The PREP Process

An Implementing Partner's Guide to a Quality PREP

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Pipeline and Resource Estimate Proposal (PREP) (1)

- The PREP is the mechanism through which FFP’s development food assistance partners request commodity and cash resources for one year of programming, and inform FFP what will be accomplished using those resources.
- The PREP is NOT a results report. Program results are reported in the Annual Results Report (ARR).
Pipeline and Resource Estimate Proposal (PREP) (2)

- That said, the PREP should discuss any unforeseen circumstances that arose and that affected the partner’s ability to achieve results. The PREP should show how the program’s future plans take these into account.

- The PREP should also highlight ongoing or potential impediments to achieving results.

“PREPs look forward while ARRs look back.”
The PREP Process: Submission

AOR, Mission/Regional Office, and partner negotiate a PREP submission date.

Prior to the submission date, FFP “initiates” a PREP in FFPMIS, and notifies partner.

Partner enters PREP data/information into FFPMIS, and informs FFP.

FFP (AMEX) conducts completeness check, confirms receipt.
The PREP Process: Review and Negotiation

1. FFP staff in-country, regional office, and Washington access PREP to begin review process.
2. FFP forwards ESR to Mission Environmental Officer (MEO) for review/clearance.
3. FFP staff and MEO provide comments on the PREP to the AOR.
4. Partner responds to the Issues Letter, via email, at a meeting, etc.
5. AOR provides consolidated PREP feedback to partner in an “Issues Letter”, usually via email.
6. MEO, then FFP, clears ESR.
7. ESR is forwarded to DCHA Bureau Environmental Officer (BEO) for final clearance.
8. BEO clears ESR.
The PREP Process: Final Submission and Approval

AOR advises partner that their PREP is satisfactory.

Partner updates FFPMIS with updated (final) PREP documents.

FFP field staff provide concurrence on PREP.

Partner enters commodities into WEBSCM to be called forward, in whole or in part.

AOR initiates approval process within FFP. FFP Agreement Officer approves PREP; commodities and/or cash can now be provided.

FFP (AMEX) provides signed PREP modification to partner for counter-signature.

Partner returns counter-signed modification.

FFP approves call forward in WEBSCM.

FFP obligates cash resources, in whole or in part.
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Total Time from Start to Finish? About 2 months (But consult with your AOR on the timing!)
Overview of the PREP Guidance (1)

• Read and follow the PREP guidance first, and refer to it if there are any questions. Visit: http://www.usaid.gov/sites/default/files/documents/1866/FY%202013%20PREP%20Guidance.pdf

• Mission and FFP staff in the regional office and in Washington are always available to help.
Overview of the PREP Guidance (2)

- Some PREP components are entered directly into FFPMIS, while others are provided as attachments in the system.
- FFPMIS user guides on the system are available. For example, see: [http://www/fsnnetwork.org/document/prep](http://www.fsnnetwork.org/document/prep).
- **NEW**: FFP is changing from an “implementation year” cycle back to a fiscal year cycle.
Making the Switch: IY versus FY

- FFP is transitioning programs back to a FY cycle – eliminating the IY – for easier planning and reporting.

- Partners who are requested to do this in their PREPs will provide a FY budget and pipeline – which may be more than 12 months. For example, August 1, 2014 through September 30, 2015. This means:
  - The partner would enter, and describe, 14 months of resources and programming in their PREP and FFPMIS.
  - Two months of funding/commodities will come from FY14 resources, and 12 months from FY15. These resources will be provided in different FYs, but submitted in the same PREP.
  - The following year, the budget will be on a 12-month, FY cycle.
  - In the final year of programming, the budget would only cover 10 months (the program ending July 31st).
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Consult with your AOR about if or when this shift may occur!
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AND contact the FFPMIS Helpdesk before entering their data.
Key Components of a PREP

• Basic Program Information
• PREP Narrative
• Detailed Implementation Plan (DIP)
• Program Budget: Narrative, Comprehensive, and Detailed Budgets

• Monetization
• Environmental Status Report (ESR)
• Other
• Ration Calculator, Annual Estimate of Requirements (AER), and Commodity (and Cash) Pipeline
• Executive Summary Table
Key Components of a PREP

- Basic Program Information [FFPMIS entry]
- PREP Narrative [attachment]
- Detailed Implementation Plan (DIP) [attachment]
- Program Budget: Narrative, Comprehensive, and Detailed Budgets [attachments]
- Monetization [FFPMIS entry, plus narrative; skip if N/A]
- Environmental Status Report (ESR) [attachment]
- Other [attachments]
- Ration Calculator, Annual Estimate of Requirements (AER), and Commodity (and Cash) Pipeline [FFPMIS entry, plus narrative]
- Executive Summary Table [FFPMIS entry, plus narrative]

“FFPMIS entry, plus narrative” means that this information is provided directly into FFPMIS (data), with ADDITIONAL information provided in the PREP Narrative (context, explanations, justification, etc.).
PREP Narrative

- As mentioned, the narrative should inform USAID about any operating difficulties that occurred, are occurring, or are expected to occur in the coming year.
- The PREP should not discuss in detail what has been done but should focus on what will be done in the coming year.
- The PREP should include the total commodities, cash and resources to be programmed, and the total beneficiaries to be reached (as well as breakdowns per major activity).
- The narrative should include requirements of the Bellmon Analysis, for both MTZ and distribution activities.
Detailed Implementation Plan (DIP)

- The DIP should:
  - Clearly show when main activities will be implemented or take place (and should be described in the narrative).
  - Include sections on Management/Coordination, Commodity Management, M&E, Reporting, Environmental Management, Gender, etc. as well as training and government/local capacity building activities.
  - Clearly show when commodities will be distributed or monetized. This plan should mesh with what is shown in the Commodity Pipeline in FFPMIS.
  - Reflect changes from past DIPs (new additions, ongoing activities, removed activities, etc.).
Program Budget (1)

- Required for prime awardee as well as any sub-awardee(s).
- The Budget Narrative attachment should explain/justify:
  - Divergences from what was approved in the award, such as changes in personnel, travel, etc. and major shifts in spending across categories (10%+).
  - Procurement of capital goods (goods over $5,000).
  - Significant amount of carryover from the prior year.
  - Addition of new budget line items.
- No page limit on the Budget Narrative --- explain, explain.
- The narrative is complemented by Comprehensive and Detailed Budgets.
  - Detailed Budget should be disaggregated (no lump costs such as “research”, “construction”, etc.).
  - Use formulas, and no lump sums.

Good Rule for Budgets: No surprises!
Program Budget (2)

- Partners may request up to the amount approved for that IY in the award agreement (*in addition to whatever carryover that remains*). If exceptional circumstances warrant an increase, explain in the PREP and Budget Narratives.

Monetization (MTZ) Details (1)

- If MTZ will be carried out, the PREP narrative must describe the MTZ climate, and the CRT and LOA sections of FFPMIS must be completed detailing the anticipated proceeds and cost recovery.
- The CRT and LOA sections describe the (new) proceeds expected to be generated from MTZ commodities called forward in your PREP (*in addition to any MTZ proceeds carried over*).
- If anticipated MTZ proceeds are in excess of the amount approved in the award for that year, the partner should reduce the amount of MTZ commodities requested.
- The MTZ budget is separate from ITSH, 202(e), and other cash resources.
Monetization (MTZ) Details (2)

- When calculating cost recovery, the Free Alongside Ship (FAS) commodity price is used, aka the cost when the commodities are delivered alongside the vessel. FAS prices can be found in the Commodity Calculator, or requested from USAID/M/OAA/Transportation Division.

Environmental Status Report (ESR)

- In compliance with 22 CFR 216, partners must submit an ESR providing an update on environmental issues and mitigation measures identified in their Initial Environmental Assessment, as well as any subsequent changes.
- In addition to FFP, Mission/Regional Environmental Officers must review and approve the ESR, as well as the DCHA BEO.
- Some partners also provide an Environmental Mitigation and Monitoring Plan (EMMP).

The ESR is submitted as an attachment in FFPMIS.
Other

- Negotiated Indirect Cost Rate Agreement (NICRA) for the prime and sub-awardees.
- Close-out schedule for partners entering their final year.
- Certifications:
  - Assurance of Compliance with Laws and Regulations Governing Non-Discrimination.
  - Certification Regarding Lobbying.
  - Prohibition on Assistance to Drug Traffickers.
  - Certification Regarding Terrorist Financing.

All are submitted as attachments in FFPMIS.
Sample Naming Convention: *(blue text = title of FFPMIS document)*

**Example 1: Initial Submission**
- Partner Name – Country – Program Name – FY 2014 PREP *(OR ARR)* – Document Name – Date Submitted *(YYYYMMDD)* – DRAFT.doc

**Example 2: Final (approved) Submission**
- Partner Name – Country – Program Name – FY 2014 PREP *(OR ARR)* – Document Name – Date Submitted *(YYYYMMDD)* – FINAL.xls

**Example 3: Update or Modification to the Approved Submission**
- Partner Name – Country – Program Name – FY 2014 PREP *(OR ARR)* – Document Name – Date Submitted *(YYYYMMDD)* – REASON FOR UPDATE.pdf

In these examples, the FY and DATE will arrange the attachments in its proper order. For example:
- Partner Name – Country – GIVE Program – FY 2012 PREP – Narrative – 20120108 – DRAFT.doc
- Partner Name – Country – GIVE Program – FY 2012 PREP – Narrative – 20120213 – FINAL.doc
- Partner Name – Country – GIVE Program – FY 2013 ARR – Narrative – 20131122 – FINAL.doc
- Partner Name – Country – GIVE Program – FY 2013 PREP – DIP – 201301219 – FINAL.doc
- Partner Name – Country – GIVE Program – FY 2013 PREP – Narrative – 20130219 – FINAL.doc
- Partner Name – Country – GIVE Program – FY 2013 PREP – Narrative – 20130629 – RATION CHANGE.doc

The key is to be CONSISTENT throughout the life of the award. If not, all of your attachments will be saved in random order.
FFP Review/Approval of the PREP

- Once submitted, staff from the mission, regional office, and Washington review the PREP and provide comments to the AOR.
- The AOR consolidates the comments, and provides them to the partner in an “issues letter” for a response and/or an updated PREP.
  - Based on a satisfactory response, FFP should have a solid understanding of what the partner will be doing in the coming year and how the requested resources will be used.
  - FFP can now move the PREP forward for approval.
  - When FFP approves the PREP, the program's work plan and resource levels have been established, commodities can be called forward, and/or cash resources can be obligated.
Tips to Maximize Your PREP Submission (1)

• Discuss PREP changes with in-country staff in advance. For big changes, also discuss with the AOR.

• Consider whether the context or operating environment has changed, and how the program might adjust.

• Budget at least two months of time between PREP submission and approval, more if big changes are proposed.
  – If a PREP turnaround time is tight, providing the ESR to the MEO in advance is advised.
  – Consider how many PREPs are being submitted to your AOR, and factor this into the review time.
  – For many AORs, the PREP submission date is flexible, and depends on when the partner needs resources (commodities or cash).
  – Initial estimates are one hour for partner staff to enter and submit a PREP, assuming all the data is correct. *Budget your data entry time accordingly!*
Tips to Maximize Your PREP Submission (2)

- Potential sticking points: change in scope, geographic area, and/or number of beneficiaries, major equipment purchases, substantial budget increases/decreases/shortfalls, procurement of restricted goods, security constraints, government policy changes, other changes to the operational environment.
- When revising a PREP, make updates to the PREP narrative(s) in yellow highlighted text, and/or through an attachment.
- Advise FFP when, and in what amounts, you will need your cash resources [202(e), ITSH, CDF, etc.].
- Cross-check that numbers are consistent across all PREP documents, and across all data entered into FFPMIS, and fall within the approved budget.
Tips to Maximize Your PREP Submission (3)

• If some PREP components cannot be approved, the modification document can note so and state that these documents will be approved at a later date (e.g., M&E Plan, etc.).
• While FFP probably won’t increase your annual budget, discuss implications of shortfalls, changes in operating environment, etc. and ways to tackle.
• A PREP is essentially a modification for one year of resources and programming. Try to lump all your modification requests together in your PREP (vehicle requests, etc.).
• Cross-check totals to make sure they match.
• Use a consistent naming convention.
Main reasons for a modification:
Main reasons for a modification*:

- Changes in scope: program objectives or key activities, geographic area, # of beneficiaries.
- Annual approval or obligation of resources (PREP).
- Increase/decrease in resource amounts or types.
  - Applies to cash and commodities
  - Increase/decrease of more than 10% in MTZ line item spending.
- Change in award period of performance (termination, extension, etc.).
- Approval of sub-awards.
- New budget line items.
- Changes to the marking/branding plan.
- Procurement/use of restricted goods (vehicles, seeds, fertilizer, pharmaceuticals, pesticides, etc.).

All of these should be updated in FFPMIS.
What else do you need FFP’s permission for, but not a modification?
What else do you need FFP’s permission for, but not a modification?

The following can be approved outside of a PREP (or modification). Documentation varies, so discuss with your AOR:

- International travel.
- Key personnel.
- M&E Plan, including increases/decreases in targets. [Discuss with AOR on FFPMIS update]
- Change in rations or commodities. [Update in FFPMIS needed]
- Commodity loan/transfer/swap.
- Settlement of claims/losses in QWICR (payment or waiver).
- Disposition plan for commodities/losses.
- Closeout plan. [Submit with PREP in FFPMIS]
- IEE, ESR, PERSUAP.
- Other items identified in the award.

Consult your award for the complete terms and conditions applicable to your program.
In the Works

- Templates for advance understanding/review of data requirements to be directly entered into FFPMIS.
Questions???

Now I get it!
Additional FFPMIS-PREP Information (1)

Monetization (MTZ) Details (CRT and LOA)

- The LOA tables actually summarize ONE YEAR of MTZ activities, given that there may be multiple sales transactions in one year. (Do NOT summarize multiple years of MTZ activities).
- Leave “Proceeds Expended” blank.
- **NOTE:** In FFPMIS, the CRT and LOA MTZ data are not linked; be sure to double-check that the totals match.
Additional FFPMIS-PREP Information (2)

Ration Calculator, Annual Estimate of Requirements (AER) and Commodity Pipeline (CP)

• Entered by partners directly into FFPMIS, these tabs provide FFP with the total commodities and types needed per program, when they will be ordered and for what activity, and the program’s inflows/outflows over the year.

• All commodities must be entered into the Ration Calculator tab first – even for MTZ activities.

• FFPMIS automatically tallies the commodity and freight prices from these tabs – and total costs to FFP – so accuracy is critical.

• Commodity loans/transfers – to your program or from your program – need to show a positive value or negative value (e.g., -100MT).
Additional FFPMIS-PREP Information (3)

Ration Calculator

FFPMIS Ration Calculator Notes:
• If a commodity is only being used for MTZ, enter the MTs as “0” in the Ration Calculator.
• Ration size per recipient says grams, but accounts for all measurements (liters, etc.).
• Protein and energy requirements are automatically calculated.
• For the total for each commodity total requested, ensure the total matches the AER. *(For example, by rounding to the nearest 10).*
• Activity examples might include: PLW distributions, FFW distributions, Protection ration, etc.
• Monetization activities, by nature, have zero (0) recipients. However, enter activity name(s) to define how these proceeds will be used.
Additional FFPMIS-PREP Information (4)

Annual Estimate of Requirements (AER)

FFPMIS AER Notes:
• Use the AER tab to enter MTZ information; DD information will auto-fill.
• On the AER tab, select “Single Year” span.
• On the AER tab, leave “Status” blank.
• Go back to the main AER tab to confirm that all DD and MTZ commodities are listed.
Additional FFPMIS-PREP Information (5)

Commodity Pipeline (CP)

• For the current FY, commodity pipelines may show carryover from your previous commodity and cash requests. Review and update these amounts to reflect your program’s current pipeline and needs.

• Reference the FFP Commodity Calculator for the inland rate (if applicable), at: http://www.usaid.gov/what-we-do/agriculture-and-food-security/food-assistance/resources/implementation-tools. FFP partners are responsible for determining an appropriate inland rate and justifying their determination.

• Pipeline loans out require a negative sign (“-”) to show that the program is reducing its available stocks.

• Enter MTZ commodities under “Arrivals”, and when sold, remove them under “Usage”.

• Note: Commodity and Freight costs (C&F) automatically calculate in FFPMIS. Inland rates need to be provided.
Additional FFPMIS-PREP Information (6)

Executive Summary Table (EST)
- The EST summarizes a program’s planned resources based on the AER/Commodity Pipeline data entered, and cash requirements entered. These figures are therefore estimates for FFP of the actual C&F and cash to be obligated that year.
  - Enter the total new 202(e) and ITSH being requested in the PREP (not carry over). Do not complete any other section.
  - If receiving CDF resources, FFPMIS requires you to enter data on a separate tab.
  - When entering the “Month”, enter the month of the 1st Call Forward for the PREP.
  - After you enter and save a new EST, the AER and Commodity Pipeline auto-fill the Executive Summary Tables with commodity and price data.
  - Make sure the data is accurate across all tabs.

DA Summary Tab
- This tab captures your requests for CDF resources.
Transition From IY to FY in FFPMIS

Commodity Pipelines for programs entering information on an implementation year schedule:
• IY 1- May 2013 – April 2014
• IY 2- May 2014 – April 2015

Commodity Pipelines for programs entering information on fiscal year schedule:
• FY 1- October 2013 – September 2014
• FY 2- October 2014 – September 2015

Old Way!

New Way!
Transition From IY to FY Continued

Existing Commodity Pipelines

IY 1/FY 2013

IY 2/FY 2014
Transition From IY to FY Continued

Updated Commodity Pipelines

FY 2013

Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep

Program start date of May 2013

FY 2014

Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep

2013

To be entered on current PREP

FY 2015

Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep

2015
202(e) Funding Definitions

The new Farm Bill expands on the use of 202(e) resources. To differentiate in their use, FFP refers to these as “traditional” and “enhanced” 202(e) funding.

• **Traditional**: 202(e) funding provided to programs that distributed Title II commodities (at any point in its award).

• **Enhanced**: 202(e) funding that does not have to be part of an existing Title II commodity award
Enhanced 202(e) Funding

- Enhanced 202(e) funding covers requests for the implementation of non-traditional Title II commodity-based activities. These include:
  - Regional Procurement
  - Local Procurement
  - Cash Transfers
  - Vouchers
  - General Programming
  - Admin
Entering Traditional and Enhanced 202(e) Funding into FFPMIS

1. If you are only requesting “traditional” 202(e) funding, enter the 202(e) request(s) into the appropriate month(s) in the Commodity Pipeline, and enter the total request in the 202(e) field in the Executive Summary Table.

2. If you are only requesting enhanced 202(e) funding, enter that request amount in the 202(e) field in the Executive Summary Table only.

3. If you are requesting both traditional and enhanced 202(e) funding, enter only your traditional 202(e) funding request amount in the Commodity Pipeline and only your enhanced 202(e) funding request amount in the 202(e) field in the Executive Summary Table.