ADS Chapter 201

Program Cycle Operational Policy

Functional Series 200 – Programming Policy
ADS 201 – Program Cycle Operational Policy
POC for ADS 201: See ADS 501maa, ADS Chapters and Point of Contact List

Table of Contents

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

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

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

201.1 OVERVIEW
Effective Date: 05/16/2024

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 and national security. It encompasses guidance and procedures for:

1) Making evidence-based strategic decisions at the regional or country level about programmatic areas of focus, including efforts to advance a more coherent humanitarian-development-peace (HDP) approach as appropriate and feasible;

2) Designing projects and/or activities, and practicing development diplomacy, to implement these 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 of 2010 (GPRAMA)**, the **Foreign Aid Transparency and Accountability Act of 2016 (FATAA)**, and the **Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act)**.

201.2 PRIMARY RESPONSIBILITIES
Effective Date: 05/16/2024

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. The A/AID administers appropriations made available under the **Foreign Assistance Act (FAA) of 1961**, as amended, and **Title II of the Food for Peace Act**, and supervises and directs overall Agency activities in the United States and abroad.

b. The **Office of the Administrator, Immediate Office, Office of the Chief Diversity, Equity, Inclusion and Accessibility Officer (A/AID/DEIA)** promotes DEIA principles in the Agency's operations at every level so that USAID's development programs, people, processes, policies, and partnerships are inclusive, reflect diversity, advance equity, and enhance accessibility. A/AID/DEIA's primary role in development and humanitarian programming is to support diversification of USAID's partnership base, including support for but not limited to the Bureau for Inclusive Growth, Partnerships, and Innovation, Inclusive Development Hub (IPI/ID), the Office of Small

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

and Disadvantaged Business Utilization (OSDBU), the locally led development initiative, the Bureau for Management, Office of Acquisition and Assistance (M/OAA), and the Bureau for Planning, Learning and Resource Management (PLR). A/AID/DEIA also plays a direct role as the Agency's coordinator with Minority Serving Institutions (MSIs).

c. The **Office of Policy (POL)** is responsible for elevating USAID's policy voice and planning, coordinating, and engaging on development, humanitarian, and wider U.S. foreign policy and national security issues.

d. The **Office of the Chief Economist (OCE)** supports the Agency in improving the effectiveness of its programming and broader global engagement by bringing stronger economic theory and evidence to bear on USAID's work. In collaboration with Cost-Effectiveness Evidence Points of Contacts (POCs) (see section **201.3.1.9**), as well as PLR and relevant Regional and Technical Bureaus, the OCE plays several key roles in Program Cycle planning and implementation focused on promoting the use and generation of cost-effectiveness evidence.

e. The **Bureau for Foreign Assistance, Department of State (State/F)** leads 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; coordinating policy, planning, and performance management efforts; promoting evidence-informed decision-making; and directing State and USAID foreign assistance resources, all of which is done in coordination with or through PLR.

f. **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 development and humanitarian objectives, and foreign policy and national security goals.

g. **Bilateral Missions** serve as the focal point for USAID's Program Cycle in the countries in which 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, as well as coordination with other OUs implementing development and/or humanitarian programming in-country, including programs funded from USAID/W. This includes monitoring programs 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 diverse and inclusive perspectives are brought to the planning and design process, and that all relevant actors in the Mission fulfill their implementation, management, and reporting responsibilities.

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

- Mission Technical Offices provide technical leadership in Program Cycle implementation under the direction of the Mission Director.

- Mission Offices of A&A serve as business advisors on how Missions can achieve intended results with the Agency's broad range of A&A instruments.

- Mission Controller Offices provide financial management support; risk management leadership; audit facilitation; and may support the Contracting Officer/Agreement Officer (CO/AO) in conducting pre-award risk assessments (see **ADS 303, Grants and Cooperative Agreements to Non-Governmental Organizations** for more information on pre-award risk assessments under assistance awards and **ADS 591, Financial Audits of USAID Contractors, Recipients, and Host Government Entities** for more information on pre-award surveys for acquisition awards). They also play a specific role in the analysis, planning, and design of financial management capacity of public and private sector organizations (see **ADS 220, Strengthening the Capacity of Partner Governments through Government-to-Government (G2G) Assistance** on government-to-government assistance).

h. **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.

i. The **Bureau for Planning, Learning and Resource Management (PLR)** is responsible for ADS Chapters **200, Formulation, Implementation, and Governance of USAID Development and Humanitarian Policies**, **201**, **205, Integrating Gender Equality and Women's Empowerment in USAID's Program Cycle**, and **220** and, as needed, provides interpretation of the language in these chapters in collaboration with the Office of the General Counsel (GC) and the Bureau for Management, Office of the Chief Financial Officer (M/CFO).

j. The **Bureau for Planning, Learning and Resources Management, Office of the Assistant to the Administrator (PLR/AtA)** provides internal and external leadership on USAID's development Mission by assisting in shaping and implementing the Agency's and United States Government's (USG's) development policy and promoting good practice.

k. The **Bureau for Planning, Learning and Resource Management, Office of Policy Implementation and Analytics (PLR/PIA):**

- Leads the Agency in a collaborative process of producing development and humanitarian policy per **ADS 200** to guide programming decisions;

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

- Co-leads development of the **Policy Framework** and the biennial Policy Agenda, in coordination with POL, to articulate the Agency's policy priorities;

- Provides interpretation regarding policy formulation and implementation, and the content of **ADS 200**;

- Leads biennial Policy Reviews (see **ADS 200.3.1**) that review existing internal USAID policy and implementation efforts;

- Supports, in coordination with POL, USAID engagement in interagency policy processes and other policy dialogues, and advocating for development and humanitarian perspectives and considerations in U.S. foreign and national security policy formulation; and

- Informs implementation of key policy issues and advances evidence use in the Program Cycle through the production of Agency-level analytical resources and the provision of tailored analytical support.

l.   The **Bureau for Planning, Learning and Resource Management, Office of Strategic and Program Planning (PLR/SPP)** establishes and oversees the implementation of Program Cycle and Government-to-Government (G2G) policies and procedures for USAID Missions and, as relevant, Washington OUs, for designing, implementing, assessing, and adjusting country strategies, projects, and activities based on the best available information to achieve and sustain results. PLR/SPP co-manages two ADS chapters:

1. **ADS 201** (with the Bureau for Planning, Learning and Resources Management, Office of Learning, Evaluation, and Research [PLR/LER]); and

2. **ADS 220** (with M/CFO).

PLR/SPP Contracting/Agreement Officer's Representative (COR/AORs) Hub serves as a backstop for the Agency's COR/AORs. PLR/SPP serves as the backstop for Government Agreement Technical Representatives (GATRs). PLR/SPP builds Agency capacity in strategic planning, and project and activity design and implementation, through the provision of targeted training, tools, technical assistance, and the facilitation of peer-to-peer learning, all in coordination with the Office of Human Capital and Talent Management and other Agency stakeholders. PLR/SPP supports the implementation of the **Program Management Improvement Accountability Act (PMIAA)**. This includes, among other actions, ensuring Agency policies reflect the legislative requirements for program/project management improvement, and coordinating program/project management improvement across the Agency.

m.   The **Bureau for Planning, Learning and Resource Management, Office of Learning, Evaluation, and Research (PLR/LER)** catalyzes USAID's transformation

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

into an effective learning organization by strengthening the integration of monitoring; evaluation; and Collaborating, Learning, and Adapting (CLA) throughout the Program Cycle. LER supports the implementation of relevant legislation and Agency policies, and builds the Agency's capacity in monitoring, evaluation, and CLA by providing training and technical assistance, developing policy and guidance, and leading communities of practice around established and emerging approaches. USAID's Agency Evaluation Officer and Agency Knowledge Management and Organizational Learning Officer are both located in LER. The Office 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. PLR/LER supports implementation of **FATAA, GPRAMA** and Title 1 of the **Evidence Act**. This includes, among other actions, ensuring that Agency policies reflect the legislative requirements for monitoring, evaluation and learning, strengthening the use of evidence, and managing the Agency Learning Agenda, Agency Evaluation Plan, and Capacity Assessment for Statistics, Evaluation, Research, and Analysis.

n. The **Bureau for Planning, Learning and Resource Management, Office of Development Cooperation (PLR/ODC)** leads Agency efforts in mobilizing collective action that promote USG foreign assistance priorities in the international arena. PLR/ODC advocates and builds key relationships by strategically engaging in major multilateral, bilateral, philanthropic, and international fora.

o. The **Bureau for Planning, Learning and Resource Management, Office of Budget and Resource Management (PLR/BRM)** serves as USAID's central, corporate-level budget office, leading Agency engagement with the State Department and the Office of Management and Budget (OMB) on the Agency's budget. BRM guides the Agency's formulation, and implementation 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 associated with the development of Country Development Cooperation Strategies (CDCSs), Regional Development Cooperation Strategies (RDCSs), Strategic Frameworks (SFs), Foreign Assistance Operational Plans (OPs), Bureau and Mission Resource Requests (BRR/MRRs), the annual funding report required under Section 653(a) of the Foreign Assistance Act of 1961 (FAA), as amended, and other critical steps in the budget process.

p. **Regional Bureaus** serve as the main link between Washington OUs and OUs in their region. They are the primary point of contact with 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, BRM, 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 Mission perspectives on budget priorities. Regional Bureaus provide technical guidance and support for their respective bilateral and regional Missions in strategic planning, the design of projects and activities, monitoring, evaluation, and CLA, including advice that supports locally led and inclusive development throughout the Program Cycle. This includes engaging with PLR 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.

q.   **Pillar or Technical Bureaus** provide technical leadership for the Agency. They disseminate knowledge on recent advances and innovations in their respective technical fields to help the Agency make evidence-based and strategic choices; this includes maintaining strategic relationships with public and private actors in their areas of technical expertise. Pillar Bureaus play an important role in promoting new approaches, adaptations, and country-specific approaches based on learning from research and implementation experience. Pillar Bureaus provide technical guidance and support for strategic planning, project, and activity design; and monitoring, evaluation, and CLA, including advice on how to embed DEIA principles in technical programs, processes, and partnerships. This encompasses the provision of support to other OUs for research, data collection for routine assessments, and monitoring. Pillar Bureaus also manage central mechanisms that support the design, implementation, and evaluation of projects and activities (also known as global or "field support" mechanisms), as well as mechanisms that support the implementation of sector strategies and the achievement of sector goals.

r.   The **Bureau for Management (M)** provides centralized management expertise for the Agency and ensures that core systems related to operational expense budgets, financial accounting and management, A&A, and information management are adequately integrated and support programming processes. The Assistant Administrator of the M Bureau represents the Agency before OMB, other Federal agencies, Congress, and the public on matters pertaining to management and operations.

s.   **USAID's Chief Financial Officer (CFO)** and the **Bureau for Management, Office of the Chief Financial Officer (M/CFO)** update and maintain the **[Agency Risk Appetite Statement (RAS)](#)** and ensure that it is communicated to all stakeholders throughout the Program Cycle; facilitate and coordinate the Agency Risk Profile collection and analysis process; implement Agency Enterprise Risk Management (ERM) Governance through the ERM Executive Secretariat; oversee financial management activities relating to programs and operations; ensure the compilation of financial data to enable effective performance measurement and management decision making; and provide leadership and direction in financial management and play specific roles in the analysis, planning, and design of government-to-government (G2G) programs (see

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

ADS 596, Management's Responsibility for Enterprise Risk Management and Internal Control and **ADS 220**).

t. **USAID's Chief Information Officer (CIO)** and the **Bureau for Management, Office of the Chief Information Officer (M/CIO)** offer advice on strategies to leverage information technology for use in operational programming. M/CIO provides oversight and approves all information technology investments within Agency operations. OUs must consult M/CIO in the design and planning process when information technology, and/or emerging technologies may be required for use by members of the Agency workforce and/or used on behalf of the Agency by organizations in support of their work for the Agency. For more information, see **ADS 509, Management and Oversight of Agency Information Technology Resources**. For roles and responsibilities related to data management and USAID's open data policy, see **ADS 579, USAID Development Data**.

u. The **Bureau for Management, Office of Management Policy, Budget and Performance (M/MPBP)** serves as the central unit for the planning and implementation of the Agency's Operating Expense (OE) budget; the formulation of management policy; the monitoring and evaluation of management performance, compliance with and oversight of the USAID suspension and debarment program; and administrative support services.

v. The **Bureau for Management, Office of Management Services, Overseas Management Division (M/MS/OMD)** supports the management functions that underpin USAID's overseas OUs and are generally managed by Backstop 03, Executive Officers.

w. 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 A&A instruments to achieve Program Cycle outcomes. CO/AOs provide business advice to Missions, and Regional and Pillar Bureaus throughout the Program Cycle, including for field support mechanisms, and enters into, administers, and terminates awards within the limitations of their delegated authority, policy directives, and required procedures. M/OAA also develops, issues, and maintains the Agency's A&A regulations, policies, procedures, and standards, in accordance with statutory and Federal regulations and Agency delegations and requirements, and administers the Agency's A&A Plan.

x. The **Bureau for Inclusive Growth, Partnerships and Innovation (IPI)** supports the Agency in using science, technology, innovation, and partnerships to achieve the development results identified in country or sector strategies. IPI also generates new ideas and additional funding from outside sources to implement new approaches, often in collaboration with other development actors, including the U.S. Development Finance Corporation (DFC) and the Millennium Challenge Corporation.

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

y. 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 Program Cycle 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 on ensuring 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.

z. The **Office of the Inspector General (OIG)** reviews the integrity of operations for USAID, the Millennium Challenge Corporation, the African Development Foundation, the, 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 each 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.

aa. 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 PLR, HCTM designs and implements training to build the knowledge and skills of Agency staff to implement the Program Cycle.

ab. The **Office of Small and Disadvantaged Business Utilization (OSDBU)** ensures that U.S. small businesses are provided fair consideration as a key stakeholder in the implementation of the Program Cycle (see **ADS 321, Office of Small and Disadvantaged Business Utilization**). OSDBU collaborates with M/OAA to identify U.S. small businesses with suitable capabilities during the acquisition planning phase. OSDBU provides support to B/IOs and Missions in identifying capable and qualified U.S. small businesses that meet their contracting needs in the implementation of development programs. This engagement encourages greater inclusion and equity in procurement as defined in **OMB Memorandum M-22-3**.

201.3   POLICY DIRECTIVES AND REQUIRED PROCEDURES
Effective Date: 05/16/2024

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

This ADS chapter provides the policies, statutory requirements, and procedures for USAID's Program Cycle. It applies in its entirety to all overseas 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 explicitly noted in each section. However, much of the guidance and many of the good practices in the chapter are relevant to Washington OUs, and they should adopt them whenever feasible.

The mandatory procedures in this chapter are identified by the auxiliary verb, "must." Non-mandatory procedures represent best practices. These procedures are identified by the words "should," or "may." To support burden reduction, USAID OUs should use these non-mandatory procedures as warranted and do not have to document deviations from non-mandatory procedures, unless deemed appropriate, for purposes of Agency learning and to ensure continuity during staff transitions.

Mandatory References contain both mandatory and non-mandatory procedures and important details that do not appear in the core chapter. If a reference includes any mandatory language, it must be termed a "Mandatory Reference." References that do not include mandatory language, but rather provide additional information about a given topic, are termed "Additional Help."

201.3.1 The Program Cycle
Effective Date: 05/16/2024

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, national security, and economic policy.

201.3.1.1 Relationship to Development Policy
Effective Date: 05/16/2024

The Program Cycle provides the means through which USAID operationalizes and strengthens coherence across humanitarian, development, and peace efforts, as described in **USAID's Policy Framework (PF)**.

ADS 200 describes internal USAID policies, strategies, and position papers that articulate the Agency's approach to complex development and humanitarian challenges. The Agency's development and humanitarian policy is grounded in broad USG foreign policy, economic, national security and development priorities, and reflects commitments to international accords. It comprises required and recommended practices and approaches for international development broadly and in specific fields. The Agency's policies, strategies, and position papers aim to ensure policy coherence, quality, and technical rigor to support evidence-based decision-making and enhance the impact of all USAID development and humanitarian programs, with an emphasis on

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

locally led actions for sustainable and inclusive solutions. A list of the Agency's current policies, strategies, and position papers appears in the **Policy Registry**.

The Program Cycle allows the Agency to advance U.S. foreign policy, economic, national security, development and humanitarian priorities including by strengthening coherence across development, humanitarian, and peace efforts in the countries and regions in which it works, while tailoring programs to the local country context to produce sustainable results. Program Cycle processes integrate policy priorities into programs and support USAID's values and objectives of advancing DEIA and strengthening local capacity and leadership.

201.3.1.2   Program Cycle Principles
Effective Date: 05/16/2024

USAID uses the Program Cycle to ensure that its policies, strategies, allocations of human and financial resources, budget requests, and award management practices are evidence-based and advance the Agency's development and humanitarian objectives. The Program Cycle includes the process for developing strategies, as well as processes governing the design of projects and activities and their subsequent implementation. Threaded throughout the Program Cycle is a systematic focus on monitoring, evaluation, and CLA to assess implementation progress, make decisions, and inform course corrections as needed (including to the adjustment of non-performing awards).

The following principles serve as the foundation for the successful implementation of the Program Cycle.

A. Apply Analytic Rigor to Support Evidence-Based Decision-Making

USAID's decisions about where and how to invest foreign assistance resources must be based on analyses and conclusions supported by evidence, including evidence of cost-effectiveness (see definition in section **201.6**) where feasible and appropriate. Cost-effectiveness is a measure of impact per dollar spent on an intervention, for a particular population. "Analysis" refers to formal assessments, evaluations, and studies conducted by USAID or others to build and use evidence to promote efficient, equitable, impactful, cost-effective, sustainable, and high-quality development programs. It also includes structured thinking based on experiences, insights, and internalized knowledge, as well as consultations with key stakeholders, including program participants. The level of rigor, depth, and type of analysis depends on the information needed at key decision points, as well as the availability of resources, both financial and human, to conduct new analyses, while recognizing that it is not always possible to have complete or perfect information. When USAID needs information on whether an intervention is achieving a specific outcome, the Agency strongly prefers the use of impact evaluations including cost analysis that enables a comparison of the cost-effectiveness of the intervention to that of other interventions. Adequate planning and budgeting can help to ensure the timeliness and relevance of information. In addition to mandatory analyses required at

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

relevant phases of the Program Cycle, a range of analytic tools are available to support decision-making in a given country context.

Because cost-effectiveness can only be measured for interventions that can be evaluated with a rigorous counterfactual, cost-effectiveness evidence may be limited or non-existent for interventions that do not lend themselves to counterfactual analysis, such as country-level trade policy reform. These interventions may be of high impact and importance for USAID to support, despite that it may not be possible to use cost-effectiveness evidence to guide whether, how, and how much to invest in them. For more information, see **ADS 201sas, Cost-Effectiveness in USAID Programming**.

B. Manage Adaptively through Continuous Learning

Facilitating international development inherently requires that USAID work in countries with evolving political and economic contexts affected by the dynamics of corruption, instability, and conflict. USAID works in some countries that are unstable or in transition. Yet 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 adapt programs in response to changes in the context and new information as it emerges. To do this, the Agency must create an enabling environment that encourages the design of flexible programs, promotes intentional learning, minimizes obstacles programs, and creates incentives for learning and adaptive management. 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 Leadership and Financing

The sustainability and long-term success of development, humanitarian, and peacebuilding efforts ultimately require the strengthening of local systems, leveraging existing local capacities, and enabling local leadership and ownership. USAID should seek out and respond to the priorities and perspectives of local stakeholders. These stakeholders include communities affected by our programs, partner country governments, civil society (including faith-based organizations), the private sector, multilateral organizations, regional institutions, and academia. These processes should be inclusive of diverse, historically marginalized, and underrepresented groups. USAID's assistance should align with the priorities of local actors, leverage local resources and local knowledge; increase local leadership throughout planning, design, implementation, monitoring, and evaluation; and be sensitive to local corruption risk in order to do no harm and build stronger local governance systems.

D. Use a Range of Approaches to Achieve Results

The Program Cycle provides the framework for USAID to consider a range of approaches to address specific development challenges in a given country context. The

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

development community has experimented with diverse approaches in recent years, including solutions driven by science, technology, innovation, and private capital. In addition, new partnerships and commitments with partner country governments, the private sector, universities, civil society, faith-based organizations, MSIs, multilateral organizations, regional institutions, program participants, bilateral donors, resources across the USG, including the Department of State and the Department of Defense, and for PEPFAR programs, the Department of Health and Human Services, Millenium Challenge Corporation, Development Finance Corporation, and other donors provide new tactics for planning, achieving, and measuring development outcomes. It is important to consider a range of options, including those approaches and principles enshrined in the USAID Policy Framework, to select the most appropriate means for achieving the desired results, matched to the context, needs, local priorities and capacities, and resources available to carry them out. Approaches should be selected based on an understanding of the local system and the views of local actors.

201.3.1.3   Program Cycle Components
Effective Date: 05/16/2024

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 CLA. The Program Cycle is neither linear nor sequential; Missions are often engaged in the various components simultaneously.
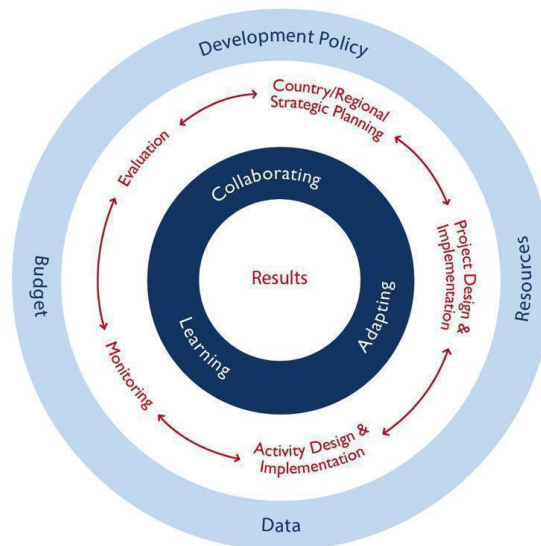
USAID uses practices in strategic planning, project and activity design and implementation, monitoring, evaluation, and CLA to achieve better development and humanitarian outcomes, and continuously improve as a learning organization that builds and uses evidence to inform decisions.

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

The components of the Program Cycle contribute to the following:

1) <u>Accountability to stakeholders (including program participants, local partners, the U.S. Congress, and U.S. taxpayers) for achieving results</u>: Accountability includes defining objectives and results; managing risk; understanding and transparently reporting investment locations and results; and continuously learning and using evidence to inform planning, implementation, and adaptive management to achieve better, more cost-effective development outcomes.

2) <u>Learning and adapting to improve the achievement of development outcomes</u>: Learning includes 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, including local actors, and adapting as needed to improve the achievement of development outcomes.

3) <u>USAID's ability to build and use evidence to effectively accomplish its mission and goals</u>: This includes defining a theory of change based on evidence to achieve country-level strategic development objectives and project and activity results.

While the Program Cycle components are presented in separate sections throughout this ADS chapter, they are interdependent. All Program Cycle processes should:

● Consider how best to support the achievement of sustainable and inclusive results, including by engaging local stakeholders, including historically marginalized and/or underrepresented groups and/or people made vulnerable; aligning with local priorities; using and strengthening local systems; and strengthening local capacity and commitment. For guidelines, consult **Inclusive Development** and its associated toolkit;

● Be grounded in development hypotheses and/or theories of change that are informed by evidence (including, cost-effectiveness evidence) and the local context, and be designed to fill knowledge and evidence gaps related to the theory of change, program performance, and/or the operating context; and

● Be mutually reinforcing.

A. Country and Regional Strategic Planning

Strategic planning is the process through which USAID determines the best strategic approaches in a given country or region based on individual country or regional priorities; the USG's foreign policy, national security, development, and economic priorities; and USAID's comparative advantage and available foreign assistance

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

resources, among other factors. The strategic planning process is grounded in finding the intersection among, first, the needs and priorities of local stakeholders, second the opportunities for strategic priorities to make significant development progress in a sector or region, and finally by aligning those priorities with USG policies, priorities, and resources. This process results in a strategy. The strategy defines the highest-order Goal and Development Objectives (DOs) (or, in the case of an RDCS, Regional Development Objectives [RDOs]) that each Mission, in collaboration with its development and humanitarian partners, as appropriate and feasible, will work to address during the strategy period. In addition, the strategy describes the Mission's theory of change or "development hypothesis" regarding how, why, where, and under what conditions the Mission believes based on the given parameters and best available information—that it will be successful in advancing identified DOs/RDOs. At the center of the strategy is a Results Framework, a type of logic model that provides a summary of the development hypothesis and illustrates the key results that the Mission expects to achieve. The process of developing a strategy is just as important as the product itself (see **ADS 201mag** and **ADS 201maz**). The process also affords an important opportunity for Washington OUs to align their efforts with each Mission's objectives, wherever possible (see **ADS 201man**).

B. Project Design and Implementation

A project is an optional framework to ensure that activities are designed and managed in a coordinated way to advance identified result(s) set forth in a strategy. Through a project approach, Missions can create synergies among complementary activities that generate higher-level results than would be possible to achieve through the sum of their individual performances. In addition, Missions can more strategically leverage the wide range of partnering approaches or mechanisms at the Agency's disposal to strengthen local actors and systems for greater sustainability. During the project design process, Missions define project boundaries, a high-level theory of change, and an adaptable plan for implementation. This process results in a short Project Development Document (PDD). During project implementation, USAID staff work collaboratively alongside implementing partners to ensure that activities, taken together, achieve intended results and adapt as needed through continuous learning.

C. Activity Design and Implementation

Activity design refers to the process by which USAID determines how to advance the intended result(s) in a given country or region through a given type of implementing mechanism. In Missions, activities should contribute to development result(s) set forth in their strategy and the relevant PDD, where applicable. "Activities" range from contracts or cooperative agreements with international or local organizations, to direct agreements with partner governments, to partial credit guarantees that mobilize private capital, among other examples. Activities also include buy-ins under global agreements (e.g., "Field Support" agreements) that generate programmatic results. USAID often complements activities with actions undertaken directly by USAID staff, such as policy

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

dialogue, stakeholder coordination, or capacity strengthening. During activity implementation, USAID staff provide technical direction for, and administrative oversight of, legal agreements and, in some cases, carry out activities directly. They also monitor, evaluate, and learn from implementation to track progress, make decisions, and inform course corrections as needed in an effort to maximize development outcomes per dollar spent and to ensure they are sustainable beyond the life of USAID-funded interventions.

D. Monitoring

Monitoring is the ongoing and systematic tracking of information relevant to USAID's strategies, projects, and activities. USAID OUs should be practical and cost-effective when deciding which information to collect and only collect and report the necessary data needed that is directly useful for management decision making or reporting purposes. Wherever possible, OUs should avoid collecting data already available through other verifiable sources. Information derived from monitoring serves two important functions:

1) Monitoring data gathered during implementation supports learning and adaptive management. When curated, relevant and high-quality monitoring data are available to aid in analysis, complement and reinforce evaluation, and inform decisions during implementation, and USAID is better able to adapt in a timely way to ensure that strategies, projects, and activities contribute to the intended result.

2) Monitoring data is the backbone of the accountability structure at USAID. Monitoring data provides the public with information on the progress USAID is making, and Washington and other external stakeholders with information (through the Performance Plan and Report (PPR) and other reporting processes) needed to inform decision-making. Monitoring data is used to track USAID's progress in following its 'Do No Harm' principle.

E. Evaluation

Evaluation is the systematic collection and analysis of information about strategies, projects, and activities as a basis for judgments to improve or inform decisions about programming. Evaluation also has a two-fold purpose: 1) ensuring accountability to stakeholders; and 2) learning to improve development outcomes and cost-effectiveness of programming. Timely, high-quality evaluation supports adaptive management and complements programmatic monitoring by generating evidence on what is working and what is not. USAID evaluations should use the highest level of rigor appropriate to the evaluation question. When USAID needs information on whether an intervention is achieving a specific outcome, the Agency strongly prefers the use of impact evaluations, including cost analysis that enables a comparison of the cost-effectiveness of the intervention to that of other interventions.

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

F. Collaborating, Learning, and Adapting (CLA)

CLA is USAID's approach to organizational learning and adaptive management. Strategic collaboration among a wide range of internal and external stakeholders, continuous learning, and adaptive management connect all components of the Program Cycle and play an integral role in ensuring that USAID resources support local and U.S. priorities. Sources for learning include data and information from monitoring, portfolio reviews, research findings, evaluations, analyses, knowledge gained from experience, and other sources. These sources may be used to develop plans, implement projects, manage adaptively, and contribute to USAID's knowledge base to improve development outcomes. CLA helps ensure that USAID coordinates its investments with other development, humanitarian, and local actors, grounds them in evidence, and adjusts them as necessary throughout implementation to maximize development impact per dollar spent. Applying CLA practices in a systematic, intentional, and resourced manner throughout the Program Cycle helps to strengthen the locally led development agenda.

G. Budgets and Resources

Budgets should reflect policy decisions and the prioritization of resources to achieve USAID objectives. Budgetary projections, both program-wide and sector-specific, should reflect the Agency's strategic planning process. When developing a strategy, Missions should also consider centrally-managed funds by Washington OUs, including humanitarian assistance, peacebuilding, and transition initiatives, and non-appropriated resources, including leveraged funding, a country's own resources, other multilateral, bilateral and philanthropic donor assistance, and in-kind contributions.

H. Data Management

Data management refers to the practices that USAID staff and implementing partners use to treat data as a strategic asset and ensure that timely and high-quality monitoring, evaluation, research, and other data generated or acquired during an activity are available and ready for analyses; accessible and usable for learning and adaptation (both now and in the future); sharable for accountability and transparency; and that sharing and use of data come with strong privacy and security protections. OUs should account for planning, budgeting, resourcing, and other mechanisms needed to acquire, store, analyze, share, and use data responsibly to inform decisions related to USAID strategies, projects, and activities. This includes data on development outcomes and intervention costs, both of which are essential for understanding program cost-effectiveness. OUs should include procedures for delivering USAID-funded data and information to the Agency per award guidelines and Agency policies (see **ADS 579, USAID Development Data** for further guidance). All data collection required under this chapter must be done in accordance with **ADS 579**.

201.3.1.4   Program Cycle Management and Implementation
Effective Date: 09/21/2021

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

Missions must define clear responsibilities and delegations of authority that support Program Cycle implementation. The structure and organization at individual Missions will vary depending on the overall size and complexity of their programs, their staffing patterns, and their country context; they may also evolve over time. Missions should consider how best to streamline internal processes and procedures and strengthen their structure, operations, and staff competencies while leveraging existing capacity, particularly that of Cooperating Country National (CCN) and Foreign Service National (FSN) staff.

201.3.1.5   Waivers and Exemptions
Effective Date: 09/21/2021

Information on waivers and exemptions related to specific Program Cycle policies and procedures, such as waivers and exemptions of the process for developing a strategy or activity design, appear 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 U.S. Code (USC) 101(a)(13)**, e.g., when there is armed conflict that involves American armed forces) are subject to a number of special requirements. These requirements focus on three areas: 1) assessments of necessity and sustainability with regard to certain capital assistance projects, 2) requirements on the funding and use of private security contractors, and 3) special contract risk assessments and risk mitigation plans. For a comprehensive discussion of these requirements and when they are applicable, see **ADS 201maj, Contingency Operations**.

201.3.1.7   Key Considerations for Programming in Politically Sensitive Countries
Effective Date: 05/16/2024

OUs that manage non-humanitarian programming in designated "politically sensitive" countries must assess projects and/or activities against a set of "key considerations" to ensure that risks are appropriately managed. These "key considerations" reviews must take place, at minimum and as appropriate, during project or activity design, and during implementation. In addition, these reviews must take place under the guidance and oversight of the cognizant Regional Bureau.

Assistant Administrators (AAs) in the Regional Bureau are responsible for determining which countries within their respective region are "politically sensitive countries" that merit a "key considerations" review for projects and/or activities. USAID defines a "politically sensitive country" as a country in which the government:

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

- Is politically repressive; and

- Has explicitly rejected USAID assistance, or has such an adverse relationship with the United States that the Agency cannot work or cooperate with the government on development assistance.

See **ADS 201may, Key Considerations for Programming in Politically Sensitive Countries** for additional guidance.

201.3.1.8 Legal Requirements on the Use of Funds
Effective Date: 05/16/2024

USAID's funds are subject to numerous legal requirements on their use. The Agency should document compliance with these requirements prior to the obligation of funds, whether an initial obligation associated with a new agreement or an incremental funding obligation thereafter.

In most cases, the OU that obligates the funds is the party responsible for addressing and documenting compliance with legal requirements. However, for buy-ins into Washington or global agreements (e.g., transfers under "field support" agreements), the OU (Mission or other USAID/W OU) is often responsible for some or all of their documentation (since USAID/W Bureaus can buy into other USAID/W Bureau's mechanisms too [see section **201.3.4.5(b)**]).

For Missions that obligate funds into Development Objective Agreements (DOAGs), (see **ADS 350, Bilateral Assistance Agreements**), GC/RLO may approve a deferral of certain requirements to the sub-obligation stage (see section **201.3.2.19** for additional guidance on DOAGs, and **ADS 201mad, Summary Checklist of the Legal Requirements for Obligating Funds into a Development Objective Assistance Agreement**).

GC produces annual Country and Activity Checklists (also known as Country- and Activity-Level Statutory Reviews) to assist OUs in ensuring compliance with legal requirements (see **GC's Annual Appropriations Guidance** for the most recent statutory checklist). OUs should work with their RLOs or Points of Contact (POCs) in GC on questions related to these requirements, and at what stage in planning and implementation they should address them. Because these checklists do not include every country prohibition or restriction, OUs should consult their GC/RLO POCs to determine if there are additional country-specific or activity-specific prohibitions or "notwithstanding" authorities.

- Country-Level Statutory Review (Country Checklist): Cognizant Bureau Desk Officers complete annual Country Checklists, with clearance from GC and the Department of State. Missions and Washington OUs must review, and keep on

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

file, the Country Checklist(s) that correspond to the fiscal year(s) in which funds were appropriated prior to the obligation of funds, as well as prior to sub-obligation, where applicable. Because restrictions on assistance to a country that affect prior-year funds may be triggered in subsequent years, OUs should also review the most current Country Checklist. If answers to the current Country Checklist change during the fiscal year—for example, if a restriction is triggered after clearance of the checklist—the RLO or GC POC may request changes to the answer in the cleared checklist.

- Activity-Level Statutory Review (Activity Checklist): Missions and Washington OUs complete Activity Checklist(s) that correspond to the fiscal year(s) in which funds were appropriated prior to the obligation of funds. They should also complete or review them prior to sub-obligation, where applicable. It is crucial that USAID staff with close knowledge of the activity complete/review the checklists. In the case of activities funded incrementally in more than one fiscal year, OUs should review the Activity Checklist before subsequent increments of funding in future fiscal years to ensure compliance with any new or different requirements that could apply to those fiscal year funds.

201.3.1.9 Cost-Effectiveness
Effective Date: 05/16/2024

Per section **201.3.1.2**, USAID's decisions about where and how to invest foreign assistance resources must be based on analyses and conclusions supported by evidence, including evidence of cost-effectiveness where feasible and appropriate. Per section **201.6**, "cost-effectiveness" is a measure of impact per dollar spent on an intervention, for a particular population; in other words, how much a key development outcome changes for a particular population as a result of an intervention (measured as the change in the outcome compared to how it would have changed without that intervention), per dollar cost of the intervention. Cost-effectiveness evidence enables comparison of impact per dollar of different interventions. For example, cost-effectiveness evidence might address the question "which interventions create the most impact, per dollar spent, in the nutritional status of people in acute emergencies?" or "which interventions create the most impact, per dollar spent, in the incomes of marginalized women farmers?" Staff should consider cost-effectiveness throughout the Program Cycle, including during activity design, implementation, and in monitoring, evaluation and learning approaches.

Each Mission, Regional Bureau, and Pillar Bureau must designate one Cost-Effectiveness Evidence POC to coordinate and collaborate with the OCE (per OCE's role in section **201.2**) to strengthen the use and generation of cost-effectiveness evidence throughout the Program Cycle. Per sections **201.3.4.1** and **201.3.4.4**, Cost-Effectiveness Evidence POCs, in partnership with the OCE, may advise Activity Design Teams on how existing cost-effectiveness evidence applies to activity design, and how

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

the generation of new cost-effectiveness evidence can be integrated into activity design where feasible and appropriate.

See **ADS 201sas** for further guidance on cost-effectiveness and how OUs can operationalize the POC requirement, such as specific roles the POC can play, skill sets and experience an OU may want to consider in deciding which staff member to assign this function, and how the POC's roles may differ for Missions, Regional Bureaus, and Pillar Bureaus.

201.3.2　　Strategic Planning and Implementation
Effective Date: 05/16/2024

Strategic planning is the process by which USAID determines the best strategic approaches to meet needs, address root causes of development and humanitarian challenges, and foster progress in a given country or region. Strategic planning is essential in all operating environments in which USAID works. This process requires that USAID consider trade-offs and make difficult choices based on a rigorous analysis of national, sub-national, or regional needs and priorities, USG foreign policy and national security imperatives, available foreign assistance resources, and USAID's comparative advantage. The process of considering these trade-offs starts with local consultations to determine the priorities and needs of diverse local stakeholders, followed by analyzing opportunities for strategic priorities to make significant development achievements in a sector or region. In making these trade-offs, USAID strategic planners take into account host government, USG resource constraints, action of the government and other donors, and other relevant considerations as they align identified priorities and opportunities with USG policies and priorities. A thoughtful, evidence-based approach to prioritizing and utilizing available funding and resources (from all sources and of all types), staff, and convening power, is necessary for successful development progress in any context.

The strategic planning process culminates in a CDCS, RDCS, or SF (hereinafter collectively referred to as "strategies" unless otherwise specified). The process of developing a country strategy is just as important as the product itself (see **ADS 201maq** and **ADS 201maz**). Internally, the process provides an opportunity for staff to consider current resource and policy parameters; review lessons from monitoring and evaluation data, implementation experience, site visits, local consultations, geographic analysis, third-party development data sources, and other sources of evidence; explore different hypotheses about how change is expected to unfold; and promote shared buy-in around the final approach. Externally, the process creates a forum for Missions to understand the views and perspectives of local partners and others in the development community and explore ways in which to complement and/or leverage their efforts for greater sustainability and cost-effective achievement of results. It also presents the opportunity for Missions and Washington-based OUs to engage strategically to develop a cohesive programming approach for each country.

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

The strategy defines the highest-order Goal and DOs (or, in the case of an RDCS, RDOs) that the Mission, in collaboration with its development partners, will address during the strategy period. It also describes the Mission's theory of change or "development hypothesis" regarding how and why, and under what conditions, the Mission believes—based on the given parameters and best available information—that it will be successful in advancing these objectives. At the center of a strategy is a Results Framework, a type of logic model that provides a summary snapshot of the development hypothesis by illustrating the key results that the Mission expects to achieve and the major ways it expects these changes to unfold.

The strategic planning process often offers an opportunity to develop and strengthen relationships with stakeholders, including local leaders, national and sub-national governments, civil society, the private sector, other bilateral, multilateral and philanthropic donors, and the USG interagency. These relationships, and a shared understanding of the development, humanitarian, and peace challenges in a given context, and the need to sequence, layer, and integrate programming in these areas in line with an HDP approach, will contribute to greater sustainability of results over the longer term. This is particularly important when working with Indigenous Peoples. Due to Indigenous Peoples' distinct knowledge systems, philosophies, and governance institutions, more targeted efforts at information sharing, outreach, and consultations may be necessary to arrive at a collaborative relationship. Missions must include the necessary time to conduct consultations in their planning process. Conducting an inclusive planning process at the outset also provides an entry point for Missions to continue engagement during strategy implementation so they can receive feedback and input, identify contextual changes, and make adjustments as needed. Additionally, consider including an optional **Social Impact Risk Diagnostic (SIRD)** at the strategy level.

The CDCS guidance in this ADS chapter and in its associated Mandatory References is applicable to all Regional and Bilateral Missions (hereinafter referred to collectively as Missions), unless exempted in section **201.3.2.4** or the Mission acquires a waiver under section **201.3.2.5**.

201.3.2.1   Functions of the Strategy
Effective Date: 05/16/2024

The strategy that results from the strategic planning process has several functions:

1) It translates goals outlined in: 1) USAID's policy priorities, as articulated in the **USAID Policy Framework**, and other Agency policies and strategies relevant to the Mission context; as well as 2) overarching U.S. policies, specifically, the **National Security Strategy (NSS)**, the **State-USAID Joint Strategic Plan (JSP)**, and **State-USAID Joint Regional Strategies (JRSs)**, in addition to other key policy interests. The strategy also serves as the development foundation for the **State-USAID Integrated Country Strategy (ICS)**.

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

2) It provides: 1) a guide for the subsequent design of projects and/or activities, helping Missions identify areas to seek opportunities that complement traditional programming, including but not limited to development diplomacy and empowering local ownership to operationalize specific results in the strategy; and 2) a key opportunity to plan those results based on local needs and priorities. It also affords an important opportunity for Washington OUs and USAID's Regional Missions to align their country-based activities with strategies wherever feasible and appropriate, as encouraged in section **201.3.4.3**.

3) It serves as a frame of reference for the annual Congressional Budget Justification (CBJ), the Operational Plan (OP), and the PPR that is required under Section 653(a) of the FAA, as amended. Strategy budget scenarios can also provide insights into potential shifts in upcoming MRRs.

4) It serves as a communications tool that tells stakeholders, including USAID/W B/IOs, the USG interagency, partner governments, the development community, local partners, the private sector, and others, about a Mission's goal, objectives, and priorities.

5) It promotes the principles of aid effectiveness, including local financing and stewardship, alignment with partner country development priorities, harmonization with other donors, strategic safeguarding against corruption risk, mutual accountability, and cost-effectiveness.

6) It provides an organizing framework for the Mission-wide Performance Management Plan (PMP), including initial monitoring, evaluation, and collaborating, learning, and adapting approaches that may help support adaptive management of the strategy (see section **201.3.2.15** on the PMP).

201.3.2.2   Mission and Washington OU Roles in Strategy Development
Effective Date: 05/16/2024

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

● Missions: During the strategy development process, Missions assess local needs and priorities; assess the most pertinent Mission internal and third-party development data and analysis; engage with local stakeholders; collaborate with USAID/W to set overarching priorities and sectoral focus; conduct mandatory analyses; examine other sources of evidence or information as relevant; apply findings to develop proposed approaches; prepare, submit, and/or present required deliverables in each phase of the strategy development process; and develop the full strategy. During strategy implementation, Missions develop a PMP to track and assess performance and inform adaptive management;

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

negotiate and execute DOAGs with partner governments (as relevant); work with the Country Team at the relevant U.S. Embassy to reflect strategy DOs in the interagency ICS; design and implement projects and/or activities that support the strategy; use strategy objectives as the basis for planning, budgeting, and reporting processes; monitor and evaluate strategy implementation; periodically revalidate the strategy's strategic approach through strategy-level portfolio reviews, the mid-course stocktaking, and other learning activities; and amend and/or update the strategy and associated PMP as necessary.

● PLR: PLR develops Agency-wide policies, procedures, and guidance related to the strategy and associated processes connected to the Program Cycle; provides oversight of the strategy development process and its subsequent implementation; mediates disagreements between Regional and Pillar Bureaus during the strategy process as necessary; and supports Missions with technical assistance on strategy development and implementation, including assistance in implementing tools associated with strategic planning and providing relevant analytical resources and support to inform the strategy development. In addition, PLR/BRM guides the resource planning aspects of the strategy process, including providing parameters at the beginning of the process to inform the Mission's budget scenarios, providing historical data and analysis on budget trends, and addressing any budgetary questions or concerns during each phase of the strategy development process. PLR/SPP also clears the Summary of Conclusions memorandum at the end of Phase One and Phase Two of the CDCS process; the PLR/AtA co-approves, with Regional Bureau AAs, the initial internal strategy. The relevant Regional Bureau AA approves amendments to the strategy; the relevant Regional Bureau AA and the PLR/AtA approve extensions to the strategy beyond six months.

● Regional Bureaus: Regional Bureaus provide guidance to Missions on policies, regional and country priorities, program resource allocation with PLR/BRM, and other regional issues, and support Missions with technical assistance on strategy development and implementation. As the primary interlocutor between Washington OUs and country or regional OUs, Regional Bureaus also provide essential support to Missions to facilitate engagement with stakeholders and Washington OUs throughout the strategy development process and are the conduits for feedback to Missions regarding their proposed strategic plans. Regional Bureaus draft the Summary of Conclusions memorandum at the end of Phase One and Phase Two of the CDCS process. In addition, Regional Bureau AAs co-approve with the PLR/AtA the initial internal strategy; however, the Regional Bureau AA approves the external strategy, as well as amendments thereafter; Regional Bureau AAs along with the PLR/AtA co-approve extensions over six months.

● Pillar Bureaus: Under the Mission's leadership, and as determined in the initial parameters set at the beginning of the strategy process (see section **201.3.2**),

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

Pillar Bureaus with centrally-managed programs in a given country should, as appropriate and feasible, engage in the strategy process; however, Missions, in consultation with their Regional Bureau Program Office and PLR, must determine which Washington B/IOs will be able to raise significant issues during the CDCS review process based on parameters setting, budget, and Agency priorities and/or equities for that Operating Unit. B/IOs who are responsible for mandatory analyses (Climate, Biodiversity, and Gender) must be included in consultations. Pillar Bureaus provide technical leadership, support the implementation of Agency-wide sectoral strategies and initiatives, and provide technical assistance to Missions, as requested, in support of the functions outlined in this section, including for assessments and the collection of other evidence needed to develop the strategy. Through this collaborative process, Missions and Pillar Bureaus should seek more coherence and complementarity across known and anticipated programming, while reporting requirements and funding authorities remain distinct.

- PLR/BRM: PLR/BRM guides the resource planning aspects of the strategy process with Regional Bureaus, including providing parameters at the beginning of the process to inform the Mission's budget scenarios, providing historical data and analysis on budget trends, and addressing any budgetary questions or concerns during each phase of the strategy development process. BRM also clears all Summaries of Conclusions during the process that include budget information, in addition to the strategy itself.

- U.S. Department of State Office of Foreign Assistance Resources (State/F): State/F leads interagency strategic planning for the implementation of foreign assistance, including through the State/USAID Joint Strategic Plan and State/USAID Joint Regional Strategies. At the country level, State/F guides the development of the ICS, a multi-year, overarching strategy that encapsulates the U.S. Government's policy priorities and objectives, and the means for achieving them. State/F does not have an operational role in the USAID strategy development process.

- Bureau for Management (M): M serves as an advisor on business processes, public financial management, risk, and procurement, and works with Missions, as requested, to ensure the appropriate incorporation of issues into each strategy. In conjunction with Regional Bureaus, M Bureau provides parameters for, and feedback on a Mission's proposed use of OE funds. Missions should engage M Bureau backstops throughout the Program Cycle. In addition, M Bureau provides substantive feedback on the Management Structure Annex of the full strategy (see **ADS 101.3.1.6** for further detail on M).

- Office of Human Capital and Talent Management (HCTM): HCTM provides parameters for, and feedback on, a Mission's proposed staffing pattern and any requests for changes to human resource levels. In some cases, HCTM will need

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

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

- Bureau for Resilience, Environment, and Food Security, Center for Environment, Energy, and Infrastructure (REFS/EEI):

  - REFS/EEI, in partnership with Regional Environmental Officers, provides Missions with direction on the mandatory strategy-level tropical forests and biodiversity analysis, and the integration of findings into strategies, as relevant. For additional guidance, see **ADS 201mag**, **ADS 201maz**, **ADS 201mav, Foreign Assistance Act Sections 118 and 119 Tropical Forests and Biodiversity Analysis** and **Foreign Assistance Act Sections 118/119 Tropical Forests and Biodiversity Analysis Best Practices Guide**.

  - REFS/EEI, in partnership with Bureau and Mission Climate Integration Leads, provides Missions with direction on the mandatory strategy-level climate change analysis, and the integration of findings into strategies, as relevant. For additional guidance, see **ADS 201mag**, **ADS 201maz**, and **ADS 201mat, Climate Change in Country/Regional Strategies**.

- Bureau for Inclusive Growth, Partnerships, and Innovation, Gender Equality and Women's Empowerment Hub (IPI/GenDev): IPI/GenDev, in partnership with Gender Advisors in the Regional Bureaus, provides Missions with direction on the mandatory strategy-level gender analysis, and the integration of findings into strategies, as relevant. For additional guidance, see **ADS 201mag**, **ADS 201maz**, and **ADS 205**.

For more information, see **ADS 201mag** and **ADS 201maz**.

201.3.2.3 Applicability of CDCS Guidance
Effective Date: 05/16/2024

This guidance does not apply to other types of overseas OUs, such as Country Offices or Regional Platforms that do not meet the criteria for a Mission described in **ADS 102, Agency Organization**; however, exempt OUs, including those in Washington, are encouraged to apply this guidance with adaptations as appropriate and necessary. PLR, in collaboration with the Regional Bureaus, must update and internally disseminate a list of Missions required to complete a CDCS on at least an annual basis.

Recognizing that Missions and countries are diverse, this guidance articulates principles and requirements generally adaptable to all contexts, including those non-permissive programming environments and operating in circumstances that restrict the Agency's ability to plan. During Phase One of the CDCS process, Missions and USAID/Washington negotiate customized parameters that govern the development of

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

each CDCS and document resultant decisions in a Summary of Conclusions (SOC) memorandum approved by the Assistant Administrator (AA) of the relevant Regional Bureau (see section **201.3.2.10** on the three phases). Missions may request approval from the relevant Regional Bureau AA and the AtA for PLR to complete a Strategic Framework in lieu of a CDCS. Illustrative customizations include adjustments to the Results Framework, a shorter strategy implementation timeframe, tailored approaches to tracking progress, and scenario planning, among other options (email the Regional Bureau program office POC and **sppstrategy@usaid.gov** to discuss parameters).

201.3.2.4   CDCS Exemptions
Effective Date: 05/16/2024

A. Types of Operating Units

As described in section **201.3.2.3**, the guidance herein applies to Missions. Because they do not develop CDCS, Washington OUs and the following types of overseas Bilateral OUs that meet one of the following conditions are exempt from this guidance:

1) Overseas OUs such as Offices of the USAID Representative (as defined in **ADS 102**) that are located in countries without USAID bilateral Missions;

2) Overseas OUs that do not manage at least $20 million in programming; and

3) Overseas OUs that implement single-sector programs.

Similarly, the following types of Regional OUs are exempt from this guidance:

1) Overseas OUs that only provide technical support, pooled support services (e.g., legal, financial management, procurement), and/or regional convening/facilitation services without implementing regional programming;

2) Overseas OUs that implement single-sector regional programs; and

3) Offices or divisions within Bilateral OUs that implement limited regional programming.

An OU that is exempt may request approval to develop a regional- or country-level Strategic Framework (email the Regional Bureau POC and **sppstrategy@usaid.gov** to discuss parameters) or other strategy document using a more flexible and adaptable process. In such cases, the OU must submit the request through an Action Memorandum to be approved by the relevant Regional Bureau AA, with clearance from the PLR/AtA. The Action Memo must outline the proposed Strategic Framework process and timeline. The Regional Bureau AA must provide oversight of the subsequent process.

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

In addition, an overseas OU that is exempt from strategic planning may opt in by requesting approval to develop a strategy pursuant to process and requirements herein. In such cases, the OU must submit the request through an Action Memorandum for co-approval by the relevant Regional Bureau AA and the AtA for PLR.

B. Types of Programming

The following types of programming are exempt from inclusion in the strategy:

1) Programming that is both funded and managed by other OUs (e.g., Washington OUs, or Regional Missions);

2) Programming that is targeted at preventing, responding to, recovering from, and/or transitioning from crisis, including:

   ● Activities funded and/or managed by the Bureau for Humanitarian Assistance (BHA), including emergency and non-emergency programs but not limited to those outlined in **ADS 251, International Humanitarian Assistance**; and

   ● Activities managed by the Office of Transition Initiatives (OTI) within the Bureau for Conflict Prevention and Stabilization (CPS).

While such programming is exempt, Missions should seek opportunities to harmonize and strengthen coherence among humanitarian, development, and peacebuilding efforts across the strategy development process. Where there are shared objectives between development and humanitarian assistance objectives, Missions should strive for synergy and alignment of development plans with humanitarian assistance priorities. Missions should leverage their strategy process to the extent practicable and feasible to bring greater alignment and synergy between Mission-funded and managed development programming and other USAID activities implemented in-country or across the region, particularly programming funded by Washington, humanitarian assistance, and programming targeted at addressing crisis and/or instability.

201.3.2.5   CDCS Waivers
Effective Date: 05/16/2024

Under extenuating circumstances that restrict the Agency's ability to plan, Missions may request a waiver of the strategy process. The relevant Regional Bureau AA and the PLR/AtA must co-approve an Action Memorandum that provides a justification for requesting the waiver and the duration of the waiver, which may not exceed two years. The Regional Bureau AA and the PLR/AtA may extend the waiver based on a review of a follow-on justification. Missions requesting a strategy waiver may also request approval to develop a Strategic Framework, either in the same Action Memorandum or through a separate request.

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

201.3.2.6   Country Strategy Alignment with Agency and Interagency Strategies/Policies
Effective Date: 05/16/2024

USG and USAID Development policies and strategies should closely align with one another. This includes USG-wide (i.e. National Security Strategy), multi-agency/department (i.e. State-USAID JSP, JRS, and ICS), USAID-specific (i.e. Policy Framework), regional and sectoral strategies, as well as country strategies and other Mission-level planning documents. USAID OUs that develop development policies (e.g., Washington OUs, and, in some cases, Regional Missions) should ensure they build on the lessons learned through country strategy implementation, including local knowledge, evidence generated through evaluations and third-party data sources, use of new and experimental approaches, and cost-effectiveness analyses.

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

- National Security Strategy (NSS): The NSS outlines how the USG will advance its vital interests and pursue a free, open, prosperous, and secure world. In accordance with the NSS, USAID and other federal agencies must leverage all elements of our national power to outcompete our strategic competitors; tackle shared challenges; and shape the rules of the road. The Strategy is rooted in our national interests: to protect the security of the American people, to expand economic opportunity, and to realize and defend the democratic values at the heart of the American way of life. The current NSS is available **here**.

- State Department-USAID Joint Strategic Plan (JSP): The JSP outlines overarching goals and objectives for both institutions in support of the NSS. The JSP informs the development of Joint Regional Strategies and Integrated Country Strategies. Missions must ensure that their strategy aligns with relevant goals and objectives in the JSP. The current JSP is available **here**.

- Administration-Approved Regional and Sectoral Strategies: These documents flow from the NSS and set out the major national security and international economic concerns of the United States in regions of the world or in cross-cutting sectoral areas (such as counter-terrorism or biosecurity) and how the Administration plans to address them. A strategy is considered "Administration-approved" when a Deputies' or Principals' Committee has endorsed it and the National Security Council has published it. The current, unclassified versions of approved regional and sectoral strategies are available **here**.

- USAID Policy Framework: USAID's Policy Framework serves as the guiding policy document for USAID and takes its direction from the JSP and the NSS. The Policy Framework translates the goals outlined in the JSP and NSS

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

specifically for USAID. Missions must reflect the principles and guidance from the Policy Framework in their CDCS, RDCS, or SF. The current Policy Framework is available **here**.

● State Department-USAID Joint Regional Strategies (JRSs): JRSs outline overarching goals and objectives for both institutions at the regional level in support of the JSP and NSS. JRSs inform the development of Integrated Country Strategies. Missions must ensure that their strategy aligns with relevant goals and objectives in their respective JRS. The JRSs for each region are available **here**.

● Integrated Country Strategies (ICSs): ICSs outline overarching goals and objectives at the country level for State, USAID, and other U.S. Government Departments and Agencies with programming in the country through a coordinated and collaborative planning effort led by the Chief of Mission. ICSs support respective JRSs, the JSP, and the NSS. The ICSs for each country can be found **here**.

Per ICS guidance from the Department of State, Country Teams must clearly reflect country strategy DOs in their ICS because they are central to the annual foreign assistance resource request and performance monitoring systems at the State Department and USAID. Therefore, each Mission must work with their Country Team to ensure that CDCS, RDCS, or SF development priorities are incorporated into ICS Mission Objectives (MOs).

Since Missions are accountable for results at the IR level in their CDCS, Missions should preferably keep IRs together for reporting purposes. In the event that a Mission divides its IRs among multiple MOs or Sub-Objectives, the Mission must document why it is necessary and how the division will be tracked and reported.

Missions must indicate in the ICS where the DOs are incorporated (i.e., at the Mission Objective or Sub-Objective levels), with parenthetical references in Sections 3 and 4. Missions must also include these references with the MOs in the FACTSInfo NextGen system to ensure that users can easily map and find the CDCS, RDCS, or SF DOs when submitting resource requests and/or reporting on performance.

● **USAID Agency Equity Plan (AEP):** The AEP is a guiding document that is intended to reframe the ways in which USAID partners democratize the development process by: integrating equity into Agency policies, strategies, and practices; enhancing the ability of potential non-traditional partners to pursue USAID opportunities; preventing discrimination in Agency programs; and, strengthening the Agency's capacity to advance inclusive development in our overseas programming.

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

- USAID Acquisition and Assistance (A&A) Strategy: USAID's A&A Strategy outlines key changes that USAID needs to make to better enable and equip its A&A workforce and systems to enable sustainable, inclusive, and locally led development results through reformed acquisition and assistance processes. Missions should reflect principles from this Strategy into their country strategies to the extent appropriate. The A&A Strategy is available **here**.

- USAID Risk Appetite Statement: USAID's Risk Appetite Statement sets forth expectations for how USAID OUs should assess and manage risks and associated opportunities. The Statement is available **here**.

- USAID Development Policies Strategies, and Position Papers: Per **ADS 200**, USAID publishes three different types of development policy documents: 1) policies; 2) strategies; and 3) position papers. Not all USAID development policy documents are equally relevant for all contexts. Missions should consider the relevance of each policy for their context (based on partner country needs and priorities, available resources, findings in analyses, and investments by other members of the development community, among other factors) to determine whether and how they should integrate the policy into their country strategy and other planning processes under the Program Cycle. In exceptional cases when a USAID policy mandates roles and responsibilities for specific Missions, these Missions must align their country strategies and associated projects and activities in accordance with the policy. A registry of USAID policies is available **here**.

As aforementioned, not all policy documents are equally relevant for all contexts. For example, Missions are encouraged to consider the Department of Defense (DoD) Commander's Campaign Plan (CCP). CCPs (formerly "theater Campaign Plans") are region-wide plans developed by DoD Geographic Combatant Commands (GCCs) that focus on the command's steady-state activities, which include operations, security cooperation, and other activities designed to achieve strategic end states. USAID deploys development advisors to the GCCs to facilitate planning and communication with DoD, as well as assigning Mission Civilian-Military Coordinators to serve as links with DoD officials on the country team. Please contact the Office of Civilian-Military Cooperation and/or USAID's GCC development advisors to gain access to CCPs. Since not all DoD activities may be included in ICSs, Missions should review the relevant CCP to learn about DoD operations, activities and investments planned for the host country, as these may present opportunities for civilian-military collaboration.

201.3.2.7   Strategy Alignment with Projects and Activities
Effective Date: 05/16/2024

Strategies should inform the design and implementation of projects and activities:

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

- A "project" refers to a group of activities that are designed and managed in a coordinated way to advance identified result(s) set forth in a strategy. Per section **201.3.2.14**, the use of projects is optional.

- An "activity" generally refers to an implementing mechanism that carries out an intervention or set of interventions to advance identified development result(s) in a strategy. Activities may be component activities under a project, or standalone activities that are not part of a project approach.

To not constrain future design processes, a Mission should not provide in-depth details about projects or activities in its strategy. The strategy is not rigid, and it is expected that a Mission's understanding of its development hypotheses will evolve in conjunction with project and activity design and implementation. Strategy-level portfolio reviews and mid-course stocktakings are examples of periodic opportunities for identifying significant pivots in strategic thinking and updating or amending the strategy as applicable per section **201.3.2.21**.

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

201.3.2.8   Preparation for the CDCS Process
Effective Date: 05/16/2024

The official CDCS process takes place on a prescribed timeline that should last between six to eight months. To maximize this process, Missions should initiate preparations prior to the official launch of the process by 1) engaging local actors and partners, including their partner country government, to ascertain local needs, priorities, and barriers to progress; 2) conducting the three mandatory analyses (gender, tropical forest and biodiversity, and climate change); 3) assessing evidence and lessons learned from implementation, including evidence captured in the PMP, conducting additional contextual, sectoral, or operational analyses if needed, and reviewing evidence produced by third-parties (helpful resources in leveraging third-party data to support country contextual analysis may include AidScape, **M/CIO's Data Services**, and **PLR-produced analytical resources**; 4) Identify opportunities for strategic impact; and 5) identifying areas of alignment with key USAID and USG policies and strategies.

For additional guidance on preparing for the CDCS process, see **ADS 201mag** and **ADS 201maz** for Bilateral Missions and Regional Missions, respectively.

201.3.2.9   Overview of the CDCS Process
Effective Date: 05/16/2024

The official CDCS process includes a series of milestones and associated timeframes to facilitate an iterative dialogue between Missions and USAID/W that results in clear decisions and, ultimately, the Agency's endorsement of a Mission's final strategy. The

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

total process should last between six to eight months. As described in section **201.3.2.9**, Missions should initiate preparations prior to the launch of this process to maximize this period of time.

The official CDCS process consists of three phases:

- Phase One: Initial Consultations and Parameters Setting: During Phase One, Missions must initiate a dialogue with relevant Washington B/IOs and interagency stakeholders, including the Departments of State and Defense, and U.S. Department of Health and Human Services (HHS) as applicable, to ensure that subsequent drafts of their CDCS reflect Agency priorities. To prepare for this dialogue, Missions and B/IOs should discuss the relative strengths, weaknesses, challenges, and opportunities in the country based on consultations with local stakeholders, local development and humanitarian priorities described in partner country strategies and action plans, consultations with USAID/W B/IOs, the most relevant Mission- or third-party sourced data, and relevant Agency and interagency policies and strategies. Missions should also try to consult multilateral banks and organizations (MDBs), such as the World Bank and regional banks, since these have significant development investments in countries where USAID is present. This phase culminates in agreement between the Mission and Washington on priorities, sectoral focus, and other parameters for the CDCS. It also results in agreement on the Mission's plan for developing the CDCS during Phases Two and Three. Prior to Phase One, Missions, in consultation with their Regional Bureau Program Office and PLR, must determine which Washington B/IOs will be able to raise significant issues during the CDCS review process, based on parameters setting, budget, and Agency priorities and/or equities for that Operating Unit. B/IOs who are responsible for mandatory analyses (Climate, Biodiversity, and Gender) must be included in consultations and can raise significant issues.

- Phase Two: Development of a Results Framework: During Phase Two, Missions finalize key analyses, assess evidence and/or other types of information, engage with local stakeholders and relevant Washington B/IOs to establish their initial development hypothesis, finalize their budget scenarios, prepare the Summary Paper associated with their Results Framework, and outline the next steps to prepare the full CDCS. This phase culminates in Agency agreement on the approaches the Mission will use to advance its strategic goal, budget scenarios that reflect strategic priorities, and an organizing framework that will inform the subsequent development of their CDCS, PMP (see section **201.3.2.15**), and projects and/or activities (see sections **201.3.3** and **201.3.4**).

- Phase Three: Preparation and Approval of the CDCS: During Phase Three, Missions apply findings from additional analyses and consultations, further refine their strategy, and prepare and submit the full CDCS. This phase culminates in

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

the final approval of the Mission's CDCS by the responsible Regional Bureau AA and the AtA for PLR.

Within 30 days of final CDCS approval, Missions must submit their final CDCS for dissemination through the internal USAID websites, **ProgramNet** and **USAID Pages**. In addition, Missions must submit a public version that does not include any Sensitive But Unclassified (SBU) information for dissemination through two external USAID websites: **USAID.gov** and the **USAID Development Experience Clearinghouse**. The Regional Bureau AA must also approve this public version. Both the internal and public versions of the CDCS must be "508 compliant" as described in **ADS 551**.

For detailed guidance on the process for developing a CDCS and associated timeframes and deliverables, see **ADS 201mag** and **ADS 201maz**.

201.3.2.10   Overview of CDCS Content
Effective Date: 05/16/2024

An R/CDCS should be between 12 and 20 pages long, excluding annexes. The life of both an RDCS and CDCS is typically five years; however, variations are sometimes appropriate, particularly in countries or regions characterized by recurrent crises and/or instabilities. An R/CDCS document must include the following:

   A. Opening Paragraph
   B. Country Context
      ○ Operating Environment
      ○ Relationships and Engagement with Partner Governments and other Local Stakeholders
   C. Strategic Approach
   D. Results Framework Summary
      a. Results Framework Graphic
      b. Development Objective (DO) and Development Hypothesis
   E. Required Annexes

See **ADS 201mbh, Outline for Standard Regional/Country Development Cooperation Strategies** for detailed information on the required R/CDCS sections.

201.3.2.11   CDCS Results Framework and Associated Development Hypotheses
Effective Date: 05/16/2024

A. The Results Framework (RF)

At the center of a Mission's CDCS is the Results Framework (RF). The RF is a type of logic model that shows the results that USAID, in collaboration with its partners, expects to contribute to or achieve during the strategy period. The RF must include the following: 1) a Goal; 2) up to four DOs in support of the Goal; and 3) a set of

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

complementary IRs in support of each DO. Sub-IRs are optional, but can be included in the RF as applicable. The RF is organized as a vertical flow chart with boxes and arrows to show the assumed causal and/or sequential connections that link each of these results. As described in section **201.3.2.9**, the CDCS, as reflected in the RF, must reflect the strategic approaches that the Mission has identified to advance development progress and recognize humanitarian and peace challenges in each partner country, grounded in available data and evidence as appropriate.

The following graphic illustrates the structure of a typical RF:
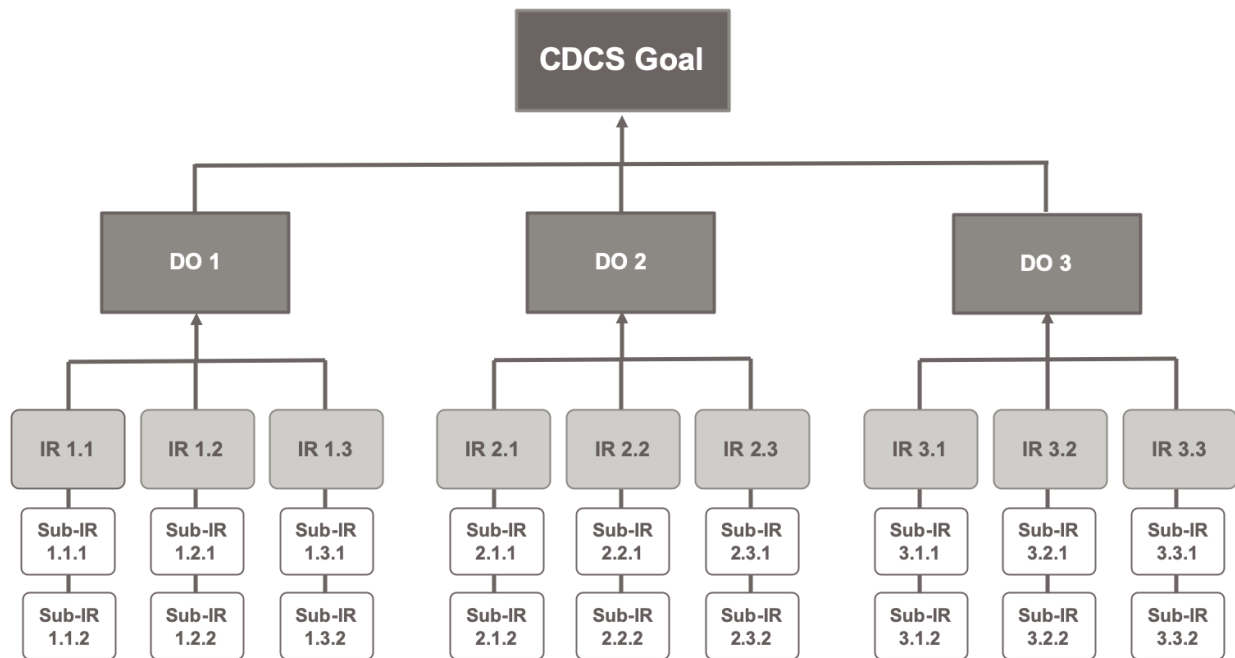
The RF is not a complete representation of a full CDCS. It is a snapshot useful for purposes of planning, implementation, and communication that is supported by accompanying development hypothesis narratives that are the foundation of each CDCS. The Mission must update its RF during CDCS implementation as necessary in response to new evidence or changes in the context. The RF should be dynamic, not fixed.

For Missions that operate in rapidly changing contexts where conditions may not allow for articulation of results statements, a traditional RF, as defined herein, may not effectively capture the logic of how results will be achieved. These Missions, in conjunction with PLR/SPP and Regional Bureaus, may use alternate graphic depictions of the logic and rationale for how results will be achieved. For example, a customized RF may identify an overall aspirational Goal with Special Objectives that articulate

broad lines of effort. In the final strategy, Missions are required to include development hypothesis for each objective as well as a brief narrative explanation of the model.

Missions that are considering customizing an RF must consult with their Regional Bureau and PLR as early as possible.

Once a CDCS has been approved, the RF provides Missions with a communications device to show stakeholders at a glance what the CDCS is about. The RF also serves as an organizing framework for the Mission's monitoring, evaluation, and CLA approaches (see section **201.3.2.15** on the Performance Management Plan). Finally, the RF provides a guide for subsequent project and activity design processes aimed at operationalizing its results (see section **201.3.2.7** on the alignment of the strategy and subsidiary projects and activities).

Definitions for each type of result appear below:

● Goal: The highest-level result that a Mission, together with the partner country government, civil society actors, multilateral organizations, regional institutions, and other development and humanitarian partners, will advance. While USAID is not solely accountable for achieving the Goal, the CDCS should provide a guidepost for its strategic choices.

DOs: The most ambitious results to which a Mission, together with its development partners, will contribute. DOs reflect specific development problems that a Mission intends to address in support of the CDCS Goal. Informed by evidence and analysis, Missions may focus DOs on a particular sector, a geographic region, a targeted population, a local system, or a combination of these factors. DOs may also integrate the efforts of various technical sectors, including humanitarian assistance, conflict prevention and stabilization, and peacebuilding.

● IRs: Lower-level results that, when combined, are expected to contribute to the advancement of a DO. IRs should be specific and measurable. IRs are the highest-level results against which USAID is accountable for reporting.

Sub-IRs: Optional lower-level results that, when combined, are expected to contribute to the advancement of an IR. If Missions decide to include sub-IRs in their RF, they should be identified during Phase Two in the RF Summary Paper. Sub-IR narratives are not required.

In addition to these standard elements, there are two types of objectives that Missions may use in addition to, or in lieu of, traditional DOs, as agreed-upon with USAID/Washington:

● Special Objectives (SpOs): A type of DO that is more flexible for purposes of

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

addressing or acknowledging unique or extenuating circumstances. For example, depending on agreements reached with USAID/Washington, some Missions may use SpOs to reflect strategically important programs that do not fit into the Mission's Goal statement, including programs that have been externally mandated or deemed essential. Other Missions may use SpOs for time-limited programs that will not last the duration of the CDCS. In addition, Missions that operate in highly fluid contexts may use SpOs to articulate broad lines of effort rather than a specific result specified in a more traditional RF. In addition, Missions in countries with protracted crises and/or instability may consider including an SpO in their CDCS that addresses humanitarian, peace, conflict, transition, or stabilization issues. Missions that want to customize the RF to include SpOs in lieu of traditional DOs must consult with the relevant Regional Bureau and PLR as early as possible. SpOs typically count toward a Mission's limit of four DOs.

- Support Objectives: A type of DO that reflects services that a Mission will provide to other Missions in its region. Because Support Objectives focus on management, rather than the implementation of program resources, they do not count toward the DO limit.

B. The Development Hypotheses

Each DO in the RF depends upon a development hypothesis that underpins the results presented in the Framework. A development hypothesis describes how and why USAID believes it will achieve a particular high-level development result in a given context. The development hypothesis consists of a development hypothesis statement and an associated development hypothesis narrative. The development hypothesis statement is generally an "IF-THEN" statement that explains how results will lead to a high-level outcome or change. The accompanying short narrative explains the causal logic and relationships between results upward from the sub-IRs (if applicable) to the IRs, to the DOs. The development hypothesis statements and narratives, taken together, must include five key characteristics:

- A clear articulation of the developmental logic (from development theory, experience from implementation, and other evidence—such as the Country Roadmap, Regional Landscape Analysis, geographic analyses, and secondary metrics) that a Mission believes will unfold to achieve the identified development results and see our policy commitments through;

- A brief summary of the evidence (including, from any available, cost-effectiveness and impact evaluations, when appropriate and feasible and noting where the evidence is conflicting, ambiguous, or lacking) that supports the developmental logic the Mission believes will unfold to achieve the identified development results;

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

- A brief explanation of how USAID will leverage locally led development, national, or institutional commitment and/or capacity at the DO level, or conversely, where the Mission will make efforts to address the deficits that hold the country back;

- A general statement on USAID's role in achieving these results and operationalizing policy priorities; and

- A reflection of key assumptions or risks that could affect the success of the hypothesis.

Missions must also account for actors whose involvement is critical to helping USAID achieve and sustain the stated results (e.g., the government, civil society, the private sector, other donors, or the USG interagency) in their development hypotheses. Accounting for all actors in the Mission's particular development context can help explain how USAID will advance its goal and objectives, even if a Mission's own capacity and resources are limited.

Results should be part of the development hypotheses and Results Framework even if USAID will not directly spend any Program funds to achieve them (e.g., policy reform that comes from the influence of USAID staff rather than the investment of program funds).

While it is not necessary or practical for a Mission to have complete knowledge about the context in which it is operating, the development hypotheses must articulate the Mission's best understanding of the specific problems it seeks to address and ensure that available evidence supports its chosen approach, including an understanding of the development priorities of the government, civil society, private sector, and historically marginalized communities, including Indigenous Peoples, LGBTQI+ individuals, and the trade-offs, if any, among them. As appropriate, Missions should also identify any knowledge gaps that could affect its RF and document them in the Monitoring, Evaluation, and CLA annex of the CDCS. These learning priorities may be informed by the **Agency Learning Agenda**. In addition, Missions must be explicit about any assumptions implied in the hypotheses, and plan to monitor, evaluate, or revisit these assumptions regularly. Scenario planning could be helpful for Missions that seek to address development challenges that hinge on specific, but uncertain, outcomes. Additionally, in line with the USAID Geospatial Strategy, Missions should analyze the geographic distribution of the development challenges they seek to address to identify geographic focus areas where resources may achieve the greatest results.

201.3.2.12   Overview of Strategy Implementation
Effective Date: 05/16/2024

Mission Directors are responsible for overseeing strategy implementation and identifying an appropriate management structure to advance its objectives most effectively. USAID promotes the use of multi-functional teams (teams that intersect

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

various offices within the Mission) to ensure collaboration and synergy in support of strategy objectives. This may be accomplished through the creation of DO Teams, as well as project teams, where applicable.

The duties and responsibilities of a Mission Director and associated management teams in implementing a strategy include, but are not limited to, the following:

A. After Approval

- Identify (or revalidate) the initial portfolio of projects and/or standalone activities that will implement the strategy (see section **201.3.2.14**).

- Develop an initial PMP within three months of strategy approval (see section **201.3.2.15**).

- If applicable, negotiate a DOAG agreement with the partner country government or amend the existing DOAG (see section **201.3.2.19**).

- Realign existing projects as appropriate and begin designing new projects and/or activities in support of the Country Roadmap and the results in the RF (see section **201.3.2.11** regarding the Index of Existing and Planned Projects, if applicable).

- Ensure that the State-USAID ICS reflects the strategy's Development Objectives (see section **201.3.2.6** regarding the alignment of a strategy with an ICS).

- Identify the most appropriate management structure(s) to effectively implement the strategy(see **ADS 201sam, Section 11** regarding project teams).

B. Oversight

- Oversee the design and management of projects and/or activities and ensure their cohesiveness in achieving strategy objectives.

- Amend and/or update the strategy and associated PMP as necessary (see sections **201.3.2.21** and **201.3.2.15**, respectively).

C. Planning, Budgeting, and Reporting of Foreign Assistance

- Use strategy objectives, as reflected in the ICS, and budget scenarios as the basis for the annual MRR; Operational Plan; Congressional Budget Justification; and other planning, budgeting, and reporting processes.

D. Monitoring; Evaluation; and Collaborating, Learning, and Adapting

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

- Address learning priorities by identifying specific, answerable learning questions nested beneath them, which should be periodically refined as answers emerge or context shifts. Throughout strategy implementation, use monitoring, evaluation and CLA approaches identified in the PMP to address the evolving learning questions.

- Give careful consideration to data management requirements (as outlined in **ADS 579**), collecting only essential information and efforts should be made to minimize the burden on stakeholders by avoiding the unnecessary collection of extraneous data.

- Monitor strategy implementation, progress, performance, results, and operational context.

- Track performance indicators described in the PMP (see section **201.3.2.15** for requirements for indicators).

- Plan and implement evaluations pursuant to the requirements described in section **201.3.6.5** and update and track in the PMP accordingly.

- Facilitate collaborative learning, both internally in the Mission and among implementing partners and local stakeholders, through periodic meetings with partners, learning networks, and/or topical communities of practice, among other approaches.

- Work with and through local partners during strategy implementation to support them in leading their own change, facilitate collaborative learning both inside and outside the Mission, monitor the country or regional context, assess the validity of the strategy's overall development hypothesis, and make iterative adjustments, as necessary.

- Ensure that project and/or activity-level efforts in monitoring, evaluation, and CLA are consistent with and provide the data needed to track performance and address learning questions outlined in the PMP.

- Conduct at least one strategy-level portfolio review per year that focuses on progress toward strategy-level results, and review evidence that addresses learning questions identified in the PMP (see section **201.3.2.18**).

- Conduct at least one mid-course stocktaking (MCST) during the life of the strategy to better align implementation with changes in the context and the Agency's direction (see section **201.3.2.18**), incorporating feedback from local actors affected by programming, as applicable.

- Update the PMP following the Mission's annual strategic portfolio review as

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

needed to ensure that it remains a useful tool for tracking strategy-level results and facilitating learning and adaptive management.

● Based on learning, adjust strategy implementation as appropriate (see section **201.3.2.21**).

201.3.2.13   Identifying the Portfolio of Projects, Standalone Activities, and Development Diplomacy Approaches
Effective Date: 05/16/2024

After strategy approval, Missions must exercise professional judgment to determine an initial portfolio of "projects" and/or "standalone activities" that will effectively advance the high-level objectives set forth in their strategy. As part of this determination, Missions should consider whether to retain legacy projects and activities from their previous strategy in their current constructs or realign them into new projects and/or standalone activities. In making all these judgments, Missions should consider the Index of Existing and Planned Projects (if applicable) that provides a preliminary plan with respect to these decisions.

● A "project" refers to a group of activities that are designed and managed in a coordinated way to advance identified result(s) set forth in a strategy. The use of projects is optional. However, where a project approach is used, Missions should follow guidance on project design and implementation in section **201.3.3** and **ADS 201sam, Project Design and Implementation Process**.
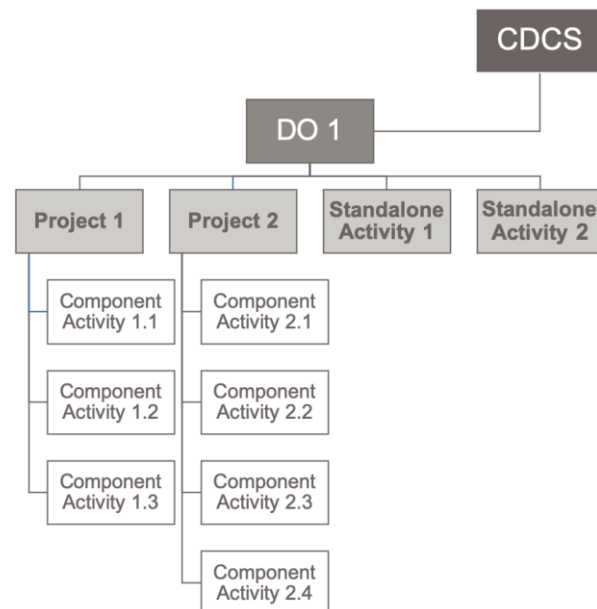
● A "standalone activity" refers to an activity that is not bundled with other activities under a project approach; however, like projects, standalone activities should similarly support identified result(s) set forth in a strategy. For these activities, the project design guidance in section **201.3.3** does not apply.

Under both scenarios, Missions must: 1) follow guidance on activity design and implementation in section **201.3.4**, and 2) approve activity designs through Activity Approval Memorandums (AAMs) that briefly describe how the activity will support the achievement of results in a project, as applicable, and/or strategy(see **ADS 201mai, Activity Approval Memorandum (AAM)**).

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

Subsection A below provides non-mandatory guidelines on how to determine when a project approach may be the most appropriate means to advance strategy results. Projects are optional.

Subsection B conversely describes when standalone activities may be more appropriate.

Subsection C refers to opportunities to use development diplomacy approaches.

A. Considerations for When to Use a Project Approach

A project approach is an optional organizational framework that—when used as intended—can help Missions design and manage complementary activities in a coordinated way to generate higher-level results than can be achieved through the sum of their individual performances. The initial project design process provides teams with an opportunity to conduct a higher-order analysis and engage diverse local actors to inform the design of multiple activities. After a project is approved, the establishment of a project implementation team can support ongoing collaboration to ensure that component activities are synergistically designed and managed to achieve project success.

With this in mind, Missions should consider the following questions to help them determine whether a project approach may be the most appropriate means to advance a given result or set of results in their strategy:

- Will supporting activities address a shared development problem or be implemented in the same geographic locations? Will they seek to advance the development of a common local system or network of institutions? Will they contribute to a shared theory of change? (If not, should they?)

- Will there be interdependencies between supporting activities that will need to be coordinated?

- Will there be major risks that will span across activities that will need to be managed?

- Are there learning priorities that will span across activities that a coordinated approach to monitoring, evaluation, and CLA could help address?

In considering all of these questions, Missions may also ask whether a project approach could help facilitate linkages between results in the strategy and the portfolio of activities thereunder. This could be the case for large, complex portfolios, or where development problems are complex and dynamic, requiring more than one single approach.

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

For identified projects, Missions should follow the guidance on project design and implementation in section **201.3.3** and **ADS 201sam**. In addition, Missions must design and implement component activities concurrent with, or subsequent to, the project design process, as described in section **201.3.4**.

B. Considerations for When to Use Standalone Activities

Like projects, standalone activities should also contribute to the achievement of higher-order results set forth in a Mission's strategy. Unlike projects, however, standalone activities are not designed and implemented under a project construct.

With this in mind, "standalone activities" tend to be more appropriate under the following scenarios:

- Activities designed under the previous strategy;

- Activities implemented under certain Washington initiatives, Congressional directives, or political mandates for which there is limited flexibility to support a more integrated approach;

- Activities that, in large measure, represent a continuation of the previous strategic direction and that are being carried over into the new strategy period; and

- Activities that are implemented in small Missions with relatively simple portfolios.

For identified standalone activities, the guidance on designing projects in section **201.3.3** does not apply, and Missions may proceed directly to activity design and implementation according to section **201.3.4**.

C. Considerations for Using Development Diplomacy Approaches

Development diplomacy entails partnering with multilateral institutions, the private sector, other donors, local and national governments who oversee policies, and local organizations to drive collective action that achieves outcomes beyond the scope of our programming. Development diplomacy complements projects and activities implemented through contracts, agreements, G2G awards, and other mechanisms. This approach can contribute significantly to the achievement of the DOs and IRs set forth in a Mission's strategy. Development diplomacy can complement projects and standalone activities funded by the Mission or may be used where a Mission seeks to achieve results, but does not have dedicated funding.

Development diplomacy approaches may include:

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

- Utilizing USAID's presence and relationships with local leaders, multilateral organizations, international financial institutions, donors, businesses, universities, foundations, and other key partners to mobilize resources around development and humanitarian challenges.

- Coordinating with development actors to synchronize actions, reduce duplication, share data, fill critical development, humanitarian and peace gaps, encourage policy reforms, achieve economies of scale, and catalyze collective action to address development and humanitarian priorities, as appropriate and feasible.

- Using USAID's technical expertise, contextual understanding, development perspective, and Agency values to shape and support USG foreign policy and national security goals at the country and regional level.

- Embracing USAID's role within the USG country team as the actor most connected to local communities and diverse populations and leveraging this role to amplify the perspectives and priorities of local actors.

- Leveraging formal roles, such as seats on the executive boards of United Nations (UN) funds and multi-donor programs, and informal relationships to shape development partners' norms, decisions, and programmatic approaches.

- Helping to link local leaders, reformers, organizers, and activists, and building networks within and across countries to share best practices, amplify local voices, and spur momentum to drive sustainable development progress.

- Leveraging resources and capabilities from across the USG, including the Departments of State and Defense and HHS, to achieve development and humanitarian objectives, and foreign policy goals.

201.3.2.14 Performance Management Plan (PMP)
Effective Date: 05/16/2024

A PMP is a Mission-wide tool that documents a Mission's planned efforts to monitor, evaluate, and learn from the implementation of the strategy. Missions should use the PMP to document how they intend to approach the processes of monitoring strategic performance, programmatic assumptions and risks, and operational context; evaluating performance and impact; and learning and adapting from evidence. Like the strategy, the PMP is a living document that Missions should iteratively adapt as understanding of key factors affecting development outcomes improves. Mission Directors and associated management teams should use evidence and data collected through the PMP to inform management decisions. The PMP, together with associated Activity MEL Plans, also ensures that USAID meets **FATAA's** requirement to establish annual objectives for monitoring and evaluation and timetables to plan and manage the process

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

of monitoring, evaluating, analyzing progress, and applying learning toward achieving results.

Each Mission must prepare a Mission-wide PMP and update it at least once a year, ideally as part of the annual strategic portfolio review (and/or mid-course stocktaking). Missions that do not have a strategy are still required to have a PMP that covers any projects or activities that they fund.

Missions must ensure that their PMP is grounded in the development hypotheses, objectives, Results Framework, learning priorities, and operating context of their strategy. It must articulate specific, answerable learning questions that address the Mission's broader learning priorities, outline expected programmatic results, and describe how the Mission will use monitoring, evaluation, and CLA approaches to address their learning questions and understand progress toward results. The PMP should also include plans for monitoring, evaluation, and CLA approaches to strengthen the capacity of local partners. Missions should update the PMP at least once a year to reflect current priorities and ongoing processes. This can include adapting the PMP as necessary in response to new evidence (including cost-effectiveness), current learning questions, changes in assumptions, emergent risks, and fluctuations in the local context.

After a strategy is finalized, Missions may develop and approve an initial PMP that does not comprehensively include all required elements. Missions should continually update PMP components over the life of their strategy, including updating learning priorities or questions, adding newly planned evaluations, integrating new or adapted monitoring approaches and/or indicators, and noting any other new learning efforts.

While the PMP is primarily an internal tool for performance management, Missions should create a public summary of the PMP and share portions of it with partners (including the host country government, other donors, and implementing partners)

See **How-To Note: Prepare and Maintain a Performance Management Plan (PMP)** for additional guidance.

A Washington OU may use the guidance in this section to develop a PMP for the management of its portfolio.

A. PMP Content

There is no standard format for a PMP. Missions should use a format that best fits their management and communication needs. Missions are not required to maintain their PMP in a single document, and PMP content may exist in different Agency approved tracking systems or databases. There are minimum content requirements for a PMP; Missions may include additional content in the PMP to suit their performance management needs.

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

The content of the PMP must include the following:

● Table of Contents and Modification Log: This document describes each required part of the PMP, and links to that information if it is maintained in different systems. It also provides a log of modifications over time.

● Key Learning Questions and a Plan to Address Them using Monitoring, Evaluation, and CLA approaches: This document restates the one to four critical learning priorities identified in the strategy (which themselves may be refined or updated during PMP development) and identifies an initial set of specific, answerable, time-bound learning questions nested under each priority. Missions must also describe how they plan to address these learning questions using a combination of monitoring, evaluation, and CLA approaches (including planned studies, research, analysis, or data and evidence collected through activities).

● Performance Indicators for Intermediate Results (IR): Each IR in the strategy must have at least one performance indicator. Missions must document their performance indicators in a Performance Indicator Reference Sheet and their indicator tracking table or system, and must indicate the unit of analysis, any disaggregates, baseline data where available (or note the plan for collecting baseline data), and actual data. Missions may also choose to include applicable Standard Foreign Assistance Indicators and context indicator information in their PMP indicator tracking system. USAID OUs are advised to use the Agency-wide Development Information Solution (DIS) for entering and storing information on specific performance indicators when able. Missions should consider how to collect the performance indicator data needed to track strategy-level results when identifying initial indicators for the PMP and avoid duplicative effort and additional burden. Initial PMP indicators should be periodically revisited and updated as needed, for example during new activity designs and strategy-level portfolio reviews.

● Evaluation Plan: List of Evaluations planned during the life of the strategy. This information should be located in the Mission's Evaluation Registry in the FACTS Info Next Gen system.

● Schedule of Performance Management Tasks and Associated Resources: In this section, Missions must identify the performance management tasks they expect to conduct over the life of the strategy to determine whether results are being achieved, and if any adaptations are needed to reach desired outcomes. When identifying tasks, Missions should consider what specific monitoring, evaluation, and CLA approaches are needed to address learning priorities, answer specific learning questions, and test assumptions. Missions should also consider timelines for key management decisions and pivot points; and anticipated policy or contextual changes. This section should include information on the timeline for

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

each task, who is responsible, and an estimate of the human and financial resources needed to accomplish it. Note that funding for evaluation should total one to three percent, on average, of an OU's program funds. Program monitoring and CLA activities may require another three to ten percent, on average, of program funds.

Typical performance management tasks in the schedule include, for example, identifying and periodically validating or updating whether and how PMP data should be collected; collecting and analyzing this data; assessing the quality of data; designing and conducting evaluations as planned, needed, and/or required; and preparing for portfolio reviews and the mid-course stocktaking. Missions may create this information for the PMP or include it in their existing calendar of tasks if one already exists. For additional guidance, see the **PMP Task Schedule Guidance and Template**.

B. PMP Approval

Each Mission must prepare an initial Mission-wide PMP, which must reflect the current status for all its required content. The Mission Director must approve the initial PMP within three months of strategy approval. A Mission Director may make a one-time exception to the three-month timeline, which may not exceed an additional 60 days, and must inform PLR/LER and the appropriate Regional Bureau Program Office of the reason for the extension and the date that the initial PMP is expected to be approved.

Upon initial PMP approval, Missions must upload the "Table of Contents and Modification Log" and the "Learning Questions and Plan to Address Them with Monitoring, Evaluation and CLA" to **ProgramNet**, and inform their Regional Monitoring and Evaluation POCs and PLR/LER.

C. PMP Modifications

Missions must review their PMP at least once per year as part of their portfolio review process as described in the "Schedule of Performance Management Tasks." Missions must also periodically update PMP content over the life of the strategy, usually following the portfolio review, to include new information as they design projects and/or activities, and to account for other changes in context, risks, assumptions, or performance management, and learning needs, including any adjustments to learning questions. Missions may make updates more often, as needed, to ensure the PMP remains useful as a tool for tracking progress toward achieving strategy-level outcomes.

Missions should document updates to the PMP in the "Table of Contents and Modification Log." Missions must update the PMP or associated indicator tracking table and Evaluation Registry with new indicators, newly-planned evaluations, and new learning activities, as applicable, and as each new project or activity is approved. Missions must determine at what level an updated PMP needs to be approved.

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

201.3.2.15 Monitoring During Strategy Implementation
Effective Date: 05/16/2024

USAID has a responsibility to monitor strategic performance. Throughout implementation, Missions should ensure that performance and context monitoring are adequate to facilitate evaluation, strategic learning, and adaptive management during strategy implementation. This includes understanding progress toward achieving strategic objectives and fulfilling any reporting requirements.

Missions must monitor progress, at a minimum, by tracking performance indicators for each IR. In addition, Missions should monitor operational context and any key risks identified during strategy planning or implementation that could affect the achievement of strategy results in the Mission's annual Risk Profile. Program Offices are responsible for working with technical offices to ensure that the planned collection and updating of indicators and monitoring data described in the PMP are relevant and useful for adaptive management of awarded activities; that partners deliver the activity-level data, as defined in the awards, to USAID on time to allow sufficient time for analysis; and that the data are of sufficient quality for the purposes of accountability, learning, and adaptive management (see section **201.3.5.7** for data quality standards).

201.3.2.16 Evaluation During Strategy Implementation
Effective Date: 08/02/2022

Throughout strategy implementation, Missions should ensure that evaluations build from monitoring efforts and are adequate to facilitate strategic learning and adaptive management to understand progress toward achieving strategic objectives.

Sections **201.3.6.7** and **201.3.6.8** describe evaluation requirements and procedures for planning and implementing an evaluation. Although evaluations that address strategic-level concerns are best planned during the development of a strategy, a Mission may decide to conduct an evaluation at any point during strategy implementation, particularly if new information arises that indicates an evaluation is appropriate for accountability or learning purposes.

201.3.2.17 Collaborating, Learning, and Adapting During Strategy Implementation
Effective Date: 05/16/2024

During strategy implementation, a Mission generates knowledge and learning by overseeing projects and/or activities; participating in learning activities, such as portfolio reviews and stocktaking exercises; conducting monitoring, evaluation, and other research, analysis, and learning activities as described in the PMP; engaging stakeholders; and making use of the experiential knowledge of staff, partners, and

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

counterparts. Based on this learning, the Mission should make changes to the strategic implementation of its programs as needed.

A. Portfolio Reviews

Portfolio reviews are opportunities for Missions to periodically examine all aspects of the Mission's strategy, projects, and/or activities. They are a vital element of the Agency's management process that synthesizes available activity- and project-level performance information and other evidence, including from evaluations, to assess strategy-level results.

Missions must conduct at least one portfolio review per year that focuses on progress toward strategy-level results to support program management improvement and identify barriers to achieving intended outcomes. Missions should consider addressing the following topics during portfolio reviews:

- Progress toward achieving DOs and IRs, as well as expectations regarding future progress. This includes reviewing what the Mission has learned from monitoring data, evaluations, and feedback from partners, stakeholders and communities, or other sources and reflecting on how that information informed activity implementation;

- New evidence and/or persistent knowledge gaps related to the learning questions identified in the Mission's PMP;

- Country and regional trends, shifts in policy priorities, and evolving contexts;

- Cross-cutting themes including, but not limited to gender equality, women's empowerment and inclusive development;

- The status of key risks, critical assumptions, and/or changes in context, along with related implications for the performance of the strategy and subsidiary projects and activities, where applicable;

- Relevant findings from recently completed evaluations and performance data (including cost and schedule) for selected awards to understand operational or programmatic risks to implementation and suggested course corrections;

- The geographic focus of the Mission's programming and how it relates to progress toward achieving DOs and changes in country context (see **ADS 579mab** as applicable);

- Opportunities to adapt as a result of learning, including engagement with local actors to share learnings and identifying ways to better address local priorities in monitoring, evaluation, and CLA activities;

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

- Discussions regarding how USAID is leveraging resources and capabilities from across the U.S. Government to achieve development, humanitarian and peace objectives, and foreign policy and national security goals;

- The allocation and management of resources to support the Mission's objectives; and

- Challenges and next steps for improving performance.

During the portfolio review for the final year of the strategy, Missions must review cumulative progress toward achieving their DOs and IRs and document the results to support knowledge management. Missions are not required to include Humanitarian Assistance and OTI in portfolio reviews but are encouraged to do so.

After the portfolio review, the Mission should update the PMP to reflect changes in any planned activities and approaches for implementation, monitoring, evaluation, and CLA (see **How-To Note: Strategy-Level Portfolio Review**).

B. Mid-Course Stocktaking (MCST)

At least once during the course of strategy implementation, Missions must conduct a stocktaking with the objective of better aligning the implementation of the Mission's programs with changes in the context and Agency direction, as well as with emerging evidence, knowledge and lessons learned. A mid-course stocktaking fulfills the requirement for a Mission's strategy-level portfolio review for that particular year.

A mid-course stocktaking allows a Mission (and Washington OUs) to understand progress to date on strategy implementation, as well as important changes in context and Agency priorities. The Mission must develop an information memorandum to record any substantive changes in the country's context or strategic approach and send it to the Regional Bureau for review.

A strategy mid-course stocktaking should do the following:

- Revalidate the RF and review evidence relevant to its underlying assumptions, and other relevant sources of contextual data, and identify any potential amendments to the RF for review by the Regional Bureau;

- Reinforce continuity and institutional knowledge among new staff;

- Assess alignment of the DOs and IRs with the Agency's current Policy Framework and overarching U.S. policies, specifically the National Security Strategy, Joint Strategic Plan, and relevant Joint Regional Strategy. Missions

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

should identify any updates or amendments to the strategy to strengthen policy alignment in the information memo;

● Re-engage partner country stakeholders and donor partners and facilitate stronger relationships with and among them, including by identifying opportunities to broaden the Mission's partner base;

● Review and update learning priorities and learning questions, as needed, based on learning from monitoring data, activity location data, and other internal and external data sources; and

● Look ahead to the next strategy; including identifying future analytic needs and knowledge gaps.

Missions must submit an information memo documenting the stocktaking process and decisions to their Regional Bureau, which may distribute it to identified POCs in other Washington OUs. For more information, see **How-To Note: CDCS Mid-Course Stocktaking**.

201.3.2.18 Obligations through Development Objective Agreements (DOAGs)
Effective Date: 05/16/2024

Many Missions obligate funds through a bilateral assistance agreement, most commonly a Development Objective Assistance Agreement (DOAG) (see **ADS 350**). DOAGs generally set forth a mutually agreed-upon understanding of the time frame; results expected to be achieved and the means of measuring them; and the resources, responsibilities, and contributions of participating entities for achieving a clearly defined objective (typically a DO). These agreements serve as bilateral obligating documents under which USAID may make sub-obligations. In most cases, the parties to the DOAG agree that USAID may sub-obligate and disburse funds directly to third-party recipients and contractors in addition to the national government. DOAGs provide Missions with a degree of adaptability to respond to changing circumstances without necessarily having to de-obligate funds.

A. Commitments from Partner Governments

Missions should leverage the process of negotiating DOAGs to further U.S. foreign policy, national security and economic objectives, increase burden sharing, and ensure that partner governments increase their commitments to addressing protracted development challenges, including through domestic resource mobilization. Missions should examine what they are asking of government counterparts—especially in terms of cost-share and any policy reforms—and how Missions hold both parties accountable for results.

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

A DOAG is one of the key places where Missions can document partner government agreements to make financial, policy commitments, or in-kind contributions. At a minimum, these contributions must satisfy requirements in Section 110 of the **Foreign Assistance Act**, as amended. They may also include contributions that are not statutorily required. In some cases, it may be appropriate to document partner government contributions in Implementation Letters. In addition, Missions may choose to document contributions in Memoranda of Understanding (MOUs) or multi-donor agreements with the partner government.

B. Legal Requirements Prior to Obligation

As described in section **201.3.1.8**, Missions must document compliance with legal requirements, as applicable, prior to the obligation of funds. In the case of DOAGs, obligation occurs when the DOAG is signed or amended to add funds. Missions may address some of these requirements prior to sub-obligation into an activity-level agreement, if advised by the RLO. In such cases, Missions must document the decision for deferral with RLO clearance (see **ADS 201mad, Summary Checklist of the Legal Requirements for Obligating Funds into a Development Objective Assistance Agreement** and section **201.3.1.8, Legal Requirements on the Use of Funds**).

C. Scope of DOAGs

Missions should scope DOAGs such that they only cover one DO. Limiting a DOAG to a single DO can 1) ensure that USAID commits, obligates, and uses funds for the DO purpose for which they were authorized and notified; 2) facilitate proper accounting; 3) ensure a valid, binding obligation of funds; and 4) facilitate the completion of statutory pre-obligation planning requirements prior to the obligation of funds.

However, Missions may have valid reasons for entering into a DOAG that includes more than one DO. In such cases:

- Missions may not develop a DOAG "purpose" that is higher than the purposes of the separate DOs.

- Missions must commit, obligate, and record funds for each individual DO; i.e., they may not obligate funds above the level of individual DOs.

- Missions must clearly document compliance with all legal requirements prior to signing a multi-DO DOAG, and specifically attest that 1) they are obligating and using the funds only for the purpose (DO) for which they are authorized and notified; and 2) accounting and funds controls will be adequate (i.e., at the level of the individual DOs).

A Mission that is considering a multi-DO DOAG should also consult its RLO and Controller prior to entering into negotiations with the partner country government.

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

D. DOAG Management Across Strategies

The completion date of a DOAG should generally correspond to the end date (or extended end date) of its associated DO. Missions should generally negotiate DOAGs so they are tied to the period of the strategy. As there is often some delay between the approval of a strategy and the signature of a DOAG, a DOAG may extend for a limited time beyond the strategy.

In addition, Missions should exercise caution to ensure they do not permit DOAGs to expire while funds from the DOAG are still active in instruments. Therefore, Missions may extend the completion date of a DOAG for the purpose of expending prior-year funds that remain in the DOAG after the end date of the strategy.

When a Mission transitions to a subsequent strategy, it does not have to retain a DO approved in the prior strategy. If a Mission retains a DO, it may extend the completion date of its current DOAG to correspond with the period of the subsequent strategy. When a Mission does not incorporate an existing DO into a subsequent strategy, it would generally not be appropriate to obligate funding that supports the subsequent strategy into the existing DOAG.

201.3.2.19 Expiration and Extension of a Strategy
Effective Date: 12/23/2019

Strategies expire on the date specified in the strategy approval memorandum or any subsequent strategy extension memo. Extensions are not encouraged; however, in some cases, they may be justified.

There are two types of strategy extensions:

1) Extensions for up to six months: Missions may only use this option once during the strategy period. These extensions do not require clearance or approval from USAID/W as long as the combined duration of all extensions does not exceed two years.

2) Extensions beyond six months: These extensions require co-approval from the PLR/AtA and the relevant Regional Bureau AA based on a compelling justification.

Two years is the maximum cumulative duration of strategy extensions.

See **ADS 201max, Regional and Country Development Cooperation Strategy Updates, Amendments and Extensions**, for additional guidance.

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

201.3.2.20   Amending and Updating a Strategy
Effective Date: 05/16/2024

Strategies should be living documents, and Missions should regularly revisit their strategy to take stock, capture learnings, and make adjustments as necessary. Triggers for adjusting a strategy include, but are not limited to the following: 1) changes in the country context that prompt major shifts in programming; 2) internal changes in funding or Administration or Agency policy priorities that call for a rescoping or revision of intended results; and/or 3) recommended changes to the development hypotheses revealed through monitoring, evaluation, new evidence, site visits, portfolio reviews, the mid-course stocktaking, and/or learning during the course of implementation.

There are two types of strategy adjustments:

1)   An update: An update occurs when a Mission makes changes at the IR (or sub-IR level, if applicable) in the strategy. Updates do not require clearance or approval from USAID/Washington. However, Missions must advise PLR and the Regional Bureau of any update.

2)   An amendment: An amendment occurs when a Mission makes changes at the DO or Goal level in the strategy. Changes made to either a Special Objective or Support Objective also require an amendment, unless the change is part of a phase-out previously specified in the strategy. Missions must obtain approval from the Regional Bureau PO POC and AA for an amendment and info-copy PLR (email **sppstrategy@usaid.gov**).

See **ADS 201max, Regional and Country Development Cooperation Strategy Updates, Amendments and Extensions**, for additional guidance.

201.3.2.21   Strategy Closeout
Effective Date: 12/23/2019

At the end of a strategy, the Mission should capture and synthesize its experience and lessons learned to inform the subsequent strategy. The subsequent strategy does not have to incorporate DOs from the previous strategy.

As described in section **201.3.2.7**, the life of subsidiary projects and activities will often not coincide with the life of a strategy. For Missions with DOAGs, the de-obligation of leftover funds and close-out process for a DOAG will be complete when all activities under that DOAG have closed out (see section **201.3.2.19** for additional guidance on DOAGs).

201.3.3   Project Design and Implementation
Effective Date: 05/16/2024

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

A "project" generally refers to a group of activities that are designed and managed in a coordinated way to advance result(s) set forth in a strategy. Through a project approach, Missions can often create synergies among complementary activities that generate higher-level results than would be possible to achieve through the sum of their individual performances. In addition, Missions can more strategically leverage the wide range of partnering approaches or mechanisms at the Agency's disposal to strengthen local actors and systems for greater sustainability of results.

During the project design process, Missions should define project boundaries, a high-level theory of change, and an adaptable plan for implementation. This process results in a short PDD. During project implementation, USAID staff should work collaboratively alongside implementing partners to ensure that activities, taken together, achieve intended results and adapt as needed through continuous learning.

As described in section **201.3.2.14**, projects are optional. However, if Missions opt to implement an aspect of their strategy through a project approach, they should follow guidance in **ADS 201sam, Project Design and Implementation Process**. Guidance in this Additional Help reference is specifically aimed at minimizing internal bureaucracy while maximizing value to ensure that staff have the time they need to design, implement, and monitor activities—based on evidence and continuous learning—to achieve their intended results.

If Missions determine they do not need to bundle activities under a project to effectively advance strategy results, the project guidance in **ADS 201sam** does not apply. In this case, Missions should proceed directly to activity design and implementation according to section **201.3.4**.

201.3.4   Activity Design and Implementation
Effective Date: 05/16/2024

An "activity" generally refers to an implementing mechanism that carries out an intervention or set of interventions to advance identified development result(s) in a given country or region. Activities range from contracts or cooperative agreements with international or local organizations to direct agreements with partner governments, to development finance instruments issued by the U.S. International Development Finance Corporation (DFC), among other examples. Activities also include buy-ins under global agreements (e.g., "Field Support" agreements) that generate programmatic results in a specified country or region. Missions and Washington OUs (hereinafter referred to as "OUs") often complement activities with actions undertaken directly by USAID staff, such as policy dialogue, stakeholder coordination, or capacity strengthening (see **USAID's Implementing Mechanism Matrix** for a list of common mechanisms used by the Agency).

In Missions, activities should contribute to development result(s) set forth in their strategy. Activities should also contribute to project results, where applicable. Per

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

section **201.3.2.14**, Missions should bundle activities into projects if they determine that designing and/or managing them in a coordinated way can most effectively advance strategy results (see section **201.3.2.14** for additional guidance on how to make this determination).

The activity lifecycle has four phases:

- During "Phase One: Activity Planning," OUs identify a POC/Design Team to lead the design process. In addition, OUs identify or revalidate high-level parameters to guide the process (e.g., purpose, available budget, etc.). OUs may document these guiding parameters in meeting minutes or email correspondence with the Program Office, among other options. For additional guidance, see section **201.3.4.4**.

- During "Phase Two: Activity Design," OUs determine how to advance intended result(s) through a given type of implementing mechanism. The design that results is ultimately approved through a brief Activity Approval Memorandum (AAM) (see **ADS 201mai**). OUs may approve one design or multiple, complementary designs through an AAM, depending on the circumstances. In most cases, Phase Two culminates in a solicitation or finalization of an agreement. For additional guidance, see section **201.3.4.5** on A&A activities, or section **201.3.4.6** on non-A&A activities.

- During "Phase Three: Activity Implementation," OUs oversee activities in accordance with their delegated authorities and the terms of the awards or agreements, and collaborate with implementing partners, local stakeholders, and other members of their project teams, as applicable. They also monitor, evaluate, and learn from implementation to make decisions and course corrections as needed to yield intended results most effectively (see sections **201.3.4.7** through **201.3.4.12**).

- During "Phase Four: Activity Close-Out," OUs close out activities and record lessons learned for future reference.

201.3.4.1 Roles in Activity Design and Implementation
Effective Date: 05/16/2024

Activity design and implementation is a core interdisciplinary function that requires skills and expertise that span organizational and functional boundaries. OUs should therefore promote efficient and constructive interactions between key offices and functions to ensure alignment and consistency among the technical, legal, budgetary, and managerial facets of each activity.

For activities that are designed and managed by Missions, roles and responsibilities include, but are not limited to, the following:

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

- Mission Program Office: The Program Office provides oversight of the Mission's activity design and implementation processes, emphasizing opportunities to advance locally led development; provides Mission-specific guidance in the relevant Mission Order; ensures that activities support associated projects (where applicable) and the strategy; manages the budget planning process to ensure funds availability for activities; advises on non-A&A mechanisms and facilitates the preparation of documentations for such mechanisms; advises on monitoring, evaluation, and CLA approaches in accordance with the guidance herein and provides additional Mission-specific guidance in the relevant Mission Order; ensures that Activity MEL Plans meet the management needs of projects, if applicable, and the data collection needs of the PMP; oversees 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.

- Mission Technical Offices: Technical Offices typically take a lead role in designing and managing activities (under the oversight of the Program Office); collaborating with the partner government and development actors in their technical sector to ensure that activities align with local priorities and Agency policies and priorities; assuming activity management roles (CO/AOs, GATR etc.) to carry out responsibilities specified in signed designation letters; and adaptively managing activities in response to learning and evidence, as appropriate to the mechanism and award type and within the limitations of their authority, to support the achievement of activity results (and project results, where applicable).

- Mission Office of Acquisition and Assistance (OAA): OAA participates in the design team and serves as a business advisor on how Missions can achieve intended results with the Agency's broad range of A&A instruments. OAA also provides guidance on ways to reduce barriers to engagement with local partners; reviews supporting solicitation documents prepared by the Design Team and makes the final determination on the selection of instrument; ensures that Statements of Work or Objectives, Program Descriptions, and other A&A documents are consistent with the selected type of instrument; solicits, negotiates, awards, and administers A&A awards; delegates certain award management responsibilities to designated CORs/AORs; and advises CORs/AORs during implementation on how to make programmatic adjustments, where necessary, to enable adaptive management, all in accordance with their delegated authority and within applicable statutes, regulations, and policies.

- Mission Office of Financial Management (OFM): OFM oversees all financial management matters relating to Mission activities; plans and conducts fit-for-purpose pre-award financial management risk assessments for agreements with the partner government; supports the CO/AO in conducting pre-award risk assessments (**ADS 303** for more information on pre-award risk assessments

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

under assistance awards and **ADS 591** for more information on pre-award surveys for acquisition awards); supports Design Teams in developing cost estimates; provides advice or assistance to strengthen the financial management capacity of public- and private-sector organizations, where applicable; maintains an integrated financial management system that complies with the applicable requirements of Agency financial management systems; organizes periodic financial reviews; supports CORs/AORs with required financial documentation, such as analyses of forward funding and pipelines; and monitors the financial execution of the Mission's budget in relation to actual expenditures.

● Mission Executive Office (EXO): EXO is often responsible for the procurement of small activities at or below the Simplified Acquisition Threshold (e.g., analyses, assessments, and other short-term support); oversees USAID's 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 implementing partners with advice and guidance to help them operate effectively in the partner country.

● Resident Legal Officer (RLO): The 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 non-A&A agreements (e.g., agreements with partner governments; Public International Organizations (PIOs); Interagency agreements under Section 632(b) of the FAA, as amended; etc.).

● Climate Integration Lead (CIL): The CIL provides climate related support and advises Design Teams on how to conduct mandatory climate risk assessments, where applicable, per section **201.3.4.4** and **ADS 201mal**; and advises CORs/AORs and other managers on integrating risk management measures into design, monitoring, evaluation and CLA.

● Mission Cost-Effectiveness Evidence Points of Contact (POC): The Cost-Effectiveness Evidence POC, in partnership with the OCE and in collaboration with the Mission's Evaluation POC, may advise Activity Design Teams and other staff involved in activity design and implementation, where feasible and appropriate, on how existing evidence of cost-effectiveness applies to activity design, and how the generation of new cost-effectiveness evidence can be integrated into activity design. This function will often be filled by the Mission Economist but may also be filled by other types of technical officers with the desired skill sets. Per section **201.3.4.4**, and with support and guidance from the OCE, these POCs should advise Activity Design Teams on assessments regarding the cost-effectiveness of the proposed design (see **ADS 201sas, Cost-Effectiveness in USAID Programming** for further guidance on how Missions can operationalize the POC requirement).

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

- Mission Environmental Officer (MEO): The MEO provides support and advises Design Teams on how to conduct mandatory environmental reviews per section **201.3.4.4** and **ADS 204**; submits environmental compliance documents to the appropriate Bureau Environmental Officer in Washington for review and concurrence; and advises CORs/AORs and other managers on monitoring and/or overseeing approved mitigation measures during implementation.

- Mission Gender Advisor/Point of Contact (Gender Advisor): The Gender Advisor provides policy and technical advice to USAID Missions and OUs to ensure compliance with relevant USAID and USG gender-related policies and strategies. The position is cross-cutting and requires close collaboration with staff from all sectors and offices to ensure gender transformative principles and findings of related analyses are integrated throughout the activity lifecycle. The Gender Advisor advises Design Teams on how to integrate gender equality and women's empowerment into the design and implementation of activities per section **201.3.4.4** and **ADS 205**. The Gender Advisor facilitates and assists in the mandatory gender analysis and supports the integration of findings in meaningful ways into activity design. For activities bundled into a project, the Gender Advisor ensures that findings from the project-level gender analysis (and any supplementary activity-level gender analyses, if applicable) are integrated in meaningful ways into activity design. The Gender Advisor also works with MEL Advisors, Program Offices, and technical teams to ensure that activity-level performance indicators are, as appropriate, sex disaggregated; collaborates with CORs/AORs and other managers during implementation to monitor, evaluate, and learn from activities with regard to their impact on gender integration; and advises on course corrections, as appropriate, that could further address gender inequalities and mitigate unintended consequences.

- Other Cross-Cutting Advisors and POCs in the Mission: Other cross-cutting advisors/POCs in the Mission may include a Mission Engineer, an Inclusive Development Advisor, and/or a focal point for historically marginalized and/or underrepresented groups and/or people made vulnerable, LGBTQI+ Focal Point, Private Sector Engagement (PSE) POCs, Digital Development Advisor/POC, and/or others depending on the Mission. These Advisors/POCs take an active role in conducting, facilitating, or reviewing analyses to provide insights about technical issues related to their respective areas of responsibility; advise on partnership models or development practices that can address issues in their areas; and provide advice, guidance, and follow-up on respective issues in the design and implementation of activities while facilitating connections between expertise in Washington and design teams as needed.

- Washington OUs/Regional Missions: Washington OUs and Regional Missions provide guidance to Missions on policies and priorities; support Missions with technical expertise consistent with the "**Agency Approach to Field Services**

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

(AAFS)"; ensure the implementation of Agency-wide sector strategies and initiatives; and provide support to Missions, as requested, in support of the functions outlined in this section, including for analyses and the collection of other evidence needed to develop activity designs.

201.3.4.2 Applicability of Activity Design and Implementation Guidance
Effective Date: 05/16/2024

A. Applicability

The guidance in this section (section **201.3.4**) generally applies to all activities, including those bundled into a project, as well as standalone activities that are not part of a project.

B. Exemptions

The following types of awards/activities are exempt from the requirements herein. While exempt, OUs must approve these awards/activities through AAMs, customized as appropriate, and ensure that they satisfy relevant pre-obligation requirements. See **ADS 201mai, Activity Approval Memorandum (AAM)** and **Additional Help List of Pre-Obligation Requirements for New Activities** for further guidance.

1) Awards that Provide Management or Support Services: Awards that provide management and support services are exempt because they do not directly generate development results and, therefore, are not an "activity" as defined herein. These services include evaluations, assessments, MEL platforms, institutional support services, and other awards funded with Program Design and Learning (PD&L) funds. While these types of awards are exempt, OUs are encouraged to use aspects of this guidance as appropriate.

2) Humanitarian Assistance and Transition Assistance: Certain activities targeted at preventing, responding to, recovering from, and transitioning from crisis are exempt from the requirements herein. These activities include:

    ● Activities funded and/or managed by the Bureau for Humanitarian Assistance, including emergency and non-emergency programs such as, but not limited to, those outlined in **ADS 251**. The BHA Declaration of Humanitarian Need (DHN) cable is sufficient to approve the activity, and no additional AAM is needed given the nature of the immediate response; and

    ● Activities managed by CPS/OTI.

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

201.3.4.3 Mission Concurrence for Washington/Regional Mission-Funded Activities
Effective Date: 05/16/2024

Washington OUs and Regional Missions/Platforms (WOU/RMs) that both fund and manage activities implemented at the country-level must obtain concurrence for such activities from the responsible Mission Director or the senior official who has direct purview over the country, or their designee, unless exempted in **ADS 201man**. WOU/RMs must email concurrence requests using the **Mission Concurrence Request Form** to the responsible Mission at program.[country]@usaid.gov.

WOU/RMs must obtain concurrence as early as possible, ideally during the activity design process. If the country is not identified at the time of design, WOU/RMs must follow the guidance in **ADS 201man**, as applicable. Both the WOU/RM and the bilateral Mission (or other OU that has purview over the country) must document concurrence.

In addition, as described in **ADS 201man**, WOU/RMs should align their country-based activities with Mission strategies wherever feasible and appropriate.

For additional guidance, see **ADS 201man**.

201.3.4.4 Phase One: Activity Planning
Effective Date: 05/16/2024

During Phase One of an activity design process, OUs 1) identify the need for a design; 2) identify a primary POC/Design Team to lead the design process; and 3) identify or revalidate high-level parameters to guide the design process.

A. Identify the Need for an Activity

OUs should aim to identify potential activity needs as early as possible. For A&A agreements, the Agency's A&A Plan (see **ADS 300.3.1.1**) presents the first formal opportunity to identify planned activities to be implemented through A&A instruments. The Agency's Procurement Action Lead Time (PALT) (see **ADS 300.3.3**) averages about nine months for competitive acquisition solicitations, and about five months for competitive assistance solicitations. This is in addition to the timeline associated with the "pre-PALT" design process, which covers the period from setting parameters for an activity in Phase One to the design process in Phase Two, which results in activity approval and, if an A&A activity, submission of a requisition into the Agency's **Global Acquisition and Assistance System (GLAAS)** (see **ADS 300.5** for further guidance on PALT planning). Missions should plan prospective activities based on priorities identified in their strategy, consultations with local actors, and supporting projects, where applicable (see section **201.3.3** for additional guidance on projects).

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

In many cases, Missions will also identify activity design needs based on shifts in the development context; new USG foreign policy imperatives, Congressional directives, or Agency mandates; changes in foreign assistance resources; or the emergence of new evidence (including of cost-effectiveness) or learning. In the case of significant changes, Missions should consider whether updates are needed to their strategy to reflect these changes (see section **201.3.2.21** on updates to the strategy).

B. Identify a Primary POC/Design Team to Lead the Design Process

After identifying an activity need, OUs must identify a primary POC to lead the design process (known as the "Planner" in the case of A&A instruments; see **ADS 300.2**). For designs that are large, complex, or strategically important, OUs should establish an Activity Design Team—ideally, an intra-OU Design Team—to support the primary POC and ensure the consideration of diverse perspectives. For acquisition, the Design Team – which should include the CO/AO as a business advisor – fulfills the functions and duties of the Federal Acquisition Team (see **FAR 1.102-3** and **1.102-4**). For component activities under a project, OUs should ensure that members of the project team collaborate as needed to build in synergies between complementary activities.

C. Identify or Revalidate High-Level Parameters to Guide the Design Process

Finally, OUs must identify high-level scope/process parameters to guide the design process. The purpose of clarifying overall parameters at the outset is not to establish an early design or concept paper; it is to ensure that the Design Team has a clear mandate and understanding of what it needs to do to proceed efficiently with the activity design. In addition, these parameters help identify triggers for additional considerations, such as mandatory Agency Leadership Review for activities at or above $100 million (see **ADS 201mbe, Activity Approval Process for Activities > $100 Million**).

OUs must document identified parameters to create a record and for follow-up purposes. OUs may satisfy this requirement by mandating that teams confirm parameters with the Program Office over email or that they meet with identified senior staff and record decisions in the form of minutes, among other approaches. For activities planned in a PDD, the parameters therein may satisfy this requirement.

Some OUs may opt for other documentation, such as asking the Design Team to share a concept paper/review during an early juncture in the design process. This is not required, and OUs should balance the time and effort associated with extra clearance or review processes with the level of resources, complexity, and strategic importance of the activity.

At a minimum, OUs must identify (or revalidate, if included in a PDD) the following parameters:

1) The preliminary purpose of the activity;

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

2) How the activity will advance strategy and/or project-level results, where applicable;

3) The activity's preliminary budget;

4) The preliminary mechanism type (i.e., whether the activity is expected to be an A&A instrument [see **ADS 302.3.4 - Acquisition Planning** and **ADS 303.3.2 - Required Procedures for Assistance**], or non-A&A type mechanism such as a partner government agreement (G2G), a finance instrument issued by the DFC, etc.); and

5) For planned Government-to-Government (G2G) activities, additional parameters are described in **ADS 220.3.4.2**.

In addition, OUs are highly encouraged to consider other scope and process parameters during this phase, such as:

Overall Plan for Analysis and Stakeholder Engagement: OUs should consider their overall plan for analysis and engagement to ensure that the design is grounded in evidence (including cost-effectiveness). In making this determination, OUs should use their professional judgment regarding the type and depth of analysis and engagement needed, depending on the context and nature of the development problem, as well as the applicability of evidence gathered during the strategy or project design process, where applicable. Design Teams should consult with the Cost-Effectiveness Evidence POC during this process.

Potential sources of evidence include, but are not limited to, the following:

● Relevant analyses or analytic work conducted or reviewed during the strategy or project design processes;

● Assessment regarding the cost-effectiveness of the proposed design. OUs should review external and internal cost-effectiveness evidence relevant to the outcomes of the proposed design. This review should inform decisions throughout the design process, including selection and design of interventions, and whether additional cost-effectiveness evidence generation should be incorporated into the activity design to address key evidence gaps. See **ADS 201sas** for further guidance on how Design Teams can draw on support from the OCE and Cost-Effectiveness Evidence POCs.

● New analyses conducted or commissioned by the Design Team; e.g., **political economy analysis**; **cost-benefit analysis**; **Guide to Countering Corruption Across Sectors**; **inclusive development analysis**; **Digital Ecosystem Country Assessment**; **exploratory and stocktaking**

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

contextual analyses etc. (see **Additional Help: Compilation of Analyses and Assessments** for a more complete list);

- Evaluations, analyses, monitoring data, and lessons learned from prior projects and activities, including those conducted by other donors;

- Sector-specific analyses, assessments, studies, or data conducted or disseminated by other organizations or researchers;

- Focus groups, consultations, or co-creative design processes with local stakeholders, including historically marginalized, and/or underrepresented groups and/or those made vulnerable, as well as Indigenous Peoples and others who use Indigenous knowledge, among other options; (consult **Inclusive Development-Additional Help for ADS 201** and its associated toolkit; and)

- Geospatial data that combines location data with attributes (e.g., attributes in the development context or from the implementation of previous projects or activities, etc.).

- Level of resources and capabilities, including data and analytics, of other USG Agencies.

Plan for Co-Creative and Collaborative Approaches to Design: To strengthen local engagement and ownership, and/or invite new ideas or approaches, OUs may consider pursuing a more co-creative or collaborative approach to design. If co-creation is contemplated, OUs should draw upon available resources to determine how and when co-creation will fit into the design process, and how it will advance the design objectives. There are also various resources that can help inform the choice of co-creation format and venue. Depending on the approach, this may include a Broad Agency Announcement (BAA), which is used for research and development or Notice of Funding Opportunity (NOFO), among other examples. See USAID's **A&A Strategy** and **Discussion Note: Co-Creation and Co-creation Toolkit** for additional guidance on the wide range of approaches and tools to advance co-creation.

Plan for Mandatory Analyses: OUs should also consider their plans for conducting or reviewing mandatory analyses, as applicable, that must inform the activity design:

- Gender: Per **P.L. 115-428** and **ADS 205**, OUs must ensure that gender analysis shapes strategies, projects, and activities as applicable. To implement this mandate, USAID (i.e., USAID staff or through a contractor) must conduct a gender analysis prior to, or during, the design of all "activities," as defined by ADS 201. Examples of activities include contracts, grants, or cooperative agreements with international or local organizations,

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

among others. USAID staff or contractors may conduct the activity-level analysis. The analysis can draw on data from other recent analyses, but a new analysis should be completed.

- Environment: Per **22 CFR 216** and **ADS 204**, OUs must identify, assess, avoid, and mitigate, as appropriate, the potential environmental impacts of all USAID activities, unless otherwise exempted. As part of this mandate, OUs must complete an environmental review that covers the activity at the earliest point during the design process in which a meaningful review can be conducted so that it can inform the activity design as appropriate. Based on this review, OUs must prepare an Initial Environmental Examination (IEE) or a Request for Categorical Exclusion for approval by the Mission Director (if in a Mission) or the Office Director (if in Washington), with final concurrence by the responsible Bureau Environmental Officer. For those activities that have the potential for a significant effect on the environment—i.e., those described in **22 CFR 216.2(d)** or that have a positive threshold determination—an Environmental Assessment (EA) may be required in addition to, or in lieu of, an IEE. If there is not sufficient information upon which to complete a meaningful review during the design process, the IEE may defer the threshold determination to a specified pre-award or post-award juncture, but in no event later than the onset of major programmatic implementation.

- Climate Risk: Per **Executive Order 13677**, **Executive Order 14008**, and **ADS 201mal**, OUs must assess climate-related risks for all USAID investments (unless otherwise exempted in **ADS 201mal**); and incorporate climate risk management (CRM) measures into the design and implementation of activities, if applicable (e.g., into a Statement of Work; Environmental Mitigation and Monitoring Plan; Activity Monitoring, Evaluation and Learning Plan, etc.). Missions must implement this requirement through a mandatory climate risk screening during strategy development (see section **201.3.2.11** and **ADS 201mat**), and, if applicable, a more-rigorous climate risk assessment for sectors or areas identified in the strategy as moderate or high risk during project or activity design. Much like the mandatory environmental review (see above), Missions must conduct applicable assessments at the earliest point during project or activity design in which meaningful analysis can be conducted so that it can inform the design as appropriate. Missions and other OUs must document findings from climate risk assessments, along with associated CRM approaches where applicable, in the relevant environmental compliance document associated with the activity (e.g., an IEE). Where CRM is not applicable because either an activity-level or higher-level assessment identified low risks for the sector/area/activity, the relevant environmental compliance document must certify this finding. If there is not sufficient information upon which to complete a meaningful assessment during the design process, such document may alternatively approve a

deferral, in part or full, to a specified pre-award or post-award juncture, but in no event later than the onset of major programmatic implementation.

- Social Impact Risk Initial Screening. Missions must conduct an initial screening of the social impact of their activities to identify where more systematic Social Impact Assessments (SIAs) may be necessary to adequately understand the social impact and/or unintended consequences of a new design; and to help Missions plan for, mitigate, or monitor potential adverse social impacts. Missions must use the **Social Impact Risk Initial Screening and Diagnostic Tools (ADS 201mbf)** for such purposes. When Indigenous Peoples are stakeholders of the activities, the OU must document an analysis of the potential impact on Indigenous Peoples (see **Policy on Promoting the Rights of Indigenous Peoples**). Additional technical assistance, guidance, and support for more systematic social impact analysis is available at: **socialimpacts@usaid.gov**.

Monitoring, Evaluation, and CLA: OUs should identify any monitoring, evaluation, and/or CLA plans that must be incorporated into the design (e.g., learning or data needed for the PMP, the annual PPR or, if applicable, a PDD). This is particularly important if such plans create a need to collect indicator baseline data before major implementation begins or plan an impact evaluation in parallel if the activity includes an innovative approach.

Special Requirements/Processes: OUs should identify any instrument, sector, or country/region-specific requirements/processes, as applicable, that require special planning. See **Additional Help: List of Pre-Obligation Requirements for New Activities** for a general list of requirements, most of which are contingent on the sector or type of instrument, among other scenarios. Examples include an **Activity Approval Process for Activities ≥ $100 million (ADS 201mbe)**, a construction risk screening if an activity has a construction component (see **ADS 201maw**), a "key considerations" assessment if the activity will be implemented in a politically sensitive country (see **ADS 201may**), or a G2G risk assessment if the activity will be a G2G mechanism (see **ADS 220**). OUs should also consult with their RLO/GC POC, their Program Office, and/or OAA for further guidance.

Resource Implications Associated with the Design: OUs should plan/budget for any estimated costs associated with the design process (e.g., the time and cost of commissioning analyses, collecting a baseline, funding temporary duty travel, using co-creation or other consultative approaches, etc.).

Timeline and Benchmarks: OUs should consider the timeline and benchmarks for completing the analytic and other steps necessary to complete the design process.

Activities Scheduled for Concurrent Design (if applicable): OUs should consider any activities to be designed concurrently, particularly if such activities will jointly

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

contribute to a higher-level result in a project. This is encouraged, where feasible, to minimize lead times and ensure that activities are designed to complement one another. If OUs exercise this option, they may also approve these activities jointly within a single AAM (see **ADS 201mai, Activity Approval Memorandum (AAM)**).

Check-Ins During the Design Process: OU management should consider whether to require any check-ins during the design process. In some cases, OU management may require a review of the Design Team's concept, or development of an early concept paper, to ensure that the design is on track. As described earlier in this section, OUs should balance the time and effort associated with any extra clearance or review processes with the level of resources, complexity, and strategic importance of the activity.

201.3.4.5 Phase Two: Activity Design Process for Acquisition and Assistance (A&A) Activities
Effective Date: 05/16/2024

During Phase Two of an activity design process, OUs design an activity based on the parameters identified during Phase One and the preliminary instrument or mechanism type that was selected. This section provides guidance on designing A&A activities that will be implemented by contractors or recipients:

- See **Section A** for guidance on designing an activity in which the successful contractor/recipient will be selected through a competitive, single-phase process of solicitation and evaluation.

- See **Section B** for guidance on other types of A&A instruments.

A. A&A Instruments that are Procured Based on a Competitive, Single-Phase Solicitation Process

The following table reflects a typical process for designing an activity in which the successful contractor/recipient will be selected through a competitive, single-phase solicitation and evaluation/selection process. The exact process will vary depending on the circumstances and instrument. As such, the intermediary results reflected in this table are not necessarily sequential or universal, and teams should adapt these guidelines as appropriate. For further guidance on this process, see **ADS 201mba, Activity Design Process for Acquisition and Assistance Mechanisms**.

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

KEY RESULTS	KEY SUB-RESULTS
A. Analytic Design Process Conducted	Strategy, PDD, and other Agency policies reviewed, as applicable Mandatory analyses (gender; social impact; and environment climate risk, where applicable) conducted Other sources of evidence reviewed/analyzed (including cost-effectiveness evidence, where feasible and relevant) Design/solicitation approach identified Selection of instrument considered (deferring to CO/AO authority to approve the selection of instrument) Market research conducted (Individual Acquisition Plan, if applicable, see **ADS 300.3.5.3**)
B. Activity Description Developed; Cost Estimate Constructed/Budget Established	Activity Description for solicitation developed (see **Types of A&A Activity Descriptions**) Independent Government Cost Estimate Developed/Budget Established
C. Activity Approval Memorandum (AAM) approved by Mission Director/AA/Designee/Other Authorized Official	AAM approved by authorized official If applicable, Action Memorandum signed by the respective authority on Restrictions to Eligibility per **ADS 303.3.6.5**. If applicable, AAM concurred by Agency Leadership Review for activities at or above $100 million (see **ADS 201mbe, Activity Approval Process for Activities ≥ $100 million**)

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

KEY RESULTS	KEY SUB-RESULTS
D. Remaining Pre-Obligation Requirements Completed, as Applicable; Requisition Created in GLAAS	Remaining inputs for solicitation developed Remaining pre-obligation requirements addressed, as applicable (see **A&A Pre-Obligation Requirements Checklists**) GLAAS requisition created
E. Activity Solicited and Awarded	Solicitation released Technical Evaluation/Selection Committee Memorandum developed Award with successful offeror/applicant signed

B. A&A Instruments that Result from Other than Competitive, Single-Phase Solicitation Processes

A number of other partnering and design approaches that result in A&A instruments use different design processes than that described in **Section A** above. These approaches foster flexibility, innovation, and collaboration, and can expand opportunities that are well-suited for collaboration with diverse and local partners beyond the single-phase process. These include, but are not limited to, the following:

● Multi-Phase Solicitation Approaches : Multi-phase solicitation approaches refer to A&A solicitations in which OUs select offerors/applicants based on a multi-step process of solicitation and evaluation (e.g., a first-phase request for concept papers followed by a second-phase invitation to produce a full proposal or application). This may include BAAs, which are used for research and development, and NOFOs, among other examples. In these cases, the initial solicitation often broadly focuses on a given development problem to maximize the opportunity for innovation. In addition, Design Teams, led at this stage by the CO/AO, often collaborate closely with offerors/applicants during the solicitation process to develop or refine promising proposals or applications. During the initial design phases, communication and concepts can be accepted in languages other than English to enhance communication with a broad and diverse set of actors. However, USAID is required by federal regulation to accept final applications in English only. As described in the Agency's **Acquisition and Assistance Strategy**, USAID highly encourages OUs to use these approaches, when appropriate, to support greater innovation and **co-creation**. These

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

approaches can also help reduce barriers to entry for local, new, and underutilized partners.

Because these solicitations use a multi-phase process, the process outlined in **Section A** is not applicable. However, OUs should use aspects of this guidance as appropriate. OUs should also leverage the Phase One: Activity Design Planning period (see section **201.3.4.4**) to outline a customized design process. In all cases, OUs must approve these activities through AAMs (see **ADS 201mai**). For these mechanisms, the "Activity Description" annexed to the AAM may be the Concept Note/application that emerges from the co-creation process.

- Unsolicited Proposals/Concept Papers/Applications: Unsolicited proposals (for acquisition) or unsolicited concept papers/applications (for assistance) refer to written requests for funding for new or innovative ideas that are submitted at the initiative of an offeror/applicant for purposes of obtaining a contract or assistance award with USAID (see **ADS 302.3.4.7** for unsolicited proposals and **ADS 303.3.5.5** for unsolicited applications for additional guidance).

  Because these activities do not use a design process initiated by USAID, the guidance in **Section A** is not applicable. However, OUs must still approve these activities through AAMs, customized as appropriate (see **ADS 201mai**).

- Field Mechanisms: Global or "Field Support" mechanisms refer to A&A agreements that are managed by Washington OUs and that OUs buy into using Operating Year Budget (OYB) transfers for a given fiscal year. While Washington maintains the managerial lead for these types of agreements, CORs/AORs typically work closely with Activity Managers in-country to ensure their successful implementation. For these reasons, when an overseas OU decides to access a global mechanism, it is considered to be a country-based "activity" in this guidance and must advance intended results in the strategy and/or PDD, as applicable.

  Missions should use their professional judgment—based on the mechanism and circumstances involved—to determine whether, or the degree to which, an analytic design process is appropriate in these cases. However, at a minimum, Missions must approve multi-year global support activities through AAMs, customized as appropriate (see **ADS 201mai**). Approval through an AAM: 1) provides Mission management with an opportunity to review and approve the Activity Description (however defined); and 2) documents compliance with applicable pre-obligation requirements described in **ADS 201mai**, which Missions are often responsible for addressing. (In some cases, Missions may request that Washington-based CORs/AORs provide supporting documentation on pre-obligation requirements). As described in **ADS 201mai**, Mission Directors may delegate authority to approve AAMs to the extent appropriate (e.g., to an Office Director for activities under a certain threshold).

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

There are two exceptions to the requirement to approve country-level global support through an AAM: 1) transfers for evaluations, assessments, and other management and support services are exempt because they do not directly generate programmatic results and, therefore, are not an "activity" as defined herein; and 2) activities with a total investment length of less than one year are exempt because they are otherwise approved through an annual (Country, Malaria) Operational Plan. However, Missions are still responsible for satisfying applicable pre-obligation requirements.

201.3.4.6   Phase Two: Activity Design Considerations for Non-A&A Activities
Effective Date: 05/16/2024

As described in section **201.3.4.5**, during Phase Two of an activity design process, OUs design an activity based on the parameters identified during Phase One and the preliminary mechanism type that was selected. This section describes a number of partnering approaches beyond A&A agreements to achieve identified development results. This section also provides links to additional guidance to inform these design processes.

These mechanisms include the following:

● Partner Government Implementing Mechanisms: Partner government implementing mechanisms, also known as G2G agreements, refer to direct funding agreements with partner governments and employ a variety of funding mechanisms (see **ADS 220.3.5**).

OUs must complete a risk assessment before engaging in a design process with a partner government. Completion of this process and associated requirements is the basis for the Mission Director's approval of the use of partner government Systems as part of the AAM that permits a Partner Government Systems Team (i.e., the Design Team) to proceed in finalizing the agreement. These requirements include a Risk Mitigation Plan and Capacity Development Plan, if applicable. They also include other requirements identified in Section 7031 of the annual appropriations act.

For additional guidance, see **ADS 220**.

● Innovation Incentive Award Authority: Also known as USAID's Prize Authority, this is a non-A&A pay for results tool that allows USAID to make direct, no-strings attached awards to individuals and organizations to a) encourage and reward the development of solutions for a particular, well-defined problem related to the alleviation of poverty; and/or (b) help identify and promote a broad range of ideas

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

and practices facilitating further development of an idea or practice by third parties.

For additional guidance, see the **Standard Operation Procedure (SOP) for USAID Missions to Disburse Prize Awards** or contact **epic@usaid.gov**.

- Agreements with PIOs and Bilateral Donors: Agreements with PIOs refer to funding agreements with organizations composed of multiple member states (e.g., the United Nations), while agreements with bilateral donors refer to funding agreements with other donor governments that provide development assistance.

  These type of agreements help put into practice the Agency's commitment to donor coordination and multilateralism, consistent with and in furtherance of the spirit of, the **Paris Declaration on Aid Effectiveness**, the **Accra Agenda for Action**, the **Busan Partnership for Effective Development Cooperation**, the **Nairobi Outcome Document**, and the **Department of State-USAID FY 2022-2026 Joint Strategic Plan**.

  For additional guidance on PIOs, see **ADS 308**. For additional guidance on grants to bilateral donors that provide development assistance to a third country, see **ADS 351**.

- Interagency Agreements (IAAs) under Section 632(b) of the FAA, as Amended: Agreements under Section 632(b) of the FAA are a particular type of IAA in which USAID obtains the services or facilities of another U.S. Government department or agency to carry out the purposes of the FAA. One basis for engaging another Federal department or agency under Section 632(b) of the FAA is to carry out an inherently governmental function, as defined in **Office of Management and Budget (OMB) Circular A-76**.

  For additional guidance on these agreements, see **ADS 306, Interagency Agreements**.

- Tools of the U.S. International Development Finance Corporation (DFC): The DFC offers a range of legal instruments that can help mobilize private capital in support of USAID's development objectives. The DFC's tools include loan guarantees, direct loans, political risk insurance, and equity investments.

  The **Better Utilization of Investments Leading to Development Act of 2018 (BUILD Act)** established the DFC. The DFC's suite of tools replaces and expands USAID's previous Development Credit Authority (DCA).

  To access the DFC's tools, initiating Missions/OUs should consult with their designated DFC Liaisons and/or the Private Sector Engagement (PSE) Hub in the Bureau of Inclusive Growth, Partnerships, and Innovation (IPI). Section

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

1434(j) of the BUILD Act provides USAID the authority to transfer appropriated funds to the DFC as a subsidy for access to DFC loans and loan guarantee products.

For additional guidance, including guidance on the subsidy transfer process, see the **DFC-USAID Field Manual**, as amended.

● Department of Defense Resources and Capabilities: Contact the CPS/Office of Civilian Military Cooperation (cmc.services@usaid.gov) to be connected with USAID staff at Department of Defense combatant commands or the Pentagon and to learn about available mechanisms to coordinate with the Department of Defense.

In all cases, OUs must approve activities through AAMs (see **ADS 201mai**), customized as appropriate, and ensure that they satisfy relevant pre-obligation requirements. See **Additional Help List of Pre-Obligation Requirements for New Activities** for a general list of requirements, many of which are contingent on the sector or type of instrument, among other scenarios.

201.3.4.7   Phase 3: Activity Implementation
Effective Date: 05/16/2024

Activity implementation typically commences with the signing of an agreement between the Agency and the partner or awardee. During implementation, CORs/AORs/GATRs (and other managers, depending on the mechanism type) perform their delegated authorities and roles as described in section **201.3.4.8(B)**.

201.3.4.8   Delegations of Authority and Other Roles in Activity Implementation
Effective Date: 05/16/2024

A. Obligating Officials

At USAID, certain officials—sometimes referred to as "obligating officials"—have Delegations of Authority (DOA) to sign, negotiate, amend, and administer different types of instruments/mechanisms. There are two paths for DOAs: one that flows from the Director of M/OAA (as the Senior Procurement Executive, Chief Acquisition Officer, and Assistance Executive) and one that flows from the USAID Administrator:

1) The Director of M/OAA delegates authority to COs/AOs to administer acquisition and assistance agreements within the specific limitations of their warrants (see **AIDAR Part 701.6** for information on acquisition, and **ADS 303.2(d)** for assistance).

2) In addition, the Agency Administrator delegates authority to AAs to administer agreements with partner governments, 632(b) interagency agreements, and

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

agreements with PIOs and bilateral donors, which in the vast majority of cases, is redelegated to responsible Mission Directors (see **ADS 103.3.5.1(c)**, **ADS 103.3.8.4**, and **ADS 103.3.8.4**, respectively). The Agency Administrator also delegates authority to AAs and Mission Directors to administer A&A agreements in an amount not exceeding $150,000 (or local currency equivalent) in the aggregate (see **ADS 103.3.7.4**). These authorities do not impinge on the DOAs granted to COs/AOs.

B. Contracting Officer's/Agreement Officer's Representatives /Government Agreement Technical Representatives

As described in **Section A** above, COs/AOs have the authority to sign, negotiate, amend, and administer A&A and certain PIO agreements within the limitations of their warrants. For each activity under management, COs/AOs generally assign certain authorities to a COR/AOR for purposes of ensuring day-to-day technical and administrative oversight of the activity. Such authorities differ depending on the nature of the relationship (acquisition versus assistance) and which duties the CO/AO has decided to delegate. This DOA occurs through a signed designation letter addressed to a specific individual.

For other types of agreements (e.g., partner agreements, PIO contributions, IAAs, etc.), an AA or Mission Director typically serves as the obligating official with the authority to sign, negotiate, amend, and administer the agreement. Like COs/AOs, AAs and Mission Directors also typically delegate certain authorities for day-to-day technical management; however, the nature of the relationship can be quite different, depending on the mechanism. For partner government agreements, such delegation is to GATR through a signed designation letter. However, the Mission's RLO and other staff who represent different functions also often play key roles.

CORs/AORs/GATRs must closely review and follow all responsibilities, core functions, and limitations, as stated in their designation letter, and file required documentation in the **Agency Secure Image and Storage Tracking (ASIST) System**, the Agency's official electronic repository for all A&A award documentation. (See **ADS 302**, **ADS 303**, **ADS 308** and **ADS 220** for additional guidance on acquisition, assistance, PIO agreements and G2G agreements, respectively.)

COR/AOR/GATRs must:

- Oversee their activities in accordance with their delegated authorities and the terms of the award or agreement;

- Monitor, evaluate, and learn from activity implementation, reflect on progress, and identify course corrections as needed to advance activity-level results (see section **201.3.4.9** on monitoring, evaluation, and CLA during implementation);

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

- Monitor or oversee the implementation of identified approaches/mitigation measures from mandatory analyses (gender, environment, climate risk); and

- Work with the CO/AO and/or other officials (depending on the type of instrument) to close out the agreement (**ADS 302sat** for A&A awards and **ADS 220** for G2G assistance), while ensuring that knowledge and learning gained during activity implementation is captured and/or shared so that it can be applied to future projects and/or activities (see section **201.3.4.12**).

In addition, CORs/AORs/GATRs/others must work with their implementing partners and other members of the project team to advance project- and strategy-level results, where applicable.To the extent feasible and appropriate, CORs/AORs/GATRs/others should facilitate joint work planning, meetings with partners, working groups, and/or other collaborative approaches to avoid duplication of effort, generate synergies, and facilitate an environment that is open to learning and adapting (see **ADS 201sam, Section 11** on project implementation).

For additional guidance and support, see the **COR/AOR Hub**, and the **G2G Resource Library pages on ProgramNet**, internal knowledge management platforms for CORs/AORs and GATRs, respectively.

C. Activity Managers

In addition to these roles with specific delegated authorities, CORs/AORs may also identify an Activity Manager to assist with post-award administration and monitoring. The principal roles and responsibilities of the Activity Manager may include the following:

1) Providing support to the COR/AOR in administering the award; and/or

2) Providing support to the COR/AOR in performing monitoring functions; e.g., collaborating with the COR/AOR to conduct site visits, verify monitoring data, conduct periodic data quality assessments, and/or filing monitoring and other required documentation in **ASIST**, all in accordance with Agency policy and the award's terms and conditions.

The COR/AOR remains accountable for delegated responsibilities (see **ADS 302mar** for the COR model designation letter and **ADS 303mai** for the AOR model designation letter).

Activity Managers may be located in Washington or overseas. In the case of global or "Field Support" activities, the COR/AOR is typically located in Washington, while the Activity Manager may be overseas co-located in the country where activity implementation is occurring.

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

If the identified Activity Manager is not a U.S. Direct Hire (USDH) employee or a USAID Personal Services Contractor, the COR/AOR must consult with the CO/AO and the RLO and/or GC to ensure, among other things, that no conflicts of interest exist and that the individual would not impermissibly carry out inherently governmental functions.

201.3.4.9   Monitoring, Evaluation, and CLA During Activity Design and Implementation
Effective Date: 05/16/2024

Monitoring, evaluation, and CLA for activities should provide actionable activity-level data that can be used when planning future activities and making decisions about activity design, course corrections during current activity implementation, allocating resources, and improving activity management by the implementing partner and USAID. Activity-level data sources may include performance and context monitoring reported by the implementing partner, context data collected by USAID or third parties, activity-level risk indicators, activity location data, evaluations (internal and external), site visits, data quality assessments for activity-level indicators, cost data, audit findings, learning, and other CLA exercises.

COR/AOR/GATRs have activity monitoring, evaluation, and CLA responsibilities to track how an activity is achieving programmatic results to generate learning that contributes to the OU's strategy, and to inform the adaptation of activities based on evidence (including local feedback and, where feasible and relevant, cost-effectiveness evidence). To ensure the relevance of activity-level monitoring for broader learning, OUs should make every effort to integrate relevant PMP indicators and Standard Foreign Assistance Indicators into A&A solicitations and their awards and, as appropriate, into G2G agreements (see **ADS 220**).

Finally, COR/AOR/GATRs may utilize monitoring, evaluation, and CLA practices to inform their oversight role (see **ADS 302** and **ADS 303** for A&A awards, and **ADS 220** for G2G agreements) and improve activity management as legislated in PMIAA.

A. Activity Monitoring, Evaluation, and Learning (MEL) Plans

Activity Design Teams should work with COs/AOs to ensure that the Activity MEL Plan is a requirement in the NOFO or solicitation and subsequent award or agreement, as applicable. Activity Design Teams should also ensure that Activity MEL Plan requirements included in the award or agreement are consistent with the Mission's PMP and meet the Mission's needs for monitoring, evaluation, CLA, and collecting or managing data; external reporting requirements, such as the Mission's annual PPR; the PDD if applicable; and the program monitoring needs for the management and oversight of activities by USAID.

COR/AORs must ensure that implementing partners submit a proposed Activity MEL Plan in accordance with the terms of the award (e.g., within 90 days of an award). The

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

COR/AOR must review, approve (if such approval has been delegated by the CO/AO to the COR/AOR) and upload the Plan into **ASIST**, the Agency's official electronic repository for all A&A award documentation.

COR/AORs must ensure that activities have an approved Activity MEL Plan in place before major implementation actions begin. Under certain types of implementing mechanisms, such as Fixed Amount Awards to non-governmental organizations (see **ADS 303saj**), a milestone plan could satisfy the monitoring component of the plan. A Mission Director or, in the case of USAID/W OUs, the head of a B/IO, may approve rare exceptions to this requirement. The Mission or Office requesting this exception must document the approval in a memorandum and share it with PLR/LER and, for Missions, the relevant Regional Bureau Program Office.

In addition to any individual exceptions approved by a Mission Director or head of a Bureau/IO for individual activities, certain types of activities do not require an Activity MEL Plan. These include project and general contributions to PIOs or bilateral donors; DFC transaction agreements; program assistance-type G2G agreements; and activities exempted from activity design requirements, as outlined in section **201.3.4.2** (i.e., humanitarian and transition assistance activities and awards for management and support services, including those related to monitoring, evaluation, or CLA). Even in excepted circumstances, a MEL plan may still be required in accordance with the terms and conditions in the award. COR/AOR/GATRs should monitor the results of activities whether an Activity MEL Plan is required or not (see **DFC-USAID MEL Guidance** for more information on DFC transaction agreements).

In the case of G2G agreements and cost-type agreements with bilateral donors and PIOs, the Mission and the partner government/PIO should agree jointly to the monitoring approach, including performance indicators, as part of the agreement.

Although an implementing partner typically proposes the Activity MEL Plan, it is the COR's/AOR's responsibility to provide input on any required elements, in accordance with the terms and conditions in the award document, review the plan in coordination with the Program Office, collaborate on any necessary changes, and approve or concur with the plan.

Activity MEL Plans must include the following:

- How the activity's MEL activities contribute to compliance with the evaluation requirements in section **201.3.6.5**, if applicable;

- The monitoring approach for the activity, including any monitoring processes or information systems, and at least one relevant performance indicator for each activity-level outcome, with baseline values (or plans for collecting a baseline) and annual targets; and

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

- The plans for collecting feedback from program participants or beneficiaries, responding to that feedback, and reporting to USAID a summary of the feedback and any actions taken in response.

The Activity MEL Plan is the opportunity for the implementing partner and COR/AOR/GATR to jointly establish the processes for understanding progress towards the intended award results and opportunities for course correction. The implementing partner reports on the Activity MEL Plan through the regular progress/performance reports as established in the award.

OUs should ensure the Activity MEL Plans address the following:

- A description of the monitoring approach, including:

    - Plans to validate the activity's evidence-based theory of change during activity implementation and adapt that theory where necessary;

    - Plans for monitoring context and emerging risks that could affect the achievement of the activity's results; and

    - Plans for collecting and reporting activity location data.

- Expectations for collaboration between implementing partners and any external evaluations of the activity planned by the Mission or Washington OU;

- Any proposed internal evaluations and plans for using them to inform changes to the activity;

- Learning activities, including plans for capturing knowledge during and at the closeout of activities;

- Timeline and estimated resources for MEL actions that are part of the implementing partner's budget; and

- Roles and responsibilities for all proposed MEL actions.

OUs and the implementing partner should revise the Activity MEL Plan as needed in response to changes in the activity, context, or evidence (including cost-effectiveness evidence, where feasible and relevant) that occur during the life of the activity (see **How-To Note: Activity Monitoring, Evaluation, and Learning Plan** for additional guidance).

B. Management of Activity-Level Monitoring, Evaluation, and CLA

I. Monitoring

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

OUs must monitor implementation progress; including the quantity, quality, and timeliness of an activity's outputs; the achievement of an activity's outcomes; and ensure the quality and delivery of performance monitoring data collected by partners.

Monitoring is not limited to an activity's interventions; it also involves tracking programmatic assumptions, activity location and the operational context of the activity, including risks and opportunities, to recognize trends and shifts in external factors that may affect the activity's performance.

For each activity, OUs must do the following:

- Collaborate with the implementing partner to ensure it collects all necessary monitoring information consistent with the Activity MEL Plan to support the management and learning needs of the activity (and its associated project, if applicable). This includes:

    ○ Setting performance indicator targets and collecting performance indicator baseline data before beginning the implementation of major work;

    ○ Ensuring activity location data (see **ADS 579mab**) is collected and reported at the correct level of geographic detail (i.e., location of implementation and location of intended program participants); and

    ○ As appropriate, and in accordance with U.S. appropriations law, ensuring feedback from program participants is collected, used, and reported to the COR/AOR;

- Collaborate with the implementing partner to revise the Activity MEL Plan's indicators and targets as needed; see section **201.3.5.6** for additional guidance about changing indicators;

- Ensure Performance Indicator Reference Sheets (PIRS) are complete and sufficient, and are consistent across all activities that are collecting data for the same indicator; see section **201.3.5.6** 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 data quality assessments (DQAs) as required; (see section **201.3.5.7** for additional guidance about data quality and DQAs):

    o Missions may conduct DQAs remotely in non-permissive environments;

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

- Perform site visits to provide oversight over agreements/awards, inspect implementation progress and deliverables, verify monitoring data, and learn from implementation:

    o While each Mission and the activity's context should inform the number and frequency of site visits, in general, Missions should conduct site visits for each activity at least once every six months;

    o For poor performing activities, such as agreements or awards with audit or evaluation findings that point to moderate or high risk for waste, fraud, or abuse, site visits should occur more frequently; and

    o In non-permissive environments, Missions may use remote methods to conduct site visits;

- Within 30 days of a site visit, upload a brief report to highlight the findings from the site visit to the official award file in **ASIST**; see **How-To Note: Planning and Conducting Site Visits** for additional guidance;

- Meet, as needed, with activity stakeholders (e.g., partners, sector experts, donors, beneficiaries, and the partner government) to inform decisions on what to monitor, share and analyze monitoring information, and review progress;

- Analyze and use performance, risk, and context monitoring information to learn, inform management and other decisions, and adapt interventions; and

- Analyze performance monitoring indicator data to identify any gaps among historically marginalized and/or underrepresented groups and/or people made vulnerable (the extent to which different marginalized groups, such as non-dominant ethnic groups, persons with disabilities, LGBTQI+ people, among others, participate in and benefit from activities) and determine whether to adapt interventions to address those gaps. (For guidance, consult **Additional Help for ADS 201: Inclusive Development** and its associated toolkit.

For additional guidance about performance and context monitoring, see section **201.3.5.4**.

II. Evaluation

Sections **201.3.6.7** and **201.3.6.8** describe the procedures for planning and implementing an evaluation. OUs should plan evaluations of agreements or awards during the process of designing projects and/or activities. When USAID needs information on whether an intervention is achieving a specific outcome, the Agency strongly prefers impact evaluations, including cost analysis that enables a comparison of the cost-effectiveness of the intervention to that of other interventions. OUs must plan

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

impact evaluations of specific interventions during the activity design process to accommodate parallel implementation of the evaluation. If an OU plans an impact evaluation, activity planners must work with AOs/COs to include language about the evaluation in the solicitation for the activity undergoing an impact evaluation. However, OUs may decide to initiate a performance evaluation at any point during implementation, particularly if new information arises to indicate that an evaluation is appropriate for accountability or learning purposes.

AORs/CORs/GATRs should actively engage with the implementing partners of agreements or awards being evaluated to ensure they are collaborating productively with external evaluators. AORs/CORs/GATRs should inform implementing partners as early as possible if their activities will be evaluated and must share the draft and final designs of the evaluation design by the evaluation team with the implementing partner for feedback.

AORs/CORs/GATRs should also ensure that implementing partners are facilitating full, transparent, and timely access to data, documentation, personnel, and key stakeholders as appropriate for the completion of an evaluation. Following the completion of an evaluation, 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 section **201.3.6.10**). OUs must also ensure that the implementing partner delivers evaluation data and information to USAID as specified in the award, and in accordance with Agency standards for the management and submission of data (see **ADS 579** for additional guidance).

III. Collaborating, Learning and Adapting (CLA)

OUs should facilitate an intentional approach to CLA, both within the boundaries of the activity as well as within the project to which the activity contributes, if applicable. Potential approaches include, but are not limited to, the following:

- Having partners identify opportunities to test and explore the activity's theory of change, and/or identify gaps in their technical knowledge base, including gaps in knowledge about an intervention's cost-effectiveness:

  ○ OUs should support partners in identifying and implementing ways to fill these gaps, including through monitoring, evaluation, and other sources of learning;

- 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 could focus on challenges and successes in implementation to date; changes in the operating environment or context that could affect programming; new evidence (including evidence of cost-

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

effectiveness, where feasible and relevant), whether from internal or external sources that could affect the OU's confidence in the programming approach; opportunities to better collaborate or influence other actors;, emerging risks that threaten the achievement of objectives; and/or other relevant topics;

● Encouraging partners to collaborate, where relevant (or requiring it by including language in awards):

   ○ Collaboration approaches could include joint work planning, regular partner meetings that facilitate knowledge and/or data sharing, and/or working groups organized along geographic or technical lines. These activities require time and resources, and the OU should ensure implementing partners have the appropriate resources available to participate;

● Involving implementing partners in the OU's learning activities, such as portfolio reviews or stocktaking efforts, as appropriate; and

● Using the knowledge and learning gained from implementation; opportunities to reflect on performance; monitoring data; evaluations; knowledge about the context, risks, and opportunities; and other sources to adjust interventions and approaches as needed.

For more information, see **Incorporating CLA into the Procurement Process, Incorporating CLA into Solicitations** and **Incorporating CLA in Activity Management**.

201.3.4.10   Resource Management During Activity Implementation
Effective Date: 05/16/2024

Resource management plays a key role in managing the performance of activities in support of activity-, project-, and strategy-level results (as applicable). For this reason, resource management spans organizational boundaries and is not the responsibility of any one office or function.

In Missions, the Program Office typically plays a lead role in formulating budget requests, planning obligations, and processing allowances prior to obligation of funds. The Office of Financial Management (OFM), in collaboration with the CFO in the M Bureau, typically plays a lead role in managing obligations and expenditures after obligation.

CORs/AORs/GATRs—in collaboration with the Program Office, OFM, and others—are typically responsible for managing the financial aspects of individual activities. The nature of this collaboration will vary depending on a Mission/OU's staffing levels and

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

organizational footprints. Roles and responsibilities typically include, but are not limited to, the following:

A. Financial Analysis and Management

CORs/AORs—in collaboration with the Program Office and OFM—must identify, project, and analyze trends and relationships of key financial data throughout the life of an activity. CORs/AORs and others should use this data to manage activity-level performance and ensure the strategic allocation of resources in view of such performance.

Key financial terms include, but are not limited to, the following:

- Accrual—The estimated cost of goods and/or services or other performance received, but not yet paid for, by the Agency.

- Burn Rate—The rate at which the implementing partner is making expenditures under an agreement, usually quoted in terms of average expenditure per month during a given period of time.

- Commitment (or Sub-Commitment)—An administrative reservation of funds in anticipation of their obligation.

- Disbursements—The actual payments made by the Agency for goods and services or other performance under an agreement.

- 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. Expenditures equal accruals plus disbursements. Expenditures can offer a valuable indicator of activity progress in monetary terms.

- Forward Funding—Obligations, typically from funds in the final year of the period of availability, to cover the cost of goods and services that the Agency will receive in a subsequent fiscal year.

- Mortgage—The difference between the total authorized level of funding (Total Estimated Amount/Total Estimated Cost) and the cumulative total amount of funds obligated to a particular activity.

- Obligation (or Sub-Obligation)—A term of appropriations law that means some action that creates a definite commitment, or that creates a legal liability of the U.S. Government for the payment of funds for specific goods or services ordered or received.

- Pipeline (or Unliquidated Obligations)—The difference between the total amount obligated into an award or agreement and the total expenditures against that award or agreement.

- Total Estimated Cost/Amount (or Ceiling)—The total authorized level of funding under an award/agreement.

B. Administrative Approval of Payments

CORs/AORs/GATRs must perform the administrative approval of voucher payments submitted under USAID-funded agreements. For acquisition and assistance awards, CORs/AORs must provide administrative approval that: 1) the payment request conforms to the award or work plan (and where applicable, technical direction thereunder); 2) for contracts, that the contractor has rendered, and the Agency has received, the goods or services as described in the request; and 3) that payment is in order. CORs/AORs/GATRs should submit the administrative approval form with or without approval to the OFM payment office within five business days after receipt.

For additional guidance, see **ADS 630, Payables Management**.

C. Quarterly Pipelines

CORs/AORs/GATRs—in collaboration with OFM—should review activity pipelines each quarter and update the Pipeline Adjustment Tool as necessary. Reviewing pipelines is a key part of analyzing trends and relationships of key financial data throughout the life of an activity.

D. Quarterly Reviews

In Missions, CORs/AORs/GATRs must contribute to periodic Mission-wide financial reviews managed by OFM. Missions typically conduct these reviews quarterly to align with the Agency's financial reporting cycle. Financial reviews are an important tool for Missions to review implementation progress in financial terms. This includes reviewing the status of the budget, obligations, expenditures, and pipeline, as well as identifying de-obligations/re-obligations and proposed reallocations to the budget. Financial reviews should also help inform formulation of budget requests managed by the Program Office, including the Mission Resource Request/Bureau Resource Request, the Congressional Budget Justification, and the Operational Plan for the OU. (See the webpage of the **State Department's Bureau for Foreign Assistance's (State/F)** on USAID pages for annual guidance.)

E. Incremental and Forward Funding

CORs/AORs/GATRs—in close collaboration with the Program Office and OFM—must request and manage incremental funding over the life of the activity. Incremental

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

funding refers to an obligation (or sub-obligation) of appropriated fiscal year funds into an activity-level agreement to support future expected payments over a specified period. Requests for incremental funding should be based on a number of factors, including:

- Projected Expenditures and Existing Pipelines: CORs/AORs/GATRs should base requests for incremental funding on projected expenditures and existing pipelines to ensure that an adequate level of resources is available to support implementation over a specified period. If pipelines are not adequate to finance projected expenditures during the fiscal year, there is a risk that new funds will not be available at that time to avoid slowing down or ceasing activity implementation.

- Activity Performance and Resource Allocation Considerations: CORs/AORs/GATRs—in close collaboration with Project Managers, where applicable, and the Program Office—should consider overall resource allocations in view of an activity's performance, competing funding priorities, and the activity's contribution to project-level and strategy-level results, where applicable.

- Forward Funding Policy: Finally, CORs/AORs/GATRs should ensure that requests for incremental funding comply with the policy on forward funding in **ADS 602**. In general, this policy states that OUs may not forward fund obligations for more than 12 months beyond the end of the fiscal year in which the obligation takes place. Because most obligations occur in the last half of the fiscal year, the upper limit of pipelines is normally not expected to exceed 18 months of anticipated expenditures for ongoing activities. The upper limit is obtained by adding 12 months to the number of months remaining in the fiscal year after the obligation is made. Exceptions to this policy directive require the approval of the responsible Mission Director or Washington OU AA. (See **ADS 602.3.3** and **ADS 602.3.5**.)

For additional guidance, see **ADS 602, Forward Funding, Program Funds**.

201.3.4.11   Activity Modifications
Effective Date: 05/16/2024

As described in earlier sections, OUs should make course corrections as lessons are learned and circumstances change to most effectively advance activity results. Sometimes these course corrections may require amendments or modifications (hereinafter referred to as "modifications") to the underlying award or agreement. Agreement modifications may include adjustments in the scope, budget, ceiling, or key personnel outlined in the agreement, among other examples. OUs should consult with their CO/AO regarding requirements and limitations related to modifying or amending awards. For most A&A mechanisms, OUs must submit these actions through GLAAS for approval and execution.

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

OUs are not required to modify AAMs to execute these modifications. Per section **201.3.4.8**, final authority to approve, negotiate, and/or sign modifications of A&A awards rests with the CO/AO or other obligating official with delegated authority. However, while not required, OUs may determine that certain types of activity-level changes—such as a proposed modification to significantly change an activity's scope or deliverables—should be cleared through the Program Office, the Project Manager, and/or other parties in the OU with equities before submitting them to the CO/AO/other with delegated authority. OUs may require that these changes be cleared through a modification to the AAM or another process that is more efficient.

201.3.4.12   Phase 4: Activity Closeout
Effective Date: 05/16/2024

When an activity concludes, OUs must execute formal closeout procedures. Closeout procedures allow the Agency to "close the file" officially on an activity or agreement programmatically and financially.

For A&A awards, COs/AOs are responsible for closing out agreements and should provide guidance to CORs/AORs on their roles in this process. Although COs/AOs lead this process, CORs/AORs play an important role in coordinating with OFM to de-obligate funds, or with M/CFO in the case of activities funded and managed by Washington. Both COs/AOs and CORs/AORs must also ensure that all final acquisition and assistance documentation, from planning and pre-solicitation through closeout, is filed in **ASIST** in accordance with the **ASIST & File Standardization Guide**. For further guidance on closeout procedures, see **ADS 302sat, Guidance on Closeout Procedures for A&A Awards**, **ADS 220** for G2G agreements, and the relevant COR/AOR/GATR designation letter.

As part of the closeout process, OUs should also consider how to capture and share the knowledge and learning gained during activity implementation, including how to apply such lessons learned to future projects or activities. OUs may document this information in a written final report, an evaluation, a conference/event, a video, or online materials, among other options. If produced by the implementing partner, OUs must ensure that the partner has planned and budgeted for these learning materials in advance, in accordance with the terms of their agreement.

201.3.5   Program Monitoring
Effective Date: 05/16/2024

Program monitoring is the ongoing and systematic tracking of data or information relevant to USAID's strategies, projects, and activities. OUs must consider their needs for data and information during planning and design, and at any point in the Program Cycle. Relevant data can include output, outcome, and impact measures directly attributable to, or affected by, USAID's interventions, activity location data, secondary

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

data from other institutions, local actors, or national information management systems, as well as measures of the operating context and programmatic assumptions and risks.

Monitoring is a key component of performance management across the Program Cycle, and supports continuous learning and adaptive management. Throughout strategic planning and project or activity design, Missions and implementing partners collect, analyze, and use information and data from monitoring - in combination with evaluations and other CLA approaches - to address learning priorities, understand and report progress toward results, influence decision making and adaptive management, and ultimately improve development outcomes.

A Mission's PMP describes performance management activities at the Mission level, including monitoring approaches. When planning monitoring approaches, OUs should consider how monitoring data can be analyzed alongside additional data collected through evaluations and CLA approaches to understand performance and address learning questions outlined in the PMP.

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

201.3.5.1 Applicability of Monitoring Guidance
Effective Date: 05/16/2024

The guidance in section **201.3.5** on monitoring is generally applicable to all OUs. However:

- Monitoring requirements based on CDCS or RDCS or Strategic Framework processes are only applicable to Missions with a CDCS or RDCS or Strategic Framework. However, note that Missions that do not have a strategy are still required to have a PMP that covers any programs they fund.

- Monitoring guidance on project design and implementation is only applicable to projects.

- Except as otherwise indicated, Mission Directors or heads of USAID/W B/IOs may approve exceptions to monitoring requirements for their OU. Any exceptions must be documented in a memorandum that outlines the reason for the exception, with approval by the Mission Director or, in the case of Washington OUs, head of the B/IO. All OUs must share copies of such memoranda with PLR/LER; Missions must share them with the relevant Regional Bureau. AORs/CORs/GATRs must upload copies of these memoranda into **ASIST**.

- Humanitarian Assistance, and Transition Assistance: Activities targeted at preventing, mitigating, responding to, recovering from, and transitioning from crisis are exempt from requirements related to monitoring, planning, and timing,

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

such as those related to PMPs or MEL plans. Within their monitoring efforts, OUs should ensure that these activities adhere to the quality standards for monitoring as feasible. These activities include the following:

- o Activities funded and/or managed by BHA, including emergency and non-emergency programs such as, but not limited to those outlined in **ADS 251**; and

- o Activities managed by CPS/OTI, or activities funded with the Complex Crises Fund (CCF) that are managed by Missions.

201.3.5.2 Monitoring Principles
Effective Date: 05/16/2024

- Plan Early: OUs must plan for monitoring while developing strategies and designing projects and activities. Consideration should be given to information needs and priorities identified by local stakeholders. Missions must document plans for monitoring in their PMP and work with partners to include them in Activity MEL Plans, which must be uploaded into **ASIST**.

- Collaborate: Monitoring is more effective when it is locally led or involves local stakeholders, host country partners, implementing partners, program participants and other development actors. Wherever possible, OUs should plan monitoring efforts in such a way that leverages and strengthens local capacity, aligns monitoring priorities across donors and other development partners, ensures access to relevant information systems and data sources through data sharing agreements, and promotes continuous learning and aid effectiveness. These efforts may include engaging local actors to lead the process of defining and measuring a common vision of success through participatory approaches, as well as using local systems and capacity for data collection and analysis. USAID encourages use of feedback loops to strengthen accountability to local communities and constituents and generate learning that is valued by and accessible to members of the communities served.

- Adequately Resource: OUs must include adequate funding and personnel resources for monitoring work in their strategies, projects, and activities, including, as appropriate, funds for managing and gaining access to data and strengthening capacity among local partners. Missions should plan for approximately three to ten percent of program funds for monitoring work, on average, not including additional funds set aside for evaluation and additional CLA activities.

- Be Practical and Efficient: OUs should only collect and report on the information that is directly useful for management decision making or reporting purposes. Wherever possible, OUs should avoid collecting data that are already available

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

through other verifiable sources. OUs should prioritize collecting information and data that are relevant and useful to local partners and stakeholders (e.g., geographically-disaggregated indicator data) and consider the burden placed on those responsible for data collection and reporting. OUs should also prioritize information to validate and adapt the activity's theory of change during implementation.

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

● Be Responsible and Ethical: Collecting and using information and data responsibly includes protecting participants and human subjects from harm, obtaining informed consent to collect and use data, safeguarding individual privacy and security, protecting the sensitive information of people in vulnerable situations and marginalized populations, and applying high ethical standards to decide what information to collect and how to use it.

201.3.5.3   Mission and Washington Operating Unit Roles in Monitoring
Effective Date: 05/16/2024

Each Mission and USAID/W OU Program Office must identify a POC that will lead processes and good practice in monitoring; ensure compliance with ADS policies on monitoring across the breadth of the Mission's and USAID/W OU's projects and activities; and interact with the POCs in Regional and Technical Bureaus and with PLR/LER.

● Mission Program Office: At Missions, the Program Office supports Mission Technical Offices in monitoring throughout the Program Cycle, ensures compliance with monitoring requirements, promotes best practices for utilizing monitoring information during implementation, and supports consistency across monitoring plans. The Program Office maintains the Mission PMP and PIRS (see sections **201.3.2.15** and **201.3.5.6** for additional guidance about a Mission's PMP and PIRS). The Program Office is responsible for leading the annual PPR process.

● Mission Technical Offices: Mission Technical Offices are responsible for monitoring throughout the Program Cycle, including by working with the Program Office and partners to develop, review, and approve monitoring plans, develop or select indicators (in collaboration with local actors, where possible), conduct appraisals of relevant secondary data sources to determine their appropriateness for monitoring needs, ensure the collection and maintenance of data, conduct DQAs, ensure data are of sufficient quality, analyze data for decision-making and adaptation, and share and report data as appropriate.

● USAID/W OUs: USAID/W OUs support Missions (consistent with the "**Agency Approach to Field Services (AAFS)**") in fulfilling monitoring requirements by

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

providing technical support in selecting appropriate indicators, assisting in the development of Mission-wide PMPs and Activity MEL Plans, supporting data quality, and reviewing annual PPR data.

USAID/W OUs, not including those with exemptions, must follow monitoring guidance described in sections **201.3.5.1** through **201.3.5.7** for any of the projects or activities that they implement. Regarding global agreements (e.g., "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 activity.

For detailed information about staff roles and responsibilities for monitoring, see **ADS 201sal, Staff Roles and Responsibilities for Monitoring, Evaluation, and Learning**.

201.3.5.4   Types of Program Monitoring
Effective Date: 05/16/2024

A. Performance Monitoring

OUs must monitor performance throughout their strategies, projects (as applicable), and activities. Performance monitoring is the ongoing and systematic collection of performance indicator data and other quantitative or qualitative information to oversee implementation and understand progress toward results. 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 activity, project, and strategy outcomes that are expected to result from the combination of these outputs and other factors. Performance monitoring continues throughout strategies, projects, and activities. In alignment with the Monitoring Principles, it is imperative data collection for performance monitoring purposes should adhere to a judicious and targeted approach. Collecting only essential information enhances the efficiency of performance monitoring processes and contributes to streamlined program management.

OUs should analyze performance monitoring data to inform judgments about the outputs and outcomes of programs as a basis to improve effectiveness and/or inform decisions about current and future programming. One way that OUs analyze performance is by comparing actual results achieved against the expected results and targets that were initially set at the beginning of a strategy, project, or activity. This analysis is critical in determining the progress that has been made in achieving the expected results identified in the strategy and/or project or 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. Analysis of performance monitoring data can also help the Mission address its PMP learning priorities. This analysis process should involve local actors and stakeholders.

B. Context Monitoring

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

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

Context monitoring is the systematic collection of information about the 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 an activity's location of implementation (see **ADS 579mab**), local conditions that may directly affect implementation and performance (such as non-USAID activities operating within the same sector as USAID activities) or external factors that may indirectly affect implementation and performance (such as governance, increases in humanitarian need, or macroeconomic, social, or political conditions). OUs can also source valuable information about local conditions for the design and monitoring of context indicators from local actors who possess a deep understanding of local context, culture, history, and sensitivities. When working with Indigenous Peoples and other marginalized and/or underrepresented groups, OUs should be intentional at gathering information directly from community members and leaders and not solely relying on external experts and academics (for guidance on sourcing information from LGBTQI+ individuals, see the **LGBTQI+ Inclusive Development Policy**). OUs should use context monitoring to monitor and potentially update assumptions and risks identified in a CDCS Results Framework and/or project or activity logic model. It can also provide data that helps the Mission address its PMP learning priorities.

OUs can analyze context monitoring data to form judgments 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 should use this information to help answer specific learning questions in the PMP, make management decisions and inform management actions about implementation, including when and how USAID needs to engage with other donors and partners working in the same context.

201.3.5.5   Ensuring Monitoring and Reporting are Designed for Use
Effective Date: 05/16/2024

When planning for monitoring, OUs must consider the utility of the information for management at the relevant level of decision-making, as well as the burden placed on those collecting and reporting information. OUs should identify a use and user for all monitoring data prior to collection. OUs should include local voices and values in defining and measuring success and consider local stakeholders as end-users of activity monitoring data. OUs must also ensure that the information that is collected will be of sufficient quality to be useful for intended users (see section **201.3.5.7**), obtain proper data sharing permissions, and appropriately manage data to safeguard privacy and security.

201.3.5.6   Monitoring Indicators
Effective Date: 05/16/2024

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

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

1) Performance Indicators: These indicators measure expected outputs and outcomes of strategies, projects, or activities based on a Mission's Results Framework and/or project or activity logic model. Valid measurements of performance outputs and outcomes include values, perceptions, preferences and other criteria that are both subjective and quantifiable. Performance indicators help track the extent to which a Mission or USAID/W OU is progressing toward its objective(s), but alone cannot tell a Mission or USAID/W OU why such progress is or is not being made.

Certain performance indicators are required within the Program Cycle to measure the performance of expected results that are key to a Mission or Washington OU's portfolio:

a. PMPs must include at least one performance indicator for each IR identified in the CDCS RF;

b. If an OU opts to design a project, PMPs must include at least one performance indicator for any Project Purpose, if identified in an approved PDD; and

c. Activity MEL Plans must include at least one relevant performance indicator for each activity-level outcome.

Missions should include other performance indicators in the PMP and/or Activity MEL Plan as needed to support the management of strategies, projects, and activities and associated learning needs, and to meet reporting requirements.

2) Standard Foreign Assistance Indicators: Standard Foreign Assistance Indicators are a type of performance indicator defined by USAID/W Bureaus to collect data from multiple OUs by using common methods and definitions. Standard indicator data allow USAID/W Bureaus to aggregate and compare results across OUs. All OUs must work with partners to collect and report data on applicable Standard Foreign Assistance Indicators as part of their annual PPR if an OU's programming is expected to produce results measured by the indicator (see the annual **Guidance for Performance Plan and Report**).

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

3) <u>Context Indicators</u>: These indicators measure factors outside the control of USAID that have the potential to affect the achievement of expected results. USAID recommends context indicators, which may be tracked at any level of an RF or logic model. Missions may use context indicators to track country/regional context; programmatic assumptions and risks of strategies, projects, and activities; and operational context. For example, key risk indicators identified during the strategy planning process to monitor external factors and uncertainties that could affect the achievement of results are a type of context indicator.

B. Selecting Indicators

Selecting indicators requires balancing several factors, including the following:

- The quantity and quality of indicator information and data needed for management decision-making and reporting on strategies, projects, and activities;

- The availability of high-quality, verifiable primary or secondary data or information;

- Inclusion, equity, and representation, especially of marginalized groups;

- The management and financial resources (i.e. burden) required to collect and analyze indicator information and data by both USAID staff and our implementers; and

- Local values, priorities, and preferences to assess and reflect a holistic picture of progress.

The Mission's PMP and 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. OUs must also select indicators as required to report results in their annual PPR or other required reporting documents or processes. OUs should design and select indicators that can meet data quality standards (see section **201.3.5.7(A)**). When selecting indicators for the PMP and MEL plans, OUs should consider how their monitoring efforts align with their chosen evaluation and CLA approaches to comprehensively generate the data needed to track performance and address learning questions outlined in the PMP.

C. Changing Indicators

During implementation, OUs may need to change, drop, or add indicators. OUs may need to adjust indicators, for example, to match changes in the scope or direction of

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

strategies, projects, and/or activities; 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, OUs should be cautious about changing performance indicators because it compromises the comparability of performance data over time.

OUs have the authority to approve changes to their PMP and 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, 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

OUs must collect and maintain indicator reference information and document that information in a **Performance Indicator Reference Sheet (PIRS) Guidance & Template** to promote the quality and consistency of data across the Agency. OUs use a PIRS to document the definition, purpose, and methodology of the indicator to ensure that all parties that are collecting and using the indicator have the same understanding of its content.

A PIRS is required for all performance indicators that are included in a PMP or Activity MEL Plan, or that are reported externally (such as in the annual PPR). The PIRS must be complete and sufficient within three months of the start of the collection of indicator data. When possible, OUs should complete a PIRS prior to data collection to ensure the clear definition of indicators and its data collection methodology. This is critical to promote data quality.

A PIRS indicator definition must be consistent across all activities collecting data for the same indicator within an OU. Other information in the PIRS should be consistent across all activities, particularly when the need to aggregate multiple instances of an indicator outweigh the benefits of allowing activity discretion. If there are differences across activities that are collecting data for the same indicator within a single Mission or USAID/W OU (for instance, different data sources, reporting frequency, or known data limitations), the OU should document these differences in the relevant fields of the PIRS. An indicator's PIRS must be accessible by relevant Mission or USAID/W 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 an OU may also store indicator reference information in an information system. **ADS 201maf, Performance Indicator Reference Sheet (PIRS) Guidance and Template** describes the required indicator reference information for performance indicators.

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

While context indicators are not required, if a Mission's PMP or Activity MEL Plan includes them, the Mission should document indicator reference information on them. A Mission may do this by completing a **Context Indicator Reference Sheet (CIRS)**, or by documenting the location of existing reference information when a third party collects the indicator data.

E. Indicator Baseline

The indicator baseline is the value of a performance indicator immediately prior to the start of the intervention or interventions that are expected to lead to a result (output or outcome) measured by that performance indicator. Baseline data enable the tracking of changes that occurred during the project or the activity among the project's or activity's target population(s).

All performance indicators are required to have baseline data. OUs should collect baseline data before the start of the intervention(s) that is expected to lead to a result (output or outcome) measured by that performance indicator. 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 time frame with a given level of resources. Targets should be ambitious but achievable given USAID (and potentially other donor or partner) inputs. Targets should also be informed by evidence.

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. OUs should maintain and update rationales for targets in a PIRS.

In coordination with COs, CORs/AORs/GATRs and activity implementing partners must establish targets for each activity-level performance indicator in an Activity MEL Plan prior to reporting actual data. OUs must document targets in the Activity MEL Plan. OUs may set targets in consultation with local actors and/or a partner government, as appropriate.

Context indicators do not have targets; however, it may be useful for OUs 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

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

Disaggregating indicator data is valuable for understanding and using indicator data. Disaggregated data are indicator data broken out by key categories of interest (such as demographic characteristics).

Each reported disaggregate of a performance indicator must have the same data type and reporting frequency as the aggregated value of the performance indicator. Each disaggregate of a performance indicator must have a calculated baseline. When useful for programming or learning purposes, disaggregated data should have a projected target (see **Disaggregating Monitoring Data** for additional guidance).

- Sex: OUs must disaggregate performance indicators by sex when measuring person-level data (see **ADS 205**).

- Geography: OUs should disaggregate indicator data by a geographical level that is feasible and useful for management purposes. Geographic disaggregation may be used to assess spatial variation in performance and/or context indicators, and help Missions track progress against inclusive development objectives (see **Monitoring Data Disaggregation by Geographic Location**, **ADS 579saa, Geographic Data Collection and Submission Standards**, and **ADS 579mab, Activity Location Data** for additional guidance).

  OUs should determine if any additional disaggregated data would be useful for effective monitoring and achievement of results. These may include age, marital status, and other possible considerations related to sector and country context. OUs should use existing evidence, and the associated evidence-based theory of change, to inform decisions about what additional disaggregated data to collect.

H. Indicator Data

OUs must store performance indicator data in an indicator tracking table or information system that allows quantitative analysis of indicator data. USAID OUs are advised to use the Agency-wide portfolio management system, the Development Information Solution (DIS) for entering and storing information on specific performance indicators when able.

Performance indicator data should include baseline values, the baseline time frame, and actual values. Standard Foreign Assistance Indicators reported in the PPR and performance indicators in Activity MEL Plans must also include targets. 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. Missions may also include context indicator data and other monitoring data in a tracking table or information system. OUs must review indicator data at least annually and should update them per the reporting frequency set in the PIRS.

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

The Agency recommends monitoring information systems or centralized indicator tracking tables that will serve as a centralized repository and enable analysis of monitoring data collected for PMPs and Activity MEL plans over decentralized tracking tables and other formats that do not enable Mission-wide analysis. OUs must protect USAID foreign assistance recipients by preventing the unauthorized access and use of Personally Identifiable Information. For additional information about the proper handling of information about individuals, see **ADS 508, Privacy Program**. For additional information about the sharing and dissemination of data that includes information about individuals, please see **ADS 579, USAID Development Data**.

201.3.5.7 Ensuring the Quality of Performance Monitoring Data
Effective Date: 05/16/2024

High-quality data are the cornerstone for evidence-based decision-making. OU Program and Technical Offices must ensure the appropriate collection, management, and reporting of data to support management needs. Data that do not meet USAID's data quality standards could cause an erosion of confidence in USAID's programs and result in poor decision-making.

A. Data Quality Standards

OUs use a variety of data sources for their monitoring needs. To ensure that performance indicator data are credible and sufficient for decision-making, OUs and implementing partners must uphold 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 bias, transcription error, or manipulation.

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

When data do not meet one or more of these standards, OUs should document the limitations and establish plans for addressing them. OUs should file the completed documentation with the relevant PIRS (see **Performance Indicator Reference Sheets (PIRS) Guidance and Template**).

B. Data Quality Assessments (DQA)

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

To ensure high-quality monitoring data, OUs must conduct a DQA for each performance indicator they report to external entities. This includes, but is not limited to, indicators reported in the PPR. OUs may not externally report any indicator data without first undergoing a DQA process. OUs must also conduct a DQA for secondary data, if reported to external entities. OUs may conduct DQAs remotely in non-permissive environments.

OUs use DQAs to do the following:

● Identify the strengths and weaknesses of performance indicator data, as determined by applying the five data quality standards above;

● Determine if the data are of sufficient quality to influence management decisions;

● Participate in, and reinforce, data quality practices to strengthen capacity and confidence by both USAID and its implementing partners in the collection and use of data; and

● Strengthen USAID's understanding of implementing partner data collection methods and activity implementation.

OUs must conduct a DQA for each performance indicator reported to external entities. The DQA must occur after the collection of the data on a new performance indicator and within the 12 months prior to the external reporting of the indicator data for the first time (such as in the PPR or external communication documents). After the initial DQA, OUs must conduct a DQA every three years thereafter, but may choose to conduct DQAs more frequently if needed.

OUs that report performance indicator data are responsible for the indicator's data quality, and must document the results of each indicator's DQA in the relevant PIRS (see **ADS 201sae, USAID Recommended Data Quality Assessment (DQA) Checklist**, **How-To Note: Conduct a Data Quality Assessment**, and **Performance Indicator Reference Sheets (PIRS) Guidance and Template** for additional guidance).

201.3.6   Evaluation
Effective Date: 05/16/2024

Evaluation uses systematic data collection and analysis of information about the characteristics and outcomes of one or more organizations, programs, policies, strategies, projects, or activities as a basis for judgments to improve effectiveness. OUs should time evaluations so they can inform decisions about current and future programming, and scope them to the appropriate level of rigor required for the strategic or programmatic decision(s) or adaptations the evaluation will inform, balancing available time and budget resources. Evaluation is distinct from assessment (which is

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

forward-looking) or an informal review of projects. When USAID needs information on whether an intervention is achieving a specific outcome, the Agency strongly prefers impact evaluations including cost analysis that enables a comparison of the cost-effectiveness of the intervention to that of other interventions.

Evaluation is a key component of performance management across the Program Cycle, and supports accountability, continuous learning, and adaptive management. Throughout strategic planning and project/activity design, OUs plan and fund evaluations and use evaluation findings - in combination with evidence gathered from monitoring and other learning activities - to address learning priorities, understand progress toward results, influence decision-making and adaptive management, and ultimately improve development outcomes.

The purpose of evaluations is two-fold: to ensure accountability to stakeholders, and to learn the most effective ways to improve development outcomes. A Mission's PMP describes performance management activities at the Mission level, including planned evaluations and how the findings will be used. When planning for evaluations, OUs should consider how evaluation findings can be analyzed to better understand performance and address learning questions outlined in PMPs or other relevant documents. Evaluation findings should be analyzed alongside additional data collected through monitoring and CLA approaches. The subject of a USAID-funded evaluation may include any level of USAID programming, from a policy to a strategy, to a project, individual award, activity, intervention, or even a cross-cutting programmatic priority.

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

201.3.6.1   Applicability of Evaluation Guidance
Effective Date: 05/16/2024

The guidance in section **201.3.6** on evaluation is generally applicable to all OUs. However:

- Evaluation requirements based on CDCSs or RDCSs, or other strategy processes, only apply to Missions and OUs with strategies.

- Except as otherwise indicated (such as exceptions to the public disclosure of evaluation reports), Mission Directors and heads of Washington Bureaus/IOs may approve exceptions to evaluation requirements. OUs must document any exceptions in a memorandum that outlines the reason for the exception, with approval by a Mission Director or, in the case of Washington OUs, the head of Bureau/IO. All OUs must share copies of approved memoranda with the Agency Evaluation Officer in PLR/LER; Missions must also share them with the M&E POC of the relevant Regional Bureau. CORs/AORs/GATRs must upload copies of such memoranda into **ASIST** when related to a specific activity.

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

- President's Emergency Plan for AIDS Relief (PEPFAR): Projects and activities funded with 50 percent or more of HIV funds are exempt from the evaluation requirements in section **201.3.6.5**. USAID is required by the terms of an interagency agreement with the Department of State to follow the PEPFAR Evaluation Standards of Practice.

- Humanitarian Assistance, and Transition Assistance: Activities targeted at preventing, mitigating, responding to, recovering from, and transitioning from crisis are exempt from the requirements in section **201.3.6.** Within their evaluation efforts, these activities should adhere to the quality standards for evaluation as feasible. These activities include the following:

  o Activities funded and/or managed by the Bureau for Humanitarian Assistance, including emergency and non-emergency programs such as, but not limited to those outlined in **ADS 251**; and

  o Activities managed by CPS/OTI, or activities funded with the CCF that are managed by Missions.

201.3.6.2   Evaluation Principles and Standards
Effective Date: 05/16/2024

Evaluations at USAID should be:

- <u>Integrated into the Design of Strategies, Projects, and Activities:</u> OUs should plan for evaluation and identify key evaluation questions at the outset to improve the quality of strategic planning and project and activity design, and to guide the collection, management, use, and delivery of data during implementation.

- <u>Unbiased in Measurement and Reporting, Independent, and Objective:</u> OUs must undertake evaluations so they are not subject to the perception or reality of biased measurement or reporting due to conflict of interest or other factors. Evaluators should strive for objectivity in the planning and conduct of evaluations, and the interpretation and dissemination of findings, to avoid conflicts of interest, bias, and other partiality.

- <u>Relevant and Useful</u>: OUs should ensure that evaluations address the most important and relevant questions about strategies, projects, or activities that cannot typically be answered alone through routine monitoring data, or other existing evaluations and studies, and that serve the informational needs of stakeholders. OUs should ensure that evaluations present information in ways that are understandable and that can inform the Agency's activities, such as budgeting, program improvement, accountability, learning, adaptation, management, and policy development.

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

● <u>Based on Best Methods of Appropriate Rigor</u>: OUs should ensure that evaluations use the most appropriate design and methods to answer key questions that generate the highest-quality, most credible data and evidence that correspond to the questions being asked, while taking into consideration time, budget, scale, feasibility, and other practical considerations. OUs must ensure that evaluations produce well-documented findings that are verifiable, reproducible, and on which stakeholders can confidently rely, while providing clear explanations of limitations. Qualified evaluators with relevant education, skills, and experience for the methods undertaken must manage credible evaluations.

● <u>Locally Led</u>: OUs should support local ownership of evaluation by enabling local actors to lead or jointly lead in evaluation design, selection of key evaluation questions, data collection, development of evaluation recommendations, and the dissemination and use of evaluation findings. Even if managed by an international organization or evaluator, OUs should conduct evaluations through respectful engagement with all relevant local stakeholders, including from marginalized and/or underrepresented groups and/or people made vulnerable. OUs should support local ownership of evaluation by enabling local actors to lead or jointly lead in evaluation design, select key evaluation questions, data collection, develop evaluation recommendations, and disseminate and use evaluation findings. Certain types of evaluation approaches (such as participatory evaluation and principles-focused evaluation) are especially conducive to involvement of local stakeholders in the evaluation process, although any evaluation methodology can be locally led or applied in a manner that prioritizes local voices. When evaluations include the collection of data and knowledge traditionally held by Indigenous Peoples, implement appropriate measures to solicit and implement their guidance on how the information can be used and disseminated.

● <u>Transparent</u>: OUs must ensure that evaluations are transparent in the planning, implementation, and reporting phases to enable accountability. Before conducting an evaluation, OUs should clearly document decisions about its purpose and objectives, key stakeholders, design and methods, and its timeline and dissemination plan. These decisions should take into consideration any legal, ethical, national security, or other constraints for disclosing information. USAID commits to full and active disclosure, and OUs should share findings from evaluations as widely as possible.

● <u>Conducted According to the Highest Ethical Standards</u>: USAID must conduct evaluations according to the highest ethical standards to protect the public and maintain public trust in the USG's efforts. OUs should plan and implement evaluations to safeguard the dignity, rights, safety, and privacy of participants and other stakeholders and affected entities. Evaluators should abide by current

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

professional standards and legal requirements that pertain to the treatment of participants. Evaluations should be equitable, fair, and just, and should consider cultural and contextual factors that could influence the findings or their use.

201.3.6.3   Missions and Washington Operating Unit Roles in Evaluation
Effective Date: 05/16/2024

Each Mission and Washington OU Program Office must identify a POC that will lead processes and good practice in evaluation; ensure compliance with ADS policies on evaluation across the breadth of the Mission's or Washington OU's projects and activities; and interact with the POCs in the Regional and Technical Bureaus, and with PLR/LER and the OCE.

● Mission Program Offices: Mission Program Offices manage external evaluations for all but the most exceptional cases to encourage the independence of external evaluations. Mission Program Offices lead the process of planning evaluations and develop budget estimates for evaluations to be undertaken. Program Offices provide information on planned, ongoing, and completed evaluations in USAID's Evaluation Registry available in the **FACTS Info Next Gen** system. They help identify the appropriate evaluation procurement mechanisms; identify opportunities to engage local partners in evaluations; organize in-house peer technical reviews to assess compliance with the ADS and the quality of evaluation Statements of Work (SOW); draft evaluation reports; share important preliminary findings with relevant stakeholders throughout the life of an evaluation; and develop post-evaluation action plans. Program Offices and the evaluation AOR/COR ensure that evaluation SOWs and awards include requirements for the management and delivery of evaluation data and results to USAID, as well as ensure the delivery of final evaluation data and required documentation to the **Development Data Library (DDL)** and the posting of final evaluation reports to the **Development Experience Clearinghouse (DEC)** (see **ADS 579, USAID Development Data** for additional guidance).

● Mission Technical Offices: Mission Technical Offices provide substantive technical input into Mission evaluation planning led by the Program Office and the development of evaluation SOWs; ensure that implementing partners of the project or activity that will be evaluated are aware of any planned evaluations and the timeline and 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; facilitate engagement with local stakeholders throughout the evaluation process; and participate in discussions of post-evaluation action planning.

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

- Washington OUs: Washington OUs support Missions (consistent with the "**Agency Approach to Field Services (AAFS)**") in fulfilling evaluation requirements by participating in peer reviews of evaluation SOWs and draft evaluation reports; supporting the review of evaluation data delivered to the Agency; assisting in the development of Mission-wide PMPs and Activity MEL Plans; reviewing data in the Agency's Evaluation Registry, available in the **FACTS Info Next Gen** system; and providing other support as requested by Missions.

  Washington OUs must follow evaluation guidance described in sections **201.3.6.1** through **201.3.6.10**. 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**.

201.3.6.4   Types of USAID Evaluations
Effective Date: 05/16/2024

USAID categorizes evaluations as impact or performance evaluations depending on the purpose, evaluation questions, and the corresponding design. OUs should focus the evaluation scope on informing a strategic or programmatic decision, and design it so the findings, conclusions, and recommendations will be timely and framed at an appropriate level of rigor for the intended decision.

A. Impact Evaluations

Impact Evaluations measure changes in development outcomes that are attributable to a defined intervention, program, policy, or organization. Impact evaluations use models of cause and effect and require a credible and rigorously defined counterfactual to control for factors other than the intervention that may account for observed changes. When USAID needs information on whether an intervention is achieving a specific outcome, USAID strongly prefers impact evaluations, including analysis of the cost effectiveness of the intervention.

OUs must ensure that impact evaluations use at least one of the following evaluation methods and approaches to credibly define a counterfactual:

- Experimental Design: Random assignment of an intervention among members of the eligible population is used to eliminate selection bias, so there are those who receive the intervention(s) (treatment group) and those who do not (control group). This type of design is also called a Randomized Controlled Trial (RCT).

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

- Quasi-Experimental Design: In the absence of an experimental design, a comparison group may be generated through rigorous statistical procedures, such as propensity-score matching, regression discontinuity, or analysis with instrumental variables. These difference-in-difference designs are only appropriate if it can demonstrate that, in the absence of treatment, the differences between a treatment and a non-randomly chosen comparison group would be constant over time.

In addition, OUs must ensure that all impact evaluations include a cost analysis of the intervention or interventions being studied (see **Discussion Note: Cost Data Collection and Analysis** and **ADS 201sao, Cost Analysis** for additional information). This allows for the outcome and cost data to be combined to estimate cost effectiveness.

Impact evaluations anticipated to influence $100 million or more of award spending may be subject to the requirements for reporting and dissemination contained in **ADS 578**.

B. Performance Evaluations

Performance Evaluations encompass a broad range of evaluation methods. They often incorporate before-and-after comparisons, but generally lack a rigorously defined counterfactual. Performance evaluations can address descriptive, normative, and/or some types of cause-and-effect questions. Since performance evaluations do not contain a rigorously defined counterfactual, they should not answer questions about the amount of change attributable to an intervention, where other factors are likely to have influenced the variable in question.

Performance evaluation questions can include, but are not limited to, the following topics:

- Whether the theory of change of a strategy, project, or activity is valid or may need to be refined in light of new information;

- Whether the expected results of a particular strategy, project, or activity have been achieved;

- How a particular strategy, project, or activity is being implemented, in particular whether implementation is occurring according to the evidence-based theory of change;

- How the program is perceived and valued, including by program participants, local actors, and other stakeholders;

- The extent to which the strategy, project, or activity has enabled local leadership;

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

- Whether USAID assistance contributed to the results achieved;

- Possible unintended outcomes from USAID assistance;

- Whether outcomes have been, or are likely to be, sustained; and

- Other questions pertinent to the design, management, and operational decision-making of strategies, projects, or activities.

Performance evaluations include the following types of evaluations, including those defined by **OMB Memorandum M-20-12**, which provides program evaluation standards and practices for the U.S. Government:

- Developmental Evaluation: An approach to the continuous adaptation of interventions through the use of evaluative thinking and feedback. Developmental evaluation includes having one or more evaluators embedded in a program team, ideally on a full-time basis, and working with them to contribute to modifications in program design and targeted outcomes throughout implementation.

- Formative Evaluation: Conducted to assess whether a program, policy, or organizational approach—or some aspect of these—is feasible, appropriate, and acceptable before it is fully implemented. It can include process and/or outcome measures. A formative evaluation focuses on learning and improvement and does not aim to answer questions of overall effectiveness.

- Outcome Evaluation: An outcome evaluation can help answer the question, "Were the intended outcomes of the program, policy, or organizational approach achieved?"; however, unlike an impact evaluation, it typically cannot discern causal attribution.

- Process or Implementation Evaluation: Assesses how the program or service was delivered relative to its intended theory of change, and often includes information on the content, quantity, quality, and structure of services that were provided. These evaluations can help answer the question, "Was the program, policy, or organization implemented as intended?" or "How is the program, policy, or organization operating in practice?"

OUs may design a single evaluation using a variety of methods, and to address a variety of purposes. In cases in which an evaluation uses methods that meet the definition of an impact evaluation, while also using other methods to address questions more commonly addressed in performance evaluations, OUs should classify the evaluation as an impact evaluation.

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

In selecting a method, or methods, for a particular evaluation, OUs should consider the appropriateness of the evaluation design for answering the evaluation questions and the availability and accessibility of primary and/or secondary data, as well as balance cost, feasibility, and the level of rigor needed to inform specific decisions. OUs can design any type of evaluation to be locally led or participatory, and should consider or account for this early in the evaluation planning process.

201.3.6.5 Evaluation Requirements
Effective Date: 05/16/2024

OUs should devote approximately one to three percent of their total program funding, on average, to external evaluation. Missions should begin considering evaluations during the strategy process, and all Washington OUs should begin considering evaluations during the early stages of project and/or activity design to ensure adequate planning and implementation.

OUs must evaluate the majority of their program resources through a combination of required and non-required, external and internal evaluations.

Evaluations are required as follows:

● Requirement 1: Each OU or Mission with a strategy must conduct at least one evaluation per IR defined in the OU's strategy. This evaluation may focus on any level within the IR: on an intervention, activity, set of activities, or the IR as a whole.

● Requirement 2: OUs must conduct at least one evaluation per activity (e.g., contracts, grants, and cooperative agreements) with a Total Estimated Cost/Amount (TEC/TEA) expected to be $20 million or more.

● Requirement 3: Each Mission and Washington OU must conduct an impact evaluation including cost analysis that enables a comparison of the cost-effectiveness of the intervention to that of other interventions, 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). OUs should identify pilot interventions subject to an impact evaluation during project or activity design and should integrate the impact evaluation into their design. If it is not feasible to effectively undertake an impact evaluation with cost analysis, the Mission or Washington OU must conduct a performance evaluation and document why an impact evaluation was not feasible. An evaluation of a pilot intervention may count as one of the evaluations required under Requirement 1.

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

All OUs may conduct non-required evaluations for learning or management purposes as needed at any point during or after implementation of a 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 time frame of the activity or project being evaluated. Evaluations may be ongoing throughout implementation (e.g., a developmental evaluation), or conducted at any time that is appropriate for the decisions that the evaluation is designed to inform (e.g., a mid-term, final, or ex-post evaluation). There is no 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, or creating a country or sector strategic plan.

201.3.6.6   Evaluation Independence
Effective Date: 08/02/2022

To mitigate the potential for conflicts of interest, evaluations that are conducted to meet evaluation requirements described in section **201.3.6.5** must be external—i.e., led by an expert external to USAID who has no fiduciary relationship with the implementing partner.

The outside expert who leads the external evaluation may come from another USG agency that is uninvolved in strategy/project/activity implementation or be engaged through an A&A mechanism. In cases where an 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 an external team leader.

For external evaluations, all external evaluation team members must 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. USAID employees who participate as a team member on an external evaluation should not be asked to provide a signed statement regarding conflicts of interest.

In Missions, Program Office staff should manage external evaluations 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.

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

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 commissioned by USAID and in which the evaluation team leader is a USAID staff member (a USAID internal evaluation); or conducted or commissioned by an implementing partner—or consortium of implementing partners and evaluators—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.

Internal evaluations do not typically count toward the evaluation requirements described in section **201.3.6.5**. However, an OU may request to use an internal evaluation to meet evaluation requirements in cases in which the OU believes the evaluation meets or exceeds the evaluation standards in section **201.3.6.2**. The OU must provide such a request in an action memorandum for approval by the Agency's Evaluation Officer or his or her designee. To the extent possible, internal evaluations should follow the same processes and procedures that apply to external evaluations. Internal evaluations are subject to the same evaluation report requirements and quality criteria as described for external evaluations.

201.3.6.7 Planning Evaluations
Effective Date: 05/16/2024

Evaluations should use methods that generate the highest-quality and most credible evidence that corresponds to the questions being asked, while taking into consideration time, budget, and other practical considerations. A combination of qualitative and quantitative methods applied in a systematic and structured way can yield valuable findings and is often optimal regardless of evaluation design. OUs must design impact evaluations based on 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 did not achieve an expected impact. OUs may also allow local partners to design and/or manage any of these methods.

Once Missions and Washington OUs have determined the need for an evaluation, they should engage stakeholders, including program participants, local partners, implementing partners, and other USAID and USG entities, to inform the development and prioritization of evaluation questions. OUs should consider joint evaluations with other development actors. OUs should first review existing available and accessible data to determine if additional primary data collection is necessary to answer evaluation questions.

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

Missions must develop and update information on planned evaluations in the Mission PMP and/or Evaluation Registry available in the **FACTS Info Next Gen** system (see section **201.3.2.15**) as they plan evaluations. During strategic planning and project and activity design, Missions should consider whether to plan for an ex-post evaluation to assess the sustainability of outcomes over time and after USAID support has ended.

In planning an evaluation, an OU may undertake an assessment of evaluability as an initial step to increase the likelihood that an evaluation will provide timely and credible information for decision-making. An Evaluability Assessment is a process that examines the extent to which an activity or project can be evaluated in a reliable and credible fashion. It helps in determining whether an OU should undertake an evaluation, and, if so, what questions it should ask and how to design the evaluation (see **Conducting an Evaluability Assessment for USAID Evaluations**).

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

- Clarifying the evaluation purpose, audience, and timing;

- Engaging with local stakeholders to inform the selection of evaluation questions, understand key contextual factors, and identify possible informants;

- Being mindful of inclusion, equity, and representation, especially of marginalized groups;

- Reviewing and understanding the development hypothesis or theory of change;

- Reviewing past evaluations and research, including cost-effectiveness evidence that could inform the planning of an evaluation;

- Identifying the type of desired evaluation (performance or impact);

- Identifying a small number of evaluation questions (between one and five questions are recommended) that are answerable with empirical evidence;

- Considering the availability and quality of primary and/or secondary data sources;

- Considering data management needs related to the collection, use, and delivery of evaluation data, information, and other findings to support reporting, dissemination, and continued learning;

- Considering evaluation methods that are rigorous and appropriate to the evaluation purpose, and that are best suited to answering the evaluation questions;

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

- Considering the appropriate expertise needed; and

- Considering evaluation products and channels for dissemination.

For more information, see **Developing an Evaluation SOW**.

These steps should be used to inform the evaluation SOW, which provides the framework for the evaluation and communicates the evaluation questions (see **ADS 201mab, USAID Evaluation Statement of Work Requirements**). The evaluation SOW is needed to implement evaluations through external entities, and also serves to guide internal evaluations with modifications as appropriate.

To ensure a high-quality evaluation that adheres to requirements, the draft SOW must undergo a peer review organized by the office that is managing the evaluation. OUs may involve peers from relevant Regional and/or Technical Bureaus in the review process as appropriate (see **ADS 201sah, Evaluation SOW Peer Review Process**).

OUs must design evaluations to be useful for decision-making and develop an Evaluation Dissemination Plan. Missions or Washington OUs should consider how key partners, local stakeholders, and other development actors would best receive information from the evaluation and plan their communications products accordingly, including by using products in addition to the evaluation report to share its findings, such as slide decks, videos, infographics, podcasts, or other means (see **ADS 201saj, Developing an Evaluation Dissemination Plan**). OUs should also consider including evaluation questions to examine the extent to which USAID programs address gender issues and whether addressing key gender gaps has resulted in better development outcomes (see **How-To Note: Engendering Evaluation at USAID**).

201.3.6.8   Evaluation Implementation
Effective Date: 05/16/2024

While the SOW proposes 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 and technical or subject matter experts, including local experts. To the extent possible, evaluation specialists with appropriate expertise from the partner country, but who are not involved in project implementation, should lead and/or be included in the evaluation team.

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

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

For USAID evaluations of all types, OUs must ensure that evaluators describe the methods, main features of data collection instruments, data analysis plans, and key questions in a written evaluation design report. Except in unusual circumstances, OUs must also ensure that the key elements of the design are 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, OUs must ensure that it is shared with the relevant implementing partners and funders and made available upon request to development actors in a format deemed appropriate by the Mission or Washington OU.

In addition to the collection and analysis of other primary and secondary data, OUs should ensure that evaluations use relevant monitoring data and feedback that has already been collected by implementing partners as data sources, when appropriate. In addition, OUs may use evaluations to directly collect and analyze feedback from local actors, when relevant and feasible.

OUs should actively oversee the work of evaluation teams over the course of the evaluation, including, but not limited to, reviewing evaluation designs and work plans, data collection tools, plans and tools for the management and analysis of data, and draft or interim products and reports (including data to be submitted as deliverables under the award). OUs should ensure that evaluations are conducted with ethical integrity and respect for the dignity and rights of evaluation participants and stakeholders.

USAID staff and evaluation teams must follow appropriate procedures articulated in U.S. law, local legal requirements, and/or USAID policy when creating, collecting, using, processing, storing, maintaining, disseminating, disclosing, and disposing of data about individuals and entities, whether participants and evaluated entities provided the data (i.e., they're from a primary source), or whether they consist of administrative or other data created or obtained from other sources (i.e., they're from a secondary source).

201.3.6.9   Evaluation Reports
Effective Date: 10/28/2020

To ensure a high-quality evaluation report, the draft report must undergo a peer review organized by the office that is managing the evaluation. The OU should review the evaluation report against **ADS 201maa, Criteria to Ensure the Quality of the Evaluation Report**. OUs may also involve peers from relevant Regional and/or Technical 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

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

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**. In addition, impact evaluation reports must also meet requirements to provide sufficient statistical data for USAID and other users to understand how the evaluation defined the counterfactual.

While all evaluations must have a report that meets the requirements described in **ADS 201mah**, OUs may request other dissemination products as a means of sharing evaluation findings, such as a summary in the form of a slide presentation. OUs must upload these materials (including the slide deck, evaluation summary, and learning brief) to the **DEC** along with the evaluation report and submit the evaluation data to the **DDL**. Evaluation reports and other products must also conform to USAID's branding requirements (see **ADS 320, Branding and Marking**) and comply with Section 508 of the Rehabilitation Act of 1973, as amended (see **Section508.gov**).

201.3.6.10   Use of Evaluations
Effective Date: 05/16/2024

The value of an evaluation is in its use. OUs should use evaluations to inform their and the Agency's decision-making, contribute to learning, and help improve the quality of development programs. OUs also should distribute evaluation results widely, to both internal and external stakeholders.

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, with a designated point of contact who will be responsible for overseeing implementation of the action plan. OUs must review the status of actions across Post-Evaluation Action Plans during Mission portfolio reviews and document when actions are complete.

OUs must take the following steps to develop the Post-Evaluation Action Plan:

- Systematically review key findings, conclusions, and recommendations;

- 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's findings, conclusions, or recommendations; this may include changes to strategies, projects, activities, or other planning frameworks;

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

- Share the findings with other stakeholders across the Mission, and consider which evaluation findings can help address specific learning questions or broader learning priorities identified in the PMP;

- Consult with and consider local stakeholder priorities for actions in response to findings;

- Assign responsibility and the time frame for completion of each set of actions;

- Assign a POC responsible for overseeing implementation of the action plan; and

- Document the expected actions based on the evaluation, responsibilities, time frames, and completion of actions in the Post-Evaluation Action Plan.

B. Dissemination of Evaluations

OUs should promote transparency and learning by disseminating evaluations when the evaluation report has been completed. Missions and OUs should update and follow the Evaluation Dissemination Plan developed during the evaluation planning stage and consider dissemination channels in addition to posting the evaluation report and data, such as slide decks, videos, infographics, visualizations, podcasts, or other means of sharing the evaluation findings. Missions and OUs should openly discuss evaluation findings, conclusions, and recommendations with program participants, relevant partners, donors, local stakeholders, and other development actors. Missions can help strengthen local evaluation capacity by sharing evidence from evaluations among development partners.

Evaluation reports, including all annexes to the report, must be made publicly available by submitting them to the **DEC** 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, OUs may request an exemption to the requirement to publicly publish the report on the DEC. The Agency Evaluation Officer will need to concur with any exemption (see **ADS 201mae, Limitations to Disclosure and Exemptions to Public Dissemination of USAID Evaluation Reports**, and **ADS 201sag, Action Memo Template for Exception to Public Disclosure of USAID-Funded Evaluation**).

OUs must submit data assets created or derived in the process of carrying out an evaluation to the **DDL** (see **ADS 579** for more information). OUs must ensure that USAID implementing partners submit datasets and supporting documentation—such as code books, data dictionaries, informed consents, and the scope and methodology used to collect and analyze the data—compiled under USAID-funded evaluations to the **DDL**. OUs should collaborate with implementing partners to maintain links among evaluation reports and supporting datasets.

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

OUs must provide the relevant requested information about planned, ongoing and completed evaluations in the Evaluation Registry (available in the **FACTS Info Next Gen** system) throughout the year and ensure that the information is up-to-date and complete at least annually, timed to coincide with 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.

201.3.7 Collaborating, Learning, and Adapting (CLA)
Effective Date: 05/16/2024

CLA is USAID's approach to organizational learning and adaptive management. Strategic collaboration, continuous learning, and adaptive management link together all components of the Program Cycle (see **Collaborating, Learning, and Adapting Framework & Key Concepts**).

CLA helps ensure that programming is coordinated, grounded in evidence and local context, 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 and research, and knowledge gained from experience and other sources, including local stakeholders.

● Understanding the theory of change behind programming, including gaps in knowledge about an intervention's cost effectiveness (where relevant and feasible), identifying potential gaps in technical knowledge, and developing plans to fill them.

● Learning from a variety of sources, including information and data from monitoring, portfolio reviews, research, evaluations, analyses conducted by USAID or third parties, and knowledge gained from experience. OUs should use learning from multiple sources, including local actors and institutions, to develop plans, implement projects, manage adaptively, and contribute to the development, humanitarian, and peacebuilding community's technical knowledge base to improve development outcomes.

● Engaging with key stakeholders, including local thought leaders, local partners, and other development actors to understand the country context, design projects and activities appropriately, and keep abreast of changes. Effective stakeholder engagement also requires that OUs be mindful of inclusion, equity, and representation, especially of marginalized or underrepresented groups, to

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

prioritize accessibility and responsiveness, to use plain language and local languages wherever possible when working with new, local, and diverse partners, and contribute to the development of humanitarian and peacebuilding community's technical knowledge base.

- Coordinating efforts within the Mission and among partners and other development actors to share learning with country stakeholders and other USAID Missions and Bureaus, and to extend the Mission's influence and impact beyond its program funding.

- Pausing periodically to reflect on new learning and knowledge, including cost-effectiveness evidence as well as local knowledge, lived experience, and locally generated evidence, and adapting accordingly.

- Ensuring that sufficient resources are mobilized to support these processes.

Tools and guidance on planning for and implementing CLA approaches are available in the **USAID CLA Toolkit**.

201.3.7.1 Applicability of CLA Guidance
Effective Date: 05/16/2024

The guidance in section **201.3.7** that pertains to CLA is generally applicable to all OUs. However:

- CLA requirements for the PMP only apply to Missions (see section **201.3.2.18**). Note that even Missions that do not have a strategy are still required to have a PMP that covers any programs they fund.

- Except as otherwise indicated, Mission Directors and heads of Washington Bureaus/IOs may approve exceptions to CLA requirements. OUs should document any exceptions in a memorandum that outlines the reason for the exception, with approval by the Mission Director or, in the case of a Washington OU, the head of the Bureau/IO. OUs should share copies of approved memoranda with PLR/LER. Missions should share them with the M&E POC in the relevant Regional Bureau.

- Humanitarian Assistance and Transition Assistance: Activities targeted at preventing, mitigating, responding to, recovering from, and transitioning from crisis are exempt from **ADS 201** requirements related to CLA. Within their CLA efforts, OUs should ensure that these activities adhere to the quality standards for CLA as feasible. These activities include the following:

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

     o   Activities funded and/or managed by the Bureau for Humanitarian Assistance, including emergency and non-emergency programs such as, but not limited to those outlined in **ADS 251**; and

     o   Activities managed by CPS/OTI, or activities funded with the CCF that are managed by Missions.

201.3.7.2   CLA Principles
Effective Date: 05/16/2024

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, local 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 therefore should be guided by Mission priorities.

● OUs should value and use all forms of knowledge when developing strategies, projects, and activities, and when managing them adaptively. This includes tacit, experiential, and contextual knowledge. It also includes alternate forms of knowledge valued by the local cultures and Indigenous Peoples in the countries in which USAID operates.

● 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.

201.3.7.3   Mission Roles in CLA
Effective Date: 10/28/2020

Staff across each Mission should use CLA approaches throughout the Program Cycle to help improve development effectiveness. The Mission's Program Office is responsible for meeting CLA requirements and overseeing key CLA activities, such as the Mission's portfolio review process and incorporating CLA approaches into the Mission's PMP. Missions may consider hiring or assigning a CLA Advisor to ensure that collaborating, learning, and adapting efforts are intentional, systematic, and resourced.

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

For detailed information about staff roles and responsibilities for CLA, see **ADS 201sal, Staff Roles and Responsibilities for Monitoring, Evaluation and Learning**.

201.3.7.4   Planning for CLA
Effective Date: 05/16/2024

Missions should integrate CLA throughout strategy, project, and activity planning and implementation. CLA includes many potential elements, and the areas of focus for each Mission will vary depending on the operating context, budget, and other factors.

To plan effectively for CLA, teams should reflect on the current state of their learning practice, decide on priority areas of focus, and develop and plan approaches that address those priorities, including monitoring and evaluation approaches. As CLA is a context-dependent and flexible practice, each Mission's CLA approaches will be different. Missions may use the CLA Maturity 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 Tool Overview**.

201.3.7.5   Using CLA Approaches
Effective Date: 05/16/2024

OUs should embed CLA practices 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, the following practices:

1) Undertaking strategic collaboration with key partners, both within USAID and externally, at the design phase and during implementation. For a strategy, for example, this could include planning for collaboration among and between technical, DO, project or support offices and teams; ongoing engagement with local actors for input and feedback on the strategy, programs, and context; efforts to ensure coordination across the development and humanitarian spectrum; or Mission-wide fora to share knowledge and learning gained from the implementation of strategies/projects/activities, including learning gained from associated monitoring and evaluation activities.

2) Identifying learning priorities and learning questions that explore emerging patterns, cross-cutting themes, critical assumptions and risks, and knowledge gaps in the existing evidence base, including gaps in cost-effectiveness evidence, and implementing approaches to address them.

3) Taking regular opportunities to reflect on progress and using that knowledge to adapt accordingly. Opportunities for reflection include portfolio reviews, mid-course stocktaking exercises, after-action reviews, partner meetings, and other pause-and-reflect activities. OUs should engage local actors throughout these

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

processes, when possible, to maximize opportunities for local leadership and decision-making.

4) Conducting activities to support organizational effectiveness.

5) Determining how to resource (through staff, funding, and/or implementing mechanisms) CLA processes and activities.

Organizational culture affects CLA approaches, which are more likely to take root in a Mission with a supportive environment. A learning organization supports actively questioning assumptions, seeking internal and external evidence (including context analysis, cost-effectiveness, and locally generated evidence), reflecting on different sources of local knowledge and lived experience, 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 Framework, Maturity Tool and Spectrum Handouts** assessment or other planning, to focus on issues—such as openness, institutional memory, and knowledge sources—as part of the CLA approaches described in their 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 Tool 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.

201.3.8 Accessibility of Program Cycle Documentation
Effective Date: 10/28/2020

The **USAID Development Experience Clearinghouse (DEC)** provides the Agency's staff, development partners, and the public with accurate, comprehensive, and timely information on the Agency's development experience. Mission and Washington OUs must submit to the DEC all relevant and appropriate Program Cycle planning, design, implementation, monitoring, evaluation, and learning documentation created by the Agency and its implementing partners. **ADS 540, USAID Development Experience Information** provides guidance regarding which Program Cycle materials OUs must submit to the DEC, who must submit Program Cycle materials to the DEC, and standards for Program Cycle materials submitted to the DEC.

201.4 MANDATORY REFERENCES

201.4.1 External Mandatory References
Effective Date: 09/21/2021

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

a. **2 CFR 200.328, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**

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, Environmental Procedures**

d. **22 U.S.C. 2151, Foreign Aid Transparency and Accountability Act of 2016**

e. **22 U.S.C § 2361, Completion of Plans and Cost Estimates (Foreign Assistance Act of 1961, Section 611(a))**

f. **22 U.S.C. § 2451, Mutual Educational and Cultural Exchange Program**

g. **22 U.S.C. 32, Foreign Assistance (Foreign Assistance Act (FAA) of 1961, as amended)**

h. **29 U.S.C. § 794 (d) Electronic and Information Technology**

i. **31 U.S.C. § 39, Prompt Payment**

j. **31 U.S.C. § 901, Establishment of 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, Using Procurement Contracts and Grant and Cooperative Agreements**

o. **48 CFR Federal Acquisition Regulations (FAR)**

p. **Executive Order 13279, as amended, Equal Protection of the Laws for Faith-Based and Community Organizations**

q. **Executive Order 13642—Making Open and Machine Readable the New Default for Government Information**

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

r. **FISMA: Federal Information Security Modernization Act**

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. **Foundations for Evidence-Based Policymaking Act of 2018 (P.L. 115–435)**

v. **H.R. 302, Better Utilization of Investments Leading to Development (BUILD) Act**

w. **Office of Federal Procurement Policy Letter 05-01 Developing and Managing the Acquisition Workforce**

x. **Office of Federal Procurement Policy Letter 11-01, Performance of Inherently Governmental and Critical Functions (September 12, 2011)**

y. **OMB Bulletin 12-01, Guidance on Collection of U.S. Foreign Assistance Data**

z. **OMB Circular A-11, Instructions on Budget Execution**

aa. **OMB Circular A-123, Management's Responsibility for Internal Control**

ab. **OMB Memorandum M-13-13, Open Data Policy-Managing Information as an Asset**

ac. **OMB Memorandum M-18-04, Monitoring and Evaluation Guidelines for Federal Departments and Agencies that Administer United States Foreign Assistance**

ad. **P.L. 103-356, Government Management Reform Act (GMRA) of 1994**

ae. **P.L. 104-208 - Federal Financial Management Improvement Act of 1996, beyond original FMFIA [FFMIA]**

af. **U.S. Department of State-USAID Joint Strategic Plan**

201.4.2 **Internal Mandatory References**
Effective Date: 06/24/2024

a. **Acquisition & Assistance Policy Directive (AAPD) 16-02**

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

b.   **ADS 200, Formulation, Implementation, and Governance of USAID Development and Humanitarian Policies**

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, Summary Checklist of the Legal Requirements for Obligating Funds into a Development Objective Assistance Agreement**

g.   **ADS 201mae, Limitations to Disclosure and Exemptions to Public Dissemination of USAID Evaluation Reports**

h.   **ADS 201maf, Performance Indicator Reference Sheet (PIRS) Guidance and Template**

i.   **ADS 201mag, Country Development Cooperation Strategy (CDCS) Development and Approval Process**

j.   **ADS 201mah, USAID Evaluation Report Requirements**

k.   **ADS 201mai, Activity Approval Memorandum (AAM)**

l.   **ADS 201maj, Contingency Operations**

m.   **ADS 201mal, Climate Risk Management for USAID Projects and Activities**

n.   **ADS 201man, Process for Obtaining Mission Concurrence for Washington and Regional Mission Funded Activities**

o.   **ADS 201mas, Counter Trafficking in Persons (C-TIP) Code of Conduct Guidance**

p.   **ADS 201mat, Climate Change in USAID Country/Regional Strategies**

q.   **ADS 201mau, Guidance on the Definition and Use of the Global Health Programs Account**

r.   **ADS 201mav, Foreign Assistance Act Sections 118 and 119 Tropical Forests and Biodiversity Analysis**

s.   **ADS 201maw, Management of Construction Risk**

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

t.   **ADS 201max, Regional and Country Development Cooperation Strategy Updates, Amendments and Extensions**

u.   **ADS 201may, Key Considerations for Programming in Politically Sensitive Countries**

v.   **ADS 201maz, Regional Development Cooperation Strategy (RDCS) Development and Approval Process**

w.   **ADS 201mba, Activity Design Process for Acquisition and Assistance (A&A) Mechanisms**

x.   **ADS 201mbb, Energy Assistance Guidance** (this is only available internally)

y.   **ADS 201mbc, Carbon-Intensive Assistance Exemptions Template** (this is only available internally)

z.   **ADS 201mbe, Activity Approval Process for Activities ≥ $100 Million**

aa.   **ADS 201mbf, Social Impact Initial Risk Screening and Diagnostic Tools**

ab.   **ADS 201mbh, Outline for Standard Regional/Country Development Cooperation Strategy**

ac.   **ADS 201mbk, USAID Political Party Assistance Policy**

ad.   **ADS 204, Environmental Procedures**

ae.   **ADS 205, Integrating Gender Equality and Women's Empowerment in USAID's Program Cycle**

af.   **ADS 220, Strengthening the Capacity of Partner Governments through Government-to-Government (G2G) Assistance**

ag.   **ADS 225, Program Principles for Trade and Investment Activities and the "Impact on U.S. Jobs" and "Workers' Rights"**

ah.   **ADS 300, Agency Acquisition and Assistance (A&A) Planning**

ai.   **ADS 302, USAID Direct Contracting**

aj.   **ADS 303, Grants and Cooperative Agreements to Non-Governmental Organizations**

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

ak. **ADS 304, Selecting the Appropriate Acquisition and Assistance (A&A) Instrument**

al. **ADS 306, Interagency Agreements**

am. **ADS 308, Agreements with Public International Organizations**

an. **ADS 320, Branding and Marking**

ao. **ADS 351, Agreements with Bilateral Donors**

ap. **ADS 508, Privacy Program**

aq. **ADS 509, Management and Oversight of Agency Information Technology Resources**

ar. **ADS 540, USAID Development Experience Information**

as. **ADS 579, USAID Development Data**

at. **ADS 579mab, Activity Location Data**

au. **ADS 597, Operations Performance Policy**

av. **ADS 602, Forward Funding, Program Funds**

aw. **ADS 621, Obligations**

ax. **ADS 634, Administrative Control of Funds**

ay. **Administrative Guidance on How to Close a USAID Operating Unit - Checklists**

az. **AIDAR**

ba. **Benefiting Geographic Area Codes**

bb. **Contract Information Bulletins (CIBs)**

bc. **Foreign Assistance Act**

bd. **Guidance on the Definition and Use of the Global Health Programs Account**

be. **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.

bf.   **Local Capacity Strengthening Policy**

bg.   **Local Systems – A Framework for Supporting Sustainable Development**

bh.   **Mandatory Sharing of Projects with a Significant Counter Trafficking-in-Persons Component to the Senior Policy Operating Group (SPOG)**

bi.   **Policy on Promoting the Rights of Indigenous Peoples**

bj.   **Protection of Human Subjects in Research Supported by USAID**

bk.   **Sample 632(a) Memorandum of Agreement to Transfer Funds From USAID to Another Agency**

bl.   **Summary Description of FAA Sections 118(e) and 119(d) Requirements for Preparing Strategic Plans**

bm.   **USAID Implementation of Section 508 of the Rehabilitation Act of 1973**

bn.   **USAID Political Party Assistance Policy**

201.5   **ADDITIONAL HELP**
Effective Date: 07/17/2024

a.   **Adaptive Management Discussion Note**

b.   **Additional Guidance for 611(e) Certification Involving Construction Activities**

c.   **ADS 201sab, Project Financial Plan Template**

d.   **ADS 201sac, Project Management and Implementation Plan Template**

e.   **ADS 201saf, Evaluation Triggers**

f.   **ADS 201sag, Action Memo Template for Exception to Public Disclosure of USAID-Funded Evaluation**

g.   **ADS 201sah, Evaluation Statement of Work (SOW) Peer Review Process**

h.   **ADS 201sai, Managing the Peer Review of a Draft Evaluation Report**

i.   **ADS 201saj, Developing an Evaluation Dissemination Plan**

j.   **ADS 201sam, Project Design and Implementation Process**

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

k.   **ADS 201san, Guidance Note: Integrating Gender in Broad Agency Announcements (BAAs)**

l.   **ADS 201sao, Cost Analysis**

m.   **ADS 201sas, Cost-Effectiveness in USAID Programming**

n.   <mark>**ADS 201sat, Integrating Conflict Sensitivity into the USAID Program Cycle**</mark>

o.   **Application of ADS 201 to Washington Operating Units (OU)**

p.   **CDCS Templates and Tools**

q.   **Co-Creation Discussion Note**

r.   **Common Types of A&A Activity Descriptions**

s.   **Complexity-Aware Monitoring Discussion Note**

t.   **Data Quality Assessment Checklist**

u.   **DekleIptification Guide: Seizing Windows of Opportunity to Dismantle Kleptocracy**

v.   **DFC-USAID Field Manual**

w.   **DFC-USAID MEL Guidance**

x.   **Discussion Note: Cost Data Collection and Analysis**

y.   **Discussion Note: Implementing Local Ownership**

z.   **Foreign Assistance Act Sections 118/119 Tropical Forest and Biodiversity Analysis Best Practices Guide**

aa.   **GC's Annual Appropriations Guidance**

ab.   **Guidance for Optimizing Operational Platforms**

ac.   **How-To Note: Activity Monitoring, Evaluation, and Learning Plan**

ad.   **How-To Note: Addressing the Principles for Digital Development in Project and Activity Design**

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

ae.   **How-To Note: CDCS Mid-Course Stocktaking**

af.   **How-To Note: Conduct a Data Quality Assessment**

ag.   **How-To Note: Developing a Project Logic Model (and its Associated Theory of Change)**

ah.   **How-To Note: Engendering Evaluation at USAID**

ai.   **How-To Note: Prepare and Maintain a Performance Management Plan**

aj.   **How-To Note: Strategy-Level Portfolio Review**

ak.   **How-To Note: Tips for Conducting a Project Design Process**

al.   **Implementing Mechanism Matrix**

am.   **Inclusive Growth Diagnostic Guidelines**

an.   **Integrating Youth in the CDCS**

ao.   **List of Pre-Obligation Requirements for New Activities**

ap.   **Local Capacity Development: Suggested Approaches**

aq.   **Monitoring Data Disaggregation by Geographic Location**

ar.   **Monitoring & Evaluation for a Government-to-Government Agreement**

as.   **Project Activity Design Checklist for Integrating Youth**

at.   **Project Development Document (PDD) Approval Memorandum Template**

au.   **Project Development Document (PDD) Template**

av.   **Sample Solicitation Language for Youth Inclusion**

aw.   **Staff Roles and Responsibilities for Monitoring, Evaluation, and Learning**

ax.   **Additional Help to ADS 201-Inclusive Development**

ay.   **The 5Rs Framework in the Program Cycle**

az.   **Thinking and Working Politically through Applied Political Economy Analysis (PEA) – Guide and Supporting Materials**

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

ba.   **USAID Anti-Corruption Policy**

bb.   **USAID Anti-Corruption Policy Implementation Manual**

bc.   **USAID's Cybersecurity Primer**

bd.   **USAID's Cybersecurity Sectoral Briefers**

be.   **USAID Digital Financial Services Resource Center**

bf.   **USAID Global Health Anti-Corruption Integration Handbook**

bg.   **USAID Guide to Countering Corruption Across Sectors**

bh.   **USAID LGBTQI+ Inclusive Development Policy**

201.6   DEFINITIONS
Effective Date: 05/16/2024

Accountability
The establishment of clear responsibility for designing and managing strategies, projects, and activities that articulate theories of change and define development objectives and intermediate results to be achieved within a specific timeframe and an estimated level of resources; to achieve and report on results; to manage risks; and to use learning from monitoring, evaluation, and other sources to inform design and management decisions and adapt programming so that USAID investments are more effective at achieving measurable development outcomes. (**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 Development Objective. (**Chapter 201**)

Activity
An implementing mechanism that carries out an intervention or set of interventions to advance identified development result(s). Activities range from contracts or cooperative agreements with international or local organizations, to direct agreements with partner governments, to partial credit guarantees that mobilize private capital, among other examples. Activities also include buy-ins under global agreements (e.g., "field support" agreements) that generate programmatic results in a given country or region. In Missions, activities should contribute to development result(s) set forth in their Country Development Cooperation Strategy. (**Chapter 201**)

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

Activity Approval Memorandum (AAM)
A brief action memorandum that approves an activity design. AAMs may approve one design or multiple, complementary designs, depending on the circumstances. (**Chapter 201**)

Activity Design
The process by which OUs determine how to advance intended development result(s) in a given country or region through a given type of implementing mechanism. (**Chapter 201**)

Activity Manager
An individual who is identified by a Contracting Officer's Representative/Agreement Officer's Representative (COR/AOR) to assist with post-award administrative oversight and monitoring. Principal roles and responsibilities of the Activity Manager may include: 1) providing support to the COR/AOR in administering the award; and/or 2) providing support to the COR/AOR in performing monitoring functions (e.g., collaborating with the COR/AOR to conduct site visits, verify monitoring data, conduct periodic data quality assessments, and/or file monitoring and other required documentation in **ASIST**, the Agency's official electronic repository for all documentation for acquisition and assistance awards, all in accordance with Agency policy and the award's terms and conditions. The COR/AOR remains accountable for delegated responsibilities and is the only person authorized to provide technical direction to the contractor or recipient as described in the COR/AOR designation letter. However, Activity Managers may support the COR/AOR in providing technical and/or administrative oversight of the activity. (**Chapter 201**)

Activity Planner (See "Planner" below)

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

Agreement Officer's Representative (AOR) (See "Contracting Officer's Representative" below)

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

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

Attribution
The ascribed causal link between observed changes and a specific intervention. It refers to the extent to which the observed change is the result of the intervention, considering all other factors that 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 that is typically selected through a competitive process. Award types include contracts, grants, and cooperative agreements. (**Chapter 201**)

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

Beneficiary
Any foreign national who is a recipient of, derives advantage from, or is helped by USAID development assistance. Such individuals are not employees of USAID nor providers of USAID development assistance. "Program participant" can be used as an alternate term (see **USAID Style Guide Terminology Guidance**) (**Chapter 201** and **252**)

Burn Rate
The rate at which an implementing partner makes expenditures under an agreement, usually quoted in terms of average expenditures per month during a given period of time. (**Chapter 201**)

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

Collaborating, Learning, and Adapting (CLA)
USAID's approach to organizational learning and adaptive management. CLA involves strategic collaboration, continuous learning, and adaptive management. CLA approaches to development include intentional collaboration with stakeholders to share knowledge and reduce duplication of effort, systematic learning by drawing on evidence from a variety of sources and taking time to reflect on implementation, and intentional adaptation through application of such learning. (**Chapter 201**)

Commitment

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

An administrative reservation of funds in anticipation of their obligation. (**Chapters 201, 621, 634**)

Component Activity
An activity that is bundled with other activities under a project approach. Taken together, component activities should support the achievement of project-level result(s). (**Chapter 201**)

Conflict Sensitivity
The practice of understanding how aid interacts with conflict in a particular context to mitigate unintended negative effects and to influence conflict positively wherever possible, through humanitarian, development and/or peacebuilding interventions. (**Chapter 201**)

Context
Conditions and external factors relevant to the implementation of USAID strategies, projects, or activities. Context includes the environmental, economic, social, political factors, and/or governance that affect implementation, as well as how local actors, their relationships, and the incentives that guide them affect development results. It also includes risks that may threaten results or provide opportunities to achieve greater development impact. (**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. OUs may track context indicators at any level of a Results Framework or logic model. Context indicators may track country/regional context; programmatic assumptions of strategies, projects, or activities; or 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/or activities. Context monitoring includes the monitoring of local conditions that could directly affect implementation and performance (such as non-USAID programming operating within the same sector as USAID-funded programming) or external factors that could indirectly affect implementation and performance (such as macroeconomic, social, or political conditions, or governance). It also includes monitoring risks, such as programmatic, fiduciary, reputational, legal, security, human capital, and/or information technology risks. (**Chapter 201**)

Contingency Operation
Defined in **10 USC 101(a)(13)** – a military operation that –

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

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 (COR/AOR)
An individual who performs functions designated by a Contracting or Agreement Officer or who is specifically designated by policy or regulation as part of acquisition or assistance administration. (**Chapter 201** and **300**)

Corruption
The abuse of entrusted power or influence for personal or political gain. Whether corruption is perpetuated by public officials or external actors, its defining characteristic is the exploitation of power and access to subvert the public good in service of narrow personal, economic, or political interests. (**Chapter 201**)

Cost-Effectiveness
A measure of impact per dollar spent on an intervention, for a particular population; in other words, how much a key development outcome changes for a particular population as a result of an intervention (measured as the change in the outcome compared to how it would have changed without that intervention), per dollar cost of the intervention. There is no single threshold for an intervention to be considered "cost-effective": judging cost-effectiveness requires a comparison among alternative interventions, to identify the one which has the greatest possible impact-per-dollar on a specific outcome for a specific population. There are two distinct ways of considering an intervention's cost-effectiveness: (1) Forward-looking assessments of an intervention's likely cost-effectiveness, based on past evaluations (internal and external) of that intervention; and (2) Estimates of an intervention's actual cost-effectiveness in a given context, which must be derived from an impact evaluation with cost analysis. (**Chapter 201)**

Country Development Cooperation Strategy (CDCS)
A strategy that defines a Mission's chosen approach in their partner country and provides a focal point for the development of projects and activities. A CDCS presents expected results within a time-bound 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 circumstances that have changed. The CDCS is usually five years long. (**Chapter 201**)

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

Country Development Cooperation Strategy (CDCS) Goal
The highest-order, longest-term outcome that a USAID Mission, together with its development partners, expect to achieve or influence. The Goal may be related to U.S. foreign policy interests in a country, or the country's own national development plan. While USAID Missions are not accountable for achieving the Goal, the Goal should incorporate the purpose of USAID's in-country presence and provide a guide for all choices made under a CDCS. The Mission is responsible for advancing progress toward the CDCS Goal as it advances progress toward each of the DOs. (**Chapter 201**)

Country Team
An interagency group made up of the head of each State Department section in the Embassy, the USAID Mission Director, and the heads of the other U.S. Government Departments and Agencies represented at post. (**Chapter 201**)

Data Quality Assessment (DQA)
An examination of the quality of performance indicator data in light of the five standards of data quality (validity, integrity, precision, reliability, and timeliness) to ensure that decision-makers are fully aware of data strengths and weaknesses, and the extent to which data can be relied upon when making management decisions and reporting progress. (See "Data Quality Standards" below.) (**Chapter 201**)

Data Quality Standards
Standards for determining the quality of performance monitoring data for evidence-based decision-making and reporting credibility. The five standards of data quality are 1) validity, 2) integrity, 3) precision, 4) reliability, and 5) timeliness. (**Chapter 201**)

Development Diplomacy
The practice of using USAID's expertise, convening power, influence, and programs to drive collective action to tackle our greatest development and humanitarian challenges, and to take advantage of evolving opportunities. This includes practices such as building or expanding partnerships with the private-sector, multilateral organizations, local partners and other catalytic actors, engaging the interagency, and otherwise using non-programmatic approaches to augment the Agency's programs, and coordinating across the U.S. Government, including with the Departments of State and Defense and other counterparts, to achieve development and humanitarian objectives, and foreign policy goals. (**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**)

Deobligation
The process of removing unneeded funds from an obligating instrument. This step is typically done during the annual review process for the certification of unliquidated

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

balances and the separate certification of the validity of recorded obligations, or upon the completion of activities when unliquidated obligations may have become excessive or may no longer be needed for their original purpose. (**Chapter 201**)

Development Actors
Stakeholders that are engaged in development efforts in a partner country. Development actors often include the partner country government, civil society, other bilateral and multilateral organizations, non-governmental organizations (NGOs) (both local and international), other U.S. Government Departments and Agencies, and the private sector (both local and international). (**Chapter 201**)

Development Hypothesis
The theory of change, logic, and relationships between the building blocks needed to achieve or contribute to a long-term development 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 are expected to collectively contribute to, or lead to achieving, the Development Objectives in a strategy. It is a short narrative that explains the relationships between results upwards from the sub-Intermediate Results (if applicable) to the Intermediate Results, to the Development Objectives. (**Chapter 201**)

Development Objective (DO)
Typically the most ambitious result to which a Mission, together with its development partners, will contribute through its interventions. (**Chapter 201**)

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

Development Objective (DO) Team
A group of USAID staff with complementary skills who are empowered to work toward the achievement of a DO in a strategy. The primary responsibility of a DO Team is often 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. (**Chapter 201**)

Development Policy
Guidance and analysis that covers the content and substance of USAID's programs. Development policies include Agency policies, and strategies as well as U.S.

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

Government policies and those in support of international development agreements and approaches. (**Chapter 200**)

Disbursements
The actual payments made by the Agency for goods and services or other performance under an agreement. (**Chapter 201**)

Diversity, Equity, Inclusion, Accessibility (DEIA)
Diversity: The variety of similarities and differences that exist in the populations of the countries in which USAID operates, which include, but are not limited to, the following: race, ethnicity, sex, sexual orientation, gender, gender identity, gender expression, sex characteristics, disability, native or indigenous origin, age, generation, culture, religion, belief system, marital status, parental status, socioeconomic status, appearance, language and accent, education, geography, nationality, lived experience, job function, personality type, and thinking style.

Equity: The process of ensuring consistent, systematic, fair, and just treatment of, and distribution of benefits and resources to, all individuals, including those from marginalized and/or underrepresented groups. To ensure fairness, targeted measures must be taken to compensate for historic, cumulative, and systemic (social, economic, political, and cultural) disadvantages that prevent individuals from operating on a level playing field. Equitable approaches are different from approaches in which resources are distributed equally to all persons or groups regardless of specific circumstances or needs. Equity is the process that needs to be followed to reach equality of outcomes.

Inclusion: Social, economic, political, and cultural inclusion is the intentional process of positively transforming power dynamics to ensure that diverse individuals and communities from marginalized and/or underrepresented groups are able to take part in their societies. Inclusion can also be an outcome, when all the diverse individuals and communities, including those from marginalized and/or underrepresented groups, are no longer excluded based on their identities or marginalization, and are meaningfully able to take part in their societies, including in decision-making processes.

Accessibility: The design, construction, development, and maintenance of facilities, information, and communication technology, programs, and services so that all people can fully and independently use them. Accessibility is relevant for all individuals and groups, including gender minorities, but has particular relevance for persons with disabilities, given that the social model of disability frames disability as the negative interaction that results when persons with particular functional conditions encounter societal barriers. Such barriers include physical, communication, information, legislative, policy, technological, attitudinal, and other barriers.(**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 firm, 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**)

Enterprise Risk Management (ERM)
An approach to risk management that supports the achievement of an organization's objectives by addressing the full spectrum of external and internal risks and managing their combined impact as an interrelated portfolio, rather than addressing risks only within silos. (**Chapters 201** and **596mab**)

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 (also see "Performance Evaluation," "Impact Evaluation" below)
The systematic collection and analysis of data and information about the characteristics and outcomes of one or more organizations, policies, programs, strategies, projects, and/or activities conducted as a basis for judgments to understand and improve effectiveness and efficiency, timed to inform decisions about current and future programming. Evaluation is distinct from assessment (which is forward-looking) or an informal review of projects. (**Chapter 201**)

Evaluation Plan (Mission-wide)
A plan to identify and track evaluations across a Mission and over the entire strategy timeframe. Evaluation plans are a required part of USAID's Evaluation Registry available in the **Facts Info Next Gen** system and are a component of the Performance Management Plan. (**Chapter 201**)

Evaluation Registry
A module in the **Facts Info Next Gen** system that includes information, normally drawn from the evaluation plan in the Performance Management Plan, 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
A body of facts or information that serve as the basis for programmatic and strategic decision-making. Evidence can be derived from experiential knowledge, assessments, analyses, performance monitoring, evaluations, research, and statistical activities. It can be sourced from within USAID or externally. Evidence should result from systematic and analytic methodologies, or from observations that are shared and analyzed. Evidence has four interdependent components: foundational fact finding and research, policy analysis, program evaluation, and performance measurement. Evidence can be quantitative or qualitative and can come from a variety of sources. Evidence has varying

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

degrees of credibility, and the strongest evidence generally comes from a portfolio of high-quality, credible sources rather than a single study. (**Chapter 201**)

Ex-Post Evaluation
A performance or impact evaluation that examines a strategy, project, activity, or intervention at least one year after it has ended. (**Chapter 201**)

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. Expenditures equal accruals plus disbursements. Expenditures offer a valuable indicator of activity progress in monetary terms. (**Chapter 201**)

Experimental Design (of an evaluation)
An impact evaluation design that randomly assigns an intervention among members of the eligible population to eliminate selection bias such that some receive the intervention (treatment group) and some do not (control group). Also called a "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 that is responsible for the activity 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 the team leader. (**Chapter 201**)

Focus
An operational principle that USAID should focus U.S. Government resources in a manner that is likely to yield the strongest development impact (e.g., 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 in the development contexts in which USAID works, it is critical that USAID proactively engage other development actors to determine USAID's comparative advantage. (**Chapter 201**)

Foreign Assistance (F) Framework Standardized Program Structure and Definitions
A listing of program categories that provides common definitions for the use of foreign assistance funds. The definitions identify very specifically and directly what USAID is doing, not why it is doing it. It is most relevant for budget planning and tracking. (Also see "Program Area," "Program Element," and "Program Sub-Element" below.) (**Chapter 201**)

Formative Evaluation
A type of performance evaluation that is conducted to assess whether a program, policy, or organizational approach—or some aspect of these—is feasible, appropriate, and acceptable before it is fully implemented. A formative evaluation may include process and/or outcome measures. It focuses on learning and improvement and typically does not aim to answer questions of overall effectiveness. (**Chapter 201**)

Forward Funding
Obligations, typically from funds in the final year of the period of availability, to cover the cost of goods and services that the Agency will receive in a subsequent fiscal year. (**Chapter 201**)

Gender
A socially constructed set of rules, responsibilities, entitlements, and behaviors associated with being a man, a woman, or a gender-diverse individual, and the relationships between and among people according to these constructs. These social definitions and their consequences differ among and within cultures, change over time, and intersect with other factors (e.g., age, class, disability, ethnicity, race, religion, citizenship, and sexual orientation). Though these concepts are linked, the term gender is not interchangeable with the terms women, sex, gender identity, or gender expression. (**Chapter 201 and 205**)

Gender Identity
A person's deeply held sense of self (i.e., how individuals perceive themselves and what they call themselves). This can include identifying as woman or man, or as a gender-diverse individual along the spectrum of gender identity and gender expression. While gender is a social construct ascribed to individuals, gender identity is self-determined. A person's gender identity may or may not align with their biological sex assigned at birth. When someone's sex assigned at birth aligns with their gender identity, the person is cisgender. When someone's sex assigned at birth does not align with their gender identity, the person may identify as a transgender man, transgender woman, nonbinary, or another identity (e.g., gender nonconforming, agender, etc.). (**Chapters 201, 205**)

Gender Integration
The process of incorporating gender equality principles and practices, issues, needs, and objectives throughout all phases of programming, including but not limited to strategic planning, project and activity design, procurement, implementation, and monitoring and evaluation. (**Chapters 201, 205**)

Gender-Sensitive Indicator
Indicators that reflect to what extent and in what ways development programs have 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**)

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

Goal (See "**CDCS Goal**" above)

Government Agreement Technical Representative (GATR)
An individual who is typically designated by a Mission Director as part of the administration of partner government agreements. The GATR, like an AOR or COR for acquisition and assistance awards, has a formal designation letter or memorandum from the Mission Director to define their roles, responsibilities, and authorities. (**Chapter 201**)

Host Country (also known as "Partner Country")
The country in which a USAID-funded activity takes place. (**Chapter 201, 252, 301, 305, 322, 495**)

Humanitarian Assistance
Assistance intended to save lives, alleviate human suffering, and reduce the physical, social, and economic impact of rapid and slow-onset humanitarian emergencies. Humanitarian assistance coordinated by USAID's Bureau for Humanitarian Assistance falls under two categories: humanitarian response (characterized by urgent action), and longer-term efforts aimed at mitigating chronic vulnerability (including early recovery, risk reduction, and resilience efforts, or "ER4"). (**Chapter 251**)

Humanitarian-Development-Peace (HDP) Approach
An HDP approach refers to strengthening collaboration, coherence and complementarity across local, regional, and national humanitarian, development, and peace actors as well as the full spectrum of donor-funded actors. The approach seeks to capitalize on the comparative advantages of each pillar – to the extent of their relevance in the specific context – in order to reduce overall vulnerability and the number of unmet needs, strengthen risk management capacities, build resilience, address root causes of conflict, and support a greater context of peace and security. By highlighting opportunities for enhanced communication, coordination and/or cooperation, where appropriate, an HDP approach helps ensure critical problems are addressed, while still protecting humanitarian principles of neutrality, impartiality, and independence. (**Chapter 201**)

Impact Evaluation
An evaluation based on models of cause and effect that measures the change in a development outcome that is attributable to a defined intervention and requires a credible and rigorously-defined counterfactual to control for factors other than the intervention that may account for the observed change. Impact evaluations that make comparisons between program participants that are randomly assigned to either a treatment or a control group provide the strongest evidence of the relationship between the intervention under study and the outcome measured. Impact evaluations must use experimental or quasi-experimental designs. (**Chapter 201**)

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

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 the terms in 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 achieving identified results, generally through the use of a legally-binding relationship established between an executing agency (generally a U.S. Government Department or Agency like USAID or a host government agency) and an implementing entity (contractor, recipient, partner 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; fixed amount reimbursement, cost reimbursement and cash transfers to partner country governments, and public-private partnerships. (**Chapter 201**)

Implementing Partner
An implementing entity (contractor, recipient, partner government entity, public international organization) that carries out programs with U.S. Government funding through a legally-binding award or agreement. (**Chapter 201**)

Inclusive Development
An equitable development approach built on the understanding that every individual and community, of all diverse identities and experiences, is instrumental in the transformation of their own societies. Their engagement throughout the development process leads to better outcomes. (Chapter 201)
(**Chapter 201**)

Indicator
A quantifiable measure of a characteristic or condition of people, institutions, systems, or processes that may change over time. (**Chapter 201**)

Indigenous Peoples
Indigenous Peoples: Indigenous Peoples are known by different names in different places. The terms "hill people," "aboriginal," "First Nations," "scheduled tribes," "natives," "ethnic minorities," "agro-pastoralists," and "pastoralists" all describe Indigenous Peoples. To accommodate this diversity, USAID's Policy on Promoting the Rights of Indigenous Peoples establishes seven criteria for identifying Indigenous Peoples, and five operating principles for collaborating with them. (**Chapter 201**)

Initial Environmental Examination (IEE)

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

A 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 funding, information, or people, including the provision of USAID staff, whether funded by Operating Expenses (OE) or program funds, that is used to create an output. (**Chapter 201**)

Instrument
A contract, cooperative agreement, bilateral agreement, or other legally-binding mechanism that obligates or sub-obligates program funds or operating expenses. (**Chapter 201**)

Integrated Country Strategy (ICS)
A multi-year strategy with a whole-of-government focus developed by a U.S. Country Team overseas. 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 a country. Additionally, and in line with the whole-of-government scope of each ICS, each USAID Mission's strategy is nested within the ICS. Objectives from each ICS are used to frame the Department of 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's CDCS. Intermediate Results are seen as an essential contribution to advancing a DO. IRs are measurable results that may capture a number of discrete and more specific lower-level results and often 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 partners and evaluators—concerning their own activity (an implementer internal evaluation). (**Chapter 201**)

Intervention
A specific action that takes place under an activity and is typically performed by an implementing partner. (**Chapter 201**)

Joint Regional Strategy (JRS)
A three-year strategy that is collaboratively developed by the Department of 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

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

respond to unanticipated events. The JRS process is co-led by the State and USAID Regional Bureaus, with participation and input from stakeholders from relevant functional and Technical Bureaus. Missions are also involved in JRS development, as the JRS sets the general parameters that guide Mission planning. Bureaus 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 complete a JRS once every three years, with the ability to adjust it in interim years as circumstances necessitate. (**Chapter 201**)

Key Risk Indicators (KRIs)
Indicators that relate to a specific risk and measure the likelihood or impact of the risk event occurring. (**Chapter 201**)

Learning
A continuous organizational process throughout the Program Cycle 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. (**Chapter 201**)

Learning Agenda or Learning Plan
A systematic plan for identifying and addressing critical learning priorities and knowledge gaps by answering priority questions relevant to the programs, policies, and regulations of an Agency, or at the sub-agency level. Learning agendas should articulate critical questions, how to address them, and how to use the resulting evidence. More broadly, a learning agenda is a coordination tool for engaging stakeholders in evidence planning and building. In Missions, the learning priorities in the strategy and learning questions in the Performance Management Plan alongside a plan to systematically address them, forms the basis for a learning agenda. The Agency Learning Agenda is USAID's highest-level learning agenda and is focused on the generation and use of evidence as policy priorities are implemented. It is equivalent to the agency evidence-building plan required in Section 312 of the Evidence Act (**P.L. 115-435**). (**Chapter 201**)

Learning Priorities
A short list of key themes or topics that are critical to programmatic and operational decisions and implementation. Per section **201.3.2.15**, Missions must identify one to four broad learning priorities during strategy development. Learning priorities can apply to the Agency as a whole, or to an Operating Unit, sector, project, or activity. Learning priorities can also include understanding emerging patterns, cross-cutting themes, knowledge gaps in the existing evidence base or theories of change, critical assumptions, identified (or emergent) risks, and points of connection with scenario planning or with context monitoring. Learning priorities come from various sources and inform learning agendas, including PMPs, the learning from which informs program management and adaptation. (**Chapter 201**)

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

Learning Questions
Specific, answerable, need-to-know questions that can be answered through monitoring, evaluation, research, experiential learning or other analysis to incrementally address learning priorities. Several learning questions can cluster under a single learning priority and can contribute to a broader learning agenda or plan. Learning questions should be reviewed periodically and should change over time as some questions get answered, new questions emerge and others become less relevant. (**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 an award). Leveraged resources can include grants/awards from non-U.S. Government organizations or other donor governments. (**Chapters 201**, **303**, **623**)

Local Ownership
The commitment and ability of local actors—including governments, civil society, the private sector, universities, individual citizens, and others—to prioritize, fund, and implement development, so that development outcomes have 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**)

Logic Model
A graphic or visual depiction of a theory of change that illustrates the connection between what a strategy, project or activity 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**)

Mechanism (See **"Implementing Mechanism"** below)

Memorandum of Understanding (MOU)
A document that sets forth a set of intentions between participants. An MOU is generally designed as a non-binding agreement that establishes political (not legal) commitments. (**Chapter 201**)

Mission Resource Request (MRR)
A country-specific document prepared by a country or regional-level Operating Unit under the guidance of the U.S. Ambassador, which focuses on the resources required to implement Bureau- and country-level multi-year strategies. (**Chapter 201**)

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

Monitoring
The ongoing and systematic tracking of data or information relevant to USAID's policies, operations, programs, strategies, projects, and/or activities. Relevant data and informational needs are identified during planning and design and can include output and outcome measures directly attributable to or affected by USAID-funded 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 that is typically focused on the activity level. It is distinct from the Mission-wide Performance Management Plan (PMP). (**Chapter 201**)

Mortgage
The difference between the total authorized level of funding and the cumulative total amount of funds that have been obligated to a particular activity. (**Chapter 201, 602**)

National Security Strategy (NSS)
An overarching U.S. Government policy document that covers the national security principles that underlie U.S. foreign policy. (**Chapter 201**)

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

- Armed conflict to which the U.S. may or may not be 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, and at any point during the implementation of strategies, activities, or projects. 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**)

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

Obligating Officials
USAID officials with the delegated authority to sign obligating documents, including, but not limited to, the authority to negotiate, execute, amend, de-obligate, and close out activities; maintain obligation files; record obligations in the Global Acquisition and Assistance System (GLAAS); and administer agreements or awards that obligate USAID funds. An Obligating Official may be a CO/AO, Executive Officer, Assistant Administrator, Deputy Assistant Administrator, Mission Director, or other Agency official. (**Chapters 201, 603, 621, 634**)

Obligation
A term of appropriations law that means some action that creates a definite commitment, or that creates a legal liability, of the U.S. Government for the payment of funds for specific goods or services ordered or received. (**Chapter 201** and **621**)

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

Operating Unit (OU)
An organizational unit that is 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 Departments and Agencies that are implementing any funding from the relevant foreign assistance accounts (the 150 accounts). For USAID, it includes Missions and regional entities, as well as Regional Bureaus, Technical Bureaus, and Independent Offices in USAID/Washington that expend program funds. Chapter 201 refers to country-level OUs as "Missions," or "country offices" or "overseas OUs" and those in Washington as "Washington OUs." (**Chapter 201**)

Operational Plan (OP)
A plan that 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 Departments or 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 American foreign policy priorities. (**Chapter 201**)

Operations Policy
Program procedures, rules, and regulations that affect the management of USAID's internal systems, including budget, financial management, personnel, procurement, and program operations. (**Chapter 201**)

Outcome

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

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

Outcome Evaluation
A type of performance evaluation that can help answer the question, "Were the intended outcomes of the program, policy, or organizational approach achieved?" However, unlike an impact evaluation, outcome evaluations typically cannot discern causal attribution. (**Chapter 201**)

Output
The tangible, immediate, and intended products or consequences of an activity that are within USAID's control or influence. Outputs are the direct result of inputs. (**Chapter 201**)

Partner
An organization or individual with which/whom the Agency collaborates to achieve mutually agreed-upon objectives and secure the participation of ultimate customers. Partners can include partner country governments, private voluntary organizations, international NGOs, universities, other U.S. Government Departments or Agencies, the United Nations and other multilateral organizations, professional and business associations, and private businesses and individuals. (**Chapter 201**)

Partner Country (also known as "Host Country")
The country in which a USAID-funded activity takes place. (**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**)

Peace
The absence of violence or fear of violence and presence of attitudes, institutions and structures that create and sustain stable societies free of hostility. Peace is a fundamental precondition for social and economic development. Peaceful societies respect and uphold individual rights, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. "Peace" in an HDP approach means understanding the dynamics of peace and conflict so as to better ensure activities avoid making fragile situations worse; find and utilize every opportunity to reduce conflict; and do so without violating humanitarian principles. (**Chapter 201**)

Peacebuilding

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

Programming and activities specifically designed to reduce or prevent conflict by strengthening local, regional and national capacities for conflict management, and to lay the foundation for sustainable peace and development. Peacebuilding measures address core issues that affect the functioning of society and the State, and seek to enhance the capacity of the State to effectively and legitimately carry out its core functions. (**Chapter 201**)

Performance Evaluation (See **"Evaluation," "Impact Evaluation"** above)
Evaluations that encompass a broad range of methods and often incorporate before-after comparisons, but generally lack a rigorously-defined counterfactual. Performance evaluations may focus on what a particular strategy/project/activity 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
An indicator that provides a means to monitor the 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 cannot alone tell a Mission or Washington OU why such progress is or is not being made. (**Chapter 201**)

Performance Management
The systematic process of planning and defining a theory of change and associated results through strategic planning and project/activity design, and collecting, analyzing, and using information and data from monitoring, evaluations, and other learning activities to address learning priorities, understand progress toward results, influence decision-making and adaptive management, and ultimately improve development outcomes. A Mission's Performance Management Plan (PMP) describes performance management activities at the Mission level. Performance management supports continuous learning and adaptive management. (**Chapter 201**)

Performance Management Plan (PMP)
A Mission-wide tool to plan and manage the process of identifying and addressing strategic learning priorities and specific learning questions through monitoring, evaluation, and CLA activities and approaches, including by validating theories of change; monitoring progress and performance; tracking programmatic assumptions and changes in operational context; evaluating performance and impact; and using other learning activities to convene key stakeholders to learn from evidence and inform decision-making, resource allocation, and adaptation at the strategy level. PMPs are Mission documents and are distinct from Activity MEL Plans. (**Chapter 201**)

Performance Monitoring

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

The ongoing and systematic collection of performance indicator data and other quantitative or qualitative information to reveal whether strategy, project or activity 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 strategy outcomes that are expected to result from the combination of these outputs and other factors. (**Chapter 201**)

Performance Plan and Report (PPR)
A report that documents U.S. Government foreign assistance results that have been achieved over the past fiscal year and sets targets on designated performance indicators for the next two fiscal years. (**Chapter 201**)

Pillar Bureau (also known as a Technical Bureau)
A Washington OU that provides leadership and innovation in its respective technical field or sector. The Pillar Bureaus are the Bureau of Inclusive Growth, Partnerships, and Innovation (IPII); Humanitarian Assistance (BHA); Resilience, Environment, and Food Security (REFS); Conflict Prevention and Stabilization (CPS); and Global Health (GH). Pillar Bureaus concentrate on programmatic activities that support USAID country or regional-level OUs (see **ADS 200**). (**Chapter 201**)

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

Planner
The designated person who is responsible for developing and maintaining a written Individual Acquisition Plan (IAP), or the planning function in those acquisitions (**FAR Part 7.101**) or assistance actions that do not require a written plan. The Planner may be the Project Manager, where a project approach is used, or the intended COR/AOR, among other examples. The Planner works with the CO/AO to carry out the planning function. OUs must ensure that a Planner is identified for a particular procurement. Though OUs have 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, the FAR's acquisition planning requirements, and Office of Management and Budget Policy Letter 11-01 (see **ADS 300**). (**Chapter 201**)

Politically Sensitive Country
A country in which the internationally-recognized government: (1) is politically repressive; and (2) 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 are designated by the Regional Bureau Assistant Administrator (see **ADS 201may, Key Considerations for Programming in Politically Sensitive Countries**). (**Chapter 201**)

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

Portfolio Review
A periodic review of designated aspects of a USAID Mission or Washington OU's strategy, projects, or activities. (**Chapter 201**)

Pre-Obligation Requirement
A mandatory provision that must be met prior to obligation of funds. These items include a wide range of legal, policy, financial, and instrument-specific provisions. For Missions that have DOAGs with their partner government, obligations into activity-level agreements are often sub-obligations under a DOAG. (**Chapter 201**)

Pre-Procurement Action Lead Time (Pre-PALT)
A period of time that begins at design initiation and ends at activity approval and submission of the GLAAS requisition. (**Chapter 201**)

Process (or Implementation) Evaluation
A type of performance evaluation that assesses how the program or service was delivered relative to its intended theory of change, and often includes information on the content, quantity, quality, and structure of interventions that were implemented. These evaluations can help answer the question, "Was the program or policy implemented as intended?" or "How is the program or policy operating in practice?" (**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 strategy. For Washington OUs and other OUs that do not have a strategy, 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 identifies broad programmatic interventions (such as Counter Narcotics, Health, or Private Sector Competitiveness). Program Areas are primarily used for budget planning and tracking. More than one appropriations account may fund a Program Area. (**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

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

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, as needed, and inform future programming. (**Chapter 201**)

Program Element
A category in the Foreign Assistance Standardized Program Structure that reflects the different components of a Program Area. Program Elements are primarily used for budget planning and tracking. Examples include Alternative Development and Alternative Livelihoods within Counter Narcotics, HIV/AIDS within Health, and Business Enabling Environment within Private Sector Productivity. (**Chapter 201**)

Project
A group of activities that are designed and managed in a coordinated way to advance result(s) set forth in a strategy. Through a project approach, Missions and other OUs can create synergies among complementary activities that generate higher-level results than can be achieved through the sum of their individual performances. (**Chapter 201**)

Project Design
A process undertaken by a designated Project Design Team to define a project's boundaries, a high-level theory of change, and an adaptable plan for implementation. The project design process results in a Project Development Document (PDD). (**Chapter 201**)

Project Development Document (PDD)
A short document (generally not more than 15 pages) that summarizes key decisions made during a project design process and that is updated throughout implementation. The PDD is not intended to be a comprehensive plan or an exhaustive description of all design considerations; it is a management tool for facilitating an ongoing process of decision-making. (**Chapter 201**)

Project Manager
A designated individual who is responsible for providing overall guidance and direction at the project level during project implementation. The Project Manager may be an Office Director, Team Leader, or COR/AOR, among other options. As this is a function in the Mission, rather than a formal position in the Mission's staffing pattern, the designated Project Manager may or may not have formal supervisory authorities over technical staff. (**Chapter 201**)

Project Purpose
The highest-level result to be achieved by a project. The Project Purpose should support the Mission's CDCS Results Framework 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**)

Quasi-Experimental Design (of an evaluation)
A type of impact evaluation design that is used to attribute impact in the absence of a control group from an experimental design. Rather than a randomized control group, the evaluation generates a comparison group 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 Mission. (**Chapter 201**)

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

Result
A significant and intended change in a development condition that affects people, systems, or institutions. Results can be outputs or outcomes, and include Development Objectives (DOs), Intermediate Results (IRs), sub-Intermediate Results (sub-IRs), Project Purposes and other project outcomes, as specified in a Mission's strategy or PDD. (**Chapter 201**)

Results Framework (RF)
A type of logic model that is used to represent the development hypothesis that underlies a Mission's strategy. The RF diagrams the development hypothesis and outlines the logic for achieving DOs over time, including the causal logic and contribution between sub-IRs (if applicable) and IRs, IRs and DOs, and between DOs and the Goal. The RF includes the Goal, DOs, IRs, and sub-IRs (if applicable). (**Chapter 201**)

Risk
The effect of uncertainty on objectives (see **596mab**). Within the Program Cycle, a risk refers to an uncertain event or circumstance that—if it occurred—would affect an OU's ability to achieve intended results, positively or negatively. (**Chapter 201**)

Risk Appetite
The broad-based amount of risk that an organization is willing to accept in pursuit of its mission/vision. (**Chapter 201**)

Risk Assessment
The identification and analysis of key risks to the achievement of strategy, program, or operational objectives, which form a basis for determining how OUs should manage such risks. Risk assessment involves estimating the impact and likelihood of a risk, as

well as any controls or other measures that may mitigate or eliminate the risk. (**Chapter 201**)

Risk Profile
A document that provides a thoughtful analysis of the significant risks an Agency faces toward achieving its strategic objectives that arise from its activities and operations, and appropriate options for addressing such risks. (**Chapter 201**)

Risk Tolerance
The acceptable level of variance in performance relative to the achievement of objectives, with special consideration to the relative importance of related objectives. Risk tolerance must align with risk appetite. (**Chapter 201**)

Scenario Planning
In the context of USAID's Program Cycle, scenario planning is a tool for improving decision-making and adaptive management when working in highly complex and rapidly changing environments facing uncertain future conditions. Scenario planning, as a fit for purpose tool, can follow different approaches and is overall intended to engage OUs in identifying plausible future outcomes and adjusting strategic planning accordingly. (**Chapter 201**)

Sex
The designation of a person as male, female, or intersex based on a cluster of anatomical and physiological traits known as sex characteristics. Sex characteristics include external genitalia, secondary sex characteristics (e.g., facial hair, distribution of fat tissue, voice pitch), gonads and internal organs, hormones, and chromosomes. At birth, infants are typically assigned a sex based on visual inspection of external genitalia. (**Chapters 201, 205**)

Social Impacts
Changes from the baseline condition, as a result of a USAID action, to individuals and communities in the way they live, work, play, relate to one another, organize, and manage as members of their society. Those changes may be in people's way of life, culture, community, political systems, environment, health and well-being, personal and property rights, and fears and aspirations. (**Chapter 201**)

Stakeholders
Those who are affected positively or negatively by a development outcome, or who have an interest in or can influence a development outcome. (**Chapter 201**)

Standalone Activity
An activity that is not bundled with other activities under a project approach. In Missions, standalone activities should support result(s) set forth in a strategy. (**Chapter 201**)

Stocktaking

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

A structured review and assessment of ongoing efforts and options going forward; for example, a strategy mid-course stocktaking exercise. (**Chapter 201**)

Strategic Planning
The process by which USAID defines its objectives for development in a given country or region to maximize the impact of development cooperation (including, as appropriate, cooperation with partner governments, partner country/regional stakeholders, other donors, and the interagency). USAID's strategic planning advances overall U.S. Government efforts to ensure the strategic use of resources. (**Chapter 201**)

Strategic Framework
A strategy that defines an OU's chosen approach in a partner country. An OU may elect to develop a Strategic Framework in lieu of a CDCS when that OU has a smaller budget, maintains a limited presence, or operates in an especially volatile context. Most Strategic Frameworks last from three to five years, though OUs can determine an appropriate timeframe for their context. Strategic Frameworks may also place a heavier emphasis on adaptive management and scenario planning than traditional CDCSs.

Strategic Safeguarding
The process of identifying and addressing corruption risk at the strategic level and within the Agency's programs, policies, and practices, while expanding efforts to ensure that foreign assistance and engagement do not inadvertently contribute to corrupt practices. This includes ensuring USAID's strategies, plans, and interventions are fully informed by local context and carefully analyzed, designed, and implemented to, at a minimum, not inadvertently fuel corruption in a country and, ideally, to target the core drivers of grand corruption and kleptocracy. (**Chapter 201**)

Sub-Intermediate Result (Sub-IR)
Results necessary for achieving an IR. (**Chapter 201**)

Sub-Obligation
Expenditures of funds from a prior obligation of funds. Sub-obligations take place when an obligating official enters into a binding, activity-level agreement under a DOAG by using funds obligated into the DOAG. A sub-obligation leads to the final disbursement of such Federal funds. (**Chapters 201**)

Support Objective
An objective that reflects the technical and management assistance that a Mission, typically a Regional Mission, will provide to Bilateral Missions and non-presence programs within its region. Regional Missions may include a Support Objective for the provision of services in their RDCS, if appropriate. A Bilateral Mission or a Washington-based OU may also manage a Support Objective. (**Chapter 201**)

Sustainability

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

The ability of a local system, network, or institutions to produce desired outcomes over time. Programs contribute to sustainability when they strengthen a system's ability to produce valued results and to be both resilient and adaptive in the face of changing circumstances. (**Chapter 201**)

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

Total Estimated Amount (TEA)
The total authorized level of funding under an assistance award/agreement. (**Chapter 201**)

Total Estimated Cost (TEC)
The total authorized level of funding under an acquisition award/agreement. (**Chapter 201**)

Theory of Change
A narrative description, usually accompanied by one or more logic models, that describes how and why a given purpose or result is expected to be achieved in a given context. (**Chapter 201**)

201_071724