

OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

Inspection of USAID/Philippines Programming

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July 24, 2025

Inspection



Office of Audits, Inspections, and Evaluations



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

DATE: July 24, 2025

TO: Ryan Washburn
Mission Director
USAID/Philippines

FROM: Gabriele Tonsil /s/
Acting Assistant Inspector General for Audits, Inspections, and Evaluations

SUBJECT: Inspection of USAID/Philippines Programming

This memorandum transmits the final report of our inspection of the USAID/Philippines Program Cycle. Our objectives were to assess the extent to which (1) USAID/Philippines adhered to required Program Cycle operational policy on strategic planning and program monitoring since the development of the 2019 Country Development Cooperation Strategy; (2) the design, implementation, monitoring, and evaluation of select USAID/Philippines activities adhered to required Program Cycle operational policy; and (3) mission leadership promoted an organizational culture that supports collaborating, learning, and adapting principles.

USAID elected not to provide comments on the draft inspection report. Should we receive written comments from the Agency on this report at a later date, we will update and reissue the report to reflect the comments and technical changes as applicable. In finalizing the report, we considered the Agency's comments on the exit conference document.

The final report contains our findings and no recommendations. However, as the administration determines the future of foreign assistance, particularly in the Philippines, we suggest decisionmakers consider enhancing performance management, monitoring, and evaluations of foreign assistance programming.

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

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Report in Brief

Why We Did This Inspection

Strategically located in the Indo-Pacific, the Philippines is critical to U.S. national interests in the region. In fiscal year 2024, USAID's Mission in the Philippines (USAID/Philippines) obligated over \$128 million in country-specific programming in the areas of democratic governance, economic development, health, education, and environmental programming. USAID/Philippines also manages an expanded portfolio covering 12 Pacific Island countries and Mongolia.

Governed by the Automated Directives System (ADS 201), USAID's Program Cycle is an "operational model for planning, delivering, assessing, and adapting development programming in a given region or country...."

In response to congressional concerns about gaps in oversight of USAID programming, we developed a recurring inspection model to assess missions' adherence to USAID's Program Cycle policy. We selected USAID/Philippines for the pilot inspection based on several factors related to the mission's programming and characteristics.

We conducted this inspection to determine the extent to which USAID/Philippines: (1) met required Program Cycle operational policy on strategic planning and program monitoring since the development of the 2019 Country Development Cooperation Strategy (CDCS); (2) met required Program Cycle operational policy on the design, implementation, monitoring, and evaluation of select USAID/Philippines activities; and (3) leadership promoted an organizational culture that supports collaborating, learning, and adapting principles.

What We Recommend

As the administration determines the future of foreign assistance, particularly in the Philippines, we suggest decisionmakers consider enhancing performance management, monitoring, and evaluations of foreign assistance programming.

What We Found

USAID/Philippines met most strategic planning requirements but did not update its performance management plan annually. We determined that the mission's 2019 CDCS largely met strategic planning requirements. In addition, USAID/Philippines conducted a mid-course stocktaking, as required, which the mission said allowed it to review CDCS progress, assess changes in country context, and identified implications for the current and forthcoming CDCS. While the mission also met most requirements for its performance management plan, it did not update the plan annually as required.

USAID/Philippines generally met activity design requirements, but incomplete monitoring, evaluation, and learning plans; limited site visit reports; and missed evaluations hindered monitoring and adaptive management. We found that the mission generally met activity design requirements and conducted regular financial reviews during activity implementation. While it also met most requirements for monitoring, missing information related to performance indicators and incomplete Monitoring, Evaluation, and Learning plans limited its ability to assess programmatic results and ensure data quality. Additionally, the mission did not consistently prepare site visit reports or upload them to the Agency's official system due to workload challenges. Further, USAID/Philippines outlined an evaluation plan to guide strategic decision-making but completed less than half of its planned evaluations.

USAID/Philippines staff said leadership fostered a culture of collaboration and learning. Staff we interviewed said that leadership's communication and engagement effectively promoted cross-office cooperation and learning that enhanced the mission's ability to adapt and respond to challenges.

Introduction

In fiscal year (FY) 2024, USAID's Mission in the Philippines (USAID/Philippines) obligated over \$128 million in bilateral programming in the country across the areas of democratic governance, economic development, health, education, and the environment.¹ At the time of our inspection, in addition to its bilateral programs for the Philippines, the mission managed a regional portfolio of activities in 12 Pacific Island countries and Mongolia. According to a USAID mission management assessment from February 2024, as a bilateral mission, USAID/Philippines' regional responsibilities in the Pacific Islands resulted in inefficiencies in processes, incomplete analyses of the workforce, and an increased workload that impacted staff across multiple operating units.²

USAID's Automated Directives System (ADS) 201, Program Cycle Operational Policy, describes the Agency's model for planning, delivering, assessing, and adapting development programming in a given region or country to advance U.S. foreign and economic policy.³ It includes statutory requirements and procedures for operationalizing the Program Cycle, including:

- Country strategic planning,
- Project and activity design and implementation,
- Monitoring,
- Evaluation, and
- Collaborating, learning, and adapting (CLA).

In April 2022, the ranking member of the U.S. Senate Committee on Foreign Relations raised concerns about gaps in programming oversight and urged the USAID Office of Inspector General (OIG) to initiate recurring inspections of Agency operations. In response, OIG developed a recurring inspection model to assess missions' adherence to USAID's Program Cycle Operational Policy. We selected USAID/Philippines as the pilot for our inspection model based on several factors, including portfolio size, diversity of programming, lack of travel restrictions, active presence of USAID OIG personnel, and frequency of recent oversight work.

We conducted this inspection to determine the extent to which USAID/Philippines adhered to the requirements outlined in ADS 201. Specifically, our objectives were to assess the extent to which USAID/Philippines: (1) met required Program Cycle Operational Policy on strategic planning and program monitoring since the development of the 2019 Country Development Cooperation Strategy (CDCS); (2) met required Program Cycle Operational Policy on the design, implementation, monitoring, and evaluation of select activities; and (3) mission leadership promoted an organizational culture that supports CLA principles.

¹ This total does not include activities implemented outside the Philippines, which were outside the scope of this inspection, or activities funded by the Bureau of Humanitarian Assistance or Office of Transition Initiatives since each are exempt from many of the requirements of ADS 201.

² A USAID bilateral mission is typically provided with fewer personnel resources than a regional mission.

³ Automated Directive System, Chapter 201, "Program Cycle Operational Policy," 201.3.1, "The Program Cycle," October 23, 2024.

To answer our objectives, we conducted 35 interviews with USAID/Philippines staff, primarily during our site visit to the mission in Manila, Philippines, in May 2024. We interviewed senior mission leadership and staff from the executive, financial management, program, and technical offices, including contracting or agreement officers' representatives for the nine activities we selected for our sample. While in the Philippines, we conducted a 1-day site visit to the island of Palawan where we met with nongovernmental organizations and Indigenous tribes implementing USAID-funded environmental and sustainability activities. Further, we reviewed key mission documents, including strategic planning and monitoring documentation and activity-specific documentation. We selected a judgmental sample of 9 of the 43 activities implemented in the Philippines at the time we announced our inspection to test adherence to ADS 201. We based the selection on factors such as whether USAID frequently used the activity's implementer, the mechanism used to make the award for the activity, the start and end date of the activity's performance period, and the total estimated cost. Because the USAID/Philippines CDCS and many activities predated the most recent version of ADS 201, some requirements were not applicable at the time. We compared requirements across different versions of ADS 201 based on the timeline in which the CDCS and activities were created, including versions from January 2017, October 2018, June 2019, May 2023, and October 2024. We held USAID/Philippines accountable only to requirements that were applicable at the relevant time.

We conducted our inspection from April 2024 through February 2025 in accordance with the Council of the Inspectors General on Integrity and Efficiency (CIGIE) *Quality Standards for Inspection and Evaluation*. Appendix A provides more detail about our scope and methodology.

Background

Program Cycle Components

USAID's ADS 201 policy, published October 23, 2024, states,

[t]he Program Cycle allows USAID to advance U.S. foreign policy, economic, national security, development and humanitarian priorities including by strengthening coherence across development, humanitarian, and peace efforts in the countries and regions in which it works, while tailoring programs to the local country context to produce sustainable results.⁴

Furthermore, the Program Cycle aimed to ensure that the Agency's "policies, strategies, allocations of human and financial resources, budget requests, and award management practices are evidence-based and advance its development objectives."⁵

The Program Cycle consisted of multiple interconnected components: country or regional strategic planning,⁶ project and activity design and implementation, monitoring, and evaluation. These components aimed to systematically link development programming and integrate them

⁴ ADS 201.3.1.1 "Relationship to Development Policy," October 23, 2024.

⁵ Ibid.

⁶ Strategic planning was the process through which USAID determined the best strategic approach in a country or region based on the U.S. government's foreign policy and economic priorities, individual country or regional priorities, and USAID's comparative advantage and available foreign assistance resources.

through CLA. They helped support accountability to stakeholders—program beneficiaries, local partners, Congress, and U.S. taxpayers—for achieving results. The components also helped support learning and adapting to improve achievement of development outcomes as well as USAID’s ability to build and use evidence to accomplish its mission and goals. Below are brief descriptions of highlighted Program Cycle components.

Country strategic planning: At the mission, country strategic planning typically culminated in a 5-year strategy called the CDCS. The USAID/Philippines CDCS effective at the time of our fieldwork covered November 25, 2019, through November 25, 2024. During strategy development, missions assessed local needs and priorities, assessed internal and third-party development data and analysis, engaged with local stakeholders, and collaborated with USAID headquarters to set overarching priorities. During strategy implementation, missions developed a performance management plan (PMP) to track and assess performance and inform adaptive management,⁷ negotiated and executed development objectives with partner governments, and designed projects and/or activities that supported the strategy. Missions monitored and evaluated strategy implementation and periodically revalidated the approach through strategy-level portfolio reviews, mid-course stocktaking,⁸ and other learning activities. Missions also amended and/or updated the CDCS and associated PMP as necessary.

Activity design and implementation: An “activity” generally refers to an implementing mechanism that carries out one or more interventions to advance identified development result(s) in a CDCS. Examples of activities include contracts, grants, or cooperative agreements with international or local organizations, and direct agreements with partner governments.

Monitoring: Program monitoring is the ongoing and systematic tracking of information relevant to strategies, projects, and activities. Monitoring data gathered during implementation influences learning and adaptive management to improve effectiveness and inform decisions about current or future programming. Missions and operating units at headquarters used performance indicators—quantifiable measures of characteristics or conditions of people, institutions, systems, or processes that may change over time—to monitor implementation. Missions also used performance indicators to monitor the extent to which they were progressing toward their goals by comparing actual results, such as outputs and outcomes, to expected results. Monitoring data also supported accountability by providing the public and Congress with information on progress through annual performance reports.

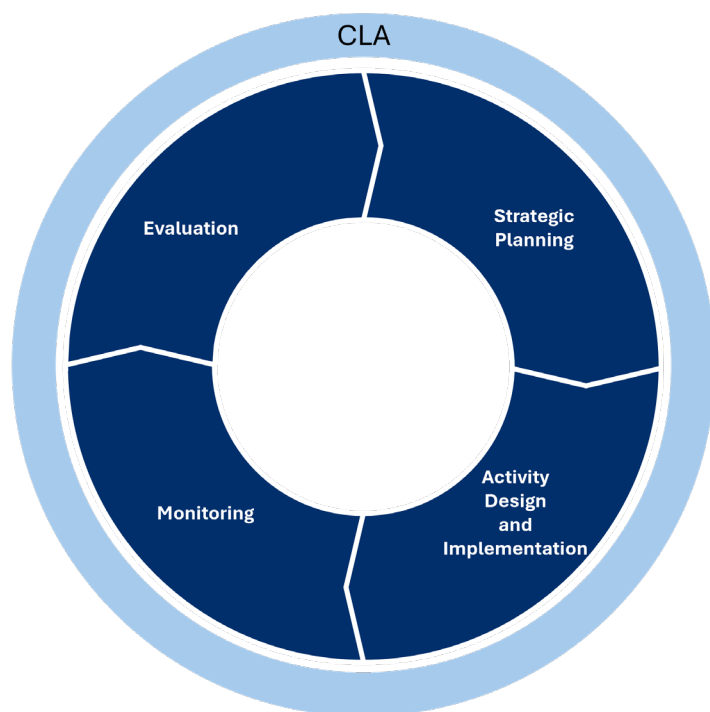
Evaluation: Evaluation is the systemic collection and analysis of information about strategies, projects, and activities to improve and inform decisions about programming. Its purpose is to ensure accountability to stakeholders and increase learning to improve development outcomes. Timely, high-quality evaluations examine what is working and what is not to inform adaptive management.

⁷ ADS 201 defined adaptive management as an intentional approach to making decisions and adjustments in response to new information and changes in the context.

⁸ Mid-course stocktaking had to be conducted at least once during the 5-year CDCS implementation. The objective of mid-course stocktaking was to better align the implementation of the mission’s programs with changes in the context and Agency’s direction as well as emerging knowledge and lessons learned.

CLA: Collaborating, learning and adapting was USAID’s approach to organizational learning and adaptive management. Examples of CLA include data and information from monitoring, portfolio reviews, research findings, evaluations, analyses, and knowledge gained from experience. CLA was intended to occur throughout the life of the Program Cycle as demonstrated in Figure I.

Figure I: USAID Program Cycle



Source: USAID Program Cycle components

Key Roles within USAID

Multiple bureaus and offices within USAID played a key role in administering development programming. The Bureau for Planning, Learning, and Resource Management (PLR) was responsible for communicating and updating ADS 201. The Bureau for Management’s Office of Human Capital and Talent Management (HCTM) provided leadership in defining and managing USAID workforce planning, which included recruiting staff that directly and indirectly supported implementation of the Program Cycle.

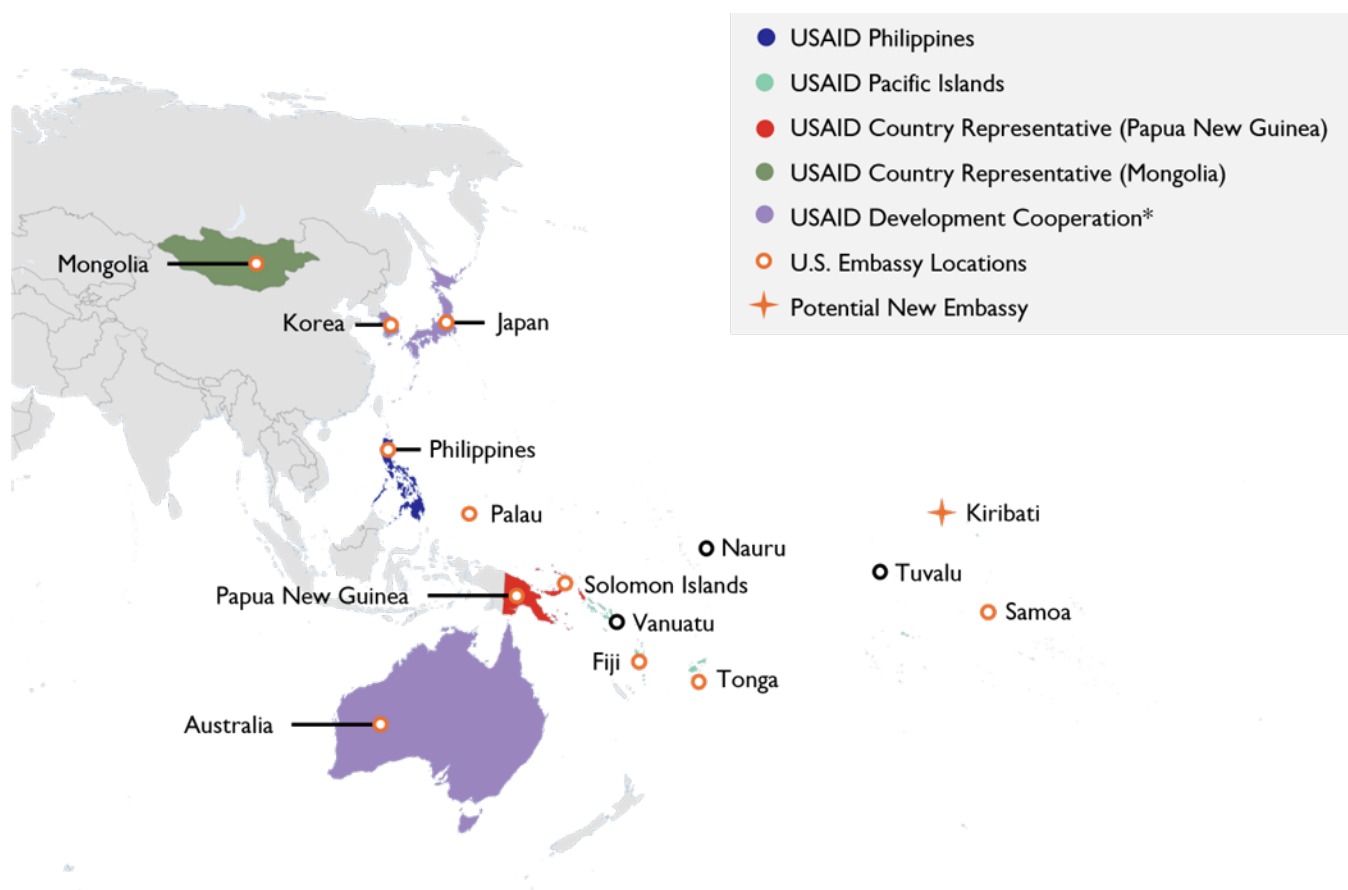
Within a mission, multiple offices administered the Program Cycle. During activity design and implementation, the Program Office was responsible for providing mission-specific guidance in Mission Orders, while the Office of Financial Management was responsible for financial matters, such as leading periodic financial reviews and supporting staff with required financial documentation. Under the monitoring component, the Program Office supported technical offices in monitoring throughout the Program Cycle, ensured compliance with monitoring requirements, and provided mission specific guidance in the relevant Mission Order. The Program Office was also responsible for maintaining the PMP and performance indicator

reference sheets.⁹ Technical offices designed and managed activities under the oversight of the Program Office and were responsible for monitoring throughout the Program Cycle, including working with implementers to develop, review, and approve monitoring plans.

Indo-Pacific Strategy and USAID/Philippines

Following the announcement of the United States' Indo-Pacific Strategy in 2017, the U.S. government's commitment to the Pacific Islands region increased substantially. Total USAID/Philippines programming, including regional funding, increased by about 73 percent from \$123 million in 2017 to \$213 million in 2024. Reflected in the substantial increases were two new operating units in Fiji and Papua New Guinea, announced by then-USAID Administrator Samantha Power in August 2023 to further support the Indo-Pacific Strategy. USAID had announced its Pacific Islands operating units 1 year earlier in August 2022. Figure 2 illustrates USAID/Philippines' coverage as of May 2024, at the time of our site visit.

Figure 2: USAID/Philippines Coverage, May 2024



*Note: Development cooperation is a framework for participating countries to exchange views on and seek opportunities to collaborate through joint or mutually supportive actions, to advance the complementary objectives of the U.S. vision for a free and open Indo-Pacific.

Source: OIG-generated depiction of USAID presence as of May 2024.

⁹ A performance indicator reference sheet was a tool used to ensure data quality and consistency by establishing a standard definition, purpose, and methodology for the indicator.

USAID Funding Pause

On January 20, 2025, Executive Order 14169, “Reevaluating and Realigning United States Foreign Aid,” went into effect, leading to a 90-day pause on U.S. foreign development assistance programs, including USAID programming. Over the next 2 months, the administration’s review of foreign assistance resulted in the termination of most USAID awards. Many USAID direct hire and contractor staff were placed on administrative leave and instructed not to conduct routine business, which halted normal operations, including our ability to communicate with USAID staff on this engagement.

On March 28, 2025, the State Department formally notified Congress of its intent to “undertake a reorganization that would involve realigning certain USAID functions to the Department by July 1, 2025, and discontinuing the remaining USAID functions that do not align with Administration priorities.” As a part of that process, substantially all non-statutory positions at USAID would be eliminated, all missions closed, and personnel across the globe separated from the Agency by September 2, 2025.

USAID/Philippines Met Most Strategic Planning Requirements but Did Not Update Its Performance Management Plan Annually

USAID/Philippines generally met ADS 201 Program Cycle strategic planning requirements. Our inspection found that the mission met 88 percent of the Program Cycle’s requirements by establishing and monitoring its CDCS. Furthermore, in March 2022, USAID/Philippines conducted a mid-course stocktaking, which incorporated lessons learned and aligned the mission’s programs with changes in country context and Agency direction. We also found that although USAID/Philippines met many requirements (82 percent) for managing its CDCS PMP, it did not update its plan annually, which may have hindered its ability to monitor, evaluate, and learn from the implementation of its strategy.

The Mission Generally Met Strategic Planning Requirements, Including Mid-Course Stocktaking

USAID/Philippines’ 2019 CDCS largely met strategic planning requirements. Specifically, we assessed the 2019 CDCS against the 34 elements outlined in ADS 201.3.2¹⁰ and found that USAID/Philippines met 30 (88 percent) and did not meet 4 (12 percent).¹¹ The missing elements were:

- I. Plans for how to use monitoring, evaluation, and CLA to understand whether and how approaches are building the capacity and commitment of local actors and institutions;

¹⁰ We tested USAID/Philippines’ 2019 CDCS against requirements listed in ADS 201.3.2 from May 4, 2023, which was active at initiation of the inspection. We then compared results to the October 29, 2018, version of ADS 201, which was active when USAID/Philippines developed the 2019 CDCS.

¹¹ We determined that six requirements were not applicable primarily because they only applied to regional missions.

2. A mapping table that demonstrated how the CDCS integrates with the National Security Strategy,¹² Joint Strategic Plan,¹³ and the State Department's Integrated Country Strategy¹⁴;
3. A summary of how the CDCS integrated with the Integrated Country Strategy; and
4. Submission of a public CDCS version that did not include any sensitive but unclassified information for dissemination through the USAID Development Experience Clearinghouse.¹⁵

In addition to the 34 required elements we tested, ADS 201.3.2, "Strategic Planning and Implementation," required missions to conduct a stocktaking at least once during CDCS implementation. The goal was to incorporate lessons learned and align the mission's programs with changes in country context and Agency direction. USAID/Philippines conducted a mid-course stocktaking in March 2022. According to the mission, the mid-course stocktaking reviewed CDCS progress, assessed changes in country context, and identified implications for the current and forthcoming CDCS. Many staff cited the mid-course stocktaking process as an opportunity to review and adjust activities at the mission.

The 5-year cycle of the CDCS and changes to ADS 201 limited our ability to understand why elements were missing. In part this was because the mission developed the 2019 CDCS 5 years prior to our inspection; thus, many USAID staff involved in its development had rotated to others posts. The missing elements limited the mission's ability to increase the capacity of local partners; use monitoring, evaluation, and CLA to address knowledge gaps; and translate the goals in the State Department's Integrated Country Strategy to the USAID mission context.

The Mission Met Most Requirements for Its Performance Management Plan but Did Not Update It Annually as Required

USAID/Philippines met most requirements for its PMP, but it fell short of updating the plan annually as required to revalidate assumptions and adapt to the changing context. ADS 201.3.2, "Strategic Planning and Implementation," requires each mission to prepare a PMP, the planning tool for documenting a mission's efforts to monitor, evaluate, and learn from the implementation of its strategy. We assessed the USAID/Philippines' PMP against 11 applicable requirements¹⁶ and found the PMP met 9 (82 percent) and did not meet 2 (18 percent). One unmet requirement directed the mission to upload certain components of the PMP to

¹² The National Security Strategy provides discussion on proposed uses of all facets of U.S. power needed to achieve the nation's security goals. The report is obligated to include a discussion of the United States' international interests, commitments, objectives, and policies, along with defense capabilities necessary to deter threats and implement U.S. security plans.

¹³ The Joint Strategic Plan sets forth the vision and direction for how the State Department and USAID will implement U.S. foreign policy and development assistance.

¹⁴ The Integrated Country Strategy is a multi-year strategy with a whole-of-government focus.

¹⁵ The Development Experience Clearinghouse was a publicly available document repository for programmatic and technical documents related to USAID programming that was managed by USAID's data services team.

¹⁶ We tested USAID/Philippines' PMP against 13 requirements listed in ADS 201.3.2 'Strategic Planning and Implementation,' from May 4, 2023, which was in effect when we started the inspection. We then compared the results against the June 11, 2019, version of ADS 201, which was in effect during the development of USAID/Philippines' 2021 PMP. We determined that 2 of the 13 requirements (15 percent) were not applicable primarily because they did not exist in ADS 201 when the 2019 USAID/Philippines CDCS was written.

ProgramNet, an internal Agency website, upon initial approval of the PMP. The other unmet requirement was to update the PMP at least once per year. According to ADS 201, the PMP revalidated a mission's development hypotheses, objectives, learning priorities, and operating context. Updating the PMP annually was intended to help a mission adapt in response to new evidence, emergent risks, and changes in the local context. USAID/Philippines developed a PMP once during the 5-year strategic planning period (2020–2024), in March 2021, and subsequently did not provide any updates.

Mission staff identified several challenges with updating the PMP annually, including the volume of work at the mission and a lack of practical usability. In addition, one senior mission official said there were “massive hurdles” to implementing the PMP and that it could be a challenge to pin down performance measures that would allow the mission to easily identify trends across portfolios. USAID/Philippines Mission Order 201-3.5.2¹⁷ acknowledged the challenges of maintaining the PMP, stating:

Performance monitoring is a data-intensive and detailed endeavor. Given the sheer volume of data and number of changes—from adding, refining and dropping indicators to updating targets and actuals—maintaining a current and authoritative mission-wide PMP can be challenging.

However, the mission order still required an annual PMP review and update. Furthermore, the mission order highlighted the interconnectivity between the PMP's performance monitoring processes for the mission's overarching strategic framework and plans for monitoring, evaluation, and learning (MEL) at the activity level.

According to a mission staff member, USAID/Philippines used the Development Information Solution (DIS) system to provide input on performance measures instead of updating the PMP.¹⁸ DIS was intended to track performance indicators and feed that information into the State Department's Foreign Assistance Coordination and Tracking System Information (FACTS Info), used to create, store, and analyze foreign assistance budgets, operational plans, and performance information for State and USAID. This information was used for analysis and reports to Congress and the Office of Management and Budget. The data in DIS and FACTS Info also contributed to USAID/Philippines' annual performance plan and USAID's Annual Performance Report, which was an assessment of Agency performance against annual targets for a representative set of foreign assistance indicators.¹⁹ PLR reported that the use of DIS, Facts Info, and the production of the Performance Plan Report could complement the PMP. However, there was no evidence that the mission integrated these data and reporting tools in a way that allowed for overarching analysis of performance management.

Failing to update the PMP annually could hinder the mission's ability to make informed resource allocations and management decisions for its projects and activities. Recent versions of ADS

¹⁷ Mission orders were issued in instances where post-specific policies were deemed necessary to more fully implement policies outlined in ADS.

¹⁸ USAID/Philippines was the one of the first Bureau for Asia missions selected to pilot the use of DIS for activity-level indicator tracking in FY 2020. DIS was widely adopted by staff at the mission.

¹⁹ According to the State Department, standard foreign assistance indicators were developed to measure and illustrate what foreign assistance accomplishes. Standard foreign assistance indicators measure both the outputs directly attributable to the U.S. government as well as outcomes to which the U.S. government contributes.

201 highlight the importance of a PMP as a living document because projects and activities would continue to be designed after the PMP is approved. The PMP was also intended to help ensure that USAID met Federal law requirements to establish annual objectives and timetables for planning and managing the process of monitoring, evaluating, and analyzing progress and applying lessons learned toward achieving results.²⁰

On January 31, 2025, the General Services Administration and USAID's Front Office instructed an employee in USAID's Office of the Chief Information Officer to shut down DIS by close of business and draft a high-level summary of the outputs impacted by this change. USAID personnel told us they did not know the status of data stored in the system, but one staff member believed that someone was working to stabilize it so that information would be available in the future.²¹

USAID/Philippines Largely Met Activity Design Requirements, but Incomplete Monitoring, Evaluation, and Learning Plans; Limited Site Visit Reports; and Missed Evaluations Hindered Monitoring and Adaptive Management

In general, USAID/Philippines met ADS 201 Program Cycle activity design requirements; however, incomplete activity MEL plans, a limited number of site visit reports, and missed evaluations hindered monitoring and adaptive management. We found USAID/Philippines met the Program Cycle's requirement to document the high-level activity design for eight of the nine activities (89 percent) within our sample. Furthermore, for all nine activities in our sample, the mission adhered to ADS 201 requirements to identify, project, and analyze trends and relationships of key financial data throughout the life of an activity and estimate accrued expenditures each quarter. However, USAID/Philippines did not meet all Program Cycle requirements for activity MEL plans. Similarly, more than half of the sampled activities (56 percent) did not have site visit reports for the period of review, and the mission did not upload most site visit reports (86 percent) to the Agency's system of record management. Moreover, as of December 2023, USAID/Philippines had conducted only 9 of the 24 evaluations (38 percent) identified in its PMP's evaluation plan and 1 of 3 evaluations (33 percent) planned for activities in our sample.

The Mission Generally Met Required Activity Design Requirements and Conducted Regular Financial Reviews During Activity Implementation

USAID/Philippines met activity design requirements that outline how the mission intends to meet development objectives for the sampled activities. Specifically, ADS 201.3.4, "Activity

²⁰ Public Law No. 114-191, Foreign Aid Transparency and Accountability Act of 2016, July 15, 2016.

²¹ We were unable to obtain an update on the status of DIS because USAID personnel responsible for the system were placed on administrative leave, and the contract for support staff was terminated.

Design and Implementation,” required missions to document high-level design parameters and incorporate environment, gender, and climate risk analysis or assessment into activity design. At a minimum, operating units had to document the following high-level parameters to guide the design process:

1. The preliminary purpose of the activity;
2. How the activity will advance CDCS and/or project-level results;
3. The activity’s preliminary budget; and
4. A preliminary identification of the funding instrument that will be used to issue the award, such as a contract, assistance mechanism, an agreement with the partner country government, or an interagency agreement.

We found that USAID/Philippines documented high-level parameters for eight of the nine sampled activities (89 percent) with one activity (11 percent) missing the expected funding instrument. Similarly, USAID/Philippines met the requirements to include environment, gender, and climate risk analyses or assessments for eight of the same nine activities included in our sample (89 percent). One activity (11 percent) did not have a gender analysis.

USAID/Philippines met the ADS 201 policy to provide oversight of Federal funding. ADS 201.3.4, “Activity Design and Implementation,” requires missions to identify, project, and analyze trends and relationships of key financial data throughout the life of an activity; estimate accrued expenditures each quarter; and record this data in Phoenix, USAID’s financial and accounting system of record. We found that USAID/Philippines identified, projected, and analyzed trends and relationships of key financial data and estimated accrued expenditures each quarter for all nine activities within our sample. The mission recorded this data in Phoenix for eight of the nine activities (89 percent) and did not for one activity (11 percent).

The Mission Met Program Monitoring Requirements, but Missing Information Related to Performance Indicators and Incomplete Activity Monitoring, Evaluation, and Learning Plans Limited Its Ability to Assess Programmatic Results and Ensure Data Quality

USAID/Philippines met most requirements for monitoring activities but did not fully meet requirements for documenting information related to performance indicators, such as baseline values, which are used to track changes that occurred during the activity’s implementation. ADS 201.3.5, “Program Monitoring,” required missions to conduct performance monitoring, which is the ongoing and systematic collection of performance indicator data to oversee implementation and understand progress toward intended results.²² In addition, ADS 201.3.5 required missions

²² Program monitoring consisted of performance monitoring and context monitoring. Context monitoring was the systematic collection of information about the conditions and external factors relevant to the implementation of USAID strategy, projects, and activities.

to conduct data-quality assessments for each performance indicator they report to external entities, such as through the Performance Plan and Report to Congress.²³

We assessed the 9 activities in our sample against 21 ADS 201.3.5 requirements. However, one requirement was not applicable to our sample.²⁴ Of the remaining 20 requirements, we found that, on average, the 9 activities met 15 requirements (75 percent) and did not meet 5 requirements (25 percent). For example, all nine activities included at least one relevant performance indicator for each activity-level outcome in their MEL plans. We also found that the mission monitored the quantity, quality, and timeliness of activity outputs and outcomes, as required for all nine sampled activities. However, more than half of the sampled activities had missing information related to performance indicators. Specifically, we found that:

1. Six of nine activities sampled (67 percent) did not have baseline values for their performance indicators.
2. Five of nine activities sampled (56 percent) did not document the reason for changes to performance indicators.
3. Five of nine activities sampled (56 percent) did not document the final values for all old performance indicators and baseline values for any new performance.
4. Five of nine activities sampled (56 percent) did not have a data quality assessment conducted within the timeline prescribed by ADS 201.²⁵
5. All nine activities sampled did not have data quality assessment results documented in relevant performance indicator reference sheets (PIRS).²⁶

In addition, we reviewed the activity MEL plans against six key components described in ADS 201.3.4, “Activity Design and Implementation,” which applied to all nine sampled activities. We found that MEL plans for seven of the nine sampled activities included a monitoring approach with relevant performance indicators of activity outputs and outcomes. However, the MEL plans did not fully meet five key components:

1. MEL plans for seven of the nine sampled activities (78 percent) did not include estimated resources for MEL actions that were part of the implementer partner’s budget.
2. MEL plans for two of the nine activities (22 percent) did not identify roles and responsibilities for all MEL actions.
3. MEL plans for three of the nine activities (33 percent) did not address the expectation to collaborate with external evaluations of the activity planned by the mission.
4. MEL plans for two of the nine activities (22 percent) did not include any proposed internal evaluations.

²³ Data quality assessments determined whether data met standards described in ADS 201.3.5.7 and were of sufficient quality to influence management decisions.

²⁴ We determined that the requirement was not applicable because we were not able to determine the start date of the collection of indicator data.

²⁵ The data quality assessment had to occur after the collection of the data on a new performance indicator and within the 12 months prior to the external reporting of the indicator data for the first time.

²⁶ A PIRS was a tool used to ensure data quality and consistency by establishing a standard definition, purpose, and methodology for the indicator. A performance indicator’s data quality assessment results were required to be documented in the relevant PIRS.

5. MEL plans for two of the nine activities sampled (22 percent) did not include learning activities, including plans for capturing knowledge at closeout of the award.

Four of the nine sampled activities began after October 2020 and therefore had additional MEL plan requirements resulting from revisions to ADS 201. These revisions required activity MEL plans to include baseline values, or plans to collect baselines, and annual targets, as well as a plan for receiving feedback from beneficiaries, when appropriate. Of the four activities, two (50 percent) did not include baseline values and/or annual targets, and three (75 percent) did not include a plan to receive feedback from beneficiaries.

Additionally, six of the nine activity MEL plans (67 percent) lacked evidence that the contracting and agreement officer's representatives approved or concurred with the plan, as required. Furthermore, the mission did not upload three of the nine plans (33 percent) into the Agency's Secure Image and Storage Tracking system (ASIST) as directed by ADS 201.²⁷

USAID/Philippines did not utilize control activities, such as having current policies and standard operating procedures that staff in the program and technical offices could follow to fulfill their responsibilities.²⁸ We reviewed USAID/Philippines' Mission Orders 201-3.3, "Project and Activity Design and Implementation," and 201-3.5.2, "Performance Monitoring," which did not describe how the Program Office and technical offices should ensure ADS 201 requirements are met or include standard operating procedures.²⁹ For example, they did not outline how the mission should ensure activity MEL plans included required information, such as baseline values, or determine whether PIRS were maintained and contained all required information, such as data quality assessment results. Furthermore, staff disagreed on who was responsible for reviewing MEL plans. A technical office director said the mission's Program Office took the lead on reviewing the plans, but Program Office staff said that they were not always involved in the approval process.

Missing information on performance indicators and incomplete activity MEL plans could have impacted both the mission's and implementers' ability to assess the effectiveness of programming and to conduct adaptive management based on evidence. For example, performance indicators without baselines limited the mission's ability to track changes that occurred during the activity, while performance indicators without targets limited the mission's ability to assess ongoing progress against stated goals. Similarly, changes to performance indicators compromised comparisons of performance data over time. Finally, the mission did not document the results of data quality assessments in PIRS. As a result, it risked reporting monitoring data that did not meet USAID's data-quality standards and thus negatively impacted programmatic decision making.

²⁷ ASIST is USAID's official electronic repository for all Acquisition and Assistance award documentation.

²⁸ Principle 12 of the Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* describes how management should implement control activities through policies. Specifically, management documents through policies for each unit its responsibility for an operational process's objective and related risk. Those in key roles for the unit may further define policies through day-to-day procedures.

²⁹ Mission Order 201-3.3, effective December 17, 2021, and Mission Order 201-3.5.2, effective May 15, 2017. Mission orders did not include a review log showing they were reviewed or updated after the effective date. Mission orders were not updated to align with updates to ADS 201 requirements.

The Mission Did Not Consistently Prepare Site Visit Reports or Upload Them to ASIST Due to Workload Challenges

Mission staff did not consistently document learning outcomes and results from site visits to monitor and oversee activities, as required. ADS 201.3.4.9, “Monitoring, Evaluation, and CLA During Activity Design and Implementation,” directed missions to perform site visits to collect information, provide oversight of activities, and then upload a brief report into ASIST within 30 days. In general, missions were to conduct site visits for each activity at least once every 6 months. We found that five of the nine activities in our sample (56 percent) did not have a site visit report during the period of review, April 2022 through August 2024. Among the four activities that had site visit reports, mission staff did not upload 12 of 14 reports (86 percent) into ASIST but did provide them to us upon request.

Mission staff told us that heavy workloads made it difficult to complete site visit reports. For example, 8 of 25 staff (32 percent) said that new USAID operating units in Papua New Guinea, Fiji, and the Pacific Islands increased their workloads. According to a May 2024 USAID report, while over time the establishment of these new units should have relieved much of the regional workload for USAID/Philippines, “a great deal of work remains to ensure a successful transition, and significant challenges persist, including staff burnout and workload concerns.” Additionally, “FSN [Foreign Service National] staff [were] being asked to add to their existing workload, at times taking on duties of departing staff at higher grades without training and recognition of this workload,” according to a February 2024 mission workforce planning assessment. “Workload has been suffering and only growing worse since the 2022 Mission Management Assessment and the Philippines Mission continue[d] to expand its bilateral and regional responsibilities.”³⁰

Furthermore, mission leadership reported that position descriptions had not been updated since 2004 despite the expanded responsibilities. This aligns with the mission’s workforce planning assessment, which reported the mission did not have a dedicated team to help establish new operating units in the region. Instead, staff added new job elements to their existing workload, resulting in “staff having a bilateral ‘day job’ and a regional ‘night job’ for years.”³¹ Despite workload challenges, mission leadership and multiple directors commented that FSNs were professionals and technical experts and could “be trusted to do their job ... well.”

Due to its geostrategic importance to U.S. government political and military objectives in the Pacific, the Philippines is a site of frequent high-level delegations and visits. According to mission staff, planning and logistics for these visits added additional strain on their time. A senior mission official said that there were so many visits that they distracted from getting program-related work done. Staff also told us that the planning and logistics for high-level U.S.

³⁰ Principle 5 of GAO’s standards for internal control addresses considerations for excessive pressures. Specifically, management is responsible for evaluating pressure on personnel to help staff fulfill their assigned responsibilities in accordance with the entity’s standards of conduct. Management can adjust excessive pressures using many different tools, such as rebalancing workloads or increasing resource levels.

³¹ ADS 527 maa: A Mission Planning and Opening Team was typically deployed to the field to support the transition process.

government delegations and other visits decreased staff’s ability to complete their other work, including site visits and site visit reports.

Consistently documenting site visits would have better positioned USAID/Philippines to report how activities were progressing toward stated goals. Such documentation would have enhanced the mission’s ability to document and report inspection results of deliverables, validate monitoring data, and ensure implementers complied with Agency requirements. The mission also could have built more evidence of what was and was not working, enabling it to manage adaptively based on what it learned.

The Mission Did Not Complete Most Planned Evaluations, Which Hindered Data-Driven Decision-Making and 2025 CDCS Development

USAID/Philippines outlined an evaluation plan to guide strategic decision-making but did not follow through on more than half its planned evaluations. For the 2019–2024 CDCS period, the mission developed an evaluation plan outlining 24 evaluations across activities, including but not limited to those within our judgmental sample of nine activities. However, as of December 2023, the mission had completed just 9 of the 24 planned evaluations (38 percent).³² Among the nine activities in our sample, three were included in the evaluation plan but only one was conducted. Notably, the mission conducted one evaluation that was not originally included in the plan and assessed an already evaluated activity.

ADS 201.3.6.5, “Evaluation Requirements,” required missions to plan evaluations during the CDCS development process and time them to provide critical insights for key decisions, such as making course corrections, designing follow-on activities, or developing future country or sector strategies. The policy also stated that mid-term evaluations should assess the effectiveness of project processes and identify areas for improvement, while end-term evaluations should examine overall project results, including cost-effectiveness and sustainability. Table 1 illustrates that USAID/Philippines completed 20 percent of its planned mid-term evaluations and 42 percent of its planned end-term evaluations.

Table 1. USAID/Philippines Planned and Completed Activity Evaluations for 2019 to 2024, as of December 2023

Evaluation Type	Planned	Conducted	Percentage Completed
Mid-term	5	1	20%
End-term	19	8	42%
Total	24	9	38%

Source: OIG analysis of USAID/Philippines evaluation registry, as of December 2023.

³² As of December 2023, the mission had conducted 10 evaluations, one of which was not originally included in the evaluation plan. We requested updated statuses for the remaining 14 evaluations and were told that an update could be provided in February 2025. As of July 8, 2025, we had not received an updated response.

USAID/Philippines staff did not prioritize funding for the evaluation plan, which contributed to the shortfall in completed evaluations. According to a staff member, mission offices had a discussion about how much money should be spent contracting out evaluations. Mission staff reported that funding constraints were a major factor in determining which evaluations to conduct. Some staff members indicated that funds allocated for mid-term evaluations—which accounted for one-fifth of the planned but not conducted evaluations—were often redirected to extend program activities instead. A staff member also acknowledged that the CDCS evaluation plan contained “notional” evaluations and that fewer than 10 of them had been completed.

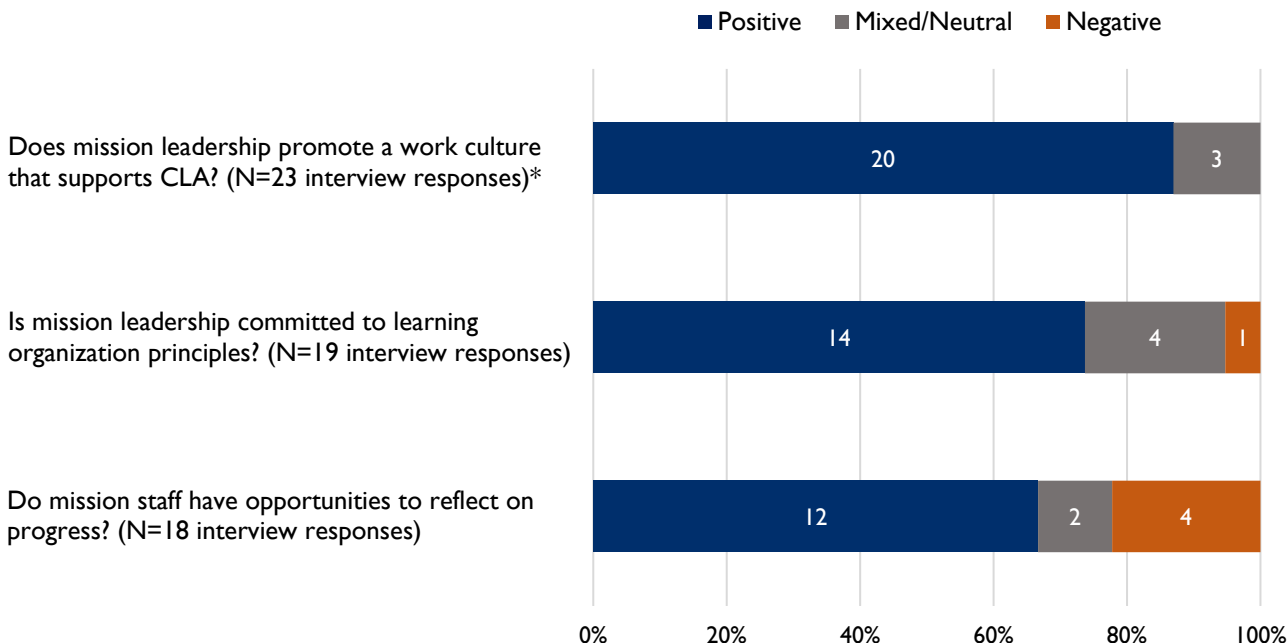
As a result, USAID/Philippines likely did not have the information it needed to make evidence-based decisions regarding course corrections, future activity designs, and the development of its 2025 CDCS. The near absence of mid-term evaluations hindered the mission’s ability to assess performance, identify areas for improvement, and determine best practices. The value of evaluations in shaping programmatic and policy decisions is evident in the example of a completed evaluation within the mission’s Office of Education; according to a mission staff member, it prompted the Philippines Department of Education to implement a scalable intervention approach in early childhood learning programs. Due to the lack of completed evaluations, USAID/Philippines risked missing critical opportunities to apply lessons learned and improve program effectiveness.

USAID/Philippines Staff Said Leadership Fostered a Culture of Collaboration, Learning, and Adaptation

USAID/Philippines staff we interviewed said that leadership effectively fostered a culture of collaboration and learning that enhanced the mission’s ability to adapt and respond to challenges. ADS 201.3.7, “Collaborating, Learning, and Adapting,” described the importance of fostering a strong organizational culture centered on CLA. The policy required mission leadership to, in part, create an environment that encourages staff to question assumptions, seek evidence, reflect on their experiences, and explore diverse solutions to development challenges.

Mission staff attributed the culture of collaboration and learning to leadership’s emphasis on communication and engagement. A staff member shared the example of holding regular pause-and-reflect sessions during major events, such as a change in host country administration. Other staff members highlighted leadership’s use of town halls, biweekly meetings, and an open-door policy as key mechanisms that reinforced a transparent and inclusive work environment. According to the individuals we interviewed, cross-office collaboration and inclusive strategy sessions also encouraged leadership to consider diverse perspectives in decision making. Figure 3 illustrates how mission staff responded to interview questions about CLA.

Figure 3: Mission Staff Perspectives on CLA



*Note: The total number of interview responses (N) varied because some staff were asked similar questions with different framing based on their position.

Source: OIG interviews with USAID/Philippines staff.

Overall, USAID/Philippines staff expressed that leadership's engagement and communication efforts created an environment conducive to collaboration, learning, and adaptation. Staff members noted that leadership actively encouraged collaboration to maximize resources, with one individual emphasizing that leadership proactively identified opportunities for different offices to work together and address challenges collectively. A dissenting staff member said that the increased workload prevented reflections on progress and adherence to learning organization principles, while another said mission leadership was committed to learning organization principles but could not reliably act on them due to time constraints. Mission staff we spoke with believed that by maintaining open lines of communication and fostering cross-office cooperation, leadership enabled teams to work more effectively toward shared development goals while ensuring that lessons learned were continuously integrated into programmatic decisions.

Conclusion

Since the announcement of the United States' Indo-Pacific Strategy in 2017, total USAID/Philippines programming, including regional funding, increased from \$123 million in 2017 to \$213 million in 2024 (about 73 percent). USAID/Philippines met many of the requirements established in ADS 201 for development programming that center on strategic planning, activity design and implementation, monitoring and evaluation. However, an out-of-date PMP, incomplete MEL plans, limited site visit reports, and missed evaluations hindered the mission's ability to monitor, evaluate, and learn from the implementation of its strategy. Many staff noted that added regional responsibilities and high-level visits created challenges managing bilateral

programs. For example, addressing staffing challenges would help ensure Program Cycle compliance, and clarity on performance tracking procedures and evaluation plans would improve monitoring and evaluation of activities. Although the administration transitioned remaining USAID foreign assistance activities to the State Department on July 1, 2025, implementing a robust approach to strategic planning and designing, monitoring, and evaluating activities will continue to be important for proper oversight of taxpayer dollars. Still, given USAID's current operating status, we are not making recommendations at this time.

Considerations for Future Foreign Assistance

As the administration determines the future of foreign assistance, particularly in the Philippines, we suggest decisionmakers consider the following actions:

1. Ensure strategic planning performance monitoring is conducted regularly and deconflicted with required systems of record.
2. Provide clear guidance to contracting and agreement officer's representatives and other relevant staff for ensuring activity monitoring, evaluation, and learning and program data record requirements are met.
3. Allocate appropriate staffing to provide dedicated oversight of foreign assistance activities.
4. Ensure future evaluation planning includes rationale for which activities are selected for evaluation, how they are prioritized, and a corresponding budget.

OIG Response to Agency Comments

We provided our draft report to USAID on July 10, 2025. In subsequent correspondence, USAID officials confirmed that the Agency would not be submitting comments at this time. The Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation* allow for the issuance of a final inspection report if comments are not provided within a reasonable period of time. Should we receive comments on this report at a later date, we will update and reissue the report to reflect USAID's comments and technical changes as applicable.

Appendix A. Scope and Methodology

We conducted this inspection from April 2024 through July 2025 in accordance with the Council of the Inspectors General on Integrity and Efficiency *Quality Standards for Inspection and Evaluation*.

Our objectives were to assess the extent to which (1) USAID/Philippines adhered to the required Program Cycle operational policy on strategic planning and program monitoring since the development of the 2019 Country Development Cooperation Strategy; (2) the design, implementation, monitoring, and evaluation of select USAID/Philippines activities adhered to required Program Cycle operational policy; and (3) mission leadership promoted an organizational culture that supports collaborating, learning, and adapting principles. The scope of our inspection of USAID/Philippines programming was from November 2019 through August 2024, with a focus on April 2022 to August 2024 for objectives 1 and 2 and April 2023 to August 2024 for objective 3.

In performing this inspection, we conducted a series of interviews with U.S.-based and USAID/Philippines staff remotely, and in May 2024, we visited the USAID mission in Manila, Philippines. While there, we interviewed Agency U.S. direct hires, including mission leadership, and FSN staff. We also conducted a site visit to the island of Palawan, where we met with and observed the work of multiple USAID implementers within our sample. We reviewed key mission documents, including strategic planning and monitoring documentation and activity-specific documentation.

For objective 1, we developed a strategic planning checklist outlining key requirements described in the May 4, 2023, version of ADS 201, which was in effect at the initiation of our inspection. We then requested and reviewed mission documentation, including the CDCS approved in November of 2019, against these ADS 201 requirements. To ensure that we only held USAID/Philippines accountable to the requirements in effect at the time the mission was conducting strategic planning, we compared our checklist results against the requirements described in the October 29, 2018, version of ADS 201. We interviewed mission leadership and programming staff to understand strategic planning, mission processes, and the causes and potential impacts of any nonadherence to ADS 201.

For objective 2, we selected a judgmental sample of 9 of the 43 current activities implemented by USAID/Philippines to determine the extent to which they met requirements in ADS 201. The selection was based on factors such as whether the activity's implementer was frequently used by USAID, the mechanism type used to make the award, the start and end date of the activity's performance period, and the total estimated cost. The sample included a range of activities intended to strengthen democratic governance; provide opportunities for inclusive, market driven growth; and enhance environmental and community resilience. We created and used checklists outlining key ADS 201 requirements for activity design and implementation, monitoring, and evaluation to assess compliance with requirements. To test the mission's adherence to activity design and implementation requirements, we used the ADS 201 policy in effect at the time the activity was approved by the mission director. For example, if an activity was approved by the mission director on June 2, 2018, we used the May 24, 2018, version of ADS 201 because it was the most current version at that time.

We used the checklist results to determine trends in adherence to ADS 201 across our judgmental sample and used them to answer our objective. We also interviewed USAID/Philippines personnel and USAID officials from the Bureau for Asia and the Bureau for Planning, Learning, and Resource Management.

For objective 3, we conducted interviews with mission staff and leadership to understand staff engagement, organizational culture, and practices that promoted learning and adapting at USAID/Philippines. We spoke to programming staff and leadership responsible for the nine sampled awards, including financial management and legal officials.



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