context (or “local system”) in which the project will occur. Making choices about the project’s scope of action – based on an initial understanding of the problem – is critically important to sharpen the team’s focus and enable the Mission to appropriately define the analyses to be incorporated into the design process.

Plan for Engaging Local Actors: This section outlines a strategy for ensuring inclusive, meaningful, and consistent engagement with key local actors throughout the project design and/or implementation process for purposes of promoting sustainability through local ownership. Local actors include organizations or individuals and entities in the local system—such as the partner country government, civil society, the private sector, and others—who jointly produce outcomes that affect achievement of the Project Purpose. Building sustainability and local ownership into the subsequent project design and implementation should be based on an understanding of these actors, their interrelationships, and the incentives that guide them. Use of sector or stakeholder mapping, Requests for Information (RFIs), conferences, surveys, social media, etc. may be helpful to ensure that this engagement process captures the full range of actors important to project outcomes (see [Discussion Note: Implementing Local Ownership](#) for additional guidance).

Plan for Conducting Analyses: This section discusses how the mandatory analyses will be conducted and what additional analyses are essential to understand the theory of change underlying the project. This section should also address the balance between the time and cost of the proposed analyses and the size and complexity of the development challenge to define an appropriate analytic agenda. In order to avoid overly detailed, up-front planning that could rapidly become obsolete, the Mission may decide to defer certain non-mandatory analyses to later during implementation to ensure that information is received at the best moment to inform decision-making.

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Mandatory analyses include gender, environment, climate risk, and, where applicable and appropriate, analyses associated with the use of direct agreements with partner governments (see **201.3.3.12** for additional guidance on these analyses). Other analyses—such as [political economy analysis](#), [cost-benefit analysis](#), [inclusive development analysis](#), and conflict analysis—are often very helpful in illuminating the context and identifying potential entry points to affect change.

Plan for Considering Possible Use of G2G (if applicable): This section recommends whether the Project Team should consider the use of direct agreements with the partner government during project implementation. The decision to consider the use of partner government systems triggers a number of additional analyses; therefore, Missions will need to plan for this early in the design process.

If a PFMRAF Stage 1 Rapid Appraisal has not been completed, a direct agreement with the partner government should not be considered as part of the project design process, except when the estimated amount of USAID assistance is less than the applicable threshold (currently \$750,000), or a waiver has been approved (see [ADS 220](#) for additional guidance).

If a PFMRAF Stage 1 Rapid Appraisal has been completed, this section should discuss whether the time and cost of completing a full risk assessment, including a PFMRAF Stage 2 Risk Assessment, AUPGS, and requirements related to Section 7031 of the annual Appropriations Act, are reasonable and appropriate given the government's role in achieving and sustaining project outcomes. In cases where the use of direct agreements will be considered during the project design process, this section may include a plan to complete the additional analyses. Alternatively, the PFMRAF Stage 2 Risk Assessment and other requirements may be deferred to later during implementation when adequate information is available. Adequate information includes the type of implementing mechanism, budget, required systems, and flow of funds. I

Preliminary Estimate of Total USAID Project Budget: The total USAID project budget should be estimated, recognizing that this is essentially a resource availability estimate and not a project cost estimate.

Project-Design Schedule and Estimated Cost: To ensure adequate human and financial resources for the project design, this section should describe an overall project design schedule, including estimated times for completing identified analyses and other components of the design, as well as an estimated cost for completing the design process (e.g., estimated cost of temporary duty travel for Washington technical staff, in-country travel by Mission staff, contract cost for completing a PFMRAF Stage 2 Risk Assessment or other institutional assessment, etc.). This estimated cost is for planning purposes and does not

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require an amendment to the PDP if actual costs are higher than originally estimated.

Activities Scheduled for Concurrent Design (if applicable): This section briefly describes any activities that the Mission intends to concurrently design during the project design process. This is encouraged, where feasible, in order to minimize lead times. Missions must also follow procedures defined in **201.3.4** and document the satisfaction of relevant pre-obligation (or pre-sub-obligation) and instrument-specific requirements.

B. PDP Review and Approval

Upon completion, the PDP should be distributed and reviewed in a meeting (normally Mission-wide) chaired by the Mission Director or designee. In most cases, the Program Office will orchestrate the review meeting and draft an Issues Paper based on input from involved Mission offices.

Significant issues to be discussed and resolved during review of the PDP could include:

- Is the preliminary Project Purpose defined at a level of ambition that is likely to be attainable given the Mission’s resources, staff, and influence?
- Will the plan for identifying and engaging local actors facilitate broad, meaningful, and consistent engagement to ensure a design that supports local ownership and longer-term sustainability of outcomes?
- Does the proposed analytic agenda reflect an appropriate balance between the time and costs of the analyses with the size and complexity of the development challenge being addressed?
- If G2G is being considered, is the time and cost of completing all required assessments reasonable and appropriate given the government’s role in achieving and sustaining project outcomes?
- Is the preliminary estimate of the total USAID project budget realistic and sufficient given the complexity and size of the development challenge?

After adjustments are made to the draft PDP as a result of the Mission review, the Program Office should prepare an Action Memorandum for Mission Director approval authorizing the team to move to the project design phase. The memorandum should provide any necessary guidance to the Project Team on the conduct of the project design process, questions, or issues to be answered during the process, and any other factors to be taken into consideration by the

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team. The memorandum may also plan check-in(s) with Mission management, particularly for large projects involving a significant amount of resources.

201.3.3.12 Phase Two: Project Design

Effective Date: 10/29/2018

In Phase Two, the Mission develops a theory of change—a description or illustration of how and why the Project Purpose is expected to be achieved in the project context—along with an associated implementation plan to facilitate its execution. This theory should be developed based on an understanding of the project context, an assessment of the development problem, and a review of evaluations and other mandatory and non-mandatory analyses. With these analytics underpinning the design, the selected theory of change and associated approach for its execution are ultimately approved in an [PAD].

The process of developing the theory of change should be a participatory process involving broad engagement with local stakeholders and a series of dynamic critical-thinking exercises to examine the body of evidence, draw out different viewpoints, and reach consensus on the best possible approach given the available information. This process requires both time and open and honest reflection from across the Project Team, as well as any stakeholders on the expanded team.

The Project Team must provide a snapshot of the theory of change in a logic model that is included as an Annex to the [PAD]. The logic model is a graphic or visual model that organizes and depicts the team's thinking on the logical relationships between what the project will do and the changes it expects to see. This is not an exact representation of the theory, but a simplified snapshot, and should normally be presented on one page so that it is easy to see the theory and the linkages. Missions may choose from a range of logic models, depending on the project and its context.

During implementation, it is expected that the theory of change will evolve. Therefore, the initial theory is not intended to define a rigid implementation plan, but to provide an organizing framework that should be updated as new evidence emerges, circumstances change, and tactics require adjustments. To this end, the Project MEL Plan should define a learning plan to fill gaps in technical knowledge and inform adjustments during implementation. In most cases, these informal updates may be made at the working level, without formal amendments to the [PAD].

Ideally, the [PAD] that captures the project design should not exceed ten pages—depending on the project's complexity and the number of activities it encompasses—excluding Annexes. The [PAD] must include the following key sections, which are described in further detail below:

- Project Purpose;

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- Context;
- Relationship to the Mission's CDCS (or Other Strategic Plan);
- Project Description;
- Other Leveraged Resources;
- Summary of Conclusions of Analyses;
- Management and Implementation Plan:
 - Activity Plan; and
 - Project Management Approach;
- Project MEL Plan:
 - Monitoring;
 - Evaluation; and
 - Learning;
- Financial Plan.

The following are required Annexes to the [PAD]:

- Project Logic Model,
- AUPGS (applicable for G2G activities)

A. Content of the [PAD]

[PADs] must include the following brief sections:

Project Purpose: This section defines the Project Purpose – which is the key result to be achieved by the project – along with at least one performance indicator to measure progress toward the Project Purpose. The Project Purpose must be defined at a level of ambition that is judged to be attainable given the Mission's resources, staff, and influence (see **201.3.3.12** for additional guidance on defining the Project Purpose).

Note: In many cases, the Project Purpose may have been further refined from the preliminary purpose articulated in the PDP as a result of the analytic work or other evidence gathered during the design process.

Context: This section examines the root causes underlying the development problem, including how the interests, perspectives, and interdependencies of key actors in the local system affect the problem. It may also identify circumstances

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or conditions in the operating context that may affect project outcomes, particularly those that are likely to change over the course of implementation and will need to be monitored. Tools and methods for deepening understanding of the context include the problem tree, stakeholder analysis, the 5Rs approach, systems diagrams, situation models, political economy analysis, and force field analysis, among others. For more information on the 5Rs approach, see [The 5Rs Framework in the Program Cycle](#).

Relationship to the Mission's CDCS: This section describes how the project supports the Mission's Results Framework. In many cases, the Project Purpose will align with a single result in the Results Framework, often at the IR level; however, it is not always a one-to-one relationship.

Project Description: Based on the analyses and other supporting evidence, this section presents the project's theory of change, describing the team's understanding of how the process of change is expected to take place and how USAID intends to directly and/or indirectly work to influence these changes. This theory should be located in the larger context or system in which the project will operate to identify possible actions that can help improve the system and change the behaviors of actors who influence it to ensure the sustainability of project-level outcomes.

This section should also identify critical assumptions regarding the conditions, behaviors, or critical events outside the control of the project that must hold true for results to be achieved. In addition, there are often risks in the project context that are outside the control of the project but could have negative consequences on the achievement of project outcomes. These assumptions and risks should be explicitly identified since they form part of the theory of change regarding the conditions under which change is expected to occur, and they should be monitored using context monitoring methods described in **201.3.5.5**.

Note: The Project Description complements the Project Logic Model, which is annexed to the [PAD] and provides a snapshot of the theory of change through an illustration or graphical display.

Other Leveraged Resources: This section describes how the design supports local ownership, and facilitates financial and non-financial resources from local actors, to increase the likelihood that Purpose-level outcomes will be sustained over time. Local actors may include the partner country government, the private sector, non-governmental organizations (NGOs), and others.

In addition, this section describes resources from other donors that are expected to have a material effect on the success of the project. Other donors may include development assistance agencies, international NGOs, and multilateral organizations, among others.

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Summary of Conclusions from Analyses: This section summarizes the high-level conclusions of the various analyses, assessments, or evaluations commissioned or consulted during the design process. It also explains how the findings have informed the project design and/or will affect subsequent implementation. There are a number of required analyses which are described below; however other analyses—like [political economy analysis](#), [cost-benefit analysis](#), [inclusive development analysis](#) and conflict analysis—may be needed to make design decisions. The Mission may also defer some non-mandatory analyses to later during implementation to ensure that information is received at the best moment to inform decision-making. Required analyses include:

- **Environment:** Missions must follow the requirements in [22 CFR Part 216](#) for environmental analysis. In most cases, the responsible officer will conduct an environmental review; however, additional analysis may be needed at the activity level after [PAD] approval. If there is not enough information to complete the environmental review, the [PAD] must state that the environmental review has been deferred and estimate the amount of time required to complete the environmental review, as well as the reasons for deferral. See [22 CFR Part 216](#) and [ADS 204, Environmental Procedures](#) for additional guidance.
- **Gender:** Missions must follow the requirements in [ADS 205](#) for gender analysis to provide insights about gender gaps and identify possible entry points or opportunities to address gender equality in the project design. The analysis should build upon and/or update the analysis conducted for the CDCS.
- **Climate Risk:** Pursuant to [Executive Order 13677](#), Missions must assess climate-related risks and vulnerabilities in all programs and address them as appropriate. For projects that fall under a screened DO or IR that was rated low risk, a statement to this effect must be included in the [PAD] narrative and the Summary of Conclusions from Analyses. For all other projects, additional analysis may be required, and the methodology and results of climate risk management must be documented in the [PAD] narrative, the Summary of Conclusions from Analyses, and the project's environmental compliance analysis (e.g., IEE), if applicable (see requirements in [ADS 201ma, Climate Risk Management for Projects and Activities](#)).
- **Analyses associated with use of direct agreements with partner governments (if applicable):** There are additional requirements when a Mission intends to use direct agreements with governments as part of project implementation. These requirements include the PFMRAF Stage 2

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Risk Assessment as well as the institutional assessment and other requirements defined in Section 7031 of the annual Appropriations Bill. Since the requirements under Section 7031 may change annually, the Project Team must consult with their RLO for updated requirements, if applicable.

Project Management and Implementation Plan: This section describes the set of activities and management structures that the Mission will use to put the design into action. The plan has two sections:

- **Activity Plan**: This subsection describes the set of activities, both ongoing and new, that will be used to implement the project. These activities include programmatic activities, as well as MEL activities that support the project. This sub-section also presents a time-phased schedule of activity design and procurement, focusing especially on the first year following approval. In developing this plan, Missions should think creatively about how they can most strategically use the broad range of tools at USAID to achieve and sustain results. Two broad types of activities should be considered and incorporated into this plan:

(1) Ongoing Activities: The Activity Plan must consider and incorporate, where appropriate, the portfolio of ongoing awards or agreements that support achievement of the Project Purpose. This should include a description of any amendments/modifications or work plan adjustments that may be needed to make these mechanisms more fully aligned with the project. The team should consult with the CO/AO and RLO to confirm the feasibility of planned changes.

(2) New Activities: The Activity Plan must also identify all new activities that will be implemented in support of the Project Purpose. This includes activities that will be implemented through a legal agreement with a third party. It also includes any non-agreement-based activities to be undertaken directly by USAID staff, such as policy dialogue, organizational capacity development, private sector engagement, and technical support in financial management.

During the project design process, some Missions may opt to concurrently initiate the process of designing activities described in this sub-section. This is encouraged, where feasible, in order to minimize lead times. However, the intention to design activities concurrently during the project process must be included in the PDP. In addition, Missions must follow procedures defined in **201.3.4** and document the satisfaction of relevant

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pre-obligation (or pre-sub-obligation) and instrument-specific requirements.

Often, the Mission will not be able to anticipate all activities over the life of the project in the initial iteration of this sub-section. If a new agreement-based activity is proposed after the initial [PAD] is approved, the Mission must amend the [PAD] to include it (see **201.3.3.16** regarding amendments to the [PAD]).

- **Project Management Approach**: This subsection defines the roles and responsibilities of Mission staff during project implementation and any supportive management approaches to facilitate greater collaboration and integration. The approach should describe the role of the Project Manager (see **201.3.3.14**), including its relationship to the DO Team Leader (if applicable), the roles of CORs/AORs/other managers of activities, technical office directors, and staff from other relevant offices. It may also describe approaches to support inter-office collaboration, stakeholder engagement, and coordination between implementing partners, among other approaches. If the capacity of key Mission offices needs to be expanded, this section should provide a plan for building that capacity.

For additional guidance, see [ADS 201sac, Project Management and Implementation Plan Template](#).

Project MEL Plan: This section describes how the Project Team plans to collect, organize, analyze, or apply learning gained from monitoring and evaluation data and other sources. In preparing the required Project MEL Plan, the Mission should review the Mission's PMP.

The Project MEL Plan must be developed during the project design process and updated during project implementation. At a minimum, the initial plan must include:

- **Monitoring**: This subsection provides a description of how the Project Team will monitor progress toward planned results and how it will monitor conditions outside the control of the project that may affect implementation. It must include:
 - At least one performance indicator to monitor progress toward achievement of the Project Purpose, as well as other key project performance indicators to monitor progress toward achievement of significant and relevant expected project outcomes below the Project Purpose that are necessary for managing the project;

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- Baselines and end-of-project targets for each performance indicator included in the Project MEL Plan, or a plan for collecting baselines and setting targets;
 - A description of any other planned efforts for monitoring progress toward achievement of intended project outcomes (e.g., site visits, key stakeholders interviews, periodic qualitative monitoring reports, etc.).
 - A description of any context monitoring efforts (including specific context indicators) for monitoring assumptions and/or risks in the operational context that are outside the project's control and could have a significant effect on project outcomes.
- **Evaluation:** This subsection provides a summary description of performance or impact evaluations that will be conducted during or after implementation of the project, including both required and non-required evaluations. It must also identify and describe any evaluations that will be conducted to fulfill evaluation requirements described in **201.3.5.13**. It is particularly important that expected impact evaluations be planned at this stage to ensure that relevant activities being evaluated are designed to accommodate parallel implementation of the evaluation.

In developing the project evaluation plan, Missions should consider not only evaluations of individual activities, but also evaluations salient to overall project management. Such evaluations may address, for instance:

- The project's theory of change;
- Issues that cut across activities;
- Local ownership and sustainability of results achieved after the end of projects or activities; and
- The extent to which projects or supportive activities have transformed gender norms and reduced gender gaps for men and women across diverse groups.

This sub-section should also describe situations that would serve as a trigger for an unplanned performance evaluation, e.g., under-performing indicators or changes in project assumptions or risks.

- **Learning:** This subsection describes how the Project Team will generate and apply new knowledge and learning during project implementation. It

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describes gaps in knowledge identified as part of project design and outlines a plan to fill those gaps and generate useful and actionable insights to inform implementation. The learning plan should reflect relevant information from the CLA plan in the Mission PMP. A plan for using monitoring data and evaluations and for implementing practical activities or steps for exploring knowledge gaps—such as through evaluations, periodic partner meetings, learning networks, pilot activities, use of monitoring data, and/or topical communities of practice—should also be described, as well as how the project will apply learning to manage adaptively.

Missions and Washington OUs must also consider funding requirements for monitoring, evaluation, and learning efforts outside of programmatic activities and account for them accordingly in the Financial Plan.

See [How-To Note: Project Monitoring Evaluation and Learning Plan](#) for additional guidance.

Project Financial Plan: This section presents a high-level financial plan, by fiscal year and by activity, based on the best available information at the time of developing the [PAD]. More detailed cost estimates or budgets for each activity, using more rigorous techniques, will be required before an activity can proceed to solicitation or agreement. All resources, including the anticipated match from assistance awards, partner country government counterparts, private sector contributions, other donors, etc., should be included if they are relevant to the project. In addition, the plan should account for any program-funded project management costs, including costs for monitoring, evaluation, and learning not included in other programmatic activities (see [ADS 201sab, Project Financial Plan Template](#)).

B. Required [PAD] Annexes

Project Logic Model: This annex presents a logic model—a graphic or visual display of the project’s theory of change—to show the logical relationships between what the project will do and the changes it expects to affect. The logic model is not intended to be an exact representation of the theory of change, but a simplified snapshot or approximation to be used for purposes of planning, implementation, performance monitoring, and communication. As such, the model is often presented on one page so that it is easy to see the theory and the linkages. A widely used type of logic model is the logical framework matrix, or LogFrame; however, Missions are encouraged to use the logic model type the best fits their needs (see [How-To Note: Developing a Project Logic Model](#) (and its Associated Theory of Change for additional guidance).

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Approval for Use of Partner Government Systems (AUPGS) (applicable for G2G activities): This Annex approves the use of partner government systems. The AUPGS documents the due diligence requirements and associated fiduciary risk mitigation plan for using G2G, establishes USAID's and the partner government's fiduciary risk management strategy, and provides guidelines for implementation.

C. Minimum Criteria for Activity Approval

As described in **201.3.3.9**, the [PAD] provides approval to proceed with the design of activities for which certain minimum planning criteria have been satisfied. These criteria are described below. Activities approved for design in the [PAD] must also comply with policies and procedures in **201.3.4**. The process required for clearance of such documents is at the Mission's discretion; however, Missions document the satisfaction of pre-obligation (or pre-sub-obligation) requirements.

The minimum criteria for approving activities in the [PAD] are:

- (1) A brief activity description (typically 1–2 paragraphs), which should include the activity purpose and other key outcomes or performance targets to be achieved.
- (2) A brief description of how the activity purpose and other intended activity outcomes will support achievement of the Project Purpose.
- (3) Preliminary identification of instrument, to be identified in consultation with the CO/AO, RLO and/or Controller, based on the purpose of the activity and the types of tools that are likely needed to achieve activity outcomes (e.g., A&A awards with a local or international partner, Development Credit Authority (DCA) guarantees, public-private partnerships, a G2G agreement, pooled funds, trilateral cooperation, etc.). The final decision on A&A instruments must be undertaken in accordance with [ADS 304](#) and **201.3.4.5**. In order to minimize pipelines and delays, the Mission should assess and review absorptive capacity if contemplating awards to local entities.
- (4) A preliminary budget estimate, which will provide a guiding, but non-binding, parameter for the more detailed Independent Government Cost Estimate (IGCE), in the case of acquisition awards, or budgets for many other types of assistance to be developed during activity design. The estimated cost of the activity will also give an early indication of the potential need for a Senior Obligation Alignment Review (SOAR) (see [ADS 300](#)).

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For G2G activities, Missions must also complete additional analyses and documentation within the [PAD] to attain the approval required to proceed with the preparation and negotiation of a G2G agreement. Requirements include: 1) the PFMRAF Stage 2 Risk Assessment; 2) the AUPGS; and 3) other analyses defined in Section 7031 of the annual Appropriations Act, such as an assessment of the implementing agency or ministry's necessary technical, financial, and management capabilities. Since the requirements under Section 7031 may change annually, the Project Team must consult with their RLO for updated requirements.

These analyses often require a substantial level of detail about the outcomes expected from the activity and the entity(ies) who will be implementing that activity. Therefore, it may be reasonable for a Mission to defer completion of these analyses until after initial [PAD] approval and subsequently amend the [PAD] when these analyses are completed.

D. [PAD] Review and Approval

The final review of the [PAD] should follow the same procedures used for the PDP in Phase One of the project design process. The [PAD] should be circulated to relevant Mission offices and reviewed in a meeting chaired by the Mission Director or designee. In most cases, the Program Office will orchestrate the review meeting and draft an Issues Paper based on input from involved Mission offices. Key issues to consider could include:

- Does the theory of change present a plausible, feasible, and testable approach for achieving the Project Purpose?
- To what extent does the Management and Implementation Plan, including its family of proposed activities, present a realistic and operational approach to put the project design into action?
- To what extent does the project approach support local priorities, leverage local resources, and rely on local actors to implement activities?
- Is the Project MEL Plan sufficiently defined to facilitate adaptive management supported by continuous learning?
- Is the total USAID project budget realistic given budget projections in the CDCS and other guiding criteria, and is it sufficient to implement the design and achieve the Project Purpose?

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After adjustments are made to the draft [PAD] as a result of the Mission review, the Program Office or their designee must prepare a [PAD] Approval Memorandum for Mission Director approval authorizing the team to move from the planning stage to implementation. Approval does not reserve or commit funds (see [Project Approval Memorandum Template](#) for a customizable example).

The Approval Memorandum should be brief and include the following:

- A brief statement of the Project Purpose, the completion date of the project, and the total USAID project budget.
- A list of activities that are “approved” based on satisfaction of the required minimum planning criteria in **201.3.3.12**. Approval authorizes the Mission to proceed with the design of activities in accordance with **201.3.4**.
- Any additional instructions to Mission staff on the conduct of subsequent activity design processes, such as questions to be answered or factors to be taken into consideration. This memo may also provide additional guidance on processes, clearances, and/or documentation for supportive activities required by Mission management.
- The [PAD], as an attachment.

The [PAD] Approval Memorandum must record final clearances from the RLO, the CO/AO (if A&A actions are contemplated), and the Controller, as well as involved technical office(s) and the Program Office. The Mission Director (or other official delegated the authority to approve the project) must sign the memorandum. The Mission may opt to add additional clearances at its discretion.

E. Requirement to Post Approved [PAD] on ProgramNet

Missions and Washington OUs must post all approved [PADs] to the Project Design Working Group (PDWG) on ProgramNet. Missions and Washington OUs should also post key analyses, such as the gender analysis. The PDWG can be accessed at <https://programnet.usaid.gov/working-groups/project-design-working-group>.

The PDWG is a group of Project Design practitioners within USAID, and the PDWG platform provides a protected space to post [PADs] and associated analyses and to share good practices with other colleagues in the group. Due to the procurement-sensitive nature of some information in the [PAD], the membership of this working group is limited to three POCs in each Mission and Washington OU as designated by the OU’s Supervisory Program Officer. The POCs are responsible for sharing relevant project design information and

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examples with others in their Mission or Washington OU on a need-to-know basis while protecting procurement sensitive information.

201.3.3.13 Project Implementation

Effective Date: 09/07/2016

Project implementation should be a cross-Mission effort and not be limited to the technical office(s). Missions have the authority to organize staff to most efficiently carry out project implementation within certain common parameters.

The Mission Director must designate a Project Manager or other responsible person to provide overall guidance and direction at the project level. The Project Manager may be an Office Director, Team Leader, or COR/AOR, among other options. This is a function in the Mission and not a formal supervisory position.

Duties and responsibilities of the Project Manager and associated team include, but are not limited to:

A. Oversight

- Providing guidance on how activities can work in the most complementary and synergistic manner. Joint work planning is one approach for supporting this process.
- Working collaboratively across the Mission (including, if applicable, with the DO Team Leader) to ensure that the project is contributing to CDCS objectives.
- Oversees implementation of the Project Management and Implementation Plan and Project Financial Plan.

B. Monitoring and Evaluation

- Ensuring the continuous collection and analysis of performance and contextual data to monitor progress toward the Project Purpose and detect changes in the operating context.
- Working with activity managers (CORs/AORs, etc.) to ensure that associated Activity MEL Plans are consistent with and meet the data collection needs of the Project MEL Plan.
- Updating the Project MEL Plan and PMP as appropriate to reflect changes or updates to project-level baselines, targets, or indicators.

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- Collaborating with the Program Office to plan and implement evaluations of activities within a project, evaluations of issues that cut across activities, and whole-of-project evaluations.

C. Learning and Adapting

- Facilitating collaborative learning, both internally in the Mission and among implementing partners, through periodic partner meetings, peer assists, learning networks, and/or topical communities of practice, among other means.
- Working with Agency experts to learn about new development practices and research so that work on the project always incorporates the best available approaches.
- Utilizing a diverse mix of approaches to engage local stakeholders contributing to project outcomes, not just for their knowledge and experience, but also for their understanding of networks, marketing expertise, distribution channels, and financial capital, among other benefits.
- Conducting targeted analyses and filling knowledge gaps as needed for improved decision-making.
- Using project- and activity-level monitoring, evaluation, and learning data to inform course corrections as needed. In many cases, this will require working with AORs/CORs, COs/AOs, and other activity managers to determine the most feasible approach for making adjustments (e.g., through technical direction, agreement modifications, or work plan changes).
- Periodically updating the [PAD], including the theory of change/logic model, the Project MEL Plan, and the Project Management and Implementation Plan, as appropriate (see **201.3.3.16**).
- Facilitating other amendments to the [PAD] as required in **201.3.3.16**.

In addition to these day-to-day roles, it is strongly recommended that Project Managers organize periodic project reviews to reflect on project progress. Like Mission-wide portfolio reviews, project reviews should be treated as prompts for decision-making to help ensure project progress.

201.3.3.14 Expirations and Extensions

Effective Date: 09/07/2016

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Projects expire on the date specified in the [PAD] Approval Memorandum, whether as originally approved or as amended. Any extension of a project greater than six months requires an amendment to the [PAD] Approval Memorandum.

In many cases, the life-of-project will not coincide with the life-of-CDCS; however, projects typically should not exceed ten years. In addition, Missions must assess its existing project portfolio as part of developing the subsequent CDCS to verify alignment with the new CDCS RF. In some cases, Missions will need to adjust or realign existing projects, or develop new projects, to ensure support for the new RF.

A project may be closed out before its designated end date if it does not align with the new RF or if a new project is being designed to replace it. In this case, activities under the former project should be incorporated into the new project if they contribute to the new Project Purpose.

201.3.3.15 Amending and Updating the [PAD]

Effective Date: 10/29/2018

A. Amendments

The [PAD] must be amended through an Action Memorandum approved by the Mission Director or designee under the following circumstances:

- (1)** An activity implemented through a legal instrument that was not anticipated in the [PAD] is added, or an activity contained in the [PAD] is eliminated. For added activities, the amendment must satisfy the minimum criteria for activity approval described in **201.3.3.13**.
- (2)** The estimated total amount of USAID funding for the project increases or decreases by a significant amount, as determined by the Mission.
- (3)** The estimated completion date of the project requires an extension of more than six months (e.g., when the end date of a new activity being added extends beyond the life of the [PAD]).
- (4)** Significant changes are made to the statement of Project Purpose, as determined by the Mission.
- (5)** Other changes deemed substantial by the Mission.

The process and documentation required for executing amendments, including further definition of triggers for amendment, if applicable, are at the Mission's discretion within certain common parameters. The process should be streamlined, efficient, and clearly articulated through a Mission/ Bureau Order or a Mission/

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Bureau Notice. The Action Memorandum itself should be brief and limited in scope; the decision whether to modify the underlying [PAD] is at the Mission's discretion. Approved Action Memorandums should be assigned a unique identification or control number.

For additional guidance on when and how to amend a [PAD], see [Technical Note: PAD Updates and Amendments](#).

B. Updates

Certain components of the [PAD] should be informally kept up-to-date as circumstances change and lessons are learned. These components include but are not limited to: 1) the Project MEL Plan, particularly around project-level indicators, baselines, and targets; 2) the theory of change or logic model; 3) the Project Management Approach; and 4) the Risk Mitigation Plan for G2G activities. Although updates may be made at any time, it may be reasonable for Missions to plan to systematically document changes or updates to [PADs] following project reviews.

Updates may be captured through simple revisions or a note to the file. Unless determined otherwise by the Mission, updates do not need to be formally cleared or approved by Mission management. However, the Project Team may need to inform the Program Office and/or other cognizant office(s) of certain revisions, particularly changes to the Project MEL Plan that may trigger updates to the PMP.

For additional guidance on when and how to update a [PAD], see [Technical Note: PAD Updates and Amendments](#).

201.3.3.16 Close Out

Effective Date: 06/20/2017

Within 90 days of the end of a project, Missions must summarize, in writing, progress toward achievement of the Project Purpose and end-of-project targets for key project performance indicators. Where the deviation between target result(s) and actual result(s) is significant (a deviation of 10 percent or more), the document should provide an explanation as to the Project Team's best understanding, based on existing materials and sources, of why this differential occurred. Reasons may include but are not limited to:

- (1) Errors underlying the theory of change revealed over the course of implementation;
- (2) Shifts in the operating context;

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- (3) Internal shifts in funding or priorities that required a re-scoping of the project design; and/or
- (4) An explanation of why end-of-status indicators did not adequately capture results actually achieved.

The close-out note should also provide a bibliography of evaluations, analyses, and other documents that capture key learnings over the course of the project. It may also highlight key lessons learned to be applied to subsequent country strategies and/or project designs. Clearances and approvals are at the Mission's discretion.

201.3.4 Activity Design and Implementation

Effective Date: 09/07/2016

Activity design is the process by which USAID further defines how it will implement an activity contributing to a project (or in limited cases described in **201.3.3.3**, a standalone activity not contributing to a project). An activity carries out an intervention or set of interventions, typically through an implementing mechanism such as a contract, assistance program, or partnership with another U.S. Government Agency, the partner country government, other donors and development assistance agencies, NGOs, and the private sector. It may also be an intervention undertaken directly by USAID staff that contributes to achieving a Project Purpose such as policy dialogue, capacity building services, or coordination with stakeholders. For activities implemented through an implementing mechanism or legal agreement, the activity design process typically culminates in a solicitation or the negotiation of an agreement.

Consistent with the principles of the Program Cycle defined in **201.3.1.2**, activities should not only be designed to achieve clear and measurable results, but also should be aimed at strengthening local systems so that local actors continue to sustain key results after the activity ends. USAID assistance should be designed to align with the priorities of local actors; leverage local resources; and increase local implementation over time to sustain positive changes. While highly encouraged (where practical and feasible), use of local systems is not just limited to direct funding of partner governments or local NGOs; it also includes building the capacity of partner government service providers or local NGOs, leveraging USAID's influence and convening power, facilitating local service delivery, and mobilizing domestic resources, among other tactics.

In addition to promoting local ownership, building opportunities for adaptive management into the design and implementation of activities is also critical to the success of USAID programming. Activities should be designed with sufficient flexibility so that they may be adjusted in response to emerging opportunities and knowledge. Activities should also explicitly resource efforts to fill knowledge gaps and strengthen the evidence base, as well as promote collaborative learning among implementing partners to inform adaptations during implementation.

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Pursuant to **201.3.3.3**, there are cases in which an activity may be a standalone mechanism and may not be associated with a project. This will typically be the case for Washington OUs. In these cases, the activity design and implementation guidance in this chapter still applies to ensure that activities meet planning, legal (including pre-obligation), and instrument-specific requirements prior to solicitation or agreement.

201.3.4.1 Mission and Washington Operating Unit Roles in Activity Design and Implementation

Effective Date: 09/07/2016

Activity design is an Agency and Mission-wide effort. In Washington, activity design is typically a collaborative effort between the lead technical office, the relevant Mission (if the country of implementation has been determined), the bureau program office, M/OAA, GC, the BEO, and cross-cutting advisors, such as for gender or climate change, where appropriate and as available.

For Mission-led design, the following functions are critical:

A. Washington Operating Units

Washington OUs provide guidance to Missions on policies and priorities; support Missions with technical expertise; ensure the implementation of Agency-wide sector strategies and initiatives; and provide field support, as requested, to Missions in support of the functions outlined in this section, including for analyses and the collection of other evidence needed to develop activity designs.

B. Mission Program Office

The Mission Program Office facilitates activity designs as necessary; reviews and provides guidance on activity design procedures, pre-obligation requirements, and the clearance process for activity packages; confirms that activities are aligned with their associated project; manages the budget planning process to ensure funds availability for activities; encourages collaboration between teams and between activities, projects, and the strategy; advises on non-A&A mechanisms and facilitates the preparation of documentation for such instruments; provides guidance on Mission procedures/policies for monitoring, evaluation and learning to ensure activities and projects are supporting project outcomes; manages 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.

C. Mission Technical Offices

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Technical offices typically take a lead role in designing activities (including, in the case of A&A activities, by providing a staff member to serve as the Activity Planner); collaborate with the partner country government and development actors in their technical sector to ensure alignment of activities with local priorities; assume activity management roles (COR/AOR, etc.) to carry out responsibilities specified in signed designation letters; and adaptively manage activities in response to learning and evidence to support achievement of project outcomes.

D. Mission's Office of Acquisition and Assistance

The Mission's Office of Acquisition and Assistance (OAA), serves as a business advisor providing guidance on how Missions can achieve intended outcomes with the Agency's broad range of A&A; reviews supporting solicitation documents prepared by the Planner and makes the final determination on the selection of instrument in the case of A&A instruments; ensures that Statements of Work (SOWs), Statements of Objectives (SOOs), Program Descriptions, and other documents associated with A&A are consistent with the selected type of instrument; solicits, negotiates, awards, and administers A&A awards; and advises CORs/AORs during implementation on how programmatic adjustments can be made where necessary to enable adaptive management, all in accordance with their delegated authority and within applicable statutes, regulations, and policies.

E. Mission's Office of Financial Management

The Mission's Office of Financial Management (OFM) oversees all financial management matters relating to Mission activities; plans and conducts pre-award financial management risk assessments for agreements with the partner country government and/or local organizations; reviews or provides guidance in developing cost estimates, where applicable; provides advice or assistance to strengthen the sustainable financial management capacity of the public and private sectors during implementation; maintains an integrated financial management system that complies with applicable requirements of Agency financial management systems; organizes periodic financial reviews; and monitors the financial execution of the Mission budget in relation to actual expenditures.

F. Mission's Executive Office

The Mission's Executive Office (EXO) is often responsible for the procurement of small activities, goods, and services under the simplified acquisition threshold, such as analyses, assessments, and other short-term support; oversees USAID staffing needs that support activity design and

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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.

G. Resident Legal Officer

The Mission's Resident Legal Officer (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 agreements with partner country governments and Public International Organizations (PIOs), as applicable.

H. Mission Environmental Officer

The Mission Environmental Officer (MEO) assists and advises activity design staff on how to conduct activity level environmental reviews, including those deferred in the project-level review, pursuant to Section 216 of Title [22 of the CFR](#) and [ADS 304](#); submits documents required by Section 216 of Title 22 of the CFR with their written determination for review and concurrence to the appropriate BEO in Washington; and advises on how to effectively monitor implementation of approved mitigation measures.

I. Mission Gender Advisor/Point of Contact

The Mission Gender Advisor and/or Gender Point of Contact (POC), where applicable, provides guidance to staff identified in the Mission Order on Gender (see [ADS 205](#)) to ensure that findings and recommendations from the project-level gender analysis and any supplementary gender analyses are integrated in meaningful ways into the activity design and reflected in solicitation packages; ensures that activity-level performance indicators are, as appropriate, sex-disaggregated and/or gender-sensitive; collaborates with activity managers during implementation to monitor, evaluate, and learn from activities with regard to their impact on gender integration; and advises on any course corrections that could further close gender gaps and promote gender equality and female empowerment.

J. Crosscutting Advisors and Points of Contact in the Mission

Cross-cutting technical advisors and/or POCs include but not limited to the Climate Integration Lead, the Mission Engineer, the Mission Economist, sectoral focal points, and others as appropriate. Advisors and/or POCs take an active role in conducting, facilitating, or reviewing mandatory and non-mandatory analyses to provide insights about technical issues related to their

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respective areas of responsibility; and provide advice, guidance and follow-up on respective issues in the design and implementation of activities.

201.3.4.2 Applicability of Guidance for Activity Design

Effective Date: 06/16/2020

The activity design guidance in this section is applicable to both activities approved through a project design process as well as standalone activities, whether in Missions or in Washington OUs. However, there are specific exemptions from the activity design guidance in this section for certain categories of activities as defined below.

Emergency Food Assistance, Disaster Assistance, and Transition Assistance:

Certain activities targeted at preventing, responding to, recovering from, and transitioning from crisis are exempt. These activities include:

- (1) Natural and man-made disaster assistance managed by BHA,
- (2) Activities managed by the Office of Transition Initiatives (OTI) or activities funded by the Complex Crisis Fund (CCF) that are managed by Missions, and
- (3) Emergency food assistance managed by BHA.

Although these activities are exempt from the activity design guidance, USAID encourages Missions and Washington OUs to incorporate these into projects wherever feasible to facilitate better integration of with long-term development aid. Mission and Washington OUs may use OU-specific processes and documentation to approve these activities. However, pre-obligation (or pre-sub-obligation) requirements must still be reviewed and met for these activities.

Cash Transfers, Sovereign Loan Guarantees, and Enterprise Funds: The following types of activities are exempt from the activity design process in this section: 1) cash transfers designed to encourage policy reforms and provide balance of payments or budget support; 2) sovereign loan guarantees designed to provide host countries with access to affordable financing from international capital markets; and 3) enterprise funds that make direct equity investments and/or loans and other financial products to private enterprises. Missions and Washington OUs may use OU-specific processes and documentation to approve these activities. Although exempt from a [PAD] or AAM (see [ADS 201mai, Activity Approval Memorandum Template](#)), the OU must document compliance with pre-obligation (or pre-sub-obligation) requirements.

Activities Implemented by USAID Staff: In the case of activities that are carried out using USAID staff time and resources, such as policy dialogue, organizational capacity development, or private sector engagement, the design process, oversight, and implementation is at the Mission or Washington OU's discretion.

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201.3.4.3 Activity Design Considerations

Effective Date: 03/10/2020

Missions and Washington OUs should plan for and address as applicable the following considerations when designing activities:

Unsolicited Proposals and Applications: Unsolicited proposals and applications should be considered when they support a Mission's CDCS or a Washington OU's operations. The activity solicitation process described in **201.3.4.5** does not apply to unsolicited proposals and applications because the activity is not designed and solicited by the Mission or Washington OU. Missions and Washington OUs should work closely with their CO/AO when considering awarding activities resulting from unsolicited proposals and applications to follow the required steps for award (see [ADS 302](#) and [ADS 303](#) for additional guidance on unsolicited proposals and applications).

Activities with a Counter-Trafficking in Persons (C-TIP) Component: The Trafficking Victims Protection Reauthorization Act of 2003 requires USAID to share information on all planned activities containing a significant anti-trafficking component with the interagency Senior Policy Operating Group (SPOG) before a final Agency decision is made and after an award is made (see [Mandatory Sharing of Projects or Activities with a Significant Counter Trafficking-in-Persons Component to the Senior Policy Operating Group \(SPOG\)](#) for additional guidance).

Activities Implemented by Public International Organizations: In addition to the program cycle guidance of this chapter, PIO activities must follow design and implementation processes described in [ADS 308, Agreements with Public International Organizations](#).

Mission Concurrence for Washington- or Regional Mission/Platform-Funded and Managed Activities: Washington Operating Units and Regional Missions/platforms may fund and manage activities implemented in countries under the jurisdiction of a USAID Mission. However, before initiating implementation of such activities, the WOU/RM must obtain concurrence from the responsible Mission Director, or their designee. When possible, concurrence should be obtained during activity design. If the country is not identified at the time of design, concurrence must be obtained as early as possible, whether it be during the solicitation process or prior to the start of implementation. Both the Washington OU or the Regional Mission/platform and the bilateral Mission must document concurrence. In addition, these activities should ideally support results in the bilateral Mission's strategy (see [Process for Obtaining Mission Concurrence for Washington and Regional Mission Funded Activities](#) for additional information on this requirement).

Approaches that Support Innovation, Co-Creation, and/or Co-Design: As much as possible, Missions use solicitation approaches that support innovation, co-creation, and/or co-design – such as BAAs or APSs. The design process for the activities that

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result from these co-creation efforts could differ from the design process outlined in this section because the OU engages with the partner throughout the process of designing and awarding the activity. Missions and Washington OUs should work closely with their COs/AOs and Program Office to follow required steps for activities that use a co-design approach. (See [Co-Creation Discussion Note](#) for additional information on these approaches.)

Activities that Include Construction: Missions should identify construction activities and sub-activities in the activity design and confirm that the design approach is compliant with USAID’s Construction Policy ([ADS 303maw, USAID Implementation of Construction Activities](#)). For these activities, the activity design must demonstrate that the Mission has a plan to provide adequate resources for the management and oversight of associated engineering and construction activities. In addition, pursuant to [Section 611\(e\) of the Foreign Assistance Act of 1961 as amended](#), Mission Directors, Country Representatives, or other Principal Officers in country must certify, for any construction activity estimated to cost in excess of \$1,000,000, the financial and human resources capability of the host country to effectively maintain and utilize that activity (See [Additional Guidance for 611\(e\) Certification Involving Construction Activities](#).)

Consideration of U.S. Small Business: When the planned implementation mechanism is a contract, Missions should consider incorporating solicitation approaches that encourage the inclusion of U.S. small businesses as prime contractors and subcontractors. Guidance on how to include U.S. small businesses in activity design can be found in the Small Business Programs (SBP) Manual (see [Office of Small and Disadvantaged Business Utilization \(OSDBU\) intranet site](#)).

Activities with an Information Technology (IT) Component:

1. **IT Investments for Agency Use.** Pursuant to the [Federal Information Technology Acquisition Reform Act \(FITARA\)](#), [ADS 509, Management and Oversight of Agency Information Technology \(IT\) Resources](#), and [ADS 300, Agency Acquisition and Assistance \(A&A\) Planning](#), Missions and Washington-based Operating Units must request approval from M/CIO for IT components intended for Agency use in any planned projects or activities. Examples of IT for Agency use include a monitoring and evaluation system for program evaluation and reporting, a prepositioning application for managing food delivery to host countries, and a tracking and management tool used for processing FSN job applications.

Project and activity planners must engage M/CIO as soon as an IT component for Agency use is identified. If IT for Agency use is identified in the acquisition planning stage, planners must obtain approval from M/CIO prior to submitting the requisition into Global Acquisition and Assistance System (GLAAS). The requirement for M/CIO’ approval also applies during the performance of the

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contract as IT may be identified after the contract is awarded. Submit requests for M/CIO approval for IT components to ITAuthorization@usaid.gov.

More information about Agency policy and procedures for acquiring IT resources can be found in [ADS 509](#) and [AAPD 16-02 Revised](#).

2. **IT Investments for Host Countries.** IT to be procured for host countries does not require approval by M/CIO. Examples of IT procured for host countries include health information management systems procured for the government of a host country and personal computers procured for schools in another host country.

Program Assistance: Program Assistance, historically known as Non-Project Assistance, is a generalized resource transfer to the recipient government based on meeting defined benchmarks or performance indicators that are not based on cost. With the exception of cash transfers and sovereign loan guarantees, Program Assistance must be approved through PADs or, where applicable, an AAM (see [ADS 201mai, Activity Approval Memorandum Template](#)). Guidance on using Program Assistance is evolving. Therefore, it is recommended that Missions that are considering using Program Assistance consult with PPL/SPP prior to initiating the design process.

201.3.4.4 Approval for the Activity Design Process

Effective Date: 09/07/2016

The approval process to proceed with activity design, which culminates in activity solicitation or agreement negotiation, depends on if the activity is part of a project or is being approved as a standalone activity. The procedures for each scenario are as follows:

Activities approved through a [PAD] Approval Memorandum, or Amendment Thereto:

As described in **201.3.3.8**, most activities at USAID are approved for design through a [PAD] Approval Memorandum or amendment thereto, based on satisfaction of certain minimum planning criteria. During the project design process, some Missions may opt to concurrently initiate the process of designing subsidiary activities to minimize lead times. If the Project Design Team plans to design a project and its related activities concurrently, the concurrent design process should be discussed and included in the PDP. Once the GLAAS requisition package (for A&A activities) or the draft agreement (for G2G activities) is completed, it must proceed for clearance through the Mission's or Washington OU's clearance process.

OUs, working with their RLO/GC, AO/CO and Program Office, may also opt to tailor additional processes, such as check-ins or concept reviews. This may be appropriate and necessary, for example, where there is a significant lapse of time between [PAD]

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approval and preparation of solicitation/agreement documents or where details developed subsequent to the [PAD] require more meaningful review of the proposed activity.

Standalone activities approved through an AAM: In addition, as described in **201.3.3.2**, there are certain categories of activities that are not required to follow the project design process. Activities that are waived or exempt from the project design process must be approved through an AAM (see [ADS 201mai, Activity Approval Memorandum Template](#)). This includes many activities funded and managed by Washington OUs that are not associated with a “project” as defined in this chapter. For activities that are not part of a project, Missions and Washington OUs should determine the process and parameters to enable activity design teams to proceed with an activity design. For example, the Mission or Washington OU may use an activity concept review process for standalone activities. Once the GLAAS requisition package (for A&A activities) or the draft agreement (for G2G activities) is completed, it must proceed for clearance through the Mission’s or Washington OU’s clearance process.

Activities approved in either the [PAD] Approval Memorandum or AAM must follow procedures described herein to ensure that they meet legal and instrument-specific requirements prior to finalization of award or agreement. Missions and Washington OUs must document that pre-obligation (or pre-sub-obligation) requirements for activities have been met and have been cleared by the RLO/GC.

201.3.4.5 Acquisition and Assistance Design Process

Effective Date: 04/18/2018

Prior to beginning the development of A&A activity design documents, the Mission or Washington OU must identify the Activity Planner and relevant staff and stakeholders who will support the activity design process. An Activity Planner (hereinafter the “Planner”) must be identified at the inception of the activity design process to lead the design, as applicable to each A&A implementing mechanism, and draft the necessary instrument-specific documents. In order to ensure continuity from design to implementation, it is highly recommended that the Planner be the individual who is likely to be designated the COR/AOR.

Design of A&A implementing mechanisms is recommended to be a cross-Mission or cross-bureau effort and not be limited to just the Planner. A multi-disciplinary team can ensure the design of an A&A activity that can be awarded, effectively implemented, systematically monitored, and appropriately evaluated.

There are six interrelated phases to the development of an A&A activity:

- In Step 1, the Mission or Washington OU reviews and conducts or supplements analysis, as applicable.

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

- In Step 2, the Mission or Washington OU confirms the selection of instrument in accordance with policy and procedures found in [ADS 304](#).
- In Step 3, the Mission or Washington OU drafts the SOW, Performance Work Statement (PWS), SOO, or Program Description (PD) according to instrument-specific requirements.
- In Step 4, the Mission or Washington OU drafts cost estimate/budget and other pre-solicitation documents required for inclusion in the GLAAS requisition package.
- In Step 5, the Mission or Washington OU clears the activity design and GLAAS requisition package through the OU's clearance process.
- In Step 6, the Mission or Washington OU enters the requisition package into GLAAS and solicits, negotiates, and awards the activity through an A&A process as required in [ADS 302](#) or [ADS 303](#).

These steps are not necessarily sequential or universal; they are intended only to outline the broad process to design a typical A&A award. As noted in **201.3.3.8**, some of these activity design steps may occur concurrently with the project design process. In addition, certain types of activities—such as partnerships with PIOs or 632(b) Inter-Agency Transfers, among others—result in A&A awards and agreements; however, the process differs from the process defined in these steps (see [ADS 308](#) and [ADS 306, Interagency Agreements](#) for additional guidance on PIO awards and Interagency Agreements respectively).

In addition, certain A&A mechanisms allow for a more collaborative design process with key partners and stakeholders. In these cases, the partnership often begins before the concept has been determined and requires constant engagement with the partner throughout the activity design and award process. When appropriate, USAID recommends using these approaches not only to generate innovative development solutions, but also to build the base for local ownership and sustainability of outcomes. The steps for leveraging A&A-based partnership platforms that facilitate co-design or co-investment, such as Global Development Alliances (GDAs), are often much more integrated and interdependent than defined in this chapter. Missions and Washington OUs should consult with COs/AOs for additional guidance on carrying out these processes and ensuring that legal and regulatory requirements on Organizational Conflict of Interest (OCI), procurement integrity, and competition are satisfied. Modifications to this process should also be made, as appropriate, for management and support activities that are not programmatic in nature and do not require a traditional design process.

Step 1: Review and Conduct or Supplement Analysis

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In cases where the activity supports a project and/or strategy, Missions and Washington OUs should consolidate the findings and recommendations from related analyses and reviews before starting to develop activity descriptions, such as SOWs, SOOs, or Program Descriptions (PDs). Missions and Washington OUs should also review the Project MEL Plan to determine if planned evaluations or monitoring requirements affect activity solicitation/agreement documents.

Missions and Washington OUs should then determine whether any additional analyses are needed to inform the activity design. This may include undertaking more in-depth problem analysis or stakeholder analysis or gathering updated data about the specific geographic area or target populations where the activity will be implemented to ensure alignment with local priorities. For acquisition awards, this includes market research pursuant to [FAR Part 10](#) and [ADS 300](#).

Potential sources of information include:

- Sector-specific assessments, reports, studies, or data collected by other organizations or researchers;
- Monitoring data, periodic reports (quarterly, semi-annual or annual), or evaluations of relevant and prior activities or projects, including those implemented by other donors;
- Site visits, focus groups, or consultations with key stakeholders and potential beneficiaries; and/or
- Opportunities for co-design with key stakeholders, such as co-creation workshops and Requests for Information (RFI), when feasible and after close consultation with the Mission or Washington OU's CO/AO (for acquisition, see [FAR 15.201](#)).

In cases where an activity is a standalone programmatic activity not associated with a project, Missions and Washington OUs must conduct the three mandatory analyses described in section **201.3.3.12** (environment, gender, and climate risk) to inform the design. In cases where the activity supports a project and/or strategy, Missions and Washington OUs must incorporate relevant findings from mandatory analyses conducted during the project design process (see **201.3.3.12**) as follows:

- **Gender analysis:** The Mission or Washington OU should use the gender analysis conducted during the project design process to provide insights about key gender gaps and needs for increased gender equality related to the activity. Pursuant to [ADS 205](#), if the [PAD's] gender analysis is framed at too high a level to be useful for making decisions about how to design the individual subordinate activities, then supplementary gender analysis must be conducted at the activity level. Per

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[ADS 205](#), the Mission or Washington OU must reflect the findings of the gender analysis conducted for a project or activity in multiple sections of the solicitation.

- **Environmental analysis:** The decision to meet environmental analysis requirements depends on the level of information available during the project design process. In some cases, the Initial Environmental Examination (IEE) may be completed for all activities in a PAD, while in other cases the IEE determination may be deferred to the activity design process. The Mission or Washington OU must determine the appropriate timing for completing the IEE. In all cases, the Mission or Washington OU should consult closely with their MEO or BEO and must complete a threshold determination prior to award and prior to the implementation of the activity (see [ADS 204](#)).
- **Climate-Risk Analysis:** Climate risk assessment must be conducted at the activity level if: 1) a project- and strategy-level assessment was not completed, which includes cases where the activity does not fall under a project; or 2) moderate/high risks were identified in the strategy- or project-level assessment, and the design team determined that information about the project's approach and/or the relevant climate change impacts was not adequate to assess or address the risks. In this case, climate risk management at the activity level should build upon the results of climate risk management done at the strategy or project level. The activity environmental compliance analysis (e.g., IEE) must include a summary of the approach to activity-level climate risk management and major results (see requirements in [ADS 201mal, Climate Risk Management for Projects and Activities](#)).

Although an activity logic model is not required, findings from analyses may also inform an activity logic model that summarizes key activity elements and clarifies intended outcomes and linkages to the project to which it contributes, if applicable. In some cases—for example, when the Mission or Washington OU doesn't have enough information to develop a technical approach for an activity, aims to invite innovative solutions, or when the aim is to support an assistance recipient's program—the Mission or Washington OU may request that the offeror or applicant provide a logic model in their response to the solicitation. The Planner should work closely with the CO/AO in developing an activity logic model because the process may affect or clarify the selection of the instrument.

Step 2: Confirm the Selection of Instrument

For A&A activities, the CO/AO reviews the Planner's recommendation and supporting documents that justify the selection of instrument and makes the final determination on the selection of instrument (see [ADS 304](#) and [Implementing Mechanism Matrix](#) for guidance on the selection of instrument for A&A awards).

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If an award to an NGO is anticipated, Missions and Washington OUs should engage proactively with the CO/AO to consider the requirement for a pre-award survey as described in [ADS 303, Grants and Cooperative Agreements to Non-Governmental Organizations](#). Findings from the survey may result in specific conditions in the grant or cooperative agreement. This may, among other things, affect the ultimate activity budget.

If not done earlier as part of the project design process, Missions and Washington OUs must incorporate the activity into the A&A Plan and should validate the proper listing in the Business Forecast, as described in [ADS 300](#). If the activity includes construction, it must be identified as such in the A&A plan. In addition, Missions and Washington OUs must perform acquisition planning and conduct market research (see [FAR Part 10](#)) at the individual acquisition level for acquisition awards (see [ADS 300](#) and [FAR Part 7.102](#) for guidance on the Individual Acquisition Plan).

Step 3: Draft the Activity Description

After confirming the selection of instrument, Missions and Washington OUs develop the activity description based on the type of instrument selected and the consideration of the underlying context, an assessment of the problem, and a review of other analyses or evaluations relevant to the activity. The approach to drafting the activity description will differ depending on the type of acquisition or assistance mechanism. Considering the rapidly changing and complex contexts in which many USAID programs operate, the activity design process should consider the need to adjust programming and approaches that enable course correction during implementation. If flexibility is important to the success of an activity, opportunities for learning and adapting should be built into activity solicitation documents and subsequent awards.

In order to ensure that implementing partners have as much information as possible about the project to which the activity contributes, Missions and Washington OUs should provide the relevant project's logic model that illustrates the project's theory of change as an attachment to solicitations and/or awards.

If the activity is to be the subject of an evaluation, particularly an impact evaluation, information about the planned evaluation should be included in the solicitation.

A. Acquisition

Depending on the type of acquisition instrument selected, the solicitation will follow the requirements of an SOW, PWS, or SOO. Missions and Washington OUs should use SOOs as much as possible, but should consult closely with their COs to understand requirements for each type of solicitation (see [FAR Part 11](#), [ADS 300](#), and [ADS 302, USAID Direct Contracting](#)).

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Statement of Work (SOW): The SOW describes the technical requirements for the work to be performed or the services to be rendered. It defines the respective responsibilities of USAID and the contractor and provides objective measures so that both USAID and the contractor will know when the work is complete and payment is justified.

Performance Work Statement (PWS): The PWS is defined in [FAR Part 2.101](#) and its use must meet the criteria in [FAR Part 37.602](#). It is a type of SOW found in performance-based acquisitions that describes the required results in clear, specific and objective terms with measurable outcomes. A PWS must describe work in terms of outcomes or results, rather than how the work is to be accomplished. It enables assessment of work performance against measurable performance standards and relies on the use of measurable performance standards and financial incentives in a competitive environment to encourage competitors to develop and institute innovative and cost-effective methods of performing the work. A PWS may be prepared by the Government or result from a Statement of Objectives prepared by the Government where the offeror proposes the PWS.

Statement of Objectives (SOO): An SOO is defined in [FAR Part 2.101](#) and its use must meet the criteria in [FAR Part 37.602\(c\)](#). It is another way to solicit a performance-based acquisition mechanism. A SOO provides performance objectives and operating constraints, along with results that the contractor must achieve. The SOO does not define the tasks to be performed, but requires competing offerors to develop a PWS to define their approach and solution for meeting the objectives, along with performance measures to define success and a quality assurance plan to monitor these metrics. These must be evaluated prior to award.

B. Assistance

For assistance mechanisms, the Program Description (PD) section of the Notice of Funding Opportunity (NOFO), previously referred to as the Request for Application (RFA), describes the Program Areas for which funding is available.

Program Description: When drafting the PD, Missions and Washington OUs should keep in mind that USAID supports creative approaches by assistance recipients to develop their own methodologies in carrying out activities. The PD should be results-oriented and must describe the Mission's or Washington OU's funding priorities or the technical areas in which Missions and Washington OUs intend to provide assistance. As appropriate, it may include any program history (e.g., whether this is a new program or a new or changed area of program emphasis). This section may communicate illustrative indicators of successful projects or activities (e.g., if the program encourages collaborative efforts) and may include examples of activities that have been funded previously. Missions and

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Washington OUs should work closely with the AO to determine necessary components and the appropriate tone of the PD for the assistance mechanism selected (see [2 CFR 200 Appendix I](#), [2 CFR 200.301](#) and [ADS 303](#)).

Step 4: Draft Cost Estimate/Budget and Other GLAAS Requisition Documents

A. Cost Estimate/Budget

For acquisition activities, Missions and Washington OUs must prepare an Independent Government Cost Estimate (IGCE). IGCE costs may include direct costs such as labor, products, equipment, travel, and transportation. They may also include indirect costs such as overhead and/or general and administrative (G&A) expenses, as well as profit or fee (see [ADS 300maa, Independent Government Cost Estimate Guide and Template](#) for additional guidance).

For assistance activities, Missions and Washington OUs must prepare an activity assistance budget based on availability and allocation of funds. For assistance awards, setting a realistic goal and supporting analysis for cost share, if cost share is contemplated in the award, from the recipient can be an important consideration, since it can increase resources available to achieve activity results and support local ownership (see [ADS 303](#) and [Cost Share in the Program Cycle](#) for additional guidance on cost share).

B. Other Solicitation Documents

Missions and Washington OUs must also prepare other documents for the solicitation, which are submitted with the GLAAS requisition package described in [ADS 300](#). These typically include Deliveries or Performance, Instructions to Offerors/Applicants, and Evaluation Criteria, among others. [ADS 205](#) describes additional requirements for integrating gender into each of these sections. All requirements in a solicitation matter to the offeror/applicant, and the offeror/applicant will review each of them with great care to ascertain how best to present their proposal.

C. Pre-Obligation (or Pre-Sub-Obligation) Requirements

USAID funds are subject to numerous legal, policy, and instrument-specific requirements that must be met prior to the obligation and/or expenditure of funds. These requirements apply to both Missions and Washington OUs. In addition to the SOW/SOO/PWS/PD and other GLAAS requisition documents, Missions and Washington OUs should complete any remaining pre-obligation requirements (or pre-sub-obligation requirements in the case of funds obligated through a DOAG agreement) that were not satisfied in the DOAG or [PAD] (see [ADS 300](#) and [ADS 201mad, Legal Requirements Summary Checklist](#) for additional guidance). Additional requirements may vary depending on the implementing mechanism.

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Missions and Washington OUs should work with their RLO or GC on questions related to instrument-specific requirements.

Step 5: Clear the Activity Design and GLAAS Requisition Package through Mission or Washington Operating Unit Procedures

The process for clearing activities that have been approved for design under a [PAD] Approval Memorandum, or amendment thereto, is at the Mission's or Washington OU's discretion. However, it is highly recommended that the process and documentation be streamlined, efficient, and clearly articulated through a Delegation of Authority Mission/Bureau Order, a Project/Activity Design Mission Order, or a Mission/Bureau Notice.

Frequently Missions (and Washington OUs if applicable) will choose to clear activities through a brief action memorandum attached to the GLAAS requisition package. Missions must reference or attach the appropriate PAD Approval Memorandum as part of this process.

For activities which are not part of a [PAD] and are approved through an AAM, pursuant to **201.3.4.5**, Missions and Washington OUs must reference or attach the AAM to the GLAAS requisition package (see [ADS 201mai, Activity Approval Memo Template](#)).

Missions and Washington OUs should be aware of the Senior Obligation Alignment Review (SOAR) requirement for larger awards. The Planner should refer to [ADS 300](#) for additional guidance on the SOAR process and work closely with M/OAA, the Program Office, and Regional Bureaus in USAID/Washington to build the SOAR process into the design timeline. Ideally, this should have already been taken into account in the Project Management and Implementation Plan described in **201.3.3.12**.

Step 6: Solicit, Negotiate, and Award the Activity

In Step 6, the activity moves to solicitation. For A&A awards, the activity must be entered into the GLAAS system (see [ADS 300](#)). The Planner must work closely with the CO/AO to finalize the solicitation for release and eventual award. There are several pre-award requirements and procedures that A&A actions follow prior to award, including:

- Solicitation;
- Technical Evaluation and Cost Analysis (acquisition) or Merit Review (assistance);
- Source Selection;
- Negotiation;

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- Responsibility Determination or Risk-Analysis; and
- Notification and Execution of Award.

See [ADS 300](#), [ADS 302](#), [ADS 303](#), [ADS 306](#), and [ADS 308](#) for additional guidance.

Procurement Action Lead Times (PALT), intended to measure timeframes related to pre-solicitation, begin once a requisition is entered into GLAAS (see [ADS 300](#)). Once all requirements have been completed or negotiated, the signed award marks the beginning of the next phase, award implementation.

201.3.4.6 Partner Country Government Agreement Design

Effective Date: 06/20/2017

Except as otherwise described in **201.3.3.2**, Partner Country Government Agreement, also referred to as Government to Government (G2G) activities must contribute to the purpose of a project and be approved in a [PAD], whether as initially approved or as amended. Therefore, before initiating the activity design process, the Mission must first review the G2G analyses in the corresponding [PAD]. Completion of all necessary analyses is the basis for the Mission Director's approval for using partner government systems as certified in the [PAD] Approval Memorandum or subsequent amendment. These analyses include the PFMRAF Stage 2 Risk Assessment, the AUPGS, and other analyses defined in Section 7031 of the annual Appropriations Act. If the G2G activity is not part of a broader project under a [PAD] (i.e. is a stand-alone activity under \$5 million), these analyses must also be completed for that activity and the Mission Director also must approve the activity for using partner government systems and so certify in the AAM (see [ADS 220](#) for more details on required G2G analyses and [ADS 201mai, Activity Approval Memorandum Template](#)).

When undertaking the analyses associated with a G2G activity (either as part of a [PAD] or as a stand-alone activity), the Mission should have a clear idea about the government entities that will be the focus of the analyses and the expected outputs/outcomes of the assistance. This will make it possible to focus and tailor the analyses to fit the requirements of the activity and use of USAID funds.

The concepts of local ownership and mutual accountability are fundamental to the design of G2G activities. Implementing through a direct agreement with a partner government is the essence of co-design and co-implementation, since the relationship with the partner government is approached as an equal partnership. The relationship between Mission staff and the partner government should have begun early in the project design process so that the development and negotiation of the activity-specific G2G agreement (including the program description and associated budget) will build on this relationship.

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The G2G design process will require continuation of the cross-Mission Project Team and include the involved technical office, OFM, RLO, and others as appropriate. As stated in [ADS 220](#), the Project Team will also incorporate members of the Partner Government Systems (PGS) Team. Since the G2G design and agreement process are much more integrated for G2G activities than A&A instruments, the Mission should consider designation of the Government Agreement Technical Representative (GATR) at this point to provide the principal point of contact for partner government counterparts and provide continuity for the Mission design team. The GATR is roughly the equivalent of a COR for acquisition or AOR for assistance and is formally delegated certain roles and responsibilities by the Mission Director.

While details of the project design and agreement negotiations processes for G2G activities are found in [ADS 220](#), the following sections briefly highlight key components of the process, including required documentation to be incorporated into the [PAD] or [PAD] amendment. These components include:

- Preparing the draft G2G agreement,
- Clearing the draft G2G agreement through Mission procedures,
- Negotiating the G2G agreement with the partner government, and
- Clearing the final negotiated text of the G2G agreement through Mission procedures.

This is the normal sequence of G2G activity design through execution of the agreement by the appropriate USAID and partner government officials. Missions should determine how best to manage these processes to fit their particular circumstances.

Prepare the Draft G2G Agreement

The draft G2G agreement may take the form of a sub-obligating Implementation Letter under a DOAG or a direct obligation in the form of a Bilateral Project Agreement; depending on the Mission (see [ADS 220](#)). In addition to the terms and conditions and the standard provisions of the agreement, the GATR should take the lead in drafting the Program Description and, with the financial management office, the detailed activity budget to be included in the agreement. In addition, the agreement should define the disbursement option (cost reimbursement or Fixed Amount Reimbursement Agreement (FARA), based on the requirements of the project) (see [ADS 220](#) and [Implementing Mechanism Matrix](#) for additional guidance defining each option).

Reporting requirements, including possible periodic development and joint approval of annual work plans, also should be included in the agreement. If the plan for mitigation of fiduciary risks developed in the AUPGS includes actions to be taken over time by the partner government, reporting on progress made should be included in the reporting

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requirements of the partner government under the agreement. If the agreement includes construction of infrastructure, Missions are encouraged to involve a USAID engineer in the development of reporting requirements.

In drafting the agreement, the Mission also must take into consideration the mandatory analyses discussed in **201.3.3.12**.

Clear the Draft Agreement through Mission Procedures

Since G2G agreements are not cleared through GLAAS, the Mission should determine how it will circulate draft G2G agreements, who should clear on these agreements, and how this process will be documented. Depending on the circumstances, the Mission may choose to discuss components of the agreement with partner government staff so that it best reflects a co-design approach. Since there is no inherent competitive award process in G2G assistance, full discussion of draft material is encouraged.

Negotiate the Draft Agreement with the Partner Government

Once the full text of the agreement is cleared internally in the Mission, formal negotiations can begin with partner government officials. Missions should define a negotiating team, with clear roles for each team member. Frequently, the team will be led by the RLO, although other team members may also play that role. In addition to the text of the agreement, the negotiation process allows a full discussion and understanding of the roles and responsibilities of USAID and the partner government, including counterpart funding, conditions related to disbursement, and other significant issues.

Clear the Final Agreement through Mission Procedures

The Mission should document internal clearances of the final text once it is negotiated. At this point, if not sooner, the Mission should document that all pre-obligation (or pre-sub-obligation) requirements have been met. This includes the requirements of Section 7031 of the Annual Appropriations Act for all G2G obligations. The Mission should determine the responsible offices and clearance process.

The Mission Director has the delegated authority to obligate USAID funds through agreements with partner governments. The officials responsible for signing on behalf of the partner government will be determined by that government. Frequently, the government will designate a representative from the Ministry of Finance or other central authority in addition to the involved line ministry or office.

201.3.4.7 Design Considerations for Other Mechanisms

Effective Date: 06/20/2017

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Other types of implementing mechanisms that are not A&A or G2G instruments may be used by Missions and Washington OUs to contribute to project or strategic results (see [Implementing Mechanism Matrix](#) for additional guidance on other mechanism types). These include, but are not limited to following:

Development Credit Authority (DCA)

The Development Credit Authority (DCA) is an Agency tool that can be used to assist with mobilizing private capital by providing credit guarantees to private lenders and investors to encourage them to lend in support of specific development objectives. Missions and Washington OUs should work closely with the Bureau for Economic Growth, Education, and Environment's Development Credit Authority Office (E3/DCA) during the design process of DCAs.

Initial analytical requirements for DCAs involve conducting a detailed field-based market assessment, which provides recommendations for the selection of appropriate financial partner(s). Once E3/DCA and the Mission or Washington OU identify and select financial partner(s) that are appropriate and agreeable, E3/DCA negotiates the terms of the potential transaction with the identified financial partner(s) and then conducts a thorough risk assessment of the selected financial partner(s). The Agency's internal Credit Review Board (CRB) reviews and approves the DCA action package, signed by the Chief Financial Officer (CFO). Once CFO approval through the CRB is obtained, the Mission or Washington OU is able to finalize the DCA Guarantee Agreement. For additional DCA guidance, see [ADS 249, Development Credit Authority \(DCA\)](#).

Activities Implemented by USAID Staff

Missions and Washington OUs may identify activities that are complementary to other activities within a project that will be implemented directly by USAID staff. These may include policy dialogue, capacity building of local organizations or partner government institutions, and stakeholder coordination, among others.

The Mission or Washington OU may consider documenting the roles of Mission or Washington OU staff and other development actors, as well as expected outcomes or milestones, to measure progress against project-level outcomes over time.

Activities Implemented through Delegated Cooperation

A. Grants to Other Bilateral and Multilateral Donor Entities

This implementing mechanism highlights the Agency's commitment to donor harmonization and collaboration, consistent with and in furtherance of the commitments and guidance in the:

- Paris Declaration on Aid Effectiveness,

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- Accra Agenda for Action,
- Busan Partnership for Effective Development Cooperation,
- Presidential Policy Directive on Global Development, and
- Quadrennial Development and Diplomacy Review.

Grants to other donor entities promote the practice of bilateral or multilateral development partners taking the lead in aligning with the partner country government's priorities and programs, implementing clearly defined project elements in close harmony with one another. See [ADS 351, Agreements with Bilateral Donors](#), or [ADS 308](#) for guidance, policies, and procedures applicable in instances where grants to another bilateral or multilateral donor constitute a sound and sensible approach for USAID partners to program its assistance. Agency staff is encouraged to consider delegated cooperation as often as appropriate.

B. Pooled Funding Arrangements

Missions and Washington OUs may use pooled funding arrangements, primarily through contributions to multi-donor trust funds, to implement activities that involve other development actors, to gain efficiencies, to reduce the burden on the partner country, and to increase the leverage associated with USAID's contribution to multi-donor development efforts in developing countries. Under these arrangements, detailed in [ADS 308](#), USAID funds are pooled with other donors and are not managed as separate or distinct from other resources in the pool. Guidance in [ADS 351](#) is applicable in cases in which another bilateral donor is the manager of the pooled fund. The Project Team must undertake normal due diligence and risk assessment in consultation with the Program Office, the RLO, and Controller in considering the use of pooled funding arrangements, consistent with the guidance in [ADS 308](#) or [ADS 351](#).

201.3.4.8 Implementation of Activities

Effective Date: 09/07/2016

Activity implementation commences with the signing of a legally binding document between the Agency and the partner(s) or awardee(s). In the case of internally staffed activities, such as policy dialogue or capacity building, no legally binding agreement is required, and activities may be initiated whenever deemed appropriate by the Mission or Washington OU. During implementation, the COR, AOR, or GATR, begins oversight of the activity in accordance with the terms of the respective instrument. In addition to the administrative responsibilities in overseeing the agreement, activity implementation also has a technical component that includes monitoring, learning, analyzing, and using data

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and other information to oversee the progress of the activity, make decisions, and manage any course corrections.

An important aspect of activity implementation is working with the Project Manager (see **201.3.3.14**) to forge and strengthen collaborative relationships among all implementing partners supporting a given project through open communication and dialogue. To the extent possible, Missions and Washington OUs should facilitate joint work planning, partners' meetings, working groups, and/or other collaborative activities to orient implementing partners to the larger strategy to which they contribute, avoid duplication of effort, take advantage of synergies, and facilitate an environment that is open to learning and adapting.

It is important to note that activity oversight, as well as engagement with an implementing partner, may be different according to the type of instrument (see [ADS 304](#)). Oversight of G2G instruments is explicitly stated in the GATR letter, but may also involve other Mission or Washington OU staff, such as the Controller, for oversight of fiduciary risk mitigation measures or public financial management capacities.

201.3.4.9 Roles in Activity Implementation

Effective Date: 07/23/2020

USAID promotes the use of multi-functional teams for both project and activity management. For the activity, Missions and Washington OUs shall designate a COR/AOR/GATR (often the same person who previously served as the Planner) to provide administrative and technical oversight over a particular activity. This manager has different titles depending on the type of instrument: AOR for assistance awards, COR for acquisition awards, and GATR for partner country government agreements. The COR/AOR/GATR must closely review and follow all responsibilities, core functions, and limitations as stated in his/her signed designation letter. Administrative responsibilities typically include verifying conformance with branding and marking requirements, ensuring inventory control, assuring data quality, and approving implementation plans or work plans, among others (see [ADS 302](#), [ADS 303](#), [ADS 320](#), and [ADS 220](#), for additional guidance).

In addition to these roles with specific delegated authorities, the COR/AOR may also identify an Activity Manager to assist with the post-award administrative oversight and monitoring of an acquisition or assistance award. 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. The principal roles and responsibilities of the Activity Manager can include the following: (1) providing support to the COR/AOR in administering the award; and, 2) providing support to monitor activities under the award, including conducting site visits, verifying monitoring data, conducting periodic data-quality assessments, and filing documentation relating to such

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monitoring activities and other required documentation in ASIST, in accordance with Agency policy and the award's terms and conditions. While the Activity Manager is not authorized to provide technical direction to contractors and recipients or any other action that binds the U.S. Government based on the COR/AOR designation letter, the Activity Manager may strengthen the oversight and administration needed to support the COR/AOR. The Activity Manager could be located in Washington, D.C., or, in the case of field-support activities, in a USAID Mission, while the COR/AOR is located in USAID/Washington or another geographic location.

Activity implementation should be a cross-Mission or cross-OU effort and not be limited to the technical office. Missions and Washington OUs have the authority to organize staff to most efficiently oversee activity implementation.

201.3.4.10 Monitoring, Evaluation, and Learning

Effective Date: 06/20/2017

Achieving results outlined in a project through the implementation of a set of activities is a continuous process. It is important to integrate and clarify monitoring, evaluation and learning expectations, requirements, and necessary resources at the solicitation phase of an activity in order to ensure that implementing partners place the appropriate emphasis on these efforts. Activity monitoring, evaluation, and learning should emphasize the systematic process of collecting and analyzing performance data and other information to track progress toward planned results. Monitoring and evaluation should be used to influence decision making and resource allocation and to make changes as needed. It also involves managing the relationship between the activity and its associated project by assisting implementing partners in understanding their activity's contribution to the Project Purpose and other key project outcomes and fostering collaborative learning among partners (see [ADS 302](#) and [ADS 303](#) for USAID policy on A&A oversight management).

A. Activity MEL Plan

Activities must have an approved Activity MEL Plan in place before major implementation actions begin. Project Managers should work with the COR/AOR/GATR/Activity Manager to ensure that the Activity MEL Plan is consistent with and meets the data collection needs of the Project MEL Plan, the Mission's PMP, and the Mission's annual Performance Plan and Report (PPR).

For A&A awards, implementing partners must submit a proposed Activity MEL Plan to the COR/AOR in accordance with the guidelines in their award or agreement, often within 90 days of an award. In cases of partner country government agreements, the monitoring approach, including performance indicators, should be jointly agreed upon by the Mission and the host-country government entity as part of the direct agreement with the government (see [ADS 220](#) for additional guidance).

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Although an implementing partner typically proposes the Activity MEL Plan, it is the COR/AOR's responsibility to review, collaborate on any necessary changes, and approve or concur with the plan. Key components of the Activity MEL Plan typically include:

- The activity's monitoring approach, including relevant performance indicators of activity outputs and outcomes;
- Plans for collaborating with any external evaluations planned by the Mission or Washington OU;
- Any proposed internal evaluations;
- Learning activities, including knowledge capture at activity close out;
- Estimated resources for these monitoring, evaluation and learning activities that are a part of the implementing partner's budget; and
- Roles and responsibilities for all proposed monitoring, evaluation and learning actions.

The Activity MEL Plan should be revised 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. Monitoring, Evaluation, and Learning Management

I. Monitoring

While an implementing partner typically proposes and executes the Activity MEL Plan, Missions and Washington OUs also have performance management responsibilities. Missions and Washington OUs must track implementation progress; monitor the quantity, quality, and timeliness of activity outputs; monitor achievement of activity outcomes; and ensure the quality of performance monitoring data collected by partners. This typically entails the following tasks: reviewing performance indicator data and monitoring reports; conducting or participating in Data Quality Assessments (DQAs); conducting site visits; examining technical reports and deliverables; and meeting with implementing staff and other stakeholders. Monitoring is not limited to an activity's interventions; it also involves monitoring programmatic assumptions and the operational context of the activity in order to recognize trends and shifts in external factors that might affect the activity's performance.

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

For each activity, Missions and Washington OUs must:

- Collaborate with the implementing partner to ensure all necessary monitoring information is being collected per the Activity MEL Plan to support the management and learning needs of the activity and its associated project. This includes setting performance indicator targets and collecting performance indicator baselines and actual data.
- Collaborate with the implementing partner to revise the Activity MEL Plan's indicators as needed (see **201.3.5.7** for additional guidance about changing indicators).
- Ensure Performance Indicator Reference Sheets (PIRS) are complete and sufficient, and are consistent across all activities collecting data for the same indicator (see **201.3.5.7** 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 DQAs as appropriate (see **201.3.5.8** for additional guidance about data quality and DQAs).
- Perform site visits to provide activity oversight, inspect implementation progress and deliverables, verify monitoring data, and learn from activity implementation.
- Meet with partner(s), sector experts, donors, and the host government to share monitoring information as well as review activity progress.
- Analyze performance and context monitoring information to inform management and adapt interventions.
- Analyze performance monitoring indicator data to identify any gender gaps (the extent to which females and males are participating in and benefiting from projects and activities) (see [ADS 205](#)).

For additional guidance about performance and context monitoring, see **201.3.5.5**.

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II. Evaluation

Section **201.3.5.9** describes procedures for planning and implementing an evaluation. Evaluations of activities should be planned during project and activity design process. Impact evaluations of activities or specific interventions within an activity must be planned during the project and activity design process to accommodate parallel implementation of the evaluation. However, Missions and Washington OUs may decide to initiate a performance evaluation at any point during activity implementation, particularly if new information arises indicating that an evaluation is appropriate for accountability or learning purposes.

AORs/CORs/GATRs should actively engage with implementing partners of activities being evaluated to ensure partners and external evaluators are collaborating productively. AORs/CORs/GATRs should inform implementing partners as early as possible if their activity will be evaluated and must share the draft and final evaluation design completed by the evaluation team. AORs/CORs/GATRs should also ensure implementing partners are facilitating access to data, documentation, personnel, and key stakeholders as appropriate for the completion of an external evaluation. Following the completion of an evaluation, Missions and Washington 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 **201.3.5.18**).

III. Learning and Adaptive Management

Missions and Washington OUs should facilitate an intentional approach to learning and adaptive management, both within the boundaries of the activity as well as within the larger project to which the activity contributes. Potential approaches include, but are not limited to:

- Having partners identify knowledge gaps in the theory of change for their activity or in their technical knowledge base and supporting them in identifying and implementing ways to fill these gaps.
- 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 may focus on challenges and successes in implementation to date, changes in the operating environment or context that could

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affect programming, opportunities to better collaborate or influence other actors, and/or other relevant topics.

- Encouraging or requiring partners under a project to collaborate, where relevant. Collaboration activities may include joint work planning, regular partner meetings that facilitate knowledge sharing, and/or working groups organized along geographic or technical lines. These activities require time and resources, and the OU should ensure that implementing partners have the appropriate resources available to participate.
- Involving implementing partners in the Mission's or Washington OU's learning activities, such as portfolio reviews or stocktaking efforts, as appropriate.
- Using the knowledge and learning gained from implementation, opportunities to reflect on performance, monitoring data, evaluations, knowledge about the context, and other sources to adjust interventions and approaches as needed.

201.3.4.11 Resource Management During Implementation

Effective Date: 09/07/2016

Missions and Washington OUs should manage activity financial resources in a manner that maximizes impact and leads to the achievement of the stated results in the activity. These resources include program and operating expense (OE) funds and, where appropriate, in-kind and local currency resources. Performing funds control, obligations management, and payments are key functions in managing financial resources.

Periodic financial reviews, recommended quarterly to align with the accruals process, are required per [ADS 631, Accrued Expenditures](#) and are an important tool for increasing efficiency, coordination, and accountability and for ensuring compliance with important guidance, such as forward funding. The purpose of financial reviews is to review implementation progress in financial terms, which means reviewing the status of the budget, obligations, expenditures, and pipeline, as well as identifying de-obligation/re-obligation and proposed reallocations to the budget. Financial reviews also help inform formulation of budget requests through the Mission/Bureau Resource Request (MRR/BRR), the Congressional Budget Justification (CBJ) and the Operational Plan (OP) processes.

A. Requesting and Managing Funds

Requests for incremental funding during activity implementation are based on projected expenditures, existing pipeline, and the policy and guidelines related to

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forward funding of program funds (see [ADS 602, Forward Funding, Program Funds](#) and [ADS 621, Obligations](#) respectively). In general, the policy states that current pipelines and new obligations should be adequate to finance 12 to 24 months of planned expenditures. Exceptions to this policy directive (see [ADS 602.3.3](#)) require the approval of the Mission Director or Washington OU AA. New resource requests are informed by, and cannot exceed the limit established by, the forward funding policy. If pipelines at the end of a fiscal year are not adequate to finance the next fiscal year's projected expenditures, there is a risk that new funds will not be available in time to avoid slowing down or ceasing activity implementation. It is therefore critical that AORs/CORs/GATRs make careful projections and monitor them closely so that adequate resources are available when needed.

B. Financial Planning, Tracking, and Budgeting

The COR/AOR/GATR must prudently plan, track, and manage the financial aspects of their activities throughout the life of the activity. This responsibility may also extend beyond the life of the project or activity when issues remain unresolved, such as an unresolved cost with a contractor over a reimbursement issue. An activity's financial position may be planned and measured by projecting and analyzing trends and relationships of several key sets of budget and financial data such as:

- Life-of-mechanism funding;
- Mortgage;
- Obligations, sub-obligations, and de-obligations;
- Accruals;
- Disbursements;
- Expenditures and expenditure rate ("burn rate"); and
- Unliquidated obligations and pipeline.

These data are generated as implementation mechanisms are signed and executed and payments are made. Financial data is most useful when considered in conjunction with the activity's work plan, as this allows the Mission or Washington OU to track and assess performance in relation to expenditures. Missions and Washington OUs should use these data during portfolio reviews and financial reviews to monitor expenditures, validate funding needs, and plan accordingly. Missions and Washington OUs should generate key financial information each quarter on accrued and projected expenditures and use this

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information to manage performance during implementation and future obligations.

201.3.4.12 Activity Modifications and Amendments

Effective Date: 09/07/2016

Monitoring and learning throughout the lifetime of an activity means that changes to the underlying agreement may be necessary to facilitate adaptive management. These changes may include adjustments in the scope, budget, ceiling, or key personnel outlined in the agreement, among other changes. Such changes must be made in accordance with the regulatory and policy requirements applicable to the award type.

For A&A awards, identified modifications should be discussed with the CO/AO. Once the CO/AO concurs with the changes, these actions should then be entered in the Agency A&A Plan to enable OAA to manage the list of new actions in light of the existing workload and typical lead times associated with each type of action (see [ADS 300](#)). The CO/AO must also determine whether and when it is appropriate to consult with senior management in the Mission or Washington OU, the partner country government, and/or other country partners before executing such changes. For more information on administering modifications to A&A awards, see [ADS 302](#), [ADS 303](#), [ADS 306](#), and [ADS 308](#).

In the case of partner country government agreements, Missions and the partner country government must agree jointly that amendments are required in either the agreement, the implementation plan, or both. The GATR and the RLO, in coordination with the Project Manager, will take the lead in these negotiations.

Per **201.3.3.16**, there are two circumstances where an activity-level change triggers a formal [PAD] amendment:

- (1) The estimated total USAID budget for the project increases or decreases by a significant amount, as determined by the Mission or Washington OU, due to an increase or decrease in life of activity funding; or
- (2) The completion date of the project requires an extension of more than six months (e.g., when the end date of an activity is being extended beyond the life of the [PAD]).

Missions (and Washington OUs, if applicable) may provide further definition of these triggers and/or determine others at their discretion.

201.3.4.13 Alignment of Activities with Strategies and Projects

Effective Date: 09/07/2016

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There will often be overlap and transitions of activities between strategies and projects. The Mission should carefully consider the transition between strategies, and their associated DOAGs, as well as project and activity alignment.

Implementing mechanisms (IMs) that are awarded or extended under approved projects should not end beyond the end date of the project. In cases where the IM award or extension extends more than six months beyond the project end date, the project should be amended to align the project end date with the end date of the associated IM. In some cases, instead of extending the project end date, the IM may be incorporated into a new project, subject to the corresponding portfolio alignment process.

IMs may be funded directly as direct obligating agreements (in which case there is no association with a DOAG), or as a sub-obligation under a DOAG (see **201.3.2.15** for more information about activity alignment to DOAGs).

201.3.4.14 Close Out

Effective Date: 09/07/2016

When an activity concludes, Missions and Washington OUs must execute formal close out procedures. Close out reports allow the Agency to “close the file” officially on an activity or instrument programmatically and financially.

Close out of direct A&A instruments, in addition to recording major programmatic and performance issues, must comply with close out procedures defined by OAA, see [ADS 302sat Guidance on Closeout Procedures for A&A Awards](#). The CO/AO is responsible for closing out these instruments and will provide guidance to CORs/AORs on their roles in the process. Although the CO/AO leads this process, the COR/AOR plays an important role in closing out the files and coordinating with the OFM for funds de-obligation or with M/CFO in the case of Washington-funded and managed activities.

The GATR is responsible for closing out partner country instruments. For more information on closing out G2G agreements, see [ADS 220](#).

As part of the close out process, Missions and Washington OUs should consider how the knowledge and learning gained during the implementation of an activity will be captured and shared. This information may be documented in a written final report, an evaluation, a conference/event, a video, or online materials that explain the results and lessons learned. Regardless of the format, the production of these learning materials should be included in the activity budget.

201.3.5 Monitoring, Evaluation, and Learning

Effective Date: 09/07/2016

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

This section focuses on the considerations, practices, and requirements for monitoring program performance and operational context; evaluating the performance and results of USAID programs; and learning and adapting for improved effectiveness.

Monitoring is the ongoing and systematic tracking of data or information relevant to USAID strategies, projects, and activities. Evaluation is the systematic collection and analysis of information about the characteristics and outcomes of strategies, projects, and activities conducted as a basis for judgments to improve effectiveness and timed to inform decisions about current and future programming. Learning is a continuous process 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. Learning takes place throughout the Program Cycle.

The purpose of monitoring, evaluation and learning practices is to apply knowledge gained from evidence and analysis to improve development outcomes and ensure accountability for the resources used to achieve them. USAID relies on the best available information to rigorously and credibly make choices, plan effectively, manage adaptively, and learn systematically.

201.3.5.1 Applicability of Guidance for Monitoring, Evaluation, and Learning

Effective Date: 06/16/2020

The guidance in this section that pertains to monitoring and evaluation is generally applicable to all Missions and Washington OUs. However:

- Monitoring and evaluation requirements that are based on CDCS processes (e.g. the PMP and whole-of-project evaluation requirement – see **201.3.2.7** and **203.3.5.13** respectively) are applicable only to Missions.
- Monitoring and evaluation requirements that are based on project design and implementation processes (e.g. the Project MEL Plan and one-evaluation-per-project requirement – see **201.3.3.13** and **201.3.5.13** respectively) are only applicable to projects approved under PADs.

The guidance that pertains to learning is applicable only to Missions; however, Washington OUs may find that much of the guidance on learning is good practice and may be adopted when feasible.

Emergency Food Assistance, Disaster Assistance, and Transition Assistance:

Activities targeted at preventing, mitigating, responding to, recovering from, and transitioning from crisis are exempt from requirements related to MEL planning and timing. These activities include:

- (1) Disaster assistance managed by BHA;

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- (2) Activities managed by the Office of Transition Initiatives (OTI), or activities funded with the Complex Crises Fund (CCF) managed by Missions; and
- (3) Emergency Food Assistance managed by BHA.

These BHA, OTI, and CCF-funded activities are exempt from requirements related to MEL planning and timing, such as PMPs, project and activity MEL plans as noted earlier in this chapter. Within their monitoring and evaluation efforts, they should adhere to the quality standards for monitoring and evaluation noted in this subsection as feasible.

201.3.5.2 Monitoring

Effective Date: 09/07/2016

Monitoring is the ongoing and systematic tracking of data or information relevant to USAID strategies, projects, and activities. Relevant data and informational needs are identified during planning and design and may include output and outcome measures that are directly attributable to or affected by USAID interventions as well as measures of the operating context and programmatic assumptions.

Monitoring informs strategy, project, and activity design and implementation. The analysis of monitoring data should inform efforts to manage adaptively and promote accountability. Monitoring data should be used in evaluations where appropriate.

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

201.3.5.3 Principles of Monitoring

Effective Date: 09/07/2016

Plan Early: Missions and Washington OUs should plan for monitoring while developing strategies and designing projects and activities. Missions and Washington OUs must document monitoring approaches in the Mission PMP and Project and Activity MEL Plans.

Collaborate: Monitoring is strengthened by involving beneficiaries, partner country partners, implementing partners, other USAID and U.S. Government entities, and other development actors. Wherever possible, Missions should align monitoring efforts with those of their partner country counterparts and other donors to promote aid effectiveness.

Adequately Resource: Missions and Washington OUs must include adequate funding and personnel resources for monitoring work, including, as appropriate, funds for capacity improvement in partner country or local organization partners and in their strategy, project, and activity budgets.

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Be Practical and Efficient: Missions and Washington OUs should only collect and report on the information that is directly useful for management decision making or reporting purposes.

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

201.3.5.4 Mission and Washington Operating Unit Roles for Monitoring

Effective Date: 09/07/2016

Each Mission and Washington OU Program Office must identify a monitoring POC that will interact with the regional and technical bureau points of contact and with PPL/LER.

C. Mission Program Office

At Missions, the Program Office will support Mission Technical Offices monitor throughout the Program Cycle, ensure compliance with monitoring requirements, promote best practices for utilizing monitoring information during implementation, and support consistency across monitoring plans. The Program Office will maintain the Mission PMP (for additional guidance about a Mission PMP, see **201.3.2.16**). The Program Office is responsible for leading the annual Performance Plan and Report (PPR) process.

D. Mission Technical Offices

Mission Technical Offices are responsible for monitoring throughout the Program Cycle, including working with partners to develop monitoring plans, develop or select indicators, ensure data is collected and maintained, ensure that data is of sufficient quality, analyze data for decision making and adaptation, and share and report data as appropriate.

E. Washington OUs

Washington OUs support Missions in fulfilling monitoring requirements by providing technical support in selecting appropriate indicators, assisting in the development of Mission-wide PMPs and Project and Activity MEL Plans, supporting data quality, and reviewing annual PPR data.

Washington OUs must follow monitoring guidance described in sections **201.3.5.2** through **201.3.5.8** for any of their own projects or activities implemented. 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.

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For detailed information about staff roles and responsibilities for monitoring, see [ADS 201sa, Staff Roles and Responsibilities for Monitoring, Evaluation, and Learning](#).

201.3.5.5 Types of Program Monitoring

Effective Date: 09/07/2016

A. Performance Monitoring

Missions and Washington OUs must conduct performance monitoring 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 reveal whether 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 strategic outcomes that are expected to result from the combination of these outputs and other factors. Performance monitoring continues throughout strategies, projects, and activities.

Performance monitoring data are analyzed in order to inform judgments about the outputs and outcomes of programs and projects as a basis to improve effectiveness and/or inform decisions about current and future programming. One way that Missions and Washington OUs analyze performance is by comparing actual results achieved against the expected results and targets initially set at the beginning of a strategy, project, or activity. This analysis is critical in determining the progress made in achieving the expected results identified in a CDCS Results Framework and project and 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

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

Context monitoring is the systematic collection of information about 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 macro-economic, social, or political conditions). Context

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monitoring should be used to monitor assumptions and risks identified in a CDCS Results Framework or project or activity logic model.

Context monitoring data are analyzed in order to form judgements about how actors and conditions outside the control of USAID may affect programming. Context monitoring may also reveal the unintended consequences of USAID programming. Missions and Washington OUs use this information to make management decisions and inform management actions about implementation, including when and how USAID needs to engage with other donors working in the same context.

C. Complementary Monitoring Approaches

To complement performance and context monitoring in situations where results are difficult to predict due to dynamic contexts or unclear cause-and-effect relationships, Missions and Washington OUs may consider using additional monitoring approaches, including complexity-aware approaches. When programming in non-permissive environments, complementary monitoring approaches may be appropriate to collect relevant and useful data (see [ADS 201sad, Complexity-Aware Monitoring Discussion Note](#)).

201.3.5.6 Standards and Criteria for Monitoring and Reporting

Effective Date: 09/07/2016

When planning for monitoring, Missions and Washington OUs must consider the utility of the information for management at the relevant level of decision making. It is recommended that a use and a user be identified for all monitoring data prior to data collection. Missions and Washington OUs must also ensure that the information collected will be of sufficient quality to be useful for intended users (see **201.3.5.8**).

201.3.5.7 Monitoring Indicators

Effective Date: 06/20/2017

An indicator is a quantifiable measure of a characteristic or condition of people, institutions, systems, or processes that may change over time. Missions and Washington 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

Performance Indicators: These indicators measure expected outputs and outcomes of strategies, projects, or activities based on a Mission's Results Framework or project or activity logic model. Performance indicators help answer

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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.

Performance indicators are required in a few specific places within the Program Cycle to measure the performance of expected results that are key to a Mission or Washington OU's portfolio. Expected results that require at least one performance indicator are:

- Each IR identified in the CDCS Results Framework;
- Each sub-IR identified in the CDCS Results Framework;
- Any Project Purpose that is not aligned to a single IR or single sub-IR; and
- Other key project performance indicators to measure significant and relevant expected project outcomes below the Project Purpose that are necessary for managing the project, as determined during project design.

Performance indicators are also required to fulfill reporting requirements. These required performance indicators include standard foreign assistance indicators needed annually for the PPR (see the annual [Guidance for Performance Plan and Report](#)).

Context Indicators: These indicators measure factors outside the control of USAID that have the potential to affect the achievement of expected results. Context indicators may be tracked at any level of a Results Framework or logic model. Context indicators may be used to track country/regional context; programmatic assumptions of strategies, projects and activities; and operational context.

B. Selecting Indicators

Selecting indicators is a balance between:

- The quantity and quality of indicator data needed for management decision making and reporting on strategies, projects, and activities, and
- The management and financial resources required to collect and analyze those indicators.

The PMP and Project and Activity 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. Missions and Washington OUs must also select indicators as

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required to report results in the annual PPR or other required reporting documents or processes.

C. Changing Indicators

During project implementation, Missions and Washington 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 and projects; 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, Missions and Washington OUs should be cautious about changing performance indicators, because it compromises the comparability of performance data over time.

Missions and Washington OUs have the authority to approve changes to PMPs and Project 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, Missions and Washington 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 (PIRS)

The collection and maintenance of performance indicator reference information, included in a Performance Indicator Reference Sheet (PIRS), promotes data quality and consistency across Missions and Washington OUs. The PIRS documents the definition, purpose, and methodology of the indicator to ensure all parties collecting and using the indicator have the same understanding of its content.

A Performance Indicator Reference Sheet is required for all performance indicators and must be complete and sufficient within three months of the start of indicator data collection. When possible, a PIRS should be complete prior to data collection to ensure the indicator and its data collection methodology are clearly defined. This is critical to promote data quality.

A PIRS must be consistent across all activities collecting data for the same indicator within a Mission or Washington OU. 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.

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The standard USAID PIRS Template is recommended, but indicator reference information may also be stored in an information system. Required indicator reference information for performance indicators are described in [ADS 201maf, Performance Indicator Reference Information and PIRS Template](#).

While not required, it is recommended that context indicators have completed indicator reference information, stored in a Context Indicator Reference Sheet (CIRS).

E. Indicator Baseline

The indicator baseline is the value of an indicator before major implementation actions of USAID-supported strategies, projects, or activities. Baseline data enable the tracking of changes that occurred during the project or the activity with the resources allocated to that project or activity.

All performance indicators are required to have baseline data. Baseline data should be collected before implementation of an intervention. 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 timeframe with a given level of resources. Targets should be ambitious but achievable given USAID (and potentially other donor or partner) inputs. Missions and Washington 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.

Targets must be set for performance indicators. Missions and Washington OUs, in consultation with the implementing partner as needed, must establish targets for each performance indicator prior to reporting actual data.

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

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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.

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

H. Indicator Data

Performance indicator data must be stored in an indicator tracking table or monitoring information system. Performance indicator data include baseline values, the baseline timeframe, targets, and actual values. 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. A Mission may also include context indicator data and other monitoring data in a tracking table or information system. Tracking tables or information systems must be updated per the reporting frequency set in the PIRS.

Monitoring information systems that will serve as a centralized repository and enable analysis of monitoring data collected for PMPs and Project and Activity MEL plans are recommended over decentralized tracking tables and other formats that do not enable Mission-wide analysis. No one Agency-wide system is prescribed.

Missions and Washington OUs must protect USAID beneficiaries by preventing the unauthorized access and use of personally identifiable information collected for indicator data reporting. For additional resources on information about proper handling of information about individuals, see [ADS 508, Privacy Program](#).

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201.3.5.8 Monitoring Data Quality

Effective Date: 06/20/2017

There is always a trade-off between the cost and the quality of data. Missions and Washington OUs should balance these two factors to ensure that the data used are of sufficiently high quality to support management needs.

A. Data Quality Standards

Missions and Washington OUs may use a variety of data sources for their monitoring needs. To ensure that the quality of evidence from a performance monitoring system is sufficient for decision making, data quality standards must be addressed. High-quality data are the cornerstone for evidence-based decision making. To be useful for monitoring and credible for reporting, data should reasonably meet 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 transcription error or data manipulation.

Precision: Data should have a sufficient level of detail to permit 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.

Data that do not meet these standards could result in an erosion of confidence in the data or could lead to poor decision making. Ensuring data quality requires strong leadership and commitment throughout the Mission and Washington OU.

B. Data Quality Assessments (DQA)

The purpose of a Data Quality Assessment is to ensure that USAID staff are aware of:

- Strengths and weaknesses of indicator data, as determined by applying the five data quality standards; and
- Extent to which data integrity can be trusted to influence management decisions.

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Missions and Washington OUs must conduct a DQA for each performance indicator reported to external entities. This includes all indicators reported in the PPR or other external reporting. The DQA must occur after data have been collected on a new indicator and within 12 months prior to the new indicator data being reported. A DQA must be conducted every three years thereafter. When setting targets for a new indicator, the Mission or Washington OU may conduct a preliminary assessment of data quality as a part of the target setting process. Missions and Washington OUs may choose to conduct DQAs more frequently if needed.

Missions and Washington OUs must document the results of DQAs. When data do not meet one or more of these standards, Missions and Washington OUs should document the limitations and establish plans for addressing the limitations. Missions and Washington OUs should file the completed documentation with the relevant PIRS (see [ADS 201sae, USAID Recommended Data Quality Assessment \(DQA\) Checklist](#) and [How-To Note: Conducting a Data Quality Assessment](#) for additional guidance).

201.3.5.9 Evaluation

Effective Date: 09/07/2016

Evaluation is the systematic collection and analysis of information about the characteristics and outcomes of strategies, projects, and activities conducted as a basis for judgments to improve effectiveness, and timed to inform decisions about current and future programming. Evaluation is distinct from assessment or an informal review of projects.

The purpose of evaluations is twofold: to ensure accountability to stakeholders and to learn to improve development outcomes. The subject of a USAID evaluation may include any level of USAID programming, from a strategy to a project, individual award, activity, intervention, or even cross-cutting programmatic priority.

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

201.3.5.10 Principles of Evaluation

Effective Date: 09/07/2016

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 will both improve the quality of strategy development and project design and guide data collection during implementation.

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- **Unbiased in Measurement and Reporting:** Evaluations will be undertaken so that they are not subject to the perception or reality of biased measurement or reporting due to conflict of interest or other factors.
- **Relevant:** Evaluations will address the most important and relevant questions about strategies, projects, or activities.
- **Based on Best Methods:** Evaluations will use methods that generate the highest-quality, and most credible evidence that corresponds to the questions being asked, taking into consideration time, budget, and other practical considerations.
- **Oriented toward Reinforcing Local Ownership:** The conduct of evaluations will 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.
- **Transparent:** Findings from evaluations will be shared as widely as possible with a commitment to full and active disclosure.

201.3.5.11 Missions and Washington Operating Unit Roles for Evaluation

Effective Date: 09/07/2016

Each Mission and Washington OU Program Office must identify an evaluation POC responsible for ensuring compliance with ADS evaluation policies across the breadth of the Mission and Washington OU's projects and activities and interacting with the Regional and Pillar Bureau evaluation points of contact and with PPL/LER.

A. Mission Program Office

Mission Program Offices will manage external evaluations for all but the most exceptional cases to encourage independence of external evaluations. Mission Program Offices will lead the process of planning evaluations, develop a budget estimate for the evaluations to be undertaken during the following fiscal year, support identification of appropriate evaluation procurement mechanisms, and organize in-house peer technical reviews to assess ADS compliance and quality of evaluation SOWs. Mission Program Offices will also organize in-house peer technical reviews to assess ADS compliance and quality of draft evaluation reports, ensure final evaluation reports are posted to the [Development Experience Clearinghouse \(DEC\)](#), report evaluation data in the PPR, and lead the process of developing post-evaluation action plans.

B. Mission Technical Office

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Mission Technical Offices will provide substantive technical input to the development of the evaluation SOW; ensure that implementing partners of the project or activity that will be evaluated are aware of any planned evaluations, the timeline, and the 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 discussion of post-evaluation action planning.

C. Washington OUs

Washington OUs support Missions in fulfilling evaluation requirements by participating in peer reviews of evaluation SOWs and draft evaluation reports, assisting in the development of Mission-wide PMPs and Project and Activity MEL Plans, reviewing PPR evaluation data, and provide other support as requested by Missions.

Washington OUs must follow evaluation guidance described in sections **201.3.5.9** through **201.3.5.18**. 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](#).

201.3.5.12 Impact and Performance Evaluations

Effective Date: 09/07/2016

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

Impact Evaluations: These measure the change in a development outcome that is attributable to a defined intervention. Impact evaluations are based on models of cause and effect and require a credible and rigorously defined counterfactual to control for factors other than the intervention that might account for the observed change.

Performance Evaluations: These encompass a broad range of evaluation methods. They often incorporate before–after comparisons but generally lack a rigorously defined counterfactual. Performance evaluations may address descriptive, normative, and/or cause-and-effect questions. Performance evaluation questions may include, but are not limited to, the following topics:

- What a particular strategy, project, or activity has achieved;

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- How it is being implemented;
- How it is perceived and valued;
- Contribution of USAID assistance to the results achieved;
- Possible unintended outcomes from USAID assistance; and
- Other questions pertinent to strategy, project or activity design, management, and operational decision-making.

No single evaluation design or approach will be privileged over others; rather, the selection of method or methods for a particular evaluation should principally consider the appropriateness of the evaluation design for answering the evaluation questions as well as balance cost, feasibility, and the level of rigor needed to inform specific decisions.

201.3.5.13 Evaluation Requirements

Effective Date: 09/07/2016

OUs should devote approximately 3 percent of total program funding to external evaluation on average. This may include a mix of both required and non-required external evaluations (see [Calculating Mission and Washington OU Spending on Evaluations](#)).

Evaluations should be considered by Missions in the CDCS and by all Washington OUs in the early stages of project and activity design to ensure adequate planning and implementation. Evaluations are required in three instances:

Requirement 1: Each Mission and Washington OU that manages program funds and designs and implements projects as described in **201.3.3** must conduct at least one evaluation per project. The evaluation may address the project as a whole, a single activity or intervention, a set of activities or interventions within the project, questions related to the project that were identified in the PMP or Project MEL Plan, or cross-cutting issues within the project.

Requirement 2: 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). Pilot interventions should be identified during project or activity design, and the impact evaluation should be integrated into the design of the project or activity. 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 wasn't feasible. An evaluation of a pilot intervention may count as one of the evaluations required under Requirement 1.

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Requirement 3: Each Mission must conduct at least one “whole-of-project” performance evaluation within their CDCS timeframe. Whole-of-project performance evaluations examine an entire project, including all its constituent activities and progress toward the achievement of the Project Purpose. A whole-of-project evaluation may count as one of the evaluations required under Requirement 1.

All Missions and Washington OUs may conduct non-required evaluations for learning or management purposes as needed at any point in implementation of the 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 timeframe of the activity or project being evaluated. Evaluations may be mid-term, final, ex-post, or conducted at any time that is appropriate for the decisions that the evaluation is designed to inform. Nor is there a 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 project, or creating a country or sector strategic plan. For more information, see [Whole of Project Evaluation](#).

201.3.5.14 Evaluation Independence

Effective Date: 09/07/2016

Evaluations conducted to meet evaluation requirements described in **201.3.5.13** must be external—i.e., led by an expert external to USAID who has no fiduciary relationship with the implementing partner—mitigating the potential for conflicts of interest. The outside expert may come from another U.S. Government agency uninvolved in project implementation or be engaged through an A&A mechanism. In cases where a Mission’s or Washington 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 the external team leader.

For external evaluations, all external evaluation team members will 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.

In Missions, external evaluations must be managed by Program Office staff 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

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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: 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 partner and evaluator—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. However, internal evaluations do not count toward the evaluation requirements described in 201.3.5.13. To the extent possible, internal evaluations should follow the same processes and procedures as described in sections **201.3.5.15** through **201.3.5.18**. Internal evaluations are subject to the same evaluation report requirements and quality criteria as external evaluations as described in **201.3.5.17**.

201.3.5.15 Planning Evaluations

Effective Date: 09/07/2016

Mission and Washington OUs should be actively involved in evaluation planning to ensure the final product is useful. Stakeholders, including beneficiaries, partner country partners, implementing partners, other USAID and U.S. Government entities, should be engaged to inform the development and prioritization of evaluation questions. Missions and Washington OUs should consider joint evaluations with other development actors.

Missions must develop and update their Mission evaluation plan in the Mission PMP (see **201.3.5.4**) as evaluations are planned.

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

- Clarify the evaluation purpose, audience, and timing.
- Review and understand the development hypothesis or theory of change.
- Review past evaluations and research that could inform evaluation planning.
- Identify the type of desired evaluation (performance or impact).
- Identify a small number of evaluation questions (1-5 questions are recommended) that are answerable with empirical evidence.

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- Consider data availability and quality.
- Consider evaluation methods that are rigorous and appropriate to the evaluation.
- Consider appropriate expertise needed.
- Consider 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 SOW that adheres to requirements, the draft SOW must undergo a peer review organized by the office managing the evaluation. Missions and Washington OUs may involve peers from relevant regional and/or pillar bureaus in the review process as appropriate (see [ADS 201sah, Evaluation SOW Peer Review Process](#)).

Missions and Washington OUs must plan for dissemination and use of the planned evaluation. Missions or Washington OUs should consider how key partners and other development actors would best receive evaluation information and plan their communications products accordingly (see [ADS 201saj, Developing an Evaluation Dissemination Plan](#)).

201.3.5.16 Evaluation Implementation

Effective Date: 09/07/2016

While the SOW will propose 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. To the extent possible, evaluation specialists with appropriate expertise from partner countries, but not involved in project implementation, will lead and/or be included in evaluation teams.

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

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Evaluations will use methods that generate the highest-quality and most credible evidence that corresponds to the questions being asked, taking into consideration time, budget, and other practical considerations. A combination of qualitative and quantitative methods applied in a systematic and structured way yields 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 didn't achieve an expected impact.

For USAID evaluations of all types, the methods, main features of data collection instruments, data analysis plans, as well as the key questions must be described in a written evaluation design by the evaluators. 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.

Missions and Washington 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 and analysis plans and tools, and draft or interim products and reports. 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.

201.3.5.17 Evaluation Reports

Effective Date: 09/07/2016

To ensure a high-quality evaluation report, the draft report must undergo a peer review organized by the office managing the evaluation. The evaluation report should be reviewed against [ADS 201maa, Criteria to Ensure the Quality of the Evaluation Report](#). Missions and Washington OUs may also involve peers from relevant regional and/or pillar 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](#). Evaluation reports must also conform to USAID branding requirements (see [ADS 320, Branding and Marking](#)) and comply with section

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508 of the Rehabilitation Act (see [ADS 302mak, USAID Implementation of Section 508 of the Rehabilitation Act of 1973](#)).

201.3.5.18 Evaluation Utilization

Effective Date: 09/07/2016

The value of an evaluation is in its use. Evaluations should be distributed widely, inform decision making, and contribute to learning to help improve the quality of development programs.

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. The following steps must be taken to develop the post-evaluation action plan:

- Review the key findings, conclusions, and recommendations systematically.
- 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 findings, conclusions, or recommendations. This may include changes to strategy, projects, activities, or other planning frameworks.
- Assign responsibility and the time frame for completion of each set of actions.
- Document the expected actions based on the evaluation, responsibilities, time frames, and completion of actions in a post-evaluation action plan.

B. Dissemination of Evaluations

Missions and Washington OUs will promote transparency and learning by disseminating evaluations when the evaluation report has been completed. Missions and OUs should follow the dissemination plan developed during the evaluation planning stage. Missions and OUs should openly discuss evaluation findings, conclusions, and recommendations with relevant partners, donors, and other development actors.

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Evaluation reports, including all Annexes to the report, must be made publicly available by being submitted to the [Development Experience Clearinghouse](#) 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, Missions and Washington OUs may request an exemption to the requirement to publish the report publicly on the DEC (see [ADS 201mae, Limitations to Disclosure and Exemptions to Public Dissemination of USAID Evaluation Reports](#) and [ADS 201saq, Action Memo Template for Exception to Public Disclosure of USAID-Funded Evaluation](#)).

Missions and Washington OUs will provide the relevant requested information about planned, ongoing and completed evaluations in the Evaluation Registry during 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.

Missions and Washington OUs must ensure that USAID implementing partners submit datasets—and supporting documentation such as code books, data dictionaries, scope, and methodology used to collect and analyze the data—compiled under USAID-funded evaluations to the Development Data Library (see [ADS 579](#)).

201.3.5.19 Collaborating, Learning, and Adapting

Effective Date: 09/07/2016

Strategic collaboration, continuous learning, and adaptive management link together all components of the Program Cycle. Sources for learning include data from monitoring, portfolio reviews, findings of research, evaluations, analyses conducted by USAID or third parties, knowledge gained from experience, and other sources.

These sources should be used to develop plans, implement projects, manage adaptively, and contribute to USAID's knowledge base in order to improve development outcomes. A Collaborating, Learning, and Adapting (CLA) focus helps ensure that programming is coordinated together, 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, research, practice, and experience;
- Understanding the theory of change behind programming, identifying potential gaps in technical knowledge, and developing plans to fill them;

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- Engaging with key stakeholders, including local thought leaders, beneficiaries, partner country 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 increase synergies and sharing with other USAID Missions and bureaus to extend the Mission's influence and impact beyond its project funding;
- Pausing periodically to reflect on new learning and knowledge and adapting accordingly; and
- 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.

201.3.5.20 Principles for Collaborating, Learning, and Adapting

Effective Date: 09/07/2016

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 so should be guided by Mission priorities.
- Tacit, experiential, and contextual knowledge are crucial complements to research and evidence-based knowledge. USAID should value and use all forms of knowledge in the development of strategies, projects, and activities and the ways to manage them adaptively.
- 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.

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201.3.5.21 Mission Roles for Collaborating, Learning, and Adapting

Effective Date: 09/07/2016

Staff across the Mission should be engaged in using CLA approaches across the Program Cycle. Learning is a part of everyone's role. However, the responsibility for CLA functions is housed in the Program Office, which will oversee certain key learning activities, including the portfolio review process and maintaining the CLA plan in the Mission's PMP. Missions may consider hiring or assigning a learning advisor to ensure that learning efforts are strategic and focused.

For detailed information about staff roles and responsibilities for CLA, see [ADS 201sal, Staff Roles and Responsibilities for Monitoring, Evaluation and Learning](#).

201.3.5.22 Planning for Collaborating, Learning, and Adapting

Effective Date: 09/07/2016

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 a plan that addresses those priorities. As CLA is a context-dependent and flexible approach, each Missions CLA plan will be different. Missions may use the CLA Maturity Matrix 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 Matrix Overview](#).

The CLA plan in the PMP and the learning sections of Project and Activity MEL Plans should address the following four elements: collaboration, gaps in knowledge, plans to pause and reflect on progress made, and resources for CLA (see below). These plans should also include information on roles and responsibilities. A template is available, or Missions may use another format to meet their needs.

For more information, see [Drafting a Collaborating, Learning and Adapting Plan](#).

201.3.5.23 Using Collaborating, Learning, and Adapting Approaches

Effective Date: 09/07/2016

CLA practices should be embedded 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, four essential components:

- (1) Strategic collaboration with key partners, both within USAID and externally, at the design phase and during implementation. At the strategy level, for example, this

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could include planning for collaboration among and between technical, DO, project or support offices and teams; processes for engaging with development actors for input and feedback on the strategy, programs, and context in an ongoing way; or plans for Mission-wide fora to share knowledge and learning gained from the implementation of projects or evaluations.

- (2) Identifying knowledge gaps during strategy development or project design and implementing plans to address them through evaluations, use of monitoring data, assessments, or other means.
- (3) Regularly taking 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 others.
- (4) Determining how to resource (through staff, funding, and/or implementing mechanisms) CLA processes and activities.

CLA approaches are affected by the organizational culture and are more likely to take root in a Mission with a supportive environment. A learning organization supports questioning assumptions actively, 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 Maturity Matrix assessment or other planning, to focus on issues—such as openness, institutional memory, and knowledge sources—as part of the CLA plan in the 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 Matrix 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.

201.3.5.24 Accessibility of Program Cycle Documentation

Effective Date: 09/07/2016

The [USAID Development Experience Clearinghouse \(DEC\)](#) provides Agency staff, development partners, and the public with accurate, comprehensive, and timely information on the Agency's development experience. Mission and Washington Operating Units must submit relevant and appropriate Program Cycle planning, design, implementation, monitoring, evaluation, and learning documentation created by the Agency and its implementing partners to the DEC. Guidance regarding which Program Cycle materials must be submitted to the DEC, who must submit Program Cycle

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materials to the DEC, and standards for Program Cycle materials submitted to the DEC are described in [ADS 540, Development Experience Information](#).

201.4 MANDATORY REFERENCES

201.4.1 External Mandatory References

Effective Date: 05/24/2018

- a. [2 CFR 200.328, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards- Monitoring and reporting program performance](#)
- 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, Agency 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 Act of 1961 \(Fulbright-Hays Act\)](#)
- g. [22 U.S.C. 32, Foreign Assistance \(Foreign Assistance Act \(FAA\) of 1961, as amended\)](#)
- h. [29 U.S.C. § 794 \(d\) Section 508 of the Rehabilitation Act of 1973, as amended](#)
- i. [31 U.S.C. § 39, Prompt Pay \(Federal Prompt Payment Act\)](#)
- j. [31 U.S.C. § 901, 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](#)

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- n. [31 U.S.C. § 6301-6308, \(Federal Grants and Cooperative Agreements Act\)](#)
- 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 Management Act of 2002](#)
- 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. [Office of Federal Procurement Policy Letter 05-01 Developing and Managing the Acquisition Workforce](#)
- v. [Office of Federal Procurement Policy Letter 11-01, Performance of Inherently Governmental and Critical Functions \(September 12, 2011\)](#)
- w. [OMB Bulletin 12-01, Guidance on Collection of U.S. Foreign Assistance Data](#)
- x. [OMB Circular A-11, Instructions on Budget Execution](#)
- y. [OMB Circular A-123, Management’s Responsibility for Internal Control](#)
- z. [OMB Memorandum M-13- 13, Open Data Policy-Managing Information as an Asset](#)
- aa. [OMB Memorandum M-18-04, Monitoring and Evaluation Guidelines for Federal Departments and Agencies that Administer United States Foreign Assistance](#)
- ab. [P.L. 103-356, Government Management Reform Act \[GMRA\] of 1994](#)
- ac. [P.L. 104-208 - Federal Financial Management Improvement Act of 1996, beyond original FMFIA \[FFMIA\]](#)
- ad. [U.S. Department of State-USAID Joint Strategic Plan](#)

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201.4.2 Internal Mandatory References

Effective Date: 03/10/2020

- 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, Legal Requirements Summary Checklist](#)
- g. [ADS 201mae, Limitations to Disclosure and Exemptions to Public Dissemination of USAID Evaluation Reports](#)
- h. [ADS 201maf, Performance Indicator Reference Data and PIRS Template](#)
- i. [ADS 201mag, Process for Developing and Approving a Country Development Cooperation Strategy \(CDCS\)](#)
- j. [ADS 201mah, USAID Evaluation Report Requirements](#)
- k. [ADS 201mai, Activity Approval Memorandum \(AAM\) Template](#)
- 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](#)

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- s. [ADS 201mav, Foreign Assistance Act Sections 118 and 119 Tropical Forests and Biodiversity Analysis](#)
- t. [ADS 201maw, Construction Risk Management](#)
- 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 204, Environmental Procedures](#)
- x. [ADS 205, Integrating Gender Equality and Female Empowerment in USAID's Program Cycle](#)
- y. [ADS 220, Use and Strengthening of Reliable Partner Government Systems for Implementation of Direct Assistance](#)
- z. [ADS 249, Development Credit Authority \(DCA\)](#)
- aa. [ADS 300, Agency Acquisition and Assistance \(A&A\) Planning](#)
- ab. [ADS 302, USAID Direct Contracting](#)
- ac. [ADS 303, Grants and Cooperative Agreements to Non-Governmental Organizations](#)
- ad. [ADS 304, Selecting the Appropriate Acquisition and Assistance \(A&A\) Instrument](#)
- ae. [ADS 306, Interagency Agreements](#)
- af. [ADS 308, Agreements with Public International Organizations](#)
- ag. [ADS 320, Branding and Marking](#)
- ah. [ADS 351, Agreements with Bilateral Donors](#)
- ai. [ADS 508, Privacy Program](#)
- aj. [ADS 509, Management and Oversight of Information Technology Resources](#)
- ak. [ADS 540, USAID Development Experience Information](#)

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- al. [ADS 579, USAID Development Data](#)
- am. [ADS 579mab, Activity Location Data](#)
- an. [ADS 597, Operations Performance Policy](#)
- ao. [ADS 602, Forward Funding, Program Funds](#)
- ap. [ADS 621, Obligations](#)
- aq. [ADS 631, Accrued Expenditures](#)
- ar. [AIDAR](#)
- as. [Contract Information Bulletins \(CIBs\)](#)
- at. [Climate Change in USAID Strategies](#)
- au. [Foreign Assistance Act](#)
- av. [Geographic Codes](#)
- aw. [Guidance on how to Close a USAID Mission - Checklist](#)
- ax. [Guidance on the Definition and Use of the Child Survival and Health](#)
- ay. [Guidance on the Definition and Use of the Global Health Programs Account](#)
- az. [How to Choose between 632\(a\) and 632\(b\) - Memoranda of Understanding and Inter-Agency Agreements](#)
- ba. [Implementation of Section 508 of the Rehabilitation Act of 1973](#)
- bb. [Local Systems – A Framework for Supporting Sustainable Development](#)
- bc. [Mandatory Sharing of Projects or Activities with a Significant Counter Trafficking-in-Persons Component to the Senior Policy Operating Group \(SPOG\)](#)
- bd. [Microenterprise Development](#)
- be. [Program Assistance Policy Paper](#)
- bf. [Protection of Human Subjects in Research Supported by USAID](#)

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

- bg. [Sample 632\(a\) Memorandum of Agreement to Transfer Funds From USAID to Another Agency](#)
- bh. [Summary Description of FAA Sections 118\(e\) and 119\(d\) Requirements for Preparing Strategic Plans](#)
- bi. [USAID Political Party Assistance Coordinator](#)

201.5 **ADDITIONAL HELP**
Effective Date: 07/23/2020

- a. [Adaptive Management Discussion Note](#)
- b. [Additional Guidance for 611\(e\) Certification Involving Construction Activities](#)
- c. [ADS 201saa, Results Framework Indicator Annex Template](#)
- d. [ADS 201sab, Project Financial Plan Template](#)
- e. [ADS 201sac, Project Management and Implementation Plan Template](#)
- f. [ADS 201sad, Complexity Aware Monitoring Discussion Note](#)
- g. [ADS 201sae, USAID Recommended Data Quality Assessment Checklist](#)
- h. [ADS 201saf, Evaluation Triggers](#)
- i. [ADS 201saq, Action Memo Template for Exception to Public Disclosure of USAID-Funded Evaluation](#)
- j. [ADS 201sah, Evaluation Statement of Work \(SOW\) Peer Review Process](#)
- k. [ADS 201sai, Managing the Peer Review of a Draft Evaluation Report](#)
- l. [ADS 201saj, Developing an Evaluation Dissemination Plan](#)
- m. [ADS 201sal, Staff Roles and Responsibilities for Monitoring, Evaluation, and Learning](#)
- n. [Application of ADS 201 to Washington Operating Units \(OU\)](#)
- o. [CDCS Templates and Tools](#)
- p. [Co-Creation Discussion Note](#)

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- q. [Cost Share in the Program Cycle](#)
- r. [Discussion Note: Implementing Local Ownership](#)
- s. [Drafting a Collaborating, Learning and Adapting Plan](#)
- t. [Foreign Assistance Act Sections 118/119 Tropical Forest and Biodiversity Analysis Best Practices Guide](#)
- u. [Guidance for Optimizing Operational Platforms](#)
- v. [How-To Note: Activity Monitoring, Evaluation, and Learning Plan](#)
- w. [How-To Note: CDCS Mid-Course Stocktaking](#)
- x. [How-To Note: Conduct a Data Quality Assessment](#)
- y. [How-To Note: Developing a Project Logic Model \(and its Associated Theory of Change\)](#)
- z. [How-To Note: Engendering Evaluation at USAID](#)
- aa. [How-To Note: Prepare and Maintain a Performance Management Plan](#)
- ab. [How-To Note: Project Monitoring Evaluation and Learning Plan](#)
- ac. [How-To Note: Strategy-Level Portfolio Review](#)
- ad. [Implementing Mechanism Matrix](#)
- ae. [Inclusive Growth Diagnostic Guidelines](#)
- af. [Local Capacity Development: Suggested Approaches](#)
- ag. [Monitoring Data Disaggregation by Geographic Location](#)
- ah. [Monitoring & Evaluation for a Government-to-Government Agreement](#)
- ai. [Project Approval Memorandum Template](#)
- aj. [Suggested Approaches for Integrating Inclusive Development Across the Program Cycle and in Mission Operations](#)
- ak. [Technical Note: PAD Updates and Amendments](#)

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

- al. [Thinking and Working Politically through Applied Political Economy Analysis \(PEA\) – Guide and Supporting Materials](#)
- am. [The 5Rs Framework in the Program Cycle](#)
- an. [USAID Guidelines: Cost-Benefit Analysis](#)

201.6**DEFINITIONS**

Effective Date: 07/23/2020

Accountability

The establishment of clear responsibility for reporting on results achieved with a given level of resources. The primary mechanism for this is the annual reporting process, known as the Performance Plan and Report. Beyond the annual reporting process, OUs may document results achieved through portfolio review summaries, evaluations, close-out reports, or other means. (**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 DO (see [ADS 631](#)). (**Chapter 201**)

Activity

An activity carries out an intervention, or set of interventions, typically through a contract, grant, or agreement with another U.S. Government agency or with the partner country government. An activity also may be an intervention undertaken directly by Mission staff that contributes to a project, such as a policy dialogue. In most cases, multiple activities are needed to ensure the synergistic contributions necessary to achieve the project's desired results. (**Chapter 201**)

Activity Manager

An Activity Manager is an individual the COR/AOR may identify to assist with the post-award administrative oversight and monitoring of an acquisition or assistance award. If the identified Activity Manager is not a U.S. Direct-Hire 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. While the Activity Manager is not authorized to provide technical direction to contractors or recipients or any other action that binds the U.S. Government based on the COR/AOR Designation Letter, the Activity Manager may strengthen the oversight and administration needed to support the COR/AOR. The Activity Manager could be located in Washington, D.C., or, in the case of field-support activities, in a USAID Mission, while the COR/AOR is located in USAID/Washington or another geographic location. The

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principal roles and responsibilities of the Activity Manager can include the following: (1) providing support to the COR/AOR in administering the award; and, 2) providing support to monitor the activities under the award, including by conducting site visits, verifying monitoring data, conducting periodic data-quality assessments, and filing documentation relating to such monitoring activities and site visits in ASIST, in accordance with Agency policy and the award's terms and conditions. (Chapter 201)

Activity Planner (see Planner)

Adaptive Management

An intentional approach to making decisions and adjustments in response to new information and changes in context. (Chapter 201)

Agreement Officer's Representative (AOR) (see Contracting Officer's Representative)

Approval for the Use of Partner Government Systems (AUPGS)

An addendum to the PAD which documents the due diligence requirements and associated fiduciary risk mitigation plan for using PGS. The AUPGS establishes USAID's and the partner government's fiduciary risk management strategy and guidelines for the life of the respective project. The AUPGS is incorporated into the Project Appraisal Document for projects that include G2G activities and must be completed prior to PAD finalization and Project Authorization. (Chapter 201 and [220](#))

Assessment

A forward-looking process that may be designed to examine country or sector context to inform strategic planning or project 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 for results to be achieved. Assumptions form part of the complete theory of change regarding the conditions under which change is envisioned to occur. (Chapter 201)

Attribution

Ascribing a causal link between observed changes and a specific intervention. It is the extent to which the observed change is the result of the intervention, taking into account all other factors which 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, generally selected through a competitive process resulting in a contract, grant, or cooperative agreement. (Chapter 201)

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Baseline

The value of an indicator before major implementation actions of USAID-supported strategies, projects, or activities. Baseline data enable the tracking of changes that occurred during the project or the activity with the resources allocated to that project or activity. **(Chapter 201)**

Co-creation

Co-creation is a design approach that brings people together to collectively produce a mutually valued outcome, using a participatory process that assumes some degree of shared power and decision-making. **(Chapter 201)**

Collaborating, Learning, and Adapting (CLA)

CLA involves strategic collaboration, continuous learning, and adaptive management. CLA approaches to development include collaborating intentionally with stakeholders to share knowledge and reduce duplication of effort, learning systematically by drawing on evidence from a variety of sources and taking time to reflect on implementation, and applying learning by adapting intentionally. **(Chapter 201)**

Collaborating, Learning and Adapting (CLA) Plan

A section of the Performance Management Plan (see PMP) that describes the Mission's approach to CLA, including planning for collaboration; identifying and addressing gaps in knowledge; planning to pause and reflect on progress; and resources for CLA. **(Chapter 201)**

Context

Conditions and external factors relevant to implementation of USAID strategies, projects, and activities. Context includes the environmental, economic, social, or political factors that may affect implementation, as well as how local actors, their relationships, and the incentives that guide them affect development results. **(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. Context indicators may be tracked at any level of a Results Framework or logic model. Context indicators may be used to track country/regional context; programmatic assumptions of strategies, projects, and activities; and 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 activities. Context monitoring includes the monitoring of local conditions that may directly affect implementation and performance (such as non-USAID programming operating within the same sector as USAID programming) or external factors that may indirectly affect

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implementation and performance (such as macro-economic, social, or political conditions). (**Chapter 201**)

Contingency Operation

Defined in [section 101\(a\)\(13\) of Title 10, United States Code, Part I](#) – 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

The individual who performs functions that are designated by the Contracting or Agreement Officer, or who is specifically designated by policy or regulation as part of contract or assistance administration (see Activity Manager and [ADS 300](#)). (**Chapter 201**)

Country Development Cooperation Strategy (CDCS)

The strategy that defines a Mission’s chosen approach in country and provides a focal point of the broader context for projects and activities. A CDCS presents expected results within a time-defined 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 changing circumstances. The CDCS is usually five years long. (**Chapter 201**)

Country Development Cooperation Strategy (CDCS) Goal

The highest-level long-term outcome to be advanced or influenced by USAID and its development partners. The Goal may be related to US foreign policy interests in a country or the country’s own national development plan. While USAID is not accountable for achieving the Goal, the Goal should incorporate the purpose of USAID’s presence in country and provide guidance for all choices made within a country strategy. The Mission is responsible for progressing toward the CDCS Goal as it advances toward achieving the DOs. (**Chapter 201**)

Country Roadmap

USAID’s primary visualization tool for illustrating each country’s overall level of self-reliance, and relative strengths and challenges, by looking at performance on each of the self-reliance metrics that comprise it. While the Country Roadmap cannot capture

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every issue and nuance driving self-reliance, it is ultimately meant to serve as a conceptual anchor and a set of entry points to gauge a country's overall progress towards self-reliance, and therefore its relative ability to plan, finance, and manage its own development journey. The Agency will produce Country Roadmaps for all low- and middle-income countries on an annual basis and, in so doing, will provide an objective and inclusive snapshot of the full self-reliance journey that encompasses the entire developing world -- not just to the extent of USAID's presence or engagement. **(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 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 on when making management decisions and reporting (see data quality standards). **(Chapter 201)**

Data Quality Standards

Standards for determining the quality of performance monitoring data for evidence-based decision making and credible reporting. 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)**

De-obligation

The process of removing unneeded funds from an obligating instrument. This is typically done during the annual review process for certification of unliquidated balances and the separate certification of the validity of recorded obligations and upon completion of activities when unliquidated obligations might have become excessive or might no longer be needed for their original purpose. **(Chapter 201)**

Development Actors

The range of stakeholders engaged in development efforts in a partner country. These actors often include the partner country government, civil society, other bilateral and multilateral organizations, NGOs (both local and international), other U.S. Government agencies, and the private sector (both local and international). **(Chapter 201)**

Development Credit Authority (DCA) Guarantee

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An Agency tool that can be used to assist with mobilizing private capital by providing credit guarantees to private lenders and investors to encourage them to lend in support of specific development objectives. (**Chapter 201**)

Development Hypothesis

A development hypothesis describes the theory of change, logic, and relationships between the building blocks needed to achieve or contribute to a long-term 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 collectively contribute to, or lead to achieving, the Development Objectives. It is a short narrative that explains the relationships between results upwards from the sub-IRs, to the IRs, to the DOs. (**Chapter 201**)

Development Objective (DO)

Typically the most ambitious result that a Mission, together with its development partners, can contribute through its interventions. (**Chapter 201**)

Development Objective Agreement (DOAG)

A bilateral obligating document under which sub-obligations may be made for contracts, grants, and cooperative agreements; bilateral project agreements; etc. It sets forth a mutually agreed-upon understanding between USAID and the partner government of the timeframe; results expected to be achieved; and means of measuring those results, resources, responsibilities, and contributions of participating entities for achieving a clearly defined objective. (**Chapter 201**)

Development Objective (DO) Team

A group of people with complementary skills who are empowered to work toward a result outlined in a DO. The primary responsibility of a DO Team is 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. DO Teams may decide to organize sub-teams if they wish to manage complex projects more efficiently. They are composed of USAID employees and those partners and customers considered to be essential for working towards achieving the DO result. (**Chapter 201**)

Development Policy

Guidance and analysis covering the content and substance of USAID programs. Development policy includes Agency policies, strategies, and vision papers as well as U.S. Government policies and those in support of international development agreements and approaches (see **ADS 200**). (**Chapter 201**)

Disbursement

The actual payments made by the Agency for goods and services or other performance under an agreement/instrument using cash, check, or electronic transfer. (**Chapter 201**)

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Due Diligence

The technical term for the necessary assessment of the past performance, reputation, and future plans of a prospective alliance partner, private sector, 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)**

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 (See performance evaluation, impact evaluation)

Evaluation is the systematic collection and analysis of information about the characteristics and outcomes of strategies, projects, and activities conducted as a basis for judgments to improve effectiveness and timed to inform decisions about current and future programming. Evaluation is distinct from assessment or an informal review of projects. **(Chapter 201)**

Evaluation Plan (Mission-wide)

A plan to identify and track evaluations across the Mission and over the entire CDCS timeframe. Evaluation plans are a required part of the PMP. **(Chapter 201)**

Evaluation Registry

An annex to the annual PPR which includes information, normally drawn from the evaluation plan in the PMP, 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

Body of facts or information that serve as the basis for programmatic and strategic decision making in the Program Cycle. Evidence can be derived from assessments, analyses, performance monitoring, and evaluations. It can be sourced from within USAID or externally and should result from systematic and analytic methodologies or from observations that are shared and analyzed. **(Chapter 201)**

Expenditures (also called accrued 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. Accruals + disbursements = expenditures. Expenditures offer a valuable indicator of progress in monetary terms of an activity or project. **(Chapter 201)**

Experimental Design (of an evaluation)

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

An impact evaluation design in which random assignment is used to assign the intervention among members of the eligible population to eliminate selection bias, so there are those who receive the intervention (treatment group) and those who do not (control group). Also called 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 responsible for the activities 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 team leader. (**Chapter 201**)

Focus

The operational principle that USAID should focus U.S. Government resources in a manner that is likely to yield the strongest development impact. This could be accomplished 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, it is critical that USAID proactively engage other development actors and determine USAID's comparative advantage. (**Chapter 201**)

Foreign Assistance 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 (see program area, program element, and program sub-element). (**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 Analysis (see [ADS 205](#))

Gender Integration

Identifying and then addressing gender inequalities during strategic planning, project design, implementation, and monitoring and evaluation. 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

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Indicators that point out to what extent and in what ways development programs and projects 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)

Government Agreement Technical Representative (GATR)

Designated by the Mission Director, represents the USAID Mission for all matters related to a Government-to-Government (G2G) agreement. The GATR, like an AOR or COR for A&A awards, has a formal designation letter or memorandum from the Mission Director defining his/her roles, responsibilities, and authorities. **(Chapter 201)**

Host Country

The country in which a USAID-funded activity takes place. **(Chapter 201, 252, 253, 301, 305, 322, 495)**

Impact Evaluation

Evaluation based on models of cause and effect and that requires a credible and rigorously defined counterfactual to control for factors other than the intervention that might account for the observed change. Impact evaluations in which comparisons are made between beneficiaries that are randomly assigned to either a treatment or a control group provide the strongest evidence of a relationship between the intervention under study and the outcome measured. Impact evaluations measure the change in a development outcome that is attributable to a defined intervention. **(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 terms of 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 implementing a project to achieve identified results, generally through the use of a legally binding relationship established between an executing agency (generally a U.S. Government 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, bilateral project agreements, fixed amount reimbursement and performance agreements and cash transfers to host country governments, public-private partnerships, Development Credit Authority (DCA) agreements, and Development Innovation Venture (DIV) awards. **(Chapter 201)**

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Implementing Partner

The executing agency (generally a U.S. Government agency like USAID or a host government agency) or the implementing entity (contractor, grantee, host government entity, public international organization) that carries out programs with U.S. Government funding through a legally binding award or agreement. (**Chapter 201**)

Indicator

An indicator is 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)

The 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 technical assistance, commodities, training, or provision of USAID staff, either operating expenses (OE) or program-funded, that is used to create an output. (**Chapter 201**)

Instrument

A contract, cooperative agreement, Development Credit Authority (DCA) partial credit guarantee, bilateral agreement, or other legally binding mechanism that obligates or sub-obligates program or operating expenses (OE) funds. (**Chapter 201**)

Integrated Country Strategy (ICS)

A process through which all U.S. Government Missions develop multi-year strategies with a whole-of-government focus. 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 its respective countries. Additionally, and in line with the whole-of-government scope of each ICS, each USAID Mission's Country Development Cooperation Strategy (CDCS) is nested within the ICS. Objectives from each ICS are used to frame the 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 CDCS. An important result that is seen as an essential contribution to advancing a Development Objective (DO). IRs are measurable results that may capture a number of discrete and more specific lower-level results and typically define the purpose of projects. (**Chapter 201**)

Internal Evaluation

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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 partner and evaluator—concerning their own activity (an implementer internal evaluation). (**Chapter 201**)

Joint Regional Strategy (JRS)

The JRS is a three-year strategy developed collaboratively by 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 will be co-led by the State and USAID regional bureaus, with participation and input from relevant functional bureau stakeholders. Missions will be involved in JRS development, as the JRS will set the general parameters to guide Mission planning. Bureaus will 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 will complete a JRS once every three years, with the ability to adjust it in interim years as circumstances necessitate. (**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 the award). Leveraged resources may include grants/awards from non-U.S. Government organizations and other donor governments. (**Chapters 201, 303, 623**)

Local Ownership

The commitment and ability of local actors — including the governments, civil society, the private sector, universities, individual citizens, and others — to prioritize, resource, and implement development, so that development outcomes have a 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:

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- Local staff should comprise at least 50% 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, illustrating the connection between what the project 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**)

Logical Framework (LogFrame)

A type of logic model presented in a table format that provides a simplified depiction of how a project is to function in the form of a linear chain of cause and effect. It establishes the “if-then” (causal) relationships between the elements of a project: if the outputs are achieved (and the assumptions hold true), then certain outcomes (or sub-purposes) can be expected; if the outcomes are achieved (and the assumptions hold true), then the purpose can be expected. (**Chapter 201**)

Mechanism (see implementing mechanism)

Memorandum of Understanding (MOU)

A document that sets forth a set of intentions between participants. MOUs are generally designed as non-binding instruments and establish political (not legal) commitments. (**Chapter 201**)

Mission Resource Request (MRR) (previously MSRP)

A country-specific document prepared by a field Operating Unit (OU) under the guidance of the Ambassador, which will focus on resources required to implement the strategies outlined in Bureau and country-level multi-year strategies and will not duplicate the strategy components previously included in the MSRP. (**Chapter 201**)

Monitoring (in the Program Cycle)

Monitoring is the ongoing and systematic tracking of data or information relevant to USAID strategies, projects, and activities. Relevant data and informational needs are

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identified during planning and design, and may include output and outcome measures that are directly attributable to or affected by USAID 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 from a USAID activity (Activity MEL Plan) or Project (Project MEL Plan). They are distinct from Mission-wide Performance Management Plans (PMP). **(Chapter 201)**

Mortgage

A claim on future resources (which have been authorized in the joint Operating Unit's (OUs) approved Operational Plan(OP)); the difference between the total authorized level of funding and the cumulative total amount of funds obligated to a particular activity (see [ADS 602](#)). **(Chapter 201)**

National Security Strategy (NSS)

An overarching U.S. Government policy document that covers the national security principles underlying U.S. foreign policy. As published in May 2010, its main themes include promoting the security of the United States, its citizens, and U.S. allies and partners; a strong and growing U.S. economy in an open international economic system that promotes opportunity and prosperity; respect for universal values at home and around the world; and an international order advanced by U.S. leadership. Objectives of development assistance are central to the document, which was prepared by the National Security Council. **(Chapter 201)**

Non-Permissive Environment (NPE)

A "non-permissive" environment refers to an environment or context (at the national and/or sub-national level) characterized by uncertainty, instability, inaccessibility and/or insecurity, and in which USAID's ability to safely and effectively operate is constrained. Factors that may contribute to a "non-permissive" environment include:

- Armed conflict to which the U.S. is a party or not 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, at any point in implementation of activities, projects, or programs. 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)**

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Operating Expense (OE)

Costs related to personnel, other administration costs, rental, and depreciation of fixed assets. **(Chapter 201)**

Operating Unit (OU)

The organizational unit 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 agencies 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, pillar bureaus, and independent offices in USAID/Washington that expend program funds to achieve DOs identified in a CDCS. In Chapter 201, field OUs are referred to as "Missions", and those in Washington are referred to as "Washington OUs." **(Chapter 201)**

Operational Plan (OP)

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 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 foreign policy priorities. **(Chapter 201)**

Operations Policy

Program procedures, rules, and regulations affecting the management of USAID internal systems, including budget, financial management, personnel, procurement, and program operations. **(Chapter 201)**

Outcome

The conditions of people, systems, or institutions that indicate progress or lack of progress toward achievement of project/program goals. Outcomes are any result higher than an output to which a given output contributes but for which it is not solely responsible. Outcomes may be intermediate or end outcomes, short-term or long-term, intended or unintended, positive or negative, direct or indirect. **(Chapter 201)**

Output

Outputs are what are produced as a direct result of inputs. They are the tangible, immediate, and intended products or consequences of an activity within USAID's control or influence. **(Chapter 201)**

Partner

An organization or individual with which/whom the Agency collaborates to achieve mutually agreed-upon objectives and secure participation of ultimate customers. Partners can include host country governments, private voluntary organizations, host country and international NGOs, universities, other U.S. Government agencies, United

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Nations and other multilateral organizations, professional and business associations, and private businesses and individuals. (**Chapter 201**)

Partner Country

The country in which a USAID-funded activity takes place (see host country). (**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)

Performance evaluations encompass a broad range of evaluation methods. They often incorporate before-after comparisons but generally lack a rigorously defined counterfactual. Performance evaluations may focus on what a particular project or program 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

Means to monitor 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 alone cannot tell a Mission or Washington OU why such progress is or is not being made. (**Chapter 201**)

Performance Management

The systematic process of planning, collecting, analyzing, and using performance monitoring data and evaluations to track progress, influence decision making, and improve results. Performance management activities are described at the Mission level in the Mission's Performance Management Plan (PMP). Performance management is one aspect of the larger process of continuous learning and adaptive management. (**Chapter 201**)

Performance Management Plan (PMP)

A tool to plan and manage the process of monitoring strategic progress, project performance, programmatic assumptions and operational context; evaluating performance and impact; and learning from evidence in order to inform decision-making, resource allocation, and adaptation at the strategy level. PMPs are Mission documents and are distinct from Project MEL Plans and Activity MEL Plans. (**Chapter 201**)

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Performance Monitoring

Performance monitoring is the ongoing and systematic collection of performance indicator data and other quantitative or qualitative information to reveal whether 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 strategic outcomes that are expected to result from the combination of these outputs and other factors. Performance monitoring continues throughout strategies, projects, and activities. (**Chapter 201**)

Performance Plan and Report (PPR)

Documents U.S. Government foreign assistance results achieved over the past fiscal year and sets targets on designated performance indicators for the next two fiscal years. (**Chapter 201**)

Pillar Bureau

A Washington OU that provides leadership and innovation in its respective field. The four Pillar Bureaus are Economic Growth, Education, and Environment (E3); Democracy, Conflict, and Humanitarian Assistance (DCHA); Food Security; and Global Health (GH). Pillar bureaus concentrate on program activities that support USAID Operating Units (OU) in the field (see [ADS 200](#)). (**Chapter 201**)

Pipeline

The difference between the total amount that has been obligated in an award or agreement and the total expenditures against that award or agreement. (**Chapter 201**)

Planner

The designated person responsible for developing and maintaining a written Individual Acquisition Plan (IAP) or for the planning function in those acquisitions (FAR 7.101) or assistance actions not requiring a written plan. The Planner may be the Project Design Team Leader or Project Manager or his or her designee, such as the intended Contracting Officer/Agreement Officer Representative (COR/AOR), who will work with the CO/AO in carrying out the planning function. Operating Units (OUs) must ensure that a Planner is identified for a particular procurement. Although OUs have the 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, FAR acquisition planning requirements, and OMB/OFPP 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

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- 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, respectively. (**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 Operating Units and other operating units 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 identify broad programmatic interventions (such as Counter Narcotics, Health, or Private Sector Competitiveness). This is primarily used for budget planning and tracking. Program Areas can be funded by more than one appropriation account. (**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

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 projects and activities to implement strategic plans; and 3) learning from performance monitoring, evaluations, and other relevant sources of information to make course corrections and inform future programming, as needed. (**Chapter 201**)

Program Element

Categories in the Foreign Assistance Standardized Program Structure that reflect the different components of a program area. Examples would be Alternative Development and Alternative Livelihoods within Counter Narcotics, HIV/AIDS within Health, and

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Business Enabling Environment within Private Sector Competitiveness. This is primarily used for budget planning and tracking. (**Chapter 201**)

Program Sub-element

Program sub-elements are categories in the Foreign Assistance Standardized Program Structure that reflect the different components of a program element. An example would be Farmer/Community Group Support within Alternative Development and Alternative Livelihoods, Preventing Mother-to-Child Transmission within HIV/AIDS, or Property Rights within Business Enabling Environment. This is primarily used for budget planning and tracking. (**Chapter 201**)

Project

A set of complementary activities, over an established timeline and budget, intended to achieve a discrete development result, often aligned with an Intermediate Result (IR) in the CDCS Results Framework. Taken together, a Mission's suite of project designs provides the operational plans for achieving the objectives in its CDCS or other applicable strategic plan. (**Chapter 201**)

Project Appraisal Document (PAD)

Documents the complete project design and serves as the reference document for project approval and subsequent implementation. The PAD should: define the highest level purpose to be achieved by the project; present the theory of change regarding how the process of change is expected to take place and how USAID intends to influence these changes; describe an overall project management and implementation plan, including a brief description of the family of activities that will execute the project design; and present a financial plan and MEL plan. The PAD should be developed based on an understanding of the project context, an assessment of the development problem, and a review of evaluations and other mandatory and non-mandatory analyses. (**Chapter 201**)

Project Appraisal Document (PAD) Approval Memorandum

The PAD Approval Memorandum gives substantive approval for a project to move from the planning stage to implementation. It does not reserve or commit funds. The authorization approves the project design, sets out the basic scope of the design and its duration, defines the family of activities that will implement the project, and approves an overall total budget level for the project. (**Chapter 201**)

Project Design Plan (PDP)

A 5- to 10-page memorandum that defines the preliminary Project Purpose of the proposed project and proposes a road map of the analytic and other steps needed to complete the PAD. (**Chapter 201**)

Project Manager

Member of a Development Objective (DO) Team or Mission technical office who provides overall guidance and direction at the project level. This is typically a function in the Mission and not a formal supervisory position. (**Chapter 201**)

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Project Purpose

The highest-level result to be achieved by a project. The Project Purpose must support the Mission's CDCS Results Framework, typically at the Intermediate Result (IR) level, 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**)

Public Financial Management Risk Assessment Framework (PFMRAF)

USAID's risk management process to identify, mitigate, and manage the fiduciary risks encountered when considering Government to Government (G2G) assistance. It focuses on fiduciary risks to which U.S. Government funds may be exposed when administered directly by the Public Financial Management (PFM) systems of the individual entities intended to implement G2G-funded activities. PFM assessments of individual entities must include all systems that may be used in implementing an individual project (see [ADS 220](#)). (**Chapter 201**)

Quasi-experimental Design (of an evaluation)

Impact evaluation designs used to attribute impact in the absence of a control group from an experimental design. Rather than a randomized control group, a comparison group is generated through rigorous statistical procedures such as propensity score matching, regression discontinuity, or analysis with instrumental variables. (**Chapter 201**)

Regional Development Cooperation Strategy (RDCCS)

A strategy similar to a CDCS for a regional platform or program. (**Chapter 201**)

Required Evaluation

An evaluation whose completion fulfills a requirement. Required evaluations must be external and managed, in most cases, by Program Office staff. (**Chapter 201**)

Result

A significant and intended change in a development condition affecting people, systems, or institutions. Results are outputs and outcomes, including the Development Objective (DOs), Intermediate Result (IRs), sub-Intermediate Result (sub-IRs), Project Purpose, and project outcomes, as specified in a Mission's CDCS or project logic model. (**Chapter 201**)

Results Framework

The predominant logic model for representing the development hypotheses underlying the Mission's strategy. The Results Framework diagrams the development hypotheses, outlining the logic for achieving DOs over time, including causal logic (at levels up to IRs) and contribution between IRs and DOs and between DOs and Goals. The Results Framework includes the CDCS Goal, DOs, IRs, and sub-IRs. (**Chapter 201**)

Risk

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Within the Program Cycle, risks are factors in the programmatic context that could have negative consequences to the achievement of results. Mission and Washington OUs use this information to make management decisions and inform management actions about implementation of programming. **(Chapter 201)**

Self-reliance

The capacity to plan, finance, and implement solutions to local development challenges, as well as the commitment to see these through effectively, inclusively, and with accountability. **(Chapter 201)**

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 (see **gender**). **(Chapter 201)**

Stakeholders

Those who are affected positively or negatively by a development outcome or have an interest in or can influence a development outcome. **(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 country or region and maximizes the impact of development cooperation (including, as appropriate, cooperation with partner governments, partner country/regional stakeholders, other donors, and the interagency). USAID 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)**

Support Objective

A Support Objective reflects the technical and management assistance that the regional platform/Mission may provide to bilateral Missions and to non-presence programs within its region. Regional platforms/Missions may include a Support Objective for services provision, if appropriate. A Support Objective can also be managed by a bilateral Mission or a Washington-based Operating Unit (OU). **(Chapter 201)**

Sustainability

The ability of a local system to produce desired outcomes over time. Programs contribute to sustainability when they strengthen the system's ability to produce valued

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results and to be both resilient and adaptive in the face of changing circumstances. **(Chapter 201)**

Target

Specific, planned level of result to be achieved within a specific timeframe with a given level of resource. **(Chapter 201)**

Theory of Change

A narrative description, usually accompanied by a graphic or visual depiction, of how and why a purpose or result is expected to be achieved in a particular context.

Transition Planning

A legislatively mandated section of the CDCS to determine the proposed trajectory for USAID assistance in country, including identifying the conditions under which USAID assistance will no longer be needed, benchmarks toward achievement of those conditions, and options for transition once those conditions are met. **(Chapter 201)**

Unliquidated Obligation

The difference between the total amount that has been obligated in an award or agreement and the total disbursement against that award or agreement. **(Chapter 201)**

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