USAID | SOUTHERN AFRICA
FROM THE AMERICAN PEOPLE

Information Session: Anticipated USAID/Southern Africa Orphans and Vulnerable Children Activity in the Free State Province

April 25, 2023

Questions and Answers

1. **Working with USAID**
   a. Question: For the SAM registration, if an organization becomes inactive, but has applied for a renewal of its registration number, and is awaiting active status, will the organization be eligible for funding?
      i. Answer: USAID cannot pay an organization that has an inactive SAM registration. It would not mean that the agreement would end right away, but we would have to wait until the SAM registration is active. Before you start a new award application/proposal, make sure you start on SAM registration, because it is a lengthy process. Even if you are a sub-partner with USAID, it is important that you have a Unique Entity ID and SAM registration, but sub-partners are only required to have a UEI. Though it is a best practice for subpartners to also just complete the entire SAM registration process

2. **Overview of the USAID Southern Africa Mission Development Agenda**
   a. Question: What is the difference between PEPFAR and USAID?
      i. Answer: The U.S. President's Emergency Plan for AIDS Relief (PEPFAR) is a U.S. Government foreign assistance program, which is implemented by the U.S. State Department, U.S. Agency for International Development (USAID), U.S. Centers for Disease Control and Prevention (CDC), and Peace Corps.
   b. Question: Can an organization submit an application to the PEPFAR Community Grants Program and simultaneously submit an application for a USAID grant. Will there be a conflict of interest?
      i. Answer: An organization can apply for the PEPFAR Community Grants Program and for a USAID funding opportunity simultaneously. However, if you are a current USAID PEPFAR recipient (implementing partner), you are not eligible to compete for the PEPFAR Community Grants Program. If you are a current PEPFAR Community Grants Program recipient, you can compete for a USAID funding opportunity (assuming you meet other eligibility requirements).
   c. Question: When an organization applies for the PEPFAR Community Grants Program, it

states, “if you are a PEPFAR recipient, you are not allowed to apply for a PEPFAR Community Grant.” Could USAID explain this?

   i. Answer: This is correct, if an organization is a current PEPFAR recipient (implementing partner), the organization is not eligible to compete for the PEPFAR Community Grants Program. However, PEPFAR Community Grants Program recipients can apply for USAID funding opportunities.

d. Question: Is there support for youth-owned grassroots organizations? For youth-owned grassroots organizations, who should we contact for support and guidance on compliance?

   i. Answer: When an organization is awarded from USAID, the recipient is never alone. USAID is right there with the recipient, from the contracts office to the technical support. When an organization is awarded funding, USAID will provide targets for the organization. The recipient will be communicating with the Agreement Officer to ensure compliance. USAID’s goal is to work with more local organizations, which is a global USAID priority. However, when USAID publishes a Notice of Funding Opportunity, USAID is not able to pick up the phone to call an organization that has a question since USAID would be required to publish the question and answer to maintain a transparent process. USAID has websites on the slide deck that will be shared with attendees that provide guidance to organizations with the application process. USAID wants to provide a fair opportunity to all eligible organizations, including youth-led organizations, but we do have to balance that with an organization’s ability to manage the grant. USAID also is required to consider the organization’s management capacity before we make an award. Some organizations also start as a sub-partner under a USAID activity, then build capacity over time and eventually compete as a prime partner.

e. Question: From a due diligence perspective, how much allowance is there for a prime partner to pick up the slack of a young emerging organization (sub-partner)?

   i. Answer: When an organization prepares an application, most of the time, the organization will select partners in the application process as sub-partners. USAID defers to the prime applicant/organization to select which sub-partners can implement their technical approach/activity. It is ultimately the prime partner’s responsibility to ensure that sub-partners are implementing and managing resources appropriately and meeting targets. Keep in mind, it is a reflection on the prime partner if the sub-partners are not delivering.

3. PEPFAR South Africa Overview

a. Question: What is a NOFO?

   i. Answer: Notice of Funding Opportunity

b. Question: What is PEPFAR?

   i. Answer: U.S. President’s Emergency Plan for AIDS Relief

c. Question: What does USAID stand for?
    i. Answer: United States Agency for International Development
d. Question: What does CDC stand for?
    i. Answer: U.S. Centers for Prevention and Disease Control

4. OVC Draft Program Description

a. Question: What is an IR?
    i. Answer: Intermediate Result/ Illustrative Results (anticipated outcome)
b. Question: What does DREAMS stand for?
    i. Answer: Determined, Resilient, Empowered, AIDS-free, Mentored and Safe. This program aims to reduce HIV rates among adolescent girls and young women (AGYW).
c. Question: How does USAID ensure that a new partner which receives funding will continue the DREAMS services that are already in the two districts (Thabo Mofutsanyana and Lejweleputswa in the Free State province)?
    i. Answer: USAID wants to ensure that the gains are sustained. If a new partner receives the grant, they are to continue providing support to the beneficiaries that were receiving services under the old partner.
d. Question: There are many international organizations that work in the area with highly skilled professionals earning high salaries that small local organizations cannot compete with to retain our staff. Will USAID guide applicants on salary scales to help ensure that salary ranges across organizations are fair?
    i. Answer: USAID evaluates budgets that are submitted during the application process. USAID looks at the costs of line items, including salary ranges. USAID needs to ensure resources are utilized efficiently. If an organization has done its market research, then this should be written into the budget narrative of the application. If a salary is extremely high and above the range USAID is aware of, then USAID will inquire about this. If a salary is extremely low and below the salary range, then USAID will also inquire about this. It is also important that staff are not underpaid. Ultimately, the organization's management decides salary ranges. USAID trusts that organizations have policies in place that demonstrate the amount of money they are proposing in their application and that an organization is guided by its own policies.
e. Question: We are a small local organization. Will USAID select us, or do they only select big international organizations that we cannot compete with?
    i. Answer: There are opportunities for everybody. There are prime partners and sub-partners. You can be a local organization and still be a prime. We will go over eligibility criteria, which does not have anything to do with the size of the organization. If you are a local organization and receive the award, the Agreement Officer will provide support for compliance. You will not be alone in the process

when you receive a grant.

f. Question: Does USAID track organizations that start as sub-recipients and then eventually become the prime?
    i. Answer: Yes, USAID does. Most organizations do not start off right away as prime recipients. Over time, through support and capacity-building, sub-recipients can apply and become prime recipients.

5. RFI – Draft Notice of Funding Opportunity (Technical Application)

a. Question: Where does USAID publish future or planned funding opportunities?
    i. Answer: Organizations can search on the Internet for, “USAID Business Forecast.'' The website displays future and planned funding opportunities.

b. Question: Can the process of getting approval for a sub-recipient happen after the organization has received the grant?
    i. Answer: Yes.

c. Question: After receiving an award and starting implementation, an organization discovers that the work plan needs to be adapted. Can the recipient implement new activities and report on them later without adapting the work plan? Or must the recipient seek approval from USAID prior to implementation?
    i. Answer: When an organization submits an application, a full work plan is submitted for the requested (dollar) amount and time frame. If an organization receives the award, the recipient will receive a set of targets to be reached annually. Annually, the recipient is required to submit a revised work plan that would need to be approved by USAID before implementation. If the recipient would like to adapt its work plan, the recipient is required to engage with USAID for a review of the adapted work plan before implementation of new activities.

d. Question: If an organization doesn’t have an office in the Free State province in the application stage, can it write, “We intend to have an office in the Free State?”
    i. Answer: Yes.

e. Question: Does the partner have to have an office in the implementation district or can they be established anywhere in the Province?
    i. Answer: During implementation the partner would be expected to maintain an office in the implementation district.

f. Question: Is a recipient allowed to take a percentage of the award and use it in a scheme to generate more money for the future to financially stabilize the organization?
    i. Answer: That is not an allowable cost. Recipients need to be able to tie the money to an activity. For assistance awards, usually recipients are not able to use the money for profit generating enterprises and make profits with the awards. Profit is not allowable under assistance awards.

g. Question: Can recipients put their award money into an investment account and use the interest earned to cover bank charges and additional organizational expenses?

        i. Answer: If a recipient requires an advance, the advance would need to be put into an interest earning bank account. The recipient is allowed to use $500 of the interest. The remainder of the interest would have to be sent to USAID, which it returns to the US Treasury.
h. Question: Can a recipient purchase tablets for community health workers that work in the community providing services and collecting demographic and health data?
    i. Answer: USAID looks at the reasonableness of the cost of line items and the use of the supplies and equipment. This would need to be aligned to the recipient's activities.
i. Question: Should a recipient include insurance in its cost application?
    i. Answer: Yes. Insurance is usually an allowable and allocable cost.

6. **RFI – Draft Notice of Funding Opportunity (Business Application)**
    a. Question: What is the opinion for the level of effort (LOE) for staff?
        i. Answer: It would not be effective to hire someone that lives in another province and travels to the Free State province three times per week for work. USAID suggests a 100% level of effort for staff that operate and implement activities on the ground.
    b. Question: If an organization operates as a USAID sub-partner, can it split the key personnel LOE?
        i. Answer: Generally, key personnel are at 100% LOE with the prime partner, but this would depend on the specific award requirements.
    c. Question: Does the Organization Director have to be the Chief of Party? Or can a Chief of Party be appointed to manage the program and report to the Organization Director?
        i. Answer: There should be clear roles and responsibilities among staff. It may not be effective for one person to hold multiple roles..
    d. Question: Can recipients use funding for international travel?
        i. Answer: Depending on the type of mechanism, international travel may require prior approval from USAID with a budget and budget justification. Under any mechanism, international travel must be related and applicable to the activity.
    e. Question: Does a recipient need to purchase American brand equipment and vehicles?
        i. Answer: Purchase regulations are under geographic codes, which will be identified in the award agreement with USAID. The geographic code may differ and state that goods purchased must be manufactured from the country of operation or from the US. If the recipient is unsure, then it is best to consult the Agreement Officer.
    f. Question: Does a recipient need to purchase American brand information technology?
        i. Answer: At the moment, there is a waiver that USAID is using right now regarding this type of procurement. Certain budget line items may not be approved, depending, for example, on the routers and computers of a certain brand. It is best to consult the Agreement Officer if the recipient is unsure.

g. Question: What percentage of cost share is recommended in the draft funding opportunity?
    i. Answer: 10%

7. **Pre-award Survey**
    a. Question: Is it a requirement for organizations to have a Human Resources Department?
        i. Answer: This depends on the size of the organization. The organization may outsource HR activities as long as it is written in the organization's policy.
    b. Question: How will a previous financial audit impact an organization's application? What if an organization did not hire an external financial auditor to conduct the financial audit and used software instead?
        i. Answer: It is an advantage for organizations to have their financial statements audited. In South Africa, the NPO Act requires that all registered NPOs must, to the standards of generally accepted accounting practice: Keep accounting records of its income, expenditure, assets and liabilities. Also organizations are required in terms of Section 18 and 19 of the Act to submit annual reports comprising a narrative report, an annual financial statements and an accounting officer's report to the NPO Directorate.

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        ii. Question: Can an organization be funded by both the US Government and the Chinese government?
        iii. Answer: USAID refers back to the eligibility criteria. There is nothing in the eligibility criteria that states an organization would be ineligible if it receives funding from another government. The provision of costs is very clear under Section 889. Certain information technologies are unallowable costs. There is a specific list that the Agreement Officer will share with the recipient. The list is also publicly available.
    c. Question: If an organization has two NPOs under it and is struggling to get registered on SAM, or struggling to reactivate one NPO, can it register under the other NPO?
        i. Answer: The organization would have to cancel the previous UEI. The system does not allow for interchanges between UEIs. UEIs need to be consistent throughout the implementation process.

8. **Partnering Arrangements**
    a. Question: Is there a limitation for how many sub-partners a prime partner can have?
        i. Answer: The organization should think in terms of what is manageable. It depends on the organization's capability to manage the number of sub-partners. Sub-partners would have to follow the same standard provisions and USAID policy as the prime partner.

9. What is next? Concluding Remarks, Questions and Answers

a. Question: When will the application come out?

   i. Answer: USAID intends to publish soon. However, at the moment, there is not a set date. The Request for Information (RFI) closes on May 8, and USAID requires time to incorporate the RFI comments into the NOFO.

b. Question: When does USAID intend for implementation of the activities to begin?

   i. Answer: The goal is to start in October 2023.