

1st Quarter FY 2023
Business Forecast Webinar and Partner Update
December 7, 2022
8:30-9:30 AM ET
As Prepared

USAID Participants

- Mark Walther, Director, Bureau for Management, Office of Acquisition and Assistance
- Sarah Rose, Senior Advisor for Localization, Office of the Administrator
- Kimberly Ball, Director, Office of Small and Disadvantaged Business Utilization
- Neneh Diallo, Chief DEIA Officer, Office of the Chief DEIA Officer, Office of the Administrator
- Adam Phillips, Director, Local, Faith, and Transformative Partnerships Hub, Bureau for Development, Democracy, and Innovation
- Arjun Tasker, New Partnerships Initiative Lead, Bureau for Development, Democracy, and Innovation; Local, Faith, and Transformative Partnerships Hub
- Nadeem Shah, Acting Deputy Director, Bureau for Management, Office of Acquisition and Assistance, Foreign Operations
- Michael Ashkouri, Deputy Director, Bureau for Management, Office of Acquisition and Assistance, Washington Operations
- Brooke Hopper, Senior Procurement Analyst, Bureau for Management, Office of Acquisition and Assistance, ACTS
- Vivian Nguyen, Industry Liaison Team, Communications Specialist, Bureau for Management, Office of Acquisition and Assistance

Agenda

- Welcome and introductions by Vivian Nguyen
- Remarks from Mark Walther
- Remarks from Sarah Rose
- Remarks from Kimberly Ball
- Remarks from Neneh Diallo
- Remarks from Adam Phillips
- Remarks from Arjun Tasker
- Remarks from Nadeem Shah
- Remarks from Michael Ashkouri
- Remarks from Brooke Hopper
- Conclusion of the call

Conference Call Transcript

Welcome and Introductions from Vivian Nguyen

Hello everyone and thank you for joining us today's Business Forecast and Partner Update webinar. My name is Vivian Nguyen. I am a Communications Specialist in the Office of Acquisition and Assistance.

We are excited to have you join today's webinar – where we will be sharing updates on a number of things happening around USAID. I'm pleased that many colleagues from across the Agency are with us today, including:

- Mark Walther, Director, Bureau for Management, Office of Acquisition and Assistance
- Nadeem Shah, Acting Deputy Director, Deputy Director, Bureau for Management, Office of Acquisition and Assistance, Foreign Operations
- Michael Ashkouri, Deputy Director, Bureau for Management, Office of Acquisition and Assistance, Washington Operations
- Brooke Hopper, Senior Procurement Analyst, Bureau for Management, Office of Acquisition and Assistance, ACTS
- Sarah Rose, Senior Advisor for Localization, Office of the Administrator
- Arjun Tasker, New Partnerships Initiative Lead, Bureau for Development, Democracy, and Innovation; Local, Faith, and Transformative Partnerships Hub
- Neneh Diallo, Chief DEIA Officer, Office of the Administrator
- Kimberly Ball, Director, Office of Small and Disadvantaged Business Utilization
- Adam Phillips, Director, Local, Faith, and Transformative Partnerships Hub, Bureau for Development, Democracy, and Innovation

If you're new to one of our Business Forecast calls, we try to use this time to cover Agency priority topics, and later today, we will plan to post responses to the majority of the questions we have received on our website, along with a recording and transcript from this call. We will notify you that it has been posed through our Industry Liaison Updates email distribution list, and our social media channels.

And with that, I would like to first turn the call over to Mark Walther to share a few updates. Over to you, Mark.

Remarks from Mark Walther, Director, Bureau for Management, Office of Acquisition and Assistance

Thank you to the many partners that have joined our call today. It is a pleasure to be able to speak with you.

I'd like to start by providing a few highlights from last fiscal year. Last fiscal year, the Agency processed a record number of obligations, with \$35.5 billion going through over 21,000 A&A actions. This nearly \$8.7 billion increase from FY 2021 was in large part to USAID's response in Ukraine and other humanitarian efforts along with our continued commitment to fighting the COVID-19 pandemic. I'm pleased to share that with these record obligations we were still able to meet many of our important targets – such as U.S. small business utilization as well as our Category Management goals.

One of the highlights of this past year was the launch of [WorkwithUSAID.org](https://www.workwithusaid.org) – a resource hub for partners to navigate the partnership process. I encourage you to join the millions of users who have benefited from the free tools and resources on the website.

This fall, our Industry Liaison team released the first Partner Experience Survey to better understand the barriers and opportunities that partners face in trying to work with USAID. Many thanks to the 1400+ respondents! Through this survey we have begun to identify the overarching barriers that partners face while also taking a closer look at what our local partners and small business owners are saying about how we can alleviate these barriers. We will share the results of the survey on [WorkwithUSAID.org](https://www.workwithusaid.org) in the coming weeks.

Certainly, one of the common themes was the issues related to the Unique Entity Identifier (UEI) on SAM.gov. We have been working closely with GSA and other USG agencies on a number of ways to improve this process. For example, we've developed escalation procedures for urgent registrations, updated guidance for existing exceptions, and provided resources for navigating SAM registration. I greatly appreciate your patience as we work with GSA and other government colleagues to try and improve this process. If you continue to have issues, please contact your CO/AO.

Finally, I am very happy to provide an update to you all on the Acquisition and Assistance (A&A) Strategy. The final draft is with the Office of the Administrator for clearance, and we hope to publicly launch the A&A Strategy early next year. The refreshed strategy will have a strong focus on the A&A workforce, streamlining barriers throughout the A&A process, and diversifying our partner community. The updated USAID A&A Strategy incorporates the feedback we receive from you - USAID's implementing partners - through surveys, Reverse Industry events, and regular interactions. We are also working on an A&A Strategy Implementation plan, for which we plan to seek your expertise on how we can streamline our award processes and lower barriers to partnership.

While we have been working on the refreshed strategy over the last year, we have begun taking action in many areas. For example:

- We have established an A&A Cooperating Country National (CCN) Management Council. The Council represents the 350+ A&A locally employed CCN staff and focuses on elevating and strengthening FSN/CCN's role as development professionals.
- We've also initiated a pilot program with the Department of State to hire family members of Foreign Service Officers (FSOs) as USAID A&A staff, with 10 staff this year and more being quickly hired.
- We have streamlined the review process for high-value (>\$25 million) contracts, reducing the number of required reviews from three to two, saving staff time on contracts and reducing the award process.
- We piloted a partner matchmaking session, through WorkwithUSAID.org, where our Industry Liaison team helped to connect 33 local partners with large prime partners.
- Finally, USAID launched a new user-friendly Contracting Officer Representative/Agreement Officer Representative (COR/AOR) Toolkit to provide easy-to-access useful information to COR/AORs on managing awards. The Toolkit provides links to official guidance and resources, examples, and tips for COR/AORs to navigate their important roles.

These are just a few of the many examples we could highlight of efforts underway.

In early 2023, we will host a virtual launch event to present the A&A Strategy to our partner community. Information will be shared via the Industry Liaison listserv, and I hope to see many of you there!

With that, I will turn it back over to Vivian.

Remarks from Sarah Rose, Senior Advisor for Localization, Office of the Administrator

Hello, everyone. It's a pleasure to have the chance to speak with you all today about localization. Just over a year ago, Administrator Power announced her commitment to changing how USAID works in order to ensure local actors are at the center of what we do. This commitment recognizes that local leadership and ownership of goals and processes are critical for achieving longer-term, more sustained results. And it acknowledges that we need to grapple with and change the power dynamics in the business of aid, striving for more equitable and more inclusive approaches.

So what does localization mean in practice? I would like to highlight three main lines of effort:

First, we're adapting our policies and programs to foster locally led development, tied to each country's unique conditions, including through local systems practice and local capacity strengthening;

Second, we're channeling more of our funding directly to local partners; Administrator Power announced that USAID will endeavor to provide at least a quarter of our program funds directly to local partners by the end of FY 2025. But while control of resources is important for local ownership, it's only part of the story.

So third, we're shifting power to local actors by creating space for them to influence and exercise leadership over what we do and how we work. Localization is not just about who we fund but how we work. So Administrator Power has set a goal for us that by 2030, fifty percent of our programming will place local communities in the lead to set priorities, codesign projects, drive implementation, or evaluate the impact of our programs.

And overarching all of this is an inclusive development lens, which is the view that all people, including those who are marginalized or underrepresented, should be included in development processes.

Within the three lines of effort I noted, there are roles for everyone in advancing localization goals. I'd like to highlight a few things that international implementing partners, development contractors, and US small business partners can do to carry forward localization goals as part of their work.

First, many awards incorporate capacity strengthening elements. And international implementing partners, for example, play a crucial role in things like capacity strengthening, mentoring, and coaching of local organizations.

As many of you may know, USAID recently launched a new Local Capacity Strengthening Policy. The Policy establishes seven principles that emphasize that capacity strengthening work should build on existing capacities, respond to local priorities (rather than donor identified "gaps"), and in service of supporting sustainable organizations. Arjun Tasker will talk in more detail about this policy shortly. But we expect that all those engaged in USAID work take deliberate steps to use these principles to guide work with local partners to identify their priorities and co-create capacity strengthening plans that are well-resourced and realistic.

Second, it means seeking out local subpartners and practicing more equitable partnerships with them and with program participants. Let me take a minute to flag that there is a Partner Directory on [WorkWithUSAID.org](https://www.WorkWithUSAID.org), with over 3,100 organizations's profiles and contact information — 60 percent of which are local to countries in which we work. Entries can be searched using a variety of parameters, including country and sector.

There are also steps like locally-led, participatory monitoring, evaluation, and learning processes; collecting and using feedback from local communities during implementation; and more.

The key is in the relationships. Our work will build on the unique expertise, resources, and networks of all development actors—but in a way that supports and creates the conditions for local actors to take the lead to address local—and in some cases translocal—challenges.

We also welcome thoughts and suggestions from our industry partners—many of which have been working for years to elevate local actors roles—to share your ideas and experiences of how to be more effective and equitable partners.

I'd also like to highlight that we have a new webpage on localization at [usaid.gov/localization](https://www.usaid.gov/localization) and I'd encourage you to check it out for more details on USAID's vision and approach, as well as some resources.

And looking ahead, in March of next year, we are planning to publish our progress on direct local awards for FY2022. At that time, we will also roll out a system for tracking the extent to which our activities create space for local actors to exercise leadership. We'll look forward to engaging with you on that.

Remarks from Kimberly Ball, Director, Office of Small and Disadvantaged Business Utilization

Thank you to my Acquisition and Assistance colleagues for including the Office of Small and Disadvantaged Business Utilization in the first Business Forecast call of FY 2023.

I'd like to share with you our achievements from FY 2022 and our plans for FY 2023. Mark spoke about the \$35B in A&A transactions that includes \$6B in contract obligations. With a goal of 12.5%, USAID achieved more than 16% - obligating \$998M to U.S. small businesses. This is the most significant U.S. small business achievement to date for USAID and \$170M more than in FY 2021. That 16% represents 22% of Washington awards and 9% of our overseas awards. We also excelled in the Small Disadvantaged Business and Women-Owned small businesses socio-economic categories achieving 7.75% and 6.6% respectively against a goal of 7.4% and 5%, respectively.

USAID continued to struggle with our Service Disabled Veteran Owned Small Business and Hubzone businesses achieving less than 1% in each category. And are looking for opportunities to increase our utilization of each of these groups with the focus primarily being on the SDVOSB.

For FY 2023, our small business goals are 13.25% for small business and 14.5% for subcontracting. In keeping with the Biden Administration's focus on Advancing Equity in Procurement, our small disadvantaged business goal is 8.3%. You may recall that this particular socio-economic goal will continue to increase until the government wide goal is 15% in FY 2025.

As many of you know, the Biden Administration has a tremendous focus on Advancing Equity in Procurement. OMB released a memorandum last year - which was updated this year - that instructs federal agencies to increase their other socio-economic category utilization and increase its small business industrial base. We have created an Advancing Equity in Procurement Working Group composed of Agency staff to look at ways we can achieve these and the other goals that are a part of AEP.

Internally, we are negotiating U.S. small business goals with our bureaus and independent offices. Our mission small business goals are negotiated for a two year period. Accordingly, their FY 2022 goals will be utilized for FY 2023.

Externally, USAID's OSDBU has expanded its outreach efforts by meeting with more of our small business partners. This week alone, OSDBU has engaged in events hosted by the Asian American Chamber of Commerce, Fedpropel and the U.S. Women's Chamber of Commerce. We are also partnering with the Department of Veterans Affairs on an event directed at the Service Disabled Small Business community. We invite our small business community to visit our website to look at the other outreach events that we are scheduling.

Remarks from Neneh Diallo, Chief DEIA Officer, Office of the Chief DEIA Officer, Office of the Administrator

Good morning, all. I'm very happy to be with you today to speak about USAID's commitments and goals related to diversity, equity, inclusion and accessibility. Since her first day in office, Administrator Power has emphasized the importance of increasing diversity, ensuring equity, improving inclusion, and expanding accessibility, while also working to create a workplace free from discrimination, harassment, and retaliation.

It's been a big year for DEIA at USAID. Our new DEIA Office was set up in February 2022 and I joined as Chief DEIA Officer shortly after in March. I come to USAID after years of working at the Millenium Challenge Corporation as well as in the private sector. When I started here earlier this year, I jumped right in and began learning about USAID from the inside out, and I don't think I've even scratched the surface! USAID's DEIA work has been going on for many years, but now, with the establishment of the DEIA Office located within the Administrator's

Office, we are strategically placed and centrally located to coordinate the Agency's overall DEIA efforts across the world in our Missions, Bureaus, and Independent Offices.

I'd like to share a few of what we've accomplished in my time here, which speak to the Agency's overall DEIA priorities. First, we updated our DEIA Strategic Plan, adding an emphasis on increasing accessibility.

- We relaunched our 2022 DEIA Strategic Plan, which contains the DEIA 10 commitments that span our workforce, workplace, and partnerships and strengthen our commitment to being a model employer;
- We designed and disseminated our first annual DEIA Survey to collect voluntary demographic data from our entire workforce, regardless of hiring mechanism, to better inform us on the climate and diversity of our global workforce;
- We released our Equity Action Plan, which promotes equity in our development and humanitarian assistance programming and partnerships and details five commitments to promote equity in our programs and partnerships.
- We increased our partnerships with Minority Serving Institutions (MSIs) - including holding our second-annual and first in-person Hispanic Serving Institutions/LatinX Conference and Career Expo at Florida International University in Miami and providing institutional strengthening to targeted schools; and
- We continue to expand resources dedicated to building a lasting foundation for DEIA values within USAID, including our Respectful, Inclusive, and Safe Environments (RISE) trainings, DEIA Council resources, and DEIA Toolkits.

As 2022 comes to a close, we are already planning for what's next.

- We will continue our work with MSIs. In 2023 we'll host our Asian American and Pacific Islander Serving Institution Conference on February 15 and 16, as well as our second annual HBCU conference in the Spring of 2023. We also continue to strengthen our engagement with Tribal Colleges and Universities.
- The data we collected from our DEIA Survey is currently being compiled and will soon be available to give us new insights on our workforce.
- Our RISE training and events will continue to roll out new training courses and seminars across all levels of knowledge, and we will soon go back to in person training.
- We also plan to engage with our implementing partners more and work with you to provide support as you promote your own DEIA initiatives and efforts.

The work we've accomplished thus far could not have been possible without the support of Administrator Power and USAID leadership across the Agency, and the hard work of our team and colleagues. I look forward to further engagement with this group in the coming year ahead.

Remarks from Adam Phillips, Director, Local, Faith, and Transformative Partnerships Hub, Bureau for Development, Democracy, and Innovation

Good morning everyone, my name is Adam Phillips and I'm the Executive Director of the Local, Faith, and Transformative Partnerships Hub and I also serve as Director of USAID's Center for Faith-Based and Neighborhood Partnerships. Since its inception, USAID has partnered with and alongside faith-based and community organizations to advance shared development and humanitarian objectives. And today, religious actors remain essential partners in the work we do around the world.

I'm thrilled to share that USAID has just released for public comment a first of its kind policy that aims to strengthen the Agency's approach toward faith-based partnerships and locally-led development. "Building Bridges In Development: A Policy On Engaging Faith-Based And Community Partners" establishes an Agency-wide framework for engaging with faith-based and community organizations and equips USAID staff with evidence-based, principled tools for strategic religious engagement.

The policy is available for public comment through 5 pm EDT *this* Sunday, December 11. We value your input and comments on the policy, which will serve to strengthen the capacity of USAID staff across all sectors and regions to work with local religious communities and partner with faith-based organizations.

I'll drop the link to the policy in the chat now, and we hope to hear from you.

<https://www.usaid.gov/faith-based-and-neighborhood-partnerships/bridges-policy>

Remarks from Arjun Tasker, New Partnerships Initiative Lead, Bureau for Development, Democracy, and Innovation; Local, Faith, and Transformative Partnerships Hub

My remarks will be short and will reinforce what my colleague Sarah Rose shared regarding the Local Capacity Strengthening Policy.

Many of you will know that this was one of major policy announcements to come out of the Agency in the past quarter. As Sarah said, it's about establishing a set of common principles for local capacity strengthening programming across the Agency. With the policy now launched, we have entered a one year phase in which we are working at an Agency level as well as at a Bureau level to develop implementation guidance for what strengthening the capacity of local actors looks like in various sectors.

As an Agency, we advance policy through solicitations and awards, so we will make sure that awards (grants and contracts) that have local capacity strengthening as an element of their activity should not only reference and comply with the policy but note how it will impact our work.

For example, proposals related to activities that have local capacity strengthening as a component should highlight how proposed interventions are based on a well-informed knowledge of local systems. Proposals should also identify diverse approaches to engaging and strengthening local actors and measuring the effectiveness of those approaches. The Local Capacity Strengthening policy also seeks more equitable outcomes by taking an asset-based approach to capacity strengthening, so we will look more favorably on proposals that try to build on existing local strengths rather than focus on perceived weaknesses. We will continue to exercise vigilance against imposing burdens on local communities or causing unintentional harm. Above all, we are seeking proposals and partnerships that are grounded in mutuality and respect for local leadership.

We appreciate how those of you on this call will continue to work with us to enhance our local capacity strengthening efforts and hold the Agency accountable to implementing this important policy.

Remarks from Nadeem Shah, Acting Deputy Director, Bureau for Management, Office of Acquisition and Assistance, Foreign Operations

Reinforcing several of Mark's points. M/OAA Foreign Operations is continuing to support FS COs and A&A Specialists so that they can effectively advance USAID's development mission. In response to the CO shortage we are continuing hiring efforts and to onboard new career candidates, with over 23 who have recently started. We are working to develop leadership and soft skills, while also providing surge support, and promoting effective and early engagement with the partner community. Foreign Ops will continue to provide leadership for rebalancing the Agency's workforce to better position the team to deliver on key priorities and continue strengthening A&A functions in the Agency.

Remarks from Michael Ashkouri, Deputy Director, Bureau for Management, Office of Acquisition and Assistance, Washington Operations

M/OAA Washington Operations is pleased to announce that we have ramped up the hiring of A&A professionals. Over the last three months we have hired approximately two dozen Civil Service US Direct Hire (USDH) contracting professionals for new positions and existing

vacancies. M/OAA is hoping this influx of new staff will help reduce turnaround times and result in more effective administration of existing programs and award of new ones.

Additionally, we are reorganizing to be more efficient. M/OAA/Washington Operations has created new teams to support the Office of HIV/AIDs, including the NEXTGEN program suite of contracts under design/procurement now. We have also created a Personal Service Contractor (PSC) Team in support of Bureau of Humanitarian Assistance (BHA) to allow the current A&A professionals to focus on humanitarian grants while providing more directed and improved customer service to our BHA PSC colleagues. Currently we are actively recruiting for all these teams. This effort also includes non-supervisory senior positions that increase professional growth opportunities within M/OAA to help reduce attrition and retain institutional knowledge within Washington Operations.

In order to get approval for the above positions, M/OAA/Washington Operations lobbied to allow the use of program funds, use various hiring authorities, and use more diverse hiring mechanisms, such as the use of Foreign Service Limited (FSLs). Thank you.

Remarks from Brooke Hopper, Senior Procurement Analyst, Bureau for Management, Office of Acquisition and Assistance, ACTS

I'm here to provide you with an update on USAID's success in Category Management for FY22. In the final months of the year, we exceeded our SUM target of 75%, reaching 75.99% in Spend Under Management. Similarly, we exceeded our BIC target of 5%, with 7.27% of contract dollars obligated to Best In Class contracts. Of particular note is how Category Management and Small Business Utilization can work hand in hand: In FY22 91% of the contracts that counted toward the USAID's small business goals also counted toward our Category Management targets. That's quite a success story for the Agency.

While we are not quite ready to release our CM targets for FY23 to a larger audience, it's important to note that Category Management continues to be a Cross Agency Priority goal and part of the President's Management Agenda. USAID will continue to rely on Category Management vehicles as one of the tools in our toolbox to help our workforce use their time more efficiently.

Back to you, Vivian.

Thank You and Closing from Vivian Nguyen

Great. Thank you. And thank you again to all of our speakers who provided updates today as well as our audience who took time to tune-in to listen.

I wanted to quickly highlight a few additional ways you can stay engaged with us through our Industry Liaison Team.

We have channels on LinkedIn, Twitter, Facebook, and YouTube – my colleagues will drop the links to each of those platforms in the chat. You can also sign-up for our monthly newsletter and industry liaison updates email distribution list through the link in the chat.

Finally, if you have any other questions. Please don't hesitate to reach out to us at: IndustryLiaison@usaid.gov. I hope you all enjoy the rest of your day. See you next time.