



Challenges USAID Faces in Responding to the COVID-19 Pandemic

As the U.S. government's international development lead, the U.S. Agency for International Development (USAID) received access to almost \$2 billion for international COVID-19-related programs and operations as of May 2020. USAID's response strategy is multifaceted and aims to protect the safety and health security of its global workforce, ensure continuation of its mission across the world, and support partner countries in their COVID-19 response. In implementing these response efforts, USAID faces several significant anticipated challenges that the OIG has organized into four categories that align with the fiscal year 2020 top management challenges statement for the Agency.

Managing Risks to Humanitarian Assistance amid a Public Health Emergency

Recognizing the potential humanitarian impacts of the pandemic, USAID's Administrator issued a global disaster declaration to permit the use of humanitarian assistance for COVID-19 relief. The Agency plans to prioritize these funds for its ongoing humanitarian assistance programs, which will be adapted for the pandemic, as well as for programs in fragile settings that the pandemic could tip into a full-blown crisis. OIG audits and investigations have identified significant risks that USAID encounters in crisis environments. The COVID-19 pandemic may exacerbate these risks and keep aid from reaching beneficiaries as intended. For example:

- **Assessing and responding to conditions.** USAID needs access to reliable information to make timely, well-considered decisions to prioritize, adapt, and contextualize its humanitarian assistance programs and choose appropriate interventions. Obtaining such information is a challenge when traditional information sources face travel and visibility restrictions.
- **Fraud and diversion risks.** USAID emergency food, health, shelter, and livelihood assistance for those in most acute need has been subject to diversions, product substitution, and other malicious schemes. Practices and procedures to ensure appropriate aid reaches intended beneficiaries is a challenge that may grow as global demand for life-saving goods and services creates new incentives for bad actors.

Maintaining Responsibilities for Planning, Monitoring, and Sustaining Development

USAID's international development programs aim to help countries become self-reliant while advancing U.S. national security and economic prosperity. Careful planning and monitoring are essential to sustaining development outcomes and achieving USAID's goal of ending the need for foreign assistance. The COVID-19 pandemic changes the landscape for USAID's ongoing and planned programming, creating new challenges to achieve and sustain development outcomes, hold implementers accountable for results, and make effective and efficient use of taxpayer funds. For example:

- **Strategy and planning.** Pandemic health, demographic, social, and economic effects on recipient countries may affect the suitability of USAID's plans—from corporate-level strategies to award-specific critical assumptions. Revisiting and quickly updating and adapting these plans, some of which have been years in the making, may present a challenge especially where assistance strategies no longer fit the COVID-19 context.
- **Implementation, monitoring, and evaluation.** USAID will need to account for the impact of the pandemic on implementer staff and the ability to carry out projects, programs, and activities as initially designed. Changes to work plans and other critical award files must be appropriately documented to hold implementers accountable,

an ongoing challenge for USAID. As it does, the Agency must also develop and validate new methods for program monitoring and evaluation, since some traditional approaches like site visits are not feasible at this time.

- **Supply chains.** Global supply chains play a central role in the COVID-19 response as well as in ongoing programs for HIV/AIDS, malaria, and other diseases. Risks that the Agency is working to correct—including warehouse leakage and black-market sales—may increase if host governments and USAID’s local partners struggle to cope with the outbreak and face difficulty maintaining inventory controls.

Maximizing Stakeholder Coordination for a Global COVID-19 Response

The global reach of the COVID-19 pandemic, with lives at stake and resources limited both at home and abroad, requires unprecedented coordination between a broad range of stakeholders worldwide. Balancing the complementary yet distinct missions of U.S. government agencies and other stakeholders is a challenge for USAID that is likely to translate to the global COVID-19 response and recovery effort, particularly when roles and responsibilities are not clearly defined and the ability to act is beyond USAID’s immediate control. For example:

- **Interagency coordination.** In responding to the pandemic, USAID must ensure that its efforts are well coordinated with those of other federal actors and that it has the top-line guidance that it needs to move forward. Clarity around agency roles and responsibilities and alignment of effort across agency lines, items that have been problematic in past responses, need to be clearly established if USAID’s response efforts are to be efficient and effective.
- **External engagement.** U.S. government response and recovery efforts play out alongside those of other national governments, public international organizations, and the private sector. Ensuring effective coordination of efforts across donors, leveraging the work of international organizations, and tapping private sector resources and expertise is critical in the face of aims to promote burden sharing while projecting U.S. leadership.

Addressing Vulnerabilities and Implementing Needed Controls in Core Agency Management Functions

USAID’s ability to carry out its mission and safeguard federal funds depends on the integrity and reliability of its core business practices and systems. The COVID-19 pandemic adds strain to the Agency’s award, financial, and personnel management, and information technology systems and security. In delivering on the imperative for swift action in response to the pandemic, USAID must also meet taxpayer expectations that its efforts are managed through effective systems and subject to prudent controls. For example:

- **Institutional capacity.** USAID operations have been strained and disrupted, while staff have been enlisted to perform new functions against the backdrop of an ongoing organizational transformation. Ensuring that critical functions are backed by staff with clearly delineated responsibilities and authorities and that these personnel have requisite training, bandwidth, and supervision to execute on them effectively may be a significant challenge.
- **Grant and contract management.** To provide for a timely response on the needed scale, USAID must act quickly to adjust some existing awards and implement new ones. Award processes that may have lacked rigor under normal conditions will have to be shored up while being stretched to meet new demands. Ensuring that programming and funding decisions and award management activities meet government acquisition standards will be integral to success.

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