

# Innovative Use of the Fixed Amount Subaward in Dynamic Environments: The Use of Fixed Amount Subawards

April 4<sup>th</sup>, 2024



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FROM THE AMERICAN PEOPLE

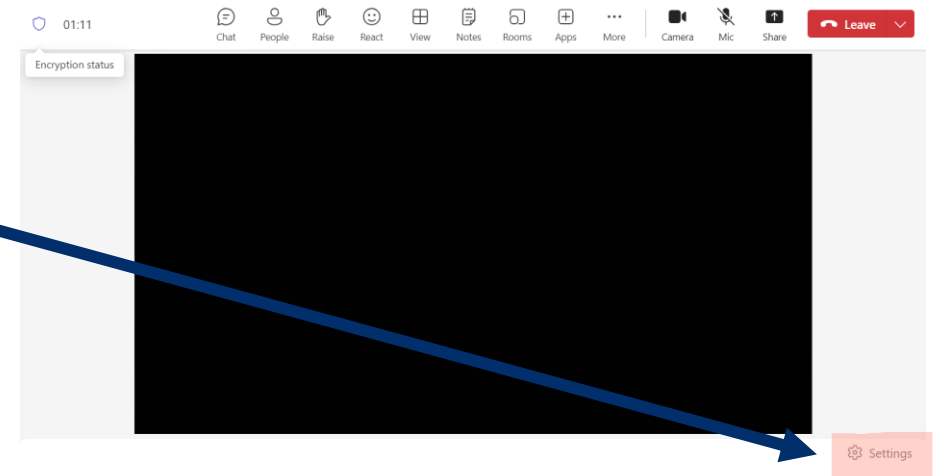
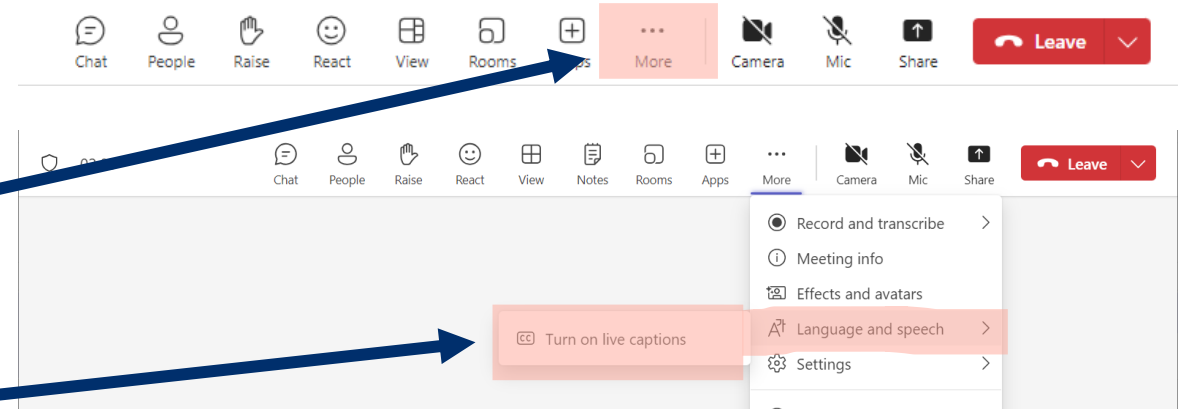
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# Thank you for joining us today

- Submit questions or comments at any time in the **Questions** box.
- Please note that this webinar is being **recorded**. Slides and the recording will be shared after the webinar.



# Jeff Barnes

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Project Director, NPI EXPAND

Webinar Moderator



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# Who We Are

**New Partnerships Initiative New Partners for Better Health (NPI EXPAND) is a five-year project funded by USAID operating globally**

**Guatemala:**  
Health policy  
and advocacy

**Brazil:** COVID-19

**Senegal:** Social  
Marketing,  
Advocacy

**Liberia:** PSE

**Tanzania:** Family  
Planning/TB

**Mali:**  
Maternal  
Child & Health

**Pakistan:** Health,  
Education

**Ethiopia:** Social Accountability

**Kenya:** Gender, FP,  
Sustainability

**India:** Family  
Planning

**COVID-19 Interventions in Brazil, Liberia, Senegal, and Tanzania**





# Lessons in Localization

## Experiences and Perspectives from the NPI EXPAND Project



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1. Cocreation: Critical to Locally Led Program Design (Nov. 30<sup>th</sup>, 2023)
2. A Balancing Act: Rigor and Ownership in Local Partner Assessments (Jan. 23<sup>rd</sup>, 2024)
3. Lessons Learned from Adaptive Capacity Strengthening (Feb. 24<sup>th</sup>, 2024)
4. **Innovative Subawarding in Dynamic Environments: The Use of Fixed Amount Subawards**
5. Leveling the Playing Field: Indirect Cost Recovery
6. Show Me the Money: Resource Mobilization for Local Partners
7. Gender Mainstreaming and Integration: From Organizations to Communities
8. What Have We Learned? Stories from the Frontlines of Local Capacity Strengthening

# NPI EXPAND Subaward Activities

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- Since 2020, over 190 fixed amount subawards to 90 different organizations.
- Over \$33 million in spending under subawards which represents 54% of total project spending.
- All subawards were based on activities designed by our local partners.
- Our approaches are not necessarily best practice, but still useful for organizational learning.

# Joshua Zulauf

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Grants Manager



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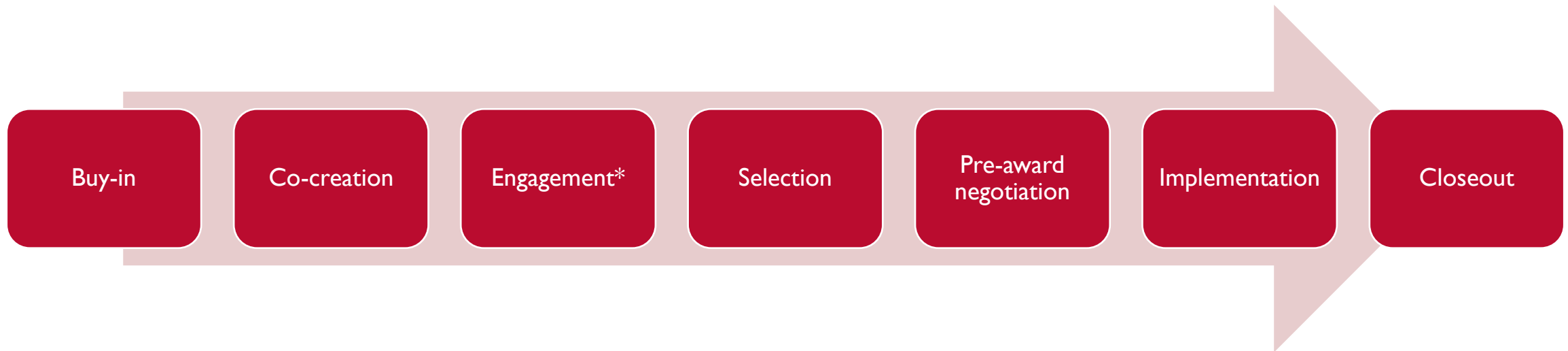


# NPI EXPAND Subawards Overview



# NPI EXPAND Subawarding Strategy

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- Balancing inclusiveness with efficiency and avoiding putting a large burden on prospective subrecipients
- Extensive use of the Fixed Amount Subaward mechanism for risk reduction and efficiency in implementation

# Types of Engagement Strategies

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## Targeted Engagement

- USAID Mission directs EXPAND to engage directly with a subrecipient in-country (capacity development to be a future prime, etc.)

## Limited Engagement

- EXPAND would develop an eligibility list based on criteria, or a pre-approved consortium of potential subrecipients to engage with

## Open Competition

- EXPAND would publish an EOI/RFA in either a one or two step process in which all in-country NGOs would be eligible to submit an application for consideration
  - Merit Review Board, scoring, shortlisting, etc.

# What is the Fixed Amount Subaward Mechanism?

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- Subawarding mechanism in which clearly defined and performance-based milestones are implemented and paid on a pre-negotiated payment
- Must not exceed three-year period of performance
- Under the simple acquisition threshold (US\$250,000)
- Budget-negotiated and verified through supporting documentation pre-award (cannot be easily changed)

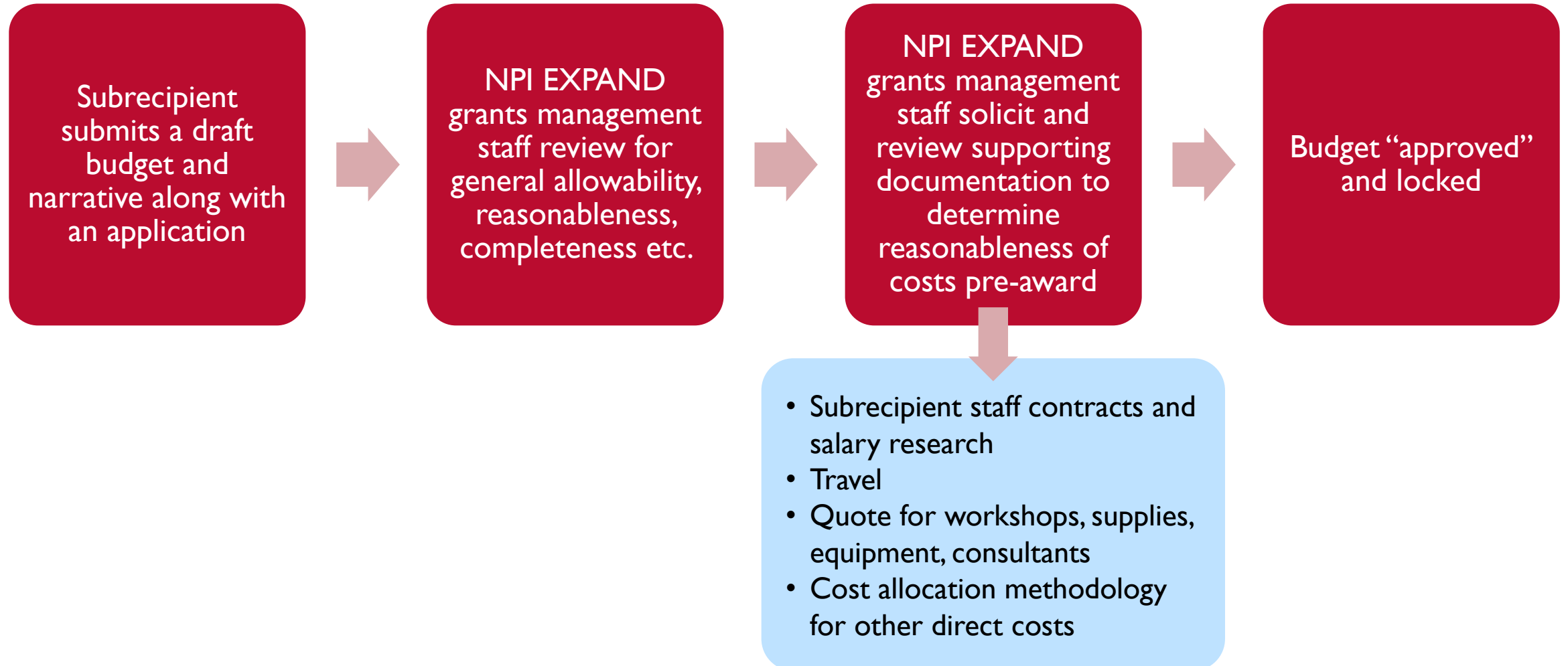
# Benefits of the Fixed Amount Subaward Mechanism

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- May be ideal for potential subrecipient new to USG funding, or without the financial infrastructure and operating capital to responsibly manage a cost reimbursable grant
- Reduces audit risk and risk of unjustified advances
- Simplifies administration and invoicing for the subrecipient
- Helps focus the subrecipient attention on results rather than collecting financial supporting documentation

# Budget Verification Process

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# Milestone Creation and Pricing

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- NPI EXPAND technical and grants management staff collaborate with the Subrecipient to agree on performance-based milestones/guidelines, including:
  - An output or a result—not an activity or process
  - Can be verified by examination of documentation (or light monitoring)
  - Has well-defined technical quality standards
  - Achievable within the period of performance
  - Within the control (within reason) of the subrecipient to achieve
  - Flexibility on the due date, within a two-week window

# Example of Milestones

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- **Communication activity:** milestone for the communications plan, and another for documentation proving that the activity took place
- **Training activity:** milestone for the training plan/curriculum, and another for documenting when the training took place
  - We create milestones for the beginning and end of these activities
- Milestones are priced based on the cost of the inputs required to produce them as well as strategically provide working capital for implementation
  - Subrecipients traditionally do not have much overhead or reserves to self-implement and be reimbursed, hence milestone payments were frontloaded so early payment could provide some operating capital

# Implementation

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- Subrecipient implements activities and submits milestones for technical review, approval, and payment
- In-country staff provide monitoring and technical assistance
- What could go wrong?
  - Global pandemics, coups, hyperinflation, administration changes (US and in-country), government shutdowns (US and in-country), natural disasters, political unrest, etc.
- NPI EXPAND has the ability to monitor timelines to the extent possible and have made changes with deliverables (with client approval) from time to time; the mechanism is flexible

# Closeout

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- Once all milestones are completed, approved and paid; there is little administration or financial reconciliation to perform; and the subaward is considered closed
- Many of NPI EXPAND's subrecipients receive consecutive and/or concurrent subawards for activities in different subject areas
- Some activities may be paused and restarted based on project needs
  - The FAA mechanism is helpful in that there is no need to “keep a grant open” to fund staff and subrecipient's overhead for long periods

# Challenges Experienced

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## Drawn out co-creation activities

- Future subrecipients are generally unfunded during cocreation phase
- Ambiguity of what activities will look like

## Successive subawards due to the size of the program

- Having a program that is simply larger than the original intent of the mechanism
- Numerous concurrent and successive subawards were difficult to manage from subrecipient and NPI  
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- Splitting staff and organizational costs amongst multiple awards from NPI  
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## Consortiums and subrecipients of subrecipients

- Who will be the primary fiscal sponsor or consortium lead?
- How will funds be transferred/stewarded amongst organizations?
- Flow-down regulations, templates, and compliance
- Adequate capitalization to implement activities
- Failure to budget for overhead

# Successes Realized

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## Subaward use for capacity strengthening

- Technical assistance and capacity development grants to third parties
- Able to verify activities taking place and new/revised systems being implemented

## Rapid implementation

- Able to issue subawards quickly (due diligence and risk assessment processes less administratively burdensome)
- COVID-19 response activities

## Risk reduction in engaging with local partners

- Many NPI EXPAND subrecipients have never managed USG funding
- Smaller CSOs without financial infrastructure to responsibly manage cost reimbursable grants (risk rating)



# Q&A



# Meet the Panelists



# Roundtable Discussion and Q&A Session

*Moderator: Jeff Barnes*

<b>Arun Kumar</b>	<b>Sonia Sandhu</b>	<b>Alazar Emiru</b>	<b>Dejene Alemu</b>
India	NPI EXPAND India	Ethiopia	NPI EXPAND Ethiopia
<b>Director of Operations,</b> Centre for Catalyzing Change	<b>Grants Coordinator,</b> NPI EXPAND India	<b>Grants, Finance, &amp; Admin Director</b> Mahibere Hiwot for Social Development	<b>Grants Coordinator,</b> NPI EXPAND Ethiopia

# Panelist Organizations

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# Mahibere Hiwot for Social Development (MSD)

- Established in 1999; registered as national CSO in 2004
- **Operational across 7 regions in Ethiopia:** Amhara, Benishangul Gumuz, Addis Ababa, Oromia, Sidama, SNNPR, Tigray
- Headquarters in Addis Ababa, area offices at Bahir-Dar, Assosa, Mekelle, and Dessie, and 31 project offices with 268 full-time staff
- Received recognition certificates from different stakeholders including the government, donor agencies, and other partners

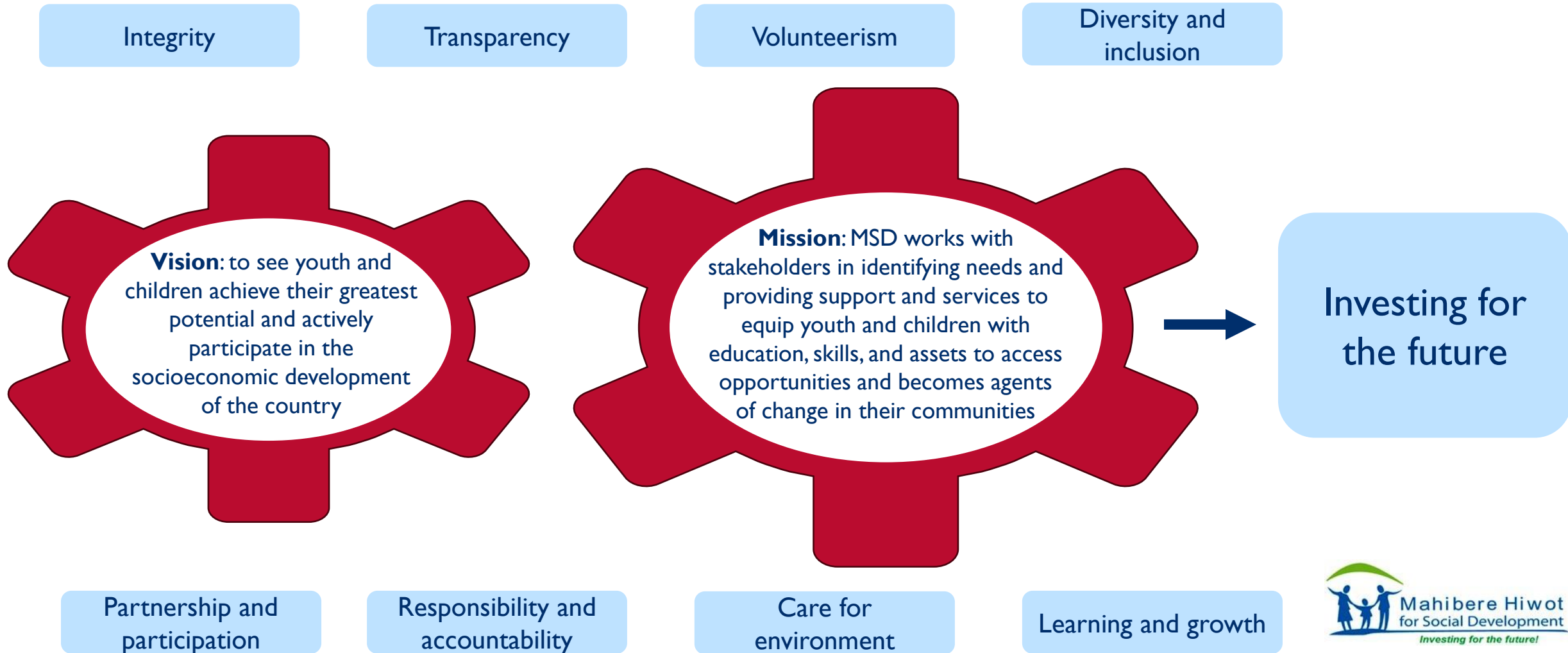


## Areas of Focus:

- Health, Nutrition, TB, HIV/AIDS, SRH, MNCH
- Education: access to quality education; TVET skill improvements
- Social mobilization and livelihood: economic strengthening, prevention of HTP, GBV, FGM
- Migration and trafficking: human trafficking, unsafe migration, rehabilitation of migration returnees & victims
- Childcare and development: child development, child protection early childhood care, infant feeding
- Human rights and good governance: democratization, peacebuilding, dialogue
- Humanitarian & emergency response: social accountability for natural and manmade affected communities, IDPs, war affected areas
- Environment and climate change: environmental sustainability and biodiversity conservation



# MSD: Vision, Mission, and Values







# Centre for Catalyzing Change (C3)

- C3 has been working on issues impacting girls and women through community engagement and capacity building of alliances of youth and by working with CSOs and NGOs to strengthen the provision of FP information, commodities, and services
- **Vision:** a future in India where women and girls are fully empowered and enabled to realize their rights and opportunities and achieve gender equality
- **Goal:** enable girls to stay in school, delay their marriage, pursue career aspirations, and make informed decisions about their sexual and reproductive health. We ensure that all women are aware and can access livelihood opportunities, quality reproductive and maternal health services, and respectful care

## Project Objectives:

- Improve the access of women, girls, young adult couples, youth, and women with disabilities to high quality family planning information and services, including addressing last-mile issues
- Strengthen coalitions of youth/SRH organizations to support youth-led empowerment models to advocate for high-quality FP/SRH services
- Empower and improve communities' capacity to hold the government system accountable for the delivery of high-quality FP/RH information and services



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# Closing Remarks





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Thank you for joining! Be on the look out for information on the next webinar in this series.

New Partnerships Initiative: NPI EXPAND is a five-year cooperative agreement funded by the U.S. Agency for International Development (USAID) and implemented by Palladium under Agreement No. 7200AA19CA00015, beginning October 7, 2019.

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