



441 G St. N.W.
Washington, DC 20548

Comptroller General
of the United States

Accessible Version

April 13, 2020

John Barsa
Acting Administrator
U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Washington, D.C. 20523

Priority Open Recommendations: U.S. Agency for International Development

Dear Mr. Barsa:

The purpose of this letter is to provide an update on the overall status of the U.S. Agency for International Development’s (USAID) implementation of GAO’s recommendations and to call your personal attention to areas where open recommendations should be given high priority.¹ In November 2019, we reported that on a government-wide basis, 77 percent of our recommendations made 4 years ago were implemented.² USAID’s implementation rate for the same timeframe was 97 percent. As of April 2020, USAID had 12 open recommendations. Fully implementing all open recommendations could significantly improve USAID’s operations.

Since our April 2019 letter, USAID has implemented four of our five open priority recommendations. Three of these recommendations were from March 2014 and stemmed from our work reviewing USAID’s food aid prepositioning program, and the fourth was from our March 2017 work reviewing USAID’s oversight of international food assistance projects. We believe that these efforts have improved USAID’s monitoring and assessment of costs associated with food aid projects.

USAID has one open priority recommendation remaining from those we identified in our April 2019 letter. (See the enclosure.) We ask for your continued attention on this remaining recommendation. We are also adding two new recommendations related to project performance data collection and USAID reform efforts, bringing the total number of priority recommendations to three. (See enclosure for the list of recommendations.)

The three priority recommendations fall into the following three areas.

Improving management and oversight of international food assistance projects.

We have one open priority recommendation in this area, from March 2017, to help enhance USAID’s oversight of partners’ costs associated with implementing or supporting international

¹Priority recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operation, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or duplication issue.

²GAO, *Performance and Accountability Report: Fiscal Year 2019* [GAO-20-1SP](#) (Washington, D.C.: Nov. 19, 2019).

food assistance projects. USAID concurred with this recommendation. USAID provided documentation showing that it has added performance reporting requirements to its international food assistance award templates. However, USAID needs to provide evidence that it has collected complete and consistent monitoring data, in accordance with established requirements.

Improving project performance data collection.

USAID should focus attention on one priority recommendation we made in December 2018, that USAID establish additional controls to improve the consistency and completeness of performance information that it uses to monitor counter-trafficking in persons projects. In December 2018, we found that USAID used inconsistent and incomplete performance information to monitor its projects, and that USAID did not have sufficient controls to ensure the reliability of project performance information. Such information is used for direct project oversight as well as for internal and external reporting, program decisions, and lessons learned, according to agency officials.

USAID concurred with our recommendation. According to USAID, it has begun taking steps to strengthen data management, improve record-keeping, increase data quality, and build capacity of local partners. For example, USAID reported that it had piloted a new data management system as of January 2020 that it plans to deploy throughout the agency by the end of 2021. USAID also planned to conduct an administrative review of its performance reporting process beginning in March 2020.

Improving USAID reform efforts.

We made one priority recommendation in this area in September 2019, with which USAID concurred. Specifically, we recommended that USAID establish outcome-oriented performance measures to assess the effectiveness of its reform efforts, which would improve its ability to assess the results of the changes it is making. Addressing this recommendation could help USAID better position itself to make long-term and sustainable improvements in its efficiency and effectiveness.

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As you know, in March 2019 we issued our biennial update to our [high-risk program](#), which identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement or the need for transformation to address economy, efficiency, or effectiveness challenges.³ Our [high-risk program](#) has served to identify and help resolve serious weaknesses in areas that involve substantial resources and provide critical service to the public.

One of our government-wide high-risk areas, [strategic human capital management](#), has direct implications for USAID and its operation. We urge your attention to government-wide issues as they relate to USAID. Progress on high-risk issues has been possible through concerted actions and efforts of Congress, OMB, and the leadership and staff in agencies, including USAID.⁴ Copies of this report are being sent to the Director of the Office of Management and Budget and

³GAO, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, [GAO-19-157SP](#) (Washington, D.C.: Mar. 6, 2019).

⁴[GAO-19-157SP](#). See pages 75-77 for Strategic Human Capital Management.

appropriate congressional committees including the Committees on Appropriations, Budget, and Homeland Security and Governmental Affairs, United States Senate; and the Committees on Appropriations, Budget, and Oversight and Reform, House of Representatives. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

I appreciate USAID's continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in the letter, please do not hesitate to contact me or Jason Bair, Director, International Affairs and Trade, at bairj@gao.gov or (202) 512-6881 9601. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Our teams will continue to coordinate with your staff on all of the 12 open recommendations. Thank you for your attention to these matters.

Sincerely yours,

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Gene L. Dodaro
Comptroller General
of the United States
Enclosure - 1

Enclosure Priority Open Recommendations to USAID

Improving Management and Oversight of International Food Assistance Projects

International Food Assistance: USAID Has Controls for Implementation and Support Costs but Should Strengthen Financial Oversight. [GAO-17-224](#). Washington, D.C.: March 9, 2017.

Recommendation: To enhance USAID's financial oversight of implementing partners' spending to implement and support Title II development and emergency projects, the USAID Administrator should take steps to ensure that it collects complete and consistent monitoring data from implementing partners for Title II development and emergency projects on the use of 202(e) funding for cash transfers, food vouchers, and local and regional procurement as well as data on the use of Title II funding for internal transportation, storage, and handling (ITSH) costs, in accordance with established requirements.

Action Needed: USAID concurred with this recommendation. In response, USAID informed us that it had added a performance reporting requirement to its Food for Peace development award template, and also developed a new World Food Program emergency award template with reporting requirements for monitoring data on cash transfers, food vouchers, and local and regional procurement activities. However, USAID still needs to provide evidence that it collects complete and consistent monitoring data from implementing partners for Title II projects, in accordance with established requirements.

Managing Director: Tom Melito, International Affairs and Trade
Contact information: melitot@gao.gov or (202) 512-9601

Improving Project Performance Data Collection

Human Trafficking: State and USAID Should Improve Their Monitoring of International Counter-trafficking Projects. [GAO-19-77](#). Washington, D.C.: Dec. 4, 2018.

Recommendation: The Administrator of USAID should establish additional controls to improve the consistency and completeness of performance information that USAID uses to monitor counter-trafficking in persons projects.

Action Needed: USAID concurred with this recommendation. As of March 2020, USAID needs to implement planned steps to improve the consistency and completeness of performance information that USAID uses to monitor counter-trafficking in persons projects, including implementing its new data management system and conducting an administrative review of its performance reporting process.

Director: Chelsa Gurkin, International Affairs and Trade
Contact information: gurkinc@gao.gov or (202) 512-2964

Improving USAID Reform Efforts

USAID Reform: Efforts Address Most Key Practices but Could Improve in Performance Assessment and Strategic Workforce Planning. [GAO-19-609](#). Washington, D.C.: Sep. 11, 2019.

Recommendation: The Administrator of USAID should establish outcome-oriented performance measures to assess the effectiveness of USAID's reform projects.

Action Needed: USAID concurred with this recommendation. In response, USAID stated that it planned to establish a performance monitoring plan incorporating outcome-oriented metrics for USAID reform projects, and that it planned to monitor progress through periodic reporting. USAID needs to provide support that it has implemented planned steps in this area.

Director: Jason Bair, International Affairs and Trade

Contact information: bairj@gao.gov or (202) 512-6881

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