

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

Gaza Response: USAID Ensured Health Supply Chain Plans Addressed Quality Risks but Did Not Actively Monitor All Project Components

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February 2, 2026

Inspection





OFFICE OF INSPECTOR GENERAL

U.S. Agency for International Development

DATE: February 2, 2026

TO: Eric Ueland
Performing the Duties of Administrator and Chief Operating Officer
U.S. Agency for International Development

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

SUBJECT: Gaza Response: USAID Ensured Health Supply Chain Plans Addressed Quality Risks but Did Not Actively Monitor All Project Components

This memorandum transmits the final report on our inspection of the health supply chain providing pharmaceuticals and other medical commodities for USAID's humanitarian response in Gaza for your review and comment. Our objectives were to determine the extent to which USAID (1) ensured pre-award requirements related to the supply chain of pharmaceuticals and other medical commodities for Gaza were fulfilled; and (2) monitored award implementation related to the supply chain of pharmaceuticals and other medical commodities for Gaza.

The final report contains our findings, a consideration for future foreign assistance, and no recommendations. USAID did not have any comments on the draft inspection report.

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

Contents

| | |
|---|----|
| Report in Brief..... | 1 |
| Introduction..... | 3 |
| Background | 3 |
| USAID Ensured IMC Fulfilled Pre-Award Requirements for Pharmaceuticals and Other Medical Commodities | 6 |
| USAID Monitored IMC Activities in Gaza but Relied on IMC to Monitor Components of Its Health Supply Chain in Jordan, Egypt, and Other Locations | 7 |
| BHA Ensured Required IMC Reporting Provided Details About Award Implementation..... | 7 |
| BHA’s Monitoring Approach in Gaza Relied on Meetings with IMC and a Third-Party Monitor | 7 |
| BHA Relied on IMC to Monitor Components of the Health Supply Chain in Jordan, Egypt, and Other Locations | 9 |
| Conclusion | 10 |
| Considerations for Future Foreign Assistance..... | 11 |
| OIG Response to Agency Comments | 11 |
| Appendix A. Scope and Methodology..... | 12 |
| Appendix B. BHA’s Pre-Award Requirements for Pharmaceuticals and Other Medical Commodities | 13 |



Report in Brief

Why We Did This Inspection

On October 7, 2023, Hamas—a U.S.-designated terrorist organization—invaded southwest Israel, killing more than 1,200 people and seizing 253 hostages. Following Hamas' cross-border attack, Israel declared war on the group. Israeli strikes have since killed over 65,000 Palestinians in Gaza. Critical shortages in available medical stock and treatment needs have made procurement of pharmaceuticals and other medical commodities a priority need for Gaza's health system.

USAID's Bureau for Humanitarian Assistance (BHA) activated its Gaza response in October 2023, working with International Medical Corps (IMC) to provide health sector programming in Gaza. IMC, which by June 2025 had received more than \$72 million for health sector programming, was USAID's primary implementer for the procurement and distribution of pharmaceuticals and other medical commodities in the Gaza Strip.

We conducted this inspection to determine the extent to which USAID (1) ensured pre-award requirements related to the supply chain of pharmaceuticals and other medical commodities for Gaza were fulfilled; and (2) monitored award implementation related to the supply chain of pharmaceuticals and other medical commodities for Gaza.

What We Recommend

As the administration determines the future of foreign assistance, we suggest decision makers consider developing clear roles and responsibilities for staff overseeing implementer-managed humanitarian supply chains, including the procurement, transportation, storage, and distribution of U.S.-government funded humanitarian assistance.

What We Found

USAID ensured IMC fulfilled pre-award requirements for pharmaceuticals and other medical commodities. USAID's Automated Directives System and BHA's Emergency Application Guidelines and supplemental guidance contained pre-award requirements for pharmaceuticals and other medical commodities funded by the Agency. These included quality checks for pharmaceuticals vendors and details about proposed health supply chains. BHA used these requirements in concert with its application review process to ensure the quality of pharmaceuticals at the point of manufacture.

USAID monitored IMC activities in Gaza but relied on IMC to monitor components of its health supply chain in Jordan, Egypt, and other locations. Due to the war, BHA did not have any staff in Gaza to conduct direct monitoring of IMC's activities. As such, BHA was kept informed about the implementation of activities related to pharmaceuticals and other medical commodities through required programmatic reporting included in IMC's award terms. In addition, BHA used implementer meetings and a third party to monitor the implementation of IMC's activities inside Gaza. However, BHA relied on IMC to self-monitor the procurement, storage, and transportation of pharmaceuticals and other medical commodities as they moved through the supply chain on the way to Gaza. This occurred because USAID's guidance on the roles and responsibilities for overseeing implementer-managed supply chains was unclear. Absent clear roles and responsibilities for staff overseeing implementer-managed humanitarian supply chains, including the procurement, transportation, storage, and distribution of assistance, BHA did not have a full understanding of all components of IMC's health supply chain for its Gaza response.

Introduction

Israel declared war on Hamas after the U.S.-designated terrorist organization invaded Israel on October 7, 2023, killing more than 1,200 people and seizing 253 hostages. Israeli strikes have since killed over 65,000 Palestinians in Gaza. According to the United Nations, critical shortages in available medical stock and treatment needs for those injured in active warfare have made procurement of pharmaceuticals and other medical commodities—such as trauma and emergency care drugs, medical disposables, lab supplies, and medical equipment—a priority need for Gaza’s health system.¹

USAID’s Bureau for Humanitarian Assistance (BHA) initiated its response to the Gaza crisis in October 2023. At the end of fiscal year 2024, BHA’s response totaled more than \$641 million,² which included approximately \$56 million in health sector programming. From the outset, International Medical Corps (IMC) was USAID’s primary implementer for health sector programming. By June 2025, IMC had received more than \$72 million to provide pharmaceuticals and other medical commodities, health system support, essential health services, and higher level care for the Gaza response.

Our objectives were to determine the extent to which USAID (1) ensured pre-award requirements related to the supply chain of pharmaceuticals and other medical commodities for Gaza were fulfilled; and (2) monitored award implementation related to the supply chain of pharmaceuticals and other medical commodities for Gaza.

We focused on IMC’s supply chain for and programming related to pharmaceuticals and other medical commodities included in its award with BHA for the Gaza response between October 2023 and January 2025. We reviewed relevant USAID policies and analyzed award documentation, including award terms, application materials, site visit reports, meeting notes, and information pertaining to BHA’s third-party monitor for the Gaza response. We also interviewed USAID staff who were responsible for reviewing and monitoring activities related to pharmaceuticals and other medical commodities. We did not travel to Gaza, Jordan, or Egypt for physical verification due to the war and travel restrictions at the time of our fieldwork.

We conducted our inspection from December 2024 through December 2025 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 about our scope and methodology.

Background

In September 2023, USAID awarded IMC approximately \$11 million through a cooperative agreement to provide health, nutrition, protection, and disaster preparedness support in Gaza. After the Israel-Hamas war began, USAID used a series of modifications to award IMC an

¹ United Nations Office for the Coordination of Humanitarian Affairs, [Flash Appeal for the Occupied Palestinian Territory 2025](#), December 11, 2024.

² Year of funding indicates the date of commitment or obligation, not appropriation, of funds. Funding figures reflect publicly announced funding as of September 30, 2024.

additional \$69 million to expand its health sector programming from approximately \$3 million to more than \$72 million to address the increasing injuries from the war.

Components of IMC's supply chain for pharmaceuticals and other medical commodities existed both inside and outside of Gaza. According to IMC's award, IMC would procure pharmaceuticals and other medical commodities from vendors based in Jordan, the United Arab Emirates, Austria, and the Netherlands, and store them in IMC warehouses in Jordan and Egypt before transporting them into Gaza for distribution. For this inspection, we defined IMC's health supply chain as:

- **Procurement:** IMC's procurement of pharmaceuticals and medical commodities from vendors outside Gaza.
- **Warehousing:** IMC's storage of pharmaceuticals or other medical commodities in IMC facilities inside or outside Gaza.
- **Transportation:** IMC's transport of pharmaceuticals and other medical commodities into or within Gaza.
- **Distribution:** IMC's provision of pharmaceuticals or other medical commodities to beneficiaries in Gaza.

USAID Pre-Award Requirements for Pharmaceuticals and Health Sector Programming

USAID had internal controls and specific pre-award requirements intended to ensure the quality of pharmaceuticals and other medical commodities funded by the Agency. USAID policy required BHA staff to conduct quality checks and approve an award applicant's proposed pharmaceutical vendors before finalizing the award.³

Additionally, BHA's Emergency Application Guidelines detailed the application submission and award process, including pre-award requirements specific to health sector programming.⁴ For programming related to pharmaceuticals and other medical commodities, BHA required applicants to provide:

- A description of their supply chain for medical commodities, information on the medical commodities needed, the role of the country's ministry of health (or other governing body), the process for importing pharmaceuticals, and their ability to consistently supply pharmaceuticals and other medical commodities. The Emergency Application Guidelines outlined these details in 17 specific pre-requirements, as shown in Appendix B.

³ USAID, Automated Directives System, Chapter 312, "Eligibility of Commodities," Section 312.3.3.3, "Pharmaceuticals," February 2011.

⁴ BHA, *Bureau for Humanitarian Assistance Emergency Application Guidelines: Sector Requirements*, November 21, 2024.

- A signed, completed Pharmaceuticals and Other Medical Commodities template including an itemized list of proposed pharmaceutical products and other medical commodities.⁵
- If the applicant requested to use a non-prequalified pharmaceutical vendor, an explanation of how the applicant identified and selected the proposed vendor.⁶

In addition, BHA’s award-making process required BHA staff to conduct technical reviews of award applications to identify and correct significant issues before awards were signed.

Required Programmatic Reporting and BHA’s Monitoring Approach for Gaza

BHA’s award with IMC required several types of reporting from IMC on activity implementation, operational challenges, and its progress toward meeting performance targets. This included program updates, notifications, semiannual reporting, and annual reporting.

Additionally, BHA’s agreement officer’s representative for the award was responsible for monitoring IMC’s progress toward achieving its program objectives and for verifying that BHA-funded activities conformed to award terms. BHA used remote monitoring approaches, including a third-party monitor, to collect information about the implementation of the IMC award in Gaza.⁷ Internal BHA guidance for monitoring in nonpermissive environments stated that BHA staff could use multiple monitoring approaches to build a more complete understanding of implementer performance and operating context.⁸ Approaches included, for example, increasing the frequency of meetings with implementers, enhancing the use of implementer reporting and data, triangulating information from implementers with additional information sources, conducting virtual site visits, and procuring a third-party monitor. The guidance recommended that BHA staff determine which monitoring approaches were appropriate based on information needs, feasibility, and the available time and resources to commit to monitoring.

Pause and Resumption of IMC’s Programming in Gaza

On January 20, 2025, the President issued Executive Order 14169, “Reevaluating and Realigning United States Foreign Aid,” which directed a “90-day pause in United States foreign development assistance for assessment of programmatic efficiencies and consistency with United States foreign policy.” To implement the order, the Secretary of State paused all U.S. foreign assistance funded by or through the Department of State and USAID for review and

⁵ Implementers had to either confirm that their Pharmaceutical and Other Medical Commodities template adhered to BHA’s Essentials Medicines List or provide a detailed explanation of why the specific product was required to request an exception. BHA’s Essentials Medicines List included essential medicines required for basic patient care, such as amoxicillin, ibuprofen, morphine, and oxygen.

⁶ BHA’s Pharmaceutical and Medical Commodity Guidance included a list of BHA-prequalified vendors. USAID had audited the pharmaceutical vendors included on the list and found them to be able to consistently provide safe, effective, and quality essential medicines, medical equipment, or medical supplies.

⁷ BHA guidance defined third-party monitoring as the “systematic and intentional collection of performance monitoring or contextual data by an independent entity, that is neither USAID staff nor an implementing partner directly involved in the work, in situations where USAID staff have limited physical access to activity sites.”

⁸ BHA, *BHA Internal Guidance for Monitoring in Non-Permissive Environments*, August 2021.

announced waivers for programs that provided emergency food assistance and lifesaving humanitarian assistance.

Accordingly, USAID notified its implementers, including IMC, that it was issuing stop work orders. On January 30, 2025, BHA submitted a waiver request to the Department of State for non-food lifesaving humanitarian assistance, which included its award with IMC. The Department of State approved the waiver the following day. Shortly after, BHA obligated an additional \$12 million for IMC to provide emergency health, protection, nutrition, and water, sanitation, and hygiene support through April 13, 2025, during the ceasefire in Gaza.⁹

On February 26, 2025, USAID terminated its award with IMC but rescinded the termination on March 3. On March 21, USAID told IMC that its award was exempt from the pause in foreign assistance and to proceed with programming. At the end of June 2025, BHA obligated an additional \$23 million to fund IMC's award through December 31, 2025.

On July 1, 2025, certain USAID functions and foreign assistance awards were transferred to the Department of State in line with the administration's planned reorganization. According to Agency documentation, BHA's cooperative agreement with IMC that was the subject of this inspection was among the awards transferred. By September 2, 2025, substantially all nonstatutory USAID positions had been eliminated, all missions closed, and personnel across the globe separated from the Agency.

USAID Ensured IMC Fulfilled Pre-Award Requirements for Pharmaceuticals and Other Medical Commodities

We found that BHA ensured IMC fulfilled pre-award requirements for pharmaceuticals and other medical commodities included in the Emergency Application Guidelines and Pharmaceutical and Medical Commodity Guidance. Based on our review of IMC's application materials, we determined that IMC addressed all 17 requirements by providing sufficient detail for BHA staff to assess whether IMC's proposed health services were appropriate for the Gaza response. For example, IMC described its supply chain for pharmaceuticals and medical commodities, including an estimated timeline for procurement, and provided BHA with copies of its warehousing and stock management manual, which explained IMC's warehouse organization, documentation, stock management, and distribution tracking.

BHA also ensured that IMC submitted its required Pharmaceuticals and Other Medical Commodities template, which provided BHA with the details necessary to perform quality checks of IMC's proposed pharmaceuticals and other medical commodities. Our review determined that a BHA pharmacist reviewed, approved, and signed IMC's template in accordance with USAID policy before the award was made.

In accordance with USAID requirements, BHA ensured that IMC corrected deficiencies in its application before issuing the award. BHA's application review process required IMC to respond to and correct any deficiencies before the application could advance in the award-

⁹ In January 2025, Israel and Hamas reached a ceasefire negotiation which planned for three different phases, each lasting 6 weeks. USAID intended for the additional funding to cover IMC for the length of first two phases.

making process. For example, BHA's Emergency Application Guidelines required IMC to provide additional information for vendors BHA had not pre-qualified. In its application materials, IMC stated that it might seek approval to procure pharmaceuticals from a non-prequalified vendor but did not specify a vendor nor provide BHA with any vendor information. During the review process, BHA issued a letter to IMC requesting the missing information and confirmation of IMC's understanding that no approval from a non-BHA prequalified pharmaceutical vendor was authorized at that time. IMC responded to the letter and stated its commitment to procuring from BHA prequalified vendors until non-BHA qualified vendors are submitted and approved.

USAID Monitored IMC Activities in Gaza but Relied on IMC to Monitor Components of Its Health Supply Chain in Jordan, Egypt, and Other Locations

BHA did not have any staff in Gaza to conduct direct monitoring of IMC's activities due to the war and pre-existing limits on U.S.-government personnel in Gaza. As such, the bureau was kept informed about the implementation of IMC activities through the programmatic reporting required in IMC's award terms. At the time of our inspection, BHA relied primarily on implementer meetings and information its third-party monitor collected to oversee BHA-funded pharmaceuticals and other medical commodities in Gaza. The bureau relied on IMC to monitor its supply chain for pharmaceuticals and other medical commodities in other locations outside of Gaza.

BHA Ensured Required IMC Reporting Provided Details About Award Implementation

We determined that IMC's programmatic reporting provided to BHA between October 2023 and January 2025 met the requirements in its award. IMC's program updates, notifications, and semiannual and annual reporting to BHA consistently included details about disruptions to the health supply chain, medical supply shortages, and the quantity of pharmaceuticals and other medical commodities distributed in Gaza. For example, an IMC notification described an attack on a convoy delivering pharmaceuticals and other medical commodities in Gaza and how it addressed the incident. IMC's semiannual and annual reporting provided BHA with information regarding, among other things, IMC's procurement, storage, and distribution of medicine and equipment and its efforts to monitor medical commodities as they moved through the supply chain. As a result, BHA was informed about IMC's award implementation, operating challenges, instances of commodity loss, and progress toward award targets. In addition, BHA staff had the information needed to measure the outcomes of the award to determine whether it contributed to Agency objectives.

BHA's Monitoring Approach in Gaza Relied on Meetings with IMC and a Third-Party Monitor

In addition to IMC's programmatic reporting, BHA relied on meetings with IMC and a third-party monitor to oversee the implementer's storage, transportation, and distribution of

pharmaceuticals and other medical commodities in Gaza. At the time of our inspection, BHA field staff were located primarily in Jerusalem and could not conduct in-person site visits to monitor IMC activities in Gaza directly due to the war and pre-existing limits on U.S.-government personnel in Gaza. We determined that BHA's remote monitoring approach aligned with its internal guidance for monitoring in nonpermissive environments and consistently provided BHA with information about IMC's activities related to pharmaceuticals and other medical commodities in Gaza.

BHA communicated with IMC about its activities in Gaza on a regular basis and more frequently if needed. According to BHA and IMC staff, the bureau typically met with IMC on a biweekly basis. We reviewed notes for 85 BHA and IMC meetings between October 2023 and January 2025 and found that 45 of 85 (53 percent) discussed the procurement, availability, and transport of pharmaceuticals and other medical commodities into Gaza.¹⁰ We found that the frequency of communication between IMC and BHA fluctuated based on changes in the operating environment. For example, when the Israeli government held supplies for a field hospital upon their entry into Gaza due to reported concerns about permissions to transport in the specific items, BHA communicated with IMC daily until the supplies were recovered and delivered to IMC's warehouse.

In addition, BHA directed the third-party monitor to collect information about pharmaceutical availability, inventory management, and storage. We determined that the third-party monitor primarily used in-person interviews, structured site observations, and in-person warehouse visits to observe conditions at IMC warehouses and verify IMC's implementation of activities related to pharmaceuticals and medical commodities. This included assessing the condition of medical commodities and equipment, reviewing records and expiration dates, and verifying the warehouse's compliance with standard operating procedures for handling and storage.

We found that BHA's third-party monitor conducted five site visits to IMC facilities between October 2023 and January 2025, exceeding the recommended minimum of two visits for the time period. Internal BHA guidance recommended that site visits occur at least once every 6 months but should be more frequent during the initial phase of a rapid onset response. Four of five site visit reports included information related to IMC's activities focused on pharmaceuticals and medical commodities.¹¹ For example, the third-party monitor conducted a site visit to an IMC medical warehouse and collected information on warehouse and commodity conditions, stock, and emergency and security procedures (see Figure 1).

¹⁰ BHA meetings with IMC did not solely focus on programming related to pharmaceuticals and other medical commodities. The meetings also addressed IMC activities for other sectors, such as nutrition, protection, and water, sanitation, and hygiene.

¹¹ The site visit that did not collect information on pharmaceuticals and medical commodities was focused instead on IMC nutrition sector activities.

Figure 1. Excerpts from a Third-Party Monitoring Site Visit Report to One IMC Medical Warehouse

| | | |
|---|---|---|
|  |  |  |
| <p><i>“The warehouse is paved with interlocking tiles and is kept clean and well-maintained.”</i></p> | <p><i>“Items are clearly marked.”</i></p> | <p><i>“Sufficient quantity of fire extinguishers are distributed.”</i></p> |

Source: IMC third-party monitoring site visit report, December 2024.

While BHA was unable to observe IMC’s activities in Gaza directly, the bureau consistently collected information about these activities through required programmatic reporting, meetings with IMC, and third-party monitoring. In conflict environments where staff are unable to have a physical presence, remote monitoring approaches and meaningful data collection methods are essential to ensure the oversight of foreign assistance awards.¹²

BHA Relied on IMC to Monitor Components of the Health Supply Chain in Jordan, Egypt, and Other Locations

BHA relied on IMC to manage the procurement, storage, and transportation components of its health supply chain in locations outside Gaza and self-report challenges during regular meetings. IMC’s award outlined plans for the health supply chain, which included procuring pharmaceuticals and other medical commodities from vendors based in Jordan, the United Arab Emirates, Austria, and the Netherlands; transporting them to storage warehouses in Jordan and Egypt; and facilitating their entry into the Gaza Strip (see Figure 2).

However, BHA neither actively monitored nor required IMC to provide information on the implementation of those activities. According to BHA staff, the bureau did not actively track IMC’s procurement, storage, or transport of pharmaceuticals and other medical commodities

Figure 2. Map of the Gaza Strip, Jordan, and Egypt



Source: OIG

¹² USAID OIG, [Humanitarian Assistance: Lessons for the Future](#) (E-000-25-005-M), July 2025.

outside Gaza. Staff also said they did not conduct site visits to IMC warehouses in Jordan or Egypt.

While the agreement officer's representative was responsible for monitoring and verifying that BHA-funded activities conform to award terms, the roles and responsibilities for overseeing implementer-managed supply chains were unclear. Internal BHA guidance for monitoring in nonpermissive environments provided staff flexibility in choosing the approaches needed to build a more complete understanding of implementer performance and operating context. However, the guidance did not account for complex supply chains, like IMC's health supply chain for the Gaza response, where activities occur in both permissive and nonpermissive environments.

BHA viewed its primary responsibility as reviewing the technical quality of IMC's proposed activities and internal controls before the award was signed, whereas IMC was responsible for monitoring and managing the health supply chain after the award was executed. In its award application, IMC described internal controls to track and monitor BHA-funded pharmaceuticals and other medical commodities, such as performing inspections and tracking, managing, and monitoring the health supply chain from when IMC received the goods through to their distribution. During award implementation, IMC conducted warehouse inspections and tracked BHA-funded pharmaceuticals and other medical commodities before and after they reached Gaza. BHA did not verify whether IMC's internal controls were functioning as described in the award application.

Absent clear roles and responsibilities for staff overseeing implementer-managed humanitarian supply chains, including the procurement, transportation, storage, and distribution of assistance, BHA did not have a full understanding of all components of IMC's health supply chain for its Gaza response, leading to gaps in monitoring and increasing risks for diversion, fraud, waste, and abuse. These risks are especially prominent in nonpermissive environments where we have previously reported that USAID-funded commodities, supplies, and equipment were susceptible to diversion to terrorist organizations, such as Hamas.¹³

Conclusion

USAID ensured IMC met pre-award requirements for the quality of pharmaceuticals and other medical commodities intended to be procured and delivered for the Gaza response. However, BHA focused its monitoring efforts on IMC operations and facilities inside Gaza and relied on IMC to oversee and self-report challenges related to the procurement, storage, and transportation of BHA-funded health commodities as they moved through the supply chain on the way to Gaza. Safeguards related to pharmaceuticals and other medical commodities and approaches used to monitor award implementation are critically important to ensure programming is operating effectively and reaching its intended beneficiaries. As the administration considers oversight approaches for future foreign assistance programs, it has an opportunity to examine the Gaza response, including USAID's challenges related to monitoring in nonpermissive environments and clarifying roles and responsibilities in implementer-managed

¹³ USAID Office of Inspector General, [Responsibility to Identify and Report Potential Diversion of U.S. Humanitarian Aid to Hamas and Other Foreign Terrorist Organizations](#), November 2023.

supply chains. 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, we suggest decision makers consider the following actions:

- I. Develop clear roles and responsibilities for agency staff overseeing implementer-managed supply chains for U.S.-government funded humanitarian assistance, including the procurement, storage, transportation, and distribution of this assistance.

OIG Response to Agency Comments

We provided our draft report to USAID on December 8, 2025. On January 28, 2026, we received the Agency's response. The Agency did not have any comments on the draft report.

The report did not include any recommendations; therefore, no management decisions are needed.

Appendix A. Scope and Methodology

We conducted our work from December 2024 through December 2025 in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. Our objectives were to determine the extent to which USAID (1) ensured pre-award requirements related to the supply chain of pharmaceuticals and other medical commodities for Gaza were fulfilled; and (2) monitored award implementation related to the supply chain of pharmaceuticals and other medical commodities for Gaza.

The scope of our inspection was from October 2023 through May 2025. We focused our inspection on the pharmaceutical and other medical commodities subsector of the IMC assistance award under BHA's Gaza response. Due to the active conflict, we did not physically verify the implementation of IMC activities related to pharmaceuticals and other medical commodities in Gaza.

To answer our objectives, we reviewed relevant policies and guidance in place at the time of the inspection—including Automated Directives System Chapter 312, “Eligibility of Commodities”; BHA’s Emergency Application Guidelines; BHA’s Pharmaceutical and Medical Commodity Guidance; and BHA Internal Guidance for Monitoring in Non-Permissive Environments—and identified pre-award and monitoring requirements that applied to IMC’s activities related to pharmaceuticals and other medical commodities. We analyzed award documentation BHA maintained, including award terms, IMC’s technical design, needs assessment, approved pharmaceuticals and other medical commodities template, detailed budget and budget narrative, site visit reports, meeting notes, and BHA’s approach for third-party monitoring in Gaza. We also conducted interviews with USAID and IMC staff to understand how USAID staff fulfilled their award oversight responsibilities.

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, and many USAID staff were placed on administrative leave. We also experienced operational challenges that impacted our ability to travel. As a result, we did not visit IMC facilities or USAID offices in Egypt and Jordan as initially planned to physically inspect the quality and condition of the pharmaceuticals and medical commodities, observe IMC operations, or meet with USAID and contractor employees with knowledge of and responsibilities for the supply chain and award monitoring.

Appendix B. BHA's Pre-Award Requirements for Pharmaceuticals and Other Medical Commodities

Technical Design

Implementers must submit a technical design that demonstrates their ability to consistently supply pharmaceuticals and other medical commodities for their proposed health activities by addressing each of the following:

1. Identify dedicated staff at the headquarters and field level. Summarize their qualifications and specific training in medical commodity supply chain management to demonstrate their ability to manage all aspects of proper procurement, transportation, storage, and distribution of pharmaceutical and medical commodities.
2. Describe the implementer's experience importing pharmaceuticals and medical commodities in the relevant country, as well as any anticipated challenges or restrictions.
3. Describe the pharmaceutical and medical commodity supply chain proposed for the activity, including:
 - a. Selection and quantification of pharmaceuticals and other medical commodities;
 - b. The estimated timeline for procurement of all pharmaceuticals and medical commodities;
 - c. Inventory management system—preferably electronic. If funded, BHA partners must use a comprehensive real-time inventory management system which provides total oversight of pharmaceuticals from purchase to beneficiary.
 - d. Planned safe and secure storage of the pharmaceuticals and other medical commodities, in accordance with World Health Organization good storage and distribution practices policy;
 - e. Plan for the oversight and monitoring of the medical commodity supply chain, including measures to prevent stock-outs, and overstocking at the facility level, and to ensure the appropriate use of the commodities;
 - f. Product recall procedures; and
 - g. Proposed disposition plan for any medical commodities remaining at the end of the activity period. This may include destruction, donation, or transfer of products.
4. Describe the training the implementer will provide for staff in supply chain management of pharmaceuticals and other medical commodities.
5. The procurement of individual pieces of medical equipment costing more than \$5,000 require additional descriptions and supporting documentation. The implementer must:
 - a. Explain how each piece of medical equipment supports provision of a proposed health service, the anticipated number of persons benefiting from use of the medical equipment, and the training, familiarity, and experience of the health care personnel with the medical equipment.
 - b. Describe the technical characteristics, physical characteristics, utility requirement, warranty, and maintenance for the proposed equipment.
6. Describe how the implementer will properly procure and maintain medical equipment with correct replacement parts, service agreements, and properly trained technicians.

Needs Assessment

Implementers must submit a needs assessment summary that includes:

7. Describe the relevant medical commodities supply chain prior to the disaster, how the disaster affected it, the current status of the medical commodities supply chain process, and any identified gaps.
8. Provide information on medical commodities needed, by type (i.e., pharmaceuticals, medical supplies, or medical equipment).
9. Provide information on the role of the Ministry of Health (or relevant governing body or Health Cluster lead) in managing the supply chain for current medical commodities.
10. Describe the process for the importation of pharmaceuticals, including restrictions and registration requirements.

Source: OIG generated based on BHA's Emergency Application Guidelines.



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