

OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

Direct Budget Support: Ukraine Security Supplemental Appropriations Act, 2024, Mandated Assessment

Report 9-199-24-001-M
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Evaluation



Office of Audits, Inspections, and Evaluations



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

DATE: September 5, 2024

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SUBJECT: Direct Budget Support: Ukraine Security Supplemental Appropriations Act, 2024,
Mandated Assessment

This memorandum transmits the final report of our evaluation of the monitoring mechanisms and safeguards for USAID's direct budget support to Ukraine mandated by the Ukraine Security Supplemental Appropriations Act, 2024. Our objective was to assess the design of monitoring mechanisms and safeguards in place to prevent corruption and ensure accountability of USAID's direct budget support to the Government of Ukraine.

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

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Report in Brief

Why We Did This Evaluation

Russia's February 2022 full-scale invasion of Ukraine and the ongoing war has caused catastrophic loss of life and livelihood. Prior to 2024, the United States, through USAID, provided \$22.9 billion in direct budget support to the Government of Ukraine (GoU) to ensure the continuity of operations and delivery of essential services. USAID provides this support to the GoU through World Bank trust funds.

On July 12, 2024, USAID obligated an additional \$3.9 billion to the GoU through the World Bank's Public Expenditures for Administrative Capacity Endurance (PEACE) multidonor trust fund. This additional funding is from the Ukraine Security Supplemental Appropriations Act of 2024 (the Act), enacted on April 24, 2024. The Act appropriated \$7.8 billion in funding to provide direct budget support to the GoU.

The Act also required USAID Office of Inspector General (OIG) to submit a report to Congress detailing and assessing the monitoring mechanisms and safeguards in place to prevent corruption and ensure accountability over USAID's direct budget support to the GoU.

Accordingly, the objective of this evaluation was to assess the design of these monitoring mechanisms and safeguards per the statutory directive.

USAID OIG submitted prior reports to Congress assessing monitoring mechanisms and safeguards over USAID's direct budget support to the GoU in January 2023 and March 2023.

What We Found

The mechanisms and safeguards over U.S. direct budget support contributions to the GoU aligned with Federal and Agency standards. Specifically, the World Bank and USAID had implemented multiple monitoring mechanisms and safeguards over the Agency's direct budget support to the GoU. These 12 mechanisms and safeguards include reviews, reports, and other methods that aligned with Federal internal control standards.

Specifically, the World Bank had six existing procedures to manage direct budget support contributions. These procedures were (1) recipient financial statement audits, (2) World Bank financial reports, (3) annual and final progress reports, (4) anticorruption and fraud protocols, (5) implementation status and results reports, and (6) expenditure verification reports. The World Bank also had internal control principles that aligned with each mechanism. In addition, the World Bank provided enhanced support to the PEACE project through three other mechanisms: (1) agreed-upon procedure reviews, (2) consultants embedded within the GoU's Ministry of Finance, and (3) beneficiary phone surveys.

Moreover, USAID implemented three due diligence safeguards over direct budget support contributions by using contractors to conduct spot checks, financial statement audits, and capacity building. These safeguards were (1) technical assistance to the GoU's Ministry of Finance, (2) financial and internal control audits of the GoU's ministries, and (3) capacity building of the Accounting Chamber of Ukraine.

We are not making recommendations in this report but will continue to monitor USAID's management of direct budget support to the GoU.

Introduction

On April 24, 2024, Congress enacted the Ukraine Security Supplemental Appropriations Act of 2024 (the Act),¹ which appropriated \$7.8 billion in funding to provide direct budget support (DBS) to the Government of Ukraine (GoU).² On July 12, 2024, USAID obligated an initial \$3.9 billion to the GoU through the Public Expenditures for Administrative Capacity Endurance (PEACE) multidonor trust fund.³ Section 405 of the Act also applied Section 1705 of the Additional Ukraine Supplemental Appropriations Act of 2023,⁴ which required USAID OIG to submit a report to Congress detailing and assessing the mechanisms for monitoring and safeguards in place to prevent corruption and ensure accountability over USAID's direct financial support to the GoU.⁵

Accordingly, the objective of this evaluation is to assess the design of monitoring mechanisms and safeguards to prevent corruption and ensure accountability of USAID's DBS to the GoU. Building on previous OIG mandated reports, we reconfirmed seven and identified five additional mechanisms and safeguards and assessed each against relevant Federal internal control standards and Agency policy.⁶ We conducted this evaluation in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. Appendix A provides more detail on our scope and methodology.

This evaluation is one of a series of engagements we have conducted on USAID's DBS to the GoU. In addition to our two prior mandated reports, in January 2023 we issued an information brief providing an overview and timeline of DBS funding through three World Bank trust funds.⁷ In February 2024, we issued a report for our evaluation of the single donor trust fund that found USAID did not verify the accuracy of salary expenditures.⁸ We also have an ongoing audit of the PEACE multidonor trust fund that is assessing the extent to which USAID's DBS contributions supported eligible internally displaced persons.

Background

Russia's February 2022 full-scale invasion of Ukraine and the ongoing war has caused catastrophic loss of life and livelihood. In response, the United States, through USAID, provided \$22.9 billion in DBS to the GoU between fiscal years (FY) 2022 and 2023 to ensure the continuity of operations and delivery of essential services. This DBS reimburses the GoU for

¹ The Ukraine Security Supplemental Appropriations Act, 2024 (Pub. L. No. 118-50, Div B).

² In fiscal years 2022 and 2023, Congress appropriated \$22.9 billion for DBS to the GoU. The Act raises the total amount appropriated to \$30.749 billion.

³ Per the Agency, the remaining \$3.95 billion will be obligated by the end of calendar year 2024.

⁴ The Additional Ukraine Supplemental Appropriations Act, 2023 (Pub. L. No. 117-328, Div M).

⁵ The Act also required the Inspector General of the Department of State to provide oversight of direct financial support to Ukraine; their report will be submitted to Congress separately.

⁶ Joint OIG Report: [Direct Budget Support: Ukraine Supplemental Appropriations Act, 2023, Mandated Assessment](#), (8-000-23-001-M), January 05, 2023.

Joint OIG Report: [Ukraine Response Oversight Mandated Reports – State OIG and USAID OIG](#), March 27, 2023.

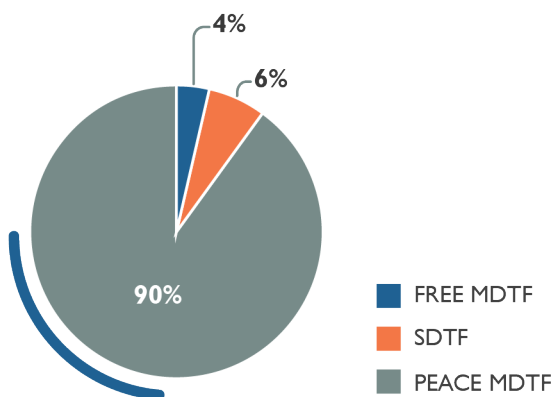
⁷ USAID OIG Information Brief: [USAID's Direct Budget Support to Ukraine](#) (D-121-23-002-A), January 03, 2023.

⁸ USAID OIG Evaluation, [Direct Budget Support: USAID Ensured That the Government of Ukraine Adhered to Required Controls, but Did Not Verify the Accuracy of Salary Expenditures](#) (8-121-24-001-M), February 13, 2024.

approved expenditures including the salaries for civilian government and school employees, healthcare workers, and first responders; payments for social assistance; and grants to internally displaced persons.⁹

USAID has provided this support to the GoU through three World Bank trust funds: the Financing of Recovery of Economic Emergency (FREE) Ukraine multidonor trust fund, the Special Transfer to Ukraine single-donor trust fund (SDTF), and the PEACE multidonor trust fund.¹⁰ The largest share of this support has been provided through the PEACE fund, which represents 90 percent of DBS to the GoU. See Figure I for the breakout of DBS by trust fund.

Figure I. DBS Disbursements by World Bank Trust Fund as of July 2024



Source: OIG analysis of USAID DBS documentation.

In July 2024, USAID contributed an additional \$3.9 billion to the PEACE fund for a total contribution of \$26.8 billion in DBS funds to the GoU since the start of the full-scale invasion in February 2022. See Table I for the total amount of DBS disbursed.

Table I. Total USAID DBS Disbursements

Disbursement	Amount (in Billions)
Total FY 2024 Disbursement	\$3.9
Total Prior Disbursements	\$22.9
Total Combined	\$26.8

Source: OIG analysis of USAID DBS documentation.

⁹ In [July 2024](#), the Government Accountability Office (GAO) issued a report, *Ukraine: Oversight of U.S. Direct Budget Support*, GAO-24-107520, which summarized 13 expenditure categories that the PEACE project is used to support.

¹⁰ According to the World Bank, trust funds are the commonly used funding vehicle for partnerships between development partners like USAID and the World Bank. The World Bank maintains decision-making authority over the use of contributions to the trust funds and USAID relies on the World Bank in its fiduciary capacity to ensure payments are made in exchange for verified expenditures.

Responsibility for DBS provided through the PEACE fund is divided between USAID, the World Bank, and the GoU. The agreements and guidance associated with the PEACE fund outline the following roles and responsibilities:

- USAID provides DBS to the GoU, on behalf of the U.S. government. Additionally, USAID may review or evaluate the activities financed by the fund. USAID's Bureau for Europe and Eurasia obligates the DBS funds and engages directly with the World Bank on its contributions to the trust fund and when those funds are released to the GoU. USAID's Mission in Ukraine (USAID/Ukraine) supports oversight efforts by managing contracts that provide financial audits of DBS funds as well as technical assistance and capacity building of GoU institutions.
- The World Bank administers USAID's contributions and supervises the activities financed under the fund, including monitoring and reporting on finances and progress on supporting the GoU's administrative capacity and service delivery. The World Bank provides progress reports and annual financial audits to donors like USAID. The World Bank contracted with PricewaterhouseCoopers (PwC) to perform reviews of DBS expenditures and systems.
- The GoU pays beneficiaries and provides regular reporting. Specifically, the Deputy Finance Minister supervises implementation, provides timely information and reporting to the World Bank, and acts as a liaison between the World Bank team managing the fund and the Ukraine Treasury and other ministries and state authorities that pay for eligible expenditures. The GoU plays a key role as the World Bank and USAID rely on GoU systems to support the monitoring mechanisms and safeguards over DBS.

The Monitoring Mechanisms and Safeguards for Direct Budget Support Contributions to Ukraine Aligned with Federal and Agency Standards

The World Bank and USAID had multiple monitoring mechanisms and safeguards in place for USAID's DBS to the GoU. Specifically, the World Bank and USAID designed 12 mechanisms and safeguards including reviews, reports, and other methods that consist of existing, enhanced, and due diligence controls. These mechanisms and safeguards aligned with Federal internal control standards, which helps prevent corruption and ensure accountability of funds.¹¹ USAID's safeguards aligned with relevant Agency Automated Directives System (ADS) guidance for working with public international organizations like the World Bank. A full list of the mechanisms and safeguards is included in Appendix B.

¹¹ GAO's *Standards for Internal Control in the Federal Government*, GAO-14-704G, September 2014, provide a framework for establishing and maintaining an effective internal control system, which helps an organization adapt to priorities and improve accountability in achieving its mission.

World Bank’s Existing Mechanisms to Manage DBS Contributions Continued to Align with Federal Internal Control Standards

The World Bank had existing procedures in place to manage DBS contributions that we reported on in our mandated January and March 2023 reviews. We confirmed that these procedures were still being applied to this most recent tranche of DBS contributions and we identified internal control principles that aligned with each mechanism. Table 2 shows the mechanisms implemented as part of the World Bank’s existing procedures and their alignment with Federal internal control principles.

Table 2. World Bank Existing Mechanisms For DBS Funds

Mechanism	Description	Internal Control Principle
Recipient Financial Statements Audits*	An independent auditing firm acceptable to the World Bank will periodically audit all GoU financial statements applicable to the fund, test the eligibility of GoU expenditures, and test their internal controls and procedures for preparing the monthly expenditure reports.	Principle 16—Perform Monitoring Activities
Financial Reports	The World Bank will provide donors with the trust fund’s financial reports, including receipts, disbursements, and fund balance, posting the reports quarterly on the World Bank’s donor platform and Development Partner Center. Additionally, an external audit firm will review and incorporate the trust fund’s financial statements into the World Bank’s annual single audit of all cash-based trust funds.	Principle 10—Design Control Activities
Annual and Final Progress Reports	The World Bank will provide donors with annual and final reports on the trust fund’s progress and development impact. The annual report will describe the trust fund’s cumulative achievements up to the reporting date.	Principle 16—Perform Monitoring Activities
Anti-Corruption and Fraud Protocols	The arrangement between the World Bank and GoU contains provisions enabling the World Bank to respond to credible and material allegations of fraud and corruption, promptly refunding payments for the expenditures deemed ineligible, and taking timely and appropriate actions.	Principle 5—Enforce Accountability Principle 8—Assess Fraud Risk
Implementation Status and Results Reports	The World Bank will use the implementation status and results reports to update donors on the trust fund’s progress toward achieving its objective and to share significant issues and risks affecting implementation. Semiannual implementation status and results reports include assessments of financial and project management, compliance with safeguards and legal covenants, percentage of beneficiary grievances addressed by the GoU via the Grievance Redress Mechanism.	Principle 16—Perform Monitoring Activities

Mechanism	Description	Internal Control Principle
Expenditure Verification Reports	Before making disbursements to the PEACE fund, the World Bank will review and confirm monthly expenditure reports from the GoU’s Ministry of Finance. The Ministry of Finance will collect monthly data from relevant ministries and verify the results against Treasury data. The World Bank checks these reports for consistency and abnormalities. The monthly verification reports are available to donors.	Principle 16—Perform Monitoring Activities

* Binder Dijker, and Otte, or BDO, is serving as the independent audit firm and conducted its first audit covering June 18, 2022, to June 30, 2023. According to GAO, BDO will conduct a second audit of the PEACE project financial statements by the end of calendar year 2024 and a third audit of the financial statements after the project ends.

Source: OIG analysis of DBS documentation describing mechanisms.

World Bank’s Enhanced Mechanisms Aligned with Federal Internal Control Standards

The World Bank provided enhanced support to the PEACE fund through three additional mechanisms to ensure that service delivery continued and expenditure verification was robust. These enhanced mechanisms aligned with Federal internal control standards.

Agreed-Upon Procedure Reviews. The World Bank contracted PwC to periodically carry out agreed-upon procedures to confirm that the GoU’s controls and procedures can ensure that PEACE funds are used only for the purposes intended. Specifically, PwC is responsible for verifying that the agreed procedures for eligible expenditures are followed, assessing controls over expenditures and expenditure reporting, and testing a sample of eligible expenditures. According to the World Bank, PwC has completed three reviews, in June and September 2023 and January 2024, and confirmed that controls were operating as intended, with minor discrepancies related to manual or partially automated controls. A fourth PwC review was ongoing as of August 2024. We determined that the World Bank’s ongoing verification of expenditure reports aligned with Principle 16 of Federal internal control standards related to performing monitoring activities.

Consultants Embedded Within the Ukraine Ministry of Finance. The World Bank hired consultants to strengthen the capacity of the Ministry of Finance and World Bank teams managing DBS funds. The consultants are responsible for advising and providing technical assistance on project design, coordination, and implementation, and verifying that eligible expenditures are covered only once by the PEACE fund and there is no duplication of financing sources. We found that the World Bank consultants hired to strengthen Ministry of Finance capacity aligned with Principle 10 of Federal internal control standards related to designing control activities to achieve objectives and respond to risks.

Beneficiary Phone Surveys. The World Bank supported “Listening to Ukraine” phone surveys designed to help confirm that healthcare and education services were delivered and that social assistance payments were received timely. The surveys were intended to reach about 1,500–2,000 beneficiaries per month. According to the World Bank in its May 2024

annual progress report, its analysis of 2023 survey results revealed that 85–90 percent of recipients reported on-time payments. Additionally, the survey analysis showed that sustained external financial support from donors helped the GoU prevent almost 3 million Ukrainians from falling into poverty. The beneficiary phone surveys aligned with Principle 16 of Federal internal control standards related to performing monitoring activities.

USAID’s Due Diligence Safeguards Aligned with Federal Internal Control Standards and Agency Standards

Multidonor trust fund arrangements between USAID and the World Bank permitted USAID to conduct additional reviews, despite not having direct authority over the use of funds.¹² In accordance with ADS 308, USAID implemented three due diligence safeguards over the DBS contributions by using contractors to conduct spot checks, financial statement audits, and capacity building that aligned with Federal internal control standards.¹³

Technical Assistance to the Ukraine Ministry of Finance. As OIG previously reported in January and March 2023, USAID contracted with Deloitte to provide technical assistance and capacity building to GoU institutions that are responsible for planning and executing USAID’s DBS contributions. Deloitte reviews the Ministry of Finance’s process and procedures for expenditure reporting and conducts monthly spot checks on sampled reimbursed expenditures. It prepares semiannual gap analysis reports on the GoU’s management of DBS funds and makes recommendations to address weaknesses.¹⁴ USAID’s contract with Deloitte to assess the GoU’s processes and procedures aligned with Principle 16 of Federal internal control standards related to performing monitoring activities.

Financial and Internal Control Audits of Ukraine Ministries. USAID contracted with KPMG to provide audit services to ensure that DBS funds provided to the GoU are used for their intended purposes. KPMG conducts financial statement audits, including testing internal controls and compliance of eligible expenditures as submitted in monthly reports to the Ministry of Finance. KPMG will audit DBS funds from March 2022 through August 2023 and issue reports that address financial statements, internal controls, and compliance.¹⁵ USAID’s contract with KPMG to perform financial statement audits aligned with Principle 16 of Federal internal control standards related to performing monitoring activities.

¹² USAID OIG reported on USAID’s due diligence practices working with public international organizations. USAID OIG Information Brief, [USAID Due Diligence Practices for Working with United Nations Agencies and Other Public International Organizations](#) (D-000-23-001-A), July 2023.

USAID OIG Evaluation, [Public International Organizations: USAID Did Not Consistently Perform Expected Due Diligence](#) (E-000-24-002-M), August 2024.

¹³ These three safeguards aligned with ADS 308, Section 308.3.2.2, “Special Agreement Conditions,” related to post-award due diligence, which may include award reviews and evaluations and spot checks.

¹⁴ Deloitte’s assistance is intended to enable the GoU to effectively plan, receive, spend, and account for donor funds. Deloitte’s role is not to audit or verify the use of DBS funds by the GoU.

¹⁵ KPMG had three audits underway as of August 2024 to review three expenditure categories: pension funds and education and healthcare salaries at the Pension Fund of Ukraine, the Ministry of Education and Science, and the National Healthcare Services Unit, respectively. KPMG and USAID stated the intent is to have KPMG eventually audit all DBS expenditure categories.

Capacity Building of the Accounting Chamber of Ukraine. USAID partnered with the GAO Center for Audit Excellence (CAE) to help ensure transparency and accountability for funds provided to the GoU, including DBS. GAO CAE, in partnership with USAID/Ukraine, worked with the Accounting Chamber of Ukraine to strengthen the Chamber's institutional independence and audit practices, and build the capacity of the Chamber to monitor, audit, and report on U.S. assistance provided to the GoU. GAO CAE's assistance includes (1) advising on audits that the Accounting Chamber initiates on U.S. assistance, (2) helping the Chamber prepare and deliver an audit on the GoU's use of DBS funds, and (3) providing technical assistance and training to build the competencies the Chamber needs to provide effective oversight of international and domestic resources dedicated to Ukraine's recovery and reconstruction. USAID officials reported that GAO CAE provided training to the Accounting Chamber of Ukraine and capacity building support for the Chamber to produce two audit reports, both issued in December 2023. USAID's agreement with GAO CAE to expand the GoU's institutional independence and audit practices aligned with Principle 5 of Federal internal control standards related to enforcing accountability.

Conclusion

To prevent fraud, corruption, and misuse of funds and to ensure accountability to U.S. taxpayers, it is imperative that USAID and the World Bank, in collaboration with the GoU, design sufficient oversight measures to ensure the proper expenditure of DBS funds. The design of the monitoring mechanisms and safeguards over DBS funds by the World Bank and USAID aligned with Federal internal control and Agency standards. As a result, we are not making recommendations in this report but will continue to monitor these issues and provide recommendations as necessary to strengthen USAID's management of DBS to Ukraine.

Appendix A. Scope and Methodology

We conducted our work in August 2024 in accordance with the Council of the Inspectors General on Integrity and Efficiency’s *Quality Standards for Inspection and Evaluation*. Our objective was to assess the design of monitoring mechanisms and safeguards in place to prevent corruption and ensure accountability of USAID’s DBS to the GoU.

Our evaluation scope covered USAID’s obligation of DBS funds appropriated in the Ukraine Security Supplemental Appropriations Act, 2024. On July 12, 2024, USAID obligated an initial \$3.9 billion in supplemental funding from the Act to the GoU through the PEACE fund. In accordance with the Act, we are required to submit a report to Congress assessing the Agency’s safeguards no sooner than 45 days after that initial obligation.

To address our objective, we reviewed USAID’s congressional notification for obligations related to the Act the World Bank’s PEACE fund annual progress report, and other USAID and World Bank reports and documentation. We identified 12 key monitoring mechanisms and safeguards:

1. Recipient financial statements audit
2. Financial reports
3. Annual and final progress reports
4. Anti-corruption and fraud protocols
5. Implementation status and results reports
6. Expenditure verification reports
7. Agreed-upon procedure reviews
8. Consultants embedded within the Ukraine Ministry of Finance
9. Beneficiary phone surveys
10. Technical assistance to the Ukraine Ministry of Finance
11. Financial and internal control audits of Ukraine ministries
12. Capacity building of the Accounting Chamber of Ukraine

The World Bank was implementing the first nine and USAID was implementing the last three mechanisms and safeguards.

Because these monitoring mechanisms and safeguards are examples of internal controls, we assessed each of them against relevant *Standards for Internal Control in the Federal Government*.¹⁶

¹⁶ U.S. Government Accountability Office, [Standards for Internal Control in the Federal Government](#) (GAO 14-704G), September 2014.

These standards provide a framework for establishing and maintaining an effective internal control system, which helps an organization adapt to new priorities and improve accountability in achieving its mission. We identified four internal control principles that apply to the monitoring mechanisms and safeguards:

- **Principle 5** outlines the importance of management evaluating performance and holding individuals accountable for their internal control responsibilities. To achieve this, management, with oversight from the oversight body, takes corrective action as necessary to enforce accountability for internal control in the entity.
- **Principle 8** outlines the importance of management considering the potential for fraud that can occur when identifying, analyzing, and responding to risks. To achieve this, management should design activities to address the types of fraud, risk factors, and response to fraud risks.
- **Principle 10** outlines the importance of management designing control activities, such as policies, procedures, techniques, and mechanisms that enforce management’s directives to achieve the entity’s objectives and address related risks. This may include management designing control activities to ensure accurate and timely recording of transactions.
- **Principle 16** outlines the importance of management establishing and operating monitoring activities to monitor the internal control system and evaluate the results. To achieve this, management performs ongoing monitoring of the design and operating effectiveness of the internal control system, which may include regular management and supervisory activities, comparisons, reconciliations, and automated tools. To evaluate the results, management may use audits to review the control design and directly test internal controls.

To detail and assess the design of current monitoring mechanisms and safeguards, we reviewed our January 2023 mandated report and its data collection instrument to reconfirm and build on our prior assessment. Using the same instrument along with reports and deliverables that describe the World Bank’s and USAID’s current mechanisms and safeguards, we reconfirmed and updated the seven discussed in the 2023 report and assessed five new ones.¹⁷

In addition to assessing USAID’s mechanisms and safeguards against Federal internal control standards, we also assessed them against the Agency’s criteria in ADS 308, “Agreements with Public International Organizations,” Section 308.3.2.2, “Special Agreement Conditions,” to determine the extent to which the mechanisms aligned with agency policy standards.

¹⁷ We identified mechanisms and safeguards 1–6 and 10 in our January 2023 report and reconfirmed them during this evaluation. We identified 8, 9, 11, and 12 during this evaluation.

Appendix B. Mechanisms and Safeguards Over DBS Contributions to Ukraine

The World Bank and USAID’s 12 mechanisms and safeguards to prevent corruption and ensure accountability of USAID’s DBS to Ukraine each serve a different purpose, as shown in the table.

	Mechanism	Type	Frequency	Intended Use
The World Bank				
1	Recipient Financial Statements Audits	Existing	Periodic and final after project closes	Provide reasonable assurance that donor funds were used to reimburse eligible expenditures
2	Financial Reports	Existing	Quarterly, annually, and final after project closes	Provide donors assurance that the World Bank’s overall control framework provides reliable financial reports
3	Annual and Final Progress Reports	Existing	Annual and final after project closes	Provide assurance to donors that activities funded through the PEACE fund underwent regular monitoring and evaluation to assess progress towards achieving the development objectives
4	Anti-corruption Protocols	Existing	Ongoing	Safeguard funds from fraud, corruption, and misuse and ensure that if funds are not used for their intended purpose the amount is refunded to the Bank and the project may be suspended or cancelled
5	Implementation Status and Results Reports	Existing	Semiannually	Update donors on the PEACE fund’s progress toward achieving its objective and to share significant issues and risks affecting implementation
6	Expenditure Verification Reports	Existing	Monthly	Ensure that donor funds are used to support eligible expenses per the terms of the PEACE agreement
7	Agreed-Upon Procedure Reviews	Enhanced	Periodically	Confirm that GoU controls and procedures can ensure that project funds are used only for the purposes intended
8	Embedded Consultants	Enhanced	Ongoing	Strengthen the capacity of the Ministry of Finance and World Bank teams managing the PEACE fund
9	Beneficiary Phone Surveys	Enhanced	Monthly	Aid in confirming that services continue to be delivered and that payments are made in a timely manner
USAID				
10	Technical Assistance	Due Diligence	Monthly and Semiannually	Enable the GoU’s Ministry of Finance to effectively plan, receive, spend, and account for donor funds
11	Financial and Internal Control Audits	Due Diligence	Periodically	Test whether DBS funds provided to the GoU’s ministries are used for their intended purposes
12	Capacity Building	Due Diligence	Ongoing	Strengthen the GoU’s institutional independence and audit practices and build the capacity of the Accounting Chamber of Ukraine to monitor, audit, and report on DBS

Source: OIG analysis of DBS documentation describing mechanisms.

Appendix C. Major Contributors to This Report

Members of the evaluation team were:

- Brandon Thompson, Director
- Rameeth Hundle, Assistant Director
- Deanna Scott, Lead Auditor
- Jewel Conrad, Auditor
- Megan “Calista” MacHarrie, Analyst

The team would also like to acknowledge contributions from Olalekan Dada, Jennifer Herrmann, Malea Martin, Tovah Rom, and Stacey Taylor.



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