

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

Ukraine Response: Audit of USAID's Bureau for Humanitarian Assistance's Localization Approach in Ukraine

Audit Report 8-121-25-002-U
January 15, 2025





OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

MEMORANDUM

DATE: January 15, 2025

TO: Sonali Korde
Assistant to the Administrator
USAID/Bureau for Humanitarian Assistance

FROM: Paul K. Martin
Inspector General

SUBJECT: Ukraine Response: Audit of USAID's Bureau for Humanitarian Assistance's Localization Approach in Ukraine (8-121-25-002-U)

Enclosed is the final audit report on USAID's Bureau for Humanitarian Assistance's (BHA) localization approach in Ukraine.¹ The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of Williams, Adley & Company-DC LLP (Williams Adley) to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards.

In carrying out its oversight responsibilities, OIG reviewed Williams Adley's report and related audit documentation and discussed the results with the firm's representatives. The audit firm is responsible for the enclosed auditor's report and the conclusions expressed in it. We found no instances in which the audit firm did not comply, in all material respects, with applicable standards.

The audit reviewed BHA's approach to the localization of humanitarian assistance in Ukraine to assess whether the approach is aligned with USAID priorities. The audit objectives were to determine (1) the extent to which USAID has developed objectives and metrics for the program under review, (2) progress toward achieving those objectives, and (3) how, and to what extent, USAID is monitoring implementer performance in accordance with the Agency's standard policies and procedures.

¹ Pursuant to the Pub. L. No. 117-263 § 5274, USAID OIG provides nongovernmental organizations and/or businesses specifically identified in this report 30 days from the date of report publication to submit a written response to USAID OIG. Any comments received will be posted on <https://oig.usaid.gov/>. Please direct inquiries to oinotice_ndaa5274@usaid.gov.

To answer the audit objectives, Williams Adley interviewed personnel from BHA, implementing partners, nongovernmental organization consortium members, and one local implementer. The firm also reviewed applicable documentation related to BHA's approach, including policies and procedures, the results of the awards issued, and monitoring performed. The audit covered activities the Bureau implemented in response to Russia's full-scale invasion of Ukraine from February 2022 through December 2023. The audit firm conducted its work from January 2024 through August 2024.

Williams Adley concluded that BHA has developed objectives and metrics to assess the program and noted sufficient progress toward achieving the program's objectives at this early stage. In addition, the Bureau monitored the method and extent of implementer performance in accordance with USAID's standard policies and procedures.

Williams Adley's report did not include any recommendations. However, BHA had not fully implemented many of the activities Williams Adley selected for testing. Therefore, we will continue to monitor BHA's localization approach in Ukraine and may conduct follow-up audits when the activities are further along in their implementation.

In finalizing the report, Williams Adley considered USAID's technical comments on the draft and made adjustments where appropriate.

We appreciate the assistance provided to our staff and the audit firm's employees during the engagement.



USAID
FROM THE AMERICAN PEOPLE

US Agency for International Development

**Audit of the Bureau for Humanitarian Assistance's
Localization Approach in Response to Russia's War Against
Ukraine**

December 6, 2024





December 6, 2024

Ms. Toayoa Aldridge
Assistant Inspector General for Audits, Inspections, and Evaluations
Office of Inspector General
U.S. Agency for International Development

Dear Ms. Aldridge:

Williams, Adley & Company-DC, LLP conducted a performance audit of U.S. Agency for International Development (USAID), Bureau for Humanitarian Assistance's (BHA) Localization Approach in Response to Russia's War Against Ukraine from February 24, 2022, to December 2023. We performed the audit in accordance with our Order No. I40D0423F1027, dated September 12, 2023. Our report presents the results of the audit.

We conducted our audit in accordance with applicable Government Auditing Standards, 2018 revision, technical update April 2021. The audit was a performance audit, as defined by Chapter 8 of the 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. The audit reviewed BHA's approach to the localization of humanitarian assistance in Ukraine and determined whether the approach is aligned with USAID priorities. The specific objectives of the audit were to determine (1) the extent to which USAID has developed objectives and metrics for the program under review, (2) progress toward achieving those objectives, and (3) how, and to what extent, USAID is monitoring implementer performance in accordance with Agency's standard policies and procedures.

To accomplish our objectives, we interviewed personnel from BHA as well as implementing partners. We also reviewed applicable documentation, including policies and procedures, related to BHA's approach, and specifically, the results of the awards issued, and monitoring performed. We conducted our work from January 2024 through August 2024. [Appendix I](#) provides a detailed description of our objectives, scope, and methodology. We appreciate the opportunity to have conducted this audit. Should you have any questions or need further assistance, please contact us at (202) 371-1397.

A handwritten signature in blue ink that reads 'Leah Southers'.

Leah Southers, CPA, CISA, CGFM, CFE
Partner

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RESULTS IN BRIEF

We conducted an independent performance audit of BHA's localization approach for humanitarian assistance in response to Russia's war against Ukraine. Our performance audit was conducted remotely. We interviewed implementers and BHA personnel to obtain an understanding of the implementers' processes as it pertains to performance monitoring of indicators, management and function of local implementing partners, and goods and services provided to beneficiaries. We observed BHA policies and procedures for developing, monitoring, and achieving indicator targets and determined the level of efforts BHA employed to achieve localization of activities.

We determined BHA has developed objectives and metrics for the program under review, sufficient progress has been made toward achieving the program's objectives, and the method and extent of implementer performance was monitored in accordance with the Agency's standard policies and procedures.

INTRODUCTION

BHA was established in 2020 to bring together USAID's Offices of U.S. Foreign Disaster Assistance and Food for Peace and is the United States' lead federal coordinator for international disaster assistance.

Russia's unprovoked, full-scale invasion of Ukraine on February 24, 2022, has resulted in the largest armed conflict in Europe since World War II. The invasion has had deep and wide-ranging consequences, causing death, destruction, and displacement of people within the region, and political and economic disruption around the globe. USAID plays a key role in the U.S. government's response to the Ukraine crisis.

In response to Russia's invasion of Ukraine, BHA provides humanitarian assistance to internally displaced persons and conflict-affected vulnerable populations throughout eastern Ukraine and Kyiv Oblast, as well as other regions of Ukraine hosting displaced persons. Much of this aid is provided through Public International Organizations (PIOs). A PIO is typically an organization composed of multiple member states (i.e., sovereign countries). BHA's PIO partners are usually very large, can respond to emergencies quickly, and are experienced in providing humanitarian aid.

BHA is striving to make humanitarian assistance more local, in alignment with USAID's vision to expand the share of programs that are locally led. BHA has obligated approximately \$2 billion in support in humanitarian funding in Ukraine through various local and non-local nongovernmental organizations (NGOs), PIOs, and other local partners.

To build the capacity of Ukrainian NGOs, BHA is supporting four international NGO consortia projects with total obligations of \$459 million in Ukraine, as of December 2023. These NGO consortia projects have provided grants to Ukrainian NGOs as sub-implementers. BHA has also utilized cost-reimbursable grants and fixed amount agreements to provide assistance directly to Ukrainian NGOs.

Williams, Adley & Company-DC, LLP conducted a performance audit of resources managed by USAID's BHA from February 24, 2022, to December 2023 in response to Russia's invasion of Ukraine. To determine the extent to which USAID/BHA developed objectives and metrics, we conducted interviews with key personnel and tested procedures. We reviewed a sample of 20 awards related to BHA's Ukraine relief efforts and determined that all activities had a Monitoring Evaluation and Learning (MEL) plan and workplan that contained clear indicators and targets. We also reviewed agreement documentation for one fixed amount award to determine whether BHA set clear objectives and milestones in the agreement, as well as had a description of the verification documentation, fixed payment amounts for each milestone, and estimated completion dates for each milestone. For Objective 2, we tested these awards and reviewed the progress reported for performance indicators to determine the progress toward achieving set objectives. Lastly, for Objective 3, we reviewed the methods used in monitoring, such as site visits, surveys, interviews, etc., to determine the monitoring, and oversight of implementer performance.

BACKGROUND

In four supplemental appropriations in March, May, September, and December of 2022, Congress provided more than \$113 billion in funding for the Ukrainian response across Federal departments and agencies. The U.S. has provided humanitarian assistance, economic assistance, and other assistance to include direct budget support. This assistance is intended to help the Ukrainian government withstand the immense economic, social, and political pressures caused by Russia's war against Ukraine. The Ukrainian government may use these funds to support basic government services like hospitals, schools, utilities, emergency response, and firefighting. As of March 2024, Congress appropriated approximately \$44.1 billion to Departments of State, the Treasury, USDA, and USAID to implement these activities. See [APPENDIX 2: BHA Localization Details](#) for more information on USAID's localization vision and approach.

RESULTS

Overall, we found that BHA has developed objectives and metrics for its USAID funded activities in response to Russia's war against Ukraine between February 2022 and December 2023. Additionally, we found that adequate progress has been made toward achieving localization goals, and that USAID's monitoring of those activities complied with Agency and Federal standards. The results related to each audit objective are described below.

Audit Objective 1: BHA's Objective and Metric Development Was Sufficient

We conducted audit procedures to determine the extent to which USAID/BHA developed objectives and metrics. Furthermore, we examined whether BHA established relevant and clear objectives for its implementers and sub-implementers, as well as whether BHA developed objectively verifiable milestones for fixed amount awards.

Sub-Objective 1.1: BHA Established Relevant, Clear Objectives for Implementers and Sub-implementers

Given the legal and regulatory differences, USAID has developed separate Automated Directives System (ADS) chapters for PIOs and NGOs. ADS 303maa provides guidance and regulations for NGOs, whereas ADS 308 provides the same for PIOs and includes information on due diligence, applicability of other regulations, and risk mitigation strategies. BHA has overall responsibility for monitoring progress of its awards and works with the PIOs to use their own systems for monitoring progress as they're not required to follow ADS 201 requirements. In addition, partners also develop custom indicators, as needed, as part of the agreement process, for activity level performance management.

We reviewed a sample of 20 activities related to BHA's Ukraine relief efforts and determined that all activities had a Monitoring Evaluation and Learning (MEL) plan and workplan that contained clear indicators and targets, as required by ADS 201, 302, 303, 303maa, 308, 350, and 351, as well as 2 CFR 200 and 2 CFR 700. We also interviewed seven implementers to determine whether USAID provided reporting instructions, clear indicator definitions, and reasonable performance targets. Based on the procedures performed, we determined BHA established relevant, clear objectives for implementers and sub-implementers. This resulted in timely achievement of set targets and efficient monitoring and reporting of the targets' progress.

Sub-Objective 1.2: BHA Developed Objectively Verifiable Milestones for Fixed Amount Awards

Fixed amount awards are a type of grant or cooperative agreement that provides a specific level of support without regard to actual costs incurred. By tying payments to achieving milestones, fixed amount awards offer a way for USAID to prioritize the achievement of results, not merely the incurrence of costs. Fixed amount awards also offer a means of transferring performance risk to implementing partners, potentially allowing for greater innovation and a more effective use of USAID resources. This type of award is particularly suitable for activities using pay-for-results design approaches. Fixed amount awards reduce some of the administrative burden and record-keeping requirements for both the implementing partner and USAID.

As part of the negotiation of fixed amount awards, BHA and the implementer develop objectively verifiable milestones. Accomplishment of each milestone is based on successful submittal or completion of the tasks or deliverables and documentation delineated for that milestone. BHA reviews the Milestone Plan to verify the organization has the capacity to complete deliverables and successfully implement the program as designed. The Milestone Plan generally has four parts:¹

- **Milestone:** The product, task, deliverable, or goal the organization plans to accomplish.

¹ USAID, Bureau for Humanitarian Assistance Emergency Application Guidelines, "Common Requirements," revised March 28, 2024.

- **Verification:** How the organization will document the completion for the product, task, deliverable, or goal for USAID to verify. This may include written documents or other deliverables to ensure that activities are completed.
- **Fixed Amount Award:** The amount USAID will pay the implementer for each milestone and for the entire award.
- **Completion Date (if applicable):** The expected completion date for each milestone and for the entire award.

At the time of our fieldwork, BHA had one fixed amount award that was issued in March 2023. We reviewed agreement documentation to determine whether BHA set clear objectives and milestones in the agreement, as well as had a description of the verification documentation, and fixed payment amounts for each milestone, as required by ADS 303saj. We noted no exception.

Based on the testing conducted, we determined BHA has:

- Established relevant and clear objectives and metrics for implementers and sub-implementers, where applicable; and
- Developed objectively verifiable milestones for the fixed amount award.

Audit Objective 2: BHA's Progress Toward Achieving Its Objectives Was Sufficient

We conducted audit procedures to determine BHA's progress toward achieving its objectives. Furthermore, we examined whether BHA properly addressed any shortfalls from milestones, and the progress it has made in issuing fixed amount awards to local NGOs.

Sub-Objective 2.1: BHA Has Properly Addressed Any Shortfalls From Milestones

To determine whether implementers of BHA's Ukraine activities were meeting intended project implementation goals, we reviewed a sample of 20 humanitarian assistance activities in Ukraine out of a population of 78 activities. As required by 2 CFR 200 and 2 CFR 700, we also reviewed supporting documentation, including the MEL plan, Workplan, grant or cooperative agreement, target and performance reports, and any other relevant and applicable documentation required by ADS Sections 201, 302, 303, 303mab, 350, and 351. Based on this review, we concluded that BHA had made progress toward achieving the required project objectives. We also conducted a qualitative analysis and evaluation of the adequacy and sufficiency of documentation collected to determine the extent to which USAID has worked with implementers to accomplish stated objectives. Based on our review, we noted all 20 activities were on track to either meet or exceed targets. The proper monitoring and evaluation of the progress of these indicators resulted in timely achievement of set targets and complete and full reporting of target indicator information by each selected activity.

Sub-Objective 2.2: BHA Has Made Sufficient Progress in Issuing Fixed Amount Awards to Local NGOs

USAID uses fixed amount awards to manage risk and support various humanitarian initiatives. BHA issued one fixed amount award to a local NGO. We reviewed supporting documentation to determine whether BHA has a timeline for completing this fixed amount award and whether BHA is on track to meet this deadline as required by ADS 303saj and ADS 303mat. BHA has not established a timeline for issuing fixed amount awards. However, it has made reasonable progress in issuing fixed amount awards to local NGOs. This results in progress toward the localization goals for BHA overall.

Audit Objective 3: BHA Monitoring and Evaluation of Implementer Performance Was Sufficient

We conducted audit procedures to determine the extent to which BHA monitored and evaluated implementer and sub-implementer performance. Furthermore, we examined the extent to which BHA evaluates the results of fixed amount awards.

Sub-Objective 3.1: BHA Sufficiently Monitors Implementer and Sub-implementer Performance

NGO Monitoring

BHA's process for monitoring NGOs uses the following data documents and applications:

- **Emergency Application Guidelines:** Used as template setting the standard requirements.
- **Abacus (BHA-facing side database for award information and data collection):** Used for award management where the Humanitarian Assistance Officer (HAO)/AOR sets the structure of the award, sectors, sub-sectors, indicators, and requirements.
- **ART (Partner-facing side of Abacus that is a platform where partners submit their award data to BHA):** Used by partners to provide award information/reporting data to BHA.
- **List of available reports for exported data in Abacus/ART:** This is where some reports can be presented as tables for filtering.
- **Platform for Applied Network Data Analysis (PANDA) is an award data visualization platform:** Used by the Monitoring and Evaluation (M&E) data scientist to generate Abacus reports and creates PANDA datasets.
- **PANDA datasets:** Used to feed into other BHA dashboards such as Common Humanitarian Operating Picture Portal (CHOPP) (managed by Disaster Data Assessments and Information Management (DDAIM)), informs analysis for evaluations, desk reviews, and provides performance monitoring data for reporting.

BHA uses third party monitoring as a supplementary method to direct monitoring and oversight due to access constraints. To address access impediments, BHA contracts independent third-party monitors with in-depth knowledge of local communities and security conditions. Third party monitors combine quantitative and qualitative methods—including direct observation, document reviews, focus group discussions, individual interviews, and surveys—for data collection at program sites. BHA and partners used detailed reports from third-party monitors in making programmatic adjustments to improve the quality of humanitarian assistance and inform future program design and strategic decision making.

BHA provided implementers with templates, namely the Indicator Tracking Table (ITT), to track information for reporting purposes. Although reporting progress indicators is required, BHA does not require implementers to use the ITT template in reporting progress indicators.

PIO Monitoring

Out of the \$1.99 billion of BHA obligations for Ukraine funding during our scope, \$1.19 billion was obligated to PIOs. BHA monitors PIO awards in accordance with ADS 308 mab- Mandatory Standard Provision 18-*Monitoring, Review, and Evaluation*. BHA activity managers conduct programmatic monitoring of PIO awards in the same manner as NGO awards. BHA award agreements require PIO partners to report to the Agreement Officer, the Agreement Officer’s Representative, and the BHA-field based representative any “developments which have a significant impact on the activities” supported by a BHA-funded agreement. BHA tracks PIO indicator data through periodic progress reports submitted to BHA. This data is used for individual award management and portfolio management for partner calls and response tracking as well as other wider BHA purposes such as annual beneficiary numbers, which are extracted from these reports and compiled into a central document.

We reviewed 20 activities to determine whether sufficient monitoring was performed and whether BHA followed up on performance or financial issues (if any were noted). We found no exceptions. This results in mitigating performance and financial issues in a timely manner, which can prevent problems that could inhibit the progress of activities.

Sub-Objective 3.2: BHA Sufficiently Evaluates the Results of Fixed Amount Awards

For the period under audit, BHA issued one fixed amount award to a local NGO. We reviewed supporting documentation to determine whether:

- a. The agreement officer’s representative developed an internal verification/monitoring plan that is consistent with the terms of the award.
- b. The fixed award contract had details about the type of documentation or other support that is acceptable for verification purposes.

- c. Payment was for the correct amount, as detailed in the payment milestones in the agreement.² BHA does not track proof of payment.
- d. Payment was supported by documented verification, as described in the agreement.

We noted no exceptions.

Based on testing conducted, we determined BHA:

- Has sufficiently monitored its implementer, where applicable.
- Properly confirmed that milestones of the fixed amount award issued during the period under audit have been met.

This results in the proper evaluation of fixed award progress and the assurance that financial milestones are met as required.

CONCLUSION

Per the results of our audit procedures, we determined that BHA has adequately developed objectives and metrics. We also determined that BHA has made significant progress toward its objectives and has implemented sufficient monitoring and evaluation procedures for its implementers. Throughout the duration of our testing of the 20 grant and cooperative agreement awards and one fixed amount award, we noted no exceptions and have no recommendations.

² BHA does not have a policy that mandates tracking the proof of payments. Rather, the implementing partner submits vouchers upon completion of each milestone per the contract agreement. Proof of payment is not required for fixed amount awards per USAID, “Fixed Amount Awards to Non-Governmental Organizations - An Additional Help Document for ADS Chapter 303,” partial revision, July 2022.

APPENDIX I: OBJECTIVES, SCOPE, AND METHODOLOGY

Our engagement is designed to accomplish the following objectives:

1. Determine the extent to which USAID has developed objectives and metrics for the program(s) under review.
2. Determine what progress has been made toward achieving the objectives.
3. Determine how and to what extent USAID monitors implementer performance.

The scope of our audit was BHA activities in response to the Russia's war against Ukraine between February 2022 and December 2023.

To accomplish the objectives of the audit, Williams Adley identified the applicable criteria against which to assess. In addition, we (1) met with USAID BHA and the USAID Office of Inspector General to conduct an entrance conference, (2) inquired about investigations or legal proceedings involving the audit objectives, and (3) reviewed the applicable internal policies and procedures.

We reviewed Agency directives, such as the USAID operational policy (ADS) and supplemental BHA guidance. We performed walkthroughs including with the BHA Washington team and the BHA Field team in Ukraine directly supporting the activities selected in our sample. We also spoke with selected implementers.

The audit relied on the following sources of evidence: the contract; interviews with BHA officials and implementing partners; and documentation that BHA and the implementing partners maintained.

In conducting our procedures, we selected 20 activities, plus one fixed amount award, from a population of 78. Per the activity listing BHA provided to us, there are currently no in-scope ongoing activities for the period of performance located outside of Ukraine. Therefore, due to security concerns in Ukraine, all interviews and testing were conducted virtually. The total amount obligated to the 20 grants and cooperative agreements and the fixed amount award was approximately \$349 million, which represents 17.7 percent of the approximate \$2 billion obligated. For the activity selected, we interviewed the respective stakeholders such as activity managers, implementers and NGO consortium members. The purpose of these interviews was to confirm and update our understanding of the activities and the objectives relevant to the engagement.

In addition to the interviews above, Williams Adley reviewed supporting documentation for each activity selected. This documentation included items such as the Monitoring, Evaluation, and Learning Plan, Workplan, Grant/Cooperative Agreement, and award modifications, if applicable. We also reviewed monitoring documentation and progress reports to include an export of performance indicator data and other deliverable/progress reports as applicable.

Through the interviews and documentation, Williams Adley obtained an understanding of (1) whether USAID developed objectives and metrics for programs under review, (2) the progress

BHA has made toward achieving program objectives, and (3) the extent to which USAID monitors implementer performance.

From the universe of activities that BHA implemented with Ukraine supplemental appropriations between February 2022 and December 2023, we selected a sample of 21 activities for review and testing. Selected activities are shown below:

Table 1. Selected BHA Awards and Amounts Obligated

	Country	Title	Implementer/ Sub implementer Name*	Implementer/ Sub implementer Type	Obligated Amount
1	Ukraine	Saving Lives and Interrupting Chains of Transmission: WHO’s Response to COVID-19 in Eastern Ukraine	United Nations World Health Organization (UNWHO)	PIO, non-local	\$10,000,000
2	Ukraine	Emergency Assistance for Conflict-Affected Populations (EACAP) Program in Ukraine	International NGO Partner	NGO, non-local	\$13,412,936
3	Ukraine	Eastern Ukraine Conflict Affected Area: Strengthening Local Communities	International NGO Partner	NGO, non-local	\$507,000
4	Ukraine	Accommodation & Cash Assistance for Vulnerable Households in Ukraine	International NGO Partner	NGO, non-local	\$25,000,000
5	Ukraine	Emergency Assistance to Conflict-Affected Populations in Ukraine	United Nations International	PIO, non-local	\$30,500,000
6	Ukraine	Conflict Affected Households Meet Their Basic Needs During the Onset of a Humanitarian Emergency in Eastern Ukraine through MPCA	International NGO Partner	NGO, non-local	\$3,500,000
7	Ukraine	Comprehensive Protection Services to Civilians Affected by Hostilities and Resilience-Building for First Line Responders (2023-2024)	Ukrainian NGO Partner	Local Partner	\$2,772,547
8	Ukraine	Prepositioning and Distribution of Critical Winterization Support for Most Vulnerable Communities in the Eastern Conflict Area of Ukraine	International Organization for Migration (IOM)	PIO, non-local	\$130,000

	Country	Title	Implementer/ Sub implementer Name*	Implementer/ Sub implementer Type	Obligated Amount
9	Ukraine	Security Support for Humanitarian Operations in Ukraine	International PIO Partner	PIO	\$7,501,431
10	Ukraine	Saving lives and interrupting chains of transmission: WHO's response to COVID-19 in Eastern Ukraine	UNWHO	PIO, non-local	\$11,000,000
11	Ukraine	Support to the Ukraine Humanitarian Fund (UHF)	International PIO Partner	PIO	\$20,000,000
12	Ukraine	Security Support for Humanitarian Operations in Ukraine	International PIO Partner	PIO	\$7,113,554
13	Ukraine	World Food Programme	International PIO Partner	PIO	\$50,000,000
14	Ukraine	Emergency Assistance for Conflict-Affected IDPs and Communities in Ukraine	International NGO Partner	NGO, non-local	\$10,000,000
15	Ukraine	Global Information Management Plus Support Program to the United Nations and international Non-Governmental Organizations through the Standby Partnership Program	International NGO Partner	NGO, non-local	\$1,000,000
16	Ukraine	Ukraine Protection Consortium—Protecting lives with Integrated Multi-sector Assistance (UPC-PRIMA) II	International NGO Consortium Partner	NGO Consortium, non-local	\$38,000,000
17	Ukraine	Ukraine Livelihoods Protection and Recovery Program	International NGO Partner	NGO, non-local	\$6,000,000
18	Ukraine	Enhancing stakeholders' preparedness to address immediate humanitarian needs in case of rapid onset emergencies, Ukraine	IOM	PIO, non-local	\$20,000,000
19	Ukraine	IOM Ukraine Winterization Strategy	International PIO Partner	PIO	\$25,000,000
20	Ukraine	Emergency Multisectoral Response to the Urgent Needs of the Conflict-affected People in Ukraine	International NGO Consortium Partner	NGO Consortium, non-local	\$67,850,000

	Country	Title	Implementer/ Sub implementer Name*	Implementer/ Sub implementer Type	Obligated Amount
21	Ukraine	Saving the lives of the most vulnerable: emergency relocation for people with limited mobility during the war in Ukraine	Ukrainian Fixed Amount Award, Partner	Fixed Amount Award, Local Partner	\$599,722
TOTAL					\$349,887,190

* Due to the sensitivity, names of some implementers and sub-implementers have been omitted.

Source: Auditor generated list. Obligated funding totals are based on allocation tables provided by BHA.

We assessed the reliability of the data provided by (1) performing test of certain data elements, (2) reviewing existing information about the data, and (3) interviewing Agency and implementer officials knowledgeable about the data. We conducted various interviews with BHA personnel, 7 implementers, 1 NGO Consortium, and 1 FAA local implementer. All meetings were virtual due to the ongoing conflict in Ukraine. In addition, we traced a sample of data to source documents. We determined the data was sufficiently reliable for the purposes of this report.

We assessed the significance of internal controls by (1) reviewing USAID’s standard operating procedures; and (2) performing walkthroughs with BHA personnel to get an understanding of controls over the process.

We conducted this performance audit 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.

APPENDIX 2: BHA LOCALIZATION DETAILS

USAID’s Localization Vision and Approach

In August 2022, USAID published its vision and approach for localization. Localization, as defined by USAID, is the “set of internal reforms, actions, and behavior changes that the Agency is undertaking to ensure our work puts local actors in the lead, strengthens local systems, and is responsive to local communities.”³ In 2022, over 10 percent of USAID funding went directly to local partners.⁴ The target set forth in USAID’s vision and approach for localization is for at least 25 percent of all program funds to go directly to local partners by the end of fiscal year 2025. In addition, by 2030, 50 percent of USAID programming will place local communities in the lead to co-design a project, set priorities, drive implementation, and/or evaluate the impact of programs.

To track its progress toward the 50 percent locally-led goal, USAID developed and piloted a new Locally Led Programs indicator that tracks the extent to which USAID programs employ a set of “good practices” that advance locally-led development over the life of a project. These practices include approaches such as co-creation; participatory monitoring, evaluation, and learning processes; and accountability and feedback mechanisms.

USAID began rolling out its implementation of Locally Led Programs indicator using a pilot approach, where certain operating units began using these indicators for a segment of their portfolios. According to USAID’s *FY 2023 Localization Progress Report*, USAID collected data from 50 percent of its portfolio of activities, including a third of missions, across all regions.⁵ Three technical, or “pillar,” Bureaus also participated in the pilot: the Bureaus for Humanitarian Assistance (BHA) and Global Health each reported on 50 percent of their portfolios, and the Bureau for Conflict Prevention and Stabilization reported on its entire portfolio. BHA decided to exclude Ukraine activities from the FY 2023 Locally Led Programs indicator pilot. All BHA activities, including those in Ukraine, will be assessed using the Locally Led Programs indicator as part of the forthcoming rollout of the indicator for FY 2024.

³ USAID, “Localization at USAID: The Vision and Approach,” August 2022.

⁴ USAID, *FY 2022 Localization Progress Report*, “Moving Toward a Model of Locally Led Development,” June 2023.

⁵ USAID, *FY 2023 Localization Progress Report*, “Committed to Change,” June 2024.

APPENDIX 3: MANAGEMENT RESPONSE

Since there were no findings or recommendations, management declined to provide a response to this report.