2nd Quarter FY 2023
Business Forecast Webinar and Partner Update
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As Prepared

<u>**USAID Participants**</u>
- Mark Walther, Director, Office of Acquisition and Assistance
- Chris Nikola, Strategy Lead, Office of Acquisition and Assistance
- Heather Sullivan, Lead Strategy and Management Analyst, Office of Acquisition and Assistance
- Kimberly Ball, Director, Office of Small and Disadvantaged Business Utilization
- Deb Broderick, Deputy Director, Office of Acquisition and Assistance
- Mandeep Jangi, Managing Director, Private Sector Engagement Team
- Arjun Tasker, New Partnerships Initiative Lead, Bureau for Development, Democracy, and Innovation
- Matt Johnson, Communications Director, Industry Liaison, Office of Acquisition and Assistance

<u>**Agenda**</u>
- Welcome and introductions by Matt Johnson
- Remarks from Mark Walther
- Remarks from Chris Nikola & Heather Sullivan
- Remarks from Kimberly Ball
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Webinar Transcript

Welcome and Introductions from Matt Johnson

Hello everyone and thank you for joining us today's webinar. My name is Matt Johnson. I am USAID's Industry Liaison as well as the Director of Communications for the Office of Acquisition and Assistance. I am excited to have you join today's webinar.

Before we get started, I wanted to highlight a few items. I have just opened up a poll so that we can learn a little bit more about you and your organization. If you are interested, you can turn on closed captioning by clicking on the CC button on the bottom left corner of your screen. We will not be taking live questions during the event, but please feel free to add your comments into the chat box. We will be sharing a number of links throughout the webinar in the chat box.

If you are new to one of our Business Forecast and Partner Update webinars let me share a little bit more about this event. A few weeks ago we sent a message out via our email list asking for questions related to our Business Forecast. We received more than 2,000 questions from the partner community. Our team has been busy answering these questions. We will be posting them on our Business Forecast page later today. Along with a recording of today's webinar and a transcript from this event.

During the event, we won't be highlighting any specific funding opportunities related to the Business Forecast, but instead you'll be hearing from us on a number of important topics related to partnering with USAID. I'm pleased to have leadership from our Office of Acquisition and Assistance, our Office of Small Disadvantaged Business Utilization or OSDBU, our Private Sector Engagement team, as well as our New Partnerships Initiative team.

With that, I'm pleased to introduce Mark Walther. Mark is the Director of the Office of Acquisition and Assistance at USAID and the Agency's Senior Procurement Executive.

Remarks from Mark Walther

Thank you all for joining us today. It is a pleasure to be speaking with you at today's event.

There has been a lot happening within the Office of Acquisition and Assistance lately. We want to use this opportunity to highlight many of the different efforts that have been underway.

Business Forecast

Let me first start with the Business Forecast. We truly understand the value and importance of the Business Forecast to you. It allows you to plan and organize your work to be able to compete for upcoming opportunities. It also plays an important role in Agency transparency.

We are continually communicating to our acquisition and assistance workforce, the importance of the tool, as well as the importance of ensuring that information is up-to-date. In our headquarters office, over the last few months, my team and I have been meeting with leadership from each bureau to discuss their acquisition and assistance planning and reinforcing the importance of the Forecast.

These quarterly engagements and the questions that you ask, help to hold us accountable for providing you with the best possible Business Forecast, in addition to finding new ways to enhance this important tool.

PEB23-01
Two days ago I signed a Procurement Executive Bulletin (or PEB) called "Guidance for Awards with COVID-19 Performance Monitoring". This PEB provides guidance to Agreement Officers and Contract Officers of affected awards to implement Global Health COVID-19 standard indicators monitoring requirements.

The requirements in the PEB apply to USAID awards receiving funding for COVID-19 activities in eleven Initiative for Global Vaccine Access surge countries and seven "significant investment" countries. We have communicated to our CO/AO workforce the list of such awards. We are asking that our team take necessary actions by April 28, 2023.

Acquisition and Assistance (A&A) Strategy
Next, I would like to talk about the Acquisition and Assistance (A&A) Strategy, which we just released two weeks ago. And along with the release of the A&A Strategy, we have shared a detailed Implementation Plan that outlines how we will achieve the vision and objectives of the strategy.

If you missed the public launch event, you can watch the recording. My team will drop a link in the chat. You can also find a copy of the slide deck, the remarks, the implementation plan, and of course the strategy itself.

Our Strategy Team lead, Chris Nikola, along with his team members will walk you through the strategy in a bit more detail in a moment. But I did want to highlight the process by which we developed the refreshed strategy and where we're looking for your input in the future.

As you may have heard us highlight, our strategy team took a consultative approach when drafting the A&A Strategy. Over 300 members of the A&A workforce, as well as colleagues from other Bureaus including activity designers and COR/AORs, participated in feedback sessions.

As a part of our work, we also convened a group of over 50 experts from across the Agency to jointly develop the A&A Strategy Implementation Plan and ensure that it reflected the operational needs of USAID Missions and Bureaus.

Last year, the Agency held more than 15 partner events where the key objectives of the A&A Strategy were shared to solicit feedback from the partner community. Additionally, USAID released its first Partnering Experience Survey in October 2022. USAID collected responses for 30 days and received more than 1,800 responses, which were used to inform our key documents.

It is important to note that this Implementation Plan is evolving and we are accepting input and feedback from colleagues across the Agency and the partner community on a rolling basis. None of our work would be possible without partners, so it was important that the A&A Strategy also reflect the priorities we have heard from partners over the years.

A significant point I'd like to highlight in regard to the strategy—is that while we have been developing it along with the implementation plan—we have already been making progress on achieving its goals and objectives.

For example:
- In Fiscal Year 2022, we partnered with nearly 4,000 organizations—an increase of 366 organizations from last year.
- We increased our use of co-creation from 18% of new awards in FY 2018 to 35% of new awards by FY 2022. This means USAID took a collaborative approach to activity design, letting the expertise of our partners lead the implementation approach.
- We also increased the total value of fixed-amount awards from $97 million in FY 2021 to $141 by FY 2022. This enabled more new and local partners to work with USAID, since fixed-amount awards pose fewer compliance burdens on partners.
- We have streamlined the procurement process for all contracts over $25 million, reducing the number of reviews and saving more than 200 hours of staff time per contract. This means we can make awards a minimum of 10 days faster.
- We have also clarified to our team that local partners can submit concept notes in their local language as opposed to requiring them to be in English which is a barrier to nascent local partners who do not have access to translation services. This is already happening around the world including throughout Central America as well as in Nepal, Mozambique, and Senegal.

I would like to thank many of you who helped to contribute to our new A&A Strategy, and I want to express my gratitude in advance to those who will be involved in our Implementation Plan discussions as we work to push forward on our collective development objectives.

Staffing of A&A

One of the major shifts from the 2018 Strategy to the refreshed Strategy, is the increased emphasis on staffing for the acquisition and assistance workforce. A stat many of you have likely heard before—in FY 2022, a USAID Contracting and Agreement Officer managed on average around $108 million, while a Contracting Officer at the Department of Defense managed only $11.6 million.

If we want to achieve the Agency's localization goals, goals around diversity, equity, inclusion, and accessibility—we have to deal with our staffing crisis. One of the first steps of implementing the A&A Strategy will be to conduct a workforce and workload analysis, to better understand how workload is distributed across Missions and Divisions, and ensure that our staffing decisions enhance equity for all staff.

Just to give you a sense of where we are at this time:

- USAID currently has 182 FS CO/AOs worldwide, of which, approximately 135 are warranted. The A&A Strategy sets the goal of hiring and training warranted FS CO/AOs (BS-93) towards a goal of 195 by 2026.
- In Washington, we currently have around 111 A&A civil service personnel. The A&A Strategy sets the goal of hiring Civil Service A&A staff (known as 1102s within the U.S. government) towards a goal of 198 by 2026.

We are also looking at how we can strengthen our current workforce. For example, we are broadening our Foreign Service National/Cooperating Country National (FSN/CCN) warrant program by increasing the number of warrant holders. Currently, we have 35 CCN warrant holders. Although it may seem like a small number, CCN warrant holders represent approximately 20 percent of the Agency's existing 167 overseas A&A warrants. Twenty-seven Missions now have a warrant FSN/CCN, some have more than one.

Sub-Awards/Sub-Contracts
I want to transition to sub-awards & sub-contracts briefly before I ask for your input on the A&A Strategy implementation plan.

Tomorrow we will be issuing a notice to our partners reminding them of their sub-contracting and sub-award reporting requirements. In addition to being a statutory requirement under the Federal Funding Accountability and Transparency Act of 2006 (FFATA), this reporting is also vital for USAID to track and monitor the implementation of Agency-funded activities.

For all prime partners, we appreciate your commitment to building the capacity of your sub-partners and compliance with the reporting requirements.

While this is not a reporting requirement, I want to highlight the new sub-opportunity portal that was released on WorkwithUSAID.org a few weeks ago and encourage all of our prime partners to share their opportunities.

If you haven't visited this page yet, the [Sub-Opportunities](#) portal is where USAID prime partners (i.e., those receiving funding directly from USAID) can share opportunities to partner on potential or current USAID projects. Prime organizations can submit partnership opportunities that are in the pre-proposal stage or that are in implementation.

Thank you to the number of prime partners that have already shared your sub-opportunities. We will drop the link into the chat box to the form, which is also available on WorkwithUSAID.org, for where you can submit your opportunities.

Feedback/Comments on the A&A Strategy

I know that I've covered a lot of information. But really this is just the beginning of the implementation of our A&A Strategy. We couldn't do this work without you.

During April, we will be hosting a number of partner engagements around the A&A Strategy implementation plan.

We want to hear from you. For example:

1. What are the opportunities for advancing localization that you see in USAID's Implementation Plan?
2. What are the primary challenges that you see in USAID's approaches outlined in the Implementation Plan?
3. Are there any actions currently included in the implementation plan that should be removed due to inadvertent negative consequences for the partner community?
4. What can USAID do to reduce burdens for current partners?

We have just posted a [blog on WorkwithUSAID.org](#) with these questions and more for your consideration. We will share the link in the chat box.

With that, I will now turn it over to Chris to talk in more detail about the A&A Strategy.

Remarks from Chris Nikola and Heather Sullivan

Thank you Mark, and thanks to all of you that joined the launch of USAID's updated A&A Strategy last week. For those of you that were not able to attend, I will quickly review the vision and objectives of the Strategy.

As Mark mentioned, along with the A&A Strategy, we have posted a draft implementation plan outlining the actions we will take to operationalize the A&A Strategy. We welcome your feedback and insights on how to improve our partnering process! Please send your ideas to Industryliaison@usaid.gov.

I'll go through the A&A Strategy's Objectives and just a few of the actions already underway as we go through the slides. Here you can see the vision of the refreshed A&A Strategy.

In order to realize the vision of the A&A Strategy we must have a robust workforce experienced in USAID's unique set of A&A mechanisms. I'm showing this slide -- that highlights the increased workload for USAID's warranted A&A staff since 2019 -- because it is the context in which we began revising the A&A Strategy.

The result is the new A&A Strategy prioritizes the USAID A&A workforce, our most important resource. We will hire, train, and retain a global A&A workforce, as well as strengthen our knowledge management across USAID's A&A work to achieve our development and humanitarian goals.

We are increasing hiring of staff in direct hire positions and hiring short-term staff to fill critical positions. But we are also better tapping into the experience of our existing staff. For example, we have set a goal of doubling the number of local A&A staff with administrative warrants to allow them to better engage with local partners. USAID also recently launched a COR/AOR Mentoring program to help our newer staff gain from the wisdom of more experienced staff.

Objective 2 is about making our A&A process as simple as possible. By providing effective tools and guidance, reducing burdens in the A&A process, and automating repetitive tasks we will make the partnership process simpler so USAID staff and partners can focus on delivering development results in their communities – instead of paperwork.

This objective is about a lot of things that you as partners do not directly see. But one specific example that may resonate is that we streamlined the review process for high-value (greater than $25 million) contracts reducing the number of required reviews from three to two, saving USAID staff time AND reducing the award process by a minimum of 10 days.
Over to Heather to talk about the third objective of the Strategy.

Objective 3 is about partnership. We recommit to diversifying our partner base and lowering barriers for new partners, proactively engage the private sector, and expand our ability to work with local partners.

We are already implementing the Strategy! This call is just one example. As Mark already mentioned the WorkwithUSAID platform now has a Sub-Opportunities Portal for USAID prime partners to share subaward and subcontract opportunities in one central location, as well as

many other features to assist new and current partners.

Making the application process less burdensome by limiting requests for financial documentation from partners to what is strictly required, expanding options to help partners recover the full costs of implementing USAID awards, and piloting ways to translate full applications into English from local languages are more examples.

I encourage you to review the implementation plan and specifically Annex 1 where we list the more than 30 actions USAID has already taken to operationalize the A&A Strategy.

Remarks from Kimberly Ball

Thank you to my M/OAA colleagues for inviting OSDBU to participate in this morning's meeting. As you have probably heard, we did tremendously well in our FY 2022 small business obligations. Our FY 2023 small business goal is 13.25%. While USAID takes the lead on accomplishing this goal, it is an agency-wide goal. To ensure our bureaus, independent offices and missions all contribute to this goal, OSDBU negotiates a goal with each of these organizations with obligations in excess of $5M. That process has been completed for FY 2023. To date, we have obligated approximately 8.8% ($192M) of our eligible small business dollars to U.S. small businesses - this is consistent with our accomplishments in the second quarter in previous years - although slightly lower than last year.

We did not do as well in our Service Disabled Veteran Owned and Hubzone small business achievements over the last few years but we continue to focus on these areas. Over the last year, we have done a number of small business outreach events to the SDVOSB community. On April 26th, we will have both a Hubzone outreach event as well as a Hubzone set-aside training for our contracting colleagues. The training will be conducted by our colleagues from the Small Business Administration.

Next week, we will also conduct an outreach event entitled **"*Women in Federal Contracting: Bridging the Gap to Sustainable Development Goals".*** That event is open for registration - the registration details can be found on our Agency website and I will add the registration information to this morning's chat. In addition, this afternoon, we will conduct a training session on the WOSB program for our Acquisition and Assistance colleagues.

I also want to announce the return of our Annual Small Business Conference. Please save the date for June 21, 2023. The conference will be virtual which we believe will allow us to reach a greater number of participants. The conference will include plenary sessions with speakers from members of USAID's senior leadership and the Small Business Administration as well as

the return of our awards ceremony and our Chat with Leaders and a virtual Exhibit Hall. Please stay tuned for more information which will be posted on our OSDBU website, social media and WorkwithUSAID.org.

<u>Remarks from Deb Broderick</u>
Thank you for an opportunity to share an update related to Category Management.

Through the end of February, USAID's spend in contracts related to Category Management totaled $1.3 billion in Spend Under Management (SUM). When applied to USAID's total recorded obligations of $1.8billion, it represents a SUM total of 71% of total spend. USAID's total SUM target at year end is 70%.

Correspondingly, USAID's Best In Class (BIC) spend was $67.9million (or 3.66%) with a targeted goal of 6.3% at the end of the FY.

I'd like to take this opportunity to address a common misconception related to OASIS and localization. We have received comments that many believe USAID has increased its use of OASIS over the last few years, and that OASIS, as well as Category Management, directly conflict with the Agency's stated goals related to localization. Many are interested to learn more about how USAID is managing this perceived conflict. We hear you and we appreciate you raising these questions.

It's important to note that OASIS and localization have separate objectives and award mechanisms that do not intersect—therefore there is no inherent conflict between the Agency's Category Management goals and its localization goals.

OASIS and all Category Management awards apply only to contracts, while more than 90% of our localization awards are implemented through assistance (i.e., grants and cooperative agreement).

As many of you know, Category management is an OMB requirement that helps federal agencies leverage Government-wide contracts to buy smarter for common goods and services such as professional services, IT, office supplies, travel, and more. While USAID has increased its use of OASIS over the last few years, in FY21 OASIS Task Orders accounted for only 3% of USAID's acquisition obligations. Category management is an OMB requirement that helps federal agencies leverage Government-wide contracts to buy smarter for common goods and services such as professional services, IT, office supplies, travel, and more. USAID will continue to take advantage of opportunities to buy common goods and services smarter.

I hope this explanation will quell some of the anxiety over the concerns that OASIS/CM has interfered with our localization agenda. If you are still concerned about this perceived conflict, please write to me so I may understand more of your concerns.

Remarks from Mandeep Jangi
Thank you, Deb.

As Deb mentioned, I'm Mandeep Jangi from USAID's Private Sector Engagement Hub. I'd like to spend a few minutes to speak to you about how USAID is focusing efforts to develop partnerships models that include businesses and investors who bring their resources, technology, and expertise to drive long-term economic growth in emerging markets, while furthering USAID development objectives. Some of our most recent work is through an initiative you may have heard of called PSE Modernize.

A point of distinction before I speak further. I recognize many audience members here work for private sector companies – traditionally as implementing partners on USAID projects. My remarks refer to the private sector as businesses, investors, and business networks who are engaging with USAID to address a commercial opportunity in our partner nations – such as improving market access, product innovation, supply chain resiliency, workforce development, and more – and see USAID as a strategic collaborator in doing so. Yet, if you are an implementing partner, you may interface with the private sector often.

PSE Policy and Context
For some context, in late 2018, USAID launched the Private Sector Engagement Policy to rethink how we deliver U.S. development assistance and make a deliberate move from public sector-led to enterprise-driven development.

Globally, USAID is actively engaged in over 700 private sector partnerships of various sizes and with differing compositions and purposes - and the Agency forms well over a hundred new partnerships each year. These partnerships span nearly a hundred countries, including thousands of private sector partners and other partners. The complexity of this partnership landscape - put simply - is colossal.

While the PSE policy and our experience speak to the importance of private sector engagement, we know that institutional, operational, and cultural barriers prevent USAID staff and Missions from engaging the private sector at scale and this still needs to be addressed to make private sector engagement the norm.

PSE Modernize and How it Affects Our Partners

To respond to the challenges, PSE Modernize, which is managed by my office, the PSE Hub, is designed to modernize core Agency operating systems and make PSE easier, faster, less bureaucratic, more transparent, and nimbler.

Modernize is a package of nine reform initiatives that tackle four main topical areas
- People
- Programs
- Operations
- Tools

While many of our initiatives focus on supporting USAID staff and systems internally, there is an equal focus on helping us work as a community of implementing and private sector partners.

As an example, one of our goals is creating a workforce with the skills and incentives to partner. PSE Modernize will increase knowledge and skills for current staff, while also transforming hiring systems to attract and retain more private-sector talent. As PSE gets further mainstreamed as a core operating principle inside the Agency, our partners will see more strategic partnership opportunities across our activities around the world.

We will also provide a better partnering experience. PSE Modernize will make the partner experience easier and smoother. We are building systems that offer comprehensive real-time and aligned data and improving our internal coordination to provide timely and relevant answers that our partners need to make decisions. These systems and processes will help partners get to "yes" or "no" without the additional wasted time and effort.

In addition, we are pursuing an evidence-based approach to partnering. We are now updating our toolbox in response to the lessons and evidence generated in collaboration with our business and industry partners. Our partners will be able to influence how development programs are created and evolve over time.

PSE Alignment Across USAID

These alignments go beyond the PSE Hub and PSE Modernize. They are representative of cross Agency culture shifts to address how and whom we work with to support new development partnerships of all types.

Take, for example, the newly released Acquisition and Assistance Strategy already highlighted by my colleagues. The objectives outlined in this strategy further alignment and support on why and how we must focus on including the private sector in our work to achieve sustainable outcomes.

To use the language from the strategy - "By institutionalizing flexible and collaborative approaches to partnering, lowering barriers to partners, proactively engaging the private sector, and expanding partnerships with local organizations in the countries we serve as well as underserved communities in the United States, USAID will become more responsive, accountable, and effective in our assistance efforts."

This strategy and other USG priorities, such as President Biden's Executive Order that calls for improving federal government service delivery and a Memorandum that seeks to deepen, expand, and better leverage our partnerships, push the envelope to enable and catalyze responsible private-sector engagement from our implementing partners, other donors, and governments.

It was a pleasure to be joined by you today. Thank you for listening to our updates and all of the priorities of our PSE Hub.

<u>Remarks from Arjun Tasker</u>
Thank you everyone for joining us today. I am going to provide one example that I forecast as a priority and a priority for missions all over the world. I am a COR for NPI's Partnerships Incubator contract. I know you've heard a lot about the great work they've done for WorkwithUSAID.org.

They also incubate and help strengthen capacity for local partners. This contract has received buy-in from 11 Missions, possibly more. As the contract comes to a close, we are gathering what lessons we've learned.

It varies widely from doing hand holding for local organizations for the SAM registration process to doing project turnaround work to support an organization trying to implement a contract, to helping an organization understand requirements of USAID when they first get a USAID award.

The reason I highlight this is, especially at a time when USAID is working closely with local organizations, is because these types of services will become of increasing importance and greater need.

I would project there will be additional solicitations put forward by USAID Missions in this space to support these organizations—the enabling environment for supporting local actors—and other solicitations that directly support the implementation of activities will include these types of services.

Whether you're doing a water activity or something else, as part of this solicitation you may also be strengthening local organizations. I see this trend will increase over the coming years.

Remarks from Matt Johnson

With so many individuals on the webinar today, I wanted to take a moment to provide a few updates on WorkwithUSAID.org. Since the website launched in November 2021, almost 4,000 entities have registered in the Partner Directory – of which 80% are new to USAID and more than 60% are local partners. The website has garnered more than 2.1 million pageviews and over 225,000 different users. In addition, nearly 3,000 organizations have taken our pre-engagement assessment to determine their readiness to partner with USAID.

I would like to briefly walk you through the platform to show you some of the resources that we have available:
1. Partnerships Checklist
2. Pre-Engagement Assessment
3. Resource Library
4. News & Insight Blog
5. Partner Directory
6. Events
7. Sub-Opportunities Feed
8. Links to Business Forecast, SAM.gov, and Grants.gov

This year, our team will be working on additional new tools and features for the platform, including the translation of the pages into multiple languages to increase accessibility for non-English speakers, a Funding Opportunity Feed (that will pull USAID-specific opportunities from SAM.gov and Grants.gov into one place), and a Partnership Pathway Tool to help new entities understand which partnership opportunities make the most sense for them.

If you haven't visited WorkwithUSAID before or if it's been a while, I want to encourage you to visit the site today!

Thank You and Closing

With that, I want to say thank you to all of our speakers who provided updates today as well as everyone who took the time to tune in to listen.

If you want to stay connected with our team after today's event, 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.

Later this afternoon we will be posting the full transcript from today's call, along with the event recording, and responses to the many questions you've asked.

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.