

NEW GDA OBLIGATING INSTRUMENT—THE PUBLIC-PRIVATE ALLIANCE COLLABORATION AGREEMENT

In the past, corporations that approached USAID often found the Agency’s funding mechanisms daunting. Traditional procurement instruments: 1) represent a “vendor” relationship as opposed to a partnership; 2) require contracting and accounting procedures that often act as significant obstacles to alliance building; and 3) inherently encourage participation by those familiar with government contracting as opposed to attracting new nontraditional and private-sector partners.

Obligating funds for PPAs through grants, cooperative agreements, and contracts requires competition of new solicitations, a waiver excepting the competition requirement, or modification of an existing agreement with a commensurate scope of work. Each of these options at times has proved cumbersome, and in some cases planned alliances could not go forward. The new funding mechanism provides an alternative.

To address the need for a new procurement tool, USAID created the collaboration agreement. This tool utilizes the Agency’s other transactions authority, granted in the 1961 Foreign Assistance Act, which allows it to enter into “other transactions” beyond traditional contracts, grants, and cooperative agreements. Other transactions authority is also used by the Departments of Homeland Security and Defense to allow partner corporations to profit from innovations generated by the collaboration. Resource partners—including corporations and foundations—can offer expertise in research and development, marketing and distribution, market, and intellectual property.

In order to use the collaboration agreement, the following conditions must be met:

1. A nontraditional partner¹ will be receiving USAID funds directly;
2. The proposed alliance is within the GDA precepts and the alliance program is deemed appropriate under the terms of the APS or RFA;
3. There is a compelling reason for the government and nongovernmental funding resources to be jointly programmed; and
4. Other funding/implementing mechanisms have been considered and rejected as unfeasible or inappropriate

THE COLLABORATION AGREEMENT WILL NOT REPLACE STANDARD FUNDING MECHANISMS

USAID’s other transactions authority permits creativity in crafting the alliance agreement to achieve relationships beyond that of a procurement or grant, but government oversight agencies will review the use of this authority to ensure that it was utilized to achieve results unable to be recognized through traditional instruments and not to avoid procurement requirements and restrictions.

¹ A nontraditional partner is a private organization that offers resources at a leveraged ratio in excess of one to one, whose principal business purpose is other than foreign development assistance or whose development assistance purpose was recently established, and that has not routinely received federal funding under traditional grants and cooperative agreements.

See the [AAPD 04-16 Public-Private Alliance and Collaboration Agreement](#) for more specific guidance on the terms and use of the collaboration agreement.