



## Public International Organizations: Lessons for the Future

For years, USAID has leveraged public international organizations (PIOs)—including United Nations (UN) agencies such as the World Food Programme (WFP) and UNICEF, Gavi, and the World Bank—to deliver foreign assistance around the world. USAID has provided billions of dollars for activities that included emergency food and health commodities in conflict or disaster zones, vaccines to address infectious diseases, and multilateral trust funds to support national governments. PIOs' access to conflict zones and established networks often enable them to expedite distribution of U.S.-funded aid in complex emergency situations in locations such as Gaza, Ukraine, and Yemen. PIOs are not generally subject to U.S. laws or regulations, which allows for greater flexibility but also presents challenges in overseeing U.S.-provided funds. As the Administration determines the future role of PIOs in foreign assistance, we offer lessons from our oversight work to enhance transparency and accountability for U.S. funding to PIOs and avoid past mistakes.

### Spotlight: Progress Governing Flexible PIO Engagement

USAID funds PIOs through other transaction authority (OTA), a unique power afforded through the Foreign Assistance Act.<sup>1</sup> USAID's other transactions are unlike contracts and grants and offer more flexibility to the Agency since OTA is generally not subject to Federal laws and regulations such as the Federal Acquisition Regulation. Consequently, USAID developed its own policies and award provisions, primarily outlined in Automated Directives System (ADS) 308, which sets monitoring and reporting procedures, including pre- and post-award due diligence mechanisms to govern its work with PIOs. As a result of our recommendations, USAID made significant revisions to strengthen ADS 308, including requirements to promptly disclose credible allegations of fraud, corruption, and sexual exploitation and abuse.

## Key Lessons Learned

For over a decade, USAID OIG has been the primary entity conducting oversight of U.S.-funded foreign assistance implemented by UN agencies and other PIOs. We have repeatedly identified the challenges to transparency and accountability, particularly in the UN system. U.S. funding channeled through PIOs, including UN agencies, requires specific and nuanced oversight. In addition to challenges we have previously identified for oversight of funding to PIOs, we highlight three lessons learned from our work over the last 10 years. Applying these lessons to future U.S. foreign assistance implemented by PIOs is essential for ensuring accountability and transparency of Federal funds, and for understanding and addressing vulnerabilities that might lead to waste or misuse of these funds.

### What We Learned

**Lack of pre-award assessments and poor risk mitigation plans limited assurance that PIOs could safeguard U.S. government funds.** Regular pre-award organizational assessments and comprehensive risk mitigation plans for providing aid in complex emergencies help the U.S. government determine whether a PIO is capable of adequately safeguarding financial resources.

### How We Got There

We reported that between fiscal years 2019 and 2022, USAID did not follow its ADS 308 guidance to prepare assessments for more than 70 percent of PIOs receiving nearly \$46 billion in Agency funding. Despite the lack of current assessments that consider key factors (such as the PIO's past performance, internal controls, the results of internal and external audits, and safeguarding policies), USAID continued to make large awards to PIOs—including prominent partners such as WFP, the World Health Organization, and UNICEF. We also reported inconsistencies in how USAID developed risk mitigation plans. For example, the Agency's risk mitigation plan for \$1.1 billion in WFP assistance to Yemen did not ensure the risk of funding falling into the hands of terrorists occupying key areas of the country was identified.

<sup>1</sup> Foreign Assistance Act of 1961 § 635(b), Pub. L. No. 87-195 (codified at 22 U.S.C.A. § 2395(b)).

## What We Learned

### **Weak monitoring impaired the ability to assess and adapt activities PIOs implemented.**

Robust monitoring with well-defined requirements, responsibilities, and timelines, and multiple approaches, including third-party monitors (TPMs), enables the U.S. government and PIOs to understand whether activities are effective and what changes may be needed to address issues and improve outcomes.

## How We Got There

In 2025, we reported that unclear award terms for monitoring emergency food assistance implemented by the WFP in Ethiopia resulted in delays and poor reporting to USAID, which prevented the timely detection of countrywide food diversion. In addition, in 2017, we reported that while USAID had the option to evaluate World Bank activities—including \$2.9 billion in U.S. contributions to the Afghanistan Reconstruction Trust Fund—the Agency did not exercise this ability while other donors did. Further, USAID has utilized TPMs when security restrictions prevent direct oversight of PIO activities, but institutional delays and inconsistent planning have weakened their effectiveness. For example, in 2020, we described a planning process for a program in the Lake Chad region that lacked specific criteria for determining whether a TPM was necessary, when it should be in place, and the countries it would monitor. As a result, a TPM contract was not in place until 4 years after the need was first identified.

### **Spotlight: Progress Monitoring World Bank Activities**

USAID's monitoring of World Bank activities has evolved since our 2017 audit in Afghanistan reported weak and missing monitoring. In 2024, we reported to Congress that USAID had developed monitoring controls for direct budget support to Ukraine through the World Bank. Our 2024 assessment of direct budget support to Ukraine identified a dozen key monitoring mechanisms USAID had established. For example, the Agency contracted two U.S. firms to more comprehensively assess activity effectiveness. Although our 2024 evaluation of the World Bank's Single Donor Trust Fund reported a lapse in monitoring and recommended an improvement, we have seen progress in USAID's efforts to monitor World Bank activities—demonstrating what is possible when thoughtful and comprehensive monitoring processes are designed from the outset

## What We Learned

### **Reliance on PIOs' internal oversight and reporting limited transparency into Federal funding.**

PIOs often have internal oversight functions intended to combat and report fraud, waste, and abuse. Enforcement of clear and consistent reporting requirements enhances the U.S. government's ability to address prohibited conduct and developments that have a significant impact on the award, and to hold PIOs accountable. Representation on UN agency boards also allows the U.S. government to push for stronger internal oversight.

## How We Got There

For several years, we have reported on USAID's general willingness to rely on PIO internal controls to monitor performance; identify, assess, and respond to risks; and perform fiduciary responsibilities. While we recommended in 2018 that USAID develop a better process and centralized mechanism for assessing and addressing PIO performance, in 2024, we found that the Agency still did not have a formal approach to mitigate any risks identified in its own assessments of PIOs. Further, in 2018, we also recommended that USAID require PIOs to report suspected and identified serious criminal misconduct. USAID implemented and successfully negotiated mandatory award provisions for PIO reporting, but as we found in our 2025 evaluation of emergency food assistance in Ethiopia, the Agency did not enforce reporting and had unclear requirements. As a result, we found that the WFP reporting was significantly delayed, sometimes nearly a year after suspected fraud occurred. USAID has stressed that its representation on UN agencies' governing boards was a primary method for overseeing some PIOs and monitoring performance; however, our 2018 audit found that the Agency had not leveraged an internal group to influence PIO boards or UN reform efforts.

## Scope and Methodology

We conducted this work under the Council of the Inspectors General for Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. Our objective was to identify key lessons from our prior oversight work that are relevant for the planned realignment of USAID programming. Our review focused on OIG's oversight of PIOs from fiscal years 2015 through 2025, encompassing 17 relevant OIG audit, evaluation, and assessment reports. We analyzed each report's findings and recommendations to identify and summarize key themes and inform the lessons learned.

## Related OIG Products

### UN Agency Program Oversight

- [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 2020.
- [Humanitarian Assistance in Yemen: Opportunities Exist for USAID to Further Strengthen Its Risk Management Process](#) (8-199-22-003-P), August 2022.
- [Information Brief: USAID Due Diligence Practices for Working With United Nations Agencies and Other Public International Organizations](#), July 2023.
- [Emergency Food Assistance in Ethiopia: Gaps in USAID's Award Administration, Monitoring, and Incident Reporting Hindered Its Ability to Detect Widespread Food Diversion](#) (E-000-25-002-M), February 2025.

### World Bank Program Oversight

- [USAID Planning and Monitoring Gaps Weaken Accountability for Results Through the Afghanistan Reconstruction Trust Fund](#) (8-306-17-004-P), August 2017.
- [Information Brief: USAID's Direct Budget Support to Ukraine](#), January 2023.
- [Direct Budget Support: Ukraine Supplemental Appropriations Act, 2023, Mandated Assessment](#) (8-000-23-001-M), January 2023.
- [Direct Budget Support: USAID Ensured That the Government of Ukraine Adhered to Required Controls, but Did Not Verify the Accuracy of Salary Expenditures](#) (8-121-24-001-M), February 2024.
- [Direct Budget Support: Ukraine Security Supplemental Appropriations Act, 2024, Mandated Assessment](#) (9-199-24-001-M), September 2024.

### USAID PIO Policies and Processes

- [Insufficient Oversight of Public International Organizations Puts U.S. Foreign Assistance Programs at Risk](#) (8-000-18-003-P), September 2018.
- [Public International Organizations: USAID Did Not Consistently Perform Expected Due Diligence](#) (E-000-24-002-M), August 2024.

### Gavi Program Oversight

- [U.S. COVID-19 Vaccine Contributions: USAID Should Consider Enhancing Oversight to Mitigate Risk of Fraud, Waste, and Abuse](#) (E-000-21-002-M), September 2021.