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ACVFA Implementation Mechanisms Working Group Presentation

Trends in USAID's Selection and Use of Implementation Mechanisms:

- 1. A Shift Towards Acquisition Mechanisms (Contracts) vs. Assistance Mechanisms (Grants and Cooperation Agreements)**
- 2. The “Bundling” of Multi-Sectoral Program Components under Large, Omnibus RFPs and RFAs and Increased USAID Reliance on IQCs**



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Shift Towards Acquisition Mechanisms

The Federal Grant and Cooperative Agreement Act of 1978 defined implementation in terms of the *purpose* of the award and the *relationship* created between the U.S. Government and the award recipient.

- Acquisition mechanisms: “acquire by purchase, lease, or barter property or service for the direct benefit of the U.S. Government”
- Assistance mechanism: “transfer a thing of value to the recipient to carry out a public purpose of support or stimulation authorized by a law of the United States”
- ADS 304 provides guidance on instrument selection: suggests no activities are better suited for one type of instrument over the other



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Recommendations On The Use Of Acquisition And Assistance Mechanisms

- Designate a new ACVFA working group to assemble a detailed list of programs exclusively appropriate for each mechanism
- Revisit and revise sections of ADS 303 and 304 to ensure compliance with the Federal Grant and Cooperative Agreement Act
- Provide additional training to mission-based staff on appropriate use of assistance and acquisition mechanisms
- Revisit appropriateness of mechanism selection and compile a “lessons learned” document for USAID contracting and agreement officers
- Explore the efforts of other federal agencies to identify and adapt best practices
- Be cautious of recent trends to manage grants and cooperative agreements like contracts and avoid efforts to exacerbate the “contract-like” management of assistance awards



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“Bundling” of Multi-Sectoral Program Components

- Perceived benefit of management efficiencies
- Programmatic concerns:
 - Creation of unnatural partnerships
 - Conflicts of Interest
 - Complicated lines of communication
- Increased use of IQC’s limit pool of partners, expertise and ideas



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Recommendations on the “Bundling” Trend in USAID Programming

- Commission a qualitative and quantitative study of the bundling phenomenon to examine cost efficiencies and impact on the quality of development programs
- Highlight and encourage the best practice of posting draft RFAs/RFPs for comment so bundling concerns can be raised with Mission personnel
- Ensure sufficient operating expense budgets to foster effective development practices



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