



West Bank and Gaza: USAID Did Not Document Its Deliberative Process for Identifying and Assessing Risks in Programming

Why We Did This Audit

USAID/West Bank and Gaza (USAID/WBG) programs support the West Bank and Gaza in achieving the overarching goal of partnering with the Palestinian people to promote prosperity, peace, and opportunities for the next generation. The mission has two offices in Israel: Jerusalem and Tel Aviv. It continues to face movement restrictions and other constraints in implementing programs, such security concerns due to violence.

USAID/WBG also faces funding swings due to changing presidential administration priorities. As Figure 1 shows, obligated funding decreased from \$286 million in fiscal year (FY) 2017 to approximately \$18 million in FY 2020. While the U.S. administration at the time ended all programmatic assistance in FY 2019, previously appropriated amounts were obligated in FY 2019-2020. In FY 2021, the subsequent administration announced it would resume funding, which increased to \$122 million in FY 2021 and to \$152 million in FY 2022. Given the challenges in providing foreign assistance in the region, coupled with the large increase in funding in recent years, OIG initiated an audit to determine the extent to which USAID/WBG identified and assessed risks after the resumption of funding and related programming.

What We Recommend

We made one recommendation to update USAID/WBG's mission order to include documentation of the deliberative process supporting the mission's risk assessment. USAID/WBG agreed and developed a new mission order that requires staff to document their assessment of major risk categories and rationale for not including risks reported in the prior period. Therefore, we consider this recommendation closed.

What We Found

USAID/WBG followed Agency guidance in identifying and assessing risks after the resumption of funding and programming. Specifically, the mission identified and reported programmatic, human capital, and reputational risks in FY 2021 and FY 2022.

However, the mission did not document the assumptions made and methodologies it used to determine risk, particularly those related to security, legal, fiduciary, and information technology requirements. It also did not explain why the mission decided to drop risks from year to year.

As a result, the mission did not reap the benefits of a more transparent and documented process that involved key stakeholders in the analysis of all available data. It may also have missed opportunities to mitigate recurring risks, revise programs in response to identified risks, and meet program objectives.

Figure 1. FY 2017-2022 USAID Funding to West Bank and Gaza (obligated funds in millions)

