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

Foreign Assistance: Key Lessons for Managing Awards

Report 9-000-27-001-M
November 3, 2026

Evaluation

Office of Audits, Inspections, and Evaluations

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

DATE: November 3, 2026

TO: Bill Woolf
Performing the Duties of Administrator
U.S. Agency for International Development

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

SUBJECT: Foreign Assistance: Key Lessons for Managing Awards

This memorandum transmits the final report on our evaluation of U.S. foreign assistance awards previously managed by USAID for your review and comment. Our objectives were to (1) summarize active foreign assistance awards previously managed by USAID and (2) identify key lessons from our prior oversight work related to managing foreign assistance awards.

The report contains our observations for responsible officials at the Department of State, which is now managing U.S. foreign assistance awards USAID previously managed.

USAID did not provide a response to or comments on the draft report. Should we receive written comments from the Agency on this report at a later date, we will reissue the report to reflect the comments and technical changes as applicable.

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Report in Brief

Why We Did This Evaluation

In 2025, responsibilities for managing U.S. foreign assistance shifted significantly across the U.S. government. On January 20, 2025, the administration initiated a pause and review of all foreign assistance, including USAID programs. On March 28, the Department of State (State) notified Congress that USAID would cease operating as an independent agency. Certain functions and programs would transition to State by July 1, 2025, including foreign assistance awards USAID managed. As of May 15, 2026, there were 1,359 USAID awards (19 percent) that remained active to support different programs State or USAID managed.

For over 40 years, USAID OIG has been the primary entity conducting independent oversight of U.S. foreign assistance. We have issued hundreds of reports and made thousands of recommendations to strengthen humanitarian and development assistance programs.

Given our extensive oversight expertise and the transition of responsibility for U.S. foreign assistance from USAID to State, we conducted this evaluation to (1) summarize active foreign assistance awards previously managed by USAID and (2) identify key lessons from our prior oversight work related to managing foreign assistance awards.

Our analysis of the data for foreign assistance awards transferred to State and the lessons we identified can better position State and other stakeholders to manage awards throughout the program cycle. Applying the lessons can also increase the effectiveness, efficiency, and impact of ongoing and future foreign assistance, and provide greater insights to Congress and the public.

What We Found

About $40.7 billion in foreign assistance awards previously managed by USAID remain active, primarily supporting health, disaster, and humanitarian programs. Of that amount, approximately $39.6 billion (97 percent) supported programs for a specific country or were designated as worldwide. Moreover, we found that about $36.1 billion (89 percent) in active foreign assistance awards were obligated for health programs, and disaster and humanitarian assistance programs.

OIG identified thirteen key lessons for effective management and accountability of foreign assistance awards. We organized these key lessons, summarized below, by the components of USAID's and State's foreign assistance program cycles.

Planning Awards

- ✓ Incorporate strategic planning and design, including technical expertise.
- ✓ Define clear transition points between emergencies and longer-term assistance.
- ✓ Establish clear and actionable policies to protect beneficiaries against sexual exploitation and abuse.
- ✓ Plan for staffing needs and knowledge transfer.

Implementing Awards

- ✓ Implement and update systematic risk management practices.
- ✓ Define roles and responsibilities to improve coordination between multiple offices and agencies.
- ✓ Assess and reassess host governments' abilities to implement programs and sustain outcomes.

Monitoring Awards

- ✓ Monitor and use fraud risk management proactively.
- ✓ Use third-party monitors promptly and follow up on their reports.
- ✓ Establish an effective suspension and debarment system.
- ✓ Collect accurate and reliable program data.
- ✓ Incorporate lessons learned and conduct end-of-activity evaluations.

Closing Awards

- ✓ Create effective closeout procedures and make timely decisions.

Introduction

In 2025, responsibilities for managing U.S. foreign assistance shifted significantly across the U.S. government. On January 20, 2025, the administration initiated a pause and review of all foreign assistance, including USAID programs.[1] On March 28, the Department of State (State) notified Congress that USAID would cease operating as an independent agency. Certain functions and programs would transition to State by July 1, 2025, including foreign assistance awards USAID managed. As of May 15, 2026, there were 1,359 USAID awards (19 percent) that remained active to support different programs State or USAID managed.

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To answer the first objective, we analyzed data on USAID- and State-managed foreign assistance awards. Specifically, we analyzed USAID award data as of May 15, 2026, to summarize the number, dollar amount, and status of awards, including whether they were active, terminated, or expired, and managed by USAID or State.[2] We also analyzed the award data to identify other characteristics such as geographic focus and program sector. We assessed the data's reliability by comparing award obligated funding amounts to the official information recorded into Phoenix, USAID's financial management system that tracks all award commitments and payments. USAID did not respond to our requests to speak with knowledgeable officials about the source of the data, its attributes, and how often the data was updated. Nevertheless, we determined that the data was sufficiently reliable for the purpose of summarizing the status of the awards. Appendix A provides the full list of programs the active awards supported.

To answer the second objective, we analyzed the program cycles USAID and State used to manage awards and our oversight work on USAID's management of awards from fiscal years 2011 through 2026. We focused our analysis on 66 relevant reports we issued from 2017 through 2026—including examples from 29 audits, evaluations, advisories, investigative summaries, and other products. We analyzed each report's findings and recommendations, summarized themes and examples, and identified key lessons for managing foreign assistance awards. Appendix B lists the related OIG products.

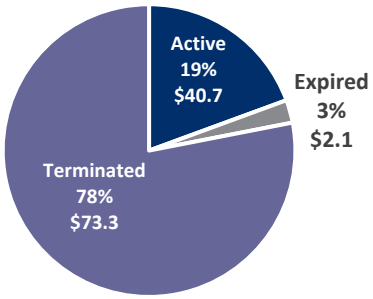
We conducted our work from February to September 2026 in accordance with the Council of the Inspectors General for Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

[1] Executive Order 14169, "Reevaluating and Realigning United States Foreign Aid," January 20, 2025.
[2] The award data consisted of USAID-originated awards, including personal services contracts, awards to support Agency operations, and awards that directly implement or support foreign assistance programs. For the purposes of this evaluation, we focused on awards that support Agency operations and directly implement or support foreign assistance programs, which we collectively refer to as "foreign assistance awards."

Background

According to award data USAID provided to OIG as of May 2026, the Agency previously managed 7,003 foreign assistance awards with an obligated value of about $116.1 billion.[3] Of those awards, 1,359 awards (19 percent) with obligations of about $40.7 billion remain active. According to our analysis, of the 1,359 active awards, 1,327 awards (98 percent) were transferred to State, while USAID continued to manage 32 active awards (2 percent). In addition, we determined that 5,467 of 7,003 awards (78 percent) were terminated and 177 awards (3 percent) had expired.[4] Figure 1 shows the breakdown status of foreign assistance awards.

Figure 1. Foreign Assistance Awards Previously Managed by USAID, in Billions, as of May 2026



Source: OIG analysis of USAID award data.

In its 2026–2030 strategic plan, State outlined its plan to continue foreign assistance with awards focused on lifesaving programs and strategic investments. State has since announced programs accordingly.[5] For example, State reported to Congress that as of March 19, 2026, it had established bilateral health cooperation agreements, or memorandums of understanding with 27 countries. In May 2026, State announced it activated a response to the 2026 Ebola outbreak in the Democratic Republic of the Congo and mobilized an initial $13 million in foreign assistance funding. And in June 2026, State announced the deployment of emergency response teams to provide lifesaving support after the Venezuela earthquakes.

While State has taken the primary responsibility for managing foreign assistance programs, USAID still managed about $39.5 million in active awards as of May 2026, according to our review of award data. These awards generally supported USAID's operational needs, such as contracts for accounting services, software licenses, and other institutional support for the Agency's closeout.

[3] In our recent audits of USAID's disposition of assets for terminated awards, we reported on the Agency's award data as of March 2025, when it terminated a significant number of awards as a result of the administration's initial review for foreign assistance. The data we cited in those audit reports includes all awards with no exclusions and relied on the total estimated costs rather than obligations to date. See OIG Audits for more information on our asset disposition work.

[4] According to our analysis of the award data USAID provided, about 81 percent of the 1,359 active awards, totaling $36.2 billion, are scheduled to end by calendar year 2027. An additional 147 awards will end by 2029, leaving 24 active awards through 2036. USAID did not provide a contract end date or obligated amount for 89 of the 1,359 active awards.

[5] Department of State, *Agency Strategic Plan Fiscal Years 2026-2030*, January 2026. The strategic plan describes lifesaving assistance to include time-limited health and humanitarian programs, such as disaster response, food security initiatives, and efforts to combat deadly diseases. The plan describes strategic assistance as programs that advance long-term U.S. interests by providing allies with security assistance, foreign military financing, and economic support through trade and U.S.-led infrastructure development.

USAID and State use a systematic approach to managing foreign assistance awards, often called the program cycle. The cycle includes the following components of award management: planning, implementing, monitoring, and closing.

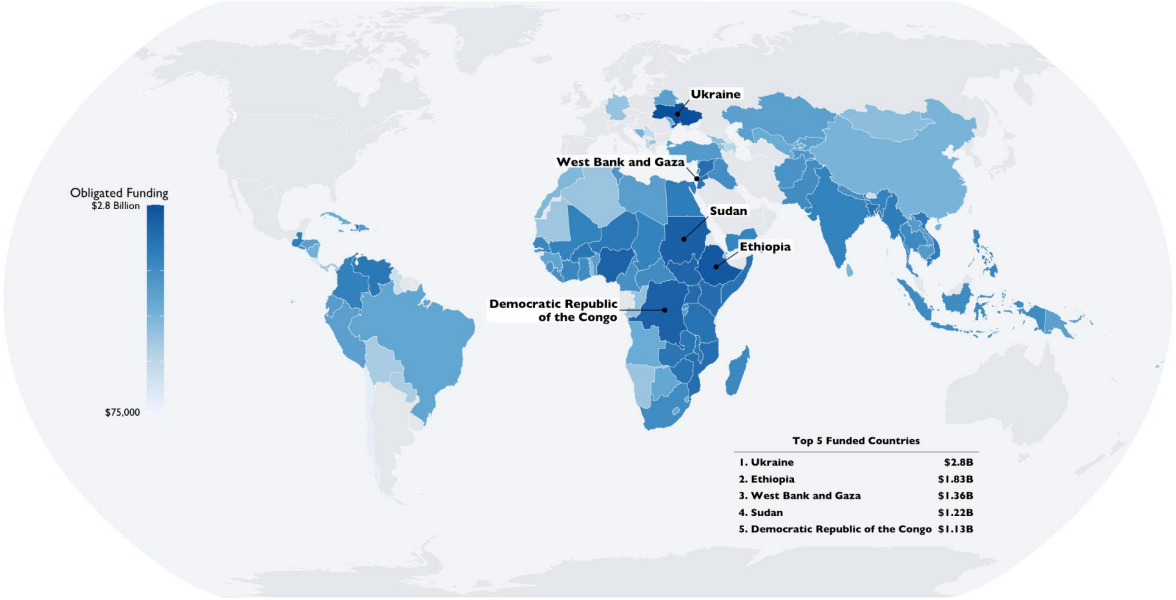
About $40.7 Billion in Foreign Assistance Awards Previously Managed By USAID Remain Active, Primarily Supporting Health, Disaster, and Humanitarian Programs

According to our analysis of USAID's foreign assistance award data as of May 2026, about $40.7 billion in awards remain active to support countries globally. Of that amount, approximately $39.6 billion (97 percent) supported programs for a specific country or were designated as worldwide.

- **Country-specific programs accounted for $22.5 billion.** As shown in Figure 2, the five largest recipients were Ukraine, Ethiopia, West Bank and Gaza, Sudan, and the Democratic Republic of the Congo, respectively.
- **Worldwide programs accounted for $17.1 billion.** We determined that these awards were managed from headquarters in Washington, DC, and supported programs across many countries to provide services such as warehousing and logistics for food aid and humanitarian programs.

USAID's data did not identify whether the approximately $1 billion (3 percent) remaining was obligated to country-specific or worldwide programs.

Figure 2. Distribution of Active Foreign Assistance Awards in Billions, as of May 2026



Source: OIG analysis of USAID award data.

Of the $40.7 billion in active foreign assistance awards, about $36.1 billion (89 percent) were obligated for health, disaster, and humanitarian assistance programs.

- **Health programs accounted for $23.5 billion.** The largest share of funding focused on health programming, including HIV/AIDS, maternal and child health, tuberculosis, malaria, family planning and reproductive health, and other public health activities.
- **Disaster and humanitarian assistance accounted for $12.6 billion.** The second largest funding share supported protection, assistance, and solutions programs; and disaster readiness, including awards to support preparedness for natural disasters around the world.

Table 1 summarizes funding for active awards for these programs.

Table 1. Summary of Active Awards Supporting Health and Disaster and Humanitarian Assistance Programs, as of May 2026

Health Programs	**Obligated Amount**
HIV/AIDS	$18,407,071,755
Maternal and Child Health	$1,901,976,475
Pandemic Influenza and Other Emerging Threats	$1,120,780,744
Tuberculosis	$741,610,606
Malaria	$625,604,801
Health	$408,448,058
Family Planning and Reproductive Health	$276,055,402
Other Public Health Threats	$64,106,872
Subtotal	**$23,545,654,713**
Disaster and Humanitarian Assistance Programs	
Protection, Assistance, and Solutions*	$11,665,933,100
Disaster Readiness	$888,921,859
Subtotal	**$12,554,854,959**
Total	**$36,100,509,672**

* Programs intended to improve disaster preparedness and response and capacity building.
Source: OIG analysis of USAID award data.

The remaining $4.6 billion (11 percent) was obligated to other program areas such as education, energy, and food and water assistance (i.e., agriculture, nutrition, water supply, and sanitation).

OIG Identified Thirteen Key Lessons for Effective Management and Accountability of Foreign Assistance Awards

Based on our review of 29 OIG oversight reports issued from fiscal years 2017 through 2026, we identified 13 key lessons for effective accountability and management of U.S. foreign assistance awards. We organized these lessons according to the components of USAID's and State's foreign assistance program cycles: planning, implementation, monitoring, and closeout. Specifically, there are four lessons for initiating foreign assistance programs (planning), three lessons for achieving program outcomes (implementation), five lessons for assessing progress toward goals and improving programs (monitoring), and one lesson for closing programs (closeout). These lessons will help responsible officials at State and other foreign assistance agencies better manage active awards and future awards throughout the program cycle.

Planning Awards: Four Lessons for Initiating Programs

1. Incorporate strategic planning and design, including technical expertise, into foreign assistance programs to maximize outcomes.

We reported in 2021 that USAID improved food security in the Sahel by incorporating elements of the Agency's resilience policy into the planning and design of the Resilience in the Sahel Enhanced program. This program targeted geographic areas with the most vulnerable and impoverished people. USAID applied the resilience policy through a logical, strategic sequence that built on ongoing activities to maximize long-term impact.

Our other work also highlighted the importance of strategic planning and design decisions. For example, in our 2021 audit on USAID's response to the Venezuela regional humanitarian crisis, we found that having a strategic framework before a surge in funding and rapid response could have helped the Agency better align new projects with regional goals.

Similarly, we found in our 2021 audit on USAID's largest global health supply chain contract—the Agency's largest single award at the time—that not including all appropriate technical experts in the award planning and design process limited the consideration of factors, such as risks of using a single-source contract for a large and complex award. For example, the design team consulted with supply chain experts, but it did not consult with contracting experts. Without thorough consideration of different contract mechanisms, program structures, or insights into risk factors, the design team ultimately decided to implement the program using a single-source contract without performance-based incentives. Following our audit, the Agency updated its policy to clarify the role of contracting experts in the design process and to specify their authority in approving the selection of award instruments.

Takeaway: Early planning and design decisions along with technical expertise in award development affect how programs are implemented and whether strategic goals are achieved.[6]

[6] Relevant OIG reports on Key Lesson 1: *USAID's RISE Program in the Sahel Aligned With Resilience Policies but Lacked Robust Monitoring* (4-000-21-003-P), September 2021. *Award Planning and Oversight Weaknesses Impeded Performance of USAID's Largest Global Health Supply Chain Project* (9-000-21-004-P), March 2021. *Enhanced Processes and Implementer Requirements Are Needed to Address Challenges and Fraud Risks in USAID's Venezuela Response* (9-000-21-005-P), April 2021.

2. Define clear transition points between emergency response and longer-term assistance.

We reported in 2024 that USAID faced challenges, including host country restrictions in Bangladesh and access and security issues in Burma, that impeded its ability to transition from humanitarian aid to long-term development assistance supporting displaced Rohingya people and refugees. Furthermore, USAID lacked a centralized strategy to transition activities, offices and missions worked in siloes during the response, and the Agency did not have clearly defined end goals, specific and measurable outcomes, or a roadmap for achieving those goals.

We also reported in 2023 that USAID did not have a mechanism for assessing the continued use of expedited procurements during the COVID-19 pandemic. Expedited procurements for emergencies, such as health outbreaks, help accelerate award implementation by waiving standard procurement requirements. However, using expedited procurements beyond the emergency increases the risk of fraud when the need to provide services quickly no longer justifies the need to forgo standard procurement controls.

Takeaway: Guidance for transitioning from emergency responses to long-term activities should have clear criteria for ending activities or discontinuing the use of emergency procedures.[7, 8]

3. Establish clear and actionable policies with enforceable procedures to reduce the risk that aid recipients are exposed to sexual exploitation and abuse (SEA).

OIG's Impact: Requiring Implementers to Help Protect Beneficiaries From SEA

In response to our work, USAID updated its policy to require partners to have readily available procedures and processes for preventing, detecting, addressing, and responding to SEA allegations.

In 2021, we found that the lack of standardized SEA prevention requirements across award types increases the risk of confusion among implementers working multiple USAID awards with varying requirements. Additionally, we found that when implementers were not required to establish codes of conduct across all USAID awards, there was an increased risk that staff behavior did not follow standards to protect beneficiaries from SEA.

Takeaway: Requiring implementers to establish clear and consistent policies and enforce them helps reduce the risk of SEA and sets accountability expectations for delivering assistance.[9, 10]

[7] Relevant OIG reports on Key Lesson 2: *Rohingya Crisis: Ongoing Challenges Limit USAID's Ability to Move From Humanitarian to Development Assistance* (5-000-24-001-P), January 2024. *COVID-19: Enhanced Controls Could Strengthen USAID's Management of Expedited Procurement Procedures* (4-000-24-001-P), October 2023.
[8] We reported the need for transition planning during humanitarian responses in *Humanitarian Assistance: Lessons for the Future* (E-000-25-005-M), July 2025.
[9] Relevant OIG report on Key Lesson 3: *USAID Should Implement Additional Controls to Prevent and Respond to Sexual Exploitation and Abuse of Beneficiaries* (9-000-21-006-P), May 2021.
[10] We highlighted the importance of third-party monitors' role to implement SEA policies in *Third-Party Monitoring: Lessons for the Future* (E-000-27-001-M), October 2026.

4. Plan for staffing needs and knowledge transfer to ensure continuity in foreign assistance programs.

In our 2018 audit of USAID's response to the 2014–2015 Ebola outbreak in West Africa, we reported that USAID's disaster assistance response team did not have enough staff, which left some planning coordinators with nearly three times their normal caseloads. According to a response team leader, the staffing limitations made it difficult to verify if the medical equipment and pharmaceuticals were reaching intended beneficiaries.

Similarly, we reported in 2025 that USAID did not have a method to determine the number of contracting personnel needed to effectively manage its emergency food assistance awards in Ethiopia. Specifically, the guidance we reviewed contained no metrics or guidelines to help Agency leaders determine the appropriate number of contracting personnel for effective oversight and coverage of a given award portfolio. Consequently, limited staffing and heavy workloads reduced monitoring efforts. We also reported in 2025 that without a roster for qualified surge staff, USAID faced challenges in deploying staff with the skills to respond to public health emergencies like COVID-19.

Finally, our work has shown that effective knowledge sharing between staff helps maintain continuous award management without interruption. In our 2017 audit of the Afghanistan Reconstruction Trust Fund, we reported that an inadequate handover process for staff serving 1-year tours limited USAID's ability to oversee the fund. Project files were incomplete and there was no regular forum for staff to collaborate between offices to share information. As a result, staff generally did not know why previous actions were taken, which made it difficult to provide consistent oversight.

Takeaway: Planning for sufficient staff, including a roster of available people with the necessary competencies in emergency responses, and effective knowledge transfer procedures helps manage foreign assistance programs.[11]

Implementing Awards: Three Lessons for Achieving Program Outcomes

5. Implement systematic risk management practices and update them as circumstances change to safeguard foreign assistance programs.

We reported in 2022 that although USAID's humanitarian assistance team in Yemen developed a risk mitigation plan, it did not follow a systematic process or regularly update it. This could lead to missed opportunities such as consideration of how to manage the program given the environmental hazards. For example, in its initial plan, the mission did not address how an oil spill off Yemen's coast could affect food delivery to 8.4 million people.

[11] Relevant OIG reports on Key Lesson 4: *Assessment and Oversight Gaps Hindered OFDA's Decision Making About Medical Funding During the Ebola Response* (9-000-18-002-P), January 2018. *Emergency Food Assistance in Ethiopia: Gaps in USAID's Award Administration, Monitoring, and Incident Reporting Hindered Its Ability to Detect Widespread Food Diversion* (E-000-25-002-M), February 2025. *Global Health: USAID Planned for Emergency Responses in Accordance With Best Practices but Gaps Remain* (4-000-25-002-P), March 2025. *USAID Planning and Monitoring Gaps Weaken Accountability for Results Through the Afghanistan Reconstruction Trust Fund* (8-306-17-004-P), August 2017.

Similarly, we reported in our 2020 audit on USAID's management of its global health supply chain program that risk identification efforts were conducted separately by country rather than through a coordinated approach to look for broader risk patterns across missions. For example, we observed risk patterns including host governments not fulfilling their commitment to sustain supply chains and local infrastructure constraints. In addition, our 2018 investigative update on the supply chain program revealed vulnerabilities in the system that exposed the program to criminal exploitation. As a result, we made 37 arrests across 4 countries in connection with the diversion and theft of commodities under the program.

OIG's Impact: Strategically Managing Risks to the Global Health Supply Chain

In response to our work in 2020, USAID created a new risk management structure, risk registry, and risk management playbook—strengthening USAID's risk management system. USAID's new risk management structure included new risk advisors at headquarters and risk management teams at USAID missions. The Agency's new risk management playbook outlined for teams a standardized process and provided checklists, templates, audit tools, and other resources for using the playbook to support risk mitigation. The Agency also established a risk registry that risk management teams in those missions would use and update quarterly to reflect the top common supply chain risks across their missions. The identified and prioritized risks were to inform USAID's Bureau for Global Health's management of supply chain operations and be submitted for consideration for the bureau and missions risk profiles, all of which contributes to USAID's enterprise risk management system. The Agency also made changes to mitigate criminal activity by updating its process to conduct warehouse inspections and end-user verification.

Takeaway: A systematic risk management approach helps to ensure consideration of potential risks, including any surprises along the way.[12]

6. Define roles and responsibilities to improve coordination when programs involve multiple offices and agencies.

We reported in 2021 that a lack of coordination between USAID's humanitarian and stabilization assistance offices contributed to overlap with both offices funding activities to improve the same health clinics in Iraq. In contrast, in 2019 we reported how clearly defined roles and responsibilities within the Power Africa program supported effective coordination across multiple agencies to strengthen foreign assistance. For example, USAID established a coordinating office to align the efforts of 12 U.S. agencies in the energy sector. The office reviewed U.S. agencies' technical and transaction assistance, identifying each agency's strengths

[12] Relevant OIG reports for Key Lesson 5: *Humanitarian Assistance in Yemen: Opportunities Exist for USAID to Further Strengthen Its Risk Management Process* (8-199-22-003-P), August 2022. *USAID'S Global Health Supply Chain Would Benefit From More Rigorous Risk Management and Actions to Enhance Local Ownership* (4-936-20-002-P), July 2020. *Advisory Update on Global Health Supply Chain-Procurement and Supply Management*, October 2018.

and comparative advantage, coordinating efforts, and minimizing duplication—which improved interagency collaboration for the program.

OIG's Impact: Defining Roles and Responsibilities During Public Health Emergencies

USAID developed clear roles and responsibilities for U.S. agencies involved in public health emergencies, in response to our 2018 recommendation. Specifically, USAID provided critical input to the National Security Council following after-action reviews of the Ebola response to help develop a playbook for decision making and leadership, including roles and responsibilities, when a public health emergency results in a humanitarian emergency. The playbook noted the need for engagement with the international community to advocate for the appropriate use of international coordination systems, including the United Nations cluster system for humanitarian emergencies.

Takeaway: Clearly assigning roles and responsibilities strengthens coordination, reduces overlap, and prevents duplicative efforts when several offices or agencies work in the same space.[13, 14]

7. Assess and reassess host governments' ability to implement foreign assistance programs and sustain outcomes.

We reported in 2017 that the contractor implementing USAID's Clean Energy Program in Colombia struggled to meet cost-sharing requirements and relied on support from the Colombian government. Delays in obtaining funding and in-kind assistance slowed project implementation and progress during the program's first 2 years. Similarly, in 2025 in Pakistan, USAID invested in constructing a wastewater treatment system and schools in Jacobabad but did not ensure or reassess whether the country's government had the capacity to operate and maintain them. As a result, the system did not provide enough water and none of the schools had running water.

Our work also found that workarounds to keep programs operating may not strengthen long-term goals. For example, we found in our 2020 audit of USAID's global health supply chain program in Malawi, Mozambique, Nigeria, and Tanzania that USAID used workarounds, such as operating a parallel supply chain or relying on project-funded consultants to perform the work of government officials when the country's government lacked the capacity to do so. While these risk mitigation measures help deliver health commodities, they also limit a host country's ability to manage its own supply chain and sustainability goals.

In addition, our investigation related to global health programs in Kenya and concerns about host government capacity identified significant vulnerabilities including diversion, corrupt

[13] New opportunities to strengthen coordination exist as foreign assistance funding shifts to different U.S. agencies, such as the Development Finance Corporation, which tripled its budget in fiscal year 2026 to $205 billion to advance U.S. economic goals abroad.

[14] Relevant OIG reports for Key Lesson 6: *Enhanced Guidance and Practices Would Improve USAID's Transition Planning and Third-Party Monitoring in Iraq* (9-266-21-003-P), February 2021. *Power Africa Coalesced Energy Efforts but Lacked Portfolio-Wide Risk Management and Consistent Measures of Progress* (4-698-19-001-P), March 2019. *Lessons From USAID's Ebola Response Highlight the Need for a Public Health Emergency Policy Framework*(9-000-18-001-P), January 2018.

procurement processes, and weak warehousing internal controls. The results led the Agency to reprogram funds away from its government-to-government award in 2021. Limited independent visibility into host government systems and operations as well as limited mechanisms to enforce accountability make it difficult for the U.S. government to safeguard taxpayer dollars in government-to-government programs.

Takeaway: Government-to-government coordination and follow-up with host countries can help meet responsibilities to sustain and protect investments in foreign assistance programs.[15]

Monitoring Awards: Five Lessons for Assessing and Ensuring Progress Toward Program Goals

8. Monitor and use fraud risk management proactively to identify food diversion and other fraud in foreign assistance programs.

We reported in 2025 that USAID had not developed a monitoring plan for delivering $1.5 billion in humanitarian assistance to Ethiopia, which could have helped the Agency detect and address widespread food diversion earlier. Consequently, USAID paused food assistance in the northern Tigray region after determining that food aid intended for people suffering famine-like conditions was being diverted and sold on the local market.

Similarly, in 2021 we reported that USAID's steps to address fraud risks in Syria were reactive. USAID had not adopted a fraud risk management framework to guide how it would design actions to address fraud risks. In addition, the Agency missed opportunities to implement corrective actions, such as increasing monitoring site visits, to reduce the risk of undetected product substitution and damaged warehouse inventory.

Takeaway: Proactive monitoring and fraud risk management helps anticipate and identify emerging problems, protects taxpayer resources, and ensures foreign assistance activities achieve intended results.[16, 17]

9. Use third-party monitors promptly and follow up on their reports to improve foreign assistance oversight.

We reported in 2020 that while USAID determined that third-party monitoring was needed in the Lake Chad region due to access restrictions, it did not finalize a monitoring contract until 4 years later. The delay occurred because the Agency did not have guidance on when to assess the need for a third-party monitor and when one should be hired. As a result of our audit, USAID updated its policy to require a decision on whether to use a third-party monitor for an

[15] Relevant OIG reports on Key Lesson 7: *USAID/Colombia's Clean Energy Program Faced Delays in Achieving Intended Results* (1-514-17-002-P), May 2017. *Construction Sustainability: USAID/Pakistan Did Not Ensure That Recipients Could Use, Operate, and Maintain the Selected Water Supply System and Schools as Intended* (5-391-25-001-P), March 2025. *USAID'S Global Health Supply Chain Would Benefit From More Rigorous Risk Management and Actions to Enhance Local Ownership* (4-936-20-002-P), July 2020. *Situational Alert: USAID OIG Investigative Findings and Implications for U.S. Government-to-Government Award in Kenya*, April 2026.

[16] Relevant OIG reports on Key Lesson 8: *Emergency Food Assistance in Ethiopia: Gaps in USAID's Award Administration, Monitoring, and Incident Reporting Hindered Its Ability to Detect Widespread Food Diversion* (E-000-25-002-M), February 2025. *Weaknesses in Oversight of USAID's Syria Response Point to the Need for Enhanced Management of Fraud Risks in Humanitarian Assistance* (8-000-21-001-P), March 2021.

[17] We reported on the need for robust monitoring when funding programs through public international organizations in *Public International Organizations: Lessons for the Future* (E-000-25-006-M), July 2025.

emergency response. If a third-party monitor was used, the policy then required contracting personnel to be consulted and a realistic timeline for securing the award to be defined. We also reported in 2021 that USAID relied on ad hoc processes to track and follow up on third-party monitor findings in Iraq. This resulted in not addressing issues found by third-party monitors, such as the lack of female medical staff to serve female beneficiaries and issues about water quality in refugee camps.

Takeaway: Leveraging third-party monitoring in nonpermissive environments is most beneficial when decisions to use it are timely and processes are established to track and address the issues that are identified.[18]

10. Establish an effective suspension and debarment system to protect U.S. taxpayer dollars.

We reported weaknesses in USAID's suspension and debarment process, which hindered the Agency's ability to take timely action and sufficiently document its decisions. In our fiscal year 2026 Top Management Challenges report, we noted that reduced staffing in USAID's Suspension and Debarment Office had left some investigative matters unresolved, which adversely impacted the U.S. government's ability to process new suspensions and debarment referrals based on evidence of fraud, corruption, or diversion.

OIG's Impact: Rooting Out Fraud, Waste, and Abuse With Debarments

Suspensions and debarments are penalties imposed on unethical, dishonest, or otherwise irresponsible contractors to protect the government's financial interest against bad actors. As reported in 2025, USAID carried out our recommendations and issued eight debarments based on our ongoing investigation into misuse of U.S. foreign aid.

Takeaway: A timely and sufficiently staffed suspension and debarment system can prevent misconduct in foreign assistance programs and safeguard taxpayer funds.[19]

11. Collect accurate and reliable program data to obtain an accurate understanding of progress made toward achieving foreign assistance program goals and inform resource allocations.

We reported in 2021 that insufficient data from USAID's global health supply chain regional warehouses impacted the Agency's ability to assess whether regional warehouses were operating effectively and efficiently—potentially leading to increased costs and suboptimal usage.[20] We also reported in 2017 that when USAID expanded a community engagement program in Jordan from 9 to 19 communities, it did not adjust the performance indicators accordingly. Thus, the Agency could not determine if the program was achieving its goals.

[18] Relevant OIG reports on Key Lesson 9: *USAID Has Gaps in Planning, Risk Mitigation, and Monitoring of Its Humanitarian Assistance in Africa's Lake Chad Region* (4-000-21-001-P), October 2020. *Enhanced Guidance and Practices Would Improve USAID's Transition Planning and Third-Party Monitoring in Iraq* (9-266-21-003-P), February 2021.

[19] Relevant OIG reports on Key Lesson 10: *Top Management Challenges Facing U.S. Foreign Assistance in Fiscal Year 2026*, December 2025. Investigative Summary: *USAID OIG's Active and Ongoing Investigations Involving U.S.-Funded Foreign Assistance*, May 2025.

[20] We reported on the importance of monitoring data in global health programs in *Global Health: Lessons for the Future* (E-000-25-007-M), July 2025.

Our 2019 audit of Power Africa found that the program coordinator's office frequently changed how it counted electricity connections and defined them in a way that overstated the program's impact. Although Power Africa reported it was on track to expand access to electricity for 60 million new customers by 2030, we found that nearly 80 percent of the 10.6 million people who reportedly got new connections were people using handheld solar lanterns rather than a functioning power grid.

OIG's Impact: Reporting Accurate Results for Power Africa

In response to our work, USAID updated procedures for how Power Africa set metrics. The Agency undertook two exercises: (1) established a new monitoring and evaluation plan that used a mechanism with continent-wide capacity to provide on-demand data quality analysis, analytical support, evaluations, and other learning-related services, and (2) completed an internal review of its indicators, data quality standards, compliance scheme, and mandated data quality assessments of existing indicators; and developed new indicators in connection with the Power Africa 2.0 strategy.

Takeaway: Accurate and reliable program data helps measure results toward expected goals, manage resources, and report program results with credibility.[21]

12. Incorporate lessons learned and conduct end-of-activity evaluations to strengthen the design of future foreign assistance programs.

We reported in 2021 that USAID used lessons learned from the first phase of the Resilience in the Sahel Enhanced program when planning and designing activities for the program's second phase. The Agency used those lessons to improve food security within vulnerable populations, strengthen monitoring, and require timely data quality assessments. We also reported in 2021 that the Agency used lessons learned from prior health crises, such as Ebola and Zika viruses, in its planned response to COVID-19. The Agency's plan was to alleviate the burden of COVID-19 in high-priority countries, strengthen health systems, and promote global health security. Similarly, we reported in 2023 that USAID used recommendations from an end-of-activity review of an education activity to design a new scholarship activity demonstrating how evaluation findings can help improve future program design.

Takeaway: Lessons learned and end-of-activity evaluations are tools that can help identify activities and approaches to improve or address weaknesses in implementation.[22]

[21] Relevant OIG reports for Key Lesson 11: *Award Planning and Oversight Weaknesses Impeded Performance of USAID's Largest Global Health Supply Chain Project*(9-000-21-004-P), March 2021. *Mission's Changing Focus and Approach Make It Difficult to Measure Success of the Jordan Community Engagement Project* (8-278-17-002-P), March 2017. *Power Africa Coalesced Energy Efforts but Lacked Portfolio-Wide Risk Management and Consistent Measures of Progress* (4-698-19-001-P), March 2019.

[22] Relevant OIG reports for Key Lesson 12: *USAID's RISE Program in the Sahel Aligned With Resilience Policies but Lacked Robust Monitoring* (4-000-21-003-P), September 2021. *Higher Education Programs: USAID/Egypt Could Better Use Information to Set Performance Indicator Targets and Guage Results* (8-263-23-002-P), March 2023. *USAID Had Limited Control Over COVID-19 Ventilator Donations, Differing From Its Customary Response to Public Health Emergencies* (4-936-21-002-P), February 2021.

Closing Awards: One Lesson for Winding Down Programs

13. Create effective closeout procedures and make timely decisions to prevent unnecessary costs as programs end.

We reported in 2018 that USAID did not reassess needs as the 2015 Ebola outbreak was ending and the number of Ebola treatment clinics needed decreased. As a result, the Agency purchased supplies that exceeded program needs, contributing to $4.6 million in excess inventory and storage capacity challenges. The Agency procured 6 months' worth of protective equipment for 650 clinics in Liberia even though only one confirmed Ebola case had occurred in the previous month prior to the procurement. In addition, commodities were held in storage for nearly a year, with no evidence that the inventory had been redistributed according to disposition plans.

Our work has also highlighted that delays in award closeouts and asset disposition can lead to higher costs and risks. In 2026, we issued an advisory highlighting that USAID's interest payments to vendors had increased sixfold to $8.9 million in 2025—more than the preceding 10 years combined—because of delays in meeting financial obligations. The Agency attributed this increase in interest payments to staff shortages, payment process changes, and the prioritization of the processing of award terminations over making outstanding payments to vendors. We also reported that the Agency did not provide disposition instructions to the contractor for $9.7 million in family planning commodities stored in Belgium, which increased warehouse storage costs and interest payments and the risk that commodities would expire before they could be used. In addition, our series of audits of USAID's asset disposition in El Salvador, Southern Africa, and Thailand identified challenges related to limited knowledgeable staff, incomplete asset inventories, and insufficient guidance during the closeout process.

Takeaway: Prompt reassessment of program needs and timely completion of closeout activities can reduce unnecessary costs and improve the efficiency of foreign assistance program operations and resources.[23]

[23] Relevant OIG reports on Key Lesson 13: *Assessment and Oversight Gaps Hindered OFDA's Decision Making About Medical Funding During the Ebola Response* (9-000-18-002-P), January 2018. *USAID's Interest Payments to Vendors in Calendar Year 2025* (1-000-26-002-A), May 2026. *Family Planning Commodities: USAID Should Provide Final Disposition Instructions to Stop Accruing Storage Costs for $8 Million in Unusable Items and $1.7 Million in Nearly Expired Items in Belgium* (1-000-26-003-A), June 2026. *Key Observations: Disposing of Assets for Foreign Assistance Awards* (4-000-26-001-A), July 2026.

Conclusion

For decades, our office has been the primary entity conducting independent oversight of U.S. foreign assistance. Our analysis of the data for foreign assistance awards transferred to State and the 13 key lessons we identified can enhance the management and accountability of foreign assistance awards, including the roughly $40 billion in former USAID awards that State is now responsible for. These key lessons can better position the Department and other stakeholders to manage awards throughout the program cycle: from planning to implementation and monitoring through closeout. Applying the lessons could increase the effectiveness, efficiency, and impact of ongoing and future foreign assistance, and provide greater insights to Congress and the public.

OIG Response to Agency Comments

On September 30, 2026, we provided our draft report to USAID for review and comment. As of October 30, 2026, the Agency had not provided a response to, or comments on, the draft report. Should the Agency provide comments at a later date, we will update and reissue this report to incorporate those comments.

Appendix A. Programs of Active Foreign Assistance Awards

As of May 15, 2026, there were $40.7 billion in foreign assistance awards that remained active. Table 2 lists the programs and obligated amounts associated with those awards, according to USAID data.

Table 2. Programs and Obligated Amounts of Active Foreign Assistance Awards, as of May 2026

Program	Obligated Amount
HIV/AIDS	$18,407,071,755
Protection, Assistance and Solutions	$11,665,933,100
Maternal and Child Health	$1,901,976,475
Pandemic Influenza and Other Emerging Threats	$1,120,780,744
Disaster Readiness	$888,921,859
Modern Energy Services	$785,779,425
Tuberculosis	$741,610,606
Malaria	$625,604,801
Agriculture	$572,633,968
Health	$408,448,058
Conflict Mitigation and Stabilization	$325,511,433
Family Planning and Reproductive Health	$276,055,402
(blank)*	$266,126,573
Nutrition	$249,300,872
Financial Sector	$220,000,000
Water Supply and Sanitation	$218,639,064
Good Governance	$199,763,359
Private Sector Productivity	$184,657,851
Environment	$183,643,804
Administration and Oversight	$155,088,668
Transport Services	$139,493,545
Transnational Threats and Crime	$138,410,000
Higher Education	$132,880,073
Program Design and Learning	$124,268,648
Social Services	$117,236,540
Climate Change - Clean Energy	$79,930,027
Combating Weapons of Mass Destruction	$72,214,699
Basic Education	$70,318,772
Other Public Health Threats	$64,106,872

Program	Obligated Amount
Trade and Investment	$48,638,749
Climate Change - Adaptation	$44,517,100
Human Rights	$42,441,612
Civil Society	$38,086,912
Evaluation	$37,158,432
Information and Communications Technology Services	$31,091,185
Rule of Law	$27,992,495
Climate Change - Sustainable Landscapes	$23,286,400
Macroeconomic Foundation for Growth	$20,000,000
Social Assistance	$20,000,000
Independent Media and Free Flow of Information	$16,712,427
Private Sector Competitiveness	$12,647,625
Political Competition and Consensus-Building	$10,815,306
Trafficking in Persons	$8,472,000
Conflict Mitigation and Reconciliation	$7,795,400
Workforce Development	$6,440,000
Social and Economic Services and Protection for Vulnerable Populations	$5,575,756
Infrastructure	$2,533,766
Counter-Terrorism	$194,694
Counter-Narcotics	$75,000
Economic Opportunity	$4,684
Education	$0
Total	**$40,740,886,536**

* USAID data did not identify whether it obligated about $266 million to a specific program.
Source: OIG analysis of award data USAID provided.

Appendix B. Related OIG Products

We analyzed our oversight work from fiscal years 2017 through 2026 and identified 13 key lessons with examples from 29 OIG audits, evaluations, advisories, investigative summaries, and other products.

Planning Awards

- *Global Health: USAID Planned for Emergency Responses in Accordance With Best Practices but Gaps Remain* (4-000-25-002-P), March 2025.
- *Emergency Food Assistance in Ethiopia: Gaps in USAID's Award Administration, Monitoring, and Incident Reporting Hindered Its Ability to Detect Widespread Food Diversion* (E-000-25-002-M), February 2025.
- *Rohingya Crisis: Ongoing Challenges Limit USAID's Ability to Move From Humanitarian to Development Assistance* (5-000-24-001-P), January 2024.
- *COVID-19: Enhanced Controls Could Strengthen USAID's Management of Expedited Procurement Procedures* (4-000-24-001-P), October 2023.
- *USAID's RISE Program in the Sahel Aligned With Resilience Policies but Lacked Robust Monitoring* (4-000-21-003-P), September 2021.
- *USAID Should Implement Additional Controls to Prevent and Respond to Sexual Exploitation and Abuse of Beneficiaries* (9-000-21-006-P), May 2021.
- *Enhanced Processes and Implementer Requirements Are Needed to Address Challenges and Fraud Risks in USAID's Venezuela Response* (9-000-21-005-P), April 2021.
- *Award Planning and Oversight Weaknesses Impeded Performance of USAID's Largest Global Health Supply Chain Project* (9-000-21-004-P), March 2021.
- *Assessment and Oversight Gaps Hindered OFDA's Decision Making About Medical Funding During the Ebola Response* (9-000-18-002-P), January 2018.
- *USAID Planning and Monitoring Gaps Weaken Accountability for Results Through the Afghanistan Reconstruction Trust Fund* (8-306-17-004-P), August 2017.

Implementing Awards

- *Situational Alert: USAID OIG Investigative Findings and Implications for U.S. Government-to-Government Award in Kenya*, April 2026.
- *Construction Sustainability: USAID/Pakistan Did Not Ensure That Recipients Could Use, Operate, and Maintain the Selected Water Supply System and Schools as Intended* (5-391-25-001-P), March 2025.
- *Humanitarian Assistance in Yemen: Opportunities Exist for USAID to Further Strengthen Its Risk Management Process* (8-199-22-003-P), August 2022.
- *Award Planning and Oversight Weaknesses Impeded Performance of USAID's Largest Global Health Supply Chain Project* (9-000-21-004-P), March 2021.
- *Enhanced Guidance and Practices Would Improve USAID's Transition Planning and Third-Party Monitoring in Iraq* (9-266-21-003-P), February 2021.
- *USAID'S Global Health Supply Chain Would Benefit From More Rigorous Risk Management and Actions to Enhance Local Ownership* (4-936-20-002-P), July 2020.

- *Power Africa Coalesced Energy Efforts but Lacked Portfolio-Wide Risk Management and Consistent Measures of Progress* (4-698-19-001-P), March 2019.
- *Lessons From USAID's Ebola Response Highlight the Need for a Public Health Emergency Policy Framework*(9-000-18-001-P), January 2018.
- *Advisory Update on Global Health Supply Chain-Procurement and Supply Management Project*, October 2018.
- *USAID/Colombia's Clean Energy Program Faced Delays in Achieving Intended Results* (1-514-17-002-P), May 2017.

Monitoring Awards

- *Top Management Challenges Facing U.S. Foreign Assistance in Fiscal Year 2026*, December 2025.
- Investigative Summary: *USAID OIG's Active and Ongoing Investigations Involving U.S.-Funded Foreign Assistance*, May 2025.
- *Emergency Food Assistance in Ethiopia: Gaps in USAID's Award Administration, Monitoring, and Incident Reporting Hindered Its Ability to Detect Widespread Food Diversion* (E-000-25-002-M), February 2025.
- *Higher Education Programs: USAID/Egypt Could Better Use Information to Set Performance Indicator Targets and Guage Results* (8-263-23-002-P), March 2023.
- *USAID's RISE Program in the Sahel Aligned With Resilience Policies but Lacked Robust Monitoring* (4-000-21-003-P), September 2021.
- *Award Planning and Oversight Weaknesses Impeded Performance of USAID's Largest Global Health Supply Chain Project*(9-000-21-004-P), March 2021.
- *Weaknesses in Oversight of USAID's Syria Response Point to the Need for Enhanced Management of Fraud Risks in Humanitarian Assistance* (8-000-21-001-P), March 2021.
- *Enhanced Guidance and Practices Would Improve USAID's Transition Planning and Third-Party Monitoring in Iraq* (9-266-21-003-P), February 2021.
- *USAID Had Limited Control Over COVID-19 Ventilator Donations, Differing From Its Customary Response to Public Health Emergencies* (4-000-21-003-P), February 2021.
- *USAID Has Gaps in Planning, Risk Mitigation, and Monitoring of Its Humanitarian Assistance in Africa's Lake Chad Region* (4-000-21-001-P), October 2020.
- *Power Africa Coalesced Energy Efforts but Lacked Portfolio-Wide Risk Management and Consistent Measures of Progress* (4-698-19-001-P), March 2019.
- *Mission's Changing Focus and Approach Make It Difficult to Measure Success of the Jordan Community Engagement Project* (8-278-17-002-P), March 2017.

Closing Awards

- *Key Observations: Disposing of Assets for Foreign Assistance Awards* (4-000-26-001-A), July 2026.
- *Family Planning Commodities: USAID Should Provide Final Disposition Instructions to Stop Accruing Storage Costs for $8 Million in Unusable Items and $1.7 Million in Nearly Expired Items in Belgium* (1-000-26-003-A), June 2026.
- *USAID's Interest Payments to Vendors in Calendar Year 2025*, May 2026.
- *Assessment and Oversight Gaps Hindered OFDA's Decision Making About Medical Funding During the Ebola Response* (9-000-18-002-P), January 2018.

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