



OFFICE OF INSPECTOR GENERAL
U.S. Agency for International Development

USAID Communicated and Enforced Branding and Marking Policies but Could Further Clarify Waiver Requirements and Monitoring Responsibilities

AUDIT REPORT 9-000-21-008-P
July 23, 2021

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MEMORANDUM

DATE: July 23, 2021

TO: USAID/Bureau for Legislative and Public Affairs, Interim Lead, Margaret Taylor
USAID/Bureau for Management, Office of Acquisition and Assistance, Director, Mark Walther

FROM: Global and Strategic Audits Division Director, Emily Gardiner /s/

SUBJECT: USAID Communicated and Enforced Branding and Marking Policies but Could Further Clarify Waiver Requirements and Monitoring Responsibilities (9-000-21-008-P)

This memorandum transmits the final report on our audit of USAID's policies and procedures for branding and marking. Our audit objectives were to determine the extent to which USAID (1) has policies and procedures to ensure compliance with statutory branding and marking requirements and (2) provided information and oversight to ensure implementers complied with branding and marking requirements. In finalizing the report, we considered your comments on the draft and included them in their entirety, excluding attachments, in Appendix C.

The report contains three recommendations to better ensure compliance with branding and marking requirements. After reviewing the information you provided in response to the draft report, we consider all recommendations resolved but open, pending completion of planned activities. For all three recommendations, please provide evidence of final action to the Audit Performance and Compliance Division.

We appreciate the assistance you and your staff provided to us during this audit.

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INTRODUCTION

U.S. foreign assistance can advance not only humanitarian and economic goals but also strategic and diplomatic objectives. USAID has acknowledged that the value of foreign assistance is enhanced when beneficiaries know that the assistance they receive is provided from the American people. Unfortunately, according to USAID, beneficiaries of billions of dollars in U.S. foreign assistance are often unaware that the aid they receive is provided by the American people. This need for awareness has only increased as foreign assistance programs have been more fully integrated into the U.S. National Security Strategy. Branding and marking are central elements of USAID's effort to enhance the visibility and value of U.S. foreign assistance by informing beneficiaries that the aid they receive is from the American people. USAID defines *branding* as the naming of a program, project, or activity and how USAID's sponsorship is communicated. *Marking* is affixing the USAID identity to project deliverables and communicating USAID's support for the deliverables.

The USAID Branding Modernization Act, H.R. 2744, required this audit of Agency branding and marking requirements.¹ Given the importance of informing beneficiaries that the aid they receive is from the American people, and in accordance with the USAID Branding Modernization Act, we conducted this audit to determine the extent to which USAID (1) has policies and procedures to ensure compliance with statutory branding and marking requirements and (2) provided information and oversight to ensure implementers complied with branding and marking requirements.

To address these objectives, we compared branding and marking policies and practices in USAID's Automated Directives System (ADS) chapter 320, "Branding and Marking," to requirements in the Foreign Assistance Act of 1961 (as amended) and the Code of Federal Regulations (CFR) part 2, section 700.² We also interviewed USAID officials from the Bureau for Legislative and Public Affairs (LPA) and the Management Bureau's Office of Acquisition and Assistance (M/OAA). Further, we judgmentally sampled 21 awards and reviewed associated award documentation and program materials for adherence to branding and marking requirements. In addition, we assessed five judgmentally selected waivers for adherence to applicable requirements. We interviewed mission officials and implementers responsible for the 21 judgmentally sampled awards to understand the processes followed to ensure branding and marking complied with requirements. Travel restrictions due to the COVID-19 pandemic prohibited in-person fieldwork and meetings; therefore, we conducted fieldwork virtually by teleconference or videoconference. We conducted our work in accordance

¹ H.R. 2744 was enacted as Public Law No: 116-334 on January 13, 2021. Section 2(b) of the Act requires that, "Not later than 1 year after the date of the enactment of this Act, the Inspector General of USAID shall submit to Congress an audit of compliance with relevant branding and marking requirements of USAID by implementing partners funded by USAID, including any requirements prescribed pursuant to the authorization under subsection (a) [of Section 2 of H.R. 2744]."

² Our analysis compared statutory requirements to the version of ADS chapter 320 issued on February 5, 2020.

with generally accepted government auditing standards. Appendix A provides more detail about the audit's scope and methodology.

SUMMARY

USAID's branding and marking policies and procedures were consistent with Federal requirements, but more clarity is needed in certain areas to better ensure compliance with USAID policies. In accordance with Federal regulations, ADS chapter 320 established policies and procedures for identifying foreign assistance as American aid through branding and marking with the USAID identity. In addition, its guidance on granting exceptions to, or waiving, marking requirements was consistent with Federal regulations. However, waiver decisions were not always documented and not all waivers were filed appropriately. Additionally, ADS chapter 320's provisions for marking waivers were not always consistently applied because the term "blanket waiver" was not clearly defined—during this audit, the Agency clarified the term to address this issue.

USAID's policies and procedures ensured that implementers of sampled awards were informed of, and complied with, branding and marking requirements, but some monitoring responsibilities were not formally assigned. Specifically:

- The policies and procedures ensured that implementers were informed of USAID's branding and marking requirements throughout the award process. For example, development outreach and communications officers reviewed branding and marking plans to ensure requirements were identified and clearly understood.
- The Agency monitored post-award adherence to branding and marking standards through preproduction reviews of project materials and site visits conducted by agreement officer's representatives (AORs) and contracting officer's representatives (CORs).
- Our review of 251 program materials found that 241 (96 percent) were marked with the USAID identity as required. Notably, reviewed materials related to COVID-19 complied with the marking requirement in ADS chapter 320. At the start of the pandemic, the Agency reiterated that COVID-19-related acquisition and assistance was still subject to branding and marking requirements, and leadership emphasized the importance of branding throughout the COVID-19 response.
- Although AORs monitored implementers' compliance with branding and marking requirements, the standard designation letter used by the Agency to formally assign AOR duties did not mention this responsibility. Conversely, the CORs' standard designation letter explicitly established responsibility to monitor branding and marking compliance.

We made three recommendations to better ensure compliance with branding and marking requirements. USAID agreed with two of our recommendations and partially agreed with one of our recommendations.

BACKGROUND

USAID's framework legislation, the Foreign Assistance Act of 1961 (as amended), required that programs funded under the authority of the act be identified overseas as American aid. Building on this, the CFR established USAID-specific marking requirements for aid provided under assistance awards. Specifically, 2 CFR 700.16 mandated that all programs, projects, activities, public communications, and commodities funded by USAID assistance awards or sub-awards must be marked with the USAID identity. The USAID graphic identity is the visual representation of the Agency (see figure 1).

Figure 1. USAID Graphic Identity



Source: USAID Graphic Standards Manual and Partner Co-Branding Guide, March 2019.

In addition, the CFR defined reasons for permitting exceptions to marking requirements, such as when marking might undercut host government ownership of program deliverables. The CFR also delineated circumstances when marking requirements could be waived, such as when marking would pose compelling safety or security concerns. Further, the CFR established that the USAID Administrator could, in certain circumstances, allow marking of USAID assistance with an interagency program logo instead of the USAID identity. This flexibility was codified and expanded with the January 2021 enactment of the USAID Branding Modernization Act (P.L. 116-334), which granted the Administrator authority to mark USAID programs with the U.S. flag or another logo instead of, or in addition to, the USAID identity.

ADS chapter 320, "Branding and Marking," established USAID's policies and procedures for branding and marking products and materials developed or purchased under USAID assistance or acquisition awards.³ In addition, it established preconditions for allowing

³ ADS chapter 303 establishes assistance in financial support to accomplish a public purpose, including grants, cooperative agreements, and other agreements by the Federal government to an eligible recipient. The CFR establishes USAID-specific marking requirements for aid provided under assistance awards. Additionally, the CFR establishes that acquisition means acquiring, by contract with appropriated funds, supplies or services for use by the Federal government. ADS chapter 320 establishes marking

exceptions to, or waivers of, marking requirements. The chapter also assigned branding and marking responsibilities to Agency officials and units. It established LPA's responsibility for developing and updating the Agency's policy directives and required procedures for internal and external branding and marking. It also laid out M/OAA's responsibility for ensuring that ADS chapters pertaining to policy on acquisition and assistance contain current policy directives and required procedures on branding and marking. In addition, the ADS established M/OAA's responsibility for advising contracting officers and acquisition officers—and through them, CORs and AORs—of their branding and marking responsibilities. The ADS also designated authority for deciding whether to approve or deny requests for waivers of marking requirements to a "principal officer," which is the most senior officer in a USAID operating unit, such as a mission director or senior development officer.

USAID'S BRANDING AND MARKING POLICIES AND PROCEDURES WERE CONSISTENT WITH FEDERAL REQUIREMENTS, BUT ADDITIONAL CLARITY WOULD BETTER ENSURE COMPLIANCE

USAID established policies and procedures that were consistent with statutory requirements and Federal regulations. However, additional clarity related to waivers could further support compliance, as well as the Agency's ability to have a holistic view of where and how branding and marking waivers are used. Specifically, ADS chapter 320 laid out the Agency's policies and procedures for identifying foreign assistance as American aid and marking with the USAID identity, in accordance with requirements laid out in the Foreign Assistance Act of 1961. Further, ADS required that USAID's efforts funded under the Foreign Assistance Act be identified as American aid, consistent with the requirements established in 2 CFR 700.

In addition, the Agency's policy directives and procedures regarding the allowance for waivers and exceptions to marking requirements were also consistent with Federal regulations. For example, the ADS codified the following policies:

- It required that requests for exceptions to assistance marking standards conform with 2 CFR 700. This allowed for the possibility of policy exceptions when marking would compromise independence, diminish credibility, undercut host-government ownership, impair functionality of an item, offend local culture, conflict with international law, or be cost prohibitive.
- It established that a principal officer may waive—in whole or in part—marking requirements when marking would pose compelling political, safety, or security concerns.

requirements for acquisitions awards that are generally similar to assistance awards to ensure a consistent approach across all the Agency's programs.

While the Agency's policies and procedures were consistent with Federal requirements, additional clarification could address some weaknesses in waiver requirements. A review of five waivers identified a lack of documentation of key elements in waiver decisions, lack of consistency in the filing of one waiver in the Agency-wide electronic filing and tracking system, and lack of clarity in the use of the term "blanket waiver."⁴ The following bullets provide details on these deficiencies:

- *Documentation of Key Consultations.* There were inconsistencies in documenting key elements that informed waiver approval. ADS chapter 320 laid out specific considerations and consultations that USAID officials should undertake prior to waiver approval, such as considering the branding and marking approach of other donors and consulting with the regional security officer or emergency action committee at the relevant U.S. embassy.⁵ The ADS also required that waiver requests follow a standard template. However, neither ADS chapter 320 nor the waiver template explicitly required these considerations and consultations to be documented in the waiver requests. As a result, selected waivers did not consistently contain language that clearly laid out the results of these considerations and consultations. For example, three of the five selected waivers did not include language that explicitly laid out the results of consultations with security personnel, such as explaining that using the USAID logo could increase the risk of implementers being harassed or worse. Additionally, the five selected waivers did not contain language clearly documenting consideration of the branding and marking approaches taken by other donors and strategic competitors.
- *Filing Inconsistencies.* Waiver documentation from one award was misfiled. Despite internal control standards that emphasize the need for policies to be documented with a sufficient level of detail,⁶ ADS chapter 320 did not clearly specify a location for filing approved waivers in the Agency Secure Image and Storage Tracking (ASIST) system.⁷ The ADS provided a link to an "ASIST File Guide" that did not take readers directly to the filing guide, but rather to a general page related to ASIST training. While this page contained information on the ASIST marking waiver cabinet, the extent to which use of this cabinet was required was unclear. As a result of this unclear guidance, one of the five selected waivers was not filed in the ASIST marking waiver cabinet. In addition, LPA acknowledged the likelihood that other waivers may not have been filed appropriately in the marking waiver cabinet.
- *Blanket Waivers.* At the time of the audit, there were inconsistencies in how the term "blanket waiver" was applied. Two of the five waivers reviewed contained

⁴ The audit sample of 21 awards included 1 waiver exercised by 2 awards. To provide additional perspective on waiver compliance with the requirements in ADS chapter 320, four additional judgmentally selected waivers were assessed. In total, the audit sample consisted of five waivers.

⁵ Regional security officers are responsible for the operation of all security programs and protection functions at overseas posts. The emergency action committee is an advisory body that assists in preparing for and responding to threats, emergencies, and other crises at the post.

⁶ U.S. Government Accountability Office, "Standards for Internal Control in the Federal Government" (GAO-14-704G), September 10, 2014, Principle 12 – Implement Control Activities.

⁷ ASIST is an electronic filing system used for all acquisitions and assistance actions.

inconsistencies in the application of the term “blanket waiver.”⁸ While ADS chapter 320 implied that blanket waivers suspended all branding and marking requirements within a region or country, it did not explicitly define the term in the version issued in February 2020. Given this lack of clarity, there was a risk of inconsistency in how the term “blanket waiver” was used in waiver documentation. For example, one waiver we reviewed used the term blanket waiver to describe waiving branding and marking requirements for specific awards managed by a specific country’s operating unit. In another instance, branding and marking requirements were waived for a region of a country. While this waiver was consistent with the implied definition of a blanket waiver, the waiver document itself did not use the term at all. In November 2020, the Agency revised ADS chapter 320 to include an explicit definition for the term blanket waiver, establishing that these waivers involved suspending all marking requirements for all awards under the approving principal officer’s authority.

ADS chapter 320 was consistent with statutory branding and marking requirements but lacked clarity that could assist the Agency in better understanding the reasons for, and extent of, its branding and marking waivers. The Agency has taken steps to clarify the requirements by establishing a definition to address the lack of clarity on what constitutes a blanket waiver. However, the lack of documented information on key consultations informing waiver decisions, such as the approaches taken by other entities operating in the same area, could cause confusion and impair internal coordination as mission staff turnover. Further, the lack of clarity around the requirement to maintain waivers in a centralized location could also undermine the Agency’s ability to have a holistic view of where and how branding and marking waivers are used.

USAID PROVIDED INFORMATION AND OVERSIGHT TO ENSURE IMPLEMENTERS COMPLIED WITH BRANDING AND MARKING REQUIREMENTS OF SAMPLED AWARDS BUT DID NOT FORMALLY ASSIGN SOME MONITORING RESPONSIBILITIES

USAID’s policies and procedures for providing branding and marking information and oversight ensured that implementers for sampled awards complied with Agency requirements.⁹ These policies and procedures obligated USAID officials to inform implementers of USAID’s branding and marking requirements throughout the award process. Fulfillment of these obligations included reviews of implementer branding and marking plans by development outreach and communications officers (DOCs) to ensure requirements were identified and clearly understood.¹⁰ Additionally, the Agency monitored post-award compliance with branding and marking requirements through

⁸ The other three waivers were not blanket waivers.

⁹ We assessed award documentation and project materials from a sample of 21 projects awarded between January 1, 2018, and May 1, 2020. These awards were judgmentally selected; therefore, findings cannot be used to make inferences about other USAID projects.

¹⁰ DOCs are communications experts located at each USAID mission.

preproduction reviews and site visits conducted by AORs and CORs.¹¹ Notably, all selected materials related to COVID-19 complied with ADS chapter 320 requirements for marking with the USAID graphic identity. However, while AORs and CORs reported monitoring branding and marking, monitoring responsibilities were not formally assigned to AORs in the letter designating their role as required by Federal regulation.

USAID's Procedures Ensured That Implementers of Sampled Awards Were Informed of Branding and Marking Requirements Throughout the Award Process

For the sampled awards, USAID's procedures ensured that the implementers were informed of branding and marking requirements throughout the award process. Specifically, ADS chapter 320 required that implementers be informed of requirements during the award solicitation process, the review of branding and marking plans, and the post-award briefing. Implementers were informed of these requirements in the following ways:

- All 21 awards reviewed included requirements for implementers to develop branding and marking plans and referenced USAID's branding and marking policies in the award solicitation.¹² USAID also ensured that implementers were informed of branding and marking requirements through the DOCs' review of branding and marking plans. While this review was not required, the DOCs at reviewed missions reported working with mission leadership and program staff when requested. The review of multiple branding and marking plans included feedback to ensure that branding and marking expectations and requirements were identified and clearly understood.
- USAID's post-award orientation meetings—which are required to be held before project initiation—also provided implementers with information on branding and marking requirements. USAID staff discussed branding and marking during post-award orientation briefings for 19 of the 21 awards reviewed. The two remaining awards did not hold post-award orientations because they were follow-on awards with the same implementers. DOCs reported that they typically participated in these discussions, providing information on branding and marking requirements. Implementers reported receiving information on the Agency's requirements during these post-award orientations.

¹¹ AORs are designated by the agreement officer and provide programmatic and administrative oversight of the assistance awards; CORs have a similar role for acquisition awards.

¹² Our audit sample consisted of 21 awards, of which 9 were acquisition awards and 12 were assistance awards. Awards were assessed using the requirements at the time of the award, ADS chapter 320, dated January 2, 2015. The requirements in ADS chapter 320 were consistent with the requirements in the revised ADS chapter 320, dated February 5, 2020.

USAID's Oversight Methods Ensured Implementers of Sampled Awards Complied With Branding and Marking Requirements, but Monitoring Responsibilities Were Not Formally Assigned to Agreement Officer's Representatives

For sampled awards, USAID's oversight methods generally ensured that implementers complied with branding and marking requirements. A review of 251 documents, videos, photographs, and other program materials for sampled awards found that 241 (96 percent) conformed to USAID marking requirements; 230 items were marked with the USAID identity and 11 were exempted from marking requirements under policies in ADS chapter 320.¹³ Additionally, marked program materials met appearance specifications—such as USAID identity placement, size, and color requirements—90 percent of the time (1,881 of 2,084 branding and marking elements). Figure 2 shows a compilation of products created by USAID implementers. Products reviewed by the audit team included print materials, promotional items, and event photographs.

Figure 2. USAID Identity Appeared on Sampled Products Developed by USAID's Implementers



Source: Products (clockwise from left) provided by: National Democratic Institute, Save the Children, energysecurityua.org, and Path International.

¹³ The audit sample of 251 products contained 10 products that were neither marked nor exempted from marking requirements in accordance with USAID policy.

Notably, in March 2020, M/OAA issued guidance that COVID-19-related activities were still subject to requirements identified in ADS chapter 320. Further, USAID leadership emphasized the importance of branding throughout the COVID-19 response and noted that there would be an exceptional level of scrutiny of any request for, or continuation of, branding waivers related to this response. Of the 21 awards reviewed, 8 awards included COVID-19-related materials. For these awards, all COVID-19-related materials were marked with the USAID identity as required by the ADS. Further, while some AORs and CORs reported that site visits had been limited since March 2020, communication and preproduction reviews of award materials continued. Figure 3 shows COVID-19 materials developed as part of USAID/Nigeria's Effective Water, Sanitation, and Hygiene Services program.

Figure 3. Posters of COVID-19 Best Practices and Steps of Handwashing



Source: RTI International.

A majority of AORs and CORs at selected missions reported monitoring compliance for programs through two methods: (1) preproduction reviews of program materials and (2) site visits. These oversight methods contributed to USAID ensuring that branding and marking requirements in the audit sample were met:

- *Preproduction Reviews.* USAID staff we interviewed stated that they reviewed program materials prior to final production to ensure implementer compliance with branding and marking requirements. Both AORs and CORs reported conducting some preproduction reviews. This was not a requirement but rather a best practice. ADS chapter 320 and 2 CFR 700.16 establish USAID's right to request preproduction reviews of program materials for compliance with approved marking plans. A majority of AORs and CORs (19 of the 21 interviewed) reported that they reviewed some program deliverables for appropriate branding and marking before

implementers finalized materials for use. Implementers we interviewed also reported that USAID officials used preproduction reviews to ensure their deliverables met branding and marking requirements. For example, email correspondence from multiple reviewed awards confirmed that preproduction reviews of items—such as a banner, presentations, and templates—occurred.

- *Site Visits.* Visiting sites was another method used by USAID to ensure implementer compliance with branding and marking requirements. Most AORs and CORs reported conducting site visits and assessing branding and marking while on site. However, branding and marking observations from these visits were not always documented. While ADS chapter 320 required AORs and CORs to monitor branding and marking compliance, it did not require monitoring activities to be documented. USAID was aware of this issue and, in February 2020, revised ADS chapter 320 to include a verification form that AORs and CORs could use to assist in documenting the monitoring of compliance with marking requirements. However, COVID-19 prevented most AORs and CORs from conducting site visits which would entail use of the form.

M/OAA is responsible for advising acquisition officers and contracting officers—and through them, AORs and CORs—about their branding and marking responsibilities under ADS chapter 320. Nonetheless, AORs, unlike CORs, were not formally assigned responsibility to monitor marking in their designation letters as required by Federal regulations.¹⁴

None of the 12 AOR designation letters for assistance awards we reviewed established this responsibility. ADS chapter 303, “Grants and Cooperative Agreements to Non-Governmental Organizations,” required the formal assignment of duties and responsibilities through an AOR designation letter. The chapter referred agreement officers to a standardized designation letter to use when appointing AORs. However, the model designation letter for assistance awards did not establish AOR responsibility for branding and marking as required by the CFR. While agreement officers could modify the designation letter, guidance accompanying these standardized letters stated agreement officers should use them as written.

Unlike the designation letters for AORs, designation letters for CORs formally assigned responsibility to monitor marking requirements. All nine COR designation letters reviewed explicitly established that CORs must verify implementers’ compliance with branding and marking requirements. Most AORs reported monitoring compliance with marking requirements, although AOR designation letters did not include that language. Nonetheless, not outlining monitoring responsibilities in AOR designation letters puts USAID at risk of not ensuring implementers complied with marking requirements.

¹⁴ 2 CFR 700.16 requires that AORs be assigned the responsibility to monitor implementer compliance with marking requirements defined in approved marking plans.

CONCLUSION

Branding and marking are central elements of USAID's effort to ensure that beneficiaries of U.S. foreign assistance are aware that the aid they received was provided from the American people and are key to promoting American foreign policy objectives. USAID's branding and marking policies and procedures were consistent with Federal regulations requiring the Agency and implementers to mark all programs, projects, activities, public communications, and commodities—except where waivers or exceptions were granted. Further, AORs and CORs for the sampled awards promoted compliance with marking requirements by reviewing implementers' program materials and conducting site visits. However, USAID needs to provide clearer instructions for recording the factors that employees consider in approving waivers and filing waivers granted across the Agency. USAID should also add a clause to the standard AOR designation letter, assigning responsibility for monitoring branding and marking. Taking these actions would better ensure compliance with branding and marking requirements—thereby fulfilling the goal of enhancing the visibility and value of U.S. foreign assistance by informing beneficiaries that aid was provided from the American people.

RECOMMENDATIONS

We recommend that the Bureau for Legislative and Public Affairs:

1. Revise Automated Directives System chapter 320 to clarify requirements to:
 - a. Require that language documenting the results of key waiver considerations and consultations be included in waiver requests.
 - b. File approved waivers in the Agency Secure Image and Storage Tracking system marking waiver cabinet.
2. Develop and implement a plan to identify all active branding and marking waivers granted by bureaus and missions and upload them into the Agency Secure Image and Storage Tracking system marking waiver cabinet.

We recommend that the Bureau for Management, Office of Acquisition and Assistance:

3. Revise standardized designation letter models to include the responsibility for agreement officer representatives to monitor marking requirements for assistance awards.

OIG RESPONSE TO AGENCY COMMENTS

We provided our draft report to USAID on June 2, 2021. On July 2, 2021, we received the Agency's response, which is included as appendix C of this report.

The report included three recommendations. The agency agreed with two recommendations (recommendations 1 and 3) and partially agreed with one

recommendation (recommendation 2). For recommendation 2, we acknowledge that the Agency's requirement to upload waivers into the ASIST Marking Waiver Cabinet was established on February 6, 2020 for waivers granted after this date. For all three recommendations, we consider that USAID's action plan meets the intent of the recommendations and acknowledges management decisions. We consider all three recommendations resolved but open, pending completion of planned activities.

APPENDIX A. SCOPE AND METHODOLOGY

We conducted our work from February 2020 through June 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit objectives were to determine the extent to which USAID (1) has policies and procedures to ensure compliance with statutory branding and marking requirements and (2) provided information and oversight to ensure implementers complied with branding and marking requirements.

To answer both audit objectives, we conducted interviews in Washington, DC with USAID officials from LPA and M/OAA about USAID's policies and procedures for branding and marking, as well as communicating and enforcing branding and marking requirements internally and externally. Additionally, we assessed policy compliance in award documentation and project materials from a sample of 21 awards. These awards were judgmentally selected; therefore, findings cannot be used to make inferences about other USAID projects. We judgmentally sampled countries and awards implemented in those countries using the following considerations:

- *Geographic variety.* We selected one mission from each of the following regions: Africa, Asia, Europe, Latin America and Caribbean, and the Middle East. When selecting missions, we considered fiscal year 2018 funding obligations, sectors supported, implementing partner characteristics, and previous audit coverage. Based on these considerations, we judgmentally selected USAID/Bangladesh, USAID/Guatemala, USAID/Jordan, USAID/Nigeria, and USAID/Ukraine.
- *Program variety.* Within the selected missions, we judgmentally selected mission-managed projects awarded between January 1, 2018, and May 1, 2020, considering award type, award amount, managing office, and implementing partner characteristics. Based on these factors, we judgmentally selected 21 awards: 12 assistance awards and 9 acquisition awards. Within this sample, six assistance awards and two acquisition awards provided COVID-19-related materials for our assessment. See appendix B for information on the sampled awards.

In planning and performing the audit, we assessed and gained an understanding of internal controls that were significant to the audit objectives. Specifically, we designed and conducted procedures related to internal control principles 2-3, 5-7, 9-10, and 12-17 under the five components of internal control as defined by the U.S. Government Accountability Office (GAO).¹⁵

¹⁵ GAO, "Standards for Internal Control in the Federal Government," September 2014. The 13 internal control principles are: Principle 2 - exercising oversight responsibility; Principle 3 - establishing structure, responsibility, and authority; Principle 5 - enforce accountability; Principle 6 - defining objectives and risk

To answer the first objective, we compared USAID's ADS chapter 320, "Branding and Marking" (February 2020 version) to the Foreign Assistance Act of 1961 and 2 CFR 700 to determine the extent to which USAID's policy met statutory branding and marking requirements. Additionally, we interviewed the Senior Advisor for Brand Management from LPA to understand conditions and requirements for granting waivers to USAID marking requirements. We assessed a sample of five judgmentally selected marking waivers to evaluate for adherence with ADS chapter 320. This sample was selected using the following considerations:

- Three waivers were selected from the 29 waivers in the ASIST marking waiver cabinet as of August 20, 2020. The selection was determined based on waiver country location and requesting bureau or mission.
- One waiver was selected because it concerned COVID-19-related activities and would help respond to the Agency's interest in these activities.
- One waiver was selected because it was the only waiver associated with our sample of 21 awards.

We also assessed ADS chapter 320's waiver requirements for adherence to GAO's "Standards for Internal Control in the Federal Government" to determine if policies had the appropriate level of detail, if information was communicated by management, and if monitoring was performed to ensure compliance with requirements.

To answer the second objective, we conducted detailed testing on the 21 judgmentally sampled awards discussed above. We reviewed documentation from these awards—including solicitations, final awards, post-award briefings, and branding and marking plans—to determine how USAID communicated branding and marking requirements to implementers and how USAID formulated, reviewed, and approved external agreements pertaining to branding and marking. We reviewed marking guidance to understand how USAID officials and implementers were informed about branding and marking requirements under normal and COVID-19-affected operating conditions.

Additionally, we assessed 251 products—including documents, videos, and photographs—from the 21 sampled awards for adherence to USAID's branding and marking requirements. As some products were subject to multiple requirements, the team evaluated a total of 2,084 branding and marking elements across the sample of 251 items. Since COVID-19 travel restrictions prevented in-person observation of program materials, we requested materials from implementers and judgmentally selected items for detailed review. To judgmentally select program materials, we undertook the following steps:

We requested that implementers provide program materials from a definite period, such as the fourth quarter of 2019. We considered project plans when formulating the

tolerances; Principle 7 - identifying, analyzing, and responding to risks; Principle 9 – identify, analyze, and respond to risks; Principle 10 - designing control activities; Principle 12 implementing control activities; Principle 13 – use quality information Principle 14 - communicating internally; Principle 15 - communicating externally; Principle 16 - performing monitoring activities; and Principle 17 - evaluating issues and remediating deficiencies.

parameters of our request to obtain materials implementers used to engage with beneficiaries.

From the received program materials, we judgmentally selected 251 products to produce a sample that reflected the major public activities of each award and contained a variety of material types, as well as items created by prime and subawardees.

We also conducted interviews to understand USAID's policies and procedures for branding and marking, project oversight, internal and external communication of requirements, and enforcement of requirements. Specifically, we interviewed:

- Agreement officers/contracting officers (13 in total) and AORs/CORs (21 in total) responsible for all 21 sampled awards across the 5 missions to understand branding and marking requirements, as well as practices for engaging implementers to explain, monitor, and enforce branding and marking requirements under normal operating conditions and during the pandemic.
- DOCs from each of the five sampled missions—USAID/Bangladesh, USAID/Guatemala, USAID/Jordan, USAID/Nigeria, and USAID/Ukraine—to understand their role in developing and approving branding and marking plans, as well as their methods for disseminating information about branding and marking requirements to mission staff and implementing partners.
- Implementers—21 in total—responsible for sampled awards to understand their knowledge of USAID's branding and marking requirements and to identify any challenges implementers encountered in adhering to USAID's policies.

We also assessed AOR and COR designation letters to determine if monitoring responsibility for marking requirements was formally assigned.

We conducted virtual fieldwork by teleconference and videoconference because travel was prohibited due to the COVID-19 pandemic. We did not depend on computer-processed Agency data to answer the audit objectives. Award documentation and project materials were used to answer the audit objectives.

APPENDIX B. SAMPLED AWARDS

Sampled awards included a variety of award types (assistance and acquisitions awards), award amounts (award values ranging between \$1 and \$84 million), program sectors (health, economic, governance, water), and implementers. Tables 1 and 2 list the awards included in our review.

Table 1. Assistance Awards

USAID Mission	Selected Award	COVID-19 Related Materials
Bangladesh	MaMoni Maternal and Newborn Care Strengthening Project (Award 72038818CA00002)	✓
Bangladesh	Ecosystem Conservation Through Livelihood and Forest Enhancement (Award 72038820FA00001)	✓
Guatemala	Communities Building Peace Together Project (Award 72052018CA00003)	✓
Guatemala	Strengthening Care and Treatment Cascade Project (Award 72052018CA00004)	✓
Guatemala	HIV/AIDS Sustainability and Human Rights for Central America Project (Award 72052018CA00002)	
Jordan	Elections, Political Processes and Participation Activity (Award 72027820LA00001)	
Jordan	Community Health and Nutrition Activity (Award 72027820CA00001)	
Nigeria	Partnership with USAID to Address Post Conflict Activities to Counter Violent Extremism in Borno State, Nigeria (Award 72062019FA00003)	
Nigeria	Sharing the Green Grass – Cultivating a Locally-led Peace Architecture in the Niger Delta (Award 72062019CA00001)	
Nigeria	Key Population Community HIV Services Action and Response (Award 72062019CA00009)	✓
Ukraine	The Media Program in Ukraine (Award 72012118CA00001)	✓
Ukraine	Support TB Control Efforts in Ukraine (Award 72012119CA00002)	

Table 2. Acquisition Awards

USAID Mission	Selected Award	COVID-19 Related Materials
Bangladesh	Promoting Peace and Justice Activity (Award 72038818F00001)	✓
Bangladesh	Feed the Future Bangladesh Improving Trade and Business Enabling Environment Activity (Award 72038820F00002)	
Guatemala	Biodiversity Project (Award 72052018C00002)	
Guatemala	Creating Economic Opportunities Project (Award 72052018C00001)	
Jordan	Jordan Water Infrastructure Activity (Award 72027818F00002)	
Jordan	Queen Rania Training Activity (Award 72027819C00001)	
Nigeria	Effective Water Sanitation and Hygiene Services (Award 72062018F00003)	✓
Ukraine	Energy Security Project (Award 72012118C00003)	
Ukraine	Health Reform Support Program (Award 72012118C00001)	

APPENDIX C. AGENCY COMMENTS



MEMORANDUM

TO: Global and Strategic Audits Division Director, Emily Gardiner

FROM: USAID/Bureau for Legislative and Public Affairs,
Interim Lead, Margaret Taylor /S/ 06/25/2021

USAID/Bureau for Management, Office of Acquisition and Assistance,
Director, Mark Walther /S/ 06/25/2021

DATE: June 30, 2021

SUBJECT: Management Comment(s) to Respond to the Draft Audit Report Produced by the Office of Inspector General (OIG) titled, *USAID Communicated and Enforced Branding and Marking Policies but Could Further Clarify Waiver Requirements and Monitoring Responsibilities* (Task No. (9-000-21-00X-P))

The U.S. Agency for International Development (USAID) thanks the Office of Inspector General (OIG) for the opportunity to provide comments on the subject draft report. The Agency agrees with the first and third recommendation and partially agrees with the second recommendation. For the second recommendation, we indicate we are in partial agreement, since the recommendation applies to all waivers but our effective policy applies to waivers granted on or after February 6, 2020. Our response herein provides plans for implementing them, and describes progress already made.

As mentioned in the Draft Audit Report, USAID believes that the value of the foreign assistance it provides is enhanced when beneficiaries know the assistance is from the American people. The Agency welcomes the opportunity to improve upon the policies used to brand foreign assistance through the recommendations in the report and the corrective actions detailed in this response.

USAID is pleased to note that the audit results were generally positive. USAID policies and practices were found to be consistent with federal requirements, successful in informing implementers of branding and marking requirements, and that the large majority of sampled program materials conformed to the branding and marking requirements. In response to the report, USAID is taking immediate action as described herein. The Bureau for Legislative and Public Affairs (LPA) is already reviewing the new Waiver Cabinet and finding waivers being filed. We found that our Agency Secure Image and Storage Tracking System (ASIST) can be further improved based upon initial consultations with the Office of the **Chief Information Officer** (CIO). LPA is also drafting edits to ADS Chapter 320, Branding and Marking, to reflect the recommendations in the OIG report. Lastly, we are pursuing revisions to the Agreement Officer's Representative (AOR) designation letter to make clearer the actions that staff need to take to ensure branding and marking are done in a correct manner.

COMMENTS BY THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) ON THE REPORT RELEASED BY THE USAID OFFICE OF THE INSPECTOR GENERAL (OIG) TITLED, *USAID Communicated and Enforced Branding and Marking Policies but Could Further Clarify Waiver Requirements and Monitoring Responsibilities* (9-000-21-00X-P)

Please find below the management comments from the U.S. Agency for International Development (USAID) on the draft report produced by the Office of the USAID Inspector General (OIG), which contains three recommendation(s) for USAID:

We recommend that the Bureau for Legislative and Public Affairs:

Recommendation 1: Revise ADS 320 to clarify requirements to:

- a. Require that language documenting the results of key waiver considerations and consultations be included in the waiver request.
 - b. File approved waivers in the ASIST Marking Waiver Cabinet in accordance with ADS 320, for all Marking Waivers approved as of February 6, 2020 in a separate ASIST Marking Waiver cabinet.
- **Management Comments:** USAID agrees with recommendation 1. (a.) and 1. (b.) involving revisions to ADS 320 to clarify requirements for the preparation and filing of waivers.

Actions: LPA will

- a. Require that language documenting the results of key waiver considerations and consultations be included in the waiver request.

LPA will edit ADS 320, specifically section 320.3.2.6 and Mandatory Reference 320maa (Marking Waiver Template), to explicitly require documentation of key consultations and considerations in waiver requests.

- b. File approved waivers in the ASIST Marking Waiver Cabinet in accordance with ADS 320, for all Marking Waivers approved as of February 6, 2020 in a separate ASIST Marking Waiver cabinet.

LPA will edit the hyperlinks to the Agency Secure Image and Storage Tracking System (“ASIST File Guide”) on pages 6 and 11 of ADS 320. The hyperlinks will be edited to send users directly to the ASIST Marking Waiver Cabinet, instead of the ASIST Policy and Training page to which hyperlinks currently point.

- **Target Completion Date:** 12 months from the date of this response.

Recommendation 2: Develop and implement a plan to identify all active branding and marking waivers granted by bureaus and missions and upload them into the ASIST Marking Waiver Cabinet.

- **Management Comments:** USAID partially agrees with the recommendation to identify all active branding and marking waivers and upload them into the ASIST Marking Waiver Cabinet, if not already uploaded. The policy for filing in the ASIST Waiver Cabinet only applies to waivers granted after February 6, 2020. USAID agrees to upload all waivers to which this policy applies.

Actions: LPA will

- a. cross reference the applicable waivers filed in the ASIST Marking Cabinet against the results of a data call to Missions and Regional Bureaus for all active waivers granted after February 6, 2020, and against internal LPA records. LPA will then file any applicable waivers that are not already filed in the ASIST Marking Waiver Cabinet.
- b. consult with CIO for enhancements to coordinate and finalize the waivers within ASIST and initiate auto filing (similar to the voucher approval process) into ASIST upon final issuance by Principal Officers.

- **Target Completion Date:** 12 months from the date of this response.

We recommend that the Bureau for Management, Office of Acquisition and Assistance:

Recommendation 3: Revise the AOR standardized designation letter model to include the responsibility for AORs to monitor marking requirements for assistance awards.

- **Management Comments:** USAID agrees. The AOR letter requires them to monitor all the requirements in the awards which inherently includes numerous responsibilities including branding and marking, as applicable. While it is not possible to itemize every single responsibility, we will make this change to the AOR letter which will mirror the current reflection in the COR letter.
- **Action:** The Management Bureau's Office of Acquisition and Assistance (M/OAA) will add a sentence to the AOR standardized designation letter model to monitor all the requirements in the awards to include branding and marking, as applicable.
- **Target Completion Date:** 12 months from the date of this response.

APPENDIX D. MAJOR CONTRIBUTORS TO THIS REPORT

The following people were major contributors to this report: Emily Gardiner, audit director; Kristen Lipuma, assistant director; Ryan Werner, auditor; Saifuddin Kalowala, associate counsel; Calista MacHarrie, auditor; and Wangui Kiundi, writer-editor.