

# OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

## Emergency Food Assistance in Ethiopia: Gaps in USAID's Award Administration, Monitoring, and Incident Reporting Hindered Its Ability to Detect Widespread Food Diversion

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February 26, 2025

Evaluation



Office of Audits, Inspections, and Evaluations



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

**DATE:** February 26, 2025

**TO:** Timothy Meisburger  
Assistant to the Administrator  
Bureau for Humanitarian Assistance

**FROM:** Toayoa D. Aldridge  
Assistant Inspector General for Audits, Inspections, & Evaluations /s/

**SUBJECT:** Emergency Food Assistance in Ethiopia: Gaps in USAID's Award Administration, Monitoring, and Incident Reporting Hindered Its Ability to Detect Widespread Food Diversion

This memorandum transmits the final report on our evaluation of USAID/Bureau for Humanitarian Assistance's (BHA) oversight of food assistance in Ethiopia. Our objectives were to evaluate the effectiveness of BHA's (1) award administration, (2) monitoring, and (3) management of incident reporting. In finalizing the report, we considered your technical comments on the draft and made adjustments where appropriate. Your response to the draft is included in its entirety, excluding attachments, in Appendix C.

The report contains 11 recommendations to improve USAID/BHA's oversight of food assistance awards. After reviewing information you provided in response to the draft report, we consider Recommendations 3 and 11 closed; Recommendations 1, 2, 4, 5, 9, and 10 resolved but open pending completion of planned activities; and Recommendations 6, 7, and 8 open and unresolved pending additional information and revised management decision, if applicable.

For Recommendations 6, 7, and 8, please provide additional documentation and revised management decisions, if necessary, within 30 days of issuance of this report.

For Recommendations 1, 2, 4, 5, 9, and 10, 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 engagement.

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Pursuant to Pub. L. No. 117-263 § 5274, USAID OIG provides nongovernmental organizations and businesses specifically identified in this report 30 days from the date of report publication to submit a written response to USAID OIG. Comments received will be posted on <https://oig.usaid.gov/>. Please direct inquiries to [oignotice\\_ndaa5274@usaid.gov](mailto:oignotice_ndaa5274@usaid.gov).



## Report in Brief

### Why We Did This Evaluation

Ethiopia is one of the most food-insecure countries in the world. Since 2020, this food insecurity has been exacerbated by armed conflict, severe drought, and economic shocks including COVID-19. Between fiscal years (FY) 2021 and 2023, USAID's Bureau for Humanitarian Assistance (BHA) obligated more than \$3.3 billion in humanitarian assistance for Ethiopia.

On May 3, 2023, USAID paused its food assistance in Ethiopia's northern Tigray region after finding that food aid intended for Ethiopians suffering under famine-like conditions was being diverted and sold on the local market. One month later, USAID expanded the pause to the entire country after finding widespread food aid diversion throughout Ethiopia.

We initiated this evaluation to assess USAID's oversight of emergency food assistance awards in Ethiopia prior to the discovery of widespread diversion. Our objectives were to evaluate the effectiveness of BHA's (1) award administration, (2) monitoring, and (3) management of incident reporting.

### What We Recommend

We made 11 recommendations to improve BHA's award administration, monitoring, and incident reporting policies and procedures. USAID agreed with 10 recommendations and disagreed with one.

### What We Found

**BHA Lacked Controls to Allocate the Appropriate Number of Agreement Officer Representative for Ethiopia and to Maintain Award Records in the Agency's Official System.** BHA did not have a method to determine the number of agreement officer representatives (AORs) necessary for its emergency food assistance awards in Ethiopia—a gap that resulted in too few AORs to effectively manage the awards. BHA also lacked controls to ensure that required award administration activities were properly recorded in USAID's official electronic repository of all award documentation, increasing the risk of award mismanagement.

**BHA Failed to Effectively Monitor Emergency Food Assistance in Ethiopia.** BHA neither developed a country monitoring plan nor completed required formal assessments of the need for a third-party monitoring program. Instead, BHA relied on virtual meetings and unverified implementer reporting to monitor emergency food assistance. Additionally, limited capacity and staffing strained BHA's ability to monitor awards effectively, despite significant increases in humanitarian assistance funding in the country. BHA likely would have detected the widespread food diversion earlier if it had resourced and implemented a more robust monitoring approach.

**BHA Did Not Enforce Timely Reporting, Had Unclear Reporting Requirements, and Did Not Fully Document or Respond to Implementer Incident Reports.** USAID does not define timeliness in its incident reporting requirements, which makes it more difficult for BHA to enforce its own requirements. In addition, BHA did not consistently record incident-related documentation in the three required information systems. Further, BHA did not consistently respond to incident reports it received related to emergency food assistance.

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## Introduction

Ethiopia is one of the most food-insecure countries in the world. In 2021, the United Nations (UN) Food and Agriculture Organization estimated that more than 16 million of Ethiopia's 115 million population faced crisis levels of food insecurity.<sup>1</sup> In fiscal years (FY) 2021–2023, USAID obligated more than \$3.3 billion in humanitarian assistance for Ethiopia.

As the lead federal coordinator for international disaster assistance, USAID's Bureau for Humanitarian Assistance (BHA) provides services including food, water, shelter, emergency healthcare, sanitation and hygiene, and critical nutrition services. BHA delivers two main types of food assistance: direct donations of U.S. agricultural commodities supplemented with flexible, cash-based assistance; and local and regional procurement of food, cash transfers, and food vouchers for food in local markets. On May 3, 2023, USAID paused its food assistance in Ethiopia's northern Tigray region after discovering that food aid was being diverted and sold on the local market. On June 7, 2023, USAID paused food assistance to the entire country after discovering that food aid diversion was widespread throughout Ethiopia. After a more than 5-month countrywide pause to implement reforms to the delivery and oversight of food assistance, USAID announced it was resuming food assistance to Ethiopia on November 14, 2023, for a 1-year trial period.

We initiated this evaluation to assess USAID's oversight of emergency food assistance awards in Ethiopia prior to the Agency's discovery of widespread diversion. Our objectives were to evaluate the effectiveness of BHA's (1) award administration, (2) monitoring, and (3) management of incident reporting.

We focused on BHA's emergency food assistance in Ethiopia between October 1, 2021, and June 30, 2023. We reviewed all 15 BHA emergency food assistance awards active in Ethiopia during this period. The 15 awards totaled more than \$1.4 billion. We reviewed USAID and BHA guidance, policies, and other documents related to BHA oversight, monitoring, and incident reporting. We interviewed BHA officials in Washington, DC, and personnel from the USAID/Ethiopia mission and USAID/Ethiopia's Office of Humanitarian Assistance (OHA). We also interviewed staff from the United Nations' World Food Programme (WFP) and Catholic Relief Services (CRS)—the two primary implementers of USAID's emergency food assistance in Ethiopia.<sup>2</sup> We conducted our review from August 2023 to December 2024 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.

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<sup>1</sup> According to the Food and Agriculture Organization, food insecurity occurs when people lack regular access to enough safe and nutritious food for normal growth and development and an active and healthy life.

<sup>2</sup> USAID/Ethiopia's Office of Humanitarian Assistance coordinates BHA's humanitarian assistance portfolio in Ethiopia.

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## Background

### Humanitarian Need in Ethiopia and USAID's Response

Between November 2020 and June 2023, conflict, climatic shocks, COVID-19, and internal displacement increased food insecurity across Ethiopia. The Government of Ethiopia fought with Tigrayan military forces, primarily in Ethiopia's northern Tigray, Afar, and Amhara regions. Poor rainfall between 2020 and 2022 caused severe drought that worsened hunger and compromised fragile livelihoods that relied on livestock. The outbreak of COVID-19 and related movement restrictions exacerbated humanitarian needs, contributed to rising food prices, and reduced access to income-generating activities across Ethiopia.

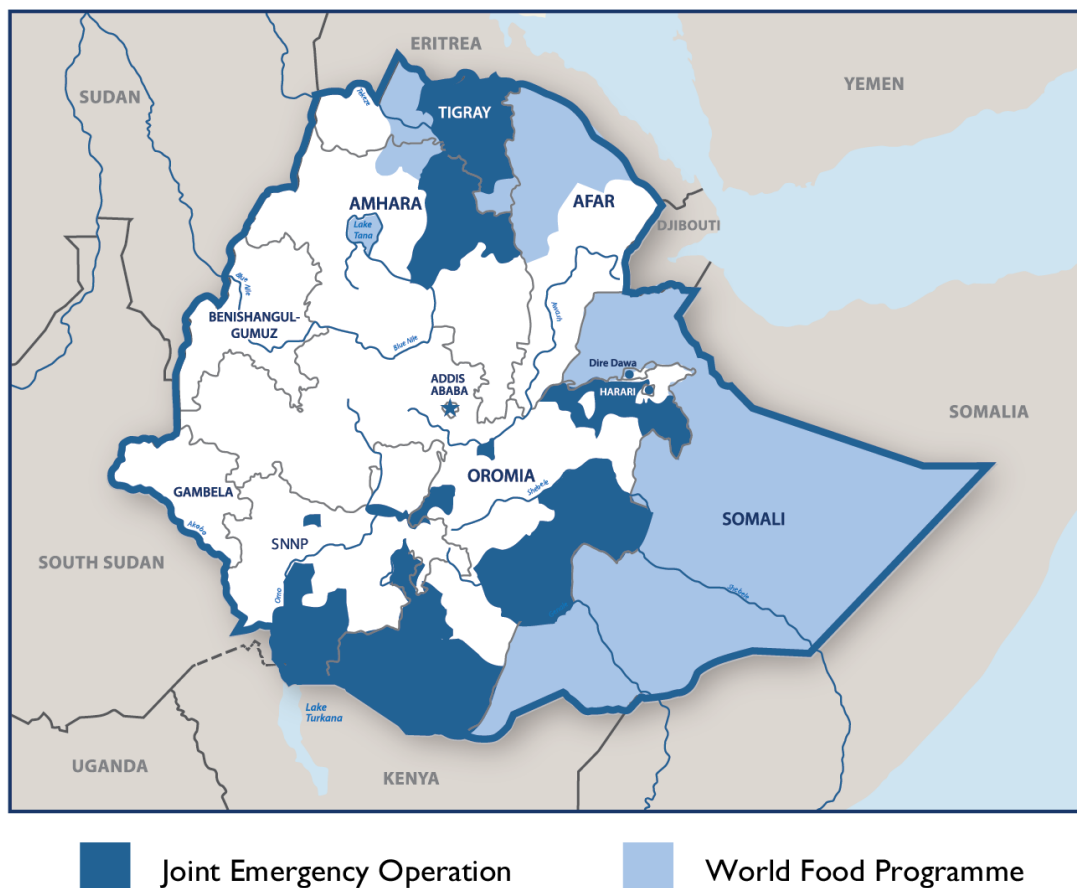
Figure 1 depicts the 11 regions<sup>3</sup> and 2 chartered cities<sup>4</sup> that existed in Ethiopia during the scope of this evaluation and the operating locations of BHA's primary implementers for emergency food assistance, WFP and the Joint Emergency Operation (JEOP), a consortium of non-government organizations (NGOs) led by CRS.

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<sup>3</sup> In July 2023, Ethiopia created a 12<sup>th</sup> regional state, Southern Ethiopia Regional State.

<sup>4</sup> Chartered cities in Ethiopia are independent regional administrations and report directly to the federal government.

**Figure I: Primary Implementers of BHA Emergency Food Assistance in Ethiopia, 2022–2023**



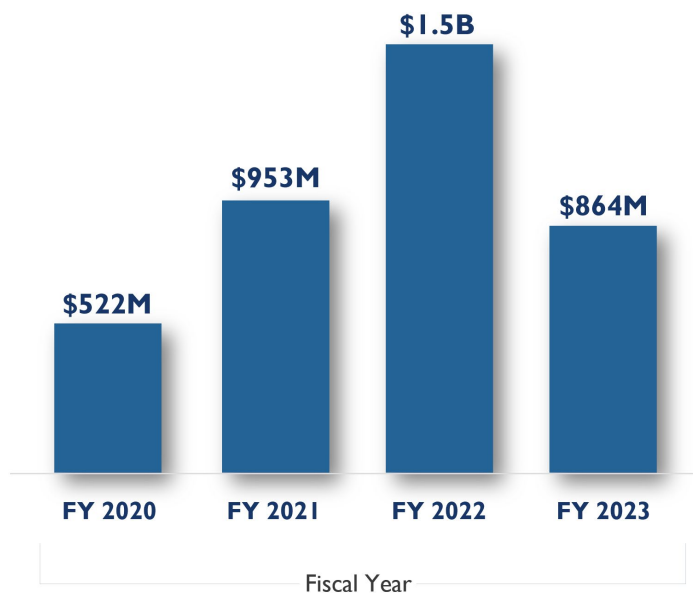
Source: OIG analysis of BHA data.

Further, in 2021, 5.1 million people were internally displaced in Ethiopia. Internal displacement can lead to food crises as agricultural lands are abandoned and displaced people create unmanageable demand in host areas.<sup>5</sup> Consequently, between six and seven million people faced severe food insecurity in the Afar, Amhara, and Tigray regions during the same period.

From FY 2020 to FY 2023, in response to extreme levels of humanitarian need, the U.S. provided more than \$3.8 billion in humanitarian assistance to Ethiopia. Specifically, in FY 2020, BHA obligated approximately \$522 million to support humanitarian assistance in Ethiopia. In FY 2021, due to the complex emergency unfolding in northern Ethiopia, these obligations nearly doubled to \$953 million, peaked in FY 2022 at more than \$1.5 billion, and fell to \$864 million in FY 2023. Figure 2 shows funding for humanitarian assistance during this 4-year period. USAID funding primarily was allocated to WFP and the CRS-led JEOP. During the scope of this evaluation, USAID awards to WFP totaled nearly \$900 million and awards to CRS totaled more than \$500 million. Appendix B provides details on each award.

<sup>5</sup> Internal Displacement Monitoring Centre, [Global food insecurity is on the rise, so is internal displacement. What is the relationship?](#), October 14, 2022.

**Figure 2: BHA Funding of Humanitarian Assistance in Ethiopia, FY 2020-2023**



Source: OIG analysis of BHA data.

To help oversee the humanitarian response, BHA activated a Disaster Assistance Response Team (DART) on March 1, 2021, in northern Ethiopia. The DART consisted of specialists trained in a variety of disaster relief skills. BHA also established a Washington, DC-based Response Management Team (RMT) to support the DART.

To program the massive influx of resources, USAID and its implementers increased their risk tolerance for delivering aid. On September 21, 2021, the Assistant Administrator of BHA sent a memorandum to the National Security Council stating that Ethiopia was at risk of famine, with more than two-thirds of its citizens facing acute food insecurity. Consequently, the memorandum stated that BHA adopted a “no regrets” approach to averting famine in Ethiopia, meaning that BHA planned to scale up its humanitarian assistance programming into a higher-risk environment despite its inability to adequately monitor the programming.

After the Ethiopian Government and Tigrayan military forces signed the Cessation of Hostilities Agreement on November 2, 2022, conditions in Northern Ethiopia began to improve. In February 2023, USAID resumed regular field visits to multiple locations in Tigray to monitor food distribution. During a monitoring trip in March 2023, BHA staff found evidence in Tigray of widespread diversion of USAID-supported food assistance provided through WFP and CRS. As a result, USAID paused its food assistance in the region on May 3, 2023. Subsequent BHA monitoring trips found diversion of food assistance in 6 of the 11 regions and 1 of the 2 chartered cities. On June 7, 2023, USAID paused U.S.-funded food assistance throughout Ethiopia to implement reforms to the delivery and oversight of food assistance, including:



- Reforming the Government of Ethiopia’s involvement in humanitarian assistance to prevent it from influencing who would receive food assistance,
- Exploring methods of delivering humanitarian assistance that rely less on in-kind food assistance,
- Collecting more risk information from implementers about challenges related to delivery of food assistance,
- Contracting a third-party monitor to review food distribution and quickly report any indications of significant fraud, corruption, or diversion; and
- Requiring implementers to submit additional risk management measures in future award applications.

On June 27, 2023, USAID sent letters to WFP and CRS identifying issues related to food diversion and requiring the two organizations to address each issue as a precondition to resuming food assistance. After a more than 5-month countrywide pause, USAID announced it was resuming food assistance to Ethiopia on November 14, 2023, for a 1-year trial period. According to the Agency’s press release, USAID would “continuously monitor and evaluate the efficacy of the reforms put in place by USAID, implementing partners, and the Government of Ethiopia.” Figure 3 shows a timeline of key events associated with emergency food assistance in Ethiopia from November 2020–November 2023.

**Figure 3: Timeline of Significant Events Related to Emergency Food Assistance in Ethiopia, November 2020–November 2023**



Source: OIG analysis of BHA data and publicly available information.

## BHA Oversight and Monitoring

BHA responsibility for oversight of the humanitarian assistance it provides includes monitoring, managing operations and risks, and assessing the effectiveness of assistance.<sup>6</sup> Key oversight positions include:

- Agreement Officers, who have the authority to enter, administer, terminate, and close out agreements. Only the Agreement Officer may commit funds on behalf of the U.S. government.
- Agreement Officer's Representatives (AORs), who are appointed by Agreement Officers and provide oversight of award programs and administration. AORs monitor award recipients' progress toward achieving the award objectives and make recommendations about awards management to the Agreement Officer.
- Activity Managers, who are often based in the field and can support the AOR by monitoring, conducting site visits, and reporting on award activities.

BHA refers to complex, fluid operating environments as nonpermissive environments. These settings are characterized by insecurity, uncertainty, instability, and inaccessibility, and constrain USAID's ability to operate safely and effectively. BHA staff are often prevented from conducting regular in-person site visits in nonpermissive environments like Ethiopia, in contrast to safer environments where USAID staff can monitor programming in person.

Therefore, BHA developed monitoring guidance for its staff working in nonpermissive environments like Ethiopia.<sup>7</sup> The guidance identifies best practices and defines remote monitoring methods BHA staff should use when they cannot directly observe program implementation. These include increasing the number of virtual meetings with implementers, triangulating implementer information with additional data sources, and performing virtual site visits.

Additionally, BHA requires United Nations and other public international organizations (PIOs) such as WFP, and NGOs such as CRS, to promptly submit written reports of fraud, waste, and abuse, including diversion. BHA has also published guidance for documenting and responding to program irregularities such as fraud, waste, and abuse; and loss, damage, safety, and quality issues.<sup>8</sup>

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<sup>6</sup> USAID Automated Directives System, Chapter 251, "International Humanitarian Assistance." full revision, May 2022.

<sup>7</sup> USAID BHA, *BHA Internal Guidance for Monitoring in Non-Permissive Environments*, August 2021.

<sup>8</sup> BHA, "Documenting, Reporting, and Responding to Program Irregularities in BHA-Funded Awards," February 2022. For BHA purposes, diversion is a type of fraud when it refers to the act of using food or funds for personal gain that was intended for a Federal program. Throughout this report, we also refer to program irregularities as "incidents."

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## **BHA Lacked Controls to Allocate the Appropriate Number of Agreement Officer Representatives for Ethiopia and to Maintain Records in the Agency’s Official System**

BHA did not have a process to determine the number of AORs necessary to oversee emergency food assistance awards in Ethiopia, resulting in BHA having too few AORs to effectively manage the award portfolio. Allocating too few AORs increased the risk of award mismanagement and impeded effective award oversight, according to BHA officials. Additionally, BHA lacked controls to ensure required award administration activities were properly recorded in the Agency’s electronic data system, increasing the risk of award mismanagement. These documents are critical to effective award management and oversight because they inform BHA’s efforts to manage and promote accountability and ensure that financial resources are used effectively.

## **BHA Did Not Have a Process to Determine the Appropriate Number of AORs to Manage Emergency Food Assistance Awards in Ethiopia**

BHA lacked controls to allocate the appropriate number of AORs to effectively manage the administration of emergency food assistance in Ethiopia. Specifically, the guidance we reviewed contained no metrics or guidelines to help BHA management determine the appropriate number of AORs for effective oversight and coverage of a given award portfolio.<sup>9</sup> A senior BHA official stated there was no “clear standard” for how many AORs there should be relative to a portfolio of awards. Other BHA staff, including an AOR, stated they were unaware of any guidance or controls that would help determine appropriate workloads for AORs. While USAID has reported that the average AOR based in Washington, DC oversees 4.5 awards, within BHA, AORs reportedly manage an average of approximately 7 awards.

From October 2021 to June 2023, only three AORs oversaw BHA’s \$1.4 billion portfolio of 15 emergency food assistance awards in Ethiopia, in addition to other awards. One AOR oversaw 10 of these emergency food assistance awards, which represented nearly \$1 billion in BHA funding. This AOR stated that they also oversaw 30 non-food awards. Another AOR stated that they were assigned up to 40 awards at one time. The third AOR stated that within BHA, AORs could be assigned up to 18 awards at a time.

BHA officials acknowledged that the allocation of too few AORs increased the risk of award mismanagement and impeded effective award oversight. A senior OHA official stated that having one or two AORs was “ludicrous and unbelievable” given the amount of funding for

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<sup>9</sup> We reviewed ADS chapters for award oversight, including ADS 303, “Grants and Cooperative Agreements to Non-Governmental Organizations,” July 2021, and ADS 308, “Agreements with Public International Organizations,” June 2021. We also reviewed USAID BHA’s “Guidance Directory” on their internal portal.

Ethiopia. The official stated that AORs were “so inundated with bureaucratic award oversight” that it inhibited their ability to have a comprehensive understanding of award implementation.

Additionally, all three AORs stated that allocating so few AORs for Ethiopia’s large award portfolio increased risk to food assistance programming. One of the AORs commented that their heavy workload caused them to deprioritize certain responsibilities, such as required recordkeeping, and limited their ability to thoroughly review award performance and monitoring reports. According to Federal internal control standards, establishing and maintaining an effective internal control system helps organizations adapt to shifting environments, changing risks, and new priorities.<sup>10</sup> As part of this control system, management’s responsibility is to effectively manage an organization’s workforce, consider the overall responsibilities assigned to a unit, and determine the roles needed to fulfill those responsibilities.

AORs perform a crucial oversight role for the life-saving assistance delivered through BHA’s awards. Without a process to allocate an appropriate number of AORs to its awards, BHA’s oversight of its assistance programming will suffer, which can lead to problems such as diversion of food assistance that ultimately results in populations with the greatest need going without critical assistance. Further, this issue is not exclusive to BHA awards in Ethiopia. USAID has highlighted that while its budgets and programs have continued to grow from \$17 billion in FY 2013 to \$43 billion in FY 2023, its acquisition and assistance staff has not increased proportionally.

## **BHA Did Not Record Required Award Administration Activities in USAID’s Official Records System**

AORs are required to maintain their award administration files in the Agency Secure Image and Storage Tracking (ASIST) system, USAID’s official electronic repository of all acquisition and assistance award documentation.<sup>11</sup> According to USAID internal guidance,<sup>12</sup> a complete, well-organized award file is important to resolve performance issues and helps:

- Support award audits,
- Protect the government in disputes and appeals,
- Support handover duties to other staff,
- Help USAID respond to the USAID OIG,
- Protect AORs from legal issues, and
- Fulfill U.S. Government statutory and regulatory requirements.

To assess the completeness of award documentation in ASIST, we selected 204 administration activities and 98 monitoring activities from the 15 emergency food assistance awards in Ethiopia

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<sup>10</sup> U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G), September 2014.

<sup>11</sup> ADS Chapter 303, “Grants and Cooperative Agreements to Non-Governmental Organizations,” July 2021.

<sup>12</sup> USAID, ProgramNet, “Recordkeeping in ASIST,” modified January 2024.

and reviewed ASIST to determine if each activity was recorded as required.<sup>13</sup> AORs did not upload required documentation to ASIST for 132 of 204 (approximately 65 percent) award administration activities and 87 of 98 (nearly 90 percent) required monitoring activities. Documents missing from ASIST included quarterly and close-out financial reports, accrued expenditure analyses, and bi-annual and close-out monitoring reports.

BHA officials acknowledged compliance lapses with ASIST recordkeeping. One official stated that BHA “significantly struggled” to maintain complete award files in ASIST and acknowledged the amount of missing documentation was “not acceptable.” An AOR stated that uploading award documentation to ASIST was simply not a priority within their heavy workload.

We determined that BHA lacked a process to verify that AORs complied with ASIST recordkeeping requirements and ensure that important award documentation was maintained appropriately. These documents inform BHA’s efforts to manage and promote accountability and ensure that financial resources are being used effectively. Although BHA provided evidence that most award management files were stored on other BHA systems, ASIST is USAID’s required system of record. BHA reported it is subject to established USAID processes for the review of ASIST files and committed to working with the Bureau for Management’s Office for Acquisition and Assistance to improve compliance with recordkeeping requirements. Proper award management and accountability of resources is crucial to ensure that BHA’s lifesaving humanitarian assistance is delivered to populations in need and that U.S. funds are used responsibly.

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## **BHA Failed to Effectively Monitor Emergency Food Assistance in Ethiopia**

BHA neither developed a country monitoring plan nor completed required formal assessments of the need for a third-party monitor. Both efforts would have enhanced BHA’s monitoring and provided greater credibility to implementer reporting. Instead, BHA relied on virtual meetings with CRS and WFP staff and unverified implementer reporting to monitor emergency food assistance remotely. This approach provided BHA with an inaccurate understanding of emergency food assistance programming in Ethiopia. BHA may have detected systemic food diversion earlier had it implemented and resourced a more robust monitoring strategy. Additionally, limited OHA capacity and staffing hindered BHA’s ability to conduct effective monitoring despite significant increases in its humanitarian assistance funding in Ethiopia.<sup>14</sup>

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<sup>13</sup> According to ADS 303, award administration includes all interactions concerning the award between USAID and the recipient. Administrative responsibilities can include reviewing financial reporting and corresponding with award recipients. USAID Automated Directives Systems, A Mandatory Reference for ADS Chapter 303, “Model Letters and procedures for Designating the Agreement Officer’s Representative (AOR) for Cooperative Agreements and Grants,” defines the AOR responsibility of monitoring as observing the award recipient’s progress in achieving the objectives of the program description. Each AOR designation letter defines the specific monitoring responsibilities for a given award, but common examples include reviewing bi-annual monitoring reports, reviewing final implementation reports, and conducting site visits.

<sup>14</sup> OHA coordinates BHA’s humanitarian assistance within USAID’s Mission in Ethiopia.

## **BHA Did Not Follow Its Own Recommendations to Develop a Country Monitoring Plan**

BHA monitoring guidance recommends that staff document, schedule, and codify selected monitoring approaches in a country monitoring plan. However, even though USAID was providing significant amounts of humanitarian assistance to Ethiopia—more than \$1.5 billion in FY 2022 alone—prior to the discovery of the widespread diversion, BHA had not developed a country monitoring plan for Ethiopia. Such a monitoring plan would have consolidated BHA’s information needs and defined monitoring methods for this especially challenging environment. We concluded that BHA’s monitoring guidance lacked criteria that would mandate, rather than recommend, development of a country monitoring plan.

One senior USAID/Ethiopia OHA official we spoke with stated they did not develop such a plan because it was not required even though it would have been “nice to have.” Without a plan to guide BHA’s monitoring efforts of hundreds of millions of dollars in food aid in Ethiopia, a senior official stated there was instead a “general, undefined expectation” for monitoring. This resulted in “haphazard,” “ad hoc,” and “reactive,” monitoring efforts, according to BHA officials. One monitoring specialist stated that this dynamic prevented BHA from detecting “warning signs” of food diversion. The specialist stated that they recognized the need for a country monitoring plan after the discovery of widescale food diversion. BHA eventually developed a country monitoring plan for Ethiopia in October 2023.

At the time of this evaluation, BHA stated that its country monitoring plan would support risk assessment, collect monitoring results, and ensure that staff shared a common understanding of award and geographic risks and partner capacities, but they had yet to fully implement it. The plan also identified planned monitoring efforts, such as weekly field visits. According to BHA, this system will “serve as an evidence base for identifying and analyzing hot spots where the risk of diversion is higher, and where additional monitoring or risk mitigation may be appropriate.”

## **BHA’s Remote Monitoring Relied on Virtual Meetings and Unverified Information from Implementers Despite Additional Methods Outlined in Internal Guidance**

In especially restrictive environments, BHA can use multiple remote methods concurrently to build a more complete understanding of aid distribution. BHA’s guidance recommends that staff determine which monitoring methods are appropriate based on information needs, feasibility, and the available time and resources to commit to monitoring.

Based on our review of BHA documentation and data and interviews of BHA officials, we determined that BHA limited its monitoring approach in Ethiopia to primarily biweekly virtual meetings with WFP and CRS staff. Table I shows monitoring approaches defined in BHA’s monitoring guidance for nonpermissive environments and the extent to which BHA utilized them in Ethiopia.<sup>15</sup> During our fieldwork, we learned that an OHA staff member was not aware







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<sup>15</sup> BHA’s guidance also identified using geospatial tools to support monitoring as a method. We did not include this method in our assessment.



of BHA’s guidance for remote monitoring in nonpermissive environments. We also found that other field staff in Ethiopia did not use this guidance to inform their monitoring efforts.

**Table I: BHA Utilization of Remote Monitoring Methods in Ethiopia Prior to the Discovery of Food Diversion**

Monitoring Method	Utilized in Ethiopia
Increase frequency of implementer meetings to discuss award implementation.	
Enhance utilization of implementer reporting and data by reading, analyzing, and following up.	
Support implementer monitoring systems to ensure that information received from implementers is as accurate and valid as possible.*	
Triangulate information from implementers with additional information sources.	
Conduct virtual site visits to provide a more accurate picture of implementation.	
Procure a Third-Party Monitor to verify activity implementation and ensure BHA resources are being used and accounted for accurately.	

\* BHA reported that it supported WFP’s monitoring systems by funding 300 field monitors for the Somali region beginning in 2018 or 2019. However, during our fieldwork, WFP and OHA staff stated that BHA had suspended this support.

Source: OIG analysis of BHA data.

According to BHA staff, remote monitoring was less effective than in-person monitoring. For example, a senior OHA official stated that while remote monitoring was the “only option” in conflict-affected areas of Ethiopia, it was “no substitute” for in-person monitoring. Other OHA officials also stated that effective monitoring was only possible if staff could physically visit implementation sites to inspect commodities, collect data, and verify reporting. For instance, in March 2023 BHA staff discovered widespread diversion of food assistance in Tigray only after resuming in-person monitoring the previous month. This finding is consistent with our May 2021 audit which reported that a heavy reliance on remote monitoring limits the Agency’s access to beneficiary perspectives, provides fewer data points, and limits its ability to assess what is happening on the ground in real time.<sup>16</sup> In Ethiopia, BHA officials echoed the significant weaknesses in this approach. For example, one senior OHA official stated that “there is no replacement for having our team’s eyes on the ground” and that if the food diversion incident “taught us anything, it’s that nothing beats in person monitoring ... and that virtual monitoring is insufficient.”

BHA’s limited approach increased its reliance on implementer information and reporting to monitor emergency food assistance and hindered its ability to independently gauge how

<sup>16</sup> USAID OIG, [USAID Adapted To Continue Program Monitoring During COVID-19. But the Effectiveness of These Efforts Is Still To Be Determined](#) (9-000-21-007-P), May 21, 2021.



emergency food assistance programming was progressing. According to OHA field staff, recurring virtual meetings with implementers were the only tool to discuss details and gather information from implementers. However, implementers reported only what they wanted the mission to hear, and a senior OHA official stated that mission staff had “low trust” that WFP and CRS data was accurate. An OHA staff member confirmed that virtual meetings with implementers were an opportunity to discuss challenges and request photos or additional information, but were limited because they were “partner-driven” and centered around information partners chose to share. They also noted that these meetings provided them with “rose-colored glasses” and left “a lot of liberty” for implementers to decide what to share with USAID. Compounding this dynamic, OHA officials also told us that staff were so overstretched it hindered their ability to thoroughly review and analyze implementer reporting.

We found that BHA officials did not use other methods to validate the accuracy and reliability of the information they received from CRS and WFP through its monitoring. For instance, a BHA official stated there was “not much [BHA] did to verify implementer reporting was accurate” despite it being “really difficult” to trust. In addition, BHA did not perform any virtual site visits due to internet and cellular connectivity issues in Tigray. BHA staff also perceived that it was impossible to verify the accuracy of implementer information. According to BHA, as of June 2024, it was in the process of revising its internal guidance for remote monitoring in nonpermissive environments.

Despite BHA staff concerns about the reliability of information they received from implementers, and the movement restrictions in Ethiopia’s nonpermissive environment, BHA did not follow its own guidance to complete formal assessments of the need for and feasibility of a third-party monitor (TPM).<sup>17</sup> In USAID’s FY 2022 International Food Assistance Report,<sup>18</sup> the Agency reported that BHA had 17 TPMs active throughout Africa and parts of the Middle East. In the report, USAID stated that TPMs “critically contribute to BHA’s oversight, accountability to affected populations, and learning in restricted environments.” Our previous work has also highlighted that TPMs can help mitigate the heightened risks of fraud and diversion in nonpermissive environments.<sup>19</sup>

Procuring a TPM involves coordination among multiple BHA offices and divisions and requires extensive planning. BHA estimates that procurement planning for a TPM could take between 3 and 9 months, while the procurement process itself could take up to an additional 18 months. As a result, BHA’s guidance requires staff to formally assess and determine the need and feasibility for a TPM and its capacity to procure and manage a TPM contract in a country response. The assessment includes analysis of factors such as information needs, operational context, the size and complexity of BHA programming, other available monitoring approaches, and BHA’s capacity to procure and manage a TPM. BHA’s guidance states that this assessment

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<sup>17</sup> To address access impediments, BHA may contract 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.

<sup>18</sup> USAID, “[International Food Assistance Report Fiscal Year 2022 Report to Congress.](#)”

<sup>19</sup> USAID OIG, [USAID Has Gaps in Planning, Risk Mitigation, and Monitoring of Its Humanitarian Assistance in Africa’s Lake Chad Region](#), (4-000-21-001-P), October 15, 2020.

must be documented to demonstrate that staff have considered all factors for how a country or response team will monitor its programming in a nonpermissive environment.

BHA stated multiple factors informed the decision not to pursue a TPM in northern Ethiopia prior to the discovery of diversion, such as logistical constraints and the risk field monitors would face. However, BHA officials also stated that they never “seriously considered” pursuing a TPM in Ethiopia because the amount of time it would take to acquire was unrealistic. Additionally, BHA officials acknowledged they did not complete the required assessments and could not explain why. OHA officials also told us:

- Acquiring a TPM was “just not a priority” until after the discovery of widespread diversion. Instead, OHA’s focus was on “getting resources out the door to the people who needed it.”
- It was unclear when the conflict in Tigray would end, so “it did not make sense” to devote resources to acquiring a TPM if there was a possibility that the conflict could end by the time a TPM was in place.
- “We dragged our feet” on pursuing a TPM in Ethiopia due to the substantial time and effort needed to acquire one using BHA’s processes.

According to BHA, following the discovery of food diversion in Tigray in March 2023, USAID reported that it committed to explore options to launch a TPM program because remote monitoring was insufficient for oversight. In July 2023, BHA bought into a pre-existing USAID/Ethiopia TPM activity to support its oversight of food distribution. However, in scenarios where pre-existing activities are unavailable or unsuitable, BHA’s existing TPM planning and procurement processes may not meet its needs or timelines.

## **Capacity and Staffing Constraints Hindered BHA’s Ability to Monitor Its Expanded Portfolio in Ethiopia**

Finally, we determined that capacity and staffing constraints hindered BHA’s overall ability to effectively monitor emergency food assistance in Ethiopia. A senior OHA official stated that strained capacity and heavy workloads compromised monitoring efforts. This official stated that field staff did not have time to thoroughly review and follow up on implementer reporting. A CRS official also suggested that BHA staff were overburdened and that few staff were allocated to emergency food assistance programming.

During the time period examined in our evaluation, OHA staffing levels in Ethiopia increased modestly despite the dramatic increase in funding. In February 2022, OHA had seven emergency food assistance positions, two of which were vacant. In June 2022, OHA requested 16 additional positions to increase its emergency response capacity and manage a “large humanitarian portfolio within a complex operation environment.” According to the request, the office required a “significant scale up” to support the DART and respond to the “worst drought on record” in the Horn of Africa. The request stated the additional staff would:

- Support responsible programming of \$1 billion per year,
- Help prevent waste, fraud, and abuse,

- Manage approximately 70 emergency award mechanisms, and
- Ensure continuity of staffing instead of relying on short-term work rotations.

In response to the request, OHA received only 6 of the requested 16 additional positions. An OHA senior official stated that by Spring 2023, they received “the bare minimum” number of staff and continued to lack important capacity, such as a dedicated monitoring and evaluation specialist.

DART staffing challenges also hindered monitoring of food assistance in northern Ethiopia. The BHA DART was active from March 1, 2021, to September 1, 2023. During this 30-month period, individuals assigned to the DART rotated into Ethiopia for, on average, 60 days. Two USAID/Ethiopia OHA officials stated that the constant rotation resulted in a loss of institutional knowledge and inhibited monitoring because staff were not in the country long enough to acquire the expertise needed to critically evaluate the information provided by implementers.

USAID internal guidance for Response Team Staffing published in August 2019 requires BHA, at the outset of a disaster response, to develop a context-specific staffing strategy that outlines team structures, coverage plans, deployment lengths, and related tradeoffs to continuity of operations for establishing a DART.<sup>20</sup> BHA could not provide evidence that it developed such a strategy for establishing a DART for the northern Ethiopia response.

We previously reported on challenges with BHA staffing. In January 2024, we reported that USAID staffing levels for BHA did not appear sufficient to adequately monitor implementers.<sup>21</sup> In September 2022, we recommended that the Agency develop plans for creating a sustainable humanitarian workforce.<sup>22</sup> As of this report’s issuance, that recommendation remains open. Therefore, we are not making an additional recommendation regarding BHA’s full-time staffing in Ethiopia.

Effective monitoring approaches, remote or otherwise, are essential to the success of BHA-funded assistance. An OHA official acknowledged that their reliance on implementers in Ethiopia was not “really doing monitoring” and that they were “late [and] kind of failed” through their limited monitoring approach. Had BHA prioritized more robust remote monitoring, it may have detected the widespread diversion of food assistance in Ethiopia before it returned to in-person monitoring in February 2023 and been able to respond more quickly.

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<sup>20</sup> USAID, “Response Team Staffing,” August 22, 2019.

<sup>21</sup> USAID OIG, [Rohingya Crisis: Ongoing Challenges Limit USAID’s Ability to Move From Humanitarian to Development Assistance](#), (5-000-24-001-P), January 19, 2024.

<sup>22</sup> USAID OIG, [Contractor Use for Disaster and Stabilization Responses: USAID Is Constrained by Funding Structure but Better Data Collection Could Improve Workforce Planning](#), (E-000-22-002-M), September 29, 2022.

## BHA Did Not Enforce Timely Reporting, Had Unclear Reporting Requirements, and Did Not Fully Document or Respond to Implementer Incident Reports

We found that BHA did not enforce timely reporting of incidents such as fraud, waste, and abuse, including diversion, from its implementers of emergency food assistance awards in Ethiopia, and had unclear reporting requirements. Significantly, BHA does not define “timeliness” and “significant impact” in its incident reporting requirements, which allows for varying interpretations of these terms between BHA and its award recipients. It is therefore more difficult for BHA to enforce its own requirements. In addition, BHA did not fully store incident-related documentation in three required systems—team files, Abacus, and ASIST—due to frequent staff turnover and the lack of a process to crosscheck the completeness of information between systems.<sup>23</sup> Further, BHA did not consistently respond to the incident reports it received and did not have processes to document that an incident was fully resolved. These shortcomings limit BHA’s ability to determine when programmatic adjustments are necessary and to track those actions to resolution.

### BHA Did Not Enforce Timely Incident Reporting from Implementers

Although BHA requires PIOs and NGOs to promptly submit written reports to notify it of fraud, waste, and abuse, including diversion, we determined that BHA did not enforce timely reporting from WFP and CRS. Table 2 summarizes USAID’s and BHA’s incident reporting requirements.

**Table 2: USAID and BHA Incident Reporting Requirements for PIOs and NGOs**

Source	Incident Reporting Requirements
<b>USAID Standard Provisions for PIOs</b>	USAID and award recipients will “promptly bring knowledge of prohibited conduct” related to the award to the attention of the recipient’s internal oversight body. This includes instances of fraud, waste, and abuse.
<b>USAID Standard Provisions for NGOs</b>	Award recipients must disclose, in a timely manner, in writing to the USAID Office of the Inspector General with a copy to the Agreement Officer, all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award.
<b>BHA Emergency Food Assistance Award Provisions for PIOs and NGOs</b>	Both PIOs and NGOs must promptly submit written notifications to the AOR, Agreement Officer, and BHA overseas field representative of developments which have a significant impact on the award, including fraud, waste, and abuse.

<sup>23</sup> BHA uses the Abacus system for document storage, reporting, and tracking of award information.

Source: OIG analysis of USAID documents and BHA emergency food assistance awards.

We reviewed BHA data for all incidents reported in Ethiopia during our evaluation period and found that BHA received 45 incident reports related to emergency food assistance awards between October 1, 2021, and June 30, 2023. Of the 45 incident reports, 27 came from CRS and 18 from WFP. According to BHA's data, WFP only reported three incidents in the 18 months between October 2021 and April 2023. CRS reported 23 incidents during the same period.

According to BHA, after discovering evidence of food diversion in March 2023, BHA issued a reminder to WFP of its obligation to report incidents and requested notification of "recently observed commodity leakages." Following this request, WFP submitted 15 incident reports to BHA in the 2-month period between April 19 and June 26, 2023. These reports described incidents that had occurred between 1 and 360 days before WFP submitted them to BHA. BHA officials we interviewed had contrasting perceptions of WFP and CRS incident reporting. BHA officials stated that WFP's reporting was nonexistent or "extremely delayed" and did not comply with award requirements, whereas they were satisfied with the consistency and content of CRS incident reporting.

On average, WFP submitted incident reports 66 days after it became aware of the incident, according to BHA data. While CRS reporting was consistent throughout the evaluation period, its submissions were not always timely. On average, CRS submitted 23 of 27 incident reports 15.6 days after it became aware of the incident. However, for two of the remaining four incidents, CRS reported two over a year after it first learned of them, and BHA lacked submission data for the other two.

BHA officials told us that they wanted to receive incident reporting information as soon as implementers became aware of the issue, but sometimes received reports "very late" when they were no longer actionable. However, because BHA does not define "timely" or "prompt" in its incident reporting requirements, this allows varying interpretations of the reporting requirement among BHA and its award recipients and makes it more difficult for BHA to enforce its own requirements.

## **BHA's Incident Reporting Requirements Were Unclear**

BHA's incident reporting requirements in emergency food assistance awards do not define "significant impact" beyond fraud, waste, or abuse. A BHA official acknowledged that this language is "up to interpretation" while another official noted that reporting requirements are broad, which can result in implementers omitting key information such as the "who, what, and where" from reporting.

We also identified inconsistent language between USAID's standard award provisions and BHA's award provisions.<sup>24</sup> Specifically, USAID standard provisions for PIOs require that

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<sup>24</sup> Standard provisions must be used in all agreements. BHA's award provisions are specific to BHA awards.

category of implementers to submit reports to the PIO's own internal oversight body.<sup>25</sup> However, in addition to these standards provisions, BHA included its own award provisions in emergency food assistance awards in Ethiopia. BHA's award provisions required incident reports to be submitted directly to BHA's Agreement Officer, AOR, and in-country representative.

While both types of reporting are required, the inconsistent requirement language could result in confusion or varying interpretations among implementers. This in turn could result in less or untimely incident reporting. Some BHA officials expressed concern that if BHA provides more explicit definition, implementers could interpret the requirement too narrowly. Another BHA official stated that BHA could include additional explanation in its awards to clarify the relationship between USAID's standard provisions and BHA-specific requirements.

The potential for varying interpretations was evident in instances where BHA and WFP did not always agree on the interpretation of incident reporting requirements. For example, according to a June 2023 BHA document prepared for executive-level meetings with WFP in Rome, WFP OIG had directed that incident reporting involving fraud, waste, and abuse should only be channeled from WFP OIG to USAID OIG and not to BHA's Agreement Officers and AORs. This was due to WFP OIG's concern that incident information was "going in too many directions." Nevertheless, BHA's award provisions require reports to be submitted directly to BHA's Agreement Officer, AOR, and in-country representative.

BHA officials also identified challenges with enforcing incident reporting requirements with PIOs involved with Ethiopia food assistance, including WFP. For example, BHA officials told us:

- WFP was "untouchable" and believed it did not have to comply with incident reporting requirements in BHA awards. BHA officials did not see "the point" of more stringent award requirements because WFP "won't follow it."
- Getting information is "the biggest battle" because PIOs do not want to provide information that is required per award terms.
- BHA and WFP often addressed challenges at the headquarters level, which does not always trickle down to the field.
- "Serious" incidents, such as those related to food diversion, were not always reported.
- It is "not possible" to determine the extent of underreporting or noncompliance with incident reporting requirements.

BHA published internal guidance for documenting and responding to program irregularities, such as fraud, waste, abuse and loss, damage, safety and quality issues.<sup>26</sup> However, it does not

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<sup>25</sup> USAID's standard provisions for PIOs state that when the PIO's internal oversight body becomes aware of "credible allegations of prohibited conduct," it will "promptly inform" USAID OIG. However, these provisions do not specify what a credible allegation entails, which allows for varying interpretations about what should be reported.

<sup>26</sup> BHA, "Documenting, Reporting, and Responding to Program Irregularities in BHA-Funded Awards," February 2022. For BHA purposes, diversion is a type of fraud when it refers to the act of using food or funds for personal gain that was intended for a Federal program. Throughout this report, we also refer to program irregularities as "incidents."

include guidance for addressing noncompliance with incident reporting requirements. Additionally, BHA officials identified the need to clarify actions BHA should take in the event an implementer does not comply with incident reporting requirements. A senior official stated BHA should do more to address noncompliance, such as helping implementers learn what they can do better and “building expectations” with PIOs that “we are looking for certain metrics to be met.” Another official stated that BHA needed a menu of options to address noncompliance depending on the nature and context of the incident.

These inconsistencies and gaps between BHA awards and Agency standard provisions likely contributed to the delays in incident reporting and increased the risk of confusion about to whom and when implementers must submit incident reports. Without clear and consistent reporting requirements between BHA awards and Agency standard provisions, along with steps to address and escalate noncompliance, BHA is not positioned to enforce requirements for how and when implementers should report incidents and hold them accountable when they do not.

## **BHA Did Not Fully Document Incident Information in Required Systems or Consistently Respond to or Close Incident Reports from Implementers**

According to BHA’s internal guidance for documenting and responding to program irregularities, the AOR has primary responsibility for award oversight, including documenting, reporting, and responding to program irregularities. However, the AOR can receive assistance from team members, such as other field or headquarters staff. The guidance requires BHA staff to upload documentation related to incidents, such as email correspondence, incident summaries, and meeting notes, to three distinct systems: individual team files, Abacus, and ASIST.

We found that BHA did not fully document incident information as required. We selected 12 of the 45 incident reports BHA received from implementers and 2 additional reports that resulted from BHA’s monitoring, and requested evidence that documentation for all 14 was properly stored in each required system. We found that BHA had documentation in:

- ASIST for 1 of the 14 incidents (7 percent)
- Team files for 9 of 14 incidents (64 percent)
- Abacus for 10 of 14 incidents (71 percent)

According to BHA, regular staff turnover in Ethiopia in the DART and RMT and “strenuous workloads” resulted in inconsistent levels of documentation. Additionally, BHA’s guidance does not include process steps to crosscheck incident documentation between team files, Abacus, and ASIST. Inconsistent and inaccurate documentation diminishes BHA’s ability to track and retrieve key information, transition knowledge and responsibilities between staff, and effectively follow up on reported incidents.

BHA’s guidance also requires AORs or staff supporting the AOR to respond to reported incidents. A response could entail multiple courses of action, such as working with the award



recipient to implement a corrective action plan or strengthen internal controls. Additionally, an acceptable course of action includes the AOR's determination that no additional BHA action is necessary. Finally, according to BHA's guidance, AORs or support staff can consider an incident closed after BHA and the recipient have completed any planned corrective actions and have updated the files, trackers, and applicable stakeholders. An incident can also be closed if the AOR, in consultation with the Agreement Officer, determines no additional action is necessary.

We determined BHA did not consistently respond to or follow up on reported program irregularities related to emergency food assistance in Ethiopia.

- Eleven of the 14 selected incidents (79 percent) lacked a record of the AOR's determined course of action.
- Twenty-five of the 45 total incidents (55 percent) WFP and CRS reported to BHA in our evaluation period had no record of additional BHA actions associated with them.

Several incidents that had no record of additional BHA action included, for example:

- In May 2021, a truck hired by an implementer to deliver 42 metric tons (approximately 92,500 pounds) of wheat to people affected by the conflict in Northern Ethiopia never arrived at its destination and its location was unknown.
- On December 31, 2021, a truck carrying food commodities in Amhara was reported missing. According to the trucking company, the driver looted the cargo. As of March 24, 2022, the truck and its driver had not been located.
- In late August and early September 2022, Tigrayan forces in Amhara looted approximately 30 metric tons (approximately 66,000 pounds) of wheat and other commodities from an implementer's distribution area.

According to BHA officials and implementers, BHA responded according to the nature and severity of the incident. Another senior BHA official stated that it is not always clear how to respond to an incident, which sometimes resulted in no additional action at all. BHA's guidance does not require formal documentation of the AOR's final course of action. As a result, BHA acknowledged that it often did not exist. In addition, BHA's guidance does not include details on how to note that an incident had been fully addressed and closed. As a result, the process to do so is "not uniform" according to BHA.

Due to these factors, we could not determine how or even whether BHA responded to and resolved more than half of reported incidents related to its food assistance awards in Ethiopia, including instances where BHA decided that no response was necessary. Without clear records of BHA's final response and closure to program irregularities, BHA cannot consistently determine when programmatic adjustments are necessary and track those actions to resolution.

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## Conclusion

Administration and monitoring of awards in insecure and unstable environments like Ethiopia has been a longstanding challenge for USAID. The billions of dollars in BHA-funded assistance provided to Ethiopia from FY 2020–2023 requires robust oversight to address the heightened



risks of fraud and diversion and ensure that lifesaving assistance reaches its intended beneficiaries. These challenges are exacerbated when the Agency attempts to program sharp increases in humanitarian assistance funding over short periods. By taking steps to improve award administration, monitoring, and management of incident reports, BHA will be better positioned to safeguard taxpayer dollars and detect and mitigate the diversion of life-saving food assistance to vulnerable populations.

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## Recommendations

We recommend that the USAID Bureau for Humanitarian Assistance (BHA) take the following actions:

1. Develop and implement a process to determine the appropriate number of AORs needed for a given award portfolio based on factors including, but not limited to, the number of awards, amount of funding, and operating environment.
2. Develop and implement a process to regularly assess the completeness of required award documentation in ASIST and address identified gaps.

We recommend that USAID/Ethiopia's Office of Humanitarian Assistance take the following actions:

3. Fully implement the country monitoring plan for Ethiopia in accordance with recommended guidance.

We recommend that BHA take the following actions:

4. Update guidance for monitoring in nonpermissive environments to include criteria that trigger an assessment by BHA at the start of a response whether a country monitoring plan is necessary, and perform and document this assessment periodically, as applicable.
5. Establish a mechanism to enforce the use of guidance for monitoring in nonpermissive environments, to include assessing and determining the need for a third-party monitor and identifying and defining context-specific approaches to verify data.
6. Assess BHA's third-party monitor contracting processes and timelines, determine if adjustments are necessary to strengthen BHA's acquisition of third-party monitor support, and update BHA guidance accordingly.
7. Establish a mechanism to enforce BHA's use of internal guidance for Response Team Staffing to develop a DART staffing strategy for disaster responses.
8. Update BHA award language to clarify (1) the relationship with incident reporting requirements in USAID standard provisions and (2) ambiguous terminology related to reporting timeliness and incident impact.
9. Develop and implement a framework to address implementer noncompliance with BHA incident reporting requirements that defines response options and identifies triggers for escalation.
10. Develop and implement a process to ensure the storage and transfer of incident documentation between team files, Abacus, and ASIST, in accordance with BHA guidance.

11. Update incident guidance to require (1) documentation of BHA's course of action for reported incidents, to include determinations that no additional action is necessary and (2) documentation of incident closure after BHA's response.

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## OIG Response to Agency Comments

We provided our draft report to USAID on December 19, 2024. On January 27, 2025, we received the Agency's response, which is included as Appendix C of this report. USAID also provided technical comments, which we considered and incorporated as appropriate.

The report contains 11 recommendations. The Agency agreed with 10 recommendations and disagreed with one. We consider Recommendations 3 and 11 closed; and Recommendations 1, 2, 4, 5, 9, and 10 resolved but open pending completion of planned activities. We do not agree with the management decision for Recommendations 6, 7, and 8 and consider these open and unresolved pending additional information and revised management decision, if applicable.

Specifically:

- For Recommendation 6, BHA agreed but understood the recommendation to be specific to Ethiopia. We understand that acquiring a TPM using BHA mechanisms was not seen as a realistic option in Ethiopia due to the amount of time and effort it would take under BHA-wide processes. Our recommendation was for BHA to assess its TPM contracting processes bureau-wide and determine if adjustments are necessary. BHA identified actions and a target date to address the recommendation, however since it misunderstood the recommendation's intent, we edited the recommendation text slightly. We will consider closing the recommendation upon receiving a revised management decision and target completion date.
- For Recommendation 7, BHA agreed and requested closure, stating it already has a process to manage and coordinate response staffing. However, BHA did not describe how it will ensure this process is followed. We will consider closing the recommendation upon receiving additional evidence that BHA has a mechanism to ensure compliance with its processes and guidance for Response Team Staffing, to include developing a DART staffing strategy at the beginning of a disaster response.
- For Recommendation 8, BHA disagreed and stated the recommendation proposed a line of effort that exceeded BHA's authority, and that Standard Award Provisions included in BHA's awards are determined at the agency level. To clarify, we recommend that BHA update its own award language that specifically relates to incident reporting to clarify the relationship with similar but different requirements in Agency-wide standard award provisions, which are included in all USAID awards. BHA can also further define ambiguous terminology in its requirements related to timeliness and impact. Accordingly, in the final report we edited the recommendation slightly to clearly distinguish between Agency standard provisions and BHA award provisions. Accordingly, we are requesting a revised management decision within 30 days of the report that includes corrective actions and a target date to resolve the recommendation.

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## Appendix A. Scope and Methodology

We conducted this evaluation from August 2023 through December 2024 in accordance with the Council of the Inspectors General on Integrity and Efficiency's Quality Standards for Inspection and Evaluation. The scope of our evaluation was October 2021 through June 2023.

Our evaluation objectives were to evaluate the effectiveness of BHA's (1) award administration, (2) monitoring, and (3) management of incident reporting for emergency food assistance in Ethiopia.

In performing this evaluation, we reviewed Agency policy, guidance, and documentation and conducted interviews with USAID and implementer staff. In November 2023, we visited Addis Ababa, Ethiopia, where we interviewed USAID mission, BHA, WFP, and CRS officials.

To answer the first objective, we gathered and reviewed Agency policy and guidance related to administrative award management and existing data related to BHA's 15 emergency food assistance awards in Ethiopia. We interviewed USAID staff responsible for the administrative management of emergency food assistance awards and BHA staff based in Ethiopia to gain their perspectives on award management. We also judgmentally selected award administration tasks identified in emergency food assistance awards and AOR designation letters and verified whether those tasks were recorded in ASIST.

To answer the second objective, we collected and reviewed Agency policy, guidance, and documentation to understand BHA's requirements for monitoring food assistance programs. We collected and analyzed BHA documentation, data, and information to determine the actions BHA staff took to monitor emergency food assistance programs in Ethiopia. We also interviewed BHA staff and implementers to assess the challenges faced in monitoring food programming in Ethiopia.

To answer the third objective, we reviewed relevant Agency policy and documentation and emergency food assistance awards to identify BHA's incident reporting requirements and determine to what extent BHA enforced those requirements. We reviewed BHA's internal guidance for documenting and responding to incident reports. We collected and reviewed BHA data for the 94 incidents reported in Ethiopia during the evaluation period. We determined that 45 of these related to emergency food assistance and were reported by BHA's primary implementers, WFP and CRS. We analyzed this data to assess the timeliness of incident reporting. We selected 12 of these incidents and 2 additional incidents identified through BHA's monitoring to determine if BHA followed its internal guidance for documenting and responding to incident reports. We also interviewed USAID staff and implementers to better understand the incident reporting process and to determine areas of improvement for this process.

## Appendix B. Emergency USAID Food Assistance Awards Active in Ethiopia, October 2021 – June 2023

No.	Award Number	Implementer	Period of Performance	Amount
1	AID-FFP-A-12-00009	CRS/JEOP	8/1/2012 – 7/29/2023	\$ 362,321,730
2	720BHA23CA00003	CRS/JEOP	12/1/2022 – 8/31/2027	\$ 9,352,413
3	720BHA22CA00005	CRS/JEOP	1/18/2022 – 9/15/2023	\$ 44,214,269
4	720BHA22CA00041	CRS/JEOP	7/21/2022 – 7/20/2027	\$ 86,413,519
5	720BHA21IO00087	UNWFP	9/30/2016 – 10/31/2021	\$ 115,200,000
6	720BHA22IO00045	UNWFP	12/21/2021 – 3/31/2024	\$ 144,500,000
7	720BHA21IO00100	UNWFP	4/5/2021 – 10/15/2022	\$ 100,000,000
8	720BHA22IO00038	UNWFP	1/17/2022 – 12/31/2023	\$ 38,500,000
9	720BHA22IO00034	UNWFP	1/18/2022 – 8/17/2024	\$ 196,063,506
10	720BHA21IO00068	UNWFP	4/1/2022 – 10/1/2022	\$ 49,987,925
11	720BHA22IO00155	UNWFP	6/20/2022 – 12/19/2023	\$ 29,200,000
12	720BHA22IO00194	UNWFP	7/21/2022 – 1/20/2024	\$ 65,994,779
13	720BHA22IO00212	UNWFP	8/8/2022 – 2/7/2024	\$ 18,193,035
14	720BHA23IO00055	UNWFP	1/17/2023 – 7/16/2024	\$ 109,994,219
15	720BHA23IO00109	UNWFP	4/3/2023 – 1/2/2025	\$ 39,998,842
<b>Total:</b>				<b>\$ 1,409,934,237</b>

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## Appendix C. Agency Comments



### MEMORANDUM

**TO:** Toayoa Aldridge  
Assistant Inspector General for Audits, Inspections, and Evaluations

**FROM:** Dianna Darsney de Salcedo /s/  
Acting Assistant to the Administrator, Bureau for Humanitarian Assistance

**DATE:** January 23, 2025

**SUBJECT:** Management Comments to Respond to the Draft Report Produced by the Office of Inspector General (OIG) titled, Emergency Food Assistance in Ethiopia: Gaps in USAID's Award Administration, Monitoring, and Incident Reporting Hindered Its Ability to Detect Widespread Food Diversion, (Report No. E-000-25-002-M) (Task No. EE100423)

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The U.S. Agency for International Development (USAID) appreciates the opportunity to provide comments on the subject draft report from the Office of Inspector General (OIG). The Agency agrees with 10 and disagrees with one of the eleven recommendations as described below.

**COMMENTS BY THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) ON THE REPORT RELEASED BY THE USAID OFFICE OF THE INSPECTOR GENERAL (OIG) TITLED, *Emergency Food Assistance in Ethiopia: Gaps in USAID’s Award Administration, Monitoring, and Incident Reporting Hindered Its Ability to Detect Widespread Food Diversion* (Task No. EE100423)**

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 11 recommendations for USAID:

**Recommendation 1:** Develop and implement a process to determine the appropriate number of AORs needed for a given award portfolio based on factors including, but not limited to, the number of awards, amount of funding, and operating environment.

- **Management Decision:** BHA agrees with this recommendation. BHA will review, develop and implement an internal process to assess the appropriate number of AORs per portfolio.
- **Target Completion Date:** 12/16/2025

**Recommendation 2:** Develop and implement a process to regularly assess the completeness of required award documentation in ASIST and address identified gaps.

- **Management Decision:** BHA agrees with the recommendation and requests closure given that the M/OAA team that supports BHA already runs ‘Missing Critical COR/AOR Documents in Agency Secure Image and Storage Tracking (ASIST) reports in the Agency’s Enterprise Reporting Portal (ERP) for BHA awards, and will continue to run the reports and coordinate with BHA to ensure COR/AOR ASIST filing compliance and completeness. Additionally, the Agency has a well-established process detailed in the ASIST File Standardization Guide (Tab 1) for the uploading of documents by AOR/CORs and reviewing of documents by M/OAA into ASIST. As stated in the guide, all Washington and Mission ASIST AOR/COR files are subject to official Agency Acquisition and Assistance procurement system reviews by M/OAA’s Evaluation Division (M/OAA/E).
- **Target Completion Date:** Requests closure upon issuance of the final report.

We recommend that USAID/Ethiopia’s Office of Humanitarian Assistance take the following actions:

**Recommendation 3:** Fully implement the country monitoring plan for Ethiopia in accordance with recommended guidance.

- **Management Decision:** USAID/BHA Ethiopia agrees with this recommendation. The USAID/BHA Ethiopia Team (inclusive of USAID/Ethiopia's Office of Humanitarian Assistance (Ethiopia/OHA in Ethiopia and the BHA/OA Ethiopia Team in Washington, DC) fully implemented a country monitoring plan in October 2023 (Tab 2), which is labeled "SBU". Since then, BHA staff on the Ethiopia team have utilized the plan to monitor humanitarian assistance country-wide. The monitoring plan is a tool to assist the Agency to more effectively, systematically, and appropriately monitor humanitarian assistance funded by USAID.

The Country Monitoring Plan supports the USAID/BHA Ethiopia team to (1) prioritize higher-risk partners and geographic locations for in-person monitoring visits, (2) assess and follow up on third-party monitoring results, and (3) link the country monitoring activities to OHA's strategic objectives. The plan is implemented by the USAID/BHA Ethiopia Team, including field- and DC-based activity managers, AORs, and Monitoring & Evaluation Specialists, with support from additional technical and risk management advisors. Under the plan, a variety of approaches to monitoring are implemented which are flexible to adapt to the complex environment and accessibility to activity sites.

- **Target Completion Date:** Request closure upon issuance of the final report.

We recommend that BHA take the following actions:

**Recommendation 4:** Update guidance for monitoring in nonpermissive environments to include criteria that trigger an assessment by BHA at the start of a response whether a country monitoring plan is necessary, and perform and document this assessment periodically, as applicable.

**Management Decision:** BHA agrees with this recommendation and is in the process of updating the Bureau's internal guidance (see. Once finalized, BHA's Design, Monitoring, Evaluation, and Applied Learning Division will roll out the guidance with BHA staff.

- **Target Completion Date:** June 30, 2025

**Recommendation 5:** Establish a mechanism to enforce the use of guidance for monitoring in nonpermissive environments, to include assessing and determining the need for a third-party monitor and identifying and defining context-specific approaches to verify data.



- **Management Decision:** BHA agrees with this recommendation. BHA's Design, Monitoring, Evaluation, and Applied Learning Division develops and trains BHA staff on the internal monitoring guidance. BHA management, particularly in the geographic offices, is responsible for ensuring that each country office/team follows the internal guidance. BHA DMEAL will determine an appropriate strategy to increase staff capacity on the internal guidance.
- **Target Completion Date:** May 30, 2025

**Recommendation 6:** Assess current third-party monitor contracting mechanisms and timelines, determine if adjustments are necessary to strengthen BHA's acquisition of third-party monitor support, and update BHA guidance accordingly.

- **Management Decision:** BHA agrees with this recommendation. BHA understands that this recommendation is specific to Ethiopia, given the scope of the evaluation. Due to the urgent need to procure a third party monitoring system to monitor BHA awards in Ethiopia and the typical time it takes to procure a TPM through open competition, BHA assessed the TPM capacity and experience of the Ethiopia Mission Learning Analytics Activity mechanism and decided to buy-into it. The organization had TPM capacity, established systems, experience and expertise needed to effectively do the work. Based on its capacity and performance, recently the Ethiopia Mission decided to broaden the scope to make it a mission-wide TPM mechanism. BHA will continue to assess its performance to determine whether any adjustments are needed.
- **Target Completion Date:** January 24, 2026

**Recommendation 7:** Establish a mechanism to enforce BHA's use of internal guidance for Response Team Staffing to develop a DART staffing strategy for disaster responses.

- **Management Decision:** BHA agrees with this recommendation and requests closure as BHA has a process in place for managing and coordinating the response staffing process. When BHA holds an activation decision meeting (ADM) to consider deploying a DART/RMT for a humanitarian response, BHA uses a standard *ADM Agenda* (Tab 4) and staffing protocols according to guidance and SOPs provided in Section 4 of the *RMS Staffing Chapter* (tab 5). Throughout the duration of the response, operations staff are expected to reference the RMS chapter and additional resources provided on the *RMS Information Site*. BHA's RMS staffing chapter was published on the RMS Information Site in August 2019. The chapter is continually updated according to lessons learned and updates to bureau policy and guidance. BHA's internal database, the PETER (Personnel, Experience, Training, Equipment, Readiness) system, tracks the various components of the RMS staffing process, including response staff activations.

- **Target Completion Date:** Request closure upon issuance of the final report.

**Recommendation 8:** Update BHA standard award provisions to clarify (1) the relationship with incident reporting requirements in USAID standard provisions and (2) ambiguous terminology related to reporting timeliness and incident impact.

- **Management Comment:** BHA disagrees with this recommendation as it proposes a line of effort that exceeds BHA's authority. Standard Awards Provisions included in BHA awards are determined at the agency level by the ADS 303 and 308.
- **Target Completion Date:** N/A

**Recommendation 9:** Develop and implement a framework to address implementer noncompliance with BHA incident reporting requirements that defines response options and identifies triggers for escalation.

- **Management Decision:** BHA agrees with this recommendation. The Bureau will review existing guidance and coordinate with its geographic offices, including BHA's PIO Oversight Team, General Counsel, and M/OAA to develop an internal approach.

**Target Completion Date:** August 31, 2025.

**Recommendation 10:** Develop and implement a process to ensure the storage and transfer of incident documentation between team files, Abacus, and ASIST, in accordance with BHA guidance.

- **Management Decision:** BHA agrees with this recommendation and will update BHA's internal guidance on ASIST filing. In BHA's internal training: *Managing Awards Training*, AORs are directed to load all documentation associated with incident reporting in both Abacus and ASIST through the session *AOR File Management Responsibilities* (Tab 6). Furthermore, BHA's internal Award Filing Guidance (Tab 7) provides instructions to BHA AORs on what is required to be filed and how to file it in the system. Although the guidance already states that "all official award documents must be stored in ASIST," it will be updated to stress the importance of ensuring documentation is transferred into both Abacus and ASIST. The Award Document Filing Responsibilities (Tab 8) chart linked in the guidance will be updated to include a specific line for incident reporting documentation. Finally, in Abacus there is a guide (Tab 9) for the ASIST Navigator

which tracks which requisite documents have been uploaded into ASIST. Education and enforcement of our already established processes will be used jointly to ensure that staff are following guidance provided to upload all file documentation to ASIST. As stated in the response to recommendation #2, reviews of ASIST files are performed by both BHA AOs as well as M/OAA/E as part of the procurement system review. Accountability for the proper retention and filing of documentation will be integrated into BHA's improved processes and emphasized in training sessions and written guidance/job aides.

- **Target Completion Date:** Request closure upon issuance of the final report.

**Recommendation 11:** Update incident guidance to require (1) documentation of BHA's course of action for reported incidents, to include determinations that no additional action is necessary and (2) documentation of incident closure after BHA's response.

- **Management Decision:** BHA agrees with this recommendation and requests closure based on the revision of BHA internal Annex A (Tab 10), which is part of BHA's internal guidance. The recent updates to the Annex A template (highlighted in pink) and finalized on December 23, 2024, provides guidance to AORs to use the following options: (1) following up with USAID recipients to get additional details about the incident; (2) USAID recipient has completed all necessary corrective actions and no further action is required; and (3) recommending the incident closure based on the information provided by the USAID recipient. Annex A was circulated to members of BHA's Risk and Internal Working Group in December 2024 for circulation to their teams and was also included in the January 6, 2025 *Internal BHA Newsletter*.
- **Target Completion Date:** Request closure upon issuance of the final report

In view of the above, we request that the OIG inform USAID when it agrees or disagrees with a recommendation's management comments (correct action plan).

#### **Attachments:**

Tab 1. ASIST File Standardization Guide

Tab 2. (SBU) Ethiopia BHA CMP

Tab 4. Activation Decision Meeting Agenda

Tab 5. Response Team Staffing

Tab 6. Managing Awards - ASIST Filing

Tab 7. Award Filing Guidance - Abacus and ASIST

Tab 8. Filing Guide by Role and System

Tab 9. Abacus ASIST Navigator Guide

Tab 10. Annex A - Sample Email for FWA or Food Commodity Incident Disclosure



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