



USAID
FROM THE AMERICAN PEOPLE

ADS Chapter 201

Program Cycle Operational Policy

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 ADS 201 – Program Cycle Operational Policy
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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: 09/07/2016

- 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 Administrator (PPL/AA) 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 and procedures for USAID Missions and, as relevant, Washington OUs, to design,

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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 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.

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

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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 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 Agency's central unit for administrative budget planning and implementation, management policy formulation, management performance monitoring and evaluation, and administrative support services.

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

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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: Country Development Cooperation Strategy (CDCS) development, the Operational Plan (OP), Bureau and Mission Resource Requests (BRR/MRR), preparation of 653(a), 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 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.

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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 Operating Units (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 may find that much of the guidance and many of the good practices in the chapter are relevant and should be adopted, whenever feasible. For additional guidance, see [Application of ADS 201 to Washington Operating Units \(OU\)](#).

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 may wish to do so for purposes of Agency learning and to ensure continuity during staff transitions.

Mandatory References may contain both mandatory and non-mandatory procedures and often contain 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

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.

201.3.1.1 Relationship to Development Policy

Effective Date: 09/07/2016

The Program Cycle provides the means through which USAID operationalizes development policy, as described in [ADS 200, Development Policy](#).

Agency approaches to complex development challenges are articulated in internal USAID policies, strategies, and vision papers. Agency development policy is grounded

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in broad U.S. Government (USG) foreign policy and development priorities and reflects commitments to international accords. It comprises required and recommended practices and approaches for international development assistance broadly and in specific fields. Agency policies, strategies, and vision papers aim to ensure policy coherence, quality, and technical rigor to support evidence-based decision-making and enhance the impact of all USAID's development programs. A list of current Agency policies, strategies, and vision papers can be found in the [Policy Registry database](#).

The Program Cycle allows the Agency to advance broader U.S. foreign policy and development priorities in the countries and regions where USAID works and tailor them to the local country context to produce 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, Agency policies and strategies.

201.3.1.2 Program Cycle Principles

Effective Date: 09/07/2016

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 should be based on analysis 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. 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 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 and even in the most stable environments, it is difficult to reliably predict 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

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more flexible programs, promotes intentional learning, minimizes the obstacles to 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 Ownership

The sustainability and long-term success of development assistance ultimately requires local ownership and the strengthening the capacity of local systems to produce development 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 the partner country government, beneficiaries, civil society, the private sector, and academia. These processes should be inclusive of the poorest, most marginalized populations and women and girls. USAID assistance should be designed to align with the priorities of local actors; leverage local resources; and increase local implementation to sustain results over time.

D. Utilize a Range of Approaches to Achieve Results

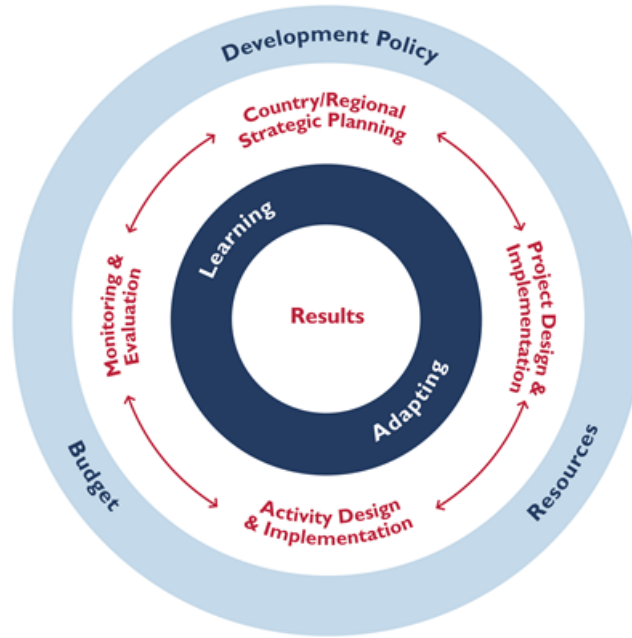
The Program Cycle provides the framework for USAID to consider a range of approaches to address specific development challenges in a given country context. The development community has experimented with a range of approaches in recent years, including solutions driven by science, technology, and innovation. In addition, new partnerships and commitments forged to work in tandem with developing country governments, the private sector, universities, civil society, 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 desired results, matched to the context, needs, and resources available to carry them out.

201.3.1.3 Program Cycle Components

Effective Date: 04/18/2018

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.

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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 U.S. development policy priorities, individual country and/or regional priorities, and USAID's comparative advantage and available foreign assistance resources, among other factors. The Country Development Cooperation Strategy (CDCS) or Regional Development Cooperation Strategy (RDCS) describes the strategic approach. The CDCS and RDCS are referred to collectively in this chapter as a CDCS. A CDCS defines a Mission's goal and objectives for an agreed-upon period of time, based on a given level of resources, and supports State-USAID Joint Regional Strategies, Integrated Country Strategies (ICSs) and the State-USAID Joint Strategic Plan. The CDCS may be adjusted during the strategy period in response to changes in the country context and lessons learned from project and activity design and implementation, monitoring, and evaluation.

B. Project Design and Implementation

Project design 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 that efforts are complementary and aligned in support of the strategy. Each project design typically incorporates multiple activities organized around a common purpose. The Project Appraisal Document (PAD) describes the project design and the supporting evidence upon which it is based. During project implementation,

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USAID staff work collaboratively to ensure that activities taken together are achieving intended project outcomes. For additional guidance on adaptive management throughout the Program Cycle, see [Adaptive Management Discussion Note](#).

C. Activity Design and Implementation

Activity design is the process by which USAID further defines how it will implement an activity contributing to a project (or in limited cases, as described in **201.3.4**, a stand-alone activity not contributing to a project). An activity can be an implementing mechanism such as a contract, direct agreement with the partner country government, or grant. It also refers to actions undertaken directly by USAID staff, such as policy dialogue or capacity development. For activities implemented through a legal agreement, the activity design process typically culminates in a solicitation or the negotiation of an agreement. During activity implementation, USAID staff provide administrative oversight of legal agreements and in some cases directly carry out activities. They also monitor, evaluate, and learn from activity implementation to 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 and resource allocation.

E. Evaluation

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 twofold purpose: ensuring accountability to stakeholders and learning to improve development outcomes. Timely and high-quality evaluation supports adaptive management and complements program monitoring.

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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 in order to improve development outcomes. This helps ensure that USAID programming is coordinated with other development actors, grounded in evidence, and adjusted as necessary to remain relevant throughout implementation.

G. Budgets and Resources

Budgets are key inputs to the Program Cycle. Budget projections, both program-wide and sector-specific, help determine decisions about priorities and provide a base from which alternative programming can be proposed. These decisions often include the consideration of non-appropriated resources including leveraged funding, other donor assistance, and in-kind contributions.

201.3.1.4 Program Cycle Management and Implementation

Effective Date: 09/07/2016

Missions must define clear responsibilities and delegations of authority to support Program Cycle implementation. Individual Mission structure and organization will vary depending on the overall program size and complexity, staffing pattern, and country context and may evolve over time. Missions should consider how best to streamline internal processes and procedures and strengthen Mission structure, operations, and staff competencies while leveraging existing capacity in the Mission, particularly that of Foreign Service National (FSN) staff.

201.3.1.5 Waivers and Exemptions

Effective Date: 06/11/2019

Waivers and exemptions related to specific Program Cycle policies and procedures, such as waivers and exemptions for developing a CDCS or project design, can be found 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 10 USC 101(a)(13), e.g., when there is armed conflict involving American armed forces) are subject to a number of special requirements. These requirements focus on three areas: necessity and sustainability assessments with regard to certain

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capital assistance projects; requirements on funding and use of private security contractors; and special contract risk assessments and 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: 06/11/2019

Operating Units (OUs) that manage non-humanitarian programming in designated “politically sensitive” countries must assess such programming against a set of key considerations to ensure that the unique risks inherent to these contexts are appropriately managed. These “Key Considerations” reviews must take place at minimum during the project or activity design phase, and during implementation as appropriate. In addition, these reviews must take place under the guidance and oversight of the cognizant Regional Bureau.

Regional Bureau Assistant Administrators are responsible for determining which countries within their respective region are “politically sensitive countries” meriting a Key Considerations review. A “politically sensitive country” is generally defined 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 partner or cooperate with the government on development assistance.

Politically sensitive countries may or may not be countries where USAID has U.S. direct-hire field presence. However, the risk profile is typically heightened in non-presence countries.

201.3.2 Strategic Planning and Implementation

Effective Date: 09/07/2016

Strategic planning in a country or region, or within a given sector in a country or region, is the process by which USAID defines its objectives for development to maximize the impact of our work. This may entail cooperation with partner governments, partner country/regional stakeholders, other donors, and/or the interagency, as appropriate. USAID strategic planning advances overall U.S. Government (USG) foreign policy and development priorities and ensures the strategic use of resources.

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, staff, and convening power) is necessary for successful development in any context.

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Strategic planning is an iterative process: multiple existing Mission processes (including portfolio reviews and regular monitoring and evaluation processes) inform periodic reviews of the Mission's chosen strategic approach. Lessons learned from implementation, from changes in the country context, or from changes in the Mission itself, can all affect a Mission's strategic planning process.

For USAID's Missions, the strategic planning process involves the development of a Country Development Cooperation Strategy (CDCS), which may be tailored by Missions (in cooperation with Washington Operating Unit (OU) stakeholders) to accommodate specific country contexts while ensuring that the strategy addresses relevant Agency priorities. USAID strategic planning processes are also part of broader interagency strategic planning, including the Integrated Country Strategy (ICS).

201.3.2.1 Function of the Country Development Cooperation Strategy

Effective Date: 09/07/2016

In any context in which USAID operates, there are competing priorities, including development challenges in the country, U.S. foreign policy priorities, and constraints placed on a Mission by the funding it receives. Strategic planning helps a Mission take into account all relevant factors and choose the most effective way of working in a particular country context. A Mission's strategic plan is a multi-faceted document with the principle purpose of defining the Mission's strategic approach to achieving results, with particular emphasis on why choices were made and how results in particular sectors contribute to the Mission's overarching Goal and Development Objectives (DOs).

The CDCS plays critical roles both internal and external to the Mission. Internally, it lays the groundwork for subsequent decision-making—from project design to budget negotiations—and brings all Mission and relevant regional and Washington OU staff to a common understanding about program priorities. Externally, its development creates a forum for interaction and buy-in, particularly with local stakeholders and partners. The CDCS itself communicates the Mission's objectives to the interagency, partner governments, and others. The CDCS must:

- Support U.S. foreign policy priorities, including as outlined in the relevant Joint Regional Strategy;
- Promote the principles of aid effectiveness, including partner country ownership, strategic alignment with partner country or regional development priorities, harmonization with other donors, and mutual accountability;
- Take into account the needs, rights, and interests of the partner country's citizens, with special attention to marginalized or disadvantaged groups;
- Focus on achieving development results that have clear and measurable outcomes;

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- Serve as the development foundation for the Integrated Country Strategy;
- Incorporate and align with relevant Agency-level policies and strategies and Presidential Initiatives, as well as interagency policies and priorities;
- Communicate Mission needs, constraints, and opportunities;
- Define a Goal, DOs or other objectives, Intermediate Results (IRs) and sub-IRs;
- Describe how the Mission plans to monitor, evaluate, and learn from its strategy;
- Define associated financial and human resource requirements; and
- Serve as the basis for the annual Mission Resource Request (MRR); Congressional Budget Justification (CBJ); and other assistance planning, budgeting, and reporting processes.

Although a CDCS must include some explanation about how the strategy will be implemented, it is not intended to provide in-depth details about projects or activities which support the CDCS, either in the current portfolio or that need to be designed. During the project design process that follows CDCS approval, Missions will define in much greater detail how they will operationalize the CDCS. Subsequent analysis will also inform continued thinking about the Mission’s overall strategic approach. Any changes to a Mission’s strategic approach prompted by follow-on analysis should be reflected in updates to the strategy (see **201.3.3.16**).

USAID strategic planning in Missions is led by USAID Mission Directors or other Principal Officers¹ (hereinafter “Mission Directors”). Planning focuses on USAID-implemented resources while incorporating inputs from the State Department and other relevant interagency partners, and leveraging the efforts and investments of partner country/regional government(s); civil society; the private sector; and other donors, partners, and stakeholders. Above all, a strategy must lay out a Mission’s vision for the progress it plans to make by the end of the strategy implementation period and how it plans to achieve that end state. It does this by communicating development needs, constraints, and opportunities; specifying a Mission’s focused choice of objectives; and defining associated resource priorities and planned implementation approaches.

201.3.2.2 Mission and Washington Operating Unit Roles in the Country Development Cooperation Strategy

Effective Date: 09/07/2016

¹ The term “Principal Officers” for purposes of this Chapter also includes Country Representatives and Senior Development Advisors (dependent on individual designation).

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Although CDCS development is led by Mission Directors, it is ultimately an Agency-wide effort. Many individuals and offices will be involved, but the following functions are critical.

A. USAID Missions

Missions develop bilateral and/or regional CDCSs, monitor and evaluate them, and incorporate learning and adapting approaches based on lessons learned and changing circumstances. Missions must also develop effective management structures for implementation of their CDCSs.

B. USAID Regional Bureaus

Regional Bureaus provide guidance to Missions on policies, regional priorities, and other regional issues and support Missions with technical expertise. Regional Bureaus also provide essential support in facilitating early engagement with Washington OU stakeholders during the initial stages of the CDCS development process and are the conduits for feedback to the Mission regarding its strategic plan. Regional Bureau Assistant Administrators (AAs) approve CDCSs.

C. USAID Pillar Bureaus

Pillar Bureaus provide technical leadership, 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 assessments and the collection of other evidence needed to develop CDCSs.

Pillar Bureaus should be especially engaged in the initial phase of a Mission's CDCS development process, including providing information about their priorities in a particular country and the criteria used to determine those priorities, as well as any ongoing or planned interventions in a country. Pillar Bureaus may also provide input and feedback to Missions at other specific points in the CDCS development process or at a Mission's request, as well as technical assistance on any analyses a Mission may need to inform CDCS development. To the extent possible, Pillar Bureaus should align their programs with needs and priorities outlined in approved CDCSs. In some cases, Pillar Bureaus clear a CDCS; for more information see [ADS 201mag, Regional and Country Development Cooperation Strategy \(R/CDCS\) Development and Approval Process](#).

D. Office of Budget and Resource Management (BRM)

BRM guides the resource planning aspects of the CDCS development process and provides clearance on final drafts of all CDCSs. In the initial phases of the

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process, BRM, in cooperation with the relevant Regional Bureau, provides budget parameters to the Mission to inform strategic choices about sectoral priorities for their CDCS and magnitudes of effort.

E. Bureau for Foreign Assistance, Department of State (State/F)

State/F leads interagency strategic planning for 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 Integrated Country Strategy, a multi-year, overarching strategy encapsulating U.S. Government policy priorities, objectives, and the means of achieving them.

F. Bureau for Management (M)

M, in conjunction with the Regional Bureaus, provides parameters for, and feedback on, a Mission's proposed use of Operating Expense (OE) funds to ensure that Missions are aware of any potential projected changes in OE levels for the Region overall. Regional Bureaus determine the OE level for the individual missions in the bureau.

G. Bureau for Policy, Planning and Learning (PPL)

PPL develops Agency-wide guidance, policy, and procedures related to CDCS development and implementation. PPL ensures compliance with this guidance, working with stakeholders across the Agency as needed, including providing feedback to Missions on effective implementation of guidance related to CDCSs throughout their development. PPL also provides clearance on final CDCSs to ensure compliance with guidance and plays a mediating role in resolving issues in CDCS development between Regional and Pillar Bureaus.

H. 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 may need to consult with backstop coordinators in Pillar Bureaus to provide Missions the most accurate information.

I. Bureau for Economic Growth, Education, and Environment Office of Forestry and Biodiversity (E3/FAB)

E3/FAB, in partnership with Regional Bureau Environment Offices/Teams, provides Missions with direction on the mandatory strategy-level Tropical Forest and Biodiversity Analyses. Please refer to the [Foreign Assistance Act \[FAA\] Sections 118 and 119](#).

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J. Bureau for Economic Growth, Education, and Environment Office of Gender Equality and Women’s Empowerment (E3/GenDev)

E3/GenDev provides Missions and Washington OUs support for the Agency’s mandatory gender analysis and gender integration requirements as required by the USAID Gender Equality and Female Empowerment Policy and [ADS 205, Integrating Gender Equality and Female Empowerment in USAID’s Program Cycle](#). GenDev, in partnership with Washington and Mission-based Gender Advisors and Points of Contact, provides advice on gender integration throughout the CDCS process.

K. Bureau for Economic Growth, Education, and Environment Office of Global Climate Change (E3/GCC)

E3/GCC provides Missions with support for the mandatory strategy-level climate risk screening, as mandated by [Executive Order \(EO\) 13677](#) on Climate-resilient International Development. Please refer to [ADS 204, Environmental Procedures](#) for information on the role of Regional Environmental Officers (REOs) and Mission Environmental Officers (MEOs) in Program Cycle implementation.

201.3.2.3 Applicability of Guidance for Country Development Cooperation Strategies

Effective Date: 09/07/2016

All Missions are required to develop a CDCS that is appropriate to their operational context, unless exempted (see **201.3.2.4**).

All CDCSs must define objectives and the approaches to achieving or contributing to those objectives over a set period of time, not to exceed five years. However, depending on the purpose of a Mission’s presence and the context in which it will be operating, variations in the CDCS may be appropriate depending on factors such as:

- Whether the Mission may be phasing down or closing during the strategy implementation period; and/or
- The existence in the country or region of one or more factors contributing to a non-permissive environment (NPE).

This guidance articulates principles and fundamental requirements that can be adapted to all country contexts rather than providing separate requirements for Missions operating in an NPE. Missions and Regional Bureaus have flexibility to customize the content of the CDCS for implementation in NPEs, including customizations to the Results Framework, a shorter CDCS timeframe, greater attention to country context indicators related to critical assumptions, and scenario planning. The Regional Bureau AA, or designee, must agree upon the features of a CDCS and its duration during

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Phase One of the strategic planning process, with input from stakeholders and clearance by PPL and BRM (see **201.3.2.9**).

The guidance contained in this section (**201.3.2**) is not applicable to sector-specific strategic plans developed by Missions or Washington OUs.

201.3.2.4 Exemptions and Waivers

Effective Date: 09/07/2016

The following categories of Missions are exempt from the CDCS process:

- Missions implementing programs in non-presence countries, and/or
- Missions implementing single-sector programs.

A Mission that is exempt may request that the relevant Regional Bureau approve the development of a CDCS. If the Regional Bureau agrees, the Mission must reach an agreement with their Regional Bureau and PPL on its approach to developing a CDCS, following the guidance below with any agreed-upon customizations.

In rare circumstances, Missions that are not exempt from the CDCS process based on the criteria above may request that their Regional Bureau waive the requirement to develop a CDCS. In this case, the Mission must submit an action memorandum justifying its request to be excepted from following the guidance for approval by the Regional Bureau AA and clearance by PPL's AA. The memo must specify the duration of the requested waiver, not to exceed two years.

In limited cases, Missions may have non-CDCS strategic plans that have been approved by USAID/Washington (USAID/W). These may include sector-specific strategic plans or country plans that do not meet CDCS requirements. Such plans that were approved prior to the issuance of this guidance satisfy the requirement for Missions to have a strategic plan until:

- (1) The existing strategic plan expires; or
- (2) Five years from the date of the strategic plan's approval, whichever comes first.

Together with Regional Bureaus, PPL will update and disseminate annually a list of Missions expected to complete a CDCS. Any Mission that does not have an approved CDCS and does not meet the exemption criteria must either obtain a waiver or submit a CDCS to its relevant Regional Bureau for approval within 18 months of the issuance of this guidance.

In addition, the following types of programming are not required to be integrated into the CDCS:

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- (1) Natural and man-made disaster assistance managed by the Office of Foreign Disaster Assistance (OFDA);
- (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 the Office of Food for Peace (FFP).

While these programs are exempt from the CDCS process, USAID encourages Missions and Washington OUs to incorporate them into strategies as well as projects wherever feasible to facilitate greater integration with long-term development aid.

201.3.2.5 Expirations and Extensions

Effective Date: 04/18/2018

CDCSs expire on the agreed-upon anniversary of their approval. For example, a five-year strategy will expire five years following the date that the approval memo was signed by the Regional Bureau AA.

Extensions are not encouraged; however, in some circumstances, an extension of a strategy's implementation period may be justified. Mission Directors may extend a CDCS once, without USAID/W approval, for up to six months by notifying the Regional Bureau and PPL through an information memorandum. There are two types of extensions:

1. Extensions for up to six months do not require clearance or approval from USAID/Washington. This one-time option may be utilized at any time, including after a longer extension that required USAID/W approval.
2. Extensions beyond six months require approval from USAID/Washington based on a justification.

Two years is generally the maximum cumulative duration of CDCS extensions; for example, in most circumstances a Mission with an existing six month extension may only request an additional extension of up to 18 months. Extensions of a CDCS for more than two years beyond the original expiration date generally will not be approved absent compelling circumstances.

See [ADS 201max, Regional and Country Cooperation Strategy Updates, Amendments and Extensions](#) for additional information on both types of extensions.

201.3.2.6 Country Development Cooperation Strategy Development Process

Effective Date: 09/07/2016

There are three official phases to the development of a CDCS. In Phase One, a Mission engages the Regional Bureau, PPL, and other USAID/W stakeholders in a parameters-

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setting process during which all stakeholders come to consensus on parameters for the CDCS's development. During Phase Two, the Mission develops and gains concurrence on the Results Framework, which forms the basis for its strategic approach. In Phase Three, the Mission submits its full CDCS for final approval.

201.3.2.7 Overview of the Country Development Cooperation Strategy

Effective Date: 04/18/2018

Generally, a CDCS should be no more than 50 pages, including an Executive Summary but not including Annexes. Unless otherwise agreed upon with the Regional Bureau, PPL, and BRM during Phase One of the CDCS development process, CDCSs must include the following key sections:

- Executive Summary;
- Development Context, Challenges, and Opportunities (including Transition Planning);
- Development Hypotheses and Results Framework;
- Monitoring, Evaluation, and Learning;
- Program Resources and Priorities (including required budget table as Annex 1);
- Management Resources and Structure; and
- Required Annexes.

A. Executive Summary

The Executive Summary is a brief resume of the CDCS, including the development context, the Mission's overall goal and its chosen objectives, any targeted populations or geographic regions in which the Mission plans to work, and any important scenarios (including in the country context) that may affect implementation of the CDCS.

B. Development Context, Challenges, and Opportunities

This section describes the development context and overarching U.S. foreign policy and national security considerations. Missions must describe the most important development challenges and opportunities facing the partner country, based on the best available evidence, and identify those areas that the Mission proposes to address. The section should include a summary of lessons learned from the implementation of the previous CDCS or other strategic plan (if applicable) and from previous implementation experience (e.g., projects and

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activities). It should also include a brief discussion of USAID's areas of comparative advantage and, as relevant, take into account the prior, ongoing, or planned work of other development actors.

In addressing development challenges and opportunities, Missions should discuss how they plan to focus USG resources to yield the greatest development impact. This focus may be achieved by concentrating Mission efforts in a specific geographic area, on a specific targeted population, or through a particular sectoral approach. It should also describe how the Mission will support the partner country's progress toward the Sustainable Development Goals.

A full understanding of the development context should also consider the local systems relevant to progressing toward the Mission's strategic goal and objectives (see [Local Systems—A Framework for Supporting Sustainable Development](#)). Due to the multiple levels at which development occurs, a relevant local system may be national, provincial, or community-wide. Understanding the local systems implicated in the Mission's strategic approach is essential both to aligning with locally identified development priorities and to promoting local ownership as the driver behind sustainable change.

Country Transition Planning

Per the [FY 2016 Department of State, Foreign Operations, and Related Programs Appropriations Act](#), any bilateral country assistance strategy developed after the date of enactment of the Act must include a transition plan. Any CDCS that begins after January 1, 2016, must therefore include a subsection on country transition planning within the discussion of the development context (note: this does not apply to RDCSs). Opportunities to transition the nature of USAID's relationship with a partner country include, but are not limited to: transitioning out of specific sectors, shifting from programming to technical/policy assistance, and accounting for and/or leveraging other resources and development actors, among other options. These opportunities may arise out of promising developments in country context or growing capacity of local partners. Alternately, they may be identified as a necessity should the country context prove sufficiently unfavorable or counterproductive for USAID involvement.

For many USAID countries, transition planning may be long term. In other countries, opportunities or constraints in the development context may lead to a shorter transition timeline. There could also be cases in which USAID transitions out of a sector or multiple sectors during the strategy.

Thinking about USAID's role and trajectory in a given country is an important component of strategic planning and supports the Agency's focus on sustainability. Transition planning consists of the following:

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- (1) Determining the conditions necessary for transition, in light of the current country context;
- (2) Determining what would be needed from USAID and other development actors to achieve these conditions; and
- (3) Based on this, determining the proposed trajectory for USAID assistance in country. In cases of shorter-term transition, this should include qualitative or quantitative benchmarks toward achievement of those conditions and options for transition once those conditions are met.

The Mission must describe how USAID will make progress in this overall trajectory over the life of the CDCS (e.g. what should the end state be in five years).

For countries in which transition is identified as a possibility in five years or fewer, transition must be addressed explicitly throughout the CDCS and must be reflected in the base budget scenario. In all other cases, country transition planning should not exceed one page, and the concepts and determinations included in the country transition planning section may be referenced throughout the strategy as relevant.

A particular Mission's plan for transitioning out of a sector, transitioning the relationship, or other longer term transition decisions must be decided early in the parameters phase (Phase One), as it is integrally linked to other key parameters, including the country context, donor landscape, and budget levels. Decisions on country transition planning must be determined in consultation between the Mission and Washington OUs, and other stakeholders as appropriate (see [ADS 201mak, Country Transition Planning](#)).

The thinking around country transition planning should be taken into consideration throughout the rest of the strategy development process and be reflected in the Results Framework as appropriate. The final transition plan, submitted as part of the full CDCS under Chief of Mission authority, must be incorporated into the Integrated Country Strategy (ICS). The Mission should update the ICS to reflect any USAID transitions that will happen during its lifetime.

C. Development Hypotheses and Results Framework

The Results Framework, and the development hypotheses that support it, form the backbone of the CDCS. The Results Framework is a visual representation that organizes and displays the Mission's best thinking, based on the available evidence, regarding the causal relationships between intended results. The

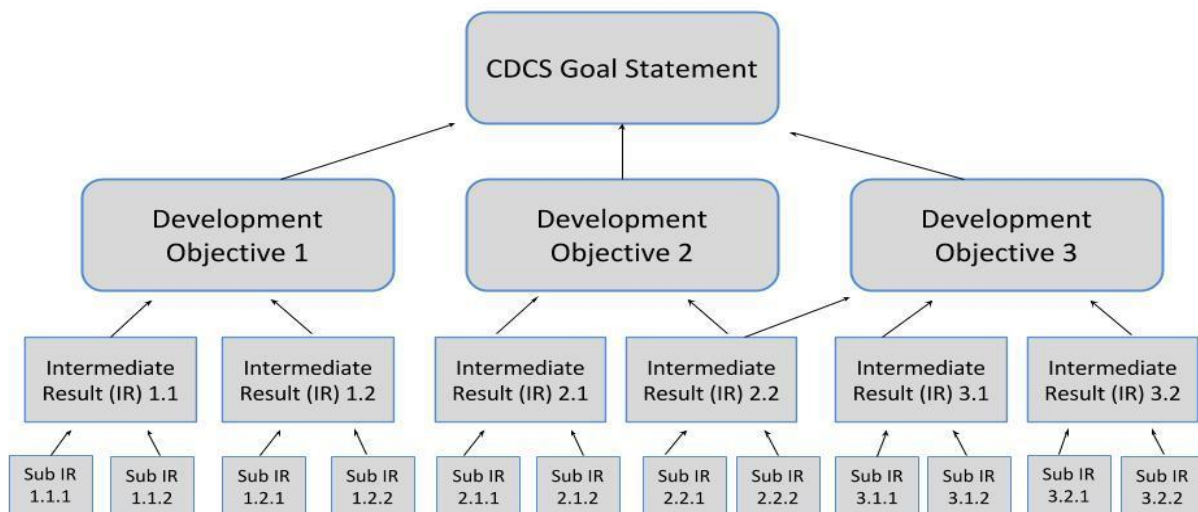
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development hypotheses supplement the Results Framework, describing the logic underpinning each DO in more detail.

Results Framework

The Results Framework shows the results that USAID, in collaboration with its partners, expects to contribute to, or achieve during, the strategy period. It is a type of logic model, based on a clear set of development hypotheses that explains the logic and causal relationships between the building blocks needed to achieve a long-term result. Although the degree of certainty with which a Mission can predict its ability to achieve or contribute to particular results varies depending on the level of result, it is important to communicate the expected connections between results to construct an overarching, cohesive narrative of development in a particular context.

The Results Framework includes the CDCS Goal, DOs, IRs, and sub-IRs (which must be included in the final CDCS submission). It should be presented based on the following format:



The Results Framework is not a complete representation of the full strategy. It is a snapshot to be used for purposes of planning, implementation, and communication that is supported by accompanying narratives of the development hypotheses on which the CDCS is constructed. The Mission must update the Results Framework during implementation to respond to new evidence or changes in context (including through project and activity implementation) and it should be viewed as dynamic rather than fixed. For Missions planning to transition out of particular sectors during the lifetime of the strategy, Results Framework diagrams should visually indicate particular DOs or IRs that are not planned to last the full duration of the CDCS.

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For Missions that operate in highly volatile contexts, a Results Framework as defined here may not be practical, as quickly changing conditions may not allow for definitive results statements. In these cases, customizing the Results Framework may better suit the Mission's needs. For example, a customized framework may identify and explain an overall aspirational goal with Special Objectives articulating broad lines of effort (for example, "Potential for peace between parties improving") rather than detailed expected results specified by a more traditional Results Framework. Missions considering customizing a framework must consult with their Regional Bureau and PPL as early as possible; the Regional Bureau documents decisions made regarding the Results Framework during Phase I of CDCS development.

Development Hypotheses

Each DO in the Results Framework is supplemented by a development hypothesis which underpins the results presented in the Results Framework. These hypotheses

- Are based on development theory, practice, literature, and/or experience;
- Are country-specific; and
- Explain why and how the proposed investments from USAID and others collectively contribute to the DOs and advance the CDCS Goal.

Missions should also be sure to account for the roles of other actors (including other donors and the partner country government) in their development hypotheses, if applicable. Accounting for all actors in the Mission's particular development context can help the Mission better explain how goals and objectives will be advanced, even if its own capacity and resources are limited.

Results should be included in the development hypotheses and Results Framework even if no USAID program funds are used directly to obtain them (such as policy reform that comes from the influence of USAID staff rather than 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 the Mission seeks to address and ensure that available evidence supports its choice of approach. As appropriate, a Mission should also identify any gaps in its knowledge that may impact its Results Framework and document those in the Monitoring, Evaluation, and Learning section of the CDCS. Missions must also be explicit about any assumptions implied in the hypotheses and plan to regularly

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revisit these assumptions. Scenario planning may be helpful for Missions planning to address development challenges that hinge on specific, but uncertain, outcomes.

I. CDCS Goal

This is the highest-level outcome to be advanced by USAID, the partner country, civil society actors, and other development partners. Goal statements will often be aspirational, stating a future end state beyond the timeframe of the CDCS or a broader description of development progress sought to advance U.S. foreign policy interests in the country or region. The Goal may also be related to a country's own development plan. While USAID is not accountable for achieving the Goal, it should incorporate the purpose of USAID's presence in country and provide guidance for all choices made within a country strategy.

If stating a longer-term Goal for supporting a country's development (i.e., one that will outlast the duration of a specific CDCS), a Mission must describe how the priorities chosen and approaches taken during the lifetime of the CDCS contribute to this longer-term trajectory.

The Mission advances progress towards the CDCS Goal by contributing to the achievement of the DOs. While the Mission is not required to state a development hypothesis connecting the DOs to the Goal, it must be able to describe how progress made towards DOs supports the Goal. Performance indicators are not required for measuring progress toward achieving a Goal.

II. CDCS Development Objectives

A DO is typically the most ambitious result toward which a Mission, together with its development partners, can contribute. DOs identify specific development problems that the Mission proposes to address, and Missions may find it useful to do problem analyses at this level. Ideally, DOs should be specific, measurable, and focused to one clearly defined result. DOs may be focused on a particular sector, a geographic region, a targeted population, a local system, or a combination of these factors. DOs may also be "integrated", that is, they may combine efforts of various technical sectors.

A CDCS must have no more than four DOs. For each DO, the CDCS must describe relevant critical assumptions and risk factors that lie beyond USAID's control, but could have a significant effect on the success of the strategy and describe the degree to which the Mission can identify and manage these factors, and how it plans to monitor them during implementation, including whether identified assumptions hold.

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

Because DOs are high-level results, making progress toward them depends upon the contributions of multiple and interconnected sets of actors in a partner country. These actors include not only USAID, but also local and regional governments, other donors, civil society, the private sector, and others. These actors and their efforts should be clearly described in the DO narratives, as relevant. As local systems are especially important to sustainable development efforts, DO narratives should also describe how USAID will focus on strengthening these systems as a whole, inclusive of key local actors and their collective ability to produce results over time.

Performance indicators are not required at the DO level. If a Mission chooses to develop preliminary or illustrative indicator(s) to monitor DO performance or context, the indicator(s) should be included in the Results Framework Indicator Annex.

Special Objectives or Support Objectives

Depending on a Mission's particular context and agreements reached with USAID/W, its CDCS may also include Special Objectives and/or one Support Objective.

Missions may use Special Objectives 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, as well as programs in conflict areas. They may also be used for time-limited programs that will not last the full duration of the CDCS. Special Objectives count toward a Mission's limit of four DOs.

Missions may use Support Objectives to illustrate services they provide to other Missions in their region. Since Support Objectives focus on management support rather than the implementation of program funds, they do not count towards the DO limit.

For the purposes of this guidance, the term "Development Objective" will be used to cover Development Objectives, Special Objectives and Support Objectives, unless otherwise noted.

Performance indicators are not required for a Special or Support Objective. If a Mission chooses to develop preliminary or illustrative indicator(s) to monitor the performance or context of a Special or Support Objective, the indicator(s) should be included in the Results Framework Indicator Annex.

III. CDCS Intermediate Results

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IRs are results that, combined, contribute to the advancement of a DO. IRs must be measurable and capture discrete and specific lower-level results. In some cases, IRs may be necessary and jointly sufficient to achieve a DO. In other cases, IRs may not be sufficient to achieve the DO to which they contribute, such as when lower-level results from several different funding streams are combined under one DO. As IRs are often the results with which Project Purposes (the key result to be achieved by a particular project) are aligned, Missions should keep project design needs in mind when constructing their Results Framework. Missions must also discuss any assumptions and risks implicit in its IRs and plan to regularly revisit these.

USAID will be held accountable for reporting on the progress toward achieving IRs. If other development actors contribute to the achievement of an IR, their specific contributions should be outlined in the IR narrative.

Missions must identify at least one performance indicator to monitor progress toward the achievement of each IR. The preliminary or illustrative performance indicator(s) for each IR must be included in the Results Framework Indicator Annex.

IV. CDCS Sub-Intermediate Results

Sub-IRs are results that, combined, contribute to the achievement of an IR. Missions must carefully consider their capacity to achieve results at the IR and sub-IR level, given expected levels of resources, influence, and staff capacity. Sub-IRs do not need to be included in a Mission's initial presentation of its Results Framework in Phase Two but must be included in Phase Three.

A Mission must identify at least one performance indicator to monitor progress toward the achievement of each sub-IR. The preliminary or illustrative performance indicator(s) for each sub-IR must be included in the Results Framework Indicator Annex.

At all levels, the relationship between components of the Results Framework may be sequential rather than strictly hierarchical. In addition, components of the Results Framework may capture results emanating from USAID's influence or convening power rather than solely from investments of program funds.

D. Monitoring, Evaluation, and Learning

Monitoring, Evaluation and Learning are important for adaptively managing the implementation of the strategy. In this section, the Mission must include a brief discussion of the Mission's overall priorities and approach to monitoring,

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evaluation and learning and a timeline for completion of the Mission's Performance Management Plan (PMP). In this section, the Mission should identify any knowledge gaps in the Results Framework that monitoring, evaluation, or Collaborating, Learning, and Adapting (CLA) may address. Missions must list indicators for measuring results in the Results Framework in the Results Framework Indicator Annex. Indicators should not be included in the Monitoring, Evaluation and Learning section or in the Development Hypotheses and Results Framework narrative section (see [ADS 201saa, Results Framework Indicator Annex Template](#)).

The monitoring, evaluation and learning section is a precursor for developing the Mission's PMP, to be approved within six months of CDCS approval. In the PMP, Missions must describe planned monitoring approaches and a list of indicators, evaluations to be conducted during the life of the CDCS, and a plan for CLA. For additional guidance about the PMP, see **201.3.2.16**.

E. Program Resources and Priorities

A Mission's CDCS must include program resources to inform the development of its strategy and must show its preferred prioritization of use of these resources.

I. Budget

The CDCS informs overall assistance planning and resource allocation. An accurate understanding of a Mission's resource package is essential to the development of the Mission's strategy. In the CDCS, the Mission must consider the relationship of planned resource levels to expected results, ensuring that the level of ambition outlined in the CDCS is in line with expected resource levels. It must account for all projected program resources that USAID plans to implement during the period covered by the CDCS as well as for resources the Mission has obtained or expects to obtain from external sources. The Mission must allocate resources by DO, disaggregated by funding source and fiscal year, and cross-walked with the Foreign Assistance Framework Standardized Program Structure and Definitions.

A Mission's CDCS will contain up to two different budget scenarios.

Required Scenario: All Missions must include one budget scenario in their CDCS. This scenario will be based on a rolling average of budgets for three years calculated in one of two ways: either 1) a Mission's three most recent 653(a)s; or 2) a Mission's two most recent 653(a)s and the most recent CBJ. The second method is appropriate in cases in which a Mission has seen a significant increase or decrease in the most recent CBJ request. If a Mission is planning to transition out of one or more sectors, or if USAID is planning graduation from a particular country, these

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transitions must be reflected in the required budget scenario. The Mission, in consultation with the relevant Regional Bureau, BRM, and other stakeholders, as appropriate, will make the decision as to which option will be used for a particular Mission. In exceptional cases where a Mission expects an extreme shift in budget resources during the lifetime of the CDCS, the Mission may work with BRM, PPL and the relevant Regional Bureau to establish a required budget scenario appropriate to its context. Following agreement on which option to use, BRM will provide budget tables to the Mission, working through the Regional Bureau. The required scenario must become Annex 1 in a Mission's completed CDCS.

Missions and Washington OUs should, to the extent possible, use the CDCS budget figures in developing future-year resource requests, including MRRs, Bureau and Mission Resource Requests (BRRs), sector roundtables, and other resource discussions, negotiations, and decision processes.

Optional Scenario: Missions have the option of providing a budget scenario that shows, within the topline determined for its required scenario, the Mission's optimal distribution of funding in order to highlight Mission priorities and opportunities missed within the resource package identified in the required scenario. The optional scenario is not bound by historic directive and initiative levels. This optional scenario may be accompanied by a brief (1-2 page) narrative, explaining the reasoning for the Mission's optimal funding distributions as well as the opportunity cost of not working in those areas. In Phase One, a Mission should determine whether to complete an optional scenario. The Mission must include the scenario and accompanying narrative, if applicable, in the full CDCS in Phase Three.

External and/or Washington Resources: Significant resources not captured in the required scenario, above, should be included in a separate budget table. This may include external (e.g., other donor funding) and/or Washington funding that the Mission expects to program during the life of the strategy. The table should show expected annual funding levels over the life of the CDCS. Throughout the narrative, the Mission should make it clear if any proposed programming would be based off of external and/or Washington funding sources. The respective Regional Bureau, in consultation with BRM and other stakeholders, must concur that the Mission can reasonably expect to receive these funds.

II. Prioritization

Missions must prioritize results among DOs and within DOs. For each DO, the CDCS cross-walks and prioritizes all associated program areas (for Health and Education, use program elements) from the Foreign

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Assistance Framework Standardized Program Structure and Definitions by rank order. The prioritization should be based on what is most important to advance progress toward the CDCS Goal and DOs and not be solely based on the levels of assistance. The priorities identified in the CDCS should be reflected in discussions between the Mission and Washington OUs on how best to focus USAID investments and determine resource trade-offs during budget planning and allocation exercises.

F. Management Resources and Structure

I. Resources

In the CDCS, the Mission presents a brief description of the required management resources for each of the program resource level scenarios. This description should include:

- Anticipated overall OE requirements, by year, keeping in mind that the OE of the current year will implement the program levels (pipeline) of the prior two years;
- Anticipated overall program-funded operational cost requirements, which will be included in the total program levels; and
- Anticipated staffing requirements over the life of the CDCS, including U.S. Direct Hire (USDH) by backstop, as well as Personal Service Contractors (PSCs) and FSNs needed to implement the DOs and supporting programs, taking into account constraints on both space and National Security Decision Directive 38s (NSDD-38s).

The Mission must also consider the skills and staffing structure needed to undertake the CDCS above and beyond program management, such as policy reform, negotiations and coordination related to G2G programs, technical leadership, and support for learning. The Agency will use the CDCS process to help realign the worldwide workforce to support emerging priorities and initiatives, so Missions should consider their staffing needs carefully as they propose broadening or narrowing programs. The Mission should note specific issues regarding the match between the staff skill set and the programmatic priorities.

Missions should consult with their respective Regional Bureau, M, HCTM, and Embassy on workforce and NSDD-38 issues, space, International Cooperative Administrative Support Services (ICASS), and other management issues as they prepare their CDCS.

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II. Organizational Structure

In this section, Missions should also include a brief summary of significant management challenges, if any, that have negatively impacted their ability to implement their current CDCS (e.g. inability to fill key USDH positions; inadequate staff to implement Agency priorities in areas such as operationalizing local ownership or building alliances and partnerships; customs and shipping issues). They should also explain how they propose to address or minimize the impact of such challenges future CDCS implementation.

G. Annexes

I. Required Annexes

In the CDCS, the Mission must include the following Annexes. All of these annexes, except the Climate Change Annex, must be removed from the eventual public version of the CDCS.

Required Budget Scenario Table: Missions must include this table and other scenarios in Annex A, as applicable.

Results Framework Indicator Annex: Table or list of preliminary or illustrative indicators for the Results Framework. At least one performance indicator is required for each IR and sub-IR. Performance indicators for DOs are optional. Context indicators for DOs, IRs, and sub-IRs are also optional (see [ADS 201saa, Results Framework Indicator Annex Template](#)).

Index of Existing and Planned Projects: Provides Washington OUs with a preliminary understanding of how the Mission plans to achieve or contribute to the results outlined in the CDCS. These details will help ensure the proposed strategy is implementable. The index must include a brief description of its existing projects and any projects the Mission expects to develop during the duration of the strategy, and how these projects will support the Results Framework. For projects and activities that the Mission intends to carry over, it must show how these align, or will be realigned, to ensure support for the Mission's new Results Framework, with an emphasis on the results the ongoing projects and activities are expected to achieve. If any projects and activities that will be carried over from the previous CDCS do not support the new Results Framework, the Mission must explain its rationale for continuing to support them. Finally, the Index must include a timeline for initiating new project designs (see [ADS 201mac, Index of Existing and Planned Projects](#)).

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Climate Change: Through climate risk screening, the Mission will use climate information and technical judgment to qualitatively categorize each planned sector, DO, and/or IR as low, moderate, or high for climate risk. In this Annex, Missions are required to document the level of climate risk of each DO or IR; how moderate or high risks are addressed in the strategy; and any next steps, such as further analysis of options for adaptation as part of subsequent project designs. The Annex must also contain responses to the mandatory questions on Greenhouse Gas Mitigation. Missions receiving Global Climate Change funds must also include additional information in this Annex (see [Climate Change in USAID Strategies](#)).

II. Optional Annexes

Missions may also include additional optional Annexes, such as:

Sector Strategies: If a Mission has developed detailed sector-specific strategies or plans explaining how it will achieve results in a given sector, and it would be inappropriate to fully describe the strategy or plan in the CDCS due to the CDCS's high-level nature, the Mission may include these strategies or plans as Annexes to the CDCS.

Sensitive But Unclassified Information: To simplify the production of a public version of the CDCS, Missions may include Sensitive But Unclassified (SBU) information in an Annex not to be distributed publicly. While the SBU Annex must be retained for distribution within USAID (including on ProgramNet), the Mission would remove the SBU Annex from all public versions (including for wider distribution by the Mission and posting on USAID.gov).

201.3.2.8 Phases of the Country Development Cooperation Strategy Development Process

Effective Date: 09/07/2016

The CDCS development process involves an iterative dialogue between Missions and USAID/W—including key check-in points—that results in clear decisions being made and recorded at each phase of CDCS development. The CDCS development process ultimately produces Agency consensus around a Mission's strategic approach. The CDCS development and approval process consists of three phases:

- (1) Phase 1 – Initial Consultations and Parameters Setting
- (2) Phase 2 – Results Framework Development
- (3) Phase 3 – Full CDCS Preparation, Review, and Approval

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In addition to the three phases, it is essential for the Mission to allocate time to prepare for the launch of the CDCS process. Timelines below and as listed in [ADS 201maq, Regional and Country Development Cooperation Strategy \(R/CDCS\) Development and Approval Process](#), are recommended guidelines, except as otherwise noted. Mandatory timelines include requirements for certain products to be submitted to USAID/W to allow for a specified review period, and for Washington OUs to conduct review processes and resolve issues.

For more information on the process of developing a CDCS, see [ADS 201maq, Regional and Country Development Cooperation Strategy \(R/CDCS\) Development and Approval Process](#).

201.3.2.9 Preparation for the Country Development Cooperation Strategy

Effective Date: 09/27/2017

A Mission decides when it is most appropriate to begin preparing for the development of its next CDCS, but typically preparation should begin during the final two years of the existing CDCS. Before officially starting the development of a CDCS, a Mission must take several steps to ensure that it has the information necessary to begin the process. This includes consolidating lessons learned from prior CDCSs or other strategic plans, available analyses and evaluations, findings from past portfolio reviews, CDCS stocktaking exercises, and monitoring of existing projects and activities. Missions should also examine changes within the country context and the parameters within which the Mission itself operates (e.g., changes in staff, budget, or overall USG priorities), as well as the status of any existing critical assumptions.

Additionally, a Mission will need to consider logistical preparations (including the establishment of mechanisms for contractor support if needed), as well as beginning the process of conducting or updating analyses, and conducting initial consultations. The Mission should also begin internal and external discussions to inform the approach to the CDCS.

For Missions developing a follow-on (second, third, etc.) CDCS, the expiring CDCS will be the basis of the new CDCS. In some cases, a follow-on CDCS will be an update of the previous strategy. In other cases, there will be significant changes to the Results Framework to reflect changing country context and new challenges and opportunities. In reflecting on lessons learned from prior implementation, Missions should consider the following, along with any other learning a Mission may undertake:

- Analysis of monitoring data;
- Findings from evaluations (commissioned by the Mission and others);
- Portfolio reviews;
- Mid-course stocktaking of strategies;

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- An understanding of the status of existing Development Objective Agreements (DOAGs), projects, and activities; and
- Changes in the country and region.

Analyses and Assessments

A CDCS must be grounded in evidence and analysis. Approximately 18 months prior to launching a CDCS process, Missions should consider which analyses they want to inform their strategic planning process, including any country-wide, sector-specific or sub-sector, or demographic analyses. Missions are encouraged to draw evidence from third-party assessments and/or evaluations to complement Mission assessments and evaluations, including from government sources, civil society, the private sector, and other donors (see [ADS 220](#)). As part of the CDCS development process, Missions are required to undertake the following analyses and assessments:

- Gender analysis (see [ADS 205, Integrating Gender Equality and Female Empowerment in USAID's Program Cycle](#));
- Tropical Forest and Biodiversity Analyses (see [Foreign Assistance Act \[FAA\] Sections 118 and 119, Foreign Assistance Act Sections 118/119 Tropical Forest and Biodiversity Analysis Best Practices Guide](#) and [ADS 201mav, Foreign Assistance Act Sections 118 and 199 Tropical Forests and Biodiversity Analysis](#)).
- Climate Change (see [Climate Change in USAID Strategies](#)); and
- Stage 1 Public Financial Management Risk Assessment Framework (PFMRAF) Rapid Appraisal, if considering G2G assistance above the applicable threshold (currently \$750,000, see [ADS 220](#)).

Each mandatory analysis has specific requirements as to how findings should be reflected in the CDCS; these requirements are contained in the linked documents referenced in the above bullets.

Other possible analyses that a Mission may consider conducting or updating include:

- Country-wide: This may comprise conflict vulnerability, economic growth diagnostics, political economy, institutional capacity, disaster risk reduction and preparedness, social soundness, and human capital.
- Sector-specific or Sub-sector: This may include democracy and governance, human rights, economic growth, financial markets, education, health, rule of law, climate change, and food security.

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- **Demographic:** This may include youth, vulnerable populations, marginalized populations, lesbian, gay, bisexual, transgender, and intersex (LGBTI) people, and persons with disabilities. Analyses should disaggregate populations by sex.
- **Other:** This may include donor engagement, aid effectiveness, collaboration mapping, and private sector engagement, including the role of local as well as U.S.-based entities.

Any other analyses agreed upon in Phase 1 as necessary to inform the development of the CDCS must adhere to the timeline agreed to in Phase 1.

A. Phase One – Initial Consultations and Parameters Setting

Phase One marks the start of the CDCS development process and should launch approximately 12 months before the Mission expects to have its CDCS approved. The objective of Phase One is to set clear parameters for CDCS development, and to initiate formal engagement by Washington OUs - building off of prior and ongoing analyses, consultations, and discussions. Phase One must also include consultations with relevant USG stakeholders, such as the Department of State, Department of Defense, and others as appropriate.

Phase One centers around a dialogue between Washington OUs and the Mission. By the end of Phase One, there will be consensus on issues including the nature of the development context; duration of the CDCS; required assessments and other key analyses; and the applicability of Agency strategies and policies. There are four major milestones in Phase One:

- Concept Note,
- Questionnaire and Consolidation of Washington OU Inputs,
- Phase One DVC, and
- Summary of Conclusions.

Phase One culminates in agreement between USAID/W and the Mission on resource parameters, priorities and sectoral focus for the CDCS, and the Mission's plan for developing the CDCS, including expectations for Washington support. Phase One is the primary opportunity for Washington OU stakeholders and the Mission to engage and make decisions on policy, budget, and other strategy parameters (see [CDCS Templates and Tools](#)).

B. Phase Two – Results Framework Development

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The objective of Phase Two is to gain Agency consensus on the specific approach the Mission plans to use to advance its strategic goal and objectives, as well as to discuss any significant issues and steps needed to finalize the Results Framework and prepare the full CDCS.

In Phase Two, the Mission finalizes key analyses, prepares the CDCS Results Framework Paper, and engages with Washington OUs to validate the logic and technical validity of the proposed specific strategic directions. Phase Two should begin approximately eight-nine months prior to expected CDCS approval.

This phase includes the following milestones:

- Results Framework Paper,
- Review of Results Framework Paper,
- Phase Two DVC, and
- Summary of Conclusions.

During Phase Two, there should be no additional questions about the sectors in which the Mission has chosen to work. Discussion should center only on sectors identified during Phase One, as documented in the Phase One Summary of Conclusions. The Phase Two review should focus on the logic of the Development Hypotheses and validity of the proposed technical approach.

Phase Two is required for Missions writing new strategies (i.e., Missions that do not have an existing CDCS). For Missions developing a follow-on strategy, a consensus about whether or not to conduct a formal Phase Two consultation with Washington will be reached during Phase One and will depend on whether the Mission is planning substantive changes to its Results Framework and previous strategic approach.

C. Phase Three – Full CDCS Preparation, Review, and Approval

The objective of Phase Three is to prepare, approve, and disseminate the full CDCS. During Phase Three, the Mission applies findings from analyses and consultations, further refines its Results Framework and Development Hypotheses, and submits the CDCS to the Regional Bureau under Chief of Mission authority. Phase Three culminates when the relevant Regional Bureau AA approves the Mission's CDCS and when the CDCS is disseminated. Phase Three should start approximately four months prior to expected CDCS approval.

Phase Three includes the following milestones:

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- Draft Full CDCS,
- Review of CDCS Draft,
- Phase Three DVC,
- Summary of Conclusions,
- Final CDCS Approval, and
- Dissemination of CDCS.

Phase Three constitutes completion of the CDCS development process. During this Phase, the Mission presents its full strategic approach to the Agency. Approval of the CDCS by the Regional Bureau AA, with PPL and BRM clearance, as well as clearance from Pillar Bureaus which owned significant issues recorded in the Phase Two Summary of Conclusions, represents Agency endorsement of the Mission's chosen approach. No new significant issues may be raised at Phase Three, except those related to specific Phase Three requirements laid out in the guidance, unless a Mission has not gone through Phase Two.

Following approval of a Mission's CDCS, the Mission, in collaboration with the Regional Bureau and PPL, has 60 days to produce and post the CDCS on USAID's public and internal websites. The public version of the CDCS should remove budget tables and procurement-sensitive or politically sensitive information, as well as other information deemed sensitive.

201.3.2.10 Relationship between the Integrated Country Strategy (ICS) and the Country Development Cooperation Strategy

Effective Date: 09/07/2016

The ICS is a multi-year plan that articulates USG priorities in a given country. The ICS sets USG Mission Goals and Objectives through a coordinated and collaborative planning effort among State, USAID, and other USG agencies with programming in country.

Per ICS guidance, USAID Missions with an approved CDCS must include their DOs (including Special Objectives) as Mission Objectives in the ICS. In instances where there is an approved ICS at the time of CDCS development, or where there is an existing CDCS, the following guidance applies for alignment:

- When CDCS DOs are revised or replaced with a new CDCS, they will replace the existing CDCS-related Mission Objectives in the ICS; and

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- If a new ICS is approved during the life of a CDCS, the existing CDCS DOs should be maintained as Mission Objectives in the new ICS.

To implement the ICS guidance, Missions must submit, with their CDCS Phase Two Results Framework Paper, a draft revised ICS goal–objective structure that shows how the proposed DOs could be integrated as Mission Objectives. This draft ICS goal–objective structure is illustrative for use during the CDCS exercise. Actual changes to a Mission’s ICS goal–objective structure will be done by the country team per the ICS guidance.

Missions that have been exempted from developing a CDCS must work with the relevant U.S. Embassy to ensure that the country's ICS aligns with USAID development priorities for the country and, where applicable, with the RDCS. Alignment with an ICS goal-objective structure does not apply for RDCSs (see [Integrated Country Strategy Guidance and Instructions](#)).

201.3.2.11 Relationship between the Country Development Cooperation Strategy and Agency Programming

Effective Date: 09/07/2016

An approved CDCS is an Agency-endorsed strategic approach to contribute to the development of a specific country or region. It provides the parameters within which the Mission must approach programming in the country. In addition, activities funded and managed by Washington OUs or Regional Missions/platforms that are implemented under the jurisdiction of a USAID Mission should support results in the relevant Mission’s strategy. As new Agency priorities or initiatives emerge, Washington OUs must consult with relevant Regional Bureaus and Missions before selecting targeted countries for assistance.

201.3.2.12 Implementation of the Country Development Cooperation Strategy

Effective Date: 09/07/2016

Once approved, the CDCS:

- Becomes the basis for project design and evaluation;
- Serves as a starting point for development of the PMP;
- Becomes the basis for funding requests and allocations for the Mission;
- Serves as a tool for the Agency to weigh the relative development outcomes of different levels of investments in specific countries and regions; and
- Becomes a living document, reflecting lessons learned and changing circumstances, as appropriate, over the life of the CDCS.

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The Mission must update the CDCS when necessary, both to maintain current documentation and to ensure that incoming staff (both in the Mission and in Washington OUs) will be able to track and understand the evolution of the CDCS, its development hypotheses, and the underlying evidence base.

Mission implementation of the CDCS includes:

- Implementing, managing, and monitoring projects and activities;
- Managing collaboration among projects and activities and ensuring their cohesiveness in achieving project results;
- Overseeing how project results contribute to achievement of IRs and progress toward DOs;
- Ensuring that evidence-based learning leads to longer-term planning, including the next cycle of strategy, projects, and activities;
- Periodically revalidating the strategic approach through portfolio reviews and mid-course CDCS stocktaking; and
- Adjusting the Results Framework in response to new information gathered during implementation, including subsequent project design processes. In these cases, the Mission must post the updated version of the CDCS on USAID systems pursuant to the processes laid out for Phase Three of CDCS Development (see [ADS 201mag, Regional and Country Development Strategy Development and Approval Process](#)).

While a CDCS describes an overall strategic approach for making progress toward a defined Goal and DOs, project designs (taken together) specify the operational plans for implementing the strategy. For this reason, the purpose of each project must support the CDCS Results Framework and be defined at a level of ambition that is practical and is judged to be attainable given the Mission's resources and the various analytics underpinning the design.

Often, the life-of-project will not coincide with the life-of-CDCS. However, Missions must assess projects with a term that exceeds the life of a Mission's current CDCS during development of the subsequent strategy. In some cases, projects may need to be realigned to ensure ongoing coherence. Missions should document this decision in the CDCS (see [ADS 201mac, Index of Existing and Planned Projects](#)).

Specific tasks for strategy implementation are covered in **201.3.2.12** through **201.3.2.18**.

201.3.2.13 Managing the Country Development Cooperation Strategy
Effective Date: 09/07/2016

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The Mission Director is ultimately responsible for managing the Mission's CDCS. The Mission Director is responsible for ensuring that the Mission's efforts (including implementation of projects and activities, partnerships with local actors, and the Mission's convening or influence power) support implementation of the CDCS. Letters of Instruction for new Mission Directors must contain information on the importance of respecting strategic choices made in a Mission's CDCS and other process considerations as appropriate, such as the timeline of the CDCS (including CDCS expiration, the timing of CDCS mid-course stocktaking, and development of a new CDCS).

USAID promotes the use of multi-functional teams (teams that intersect various offices within the Mission) for CDCS and project management both at the DO and project levels. For the CDCS, this may be accomplished through the creation of DO Teams. DO Teams lead the implementation of a particular DO, including the management of DOAGs (see **201.3.2.15**). DO Teams may include staff with a broad range of skills who are working to contribute to defined results, but having these teams does not mean that a Mission's office structure may no longer include functional, sectoral, or backstop-identified offices.

Missions may, at their discretion, choose to manage activities either through DO Teams, or through other organizational structures (for example, through existing technical offices). Both the CDCS and project design processes require Missions to think strategically about the most appropriate management structure to effectively implement the chosen strategic approach.

201.3.2.14 Legal Requirements on Use of Funds

Effective Date: 09/07/2016

USAID funds are subject to numerous legal requirements that must be met prior to the obligation and/or expenditure of funds. These legal requirements apply to both Missions and Washington OUs. Although USAID often refers to these legal obligations as pre-obligation requirements, some of them may be properly addressed at a sub-obligation stage if a Mission initially obligates funding into a DOAG. In such cases, the Mission needs to document the decision for deferral.

Missions and Washington OUs should work with their Resident Legal Officer (RLO) or General Counsel (GC) POC on questions related to legal requirements, and at what stage in planning and implementation they should be addressed. 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](#).

201.3.2.15 Obligation by Development Objective Agreement

Effective Date: 09/07/2016

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In many Missions, USAID funds are obligated through a DOAG—formerly called a Strategic Objective Assistance Agreement (SOAG) or Assistance Agreement. DOAGs are grant agreements with a recipient government, although in most cases the parties to the DOAG agree that USAID may sub-obligate and disburse funds through third-party grantees and contractors. DOAGs incorporate key conditions and requirements for both parties and can serve as a way to obligate funds at the DO level, providing Missions with a degree of adaptability to respond to changing circumstances without necessarily having to de-obligate funds. Guidance in this chapter relating to DOAGs also applies to Regional Development Objective Agreements (RDOAGs) that are used by some Missions implementing regional programs.

The Mission must 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. Prior to signing a DOAG or DOAG amendment, 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.

In Missions obligating USAID funds in a DOAG, the PADs used to document project designs generally define how funds will be sub-obligated through USAID-direct awards, agreements with partner-country entities (in the form of an Implementation Letter sub-obligation under a DO), or other instrument executed by USAID. In the PAD, the Mission will define a total estimated budget for the project that will include all funds to be sub-obligated. That total amount will be stated in the PAD Approval Memorandum, but is not recorded in the Agency accounting system, since only obligations and their associated sub-obligations are recorded in the accounting system. Funds control is maintained at the DOAG level and the sub-obligation level. Missions need to exercise caution to ensure that DOAGs are not permitted to expire while funds from the DOAG are still actively being used in instruments.

The completion date of a DOAG should generally correspond to the end date (or extended end date) of its associated DO/CDCS. DOAGs are generally concluded as initial 5 year agreements and should be tied to the period of the CDCS. As there is often some delay between approval of the CDCS and signature of a DOAG, it is understood that 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 remaining in the DOAG after the end date of the CDCS.

When a Mission transitions to a subsequent CDCS, the subsequent CDCS may or may not retain a DO approved in the prior CDCS. If retained, the DOAG completion date may be extended to correspond to some or all of the period of the subsequent CDCS and it may be appropriate to obligate funding to support the new CDCS into the existing DOAG. When an existing DO is not incorporated into the subsequent CDCS, it would generally not be appropriate to obligate funding that supports the subsequent CDCS into the existing DOAG. A Mission may choose to have a prior and subsequent DOAG overlap for a period of time to ensure effective transition of funding and activities. In managing and amending DOAGs, Missions should consider the life spans of all

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instruments into which funds from the DOAG have or will be sub-obligated. The Mission Director, RLO, Controller, Technical and Program office should work together to ensure that DOAGs are appropriately extended to cover the period in which funds will be used in sub-obligating instruments.

For Missions that do not obligate funds via DOAGs, funds will be obligated at the instrument level (e.g., A&A awards, bilateral project agreements with partner countries, etc). For more detail on these and other legal requirements in relation to DOAGs, see [ADS 201mad, Legal Requirements Summary Checklist](#).

201.3.2.16 Performance Management Plan (PMP)

Effective Date: 06/20/2017

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 resource allocations, the Mission's portfolio review process, and CDCS mid-course stocktaking.

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

A. Content of the Performance Management Plan

The PMP must include:

I. Section 1: Development Objective Monitoring Plans

These are descriptions of how progress, performance, programmatic assumptions, and operational context will be monitored within each DO, including:

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

- At least one performance indicator for each IR identified in the CDCS Results Framework;
- At least one performance indicator for each sub-IR identified in the CDCS Results Framework; and
- At least one performance indicator for any Project Purpose that is not aligned to an IR or sub-IR, following PAD approval. (For

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additional guidance on defining a Project Purpose, see **201.3.3.12**).

- (2) Supplemental information about each performance indicator, including:
- Baseline data, or plans to collect baseline data;
 - End-of-CDCS or end-of-project targets, or plans to set targets; and
 - Performance Indicator Reference Sheet (PIRS) for which indicator data collection has started (for additional guidance about PIRS, see **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 contextual conditions relevant to a DO will be monitored, including a list of any context indicators for monitoring assumptions or risks that may affect DO progress or the operational context in which strategies and projects are being implemented (for additional guidance on context monitoring, see **201.3.5.5**).

II. Section 2: Evaluation Plan

This plan identifies, summarizes, and tracks all evaluations as they are planned across the Mission 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;
- Evaluation purpose and expected use;
- Evaluation type (performance or impact);
- Possible evaluation questions;
- Whether it is external or internal;
- Whether it fulfills an evaluation requirement or is a non-required evaluation;

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- Estimated budget;
- Planned start date; and
- Estimated completion date.

The Mission should update information in the evaluation plan from Project and Activity MEL Plans upon their approval. The Mission must ensure that information from the evaluation plan is included 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 **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;
- 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:

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- Updating and revising the PMP (particularly during the annual strategic portfolio review process and when new PADs are approved);
- 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 six months of CDCS approval.

The Mission Director must approve the initial PMP. Upon approval, this initial PMP must be uploaded on ProgramNet.

It is not expected that the PMP will be comprehensive upon approval. The PMP is continually updated over the life of a CDCS because the project and activities are typically designed after the PMP is approved. At approval, the initial PMP must include:

- (1) Monitoring Plan:** A description of how progress, performance, programmatic assumptions and operational context will be monitored within each DO, including final or preliminary performance indicators for measuring the Results Framework IRs, and sub-IRs. 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

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- PIRS for which indicator data collection has started.
- (2) Evaluation Plan: Summary information, as of the PMP approval date, on planned evaluations intended to be completed during or after the CDCS timeframe.
 - (3) CLA Plan: A complete draft, to be updated by the Mission as necessary during CDCS implementation.
 - (4) Schedule of Performance Management Tasks and Responsibilities: A calendar scheduling the performance management tasks as planned in the aforementioned monitoring, evaluation, and CLA plans, to date.
 - (5) Resources for Performance Management Tasks: Estimated staff level of effort and financial resources necessary to implement the monitoring, evaluation 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. Missions must update the PMP with new project indicators, evaluations, and learning efforts as each new PAD is approved. The Mission reviews and updates the PMP at least once per year as part of the Mission's portfolio review process as described in the PMP Task Schedule. The Mission Director is not required to approve updates to the PMP.

201.3.2.17 Monitoring and Evaluation During Implementation

Effective Date: 09/07/2016

USAID has a responsibility to monitor strategy implementation progress, performance, and operational context. 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 that the Mission is fulfilling its 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 **201.3.5.13**. Although evaluations that address strategic-level concerns are best planned during CDCS development, a decision to evaluate may be made at any point during strategy implementation, particularly if new information arises indicating that an evaluation is appropriate for accountability or learning purposes.

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201.3.2.18 Learning and Adaptive Management During Implementation

Effective Date: 04/18/2018

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 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
- Opportunities to adapt as a result of learning.

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 Mission objectives;
- Status of post-evaluation action plans (see **201.3.5.18**); and
- Challenges and next steps for improving performance.

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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, PADs 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.

A CDCS mid-course stocktaking should:

- Re-validate the Results Framework and its underlying assumptions or identify potential amendments to the Results Framework for review with USAID/W;
- Reinforce continuity and institutional knowledge among new staff;
- 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, 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, Regional and Country Development Cooperation Strategy](#).

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201.3.2.19 Amending and Updating CDCS Documents

Effective Date: 04/18/2018

The Mission should encourage learning and adapting over the course of the CDCS. CDCSs are not intended to be static documents, but instead should reflect the evolving realities of a country's development context, Agency priorities, development best practices, and USAID's implementation as time progresses. In order to reflect these changes, Missions must update or amend the CDCS document, as appropriate, during the timeframe of the strategy. An update to a CDCS occurs when a Mission makes changes at the Intermediate Result (IR) or sub-IR level in the CDCS. An amendment to a CDCS occurs when a Mission makes changes at the Development Objective (DO) or Goal level in the CDCS. See [ADS 201max, Regional and Country Cooperation Strategy Updates, Amendments and Extensions](#) for additional information on the process for executing updates and amendments.

201.3.2.20 Close Out

Effective Date: 09/07/2016

A CDCS represents a pre-defined period of programming. At the end of that period, it is expected that the subsequent CDCS will be built upon the Mission's experience implementing the CDCS that is ending and any other learning activities. DOs are approved through the lifespan of a specific CDCS. The new CDCS may or may not incorporate DOs from the previous CDCS.

Implementation of a CDCS through one or more DOAGs is discussed in detail in **201.3.2.15**. With respect to DOAGs, the de-obligation of leftover funds and close-out process for a DOAG will be complete when all activities under that DOAG have completed their close-out and de-sub-obligation procedures (see [ADS 621](#)).

201.3.3 Project Design and Implementation

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, awards 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 most strategically use the broad

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range of USAID tools to strengthen local systems and engage local actors as the drivers behind long-term, sustainable change.

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 that is judged to be attainable given the Mission’s resources, staff, and influence.

201.3.3.1 Mission and Washington Operating Unit Roles in Project Design and Implementation

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 Operating Units (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 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 mandatory policies and procedures are followed; 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 Monitoring, Evaluation and Learning (MEL) Plans; integrates USAID/Washington-level and Mission-level budgetary and analytical processes (project monitoring, evaluation, learning, adaptation, resource performance, and 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 project monitoring, evaluation, and learning and ensuring activities are managed in a complementary and synergistic manner to support achievement of project outcomes.

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D. Mission Office of Acquisition and Assistance

The Mission Office of Acquisition and Assistance (OAA) serves as a business advisor providing guidance on how the design team can achieve project 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 adjustments can be made where necessary to ensure that project-based A&A activities are working in the most synergistic manner in support of project 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 Resident Legal Officer

The Mission Resident Legal Officer (RLO) provides legal counsel and advice on a broad range of matters related to project design and implementation, 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 include, but are not limited to the Climate Integration Lead, the Mission Engineer, the Mission Economist, the LGBTI focal point, 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 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: 04/18/2018

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. In lieu of a PAD Approval Memorandum (the cover memo that approves the PAD), 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 the Office of Foreign Disaster Assistance (OFDA);
- (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 the Office of Food for Peace (FFP).

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. In lieu of a PAD Approval Memorandum, 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 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. In lieu of a PAD Approval Memorandum, Missions may use OU-specific documentation and processes to approve such activities. Although exempt from a PAD or 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,

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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 health), its design must be approved through a PAD Approval Memorandum. If a PEPFAR-funded activity does not contribute to a multi-sector project, 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—through a PAD 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. In lieu of a PAD Approval Memorandum, 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 either a PAD Approval Memorandum or 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.

If a Washington OU opts to approve activities through a PAD, 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

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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 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: 09/07/2016

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 PAD, 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 are encouraged to incorporate 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 – into PADs. In these cases, Missions must describe the project-level outcome(s) to which the solicitation or derivative agreement is expected to contribute, either in the initial PAD or an amendment thereto.

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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 must support intended outcomes in a Mission’s project design and be approved in PAD. 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 loan guarantees (see **201.3.3.3**), 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.

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: Pursuant to the [Federal Information Technology Acquisition Reform Act \(FITARA\)](#), Missions must submit additional requirements for activities with an IT component. There are two broad categories of requirements:

- (1) **IT Investments for Agency Use.** Program- or OE-funded IT investments for Agency use (such as MEL awards separate from programmatic activities) must receive approval from the Office of the Chief Information Officer prior to obligation (or sub-obligation). Contact M/CIO at: ITauthorization@usaid.gov for additional guidance.
- (2) **IT Investments for Host Countries (or Aid Recipients).** Missions must submit Program-funded IT investments for host countries or aid recipients (e.g., Health Information System for Government of Kenya, laptops for El Salvador public schools, etc.) with a threshold of \$100,000 or more over a period of up to five

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years to a federally mandated Independent Verification and Validation (IV&V) review before system specifications are finalized and funds are expended. Missions may also request technical assistance from M/CIO if needed.

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 PAD. This phase concludes in an approved Project Design Plan (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. This phase concludes in an approved PAD.

The Mission Director approves the project design through a brief PAD Approval Memorandum, to which the PAD is attached. 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 the PAD is finalized. 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 Functions of the Project Appraisal Document (PAD)

Effective Date: 09/07/2016

A project design is approved in a PAD. The PAD has three functions:

- (1) Based on the analyses and other supporting evidence, the PAD presents the project's theory of change, describing how the process of change is expected to take place and how USAID intends to directly and/or indirectly work to influence these changes.
- (2) The PAD provides approval to proceed with the design of activities for which certain minimum planning criteria, described in **201.3.3.12**, have been satisfied.

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- (3) The PAD serves as a management tool used to guide implementation. This tool is intended not to define a rigid implementation plan, but to provide an organizing framework that should be adapted as new evidence emerges, circumstances change, and tactics require adjustments. In most cases, these updates may be documented at the working level, without a formal amendment to the PAD.

201.3.3.10 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.

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

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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.

201.3.3.11 Preparing for the Project Design Process

Effective Date: 09/07/2016

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.

201.3.3.12 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 PAD. 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,

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- 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).

D. Content of the Project Design Plan (PDP)

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

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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.

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. In these cases, the PAD must be amended to add the AUPGS and other associated requirements.

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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: In order 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 PAD, 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 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.

E. 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?

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

201.3.3.13 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 a 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 described in the PAD 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

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Project MEL Plan in the PAD 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 30 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
- 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
 - Project Management Approach
- Project MEL Plan
 - Monitoring
 - Evaluation
 - Learning
- Financial Plan

The following are required PAD Annexes:

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

A. Content of the Project Appraisal Document (PAD)

PADs must include the following 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

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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 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.

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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.

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 in order 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

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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 201mal, 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 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

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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 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:

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- 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;
 - 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.

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This sub-section should also describe situations that would serve as a trigger for an unplanned performance evaluation, e.g., underperforming 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 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

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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).

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

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will also give an early indication of the potential need for a Senior Obligation Alignment Review (SOAR) (see [ADS 300](#)).

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.

201.3.3.14 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.

201.3.3.15 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 Results Framework (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.

201.3.3.16 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](#).

201.3.3.17 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 Program Cycle principles 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), 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 implementation; maintains relevant Mission Orders or Mission Notices to supplement this chapter's policies and procedures; and provides

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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 [22 CFR 216](#) and [ADS 304](#); submits 22 CFR 216 documents 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, the LGBTI focal point, 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 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

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Effective Date: 09/07/2016

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 the Office of Foreign Disaster Assistance (OFDA),
- (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 the Office of Food for Peace (FFP).

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.

201.3.4.3 Activity Design Considerations

Effective Date: 06/20/2017

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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: Missions are encouraged to use solicitation approaches that support innovation, co-creation, and/or co-design when appropriate – such as Broad Agency Announcements (BAAs) for research and development (R&D), or Annual Program Statements (APSs) for creative programming opportunities. The design process for the activities resulting from these co-creation efforts may differ from the design process outlined in this section because the OU engages with the partner throughout the activity design and award process.

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Missions and Washington OUs should work closely with their CO/AO and Program Office to follow required steps for activities using 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: Pursuant to the [Federal Information Technology Acquisition Reform Act \(FITARA\)](#), Missions must submit to additional requirements for activities with an IT component. There are two broad categories of requirements:

- (1) **IT Investments for Agency Use.** Program- or OE-funded IT investments for Agency use (such as MEL awards separate from programmatic activities) must receive approval from the Office of the Chief Information Officer prior to obligation (or sub-obligation). Contact M/CIO at: ITauthorization@usaid.gov for additional guidance.
- (2) **IT Investments for Host Countries (or Aid Recipients).** Missions must submit program-funded IT investments for host countries or aid recipients (e.g., Health Information System for Government of Kenya, laptops for El Salvador public schools, etc.) with a threshold of \$100,000 or more over a period of up to five years to a federally mandated Independent Verification and Validation (IV&V) review before system specifications are finalized and funds are expended. Missions may also request technical assistance from M/CIO if needed.

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

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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 that are 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 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.

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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.
- 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 Statement of Work (SOW), Performance Work Statement (PWS), Statement of Objectives (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](#).

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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 CO/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

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 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;

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- 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 [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

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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).

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 Acquisition and Assistance (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

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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, Performance Work Statement (PWS), or Statement of Objectives (SOO). Missions and Washington OUs should consult closely with the CO/AO to understand requirements for each type of solicitation (see [FAR Part 11](#), [ADS 300](#), and [ADS 302, USAID Direct Contracting](#)).

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): A 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

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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 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

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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. 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

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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,
- 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

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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.

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.

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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 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

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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

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

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.

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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,
- 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

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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 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: 09/07/2016

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

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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 CO/AO may also identify an Activity Manager based on recommendations from the technical office to assist the COR/AOR in performing certain technical oversight duties, but the Activity Manager is not authorized to provide technical direction to implementing partners or any other action that binds the government based on the COR/AOR designation letter. In the case of field support implementing mechanisms, the Activity Manager is often located in the Mission, while the COR is located in USAID/Washington. It is recommended that Missions identify Activity Managers for Field Support activities implemented at their Mission.

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

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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).

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

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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.

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](#)).

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

II. Evaluation

Section **201.3.5.9** describes procedures for planning and implementing an evaluation. Evaluations of activities should be planned during the 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

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focus on challenges and successes in implementation to date, changes in the operating environment or context that could 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

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

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

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accordingly. Missions and Washington OUs should generate key financial information each quarter on accrued and projected expenditures and use this 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

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

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

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.

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

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: 09/07/2016

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 the Office of U.S. Foreign Disaster Assistance (OFDA);
- (2) Activities managed by the Office of Transition Initiatives (OTI), or activities funded with the Complex Crises Fund (CCF) managed by Missions; and

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(3) Emergency Food Assistance managed by the Office of Food for Peace (FFP).

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

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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 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.

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

C. Changing Indicators

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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.

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).

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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

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).

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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](#).

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

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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.

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

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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.
- **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.

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- **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

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

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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;
- 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

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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.

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

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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 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**.

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

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.
- 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.

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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](#)).

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.

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

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 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:

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- 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.

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.

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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;
- 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.

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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.

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.

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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 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

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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 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\(a\)\)](#)

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

- 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](#)
- n. [31 U.S.C. § 6301-6308, \(Federal Grants and Cooperative Agreements Act\)](#)
- o. [48 CFR Federal Acquisition Regulations \(FAR\)](#)
- p. [Executive Order 13279, 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 \(September 12, 2011\)](#)

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

- 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](#)

201.4.2 Internal Mandatory References

Effective Date: 06/11/2019

- 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, Regional and Country Development Cooperation Strategy \(R/CDCS\) Development and Approval Process](#)
- j. [ADS 201mah, USAID Evaluation Report Requirements](#)

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

- 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](#)
- 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](#)

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

- 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 540, USAID Development Experience Information](#)
- ak. [ADS 579, USAID Development Data](#)
- al. [ADS 579mab, Activity Location Data](#)
- am. [ADS 597, Operations Performance Policy](#)
- an. [ADS 602, Forward Funding, Program Funds](#)
- ao. [ADS 621, Obligations](#)
- ap. [ADS 631, Accrued Expenditures](#)
- aq. [AIDAR](#)
- ar. [Contract Information Bulletins \(CIBs\)](#)
- as. [Climate Change in USAID Strategies](#)
- at. [Foreign Assistance Act](#)
- au. [Geographic Codes](#)
- av. [Guidance on how to Close a USAID Mission - Checklist](#)
- aw. [Guidance on the Definition and Use of the Child Survival and Health](#)
- ax. [Guidance on the Definition and Use of the Global Health Programs Account](#)
- ay. [How to Choose between 632\(a\) and 632\(b\) - Memoranda of Understanding and Inter-Agency Agreements](#)

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

- az. [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](#)
- 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: 08/27/2019

- 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 201sag, Action Memo Template for Exception to Public Disclosure of USAID-Funded Evaluation](#)
- j. [ADS 201sah, Evaluation Statement of Work \(SOW\) Peer Review Process](#)

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

- 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. [ADS 579sab, Protecting Sensitive Information Prior to Publication of USAID Foreign Assistance Data](#)
- o. [Application of ADS 201 to Washington Operating Units \(OU\)](#)
- p. [CDCS Templates and Tools](#)
- q. [Co-Creation Discussion Note](#)
- r. [Cost Share in the Program Cycle](#)
- s. [Discussion Note: Implementing Local Ownership](#)
- t. [Drafting a Collaborating, Learning and Adapting Plan](#)
- u. [Foreign Assistance Act Sections 118/119 Tropical Forest and Biodiversity Analysis Best Practices Guide](#)
- 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](#)

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

- 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](#)
- 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: 06/11/2019

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

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An Activity Manager may be designated by the Mission or Washington OU to assist the COR/AOR in performing certain technical oversight duties of an awarded activity, but they are not authorized to provide technical direction to implementing partners or any other action that binds the government based on the COR/AOR designation letter. In the case of field support implementing mechanisms, the Activity Manager is often located in the Mission, while the COR/AOR is located in USAID/Washington. (**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**)

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

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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

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,

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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)**

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)**

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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)

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

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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

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**)

partner country

The country in which a USAID-funded activity takes place (see host country). (**Chapter 201**)

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

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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**)

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

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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

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**)

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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:
 - 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-

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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 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)

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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**)

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**)

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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 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)**

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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)**

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

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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
- 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

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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 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

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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**)

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 (RDCS)

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

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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

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)**

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)**

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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 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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