

**USAID FAQ in response to comments received by OIRA on renewal of the PIF
as of February 21, 2012**

1. Organizations commented that they could not assess the burden of complying with USAID's information collection requirement since the Federal Register notice provides insufficient information to allow them to provide a substantive response.

RESPONSE: The informational collection burden will vary depending upon the number of grants, contracts, and/or cooperative agreements the organization applies for, the size of the organization, and the number of key individuals involved in implementation of USAID funding. The notice makes clear that the information will be collected from individuals and/or officers of non-governmental organizations (NGOs) that apply for USAID funds, such as USAID contracts, grants, and cooperative agreements. The number of key employees may vary from project to project, depending upon the scope of the project for which funding is sought. We believe that organizations performing foreign assistance and development work abroad can make a reasonable estimate of the burden of compliance from the information furnished thus far.

2. Organizations expressed concern that applicants could be denied due process safeguards.

RESPONSE: As reflected in USAID's final rule under the Privacy Act and in its final rule for acquisitions and the Partner Vetting System (PVS), USAID will incorporate due process procedures into the PVS screening process to the extent that it is possible consistent with the handling and protection of classified information. Organizations will be given a reason for denial of an award due to vetting, with the maximum amount of detail allowed by the nature and source of the information that led to the decision, and they will be allowed to challenge the decision.

3. Concern has been raised about the privacy implications of collecting and sharing personal identifying information (PII) across agencies.

RESPONSE: USAID will conduct screening consistent with all requirements of the Privacy Act, including routine uses established thereunder. Access to PII obtained by USAID under the screening process will be limited only to USAID staff with vetting responsibilities. Access to PII is further restricted through role-based limitations. PII is not shared by USAID with other agencies unless there is a match with information already contained in law enforcement or intelligence community databases, in which case USAID will correct or update that existing information.

4. Organizations commented that it remains unclear whether the proposed information collection activity is an appropriate and necessary mechanism, adding that there is no evidence to show that due diligence activities currently employed by federal agencies and implementing partners have been unsuccessful in preventing the diversion of support to terrorists or supporters of terrorists.

RESPONSE: USAID routinely employs standard business "due diligence" processes to ensure that organizations bidding on our work abroad are both qualified to perform the work they seek and are

clean of any ties to terrorist organizations and/or corrupt practices. Contracting and grant officers examine business sources, U.S. government records, and other publicly available information to ensure proper use of appropriated funds in the contracting and grant making process. However, in order to consult classified U.S. government databases that contain detailed information on terrorist groups and their supporters, such officers need additional information from organizations seeking contracts, grants, or cooperative agreements. As much as the international community attempts to make such information available to organizations requiring it, much that is known to the U.S. government is available only in classified holdings. Accordingly, while organizations may be diligent in their efforts to screen their personnel, they do not have access to all relevant information available to the U.S. government. Thus, USAID's efforts do not duplicate what is done by implementing partners or the private sector.

5. The collection activity under the proposed system is not legally authorized.

RESPONSE: All information collection activities proposed by USAID for its screening programs will be carried out consistent with the requirements of the Paperwork Reduction Act. Screening systems for programs in West Bank/Gaza and for the PVS pilot program have been expressly authorized by statute. These statutes do not preclude USAID from exercising due diligence to ensure the integrity of the contracting and grant making process outside of the West Bank/Gaza and PVS pilot programs.

6. NGOs will be perceived as intelligence arms of the U.S. government, versus independent and neutral actors, increasing the security risk for implementing partner employees and local partners.

RESPONSE: Some of the concern expressed by NGOs results from the misconception that the PII collected will be entered into and retained by classified U.S. government databases and used to create a sort of "blacklist" of organizations and/or individuals who will be barred from seeking U.S. government contracts and grants. In fact, the PII collected will be used for screening the key individuals of a particular contractor or grantee and will not prejudice an organization's eligibility to bid on other projects. The only information about any individual being vetted that would be retained by other agencies beyond USAID would be if those individuals were already identified in the data holdings of the other agency.

More serious is the concern that cooperating with this collection might endanger the personnel of the organizations complying with the request due to the perception of linkage with U.S. intelligence gathering. We cannot, of course, control the perceptions of other parties about U.S. government activities and must acknowledge the possibility of such a view. However, those organizations relying on U.S. government funding for their operations already face such suspicions among hostile parties and certainly among terrorist organizations that would likely be the sources of any threat against their personnel. The information being requested is what most organizations maintain on their key employees, and its provision need not be a high profile activity. USAID's experience operating in West Bank/Gaza suggests that these concerns can be managed without damage to our foreign assistance or to the cooperation that our implementing partners count upon for success and security. The U.S. government has a responsibility to take those actions that will effectively safeguard taxpayer funds from

misuse and deprive terrorist organizations and their supporters of money needed for their operations. USAID will consider this concern as one among many when evaluating the results of the pilot program.

7. PVS will discourage international and local partners from working with U.S. NGOs and will deter U.S. citizens and foreign nationals from working for U.S.-funded programs.

RESPONSE: Our experience has been that organizations advancing humanitarian and foreign assistance operations adapt to requirements that are rationally founded. Due diligence for terrorism connections has increased substantially in the wake of 9/11 without jeopardizing operations, and we believe that the demands of this program will not preclude our implementing partners' ability to find subcontractors and/or employees abroad. This factor will also be evaluated as part of the pilot program.

8. Collecting PII diverts aid resources to pay unnecessary administrative costs. NGOs will have the additional burden of developing secure data management systems and hiring additional staff to process/manage the data.

RESPONSE: USAID has developed and will deploy a secure portal to help reduce the administrative burden on its implementing partners. USAID will provide its partners with training to utilize the secure portal system.

9. USAID and the Department of State have different form requirements, increasing unnecessary burden on applicants.

RESPONSE: USAID and the Department of State are independent agencies with differing programs and differing operational models. USAID's development work abroad is essentially organized and supervised from abroad, with the USAID Mission conducting far more of the business of contracting and grant making than is typical of State, which uses a centralized Washington-based model. Some of the detailed information needed to locate and monitor contracts and grants diverge, and it is impractical to attempt to unify these business models for the purpose of the vetting program. The Department of State, Foreign Operations, and Related Programs Appropriations Act, 2012, directs both agencies to use funds to support the development and implementation of a PVS pilot program but does not specifically mandate that all requirements shall be identical as between the two agencies. USAID and State are coordinating efforts whenever possible, but we cannot, nor were we directed, to operate an identical program. The different forms overlap substantially but differ where it is necessary to accommodate the differing business models of the two organizations. We believe the added burden of the two separate forms represents a modest increase in burden on complying organizations and is essential to allow the pilot to work properly.

10. Partner vetting will lead to significant delays in program implementation.

RESPONSE: The additional time needed for PVS will vary depending on the individual circumstances of each award. If none of the offerors have a negative vetting finding, we anticipate that these processes will usually only add a few days, but no more than one week to the procurement process. Additional time, if any, may be required to check the proper completion of the forms by the NGOs. Should there be

a finding, the impact will depend on the timing and nature of the finding. USAID has designed the PVS process to allow the contracting officer flexibility to balance the urgency of the procurement against our desire to allow offerors as much time as possible to address any negative findings.

11. The President's Advisory Council on Faith-Based and Neighborhood Partnerships recommended that PVS not be implemented as conceived (since it would significantly harm partnerships with local communities and compromise the safety of U.S. PVO personnel).

RESPONSE: See responses under #6 and #7.

12. Organizations commented that there is a need to evaluate the accuracy of the burden estimates, including the validity of methodology and assumptions used, stating that it is unclear how the burden estimates were calculated, and that there is a discrepancy between USAID's and DOS's estimates.

RESPONSE: The burden estimates are a multiple of current data from USAID's longest running vetting program in West Bank/Gaza. We defer comment on the State Department's estimates to that agency.

13. Implementing the pilot suggests that the program will be expanded beyond the five pilot countries. However, Congress has not provided authorization to do so.

RESPONSE: The PVS pilot program has been designed as a true "pilot" to provide a deeper understanding of the ways to mitigate risk of diversion in the provision of foreign assistance as well as the feasibility and utility of developing a worldwide system. No inference of expansion can or should be drawn from the implementation of the pilot program.