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# **Pipeline and Resource Estimate Proposal Tutorial**



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## **What is the Pipeline and Resource Estimate Proposal?**

The *pipeline and resource estimate proposal* (PREP ) is the mechanism through which awardees of Title II Multi-Year Assistance Programs (MYAPs) request and describe the use of food aid commodities and cash resources for an upcoming implementation year.



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## **What are the definitions of a fiscal year and an implementation year?**

- A fiscal year is the period between October 1 and September 30. Food aid commodities and cash resources are requested, approved and purchased utilizing one fiscal year's worth of FFP resources.
- An implementation year is the physical implementation of food aid activities within a 12-month period. Food aid resources are actually *programmed* over an implementation year. Thus, the PREP follows an **implementation year** schedule.



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## **What is the difference between a fiscal year and an implementation year?**

While the fiscal year is based on the U.S. Government's schedule of October 1 to September 30, the implementation year is a 12-month period of time during which a food aid program may operate. The implementation year begins on the date that the food aid program award becomes effective, as detailed in the award agreement. Given award approval dates and the life of food aid program awards, one implementation year will likely straddle two fiscal years. For example, a MYAP approved in April 2010 has its first implementation year from April 2010 to March 2011 and straddles both fiscal year 2010 and fiscal year 2011.



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## Which to Use: Fiscal Year or Implementation Year?

- The entire PREP submission should be based on the **implementation year**. This includes the narrative, the *Budgets, Monetization Tables, Annual Estimate of Resources and Commodity Pipeline (AER & CP), Tracking Tables for Beneficiaries and Resources* and other attachments.
- Annual Results Reports are based on the fiscal year.
- Refer to the PREP *Frequently Asked Questions* for a detailed chart outlining when to use the fiscal or the implementation year.



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## PREP Contents

The PREP should include the following **information, updates, and justifications** in the *Narrative* or as *Attachments*, as applicable:

- Introduction
- Program budgets
- Monetization proceeds and program income
- Bellmon Analysis supplemental information
- Food aid commodities and rations
- Monitoring and evaluation
- Program graduation and exit strategies
- Resource and beneficiary data
- Environmental Status Report and compliance
- Affirmation of certifications
- Latest NICRA
- Close-out schedule
- Completeness check



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## **The PREP Guidance is your friend!**

Awardees should follow the detailed guidance and instructions when preparing the PREP.

If questions remain, awardees should consult the agreement officer's technical representative (AOTR) and the Food for Peace Mission and/or Regional Offices, as appropriate (FFP/M/R).



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## **The PREP Introduction and Narrative**

- Includes an awardee's programmatic plans and expectations, and uses of food aid commodities and cash resources, for the upcoming implementation year.
- Any changes to the approved award should be justified in the appropriate sections of the *Narrative*.
- Program results should be reserved for the *Annual Results Report (ARR)*.



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## The PREP is NOT a Results Report

- The PREP focuses on **future** programming and resources required to implement them. Food aid program **results** are reported in the *Annual Results Report (ARR)*.
- Awardees may, however, briefly discuss in the PREP any unanticipated circumstances that arose and affected their ability to achieve results. They may also briefly highlight ongoing or potential impediments to achieving results in the upcoming implementation year.



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## Program Budgets

- The *Detailed Budget* should include all planned expenditures for the implementation year, by line item (travel, etc.).
- The *Comprehensive Budget* should include all planned expenditures for the implementation year, by funding source (Section 202(e), ITSH, etc.).
- Planned expenditures in the budgets should mirror the approved award budget.
- Budget categories can be revised to match those used by the awardee. For example, budget categories in the PREP *Comprehensive Budget* and ARR *Expenditure Report* should match.
- Any changes to the budget within a ten percent shift should be explained and justified in the *Narrative*. For any changes above a ten percent shift, consult the AOTR.



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## **Monetization Proceeds and Program Income**

- Awardees should detail anticipated monetization proceeds and other forms of program income in the narrative.
- In addition, the *Monetization Tables* enable the AOTR to determine whether planned and actual monetization proceeds are on target vis-a-vis the approved budget, or whether changes are needed.
- Monetization proceeds budget amounts and anticipated proceeds amounts should match those provided in the *Tracking Tables for Beneficiaries and Resources*.
- All data should be provided on an implementation year basis.



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## **Budget Derivations**

FFP does not generally provide more resources for any given implementation year than what was allocated per fiscal year for the approved food aid program. However, under exceptional circumstances, greater resources than what had been anticipated may be needed. This should be fully explained in the *Budget Narrative*.



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## **Bellmon Analysis Supplemental Information**

Awardees should provide assurances or evidence that:

- *For food aid monetization activities* – the anticipated sales price approximates the import parity price for each food aid commodity to be monetized.
- *For direct distribution of food aid commodities* – the methodology used to determine beneficiary populations ensure that the beneficiaries are indeed food insecure and the proposed food aid distribution would be additive.



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## Food Aid Commodities and Rations

If different from the approved award for the upcoming implementation year, the PREP should include:

- An explanation for the **quantity or type of the food aid commodities** and implications on planning on programming.
- Detail and justification of **different food aid ration sizes, composition and/or target population(s)** and program implications.
- This information should correspond with the ***AER & CP***.



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## AER & CP

The *Annual Estimate of Resources and Commodity Pipeline* spreadsheet (AER & CP) details an awardee's proposed food aid commodity and cash needs and programming over the coming implementation year. It contains the following tabs and corresponding tabs with instructions:

- *Food Aid Rations Calculator*
- *Food Aid Commodities Nutrition Information*
- *Annual Estimate of Requirements*
- *Food Aid Commodity Pipeline*
- *Resource Pipeline Summary*



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## AER & CP

**Read all instructions and definitions carefully!** For example:

- A separate AER & CP is needed for each funding source. If funding for food aid commodities is being provided through both emergency and non-emergency resources, awardees must submit a separate AER & CP for each.
- Some fields will self-populate. Awardees should therefore complete the *Food Aid Rations Calculator* tab first, followed by the *AER* tab and then the *Food Aid Commodity Pipeline* and *Resource Pipeline Summary* tabs.
- Commodity requests in the *Food Aid Ration Calculator* and *AER* should exclude carryover and only include additional food aid commodities required for the implementation year.



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## **AER & CP: Food Aid Rations Calculator**

- Excluding carryover, this tab calculates the total metric tonnage required for one implementation year of food aid commodity direct distributions per technical sector, based on rations provided per **recipient**.
- Awardees should enter data for recipients of food aid rations per technical sector, activity, and location.
- This tab should be completed first, due to automatic calculations that pre-fill cells in subsequent tabs.



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## **What is a Recipient?**

- Recipients are direct **RECEIVERS** of a food aid **RATION**. As they receive a direct good, they are **ALWAYS** beneficiaries.
- If an individual receives a ration for his/her household, each individual in the family is a recipient.
- Recipients should only be counted **ONCE PER ACTIVITY** under each technical sector in which rations are provided.



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## **Recipients versus Beneficiaries**

**Recipients and beneficiaries are not necessarily the same!**

**Consult the definitions in the *AER & CP*, and the *Tracking Tables for Beneficiaries and Resources*, for additional information and examples.**



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## **AER & CP:**

### **Food Aid Commodity Nutrition Information**

- The energy and protein values in the *Food Aid Rations Calculator* tab are automatically calculated based on the values provided in the *Food Aid Commodity Nutrition Information* tab.
- **If applicable, awardees may use different nutrition values than those provided** in this tab. To do so, update the *Commodity Nutrition Information* tab with those nutrition values, including a justification and the source of the new nutrition information.
- For additional information and guidance on food aid commodity nutrition and ration composition, please refer to the *Commodity Reference Guide* at [http://www.usaid.gov/our\\_work/humanitarian\\_assistance/ffp/crg/sec1.htm](http://www.usaid.gov/our_work/humanitarian_assistance/ffp/crg/sec1.htm).



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## **AER**

- The *AER* summarizes an awardee's proposed food aid commodities for distribution and monetization for the upcoming implementation year. It excludes food aid commodities being carried over from the previous year.
- Food aid commodities for direct distribution listed on the *AER* tab should match those listed on the *Food Aid Rations Calculator* tab.
- In addition, metric tonnage required for monetization of food aid commodities should be entered directly on the *AER* tab, disaggregated by technical sector.
- The *AER* tab automatically rounds the metric tonnage amounts to the nearest ten metric tons, due to procurement requirements.
- The *AER* must be signed by the awardee when submitting its PREP.



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## **AER & CP: Food Aid Commodity Pipeline**

- In this tab, awardees should detail how they will program their food aid commodities for direct distribution and monetization over the course of the implementation year – or longer, as needed.
- This tab **should** include carryover commodities, as well as commodity loans (in and out). See Row 12.
- Justification should be provided in the Remarks column to explain why specific food aid commodities are needed at that time and in that amount. Based on the pipeline, FFP will be able to better gauge the timing and size of commodity calls forward.



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## **AER & CP: Resource Pipeline Summary**

- Values for the *Approved Food Aid Commodities for Distribution* column will automatically carry-over from the *AER* tab. The metric tonnage will not be rounded.
- The *Distribution Schedule* will automatically carry-over from the *Food Aid Commodity Pipeline* tab.
- Enter the respective Monetization Proceeds, Section 202(e) and ITSH resources for the implementation year.
- Justification should be provided to explain why commodity and cash resources are needed at that time and in that amount. Based on this information, FFP will be able to better gauge the timing and size of commodity calls forward and cash resource obligations.
- **Cash resource amounts provided should match those provided in the food aid program budgets.**



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## Monitoring and Evaluation

- Any changes to the monitoring and evaluation (M&E) plan should be described and explained in the appropriate *Narrative* sections as well as by attaching updated *M&E Plans*, *Detailed Implementation Plans* (DIP) and *Indicator Performance Tracking Tables* (IPTT).
- The DIP is disaggregated by month and activity.



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## **Program Graduation and Exit Strategies**

In this component of the PREP, awardees should describe how the food aid program intends to withdraw its resources while assuring that the achievement of development goals is not jeopardized and progress towards these goals continues.



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## Tracking Tables for Beneficiaries and Resources

- The *Tracking Tables* summarize a food aid program's approved, requested and actual food aid commodity and cash resources over a given period, and the beneficiaries and technical sectors associated with them.
- The *Tracking Tables* spreadsheet contains the following tabs with a corresponding tab for instructions:
  - *Definitions*
  - *A. Resources Summary Table-Proposals/PREP*
  - *B. Resources Summary Table-Annual Results Report*
  - *C. Beneficiaries Data by Technical Sector*
  - *D. Regional Beneficiaries Data by Technical Sector*



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## **Tracking Tables for Beneficiaries and Resources**

**For the PREP, awardees should ONLY complete tabs A and C (and D, as applicable).**

**Read the instructions and definitions carefully to complete the tables according to FFP's methodology and to avoid errors.**



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## Tracking Tables for Beneficiaries and Resources

- Tab A (*Resources Summary Table*) should include all food aid commodities – both direct distribution and monetization – as well as cash resources approved and requested, for the coming implementation year, excluding carryover.
- Tab C (*Beneficiary Data by Technical Sector*) should include the number of **beneficiaries** the food aid program plans to reach in the implementation year.
- Tab D (*Regional Program Beneficiary Data*) should only be completed by awardees whose food aid program operates in multiple countries in a region. In tab D, awardees should disaggregate the data provided in Tab C by individual country.



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## What is a Beneficiary?

- Beneficiaries are **INDIVIDUALS** who come into **DIRECT** contact with a food aid program's interventions (goods or services). This includes not only individuals receiving rations (recipients), but also individuals receiving training, technical assistance, etc.
- If an individual receives a family ration for his/her household, each individual in the family is a beneficiary.
- Beneficiaries should only be counted **ONCE** for **EACH TECHNICAL SECTOR** where goods or services are provided.
- Beneficiary totals in the tracking tables should match those provided in the PREP narrative.



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## Environmental Compliance

- USAID 22 C.F.R. 216, *Environmental Procedures*, or “USAID Regulation 216”, mandates that all awardees comply with efforts to minimize impact on the environment.
- An *Environmental Status Report (ESR)* must be submitted with the PREP. To complete the ESR, awardees should follow the specific instructions provided in the PREP guidance.
- Remember to include costs for environmental mitigation measures within program budgets.



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## **Additional Documents**

The following documents should also be submitted with the PREP:

- Affirmation of Certifications
- Latest Negotiated Indirect Cost Rate Agreement (NICRA) between the awardee and the U.S. Government
- Close-out schedule (as applicable)
- PREP Completeness Checklist



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## **Be consistent!**

Before submitting your PREP, remember to consult the award agreement for approved implementation year levels. Also, double-check to ensure that correlated information matches throughout your submission. This includes:

- **Beneficiary totals** – in the PREP Narrative, Tracking Tables, and M&E Sections.
- **Food Aid Commodity totals** – in the PREP Narrative, Monetization Tables, AER & CP, and Tracking Tables.
- **Budget totals** – in the PREP Narrative, Budgets, Monetization Tables, AER & CP, and Tracking Tables.

**Remember:** All of these documents are based on the implementation year!