



USAID
FROM THE AMERICAN PEOPLE

FISCAL YEAR 2024 AGENCY FINANCIAL REPORT



PROGRESS BEYOND PROGRAMS: EMBRACING NEW PARTNERSHIPS

ON THE COVER

Top left: Ukraine's agricultural products and grain are critical for the world's food supply and key to the country's economic recovery and future prosperity. USAID continues to support Ukrainian farmers at important stages—from production to harvest storage to exports—ensuring they can sustain their livelihoods and that Ukrainian grain can reach the countries that depend on it, despite Russia's war.

PHOTO: USAID AGRO

Top right: Rasha Ibrahim, a midwife and lactation counselor, speaks to a mother at the Khreibet Al-Souq Health Center in Jordan. USAID envisions a new cadre of certified lactation counselors in Jordan who can provide dedicated support to pregnant and lactating women to navigate their breastfeeding journey.

PHOTO: HAZEM JWEINAT FOR USAID

Middle: Dairy cattle producers from Quello in southern-central Peru. USAID and local partner Propuesta Ciudadana held workshops to help the community understand how public revenues from a nearby mine are distributed and used.

PHOTO: ALFRED RUFFNER FOR USAID

Bottom left: Mr. Son and Ms. Dung are the founders of a tea farm in Thai Nguyen, Vietnam. USAID's Improving Private Sector Competitiveness project fosters an innovative and dynamic Vietnamese private sector by removing policy, market, and firm-level constraints inhibiting the growth of small and growing businesses like the Song Dung Tea Cooperative.

PHOTO: SON DUNG TEA COOPERATIVE

Bottom right: "My school shines now," says Rachel Akello, a student at the Apala 'A' school in a remote village in Uganda's Oyam District—one of 23 schools repaired and expanded through USAID's Northern Uganda Development of Enhanced Local Governance, Infrastructure and Livelihoods program.

PHOTO: KARLA CHRISTENSEN FOR USAID

ABOUT THIS REPORT

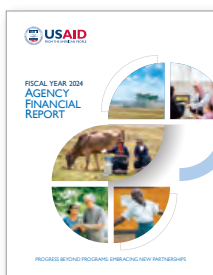
The *Agency Financial Report* (AFR) of the U.S. Agency for International Development (USAID) for Fiscal Year (FY) 2024 provides an overview of the Agency's performance and financial information. The AFR demonstrates to Congress, the President, and the public USAID's commitment to its mission and accountability for the resources entrusted to the Agency. This report is available on USAID's website at <https://www.usaid.gov/results-and-data/progress-data/agency-financial-report> and includes information that satisfies the reporting requirements contained in the following legislation:

- **Inspector General Act of 1978** – requires information on management actions in response to audits produced by the Office of Inspector General (OIG);
- **Federal Managers' Financial Integrity Act (FMFIA) of 1982** – requires ongoing evaluations of and reports on the adequacy of internal accounting systems and administrative controls, not just over financial reporting but also over program areas;
- **Chief Financial Officers (CFO) Act of 1990** – requires improved Federal Government financial accounting and reporting;
- **Government Management Reform Act (GMRA) of 1994** – requires annual audited department- and agency-level financial statements, as well as an annual audit of U.S. government-wide consolidated financial statements;
- **Federal Financial Management Improvement Act (FFMIA) of 1996** – requires an assessment of a department's or agency's financial management systems for adherence to U.S. government-wide requirements to ensure accurate, reliable, and timely financial management information;

- **Reports Consolidation Act of 2000** – permits departments and agencies to prepare a combined Performance and Accountability Report (PAR). During FY 2007 and FY 2008, the Office of Management and Budget (OMB) conducted a pilot in which it permitted departments and agencies to produce an alternative to the consolidated PAR, which USAID has done since FY 2007;
- **Accountability of Tax Dollars Act (ATDA) of 2002** – expands auditing requirements for financial statements to agencies not covered by the CFO Act;
- **Government Performance and Results Act (GPRA), as amended by the GPRA Modernization Act (GPRAMA) of 2010** – requires quarterly performance reviews of federal policy and management priorities; and
- **Payment Integrity Information Act (PIIA) of 2019** – requires that actions taken to address recovery auditor recommendations on actions to prevent overpayments be addressed in the AFR.

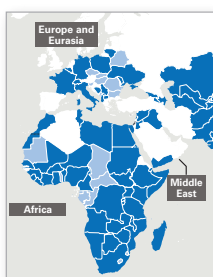
In lieu of a combined PAR, USAID elects to produce an AFR with a primary focus on financial results and a high-level discussion of performance results, along with an Annual Performance Report (APR), which details strategic goals and performance results. USAID will submit the 2024 APR to OMB in January 2025. Both reports will be available at <https://www.usaid.gov/results-and-data/performance-reporting>.

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USAID AT A GLANCE

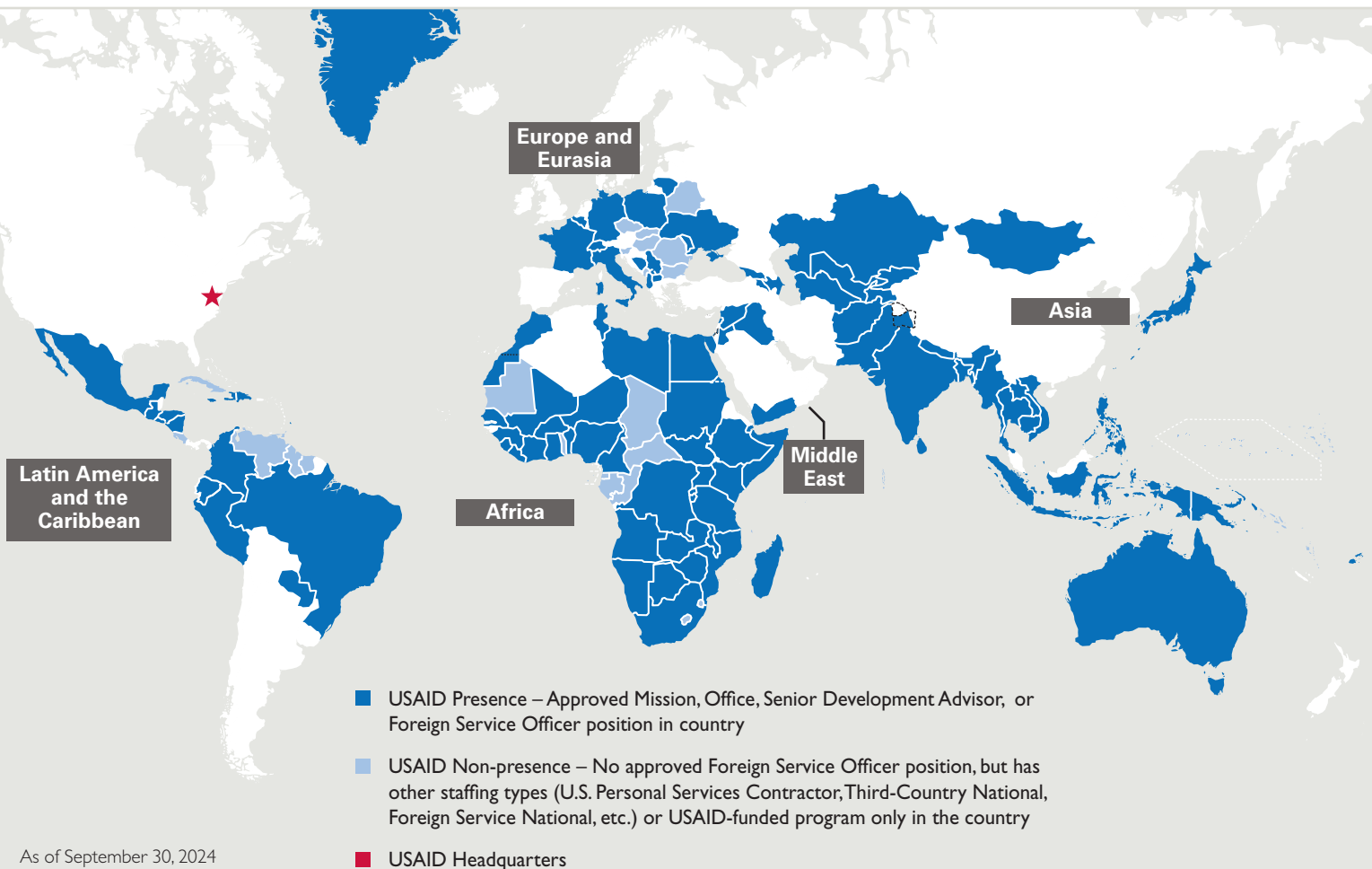
USAID

- Independent Federal Government agency headquartered in Washington, D.C.;
- Largest international development and humanitarian aid agency in the world; and
- U.S. National Security Council member.

MISSION STATEMENT

“On behalf of the American people, we promote and demonstrate democratic values abroad and advance a free, peaceful, and prosperous world. In support of America’s foreign policy, the U.S. Agency for International Development leads the U.S. government’s international development and disaster assistance through partnerships and investments that save lives, reduce poverty, strengthen democratic governance, and help people emerge from humanitarian crises and progress beyond assistance.”

FIGURE I. MAP OF WHERE USAID WORKS



As of September 30, 2024

WHERE USAID WORKS

In more than 100 countries around the world, as shown in Figure 1 on the previous page, the investments USAID makes have long-term benefits for the United States. To explore where, and with whom, USAID spends foreign assistance dollars and related project stories and results, visit <https://www.usaid.gov/where-we-work>.

WHY USAID MATTERS

ADVANCING U.S. SECURITY AND PROSPERITY

Since USAID's founding more than 60 years ago, we have helped tackle many of the challenges of our time. With development partners around the world, we help lift communities out of poverty, push back against oppression, and secure peace after conflict. By taking decisive action against the toughest threats, seeking out new partnerships to drive sustainable change, mobilizing new investments, and embracing necessary reforms, USAID has the potential to expand human dignity in our rapidly changing world.

USAID is a leader in advancing innovative agricultural practices that boost harvests, spurring rapid transitions to clean energy and helping communities adapt to a changing climate. We broaden the reach of lifesaving medical treatments and vaccines while strengthening health systems to increase life expectancy. We marshal critical democracy assistance to nurture democratic movements and reformers, fight foreign information manipulation, and root out corruption. USAID also helps our partners deliver inclusive economic growth and support for those who have been most deprived and disadvantaged.

Through partnerships we build and the programs we implement, USAID demonstrates the United States' compassion for people around the world, our unmatched competence, and the fundamental connection between the fates of the American people and those of people across the globe.

As the lead development agency for the United States, USAID plays a central role in implementing the U.S. Strategy on Global Development (https://www.whitehouse.gov/wp-content/uploads/2024/09/FINAL-U.S.-Strategy-on-Global-Development_091824.pdf). USAID is at the forefront of U.S. government efforts to reclaim lost development gains due to compounding crises and challenges that cross borders and accelerate collective progress toward achieving the Sustainable Development Goals (SDGs), in pursuit of a world that is more free, open, prosperous, and secure.

U.S. development cooperation—inclusive of humanitarian and other crisis-response efforts—is a pillar of our national security, international strength, and principled engagement abroad, as the National Security Strategy (<https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>) and U.S. Department of State (State Department) and USAID Joint Strategic Plan (JSP) (<https://www.usaid.gov/results-and-data/planning/joint-strategic-plan/2022-2026>) affirm.

While USAID's work overseas may at times feel distant to many Americans, it is an investment in the safety and prosperity of the American people. It helps the United States address translational threats, including disease outbreaks and climate impacts whose effects cross borders and jeopardize the well-being of Americans at home. Our work also helps expand markets for the companies and consumers who are the backbone of a vibrant American middle class by connecting U.S. workers, firms, and entrepreneurs to commercial opportunities abroad and by improving the regulatory environment and leveling the playing field for U.S. businesses operating in the global economy. And our work promotes the democratic governance that is foundational to global peace and security, supporting democracies that are trying to deliver on behalf of their citizens by expanding access to critical services, economic opportunity, justice, and security.

DRIVING PROGRESS BEYOND PROGRAMS

We are faced with a stark reality: The needs faced by communities around the globe are accelerating faster than traditional development actors can address them. Relying solely on government donor budgets to make an impact means we will quickly be overwhelmed by the scale of global challenges. While programs are, and will always remain, core to achieving the results we seek, they are far from USAID's only tool to spark change.

USAID is honing and expanding our toolkit so that our global workforce is best positioned to make an even greater and lasting impact in the years ahead. Both in the countries where we work and at a global level, we are using our expansive and often unique on-the-ground presence and relationships with local leaders; multilateral organizations; international financial institutions; fellow donors; and businesses, universities, foundations, and other key partners to mobilize additional resources, synchronize actions, reduce duplication, fill critical development gaps, achieve economies of scale, amplify local voices, encourage policy reforms, and help catalyze more collective action to address the range of shared development priorities we seek to address.



(On left) In Bangladesh, a woman is harvesting jute plants. Through integrated crop management practices and climate-smart agriculture, farmers are able to improve their livelihoods. Feed the Future helps produce and market high-yielding jute seeds in Bangladesh. PHOTO: MONIRUZAMAN SAZAL FOR USAID



(On right) In Burkina Faso, a young woman is receiving training in dressmaking and sewing at the training center of the Groupe d'Action des Femmes pour la Relance Economique Houet (GAFREH) in the commune. With her child tied on her back, this young mother is determined to learn the tips for making a dress. The trainer is very patient and supportive in helping the trainee apply the theoretical knowledge to practice. USAID's Inclusive Governance for Resilience (IGR) activity launched "Resilience through Handicrafts" in Burkina Faso. This project provides job opportunities for at-risk youth by teaching them how to start and run handicraft businesses. PHOTO: DÉSIRÉE KANYALA/IGR FOR USAID

SUPPORTING INCLUSIVE AND SUSTAINABLE ECONOMIC GROWTH AND PRIVATE SECTOR PARTNERSHIPS

Economic growth is a necessary condition for ending global poverty and delivering shared prosperity. Yet many countries are not experiencing economic growth, and those that are often fail to achieve growth that is sufficiently broad-based. Accelerating economic development in a sustainable way that reduces inequality within partner countries is a priority for the United States and the development community.

Many USAID partner countries face severe economic headwinds, including rising debt and declining investment. In order to make economic development more sustainable, USAID is supporting partner countries in their efforts to identify priorities for public investment, improve public financial management, mobilize private capital, and increase the gains from trade and foreign investment.

In the face of environmental, health-related, political, and other types of shocks, many of which have become more frequent, severe, and complex in recent years, USAID is supporting partner countries in their efforts to increase their resilience to shocks by diversifying economic activity, investing in resilient technologies and infrastructure, and strengthening adaptive capacity.

USAID is the world's premier international development agency and a catalytic actor driving development results. USAID's work advances a more free, open, prosperous, and secure world.

USAID is also supporting partner countries in their efforts to promote strategic and equitable investment in human capital development, prevent discriminatory and anti-competitive market practices, and establish comprehensive and inclusive social protection systems.

To achieve lasting and scalable development solutions, USAID deploys tools and resources that align the private sector's commercial interests with development efforts. From 2021 to 2023 alone, private-sector contributions to USAID activities have risen by over 60 percent. For every \$1 invested, USAID leverages \$5 from private-sector partners. With more than 4,316 distinct private-sector partners and \$43 billion in total value of active partnership, USAID uses a variety of public-private partnership approaches ranging from large-scale global initiatives, to regional programs, to bespoke engagements focused on specific countries and sectors.

HOW USAID ADVANCES ITS MISSION

Through the Agency’s work and that of our partner organizations, development assistance from the American people promotes global health, supports global stability, provides humanitarian assistance, catalyzes innovation and partnership, and empowers women and girls.

HOW USAID IS ACCOUNTABLE

ACCOUNTABILITY FOUNDATION FOR PROGRAM AND FINANCIAL RESULTS

USAID is committed to using evidence-based programming to achieve the most critical U.S. foreign policy outcomes and strengthen accountability to the American people. The Program Cycle, codified in Chapter 201 of USAID’s Automated Directives System (ADS) (<https://www.usaid.gov/ads/policy/200/201>), is USAID’s process for strategic planning and program management. The Program Cycle reinforces the linkages between country-level strategic planning, project design and implementation using the best available evidence, and partner performance monitoring and evaluation of partners’ performance. These components depend on continuous learning and adapting, influencing the annual budget and resource management processes, and focusing on achieving sustainable results. Additionally, USAID and the State Department developed the *FY 2022 – FY 2026 Joint Strategic Plan*, which outlines the Agency’s four long-term

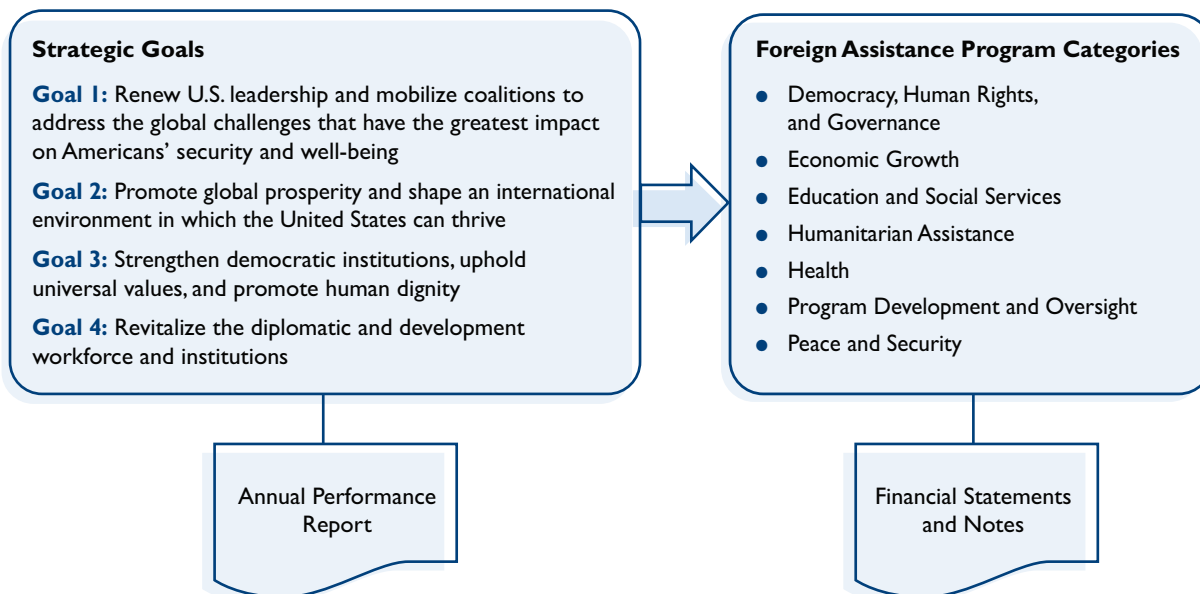
strategic goals, the actions the Agency will take to realize them, how the Agency will deal with challenges and risks to achieving results, and the performance metrics by which USAID will measure progress.

USAID uses the Standardized Program Structure and Definition (SPSD) system to categorize programs and track financial results. The SPSD contains seven foreign assistance program categories listed below in Figure 2. The Consolidated Statement of Net Cost (included in this AFR) represents the cost of operating the Agency’s seven foreign assistance program categories. The Overview of Programmatic Performance section of this AFR provides a crosswalk between the JSP and the SPSD program categories. To explore USAID’s strategic goals and performance results further, see the State-USAID FY 2022 – FY 2026 JSP (https://www.usaid.gov/sites/default/files/2022-05/Final_State-USAID_FY_2022-2026_Joint_Strategic_Plan_29MAR2022.pdf) and the State-USAID FY 2025 Annual Performance Plan (APP)/FY 2023 APR (<https://www.usaid.gov/reports/annual-performance-report/fy-2025>).

USAID is leading data transparency with the ForeignAssistance.gov website. To explore where the whole U.S. government spends foreign assistance dollars, visit <https://www.foreignassistance.gov/>. To explore USAID investments and illustrative results, visit <https://results.usaid.gov/results>.

To learn more about USAID, visit <https://www.usaid.gov>.

FIGURE 2. USAID’S ACCOUNTABILITY MODEL



EXECUTIVE MESSAGE FROM ADMINISTRATOR SAMANTHA POWER



Samantha Power

More than 75 years ago, in the shadow of the devastation wrought by World War II, President Harry S. Truman signed into law the Foreign Assistance Act of 1948 with these words: foreign aid “is an outstanding example of cooperative endeavor for the common good.”

Indeed, in the more than 60 years since this Agency was created, USAID teams have partnered with governments, multilateral organizations, non-profits, activists, private sector entities, and communities to drive tremendous progress for humanity. We helped launch an agricultural revolution that lifted farmers out of poverty and staved off an era of global famine that threatened a billion lives. We helped launch a global vaccines program that eradicated smallpox around the world—a disease that, in the 1900s alone, killed more than 300 million people. We have helped build schools for children and rebuild communities after disasters. We have helped protect the environment and promoted human rights around the world. We strive, in every way and every day, to further the common good.

Today, USAID is as committed as ever to continue that work, advancing dignity and opportunity for all. But as the challenges we face grow ever more immense—from historic levels of conflict, to declines in democratic governance, to a climate crisis that is growing more and more urgent—we are increasingly facing a reality where our global challenges are growing faster than the resources we have to take them on.

So we have continued to embrace our strategy of Progress Beyond Programs, seeking new and innovative ways to leverage USAID’s resources for maximum impact.

We know that with limited resources and a growing slate of global emergencies, we need to leverage new sources of funding and engage with new partners to supplement our own work. In the last year, we have mobilized more than \$16 billion in public and private finance to support USAID’s work, driven by such tools as the \$50 million per year Enterprises for Development, Growth, and Empowerment (EDGE) Fund, which just launched its third annual round of funding.

We also know that one of USAID’s greatest strengths is our ability to raise the profile of global issues that may not be widely recognized as threats to human life or human dignity—and our capacity to build cross-border, cross-sectoral coalitions to address those issues. We have built broader movements for change around challenges such as lead poisoning and extreme heat, which threaten hundreds of millions of lives. These movements are already beginning to garner far greater attention and resources. In September, for example, USAID helped launch the Partnership for a Lead-Free Future, which has drawn in new partners from the public, private, and non-profit sectors to spearhead global lead mitigation efforts. Already, these partners have helped mobilize \$150 million for lead mitigation—ten times the average amount of funding available per year in the past.

We also made internal changes to provide our teams with the staff, time, and diversity of perspective they need to revamp our processes and strategies effectively and make our Progress Beyond Programs agenda possible. As part of our Burden Reduction Program, we eliminated over four million hours of burdensome processes—freeing our teams to spend more time on the high-impact work that makes a measurable positive impact in the communities where USAID works. We created more than 900 new federal employee positions in the Civil and the Foreign Services—the single biggest increase in more than a decade. By the end of 2024, the Foreign Service at USAID will be at its highest staffing level since 2017—and the most diverse it has ever been. We also increased the number of senior positions for our local staff in our Missions by more than 60 percent, enabling them to use their expertise to devise efficient and enduring solutions to the problems their communities face.

In this Agency Financial Report, we worked closely with the Office of Inspector General to provide complete, reliable, and accurate financial and summary performance data. The Independent Auditor’s Report, including reports on internal control and compliance with laws and regulations, appears in the Financial Section of this report. The section on Management’s Discussion and Analysis reviews our assessments of our internal controls, risks, and financial stewardship of resources.

Foreign assistance can continue to be a force for the common good—just as President Truman envisioned it decades ago. To do so in the face of growing, urgent challenges, we will need to change our methods—to push the limits of what has long been possible, identify unorthodox solutions to unorthodox problems, and find ways to effect change beyond traditional means. We have an opportunity today to do aid better—and USAID is seizing it.



Samantha Power
USAID Administrator
November 12, 2024

2023 CERTIFICATE OF EXCELLENCE AWARD



MANAGEMENT'S DISCUSSION AND ANALYSIS





(Preceding page) Shireen Muhaisen, owner of Bunni Coffee Roastery + Academy, showcases the shelves of coffee bags in her shop. Bunni Coffee Roastery + Academy is one of 78 companies with technical assistance agreements through USAID's Business Growth Activity. As part of the agreement, Bunni received a comprehensive growth readiness assessment, guidance on how to improve their competitiveness and export capabilities, as well as marketing and communication support.

PHOTO: USAID/JORDAN

(Above) Youth Summer School in Georgia. USAID supports a network of 15 Youth Centers in communities across Georgia, empowering the country's youth to come together and build a prosperous and democratic European future.

PHOTO: GURAM MURADOV FOR USAID

MISSION AND ORGANIZATIONAL STRUCTURE

MISSION STATEMENT

“On behalf of the American people, we promote and demonstrate democratic values abroad and advance a free, peaceful, and prosperous world. In support of America’s foreign policy, the U.S. Agency for International Development leads the U.S. government’s international development and disaster assistance through partnerships and investments that save lives, reduce poverty, strengthen democratic governance, and help people emerge from humanitarian crises and progress beyond assistance.”

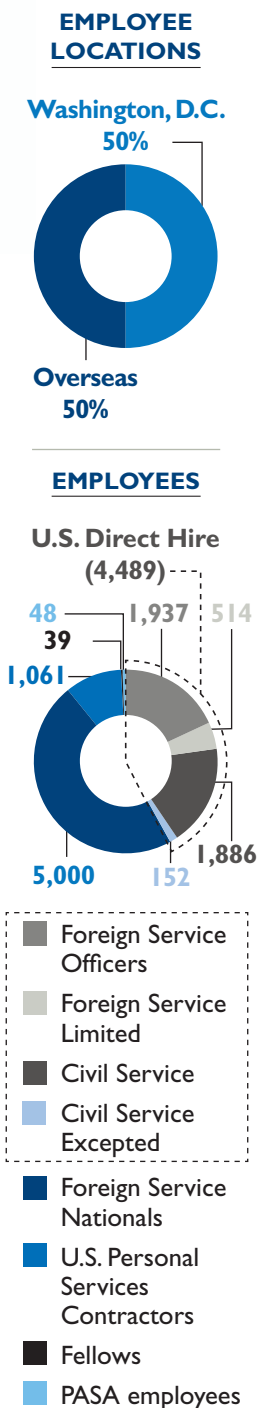
USAID has been working toward these goals for more than 60 years. Resilient societies must have healthy, educated, and well-nourished citizens, as well as a vibrant economy and inclusive, legitimate, and responsive institutions. All of USAID’s work—including efforts to increase food security, improve education, and end preventable child deaths—create pathways for the world’s most vulnerable people to become self-reliant.

ORGANIZATIONAL STRUCTURE

USAID is an independent federal agency that receives overall foreign policy guidance from the Secretary of State. With an official presence in 99 countries and programs in 29 others, the Agency accelerates human progress in countries where it works by reducing poverty, advancing democracy, empowering women and girls, building inclusive economic growth, promoting security, responding to crises, and investing in health and education. An Administrator and two Deputy Administrators, appointed by the President and confirmed by the U.S. Senate, lead USAID. USAID plans its development and assistance programs in close coordination with the State Department and collaborates with other U.S. government departments and agencies, multilateral and bilateral organizations, private companies, academic institutions, faith-based groups, and nongovernmental organizations (NGOs).

USAID’s workforce engages on behalf of the Agency around the world, motivated by the same overarching goals outlined more than 60 years ago—furthering U.S. foreign policy interests in expanding democracy and free markets, while also extending a helping hand to people who are struggling to make a better life, recovering from a disaster, or striving to live free in a democracy. In 2024, the Agency delivered on its mission with the support of its workforce, as shown in Figure 3, which includes: 4,489 U.S. direct hire (USDH) employees, of whom 1,937 are Foreign Service Officers (FSOs), 514 are Foreign Service Limited (FSLs), 1,886 are Civil Service, and 152 are Civil Service Excepted (CSE); 5,000 Foreign Service Nationals (FSNs); 1,061 U.S. Personal Services Contractors (USPSCs); 39 Fellows and 48 staff under Participating Agency Service Agreements (PASAs). Of these employees, 50 percent work in Washington, and 50 percent are assigned overseas. To meet the Agency’s most pressing demands USAID also contracts with 2,578 staff with distinguished expertise in international development. USAID is including Institutional Support Contractor (ISC) figures in this AFR to more fully capture the entirety of the workforce supporting its mission, in addition to the other categories (e.g., USDHs, FSNs, PASAs, USPSCs) that it historically included in prior reports. These totals include all funding types and staff from the USAID OIG and political appointees onboard at the time of the data pull.¹

FIGURE 3. USAID WORKFORCE



¹ The data are as of September 7, 2024. Data include program funded staff but exclude the OIG.



DID YOU KNOW

In 1961, the U.S. Congress passed the Foreign Assistance Act to administer long-range economic and humanitarian assistance to developing countries. Two months after passage of the act, President John F. Kennedy established the USAID. USAID unified pre-existing assistance programs and served as the U.S. government's lead international development and humanitarian assistance Agency.

“There is no escaping our obligations: our moral obligations as a wise leader and good neighbor in the interdependent community of free nations—our economic obligations as the wealthiest people in a world of largely poor people, as a nation no longer dependent upon the loans from abroad that once helped us develop our own economy—and our political obligations as the single largest counter to the adversaries of freedom.”

– John F. Kennedy

ORGANIZATIONAL STRUCTURE IN WASHINGTON

In Washington, USAID's regional, pillar, and central Bureaus coordinate the Agency's activities and support the implementation of programs overseas. Independent Offices support crosscutting or more limited services. See Figures 4 and 5 on the next page for USAID's Organization Structure and direct reporting positions.

USAID's regional and pillar Bureaus report to the Deputy Administrator for Policy and Programming. USAID's **regional Bureaus** are Africa, Asia, Middle East, Latin America and the Caribbean, and Europe and Eurasia. USAID's **pillar Bureaus** are the following:

- The Bureau for Democracy, Human Rights, and Governance (DRG), which provides expertise in democracy, human rights, and governance;
- The Bureau for Humanitarian Assistance (BHA), which provides expertise in humanitarian assistance;
- The Bureau for Conflict Prevention and Stabilization (CPS), which provides expertise in peacebuilding, conflict and violence prevention, and implementation of political transition and stabilization programs;
- The Bureau for Resilience, Environment, and Food Security (REFS), which advances resilience for people and planet through investments in four core programmatic areas—water, energy, environment, and, food and nutrition—with a focus on strengthening the systems and policies that are critical to advancing the well-being of both, and leads the U.S. government's initiative in global food security, Feed the Future (FTF);
- The Bureau for Global Health (GH), which provides expertise in global challenges, such as child, maternal, and reproductive health; HIV/AIDS; malaria; tuberculosis; global health security, and primary health care; and
- The Bureau for Inclusive Growth, Partnerships, and Innovation (IPI), which advances inclusive economic growth; enhances digital access while managing digital technology risks; addresses social inequality and inequity; generates

FIGURE 4. U.S.AGENCY FOR INTERNATIONAL DEVELOPMENT ORGANIZATIONAL STRUCTURE

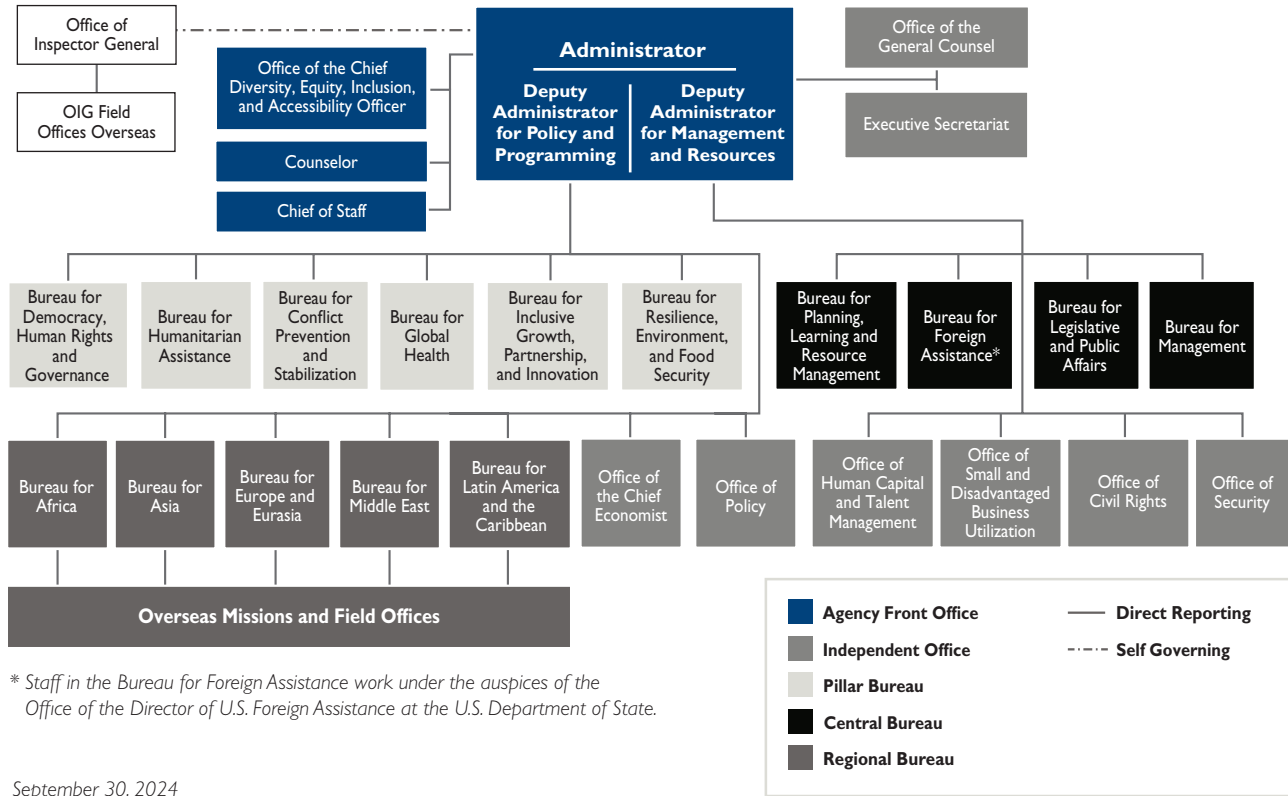
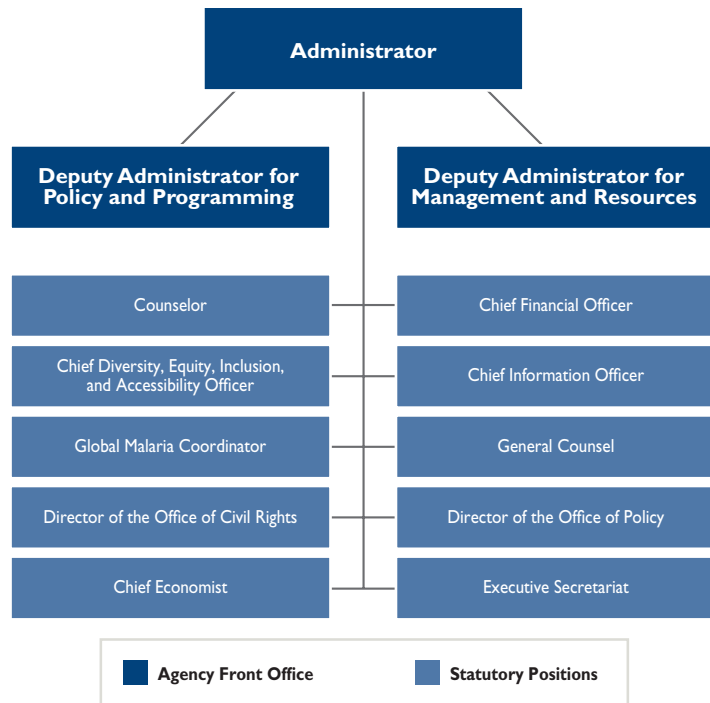


FIGURE 5. DIRECT REPORTING – POSITIONS



innovative solutions to complex development challenges; and expands diverse partnerships, particularly with local, faith-based and private-sector partners.

USAID’s **central Bureaus** are the following and report to the Deputy Administrator for Management and Resources:

- The Bureau for Planning, Learning, and Resource Management (PLR), which shapes USAID’s development policy; leads on donor engagement; builds the Agency’s capacity to plan, resource, and implement evidence-based strategies and programming; and fosters a culture of learning and evaluation;
- The Bureau for Foreign Assistance (F), which is part of the State Department’s Office of Foreign Assistance and serves both the Secretary of State and the USAID Administrator in coordinating foreign assistance resources across the U.S. government, in close coordination with PLR;

- The Bureau for Legislative and Public Affairs (LPA), which manages the Agency’s legislative engagements, strategic communications, and outreach to promote greater understanding of USAID’s mission and programs; and
- The Bureau for Management (M), which administers USAID’s operational budget and centralized procurement, financial, information technology (IT), policy, performance, and administrative support services for the Agency’s worldwide operations.

In addition to these central Bureaus, USAID has eight Independent Offices, which are responsible for discrete Agency functions that include legal issues, human resources, diversity, equity, inclusion and accessibility, security, macroeconomics and cost-effectiveness, and policy. These offices are: (1) the Office of the General Counsel; (2) the Office of the Executive Secretariat; (3) the Office of the Chief Economist; (4) the Office of Policy; (5) the Office of Human Capital and Talent Management; (6) the Office of Small and Disadvantaged Business Utilization; (7) the Office of Civil Rights; and (8) the Office of Security. USAID is in the process of establishing a new independent Office of Digital Technology.

The OIG is independent and separate from the Office of the Administrator. The OIG reviews the integrity of the Agency’s operations through audits, appraisals, investigations, and inspections.

In accordance with the CFO Act of 1990, the CFO reports directly to the Administrator. To align Agency-wide operations strategically across the management platform, maximize programmatic synergies, and prevent duplication, the Office of the CFO (M/OCFO) also receives administrative support from the M Bureau. Finally, the Chief Information Officer (CIO) reports directly to the Administrator, in accordance with requirements established in the Clinger-Cohen Act, the Federal

Information Technology Acquisition Reform Act, the E-Government Act of 2002, and OMB Circular A-130. To align Agency-wide operations strategically across the management platform, maximize programmatic synergies, and prevent duplication, the Office of the CIO (M/OCIO) receives administrative support from the M Bureau.

The Senior Procurement Executive reports directly to the Assistant Administrator (AA) in the M Bureau. The Federal Acquisition Reform Act of 1996 mandated the establishment of this position.

ORGANIZATIONAL STRUCTURE OVERSEAS

USAID’s overseas Operating Units (OUs) consist of Missions, Country Representative Offices, and Senior Development Advisors. The U.S. Ambassador serves as the Chief of Mission (COM) for all U.S. government departments and agencies in a given country, and all USAID operations fall under COM authority. The USAID Mission Director or USAID representative, as the USAID Administrator’s representative and the Ambassador’s primary development advisor, is responsible for USAID’s operations in a given country or region and is a key member of the U.S. government’s country team. USAID Missions operate under decentralized authorities, which allow them to design and implement programs and negotiate and execute agreements under the overall strategic direction of the USAID Administrator.

USAID Missions are the face of the Agency overseas and have the responsibility of delivering tailored solutions that support partner countries. This includes working in partnership with other donors and USAID implementers—both contractors and NGOs—to manage, adapt, and strengthen USAID’s diverse programs worldwide. Mission Directors lead a professional team of experts to help fulfill the Agency’s commitment in partner countries.

FOREIGN ASSISTANCE PROGRAM CATEGORIES

USAID uses the SPSP system to categorize and account for foreign assistance funds. The SPSP contains the following seven categories of foreign assistance programs:

- Democracy, Human Rights, and Governance: supports the establishment, consolidation, and protection of democratic institutions, processes, and values in countries to advance freedom;
- Economic Growth: strives to generate rapid, sustained, and broad-based economic growth;
- Education and Social Services: aids nations through effective and accountable investments in education and social services to establish sustainable improvements in the well-being and productivity of their populations;
- Humanitarian Assistance: provides assistance to countries on the basis of need according to principles of universality, impartiality, and human dignity to save lives, alleviate suffering, and minimize the economic costs of conflict, disasters, and displacement;
- Health: contributes to improvements in the health of people, especially women, children, and other vulnerable populations in countries globally;
- Program Development and Oversight: provides program management, accounting, and tracking for costs to assist U.S. foreign assistance objectives; and
- Peace and Security: helps countries establish the conditions and capacity to achieve peace, security, and stability as well as respond to arising threats to national or international security and stability.

OVERVIEW OF PROGRAMMATIC PERFORMANCE

This section focuses on the following:

- Background information, including overview; discipline of development; quality of monitoring, evaluation, and learning; and strategic goals and results;
- Performance goal accomplishment highlights for the FY 2022 – FY 2026 JSP (<https://www.usaid.gov/results-and-data/planning/joint-strategic-plan/fy-2022-2026>); and
- USAID illustrative indicators, performance trends, and vignettes.

OVERVIEW

As the U.S. government's lead international development and humanitarian assistance agency, USAID seeks to save lives, reduce poverty, strengthen democracy, and expand inclusive economic growth globally. USAID plans its development and humanitarian programs in coordination with other U.S. government departments and agencies, including but not limited to the National Security Council, the State Department, the U.S. Department of Health and Human Services (HHS), the Centers for Disease Control and Prevention (CDC), the National Aeronautics and Space Administration (NASA), the U.S. Environmental Protection Agency (EPA), and the U.S. Department of Agriculture (USDA), as well as Congress, multilateral and bilateral organizations, private companies, academic institutions, faith-based groups, and NGOs. Working with these partners, USAID supports U.S. national security, demonstrates American generosity, and supports inclusive economic growth at home and abroad.

USAID must address global challenges in new ways that deliver results on a global scale while shifting to a model that includes locally-led development. USAID's work is critical to solving today's most pressing challenges, such as the food insecurity and climate crises, prevent and stabilize conflicts, restore and strengthen democracy, enhance food security, and improve health outcomes among other key development priorities. Through USAID's work, development assistance from the American people transforms lives, communities, and economies around the world. USAID's assistance adheres to both American values and evidence-based, locally driven initiatives and state-of-the-art best practices, by:

- Providing humanitarian assistance with needs-based relief that is timely and effective in response to disasters and crises;
- Promoting global health security through activities that save lives and protect Americans at home and abroad;
- Expanding sustained, inclusive economic growth and employment through regulatory reform, trade promotion, and entrepreneurial capacity development;
- Advancing equitable and ambitious actions to confront the climate crisis through targeted mitigation and adaptation efforts focused on the highest-priority communities and locations (those with the most urgent needs or most immediate opportunities), systems change (catalyzing transformative shifts to net-zero and climate resilient pathways), and adapting USAID operations and approaches to advance climate mitigation and resilience and further climate justice within USAID and its partner organizations;

- Revitalizing and delivering on the promise of democracy through work that confronts corruption, defends and protects human rights, strengthens the rule of law and good governance, resists the authoritarian use of disinformation and digital repression, and engages civil society, governments, local media, and other key actors, particularly those from underrepresented and marginalized groups;
- Supporting global stability by reversing state and societal fragility; countering violent extremism and other forms of violence; implementing the Global Fragility Act; fostering inclusion and empowerment through initiatives such as the Women, Peace, and Security (WPS) strategy; and preventing atrocities;
- Catalyzing innovation and partnership by identifying new and innovative ways to engage with the private sector, philanthropies, local and faith-based organizations, and academic institutions in the United States and abroad; promoting sustainable development; and supporting inclusive economic growth;
- Empowering women and girls in all their diversity by supporting equal access to opportunities in the household, society, and economy; education and leadership opportunities; and freedom from violence;
- Ensuring USAID’s staff and implementing partners engage Indigenous Peoples as meaningful partners in development processes; safeguard against harm; and enhance their abilities to promote their rights, determine their own priorities, and advance sustainable economic growth for their communities;
- Promoting equitable, inclusive, and accessible education for all children and youth through learning opportunities that promote quality and further learning outcomes;
- Protecting the cost-effective and efficient use of U.S. resources by using experimental design and real observations of behavior and behavioral change to guide development, iteration, and adaptation of USAID’s programs; and
- Advancing and improving the Agency’s people, programs, partnerships, policies, and processes by applying a lens of diversity, equity, inclusion, and accessibility (DEIA) to all that USAID does.

DISCIPLINE OF DEVELOPMENT

The Program Cycle (<https://www.usaid.gov/results-and-data/planning>) is USAID’s foundational framework for evidence-based development. The Program Cycle reinforces the links among country-level strategic planning (through Regional and Country Development Cooperation Strategies [R/CDCSs]), designing and implementing USAID programs and Agency monitoring, evaluation, and learning to understand program performance and adapt program implementation and processes to be more effective. Across these components, which together represent the discipline of development, USAID continuously collaborates, learns, and adapts to influence the annual budget and resource-management processes and achieve measurable, sustainable results. USAID’s Program Cycle Operational Policy in ADS Chapter 201 (<https://www.usaid.gov/ads/policy/200/201>) includes four principles that guide USAID’s Program Cycle:

- (1) Apply analytic rigor to support evidence-based decision making;
- (2) Manage adaptively through continuous learning;
- (3) Promote sustainability through local implementation and financing; and
- (4) Use a range of approaches to achieve results.

In addition to these four principles, USAID is addressing DEIA Agency-wide and engaging in conflict-sensitive work that follows the development and humanitarian principle of “do no harm.” To do this, USAID is updating its programming objectives and methods to address marginalization, increase inclusion, and foster diversity through its global programming by using an inclusive development approach.

USAID Missions use Performance Management Plans (PMPs) to manage the process to monitor, evaluate, and learn from progress toward strategic

objectives, intended results, and the performance of USAID-funded programs. USAID OUs report key indicator data in their APRs, which inform USAID decisions and external reporting.

USAID also maintains the Development Data Library (DDL) (<https://data.usaid.gov/>), which is a publicly available, interactive platform that enhances the accessibility and usability of the Agency's data and evidence, including hundreds of Public and Restricted Public data assets from USAID's international offices. USAID rigorously reviews each submission to the DDL to ensure a balance between security and transparency while maintaining the nuances of the raw data. Experts in privacy, statistical analysis, and digital curation implement safeguards to protect the data of staff, partners, and beneficiaries.

QUALITY OF MONITORING, EVALUATION, AND LEARNING

USAID's Program Cycle requirements for monitoring and evaluation help build a body of evidence from which to learn and adapt, as well as to increase the quality and transparency of that evidence. Meeting these requirements also ensures USAID complies with the objectives of the Foreign Aid Transparency and Accountability Act (FATAA) of 2016, the guidelines OMB publishes for using monitoring and evaluation to implement the FATAA, the GPRAMA of 2010, and OMB Circular A-11 (<https://www.whitehouse.gov/wp-content/uploads/2018/06/a11.pdf>). In a July 2019 report (<https://www.gao.gov/products/GAO-19-466>), the U.S. Government Accountability Office (GAO) found that USAID had adopted all of OMB's guidelines for monitoring and evaluation. USAID named an Agency Evaluation Officer in FY 2019 and published its FY 2024 Annual Evaluation Plan (https://www.usaid.gov/sites/default/files/2023-03/USAID%20Annual%20Evaluation%20Plan_FY%202024.pdf) to meet the provisions of the Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act). Under Title I of the Evidence Act, agencies must develop a four-year

learning agenda that aligns with the strategic plan and addresses a set of agency-wide priority learning questions. USAID's FY 2022 – FY 2026 Agency Learning Agenda (ALA) (<https://www.usaid.gov/evaluation/evidence-act-agency-learning-agenda>) identifies nine learning questions, as shown in Figure 6 on the next page, guiding evidence generation, sharing, and use in decision making as USAID implements top policy priorities. USAID published its ALA and Capacity Assessment for Research, Evaluation, Statistics, and other Analysis (<https://www.usaid.gov/evaluation/2022-capacity-assessment>) in early 2022, along with the JSP.

In FY 2023, USAID carried out 33 significant evaluations by 15 OUs. USAID defines significant evaluations as evaluations that contribute to answering an ALA question and that are:

- Performance evaluations of activities with a budget of \$40 million or more; or
- Impact evaluations regardless of the budget evaluated; or
- Ex-post² evaluations regardless of the budget evaluated.

Among the 33 significant evaluations, two thirds are complete or planned.

The Evaluation Policy Task Force of the American Evaluation Association has called USAID's Evaluation Policy a "model for other federal agencies." In 2024, PLR updated the Program Cycle policy to align with current Agency policies and initiatives, and included Agency stakeholders in the process. Updates include using Development Diplomacy as a tool to advance progress through and beyond programming; relying on evidence, particularly of cost-effectiveness, when making strategic decisions; integrating humanitarian and peacebuilding efforts into country strategic planning processes; promoting inclusive development and locally-led programming concepts; and mitigating the social impact risks associated with Agency programs. The revisions also identified opportunities to save time and

² An ex-post evaluation is a performance or impact evaluation that examines a strategy, project, activity, or intervention at least one year after it has ended.

FIGURE 6. ALIGNMENT OF USAID’S LEARNING AGENDA QUESTIONS WITH JSP STRATEGIC OBJECTIVES

	2022 – 2026 DEPARTMENT OF STATE AND USAID JOINT STRATEGIC PLAN STRATEGIC OBJECTIVES																
	1.1	1.2	1.3	1.4	1.5	2.1	2.2	2.3	2.4	3.1	3.2	3.3	3.4	3.5	4.1	4.2	4.3
Q1 Ops Effectiveness																	
Q2 Resilience to Shocks																	
Q3 Responding to Climate Change																	
Q4 Anti-Corruption																	
Q5 Affirmative Development																	
Q6 Migration & Forced Displacement																	
Q7 Diversity, Equity, Inclusion and Accessibility																	
Q8 Locally-led Development																	
Q9 Partnering for Sustainability																	

SOURCE: <https://www.usaid.gov/evaluation/evidence-act-agency-learning-agenda>

reduce unnecessary burdens on staff, including for monitoring and evaluation. These updates occurred in parallel to PLR’s broader efforts to align Agency policies, strategies, and budget priorities. The Program Cycle bases strategic planning and activity design on the best available evidence and requires ongoing accountability, learning, and adaptation during strategy development and implementation. USAID’s Program Cycle Operational Policy in ADS 201 requires that USAID’s impact evaluations include a cost analysis of the intervention being evaluated. Per USAID’s Evaluation Dashboard (<https://www.usaid.gov/evaluation/evaluations-usaid-dashboard>), which the Agency uses to track and monitor evaluation progress, USAID’s OUs have completed more than 2,182 external evaluations since the Agency issued its Evaluation Policy in 2011. In the fall of 2021, USAID updated and published its Evaluation Policy (<https://www.usaid.gov/policy/evaluation>) to incorporate changes to the Evidence Act and USAID’s revised ADS 201. USAID requires evaluations (with limited exceptions) to be publicly available on the Agency’s

Development Experience Clearinghouse (DEC) (<https://dec.usaid.gov>) to promote internal and external learning from evaluations.

USAID is building the capacity of its staff and partners to generate and use high-quality evidence for decision making to improve programmatic and operational effectiveness. USAID’s capacity-building approach focuses on four areas of work:

- (1) Delivering classroom and online training courses;
- (2) Creating tools and guidance to support staff in implementing the Program Cycle’s procedures, enhance operational performance, and reduce bureaucratic burdens;
- (3) Providing direct technical assistance on Program Cycle processes and organizational effectiveness to USAID Missions and offices; and
- (4) Facilitating peer-to-peer learning by hosting communities of practice.

For example, USAID:

- Has developed a training curriculum with a set of online and classroom courses tailored to specific staff roles to build capacity in the Program Cycle processes. Courses include “Introduction to the Program Cycle,” “Project Design, Activity Design, and Implementation,” “Performance Monitoring and Evaluation Essentials,” “Applied Performance Monitoring and Evaluation,” “Data Quality Assessment Essentials,” and “Better Development through Collaborating, Learning, and Adapting (CLA).”
- Has trained more than 3,000 staff on evaluation and monitoring fundamentals since 2011.
- Provides templates, checklists, guidance documents, and other tools to support its staff to plan, design, manage, and learn from monitoring and evaluation. USAID has published its toolkits for good practice in monitoring (<https://usaidlearninglab.org/monitoring/monitoring-toolkit>), evaluation (<https://usaidlearninglab.org/evaluation/evaluation-toolkit>), and learning (<https://usaidlearninglab.org/cla/cla-toolkit>) on USAID’s Learning Lab website (<https://usaid-learninglab.org/>).
- Offers training courses and workshops that promote a standard approach to strategic operations management and business analytics across USAID. For example, in FY 2024, USAID

FIGURE 7. ILLUSTRATIVE USAID MANAGEMENT ASSESSMENTS: TYPES, PURPOSES, AND EXAMPLES

USAID MANAGEMENT ASSESSMENTS		
Type	Purpose	Example
Customer Experience Mapping	Analyze customers’ journeys and lived experiences through a process or service to identify opportunities to improve service delivery.	Customer Experience Map for USAID Equal Employment Opportunity (EEO) Complaint, Harassment Complaint, and Misconduct Reporting Processes
Business Process Review	Review USAID processes and functions to improve efficiency and effectiveness.	Early Stage Reorganization of the IPI Bureau
After-Action Review	Learn from important events, activities, and programs through desk research, focus groups, and key informant interviews focused on performance standards and structured on what happened and why, as well as how to sustain strengths and improve on weaknesses.	Anti-Corruption Task Force After-Action Review
Organizational Effectiveness Review	Address systemic issues in operations and identify successful organizational improvement models to improve efficiency and effectiveness to position OUs to achieve their programmatic objectives and service goals.	Ghana Bilateral Mission Organizational Effectiveness Review
Ad Hoc and Continuous Learning Support	Hotwashes, surveys, rapid assessments tailored to the requesting OU’s or team’s goals, scope, and focus, to drive continuous adaptation, learning, and improvement.	Afghan Partner Relocation Task Force Hotwash
Operational Policy Evaluations	Evaluate the content, implementation, and/or impact of an operational policy to drive continuous improvements.	Analysis of task force after-action reviews and hotwashes to support USAID’s implementation of ADS 112, <i>Standard Operating Procedures for Task Forces</i> (https://www.usaid.gov/about-us/agency-policy/series-100/112)

piloted a Data-Informed Development (DID) Certification Program. For more information on the DID Certification Program, please refer to page 83 in the Other Management Information, Initiatives, and Issues section of this AFR. USAID’s training courses and workshops help participants learn and apply analytic business tools to real-life operations issues and catalyze the efforts of an office or Mission to plan and launch an operations performance management system strategically.

USAID also implements an Operational Excellence Agenda to inform continuous management and operational improvements that align with USAID’s ALA. USAID implements a variety of research studies, including but not limited to benchmarking studies, business process reviews, data-driven after-action reviews, customer experience assessments, and cost-effectiveness, and cost-savings and avoidance studies. The Agency publishes its management assessments on the DEC and uses these studies to address major management challenges and recommend practical actions relevant OUs and staff can implement. See Figure 7 on the previous page for illustrative USAID management assessments. In terms of application, as of September 2024, 75 percent of the recommendations proposed and accepted in 2022 and 2023 were either in progress or complete, which reflects USAID’s action- and results-oriented management approach.

ADVANCING EVIDENCE THROUGH KNOWLEDGE MANAGEMENT AND ORGANIZATIONAL LEARNING (KMOL)

As part of its commitment to advance knowledge and evidence use, in FY 2024, USAID launched its first-ever KMOL Policy (<https://www.usaid.gov/policy/KMOL>) with a vision to “improve USAID’s ability to harness its cumulative knowledge, learn from it, and apply those lessons to its work to achieve better results.”

The Policy elaborates on USAID’s commitment to evidence use and strengthening KMOL to achieve the Agency’s mission more effectively and efficiently, and it guides KMOL approaches across USAID’s operations and programming. It includes three strategic goals that build on USAID’s longstanding efforts and lessons learned in sectoral knowledge management; records management; collaborating, learning, and adapting; and monitoring and evaluation. The KMOL policy goals are:

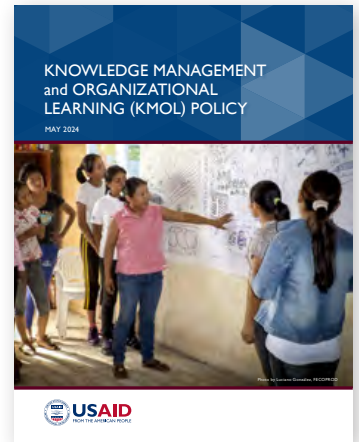
- (1) Steward knowledge as a shared Agency resource;
- (2) Leverage knowledge and learning to enhance program impact; and
- (3) Invest in local knowledge systems to support locally-led development.

As part of rolling out the Policy, USAID is executing a policy implementation plan that includes specific actions and clear milestones, including:

- Developing an ADS Chapter that will provide actionable guidance that supports implementation of the KMOL policy;
- Delivering a virtual training on how to meet Policy requirements;
- Establishing a KMOL Subcommittee to USAID’s senior leader-level Management Operations Council to function as USAID’s governance body for KMOL; and
- Continuing to use the KMOL Action Group, a working group of USAID staff, as a forum for peer learning and feedback to improve the support USAID provides for implementing the Policy.

COST-EFFECTIVENESS (CE)

In FY 2024, USAID advanced efforts to improve the effectiveness of USAID programming and broader global engagement by applying strong economic and behavioral science theory and evidence to the Agency’s work across all sectors. Central to this endeavor



The cover of USAID’s first-ever KMOL Policy, which USAID published in May 2024.



In FY 2024, USAID conducted a CE webinar series, including a public webinar titled, "What Can CE Do For Me?", which USAID delivered in May as part of its Agency Learning and Evidence Month programming.

is CE, which is a measure of impact achieved per dollar spent on an intervention, for a particular population. USAID’s focus on CE enables the Agency to identify and scale evidence-based interventions that are consistently shown to deliver greater impact per dollar on specific outcomes than other approaches.

CE is important because USAID faces countless development and humanitarian challenges, and for each specific challenge the Agency can consider a variety of programming options. Understanding and acting on the tradeoffs across these options allows USAID to achieve the greatest impact possible with available resources. USAID is advancing CE by increasing the use of CE evidence in decision making and by generating more CE evidence that the Agency is uniquely situated to create by leveraging its global programmatic scale.

To support the workforce, USAID hosted a series of three webinars: “Maximizing the Impact of USAID Programs: What is CE?”, “What Can CE Do For Me?”, and “What Works, for Whom, and in which Contexts? Using CE Evidence in the Real World.” In the webinars, USAID elaborated on how staff across USAID can use CE evidence to maximize impact on target outcomes within a budget and in what cases it is strategically valuable for USAID to generate new CE evidence through impact evaluations.

In FY 2024, USAID also developed a CE Position Paper (<https://www.usaid.gov/policy/cost-effectiveness>) to lead by example by articulating USAID’s

commitment to CE and outlining five guiding principles and associated best practices to help the Agency and its partners increase their impact per dollar. The principles include:

- (1) CE is about impact per dollar.
- (2) CE is inherently comparative.
- (3) Context matters.
- (4) Use CE evidence, or produce it (cost-effectively)!
- (5) CE is not the only thing that matters.

This guidance on CE is intended to inform USAID’s decisions about how to invest foreign assistance resources by basing its decisions on analyses and conclusions that are supported by evidence, including evidence of CE where feasible and appropriate. Specifically, the Agency is using CE as a measure of impact per dollar spent on an intervention, for a particular population in specific instances as outlined in the guidance.

In 2024, USAID also released a Position Paper on Direct Monetary Transfers (<https://www.usaid.gov/policy/direct-monetary-transfers>). Direct monetary transfers to individuals, households, and small businesses generate consistently and comparatively strong impacts on common development outcomes, and also further other USAID priorities. They respect the dignity of individuals by empowering them to make choices for themselves, and promote efficient markets such that entire communities and regions, not just recipients grow and benefit.

PERFORMANCE INDICATORS AND TRENDS

USAID uses performance indicators to observe progress and measure actual results compared to expected ones. Hence, performance indicators are an indispensable management tool for USAID to make evidence-based decisions about designing programs, activities, and operations. USAID analyzes and uses performance data to achieve its intended results, taking into consideration that several factors contribute to the overall success of foreign assistance programs and management operations. USAID OUs will report the results of their foreign assistance programs in December 2024 using standard foreign

assistance indicators for FY 2024. USAID will validate these results by March 2025, which is after USAID publishes its AFR.³ Accordingly, the most recent performance data in this AFR section are for FY 2023.⁴ USAID included baseline and trend data when they were available.

DATA QUALITY

Data are only useful for making decisions if it is high quality and relevant. To implement OMB Circular A-11, USAID's ADS 201 requires OUs to adhere to rigorous processes that ensure funded programs produce high-quality data. USAID uses a Performance Indicator Reference Sheet (PIRS) as the primary way to document data quality and consistency for each performance indicator. In each PIRS, the Agency: (1) defines the indicator's meaning, use, and method of data collection, and (2) specifies the data sources and identifies data limitations. USAID uses Data-Quality Assessments (DQAs) to assess the validity, integrity, precision, reliability, and timeliness of performance indicator data; USAID uses a PIRS to record the results of each DQA. Agency policy requires that all externally-reported performance indicator data undergo the DQA process after initial data collection for a new performance indicator and within the 12 months prior to reporting the indicator data externally for the first time, then every three years thereafter. USAID obtains performance data from three sources:

- (1) Primary: data USAID or USAID's implementing partners collect with USAID funds;
- (2) Secondary: data USAID or USAID's implementing partners compile, but that come from other sources; and
- (3) Third-party: data that is typically widely available from U.S. government departments and agencies and international organizations, such as the World Bank or the United Nations (UN).

STRATEGIC GOALS AND RESULTS

Development, alongside diplomacy and defense, is indispensable for the United States to advance its national security and economic interests. USAID's programs save lives; promote inclusive economic growth; strengthen democratic, citizen-responsive governance; and help avert and mitigate crises worldwide. USAID strives to achieve measurable and equitable development results; confronts threats to national security and global stability; demonstrates U.S. leadership; and ensures its programs are effective and accountable to U.S. taxpayers.





Operationally, USAID collaborates with the State Department and other U.S. government agencies to pursue U.S. national security and foreign policy objectives globally. The agencies do this by implementing diplomacy and foreign assistance programs in alignment with the President's National Security Strategy (<https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>).

The GPRAMA of 2010 requires federal departments and agencies to develop strategic plans, APPs, and APRs. USAID has a JSP with the State Department for FY 2022 to FY 2026. As illustrated in Figure 8 on the next page, the JSP outlines the long-term goals each agency aims to achieve, the actions each is taking to realize those goals, and how each is dealing with challenges and risks that could hinder achieving those results. The JSP also includes the short-term performance goals USAID uses to measure progress on those long-term strategic goals and objectives. The FY 2023 APR (<https://www.usaid.gov/reports/annual-performance-report>) serves as the first year of reporting for the FY 2022 – FY 2026 JSP, while the FY 2023 APP serves as the second year of planning for the JSP.

³ USAID chooses to produce an AFR and APR as an alternative to producing a consolidated PAR. USAID submits its AFR to OMB in November each year; in line with OMB guidance, USAID will submit its FY 2024 APR to OMB in January 2025 and publish it at <https://www.usaid.gov/results-and-data/progress-data/annual-performance-report>.

⁴ USAID sets annual targets before the Agency calculates results from the previous year. USAID's Performance Plan and Report (PPR) includes targets one year in advance. For example, USAID set targets for FY 2024 in its FY 2023 PPR.

FIGURE 8. OBLIGATED FUNDS COVERAGE OF STRATEGIC GOALS AND PROGRAM CATEGORIES, FY 2023

Program Categories ¹	Health	Economic Growth	Peace and Security	Education and Social Services	Humanitarian Assistance	Democracy, Human Rights, and Governance	Program Development and Oversight
\$ Obligated (In Billions) ²	\$7.224 (16.7%)	\$18.77 (43.3%)	\$0.3597 (1.0%)	\$1.207 (3.0%)	\$10.3 (23.7%)	\$1.759 (4.0%)	\$3.738 (8.6%)
 Goal 1: Renew U.S. leadership and mobilize coalitions to address the global challenges that have the greatest impact on Americans' security and well-being							
Program Categories	✓	✓	✓		✓		✓
Strategic Objectives I.1 – Strengthen global health security, combat infectious disease threats, and address priority global health challenges through bilateral engagement and within multilateral fora I.2 – Secure ambitious climate mitigation and adaptation outcomes, including supporting effective Paris Agreement implementation I.3 – Reinvigorate U.S. humanitarian leadership and provide lifesaving protection and assistance in response to international disasters and humanitarian crises overseas I.4 – Lead allies and partners to address shared challenges and competitors; prevent, deter, and resolve conflicts; and promote international security I.5 – Enhance foreign publics' understanding of and support for the values and policies of the United States							
 Goal 2: Promote global prosperity and shape an international environment in which the United States can thrive							
Program Categories		✓					
Strategic Objectives 2.1 – Promote a global economy that creates opportunities for all Americans 2.2 – Support inclusive and sustainable economic growth and opportunity for communities around the globe 2.3 – Support U.S. technological leadership, strengthen competitiveness, and enhance and protect the U.S. innovation base while leveraging technology to improve lives around the world 2.4 – Strengthen U.S. and global resilience to economic, technological, environmental, and other systemic shocks							
 Goal 3: Strengthen democratic institutions, uphold universal values, and promote human dignity							
Program Categories	✓	✓	✓	✓		✓	
Strategic Objectives 3.1 – Promote good governance and defend strong, accountable, and resilient democracies that deliver for their citizens 3.2 – Advance equity, accessibility, and rights for all 3.3 – Prevent, expose, and reduce corruption 3.4 – Promote a safe, humane, and orderly immigration and asylum system, address the root causes of irregular migration collaboratively with our partners, and enhance protections for refugees and displaced persons 3.5 – Improve inclusive and equitable health, education, and livelihood services, especially for women, youth, and marginalized groups							
 Goal 4: Revitalize the diplomatic and development workforce and institutions							
Program Categories					✓		✓
Strategic Objectives 4.1 – Build and equip a diverse, inclusive, resilient, and dynamic workforce 4.2 – Modernize IT and leverage data to inform decision-making and support mission delivery 4.3 – Protect our personnel, information, and physical infrastructure from 21st century threats							

Note: Strategic Goals 1–4 and related Strategic Objectives are from the State-USAID FY 2022 – FY 2026 Joint Strategic Goal Framework. The U.S. Department of State exclusively manages JSP Strategic Goal 5 and related Strategic Objectives.

¹ USAID implemented the revised Standardized Program Structure and Definition (SPSD) at the beginning of FY 2017. The program categories in this table reflect the SPSP program categories USAID discusses in the Mission and Organizational Structure, the Financial Statements, and Notes to the Financial Statements of this AFR.

² Data are from ForeignAssistance.gov (<https://www.foreignassistance.gov/>) and only include USAID program obligations.

Under GPRAMA, USAID reports quarterly and publicly on its progress implementing its Agency Priority Goals (APGs) (<https://www.performance.gov/agencies/usaid/apg/fy-24-25/>).⁵ USAID’s FY 2022 – FY 2023 APGs focused on Resilience and Food Security; Preventing Child and Maternal Deaths; DEIA in USAID Programs; Democracy and Governance; Climate Change (joint with State); DEIA in Staffing (joint with State); and HIV/AIDS (joint with State). USAID finished reporting on these APGs in the first quarter of FY 2024. For the FY 2024 – FY 2025 APG cycle, USAID renewed all

of its APGs except for its DEIA in Staffing Joint APG with the State Department. USAID did not renew this APG because USAID is continuing to accomplish this priority by implementing its DEIA Strategic Plan and other DEIA-focused initiatives, which USAID describes in the Other Management Information, Issues, and Initiatives section of this AFR.

USAID results and targets for all its APGs, which provide progress updates on USAID’s strategic goals and indicators, are included in relevant sections in this AFR.

PERFORMANCE GOAL ACCOMPLISHMENT HIGHLIGHTS

Below are highlights of USAID’s performance accomplishments that support the Agency’s achievement of its strategic goals outlined in the FY 2022 – FY 2026 USAID-State JSP.

STRATEGIC GOAL I

Renew U.S. leadership and mobilize coalitions to address the global challenges that have the greatest impact on Americans’ security and well-being

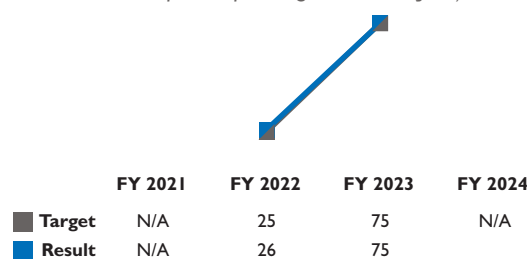
PUBLIC BENEFIT⁶

U.S. foreign policy delivers security for the American people, creates economic opportunities, and addresses global challenges that affect Americans’ lives directly. From global pandemics and the climate crisis to unprecedented, forced migration and protracted humanitarian crises, some of the biggest challenges Americans face require collective global action, led by the United States working in concert with its partners and allies, and through international and multilateral institutions the United States helped build, shape, and lead. Figure 9 shows an illustrative performance indicator for Strategic Goal 1.

The United States’ unmatched web of bilateral and multilateral alliances and local partnerships are its greatest force multiplier in maintaining a stable, open, rules-based international system. These alliances and partnerships enhance the United States’ ability to deter and disrupt threats before

FIGURE 9. GOAL I ILLUSTRATIVE PERFORMANCE INDICATOR

Number of countries with which the United States establishes or strengthens collaboration to enhance development and implementation of National Adaptation Plans (NAPs) or other national adaptation planning documents (Joint) **APG ★**



SOURCE: FY 2025 APP/FY 2023 APR

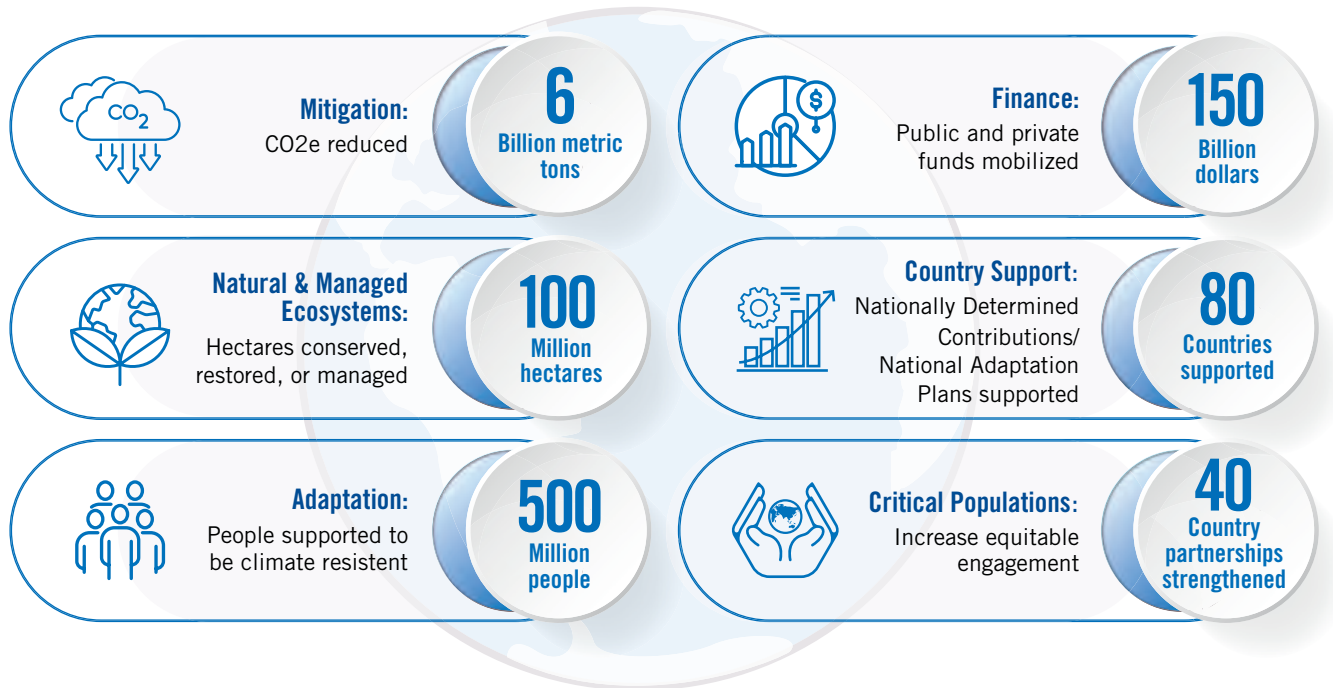
they reach its shores and to counter and compete with its adversaries. These connections amplify U.S. humanitarian and development assistance and enable it to prevent and mitigate conflicts more effectively.

As part of the JSP, the United States modernizes alliances and revitalizes international institutions to meet the challenges of this century, from climate change and global pandemics to cyber threats, information manipulation, and digital repression. USAID, in collaboration with other agencies, is

⁵ USAID’s APGs from FY 2020 – FY 2021 and earlier are located on Performance.gov archive sites. Please visit the Trump Administration Archives (<https://trumpadministration.archives.performance.gov/>), Obama Administration Archives (<https://obamaadministration.archives.performance.gov/>), and Bush Administration Archives (<https://georgewbush-whitehouse.archives.gov/results/agenda/index.html>) of Performance.gov for historical APG data.

⁶ The language in this Public Benefit subsection is based on the Goal I “Strategic Goal Overview” on page 12 of the FY 2022 – FY 2026 USAID-State JSP.

FIGURE 10. CLIMATE STRATEGY TARGETS 2022 – 2030



forging new partnerships across regions, bringing together subnational and national governments; the private sector; civil society; local organizations, including those representing marginalized, Indigenous, and faith-based communities; and social and youth movements. USAID has helped strengthen institutional capacity in partner nations and promote international cooperation to combat transnational threats, information manipulation, and aggression. Further, the United States takes a leadership role in multilateral organizations to ensure they continue to reflect the universal values, aspirations, and norms on which the organizations were founded. USAID and the State Department continue their work to enhance foreign publics’ understanding of and support for the values and policies of the United States to support all of these efforts.

LINKING ACTIVITIES TO OUTCOMES

The climate crisis profoundly threatens the global economy, national security, global health, food security, and natural ecosystems among others. To avoid catastrophic damage, donors aim to change the global emissions trajectory to limit global temperature rise to 1.5 degrees celsius and help hundreds of millions of people adapt to, build resilience, and manage the impacts of climate change.

USAID launched its whole-of-agency Climate Strategy 2022–2030 (<https://www.usaid.gov/sites/default/files/2022-11/USAID-Climate-Strategy-2022-2030.pdf>) in April 2022. USAID centered the Climate Strategy on six ambitious targets that the Agency aims to achieve by 2030, as shown in Figure 10.

As illustrated in Figure 11 on the next page, in May 2024, USAID reported on its Climate Strategy implementation progress with a review of its climate work in FY 2023 (<https://storymaps.arcgis.com/stories/336fa1cc7ec143829096479a72cee39a>).

In FY 2023, USAID supported its partners to:

- Prevent 295 million tons of greenhouse gas emissions (equal to taking 25 percent of the cars in the United States off the road for one year);
- Help communities in more than 60 countries build their resilience to climate impacts;
- Conserve 82 million hectares of tropical rainforests (an area twice the size of California); and
- Mobilize \$16.7 billion in outside public and private finance on top of USAID’s work.

FIGURE 11. CLIMATE STRATEGY IMPLEMENTATION PROGRESS, FY 2023

CLIMATE MITIGATION FY 2023 UPDATES	CLIMATE ADAPTATION FY 2023 UPDATES
<ul style="list-style-type: none">● In FY 2023, the State Department and USAID established or strengthened collaboration with 27 countries to enhance mitigation through the implementation of Nationally Determined Contributions (NDCs) and/or net-zero emissions strategies, exceeding the APG target of 24 countries for this performance indicator.● In 23 of those countries, USAID and the State Department provided diplomatic, technical, or financial support for enhanced implementation that strengthened NDCs and/or net-zero emission strategies.● The State Department and USAID continued to work on several major mitigation initiatives, including the Global Methane Pledge (https://www.globalmethanepledge.org/), the Forest and Climate Leaders Partnership (https://forestclimateleaders.org/), and the Green Shipping Challenge (https://greenshippingchallenge.org/)	<ul style="list-style-type: none">● In FY 2023, USAID and the State Department led the development of a primer on U.S. International Adaptation and Resilience, which the White House released.● The primer highlights examples of how U.S. government agencies are implementing the President's Emergency Plan for Adaptation and Resilience (PREPARE) and includes actions agencies are taking to implement the PREPARE Action Plan, which the U.S. government launched in 2022.

RESULTS HIGHLIGHTS

In FY 2023, USAID:

- Supported 50 countries through the Global Health Security (GHS) Program to develop and sustain capacities to prevent avoidable outbreaks, detect threats early, and respond rapidly and effectively to emerging infectious disease (EID) outbreaks. The USAID GHS Program assisted 24 countries to design and implement interventions at high-risk interfaces to reduce the risk of zoonotic spillover; supported 31 countries to develop and implement surveillance strategies to monitor zoonotic disease threats and antimicrobial resistance (AMR); and invested in 19 countries to implement biosafety and biosecurity interventions and strengthen the capacity of more than 130 laboratories to detect EIDs and AMR. With support from the GHS Program, USAID trained more than 40,000 health professionals from 32 countries in GHS technical areas.
- Called for continued global commitment to improving maternal and child survival through increasing coverage, strengthening the quality of care, and enhancing equity under the new Preventing Child and Maternal Death framework.
- Advanced efforts to: prevent, deter, and resolve conflicts through targeted activities, including projects to promote people-to-people reconciliation across 15 countries; provide support for more than 18,000 women participating in peace-building processes, 81 new groups and initiatives dedicated to resolving conflicts, and 44 peace and reconciliation events, training, and activities; and executed timely interventions in response to complex crises and transitions in 17 countries.
- Developed country/region ten-year plans to address root causes of fragility and trained 1,674 USAID staff, interagency counterparts, and implementing partners on how to anticipate and prevent conflicts and atrocities in fragile communities through courses on conflict-sensitive aid, WPS strategy, and atrocity prevention.
- Elevated prevention and collaborated with like minded partners to address political drivers of conflict and fragility by implementing the U.S. Strategy to Prevent Conflict and Promote Stability (<https://www.state.gov/stability-strategy/>) in four countries (Haiti, Libya, Mozambique, and Papua New Guinea) and one region of Coastal West Africa (Benin, Côte d'Ivoire, Ghana, Guinea, and Togo).



Drought impact in West Arsi, Ethiopia. Herds of animals can be seen for miles off in the distance as their long journeys in search of water raise up impressive plumes of gray dust. Here, in the middle of Ethiopia's Rift Valley in Oromia, there would normally be perennial water sources, but the animals wander disoriented because even here, every drop is gone. USAID and Catholic Relief Services provide emergency food assistance to some of the most vulnerable Ethiopians.

PHOTO: NANCY MCNALLY FOR CATHOLIC RELIEF SERVICES

HOLISTIC SOLUTIONS: VETERINARIANS LEAD WITH ONE HEALTH

Africa's drylands are vibrant centers of biodiversity and natural resources, livestock production and trade, and cultural diversity. Despite these bounties, local communities face chronic political, environmental, and health challenges. Drought affects all aspects of life. Livestock health suffers as forage dwindles, causing an increase in malnutrition. Out of desperation for food and income, households abandon their pastoral livelihoods and congregate close to service centers, overgrazing the surrounding lands. Families often turn to illegally harvesting wildlife and timber, further degrading the land. As a result, the health of the people, animals, and the ecosystem worsens.

One Health is a unifying approach that aims to integrate development and humanitarian efforts at the nexus for equitable health of people, animals, and ecosystems. This approach requires collaboration from diverse experts, such as epidemiologists, agricultural scientists, sociologists, veterinarians, anthropologists, economists, hydrologists, engineers, public health professionals, and others, to be successful.

These are complex development and humanitarian problems that require strategic, integrated solutions. Veterinarians often play pivotal roles in these situations. Due to veterinarians' deep understanding of the interconnections among human, animal, and ecosystem health, veterinarians are uniquely qualified to engage cross-sectoral teams. USAID's One Health initiatives improve the well-being of communities by addressing the interconnected health of people, animals, and ecosystems. These efforts aim to increase resilience and enhance nutrition, which lead to more sustainable livelihoods in vulnerable regions.

COORDINATING ACROSS SECTORS LEADS TO BROADER OUTCOMES

The COVID-19 pandemic highlighted the critical need to coordinate across development and humanitarian sectors. USAID's One Health initiative (<https://www.usaid.gov/biodiversity/stories/human-health-environment>), which is supported by the Quadripartite Alliance, which includes the

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World Health Organization (WHO), World Organization for Animal Health, United Nations Environment Program, and the United Nations Food and Agriculture Organization (FAO), aims to balance and optimize the health of people, animals, and ecosystems in a sustainable way.

In Chad, for instance, veterinarians work with nutrition and water, sanitation, and hygiene (WASH) counterparts to support integrative research on livestock’s impact on nutrition for children under age five. Previous research found that malnutrition during drought was lower in women and children who received counseling on human nutrition and early interventions to ensure livestock remain resilient during drought. In Chad, integrating safe water supply into livestock and nutrition programming is expected to decrease water contamination and diarrheal disease. This research advances One Health by incorporating preventive, cost-effective environmental and public health components.

ONE HEALTH AND USAID VETERINARIANS

Veterinarians at USAID are advocating for more One Health programming to provide Missions with critical support that reflects the reality on the ground. Several projects that are part of USAID’s Global Health Security Program are demonstrating the real-world impact of One Health programming. For example, USAID’s Transformational Strategies for Farm Output Risk Mitigation and its partnership with FAO’s Emergency Centre for Transboundary Animal Diseases (ECTAD) are addressing emerging infectious diseases and AMR in animal production value chains around the world. Through the Agency’s partnership with FAO, USAID strengthens surveillance for critical zoonotic diseases at the interface of wildlife, domestic livestock, and human health. By partnering with the private and public sectors, USAID aims to strengthen and synergize capacities to mitigate future health threats.

STRATEGIC GOAL 2

Promote global prosperity and shape an international environment in which the United States can thrive

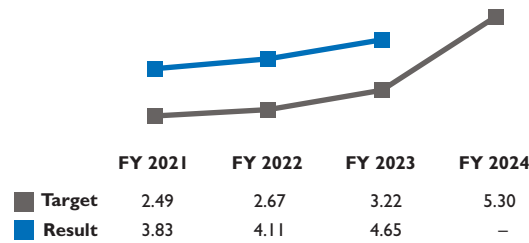
PUBLIC BENEFIT⁷

Trends in inequality and stresses on economic livelihoods have emerged as defining challenges for democratic governments globally. USAID promotes inclusive, sustainable growth and builds economic, environmental, and technology systems and infrastructure that are resilient to present and future shocks and challenges, delivering for all U.S. citizens while improving lives internationally. Figure 12 shows an illustrative performance indicator for Strategic Goal 2.

To enable sustainable, inclusive growth at home and abroad, the United States must maintain its leading edge in innovation and entrepreneurship, while using foreign assistance to make smart and effective investments to build open, market-based economies around the globe. USAID supports a level playing

FIGURE 12. GOAL 2 ILLUSTRATIVE PERFORMANCE INDICATOR

Value of annual sales of producers and firms that are receiving U.S. government assistance in U.S. dollars (in billions) (USAID) APG ★



SOURCE: FY 2025 APP/FY 2023 APR

field, fair competition, and the rule of law while building the networks and coalitions to support these aims. USAID leads the international community in ensuring that the promise of transformative new technologies delivers for people. This includes shaping norms and standards to protect the interests, boost competitiveness, and uphold international values of transparency and accountability.

⁷ The language in this Public Benefit subsection is based on the Goal 2 “Strategic Goal Overview” on page 23 of the FY 2022 – FY 2026 USAID-State JSP.

The Agency works to increase economic resilience at home and abroad, diversify and protect critical supply chains, and defend against cyber threats and other disruptions that directly affect U.S. citizens' lives and livelihoods. USAID grounds all of these efforts in equity and inclusion and a commitment to future generations to protect the environment; promote democratic values; combat corruption; and develop human capital, including science, technology, engineering, and mathematics (STEM) skills for the workers of the future.

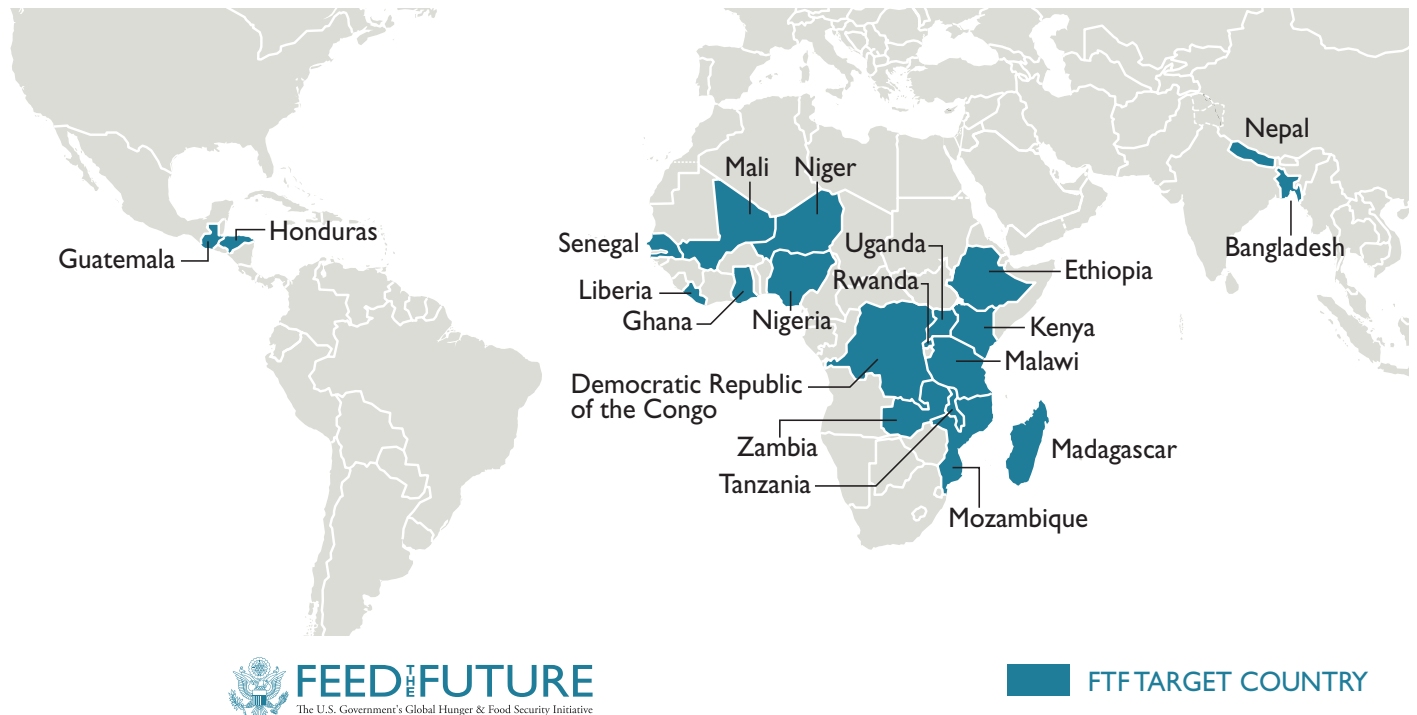
LINKING ACTIVITIES TO OUTCOMES

FTF (<https://www.feedthefuture.gov/>), the U.S. government's global hunger and food-security initiative, is one of the main vehicles through which USAID achieves the Goal 2 APG for annual sales by assisting farms and firms in the agriculture and food system. FTF also drives much of USAID's contributions to Strategic Objectives 2.2, "Support inclusive and sustainable economic growth and opportunity for communities around the globe,"

and 2.4, "Strengthen U.S. and global resilience to economic, technological, environmental, and other systemic shocks."

FTF is a whole-of-government initiative that draws on the agricultural, trade, investment, development, and policy resources and expertise of multiple U.S. federal departments and agencies. FTF is guided by the 2022 – 2026 Global Food Security Strategy (GFSS) (<https://www.usaid.gov/what-we-do/agriculture-and-food-security/us-government-global-food-security-strategy>) and focuses on 20 target countries, as shown in Figure 13, eight of which the U.S. government added in FY 2022. FTF has three objectives: (1) inclusive and sustainable agriculture-led economic growth; (2) strengthened resilience among people, communities, countries, and systems; and (3) a well-nourished population, especially among women and children. FTF prioritizes five crosscutting objectives to support context-appropriate programming and successful adaptation in a complex and constantly changing global landscape: (1) equity and inclusion,

FIGURE 13. FEED THE FUTURE TARGET COUNTRIES



SOURCE: USAID

(2) climate change, (3) long-term COVID-19 impacts, (4) strengthening food systems, and (5) integrating conflict mitigation, peacebuilding, and social cohesion.

By implementing FTF, the U.S. government and its partners address current and emerging crises and shocks that threaten to undermine progress on global food security and nutrition to achieve a more food-secure future globally. Threats to food security include the lingering effects of the COVID-19 pandemic; increased global food, fuel, and fertilizer prices exacerbated by Putin's war on Ukraine; conflict and inequity; and the acceleration of climate change impacts. The World Bank estimates that the pandemic alone pushed 90 million more people into extreme poverty in 2020. Further, approximately 730 million people worldwide are severely food insecure, with higher food insecurity rates among women than men, according to the FAO. In FY 2023, USAID developed updated Country Plans in target FTF countries that align activities with the 2022 – 2026 GFSS in addition to providing support to the broader set of FTF-funded countries. USAID Missions also implemented programming funded under the Ukraine Supplemental that countries weather, recover from, and build resilience to macroeconomic and worsening climate-related and other shocks. Additionally, USAID worked to address the unprecedented drought in the Horn of Africa and in the Sahel, where the global food security crisis has compounded an already dire situation. This work layers humanitarian and development assistance in ways that save lives while fueling recovery and strengthening resilience to future shocks and stresses.

RESULTS HIGHLIGHTS

Starting in FY 2023 and through today, USAID:

- Led implementation of the revised 2022 – 2026 GFSS (<https://www.usaid.gov/what-we-do/agriculture-and-food-security/us-government-global-food-security-strategy>), supporting 20 FTF target countries develop Country Plans and design and implement activities.
- Coordinated \$915 million in Ukraine Supplemental food security funds appropriated in FY 2022 and 2023 for programming that strengthened local capacity for agricultural capacity and resilience, soil health, and fertilizer supply, as well as addressing macroeconomic shocks and nutrition gaps.
- Supported public-private partnerships to promote uptake of innovative drought-tolerant maize in sub-Saharan Africa, reaching 7 million farm families directly via the private seed sector (35 million people) and adding over \$1.25 billion to the local economy while making staple foods more affordable.
- Supported multi-sector investments to strengthen resilience systems in climate-vulnerable populations prone to recurrent crises in part through FTF investments of more than \$1 billion globally, while reducing the unsustainable costs of responding to large-scale humanitarian emergencies.
- Initiated Resilience Food Security Activities (RFSAs) (<https://www.usaid.gov/humanitarian-assistance/partner-with-bhal/bha-rfsa>) in Somalia and Madagascar, bringing the total number of ongoing RFSAs to 26 awards in 12 countries, representing an annual expenditure of \$365 million.
- The Agency promoted food systems resilience in important global fora, including as co-host of a Resilience Evidence Forum that attracted more than 1,000 virtual and in-person participants.
- Announced, in collaboration with USDA and the State Department, a \$25 million contribution to kick-start the Global Fertilizer Challenge to expand fertilizer and soil health programs globally, including in low- and middle-income countries (<https://www.state.gov/global-fertilizer-challenge-raises-135-million-for-fertilizer-efficiency-and-soil-health-measures-to-combat-food-insecurity/>).



A farmer proudly shows off his new tree garden in northern Uganda. Behind him is Rom Central Forest Reserve.
PHOTO: ANNAH NATUKUNDA FOR USAID

AGROFORESTRY FOR RESILIENCE

Forests purify the air we breathe, filter the water we drink, prevent erosion, and help address climate change by absorbing planet-warming carbon. Particularly in the developing world, forest ecosystems are vital to local communities, providing timber, poles, firewood, and medicines—all crucial for community survival. Yet, without a way to replenish these precious natural resources, these communities who rely on the forests are also contributing to their destruction.

Betty is a smallholder farmer who lives close to the boundary of Rom Central Forest Reserve, where she collects firewood for cooking. Like the many other

farmers in the region, Betty relies on the forest; their lives will grow more difficult in the coming years if the forest is depleted. To address this, USAID reached out to these communities to help create lasting environmental change, enhance economic sustainability, and increase community and household resilience for people, including Betty.

In January 2022, Betty learned how to earn money from tree planting during a village savings group meeting. She welcomed the idea because it would mean increasing her income while also conserving the environment that her family and community rely on. USAID partners with Kijani Forestry, a social enterprise, to promote activities such as tree planting,

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- Mobilized \$135 million in private capital for connectivity and digital services across 24 countries through USAID's Digital Invest program and conducted Digital Ecosystem Country Assessments in 18 countries, to help USAID and its partner governments better respond to changes and challenges in this sector.
- Led Greater Internet Freedom (<https://greater-internetfreedom.org/>), a four-year, \$22.2 million global project that strengthens the capacity of civil society, independent media, and human rights defenders on digital security and digital governance.

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farmer-managed forest regeneration, and community forestry management. These activities protect and enhance the health and diversity of forests, while ensuring they continue to provide environmental, social, and economic benefits for present and future generations, particularly those living near central forest reserves.

With USAID support, Kijani Forestry provided fast-maturing, indigenous tree seeds and training about improved tree planting practices to more than 200 farmers living near Rom and Napono Central Forest Reserves in Agago and Kitgum districts in northern Uganda. Kijani also helped farmers set up community tree nurseries. Equipped with their new knowledge, the farmers tended the 270,000 newly planted indigenous tree seedlings until the rains came in August, and they were able to transplant the trees successfully.

According to Innocent Lubangeke, Area Coordinator for Kijani Forestry, the farmers welcomed the call to join the tree plantings and were committed to tending to community nurseries before transplanting to their private gardens.

“Most of the seedlings we distributed were planted,” Innocent said. “The major emphasis was on boundary planting along the border with [central forest reserves]. We encourage them to plant *Acacia polyacantha* around their timber tree gardens and acacia thorn trees for charcoal production. Sometimes, the timber species are attacked by livestock and even wildlife, so we encourage farmers to plant *Acacia polyacantha* as the boundary and plant timber species on the inside.”

Betty is one of more than 200 smallholder farmers who planted indigenous tree species after attending training Kijani Forestry facilitated. In August 2022, Betty planted

700 trees, most of which are thriving. This year, Betty is expanding her tree garden by planting 500 additional seedlings. The acacia tree species will mature over a five-year period, while the timber species will take about eight years before harvesting. Kijani Forestry will buy the timber and other trees at a premium price, which will increase the incomes for the farmers selling the products. “We have our contracted and registered farmers and won’t buy from unregistered farmers,” Innocent said. “For timber, we will buy standing trees in the garden [and] harvest and transport the trees at our cost.”

Kijani also provided farmers with improved seeds for *simsim* (sesame) and soya beans to plant in their tree gardens as an alternative way to earn income while the trees mature. The farmers have made more than UGX 20 million (more than \$5,000) from their first harvest of sesame sales, which has helped cover daily expenses. The farmers have also used some sesame for household consumption, which has increased their household resilience. By using their own planted trees for wood, fuel, and other purposes, the farmers are generating sustainable income for themselves and their communities, as well as enabling the nearby central forest reserves to regenerate.

With the money Betty will earn from selling mature trees, she plans to build a better home for her family. As Betty’s story illustrates, farmers are key actors and decision makers in programming to conserve and regenerate natural resources while increasing household and community incomes and resilience. By fostering sustainable practices and empowering local farmers, USAID’s efforts not only ensure environmental conservation but also create lasting economic opportunities that benefit both the people and the ecosystems they depend on.

- Supported research, innovation, and technology through the:
 - ✦ Women in the Digital Economy Fund (<https://www.usaid.gov/digital-development/gender-digital>);
 - ✦ Expansion of the eTrade Alliance;
 - ✦ Water for Energy and Food Grand Challenge;
 - ✦ Digital Apex partner cybersecurity support;
 - ✦ Responsible AI Challenge partnership with Mozilla Foundation;
 - ✦ Global Index on Responsible AI (<https://www.usaid.gov/digital-development/gender-digital>);
 - ✦ Long-term Assistance and Services in Research and BRIDGE programs; and
 - ✦ Participation in global digital finance alliances such as the Better Than Cash Alliance.

STRATEGIC GOAL 3

Strengthen democratic institutions, uphold universal values, and promote human dignity

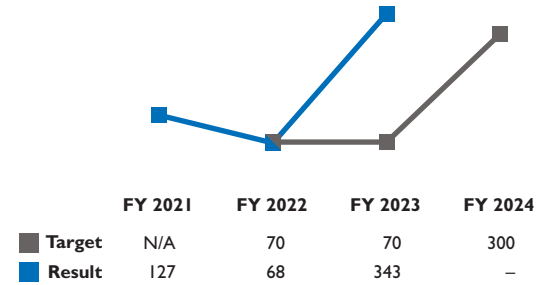
PUBLIC BENEFIT⁸

The world is at an inflection point: 2024 marked the 18th consecutive year of global democratic decline, and the pace of decline has accelerated such that 68 percent of the global population lives in autocracies. Meanwhile, pro-democracy movements are facing new emergency laws that are being instituted in the name of public health and other means of “legally justified” autocratic repression. Authoritarian competitors to the United States seek to challenge the very ideas that inspire democratic institutions, human rights, and societal cohesion on the global stage and in international fora—both to protect regimes that abuse the concept of sovereignty to hide their domestic abuses and to discredit U.S. global leadership. Figure 14, to the right, and Figure 15 on the next page, show illustrative performance indicators for Strategic Goal 3.

The case for democracy, however, remains strong. The principles of consent of the governed, limits on executive authority, transparency and accountability, and the rule of law continue to underpin the peaceful advancement of societies, especially in terms of global stability and prosperity. In this context, revitalizing democracy in the 21st century is a top national security priority. USAID is committed to revitalizing democracies that are accountable to and deliver for their citizens. To do this, USAID joins in common cause with like minded allies and partners globally to promote and protect democracy while helping democracies deliver for their citizens, elevate human rights, combat corruption, and manage migration humanely. The U.S. government collaborates with partner country governments, civil society, and communities to ensure that the voices of marginalized populations are considered in the development of policies that might affect them, while promoting healthy interaction and dialogue. The Agency furthers equity, inclusion, accessibility, support for human rights for all people—with a particular focus on the resilience

FIGURE 14. GOAL 3 ILLUSTRATIVE PERFORMANCE INDICATOR

Number of anti-corruption measures adopted or implemented due to U.S. government assistance, to include laws, policies, and procedures (USAID)



SOURCE: FY 2025 APP/FY 2023 APR

of marginalized peoples, including individuals from marginalized racial, ethnic, Indigenous, and religious communities; persons with disabilities; LGBTQI+ individuals; women and older persons—by improving and adapting policy, public diplomacy, foreign assistance, and humanitarian aid. This extends to how USAID engages in strategic planning, policy formulation, budgeting, programming, training, outreach, learning, and reporting and includes investments in efforts to redress inequities that serve as barriers to equal access and opportunity.

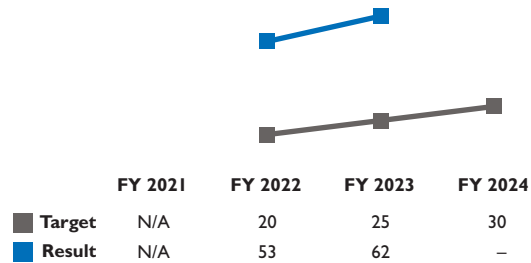
LINKING ACTIVITIES TO OUTCOMES

USAID is increasing equitable outcomes with partners, including implementing partners, globally. Governments, civil society, local organizations (including those that represent marginalized, Indigenous, and faith-based communities), social and youth movements, and populations with which USAID works often cannot operate on an equal footing with international agencies. Barriers can remove or reduce local communities’ input from the decision making process on critical programs, even though these communities have the greatest stake in the success of the programs. Marginalized communities and populations, including those facing discrimination with limited access to a country’s benefits, legal protections, or social participation, are often excluded from the

⁸ The language in this Public Benefit subsection is based on the Goal 3 “Strategic Goal Overview” on page 31 of the FY 2022 – FY 2026 USAID-State JSP

FIGURE 15. GOAL 3 ILLUSTRATIVE PERFORMANCE INDICATOR

Number of standalone and/or integrated human rights programs/interventions that seek to prevent human rights abuses, protect human rights defenders and respond to human rights abuses, with special focus on the most marginalized populations



SOURCE: FY 2025 APP/FY 2023 APR

benefits of development programs when there are no specific efforts to involve them in development programming. This undermines progress toward the UN 2030 SDGs (<https://sdgs.un.org/goals>).

USAID embeds DEIA in its programs and operations through its Equity Action Plan (EAP) (<https://www.usaid.gov/equity/equity-action-plan>) and DEIA in Programs APG (<https://www.performance.gov/agencies/usaid/apg/fy-24-25/goal-3/>). In the EAP, USAID identified gaps in advancing equity with underserved communities, including racial and ethnic equity, in policies, programs, and partners and detailed five commitments to address these gaps. USAID has closely linked its EAP and APG by aligning the APG goal strategies with the five key actions in the EAP.

RESULTS HIGHLIGHTS

In FY 2023, USAID:

- Through the Gender Equity and Equality Action (GEEA) Fund (<https://www.usaid.gov/geefund>), directly supported 58 activities across 63 countries and actively engaged more than 125 governments, private-sector companies, foundations, and civil-society organizations that have contributed resources and expertise to increase innovation and impact to further women’s economic security.

- Launched the 2023 Gender Equality and Women’s Empowerment Policy (<https://www.usaid.gov/gender-policy>), which provides the vision for USAID’s work to advance gender equality and women’s empowerment globally, establishing strategic objectives and guiding principles and driving investments across Agency operations and programs to achieve these aims. USAID’s new LGBTQI+ and existing Indigenous Peoples, Disability, and Youth policies guide and reinforce USAID’s commitment to inclusion, locally-led development, and human rights.
- Through its Human Rights Grant Program (<https://www.usaid.gov/document/human-rights-grants-program-hrgp-overview>), and the Agency’s Human Rights Support Mechanism’s (HRSM’s) Rapid Response supported 16 Missions in addressing human rights violations in an urgent manner.
- Produced resources to support Missions, such as updated Gender 101 training and inclusive development training; updated the ADS 205, *Integrating Gender Equality and Women’s Empowerment in USAID’s Program Cycle* (<https://www.usaid.gov/about-us/agency-policy/series-200/205>), including a new Inclusive Development ADS 201 Help Document (https://www.usaid.gov/sites/default/files/2023-10/USAID-ID-Hub_ADS-201-AH-Documents_Oct-2023_1.pdf); and developed webinars: to support Gender Integration in Monitoring, Evaluation, and Learning (MEL) processes; on inclusive development across the Program Cycle; and on best practices for Advancing Racial Equity.
- Surged resources and staffing support through the Democracy Delivers program to democratic openings when they occurred. As democratic breakthroughs are inherently unpredictable, USAID employed flexible, multiyear commitments; worked across development sectors; cultivated partnerships; and grew its rapid-response capability.



Radusha Village, North Macedonia, population 4,000. PHOTO: LEE WEBER FOR USAID

CREATING INCLUSIVE SPACES FOR ALL

The village of Radusha in North Macedonia sits just over a hill near the country's capital, Skopje. With a population of 4,000, Radusha may seem small, but its community is mighty. The village is making important changes from the inside out, including by identifying and addressing the need for a therapeutic, calming space in fewer than six months.

First, a leader with a vision connected the dots. Faik Konica Elementary School Director Besim Agushi regularly organizes Parent Council meetings to identify the village's education needs. In early 2022, parents of children with autism voiced their pressing need for support. With the help of USAID, the local community established a sensory room at the elementary school, one of only a few dozen in the country.

Head Teacher Ilvije Arifi credits social inclusion as the glue behind the effort. "There is so much more acceptance of autism now than 15 to 20 years ago," she said. "Students see their peers with autism as different but equal." In North Macedonia, autistic children are required by law to attend and learn in the same classrooms as their neurotypical peers. They have the right to request a class assistant for support. However, classrooms can still create obstacles for students with autism who are dealing with sensory overload. This is because many people with autism experience sensory differences: they may be oversensitive to one or more of the five senses and under-sensitive to others. Often, it is a combination of both. Sensory rooms can help people with autism regulate feelings of distress.

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- Provided assistance that contributed to 343 anti-corruption measures—including laws, policies, and procedures—being adopted or implemented, and exceeding by 390 percent the performance indicator target of 70. Additionally,

USAID launched new programs, including a Grand Challenge for Corruption in green energy, developed cross-sector guidance for combating corruption, and established an Anti-Corruption Center (ACC) in its new DRG.

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In Radusha, the room features a swing, materials for touching, and a water bubble machine (like a big lava lamp) to foster a calming environment. Exercise can help students positively channel excess energy, so some sensory rooms have hula hoops, exercise bikes, or moveable obstacle courses. USAID's Local Works program (<https://www.usaid.gov/local-faith-and-transformative-partnerships/local-works>) aims to empower local communities such as Radusha to identify and address their development challenges.

Through the Social Impact Investments in Communities project (<https://www.usaid.gov/north-macedonia/fact-sheets/apr-03-2023-social-impact-investments-communities>), USAID brings together local citizens, civil-society organizations, municipal authorities, businesses, and other interest groups to generate ideas, develop projects with broad social impact, and mobilize resources to implement them.

With USAID support, local partner Albiz Foundation (<https://albiz.org.mk/en/>) provided the group with guidance and advocacy support on how to carry out its plan. Albiz helped organize information sessions and awareness campaigns to educate the community. The sessions focused on facts about autism and the benefits of sensory rooms. School psychologist Selvije Murati described the village environment as supportive but unaware of the needs of students with autism. The outreach, in turn, helped the community attract and mobilize additional resources.

The Albiz Foundation helped the community group identify and attract financial support for the sensory room through the community's own networks. The community gathered more than \$9,000 of in-kind donations, pro bono work, and business donations and, with USAID's gap funding, successfully completed the initiative. The sensory room opened in December 2022. Designers incorporated pastel

walls, soft carpets, and gymnastic floor mats as calming features. Students remove their shoes and interact with LED lights, magnetic whiteboards, and a blackout playhouse. To date, teachers report the space is used by students for three to six hours a week. The sensory room is open to all students who can benefit, including learners without identified disabilities.

In Radusha, the community group now seeks to address the need for technically certified teachers to work in the sensory room. However, there is a critical need throughout the country for professional educators trained in supporting individuals with autism. Still, the group is optimistic, having successfully created an inclusive space for the children in their village.

Since 2021, USAID and the Albiz Foundation have mobilized more than \$200,000 in cash and in-kind donations, such as local government donations of space, local construction workers' pro bono input, and cash donations needed for community-based projects in four municipalities in North Macedonia.

USAID will continue to partner with the private sector and the Albiz Foundation through 2025 to broaden the impact of initiatives. The project aims to leverage partnerships and lessons learned to create sustained impact by fostering inclusivity and accessibility for individuals with sensory processing differences both locally and nationally. By creating inclusive spaces like the sensory room and fostering local partnerships, USAID's efforts in Radusha are empowering communities to address the unique needs of all children, promoting greater acceptance and accessibility for individuals with sensory processing differences.

STRATEGIC GOAL 4

Revitalize the diplomatic and development workforce and institutions

PUBLIC BENEFIT⁹

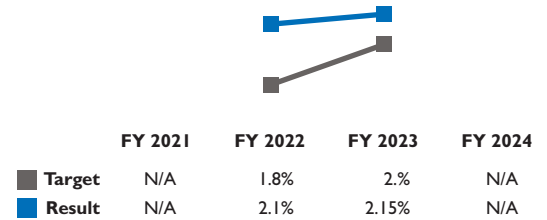
USAID’s diplomatic and development workforce and institutions are vital for promoting security and prosperity, and for contributing to an equitable, effective, and accountable government that delivers programmatic results as expected by the American people. USAID continues to build, develop, and empower a cutting-edge global workforce that has the tools, training, technology, and infrastructure to succeed in a world that is increasingly crowded, competitive, and complex. Figure 16 shows an illustrative performance indicator for Strategic Goal 4.

New challenges and accelerating change—geopolitical, economic, social, environmental, and technological—require USAID to adapt and transform. The Agency is using technology to reach new audiences and forge new connections, while also protecting against ongoing threats to the security of personnel and information. USAID is also building new capabilities, drawing a wider range of expertise and experience into government, and empowering employees to innovate and lead. Central to these efforts is USAID’s renewed commitment to building its workforce to fully reflect the richness and diversity of the United States. The Agency identifies and eliminates barriers to equity by implementing recruitment and retention efforts and establishing DEIA accountability mechanisms.

The United States’ diversity is a unique source of strength and innovation that provides the country and institutions with a significant competitive advantage globally. Building and maintaining a workforce that reflects this diversity demonstrates the United States’ ideal as a country where all people have equal opportunities to achieve their highest aspirations; it also helps USAID better promote U.S. interests abroad and deliver results for the American people.

FIGURE 16. GOAL 4 ILLUSTRATIVE PERFORMANCE INDICATOR

Percent of Civil Service Workforce with targeted disabilities out of the total number of employees



SOURCE: FY 2025 APP/FY 2023 APR

LINKING ACTIVITIES TO OUTCOMES

Employees with targeted disabilities are chronically underrepresented at USAID in the Civil Service and Foreign Service. USAID builds on its successes in supporting employees with disabilities by promoting enhanced career opportunities and workplace accommodations. From FY 2021 through FY 2023, representation of employees with disabilities at USAID increased by 0.93 percent (from 5.25 percent in FY 2021 to 6.18 percent in FY 2023), and representation of employees with targeted disabilities increased by 0.09 percent (from 1.38 percent in FY 2021 to 1.47 percent in FY 2023), per USAID’s Management Directive 715 (MD-715) reports (<https://www.usaid.gov/reports/md-715>). Within USAID’s Civil Service, representation of employees with disabilities reached 10.59 percent by the end of FY 2023.

USAID seeks to increase the number of employees with disabilities to meet the requirements of the Equal Employment Opportunity Commission’s (EEOC) 2017 final rule (<https://www.eeoc.gov/laws/guidance/questions-answers-eeocs-final-rule-affirmative-action-people-disabilities-federal>). This final rule amended the regulations that implement Section 501 of the Rehabilitation Act of 1973 and required federal agencies to adopt the goal of having 12 percent of their workforce be persons with disabilities and 2 percent of their workforce be persons with targeted disabilities. USAID is

⁹ The language in this Public Benefit subsection is based on the Goal 4 “Strategic Goal Overview” on page 41 of the FY 2022 – FY 2026 USAID-State JSP.

targeting efforts to make progress toward these federal disability hiring goals. USAID's efforts include:

- Encouraging employees to self-identify existing disabilities through internal human resources systems. Self-identifying disabilities is one way employees can express allyship with colleagues who have visible disabilities. This information also helps USAID better understand its workforce diversity and whether USAID is equitably treating and providing equal opportunities to all employees. It also enables USAID to better represent the diversity of the American people.
- Using the Workforce Recruitment Program (<https://www.wrp.gov/wrp>) at scale to recruit highly motivated college students and recent graduates with disabilities.
- Leveraging the Schedule A hiring authority (<https://www.opm.gov/policy-data-oversight/disability-employment/hiring/#url=Schedule-A-Hiring-Authority>) and 30 Percent or More Disabled Veteran hiring authority (<https://www.opm.gov/fedshirevets/hiring-officials/strategic-recruitment-and-hiring/veterans/#url=30-Percent-Disabled>).
- Conducting outreach and hosting hiring fairs to recruit noncompetitively persons with disabilities, veterans, and military spouses.
- Proactively providing interviewees with the contact information for the Agency's Reasonable Accommodation Manager so that they can request accommodations, as needed.
- Using natural attrition as an opportunity to advance disability hiring goals and working to increase its number of Civil Service positions.

RESULTS HIGHLIGHTS

Minority-Serving Institution (MSI) Partnership Initiative: USAID launched its MSI Partnership Initiative in October 2020 to increase awareness of and access to Agency programs and initiatives, as well as to identify opportunities for students and faculty to engage in U.S. foreign assistance and USAID's work. The Initiative is open to

all MSIs, including Historically Black Colleges and Universities (HBCU), Hispanic-Serving Institutions, Tribal Colleges and Universities, and Asian American and Native American Pacific Islander Serving Institutions.

- As of the end of FY 2024, USAID has established partnerships with seven MSIs: Fayetteville State University, University of Guam, Alcorn State University, Delaware State University, Florida International University, Morehouse College, and Tuskegee University.
- In FY 2024, USAID launched the Delaware State University (DSU) and USAID Experts in Residence (EXIR) Program—a unique initiative designed to leverage the diverse pool of experts from USAID for DSU's natural and social sciences and management departments. EXIR aims to provide mentorship, training, counseling, lectures, and various opportunities for students, faculty members, and staff of DSU to collaborate with USAID experts.
- In Fall of 2024, USAID and Florida International University (FIU) launched a Development Lab pilot program, modeled in part from the State Department's Diplomacy Lab and designed to leverage the talent of FIU's diverse student body to assist with some of USAID's most pressing research questions. Groups of FIU students work on addressing USAID development challenges as part of a semester or year long effort. The groups are supervised by FIU faculty and receive mentorship from USAID staff. Upon completion of the project, students will provide USAID staff with a research paper as well as a presentation. The program runs semester by semester and is open to all schools at FIU.

USAID's Acquisition and Assistance (A&A) Strategy (<https://www.usaid.gov/policy/acquisition-and-assistance-strategy>) and Implementation Plan (<https://www.usaid.gov/sites/default/files/2023-03/AA-Strategy-Implementation-Plan-3-2023-draft.pdf>) are the foundation for a whole-of-agency response to reduce burdens and infuse more efficiency into A&A processes, strengthen and grow the Agency's critical A&A staff, and expand connections with local partners, while making it easier for



USAID and Fayetteville State University (FSU) leaders during the formal memorandum of understanding (MOU) signing at FSU on April 18, 2023. PHOTO: USAID

BUILDING A RESILIENT TALENT PIPELINE THROUGH PARTNERSHIPS WITH MINORITY-SERVING INSTITUTIONS

To deliver on its mission, USAID needs a highly skilled, adaptable, diverse, and culturally savvy workforce that can handle any situation. In addition to partnering with MSIs to increase awareness of and access to Agency programs and initiatives and identify opportunities for students and faculty to engage with USAID, the Agency is beginning to expand select partnerships to advance implementation of JSP Strategic Objective 4.1 on building a diverse, inclusive, resilient, and dynamic workforce.

The partnerships can be mutually beneficial. They provide USAID with talented, highly trained staff from diverse cultures and backgrounds, as well as additional research capabilities and resources. The partnerships can also provide MSIs with student development opportunities and career pathways, as well as opportunities to enhance and apply their capabilities to the government, international development, and humanitarian assistance fields.

(continued on next page)

implementing partners to work with USAID. Implementing these reforms is critical for USAID to advance its localization efforts, which include directing more funding to local partners. Many local partners are new to working with USAID and benefit from Agency guidance throughout the process.

USAID designed A&A Accelerate (https://www.usaid.gov/sites/default/files/2024-09/AA_Accelerate_FactSheet_Updated_2024_03_31.pdf) to uplift and invigorate its A&A function and workforce to:

- Rebuild USAID's A&A workforce by retaining, recruiting, and filling staffing gaps to fix the staffing shortage.

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SPOTLIGHT: USAID-FSU PARTNERSHIP

In FY 2023, USAID's M Bureau and FSU's Broadwell College of Business and Economics established a MOU through which they continued partnering in several ways throughout FY 2024.

Acquisition Workforce Certification Fellows Program (AWCFP)

First, USAID and FSU are piloting a new cohort program, which provides students with the skills and training to prepare them for the Federal Acquisition Certification in Contracting (FAC-C) exam. The program offers hands-on contracting experience that not only equips students with valuable skills but also positions them for future opportunities with USAID and other federal agencies.

The program is 12 months long and is integrated into FSU's academic calendar so as not to disrupt students' course schedules.

Demand for the AWCFP is high among FSU students. More than 80 FSU students applied for the inaugural AWCFP cohort, with nine students being selected. The initial cohort will complete the program in December 2024. USAID has invested \$1 million in this initiative to help build a pipeline of qualified acquisition professionals, addressing a critical need for such expertise across the government and helping to ensure a pipeline of qualified acquisition professionals, who are in high demand and short supply across the government.

Professional Development Opportunities

Second, USAID is supporting FSU students by providing other professional development opportunities. For example, in FY 2024, USAID:

- Conducted two workshops on resume writing to help students position themselves more competitively for federal jobs and internships. These workshops reached more than 100 FSU students.
- Conducted a workshop on preparing for federal job and internship interviews. This workshop reached 63 students.
- Hosted two panels with Civil Service and Foreign Service leaders to expose students to USAID, and international development more generally, as well as to opportunities and paths to employment with USAID, and how they can prepare for USAID careers. These panels reached almost 250 students.
- Held a hiring fair for FSU students in Fayetteville, North Carolina in September 2023 for positions for which USAID has direct hiring authority, including IT Specialists and Contract Specialists.

Technical Assistance for Securing Funding Awards

Third, USAID is providing technical assistance for the FSU faculty and administration to help them improve their capacity to secure USAID funding awards. USAID is sharing information: on how the Agency works; the budget works; to determine what awards exist in USAID's pipeline, via USAID's business forecast (<https://www.usaid.gov/business-forecast>); to position their expertise effectively; and to engage with seasoned implementing partners so FSU can identify potential subaward opportunities.

- Enhance USAID's surge capacity so teams can respond effectively to crises.
- Increase capacity in Mission contracting offices by continuing to elevate USAID's FSN colleagues, who make critical contributions to this work.
- Expand professional development opportunities so USAID's A&A workforce can continue to build their skills and grow as leaders.

USAID remains focused on identifying and using technology and process improvements to eliminate redundant, manual, and time-consuming tasks for A&A professionals and partners. Doing this enables USAID staff and partners to work more effectively and efficiently to design, implement, and manage awards that change lives and communities.

USAID efforts to support partners are evident in the evolution of WorkwithUSAID.gov (<http://WorkwithUSAID.gov>), which now has more than half a million users, a host of valuable resources, and a partner directory that boasts more than 7,000 organizations from 163 countries. This platform is now available in Arabic (<https://www.workwithusaid.gov/ar>), French (<https://www.workwithusaid.gov/fr>), and Spanish (<https://www.workwithusaid.gov/es>).

Through its A&A Strategy and Implementation Plan, USAID emphasizes being more accessible to local actors by reducing barriers to entry through:

- Communicating more proactively to reach local partners and share funding and partnering opportunities;
- Using more flexible, adaptable, and simple award mechanisms to provide direct funding to local organizations;
- Improving local partners' abilities to recover their full costs of implementing USAID awards, including by expanding existing and introducing new indirect cost-recovery options; and
- Expanding opportunities for local partners to engage in USAID's A&A processes in multiple languages beyond English.

In FY 2024, USAID made progress implementing these reforms. For example, the USAID expanded its Translation Program (<https://www.workwithusaid.gov/en/blog/usaaid-translation-program-saves-partners-time-and-money>) to reduce the language barrier between USAID and local partners by translating

nearly 200 assistance award-related documents into Amharic, Arabic, Chichewa, French, Hausa, Portuguese, Somali, Spanish, and Swahili. By translating these documents into languages more widely spoken in many of the countries where USAID works, the USAID Translation Program helped the Agency reach more local partners, helping to guide them throughout the application process from solicitation, to registering on SAM.gov, to submitting a Final Application.

Skills and Competencies: In July 2024, USAID launched the Skills and Competencies Reform Initiative to enhance its ability to address complex, global challenges and properly recognize its workforce for their initiative and expertise. This initiative includes multiple phases and recognizes new skills and competencies that advance the Agency's current and future needs.

In FY 2024, USAID also completed a DEIA Training Needs Assessment and used the instrument to shape and develop the Agency's DEIA Training Plan.

- Through FY 2024, USAID trained about 8,021 participants in 217 Respectful, Inclusive and Safe Environments (RISE) sessions and events, including the Inclusive Leadership Seminar.

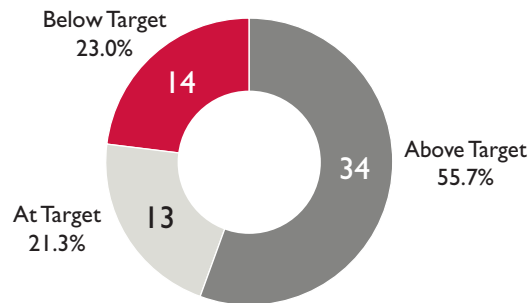
Please refer to the Other Management Information, Initiatives, and Issues section beginning on page 68 of this AFR for further discussion of USAID's management initiatives, which aligns to Strategic Goal 4 and the President's Management Agenda.

USAID ILLUSTRATIVE INDICATORS AND PERFORMANCE TRENDS

The table in Figure 18 that starts on the following page includes indicators and data that represent all indicators in the USAID-State FY 2023 APR, <https://www.usaid.gov/reports/annual-performance-report>. Due to USAID’s data reporting processes and time lines, some indicator data are not final until after USAID publishes its AFR. In the table, USAID identified as “N/A (not applicable)” all data that are incomplete and included footnotes with more information. Some indicators do not have targets and results for the years leading up to 2023 because they were not part of annual reporting under previous JSPs. The “reference sheets” at <https://www.state.gov/resources-and-reports-office-of-foreign-assistance/> and <https://www.usaid.gov/document/fy-2023-annual-performance-plan-app-indicator-and-milestone-reference-sheets> include additional information about each indicator and milestone.

The indicators and data show USAID’s progress toward achieving the Agency’s APGs.¹⁰ Some indicators include data from joint reporting with the State Department; USAID and the State Department use those indicators to track progress against the APGs that the two agencies articulated in the FY 2022 – FY 2026 JSP. At the same time, while the Agency is monitoring progress within

FIGURE 17. FY 2023 PERFORMANCE MEASURE SUMMARY



the JSP framework, each year some indicators are retired, replaced, or revised to reflect changes in the development context. USAID will update the FY 2024 APR with new and revised indicators for that year. Please visit <https://www.performance.gov/agencies/usaid/> for FY 2024 information.

As shown in Figure 17, in FY 2023, USAID’s performance was at or above target for 75 percent of indicators. This section includes performance information on indicators for which USAID did not meet its targets. USAID’s APR includes additional analyses of the results as compared to the targets.

¹⁰ APGs are noted in the FY 2022 – FY 2026 JSP Indicators tables with bold “APG” and star symbol ★; each APG includes multiple indicators.

FIGURE 18. FY 2022 – FY 2026 JSP INDICATORS

FY 2023 RESULTS LEGEND

Above Target	More than 100 percent of the target set for FY 2023 was met
At Target	90 to 100 percent of the target for FY 2023 was met
Below Target	Below 90 percent of the target set for FY 2023 was met
Result Not Available	Result data not available at time of publication
Target Not Set	Target not established for FY 2023

Strategic Goal I: Renew U.S. leadership and mobilize coalitions to address the global challenges that have the greatest impact on Americans' security and well-being						
Indicator Title	FY 2021 Results	FY 2022 Target	FY 2022 Results	FY 2023 Target	FY 2023 Results	FY 2024 Target
Strategic Objective I.1: Strengthen global health security, combat infectious disease threats, and address priority global health challenges through bilateral engagement and within multilateral fora						
Percent of the total global population fully vaccinated with a World Health Organization (WHO) Emergency Use Authorization (EUA) vaccine (Cumulative share of global population fully vaccinated with a WHO EUA vaccine) (Joint)	23.4%	70%	63.5%	70%	66.6%	N/A ¹
Annual global deaths from COVID-19 per 100,000 population (Joint)	47.1%	45%	22.1%	22%	5.4%	18% ²
Percent of 19 intensive support countries that improve capacity in at least five technical areas out of the 19 technical areas as listed in the Joint External Evaluation (Joint)	N/A	35%	79%	56%	95%	90%
Number of adults and children newly diagnosed with HIV (Joint) APG ★	Q1: 595,995 Q2: 634,251 Q3: 604,496 Q4: 658,590 FY 2021: 2,493,332	2,330,425	2,207,643	2,171,323	1,870,000 ³	1,823,079
Number of adults and children currently receiving ART (Joint) APG ★	Q4: 19.0 million	20,358,681	21,094,124	20,953,198	20,470,000	21,551,255
Percent of adults and children who are virally suppressed (Joint) APG ★	94.3%	95%	95%	95.6%	95.5%	95.07%
Number of males circumcised as part of the VMMC for HIV prevention program within the reporting period (Joint) APG ★	Q1: 595,812 Q2: 567,842 Q3: 665,220 Q4: 594,245 FY 2021: 2,423,119	2,252,753	2,201,213	2,331,361	2,162,533	2,685,350
Number of individuals who were newly enrolled (in the reporting period) on oral antiretroviral pre-exposure prophylaxis (PrEP) to prevent HIV infection (Joint) APG ★	1,190,202	1,050,766	1,473,182	1,382,419	1,877,924	1,946,312
Percent of shipments of contraceptive commodities that are on time (USAID) APG ★	Q1: 92% Q2: 98% Q3: 100% Q4: 93%	Q1: 80% Q2: 80% Q3: 80% Q4: 80%	Q1: 98% Q2: 97% Q3: 95% Q4: 96%	Q1: 80% Q2: 80% Q3: 80% Q4: 80%	Q1: 88% Q2: 87% Q3: 88% Q4: 86%	Q1: 80%

See end of table starting on page 41 for footnotes.

(continued on next page)

Legend: ■ Above Target ■ At Target ■ Below Target ■ Result Not Available ■ Target Not Set

Strategic Goal 1: Renew U.S. leadership and mobilize coalitions to address the global challenges that have the greatest impact on Americans' security and well-being (continued)

Indicator Title	FY 2021 Results	FY 2022 Target	FY 2022 Results	FY 2023 Target	FY 2023 Results	FY 2024 Target
Strategic Objective 1.1: Strengthen global health security, combat infectious disease threats, and address priority global health challenges through bilateral engagement and within multilateral fora (continued)						
Absolute change in the rate of exclusive breastfeeding among children under 6 months (USAID) APG ★	+1.4%	+1.0%	+1.2%	+1.0%	+1.3	+1
Absolute change in total percentage of children who received at least three doses of Pneumococcal Vaccine (PCV) by 12 months of age (USAID) APG ★	+1.2%	+1%	+0.3%	+1%	+14.7	+1
Annual total number of people protected against malaria with insecticide-treated nets (USAID) APG ★	109 million	110 million	80 million	110 million	92 million ⁴	110 million
Absolute change in the modern contraceptive prevalence rate (USAID) APG ★	+0.8%	+1%	+0.8%	+1%	+0.8% ⁵	+1%
Absolute change in under-five mortality rate (decreased per 1,000 live births) (USAID) APG ★	-1.8%	-2%	-1.7%	-2%	-1.64% ⁶	-3%
Strategic Objective 1.2: Secure ambitious climate mitigation and adaptation outcomes, including supporting effective Paris Agreement implementation						
Number of countries with which the United States establishes or strengthens collaboration to enhance implementation of Nationally Determined Contributions (NDCs) and/or net-zero emission strategies (Joint) APG ★	N/A	10	18	27	29	N/A ⁷
Number of countries to which the United States provides diplomatic, technical and financial support for enhanced implementation of strengthened NDCs, and/or net-zero emission strategies (Joint) APG ★	N/A	8	9	24	23	N/A ⁸
Number of countries with which the United States establishes or strengthens collaboration to enhance development and implementation of National Adaptation Plans (NAPs) or other national adaptation planning documents (Joint) APG ★	N/A	25	26	75	75	N/A ⁹
Number of countries to which the United States provides technical support to enhance institutional frameworks and capacity to support delivery of the first National Inventory Reports and Biennial Transparency Reports by December 31, 2024 (Joint) ¹⁰ APG ★	N/A	10	10	30	14 ¹¹	20
Strategic Objective 1.3: Reinvigorate U.S. humanitarian leadership and provide lifesaving protection and assistance in response to international disasters and humanitarian crises overseas						
Percent of disaster declaration cables responded to within 72 hours (USAID)	74%	95%	86%	95%	92%	95%
Strategic Objective 1.5: Enhance foreign publics' understanding of and support for the values and policies of the United States						
Number of State Department posts and USAID Missions that have completed training specifically on audience research, analysis, and segmentation (Joint – Disaggregated by State and USAID)	N/A	45	58	USAID: 45	USAID: 59	USAID: 45

See end of table starting on page 41 for footnotes. Full description of legend can be found on page 36.

(continued on next page)

Legend: ■ Above Target ■ At Target ■ Below Target ■ Result Not Available ■ Target Not Set

Strategic Goal 2: Promote global prosperity and shape an international environment in which the United States can thrive

Indicator Title	FY 2021 Results	FY 2022 Target	FY 2022 Results	FY 2023 Target	FY 2023 Results	FY 2024 Target
Strategic Objective 2.1: Promote a global economy that creates opportunities for all Americans						
Number of notifications of new or changed Technical Barrier to Trade measures submitted to the World Trade Organization by Developing and Emerging Economies (Joint)	1,418	1,451	1,482	1,516	1,549	1,580
Strategic Objective 2.2: Support inclusive and sustainable economic growth and opportunity for communities around the globe						
Value of annual sales of producers and firms that are receiving U.S. government assistance in U.S. dollars (in billions) (USAID) ¹² APG ★	\$3.83 billion	\$2.67 billion	\$4.11 billion	\$3.22 billion	\$4.65 billion	\$5.3 billion
Average value per capita of agriculture-related financing received by women per \$1 in agriculture-related financing received by men as a result of U.S. government assistance (USAID) ¹³ APG ★	N/A	\$0.59	\$0.47	\$0.75	\$0.38	\$ 0.86
Number of USAID Feed the Future evaluations (USAID) APG ★	Q1: N/A Q2: N/A Q3: N/A Q4: 3	Q1: 2 Q2: 2 Q3: 2 Q4: 2	Q1: 4 Q2: 6 Q3: 7 Q4: 7	Q1: 2 Q2: 2 Q3: 2 Q4: 2	Q1: 6 Q2: 1 Q3: 8 Q4: 8	N/A ¹⁴
Number of people with improved economic benefits derived from sustainable natural resource management and/or biodiversity conservation as a result of U.S. government assistance (Joint – Disaggregated by State and USAID)	USAID: 827,212	USAID: 599,900	USAID: 442,876	USAID: 599,900	USAID: 578,655	USAID: 599,900
Strategic Objective 2.3: Support U.S. technological leadership, strengthen competitiveness, and enhance and protect the U.S. innovation base while leveraging technology to improve lives around the world						
Number of partnerships, alliances, and dialogues on science and technology (Joint – Disaggregated by State and USAID)	USAID: 13	USAID: 14	USAID: 27	USAID: 15	USAID: 27	USAID: 27
Average internet freedom score of countries in the Freedom on the Net report (Joint)	52.7	54	52.5	55	52.5	55
Strategic Objective 2.4: Strengthen U.S. and global resilience to economic, technological, environmental, and other systemic shocks						
Number of hectares of biologically significant areas under improved natural resource management as a result of U.S. government assistance (Joint – Disaggregated by State and USAID)	USAID: 133.4 million	USAID: 110 million	USAID: 123 million	USAID: 110 million	USAID: 107 million	USAID: 110 million
Hectares of cultivated land under improved climate adaptation practices or technologies with U.S. government assistance (USAID)	2.0 million	1.3 million	1.9 million	1.9 million	2.2 million	1.1 million
Strategic Goal 3: Strengthen democratic institutions, uphold universal values, and promote human dignity						
Indicator Title	FY 2021 Results	FY 2022 Target	FY 2022 Results	FY 2023 Target	FY 2023 Results	FY 2024 Target
Strategic Objective 3.1: Promote good governance and defend strong, accountable, and resilient democracies that deliver for their citizens						
Number of U.S. government-assisted consensus-building processes resulting in an agreement (Joint – Disaggregated by State and USAID)	34	USAID: 101	USAID: 211	USAID: 32	USAID: 127	USAID: 120

See end of table starting on page 41 for footnotes. Full description of legend can be found on page 36.

(continued on next page)

Legend: ■ Above Target ■ At Target ■ Below Target ■ Result Not Available ■ Target Not Set

Strategic Goal 3: Strengthen democratic institutions, uphold universal values, and promote human dignity (continued)

Indicator Title	FY 2021 Results	FY 2022 Target	FY 2022 Results	FY 2023 Target	FY 2023 Results	FY 2024 Target
Strategic Objective 3.1: Promote good governance and defend strong, accountable, and resilient democracies that deliver for their citizens (continued)						
Fairness and Access to Justice: Number of U.S. government-assisted courts with improved case management systems (Joint – Disaggregated by State and USAID)	703	USAID: 225	USAID: 248	USAID: 283	USAID: 94¹⁵	USAID: 257
Percent of DRG project solicitations in target countries that call for evidence-based approaches (USAID) APG ★	N/A	28.5%	66.7%	50%	66.7%	N/A ¹⁶
Percentage increase in V-Dem Civil Society Participation Index for target countries (USAID) ¹⁷ APG ★	1%	2.5%	4.75%	5%	3.3%	Baseline +3% annually ¹⁸
Number of new DRG Center learning resources produced (USAID) APG ★	25	27	24	30	33	N/A ¹⁹
Downloads of data portrait and indicator inventories from idea.usaid.gov/drg (USAID) APG ★	2,202	Q1: 320 Q2: 571 Q3: 738 Q4: 693	Q1: 994 Q2: 1,163 Q3: 1,331 Q4: 1,500	Q1: 994 Q2: 1,163 Q3: 1,331 Q4: 1,500	Q1: 6,689 Q2: 9,690 Q3: 5,567 Q4: 5,188	N/A ²⁰
Strategic Objective 3.2: Advance equity, accessibility, and rights for all						
Number of standalone and/or integrated human rights programs/interventions that seek to prevent human rights abuses, protect human rights defenders and respond to human rights abuses, with special focus on the most marginalized populations (Joint – Disaggregated by State and USAID)	N/A	USAID: 20	USAID: 53	USAID: 25	USAID: 62	USAID: 30
Number of legal instruments drafted, proposed or adopted with U.S. government assistance designed to promote gender equality or non-discrimination against women or girls at the national or sub-national level (Joint – Disaggregated by State and USAID)	183	USAID: 116	USAID: 132	USAID: 115	USAID: 185	USAID: 163
Percentage of new partners registered in the partner directory that have taken the pre-engagement assessment on WorkwithUSAID platform (USAID) APG ★	12%	18.5%	Q1: 28% Q2: 24% Q3: 31% Q4: 32%	25%	45%	40%
Percentage of Missions with Inclusive Development Champions (USAID) APG ★	0%	50%	35%	100%	35%	N/A ²¹
Percentage of external stakeholders who believe USAID's streamlined processes have made proposal/application submission more cost effective for potential partners (USAID) APG ★	N/A	25%	45%	45%	44%	50% ²²
Percentage of USAID evaluations with a local expert included on the external evaluation team (USAID) APG ★	N/A	38%	50%	75%	64%	75% ²³
Strategic Objective 3.3: Prevent, expose, and reduce corruption						
Number of anti-corruption measures adopted or implemented due to U.S. government assistance, to include laws, policies, and procedures. (USAID)	127	70	68	70	343	300

See end of table starting on page 41 for footnotes. Full description of legend can be found on page 36.

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Legend: ■ Above Target ■ At Target ■ Below Target ■ Result Not Available ■ Target Not Set

Strategic Goal 3: Strengthen democratic institutions, uphold universal values, and promote human dignity (continued)						
Indicator Title	FY 2021 Results	FY 2022 Target	FY 2022 Results	FY 2023 Target	FY 2023 Results	FY 2024 Target
Strategic Objective 3.4: Promote a safe, humane, and orderly immigration and asylum system, address the root causes of irregular migration collaboratively with our partners, and enhance protections for refugees and displaced persons						
Number of jobs associated with Root Causes Strategy implementation (USAID)	71,617	30,000	91,614	40,000	71,000	52,000
Number of youth in Central America accessing violence prevention services (USAID)	N/A	90,000	54,641	120,000	93,241	60,000
Strategic Objective 3.5: Improve inclusive and equitable health, education, and livelihood services, especially for women, youth, and marginalized groups						
Health System Responsiveness through Continuity of Care: Average of the service gaps between (a) ANCI and ANC4; and (b) DPT1/Penta1 and DPT3/Penta3, in health system strengthening project catchment areas supported by USAID (USAID)	22.86	15.65	18	13.94	19.5	16
Number of people gaining access to sustainable water services (USAID)	5.0 million	3.8 million	5.2 million	5.6 million	3.8 million	5.8 million
Number of children under five (0-59 months) reached with nutrition-specific interventions through U.S. government-supported nutrition activities (USAID)	29.6 million	23.3 million	31.8 million	24.6 million	26.5 million	23.7 million
Percent of individuals with improved soft skills following participation in U.S. government-assisted programs (USAID)	72%	59%	93%	53%	81%	78%
Percent of learners targeted for U.S. government assistance with an increase of at least one proficiency level in reading at the end of grade two (USAID)	24%	26%	16%	19%	8%	7%
Number of learners with improved access to education through U.S. government-assisted programs (USAID)	17,424	67,038	64,249	115,261	474,152	527,330
Strategic Goal 4: Revitalize the diplomatic and development workforce and institutions						
Indicator Title	FY 2021 Results	FY 2022 Target	FY 2022 Results	FY 2023 Target	FY 2023 Results	FY 2024 Target
Strategic Objective 4.1: Build and equip a diverse, inclusive, resilient, and dynamic workforce						
Score for the Human Capital function on the Customer Satisfaction Survey (USAID)	4.2	4.5	3.9	4.5	3.9	4.3
FEVS Employee Engagement Index (EEI) Score (Joint – Disaggregated by State and USAID)	USAID: 79	USAID: 83	USAID: 79	USAID: 81	USAID: 75	USAID: 81
FEVS Employee Satisfaction Index (ESI) Score (USAID)	68	80	69	73	66	74
Percent of workforce with targeted disabilities out of the total number of employees (USAID) APG ★	N/A	1.8%	2.1%	2%	2.4%	N/A ²⁴
Percent of workforce with any disability out of the total number of employees (USAID) APG ★	N/A	10%	9.5%	12%	18.4%	N/A ²⁵
Strategic Objective 4.2: Modernize IT and leverage data to inform decision-making and support mission delivery						
Percent of completed evaluations that address an Agency Learning Agenda question (USAID)	N/A	60%	70%	60%	75%	65%

See end of table starting on page 41 for footnotes. Full description of legend can be found on page 36.

(continued on next page)

Legend: ■ Above Target ■ At Target ■ Below Target ■ Result Not Available ■ Target Not Set

Strategic Goal 4: Revitalize the diplomatic and development workforce and institutions (continued)

Indicator Title	FY 2021 Results	FY 2022 Target	FY 2022 Results	FY 2023 Target	FY 2023 Results	FY 2024 Target
Strategic Objective 4.2: Modernize IT and leverage data to inform decision-making and support mission delivery (continued)						
Number of OUs using a geospatial approach for decision-making as a result of GeoCenter assistance (USAID)	N/A	25	26	25	34	27
Number of OUs using data literacy training and data management assistance for decision-making as a result of USAID Data Services support (USAID)	29	13	71	16	68	60
Strategic Objective 4.3: Protect our personnel, information, and physical infrastructure from 21st century threats						
Readiness Scorecard Rating (USAID)	N/A	N/A	N/A	60	95.6	70
Number of resolved physical security deficiencies through State Department Bureau of Overseas Buildings Operations (OBO) projects (Joint)	N/A	176	146	228	230	171
Percentage of overseas facilities with Facility Condition Indices (FCI) score above 70 (Joint)	N/A	72%	72%	72.5%	74.4%	74.5%

Full description of legend can be found on page 36.

- 1 USAID and State retired this indicator and therefore, did not set a target for FY 2024.
- 2 USAID and State will retire this indicator at the end of FY 2024 and therefore, did not set a target for FY 2025.
- 3 FY 2023 results do not include results from Nigeria and Tanzania due to the timing of data quality improvement efforts.
- 4 The President's Malaria Initiative (PMI) coordinates procuring and distributing the insecticide-treated nets (ITNs) with other major donors, particularly the Global Fund. In FY 2023, PMI achieved a result below its target of 110 million people due, in part, to needing to buy and distribute higher quality, more expensive ITNs, which meant PMI was not able to buy as many nets nor reach the target number of people in the short run until prices declined and the Global Fund have planned larger campaigns for calendar years 2024 and 2025 across PMI countries.
- 5 The lower-than-expected rate of growth is due to slower than projected mCPR growth rates in some countries. USAID will undertake additional analyses of programmatic and data factors to explore the reasons for this.
- 6 As the indicator gets closer to zero, the absolute value of the drop year over year becomes lower. The closer the number is to zero, the less change in mortality has occurred. For the target to be considered "Met," the result must be at least -2 or farther away from zero. For FY 2023, because the result is closer to zero than -2, the absolute change in the under-five mortality rate was less than the target; therefore, the result is "Unmet."
- 7 While USAID's results exceeded the target in FY 2023, USAID and State no longer track this indicator. USAID and State have created new indicators for FY 2024–2025 APGs, which USAID will report on in this AFR section in future years.
- 8 While USAID's results met the target in FY 2023, USAID and State will no longer track this indicator. USAID and State have created new indicators for FY 2024–2025 APGs, which USAID will report on in this AFR section in future years.
- 9 While USAID's results met the target in FY 2023, USAID and State will no longer track this indicator. USAID and State have created new indicators for FY 2024–2025 APGs, which USAID will report on in this AFR section in future years.
- 10 This indicator was revised to, "Number of countries in which the U.S. government is actively implementing an engagement strategy with clearly defined mitigation and/or adaptation objectives and appropriate interagency coordination."
- 11 USAID and State fell short, providing support to 14 countries to enhance reporting capacity compared to a target of 30. This shortfall resulted in large part from international partners' delays in responses and varying levels of prioritization for this work.
- 12 This indicator was revised to, "Value of annual sales of producers and firms in the agriculture and food system receiving U.S. government assistance (\$)."
- 13 The title of this indicator was revised to, "Average value per capita of agriculture-related financing women access for every \$1 per capita of agriculture-related financing men access as a result of Feed the Future assistance (\$)."
- 14 USAID retired this indicator, and therefore, did not set a target for FY 2024 and FY 2025.
- 15 USAID continued to collect data from Missions on this indicator at the time USAID published this AFR. Final FY 2023 results and FY 2024–2025 targets will be updated in the FY 2024 APR.
- 16 USAID retired this indicator, and therefore, did not set targets for FY 2024 and FY 2025.
- 17 USAID modified this indicator to, "Relative increase in V-Dem liberal democracy index in target countries compared to counterfactuals."
- 18 USAID gathered data for this indicator using the V-Dem Civil Society Participation Index. Globally, there was an increase from 2021–2022 and a decrease from 2022–2023. USAID's indicator results reflect this decrease.
- 19 USAID retired this indicator, and therefore, did not set targets for FY 2024 and FY 2025.
- 20 USAID retired this indicator, and therefore, did not set targets for FY 2024 and FY 2025.
- 21 USAID retired this indicator, and therefore, did not set targets for FY 2024 and FY 2025.
- 22 This is a target for FY 2030. USAID plans to use this 50 percent target every year through FY 2030.
- 23 USAID revised this indicator to, "Percentage of evaluations completed with local and/or indigenous experts on the evaluation team."
- 24 USAID retired this indicator, and therefore, did not set targets for FY 2024 and FY 2025.
- 25 USAID retired this indicator, and therefore, did not set targets for FY 2024 and FY 2025.

Legend: ■ Above Target ■ At Target ■ Below Target ■ Result Not Available ■ Target Not Set

LOOKING FORWARD



Ruth Buckley
USAID Performance
Improvement Officer

CHALLENGES AND OPPORTUNITIES

USAID executes its mission in a complex global environment in which efficiency, effectiveness, and innovation are imperative. USAID adapts, continuously improves, and makes evidence-based and data-driven decisions to maximize progress beyond programs as the Agency strives for just, equitable, inclusive, and accessible programming, policies, and processes.

Two of the major challenges and opportunities USAID is acting on are (1) responsibly harnessing the power and potential of artificial intelligence (AI), while mitigating and managing AI-related threats, and (2) meeting the increasing frequency, scale, and complexity of humanitarian emergencies, as shown in Figure 19. These are in addition to the other major challenges and opportunities USAID is acting on, which the Agency describes in the Other Management Information, Initiatives, and Issues section that begins on page 62, and

which the OIG describes in its Statement of Most Serious Management and Performance Challenges for USAID that begins on page 181. USAID is committed to disclosing and responding to challenges and opportunities, while continuously enhancing its performance.

AI: ACTING ON OPPORTUNITIES AND THREATS

The U.S. government recognizes unequivocally that “AI is one of the most powerful technologies of our time” and that “we must take bold action to harness [its] benefits and mitigate [its] risks” (<https://ai.gov/>). Accordingly, USAID is implementing the U.S. government’s AI-focused directives, such as Executive Order (E.O.) 14110, *Safe, Secure, and Trustworthy Development and Use of AI* (<https://www.federalregister.gov/documents/2023/11/01/2023-24283/safe-secure-and-trustworthy-development-and-use-of-artificial-intelligence>), OMB Memorandum M-24-10, *Advancing Governance, Innovation, and*

FIGURE 19. TOPIC ALIGNMENT WITH THE USAID-STATE DEPARTMENT JOINT STRATEGIC PLAN GOALS AND OBJECTIVES

Topic	Strategic Goal	Strategic Objective
AI	2: Promote global prosperity and shape an international environment in which the United States can thrive	2.3 – Support U.S. technological leadership, strengthen competitiveness, and enhance and protect the U.S. innovation base while leveraging technology to improve lives around the world
	4: Revitalize the diplomatic and development workforce and infrastructure	4.2 – Modernize IT and leverage data to inform decision-making and support mission delivery 4.3 – Protect our personnel, information, and physical infrastructure from 21st century threats
Humanitarian Emergencies	1: Renew U.S. leadership and mobilize coalitions to address the global challenges that have the greatest impact on Americans’ security and well-being	1.3 – Reinvigorate U.S. humanitarian leadership and provide lifesaving protection and assistance in response to international disasters and humanitarian crises overseas

Risk Management for Agency Use of AI (<https://www.whitehouse.gov/wp-content/uploads/2024/03/M-24-10-Advancing-Governance-Innovation-and-Risk-Management-for-Agency-Use-of-Artificial-Intelligence.pdf>), E.O. 13960, *Promoting the Use of Trustworthy AI in the Federal Government* (<https://www.federalregister.gov/documents/2020/12/08/2020-27065/promoting-the-use-of-trustworthy-artificial-intelligence-in-the-federal-government>), and continuing to apply AI in programs and operations in line with the Administration’s goal to use AI to help solve urgent challenges while making the world more prosperous, productive, innovative, and secure.

Under E.O. 14110, USAID participates in the White House AI Council that coordinates the U.S. government’s actions on AI-related policies; stood up its own USAID AI Council; leads two U.S. government-wide efforts to advance AI globally; designated an Acting Chief AI Officer; and is recruiting a permanent Chief AI Officer, who will be part of the leadership of a new independent Office of Digital Technology. First, USAID partnered with the State Department and the National Institute of Standards and Technology (NIST) to develop and publish an *AI in Global Development Playbook* (<https://www.usaid.gov/digital-development/ai-global-development-playbook>) that incorporates the principles, guidelines, and best practices from the *AI Risk Management Framework* (<https://www.nist.gov/itl/ai-risk-management-framework>) into the social, technical, economic, governance, human rights, and security conditions of contexts beyond United States borders. Via the *Playbook*, USAID aims to characterize the threats and opportunities of AI, and will provide guidance for various stakeholders—organizations building, deploying, and using AI; the private sector; governments; and others—to address those risks and leverage opportunities to drive AI applications for sustainable development. USAID requested input from the public from January 26 to March 1, 2024 (<https://www.federalregister.gov/documents/2024/01/26/2024-01707/ai-in-global-development-playbook>) to help develop the *Playbook* in a participatory, inclusive way that leverages various existing research products, experiences, and perspectives.

Second, USAID collaborated with the State Department, the U.S. Department of Energy (DOE), and the National Science Foundation to develop a *Global AI Research Agenda* (<https://www.state.gov/global-ai-research-agenda/>) to guide the objectives and implementation of AI-related research in contexts beyond U.S. borders, recognizing that AI technologies are rapidly developing in a highly connected global context in which funding, data, talent, and computing resources flow across borders to create globally sourced products with global audiences. The *Agenda* will include principles, guidelines, priorities, and best practices for ensuring safe, responsible, beneficial, and sustainable global AI development and adoption; and address the labor market implications of AI across international contexts, including by recommending actions to mitigate risk. USAID requested input from the public from March 14 to April 10, 2024 (<https://www.federalregister.gov/documents/2024/03/14/2024-05357/global-ai-research-agenda>) and is using the public comments to inform the development of the *Agenda*.

As USAID continues to apply AI in its **programs**, the Agency has inventoried its AI use cases (https://www.usaid.gov/data/AI_Inventory) alongside other federal agencies (<https://ai.gov/ai-use-cases/>) and is implementing its May 2022 *AI Action Plan* (<https://www.usaid.gov/digital-development/artificial-intelligence-action-plan>). In its *AI Action Plan*, USAID committed to using AI in its programming responsibly, strengthening ecosystems to support responsible AI use, and partnering to shape a global responsible AI agenda. USAID’s AI use case inventory includes 14 examples of how USAID has already used AI successfully or is vetting AI applications. One additional use case is USAID’s Transformative Research and AI Capacity for Elimination of Tuberculosis and Responding to Infectious Diseases (TRACE-TB) activity, which is strengthening India’s health care system with a suite of AI tools that improve tuberculosis prevention, detection, and treatment. The goal of TRACE-TB is to integrate AI-powered tools seamlessly into the framework of India’s National Tuberculosis Elimination Program, fostering a lasting relationship between advanced technology and public health



The cover of USAID’s AI Action Plan, which USAID published in May 2022 and is currently implementing.

infrastructure. In July, USAID published a story map with additional information about existing AI use cases in its programming globally (<https://storymaps.arcgis.com/stories/06e304e31e0b47d9a1a52c64feaf4442>).

Since September 2021, USAID has conducted more than 20 internal virtual and in-person training sessions on “Responsible AI in International Development.” USAID offers this training multiple times per year. The sessions address several questions, including

- What AI is and the importance of data for making AI work well;
- Where AI has been used in international development and ways it can add value;
- When AI applications can lead to harmful outcomes and ways to guard against them; and
- How development professionals play a critical role in shaping the responsible use of AI in development work.

USAID is also addressing AI-related challenges. For example, USAID is mitigating gender biases in AI applications and algorithmic development through the Equitable AI Challenge (<https://www.usaid.gov/innovation/competitions/equitable-ai-challenge>) and is working with universities through the Responsible Computing Challenge (<https://www.usaid.gov/digital-development/responsible-computing-challenge>) partnership with Mozilla Foundation to ensure the next generation of technologists are trained to account for the social, ethical, and cultural dimensions of AI impacts on communities. In the coming years, USAID will support expanded access to computer infrastructure, additional higher education training on AI, and sector-specific AI grants and capacity building.

USAID is also applying AI in its **operations**. In May 2024, USAID approved its workforce to use certain public Generative AI (GenAI) services, including ChatGPT, with non-sensitive, unclassified data, in cases when using GenAI is appropriate. For instance, USAID’s workforce can now use ChatGPT to help develop document summaries, emails, event agendas, social media posts, and

talking points, though a staff member must always edit and review for accuracy. In addition, the workforce must exercise good judgment to determine when, though using GenAI is possible, doing so would not be a good choice, such as for many public communications due to increased reputational risk for USAID. Agency GenAI users are responsible for retaining federal records, which could include users’ prompts (inputs) and the AI-generated outputs. USAID has several GenAI-focused virtual learning courses available to its workforce on demand on its online learning management system, USAID University.

Alongside the Agency’s U.S. government and other partners, USAID will continue to monitor, responsibly apply, and support the development of responsible AI globally to maximize its potential benefits and minimize the effects of its risks.

HUMANITARIAN EMERGENCIES: MEETING INCREASING FREQUENCY, SCALE, AND COMPLEXITY

Over the past decade, humanitarian crises have become more frequent, protracted, and complex, exacerbated by climate change, food insecurity, an increase in natural hazards, armed conflict and political instability, global migration and forced displacement, urbanization, infectious disease outbreaks, and global pandemics. At the same time, the international humanitarian system is overstretched and the humanitarian operational space is shrinking, marked by declining respect for international humanitarian law, increasingly impeded access to geographies to provide services, suspicion and targeted violence toward frontline aid workers, and flatlined or reduced budgets from other humanitarian donors. Although the supplemental funding Congress appropriated in 2024 will enable USAID to maintain its support for humanitarian programming around the world in the immediate term, the same is not true for other humanitarian donors. There is a growing global gap between humanitarian needs and available resources, because humanitarian budgets are not keeping pace with expanding needs and escalating costs.



For more than 30 years, emergency food aid was the dominant response to food insecurity in rural Ethiopia. BHA invested significantly to support a scalable shock-responsive safety net to enhance food security and resilience. PHOTO: USAID

In the face of these challenges, USAID and the humanitarian assistance community have sought to maximize the impact of their resources in a number of ways, including by continuing to coordinate closely, addressing chronic vulnerabilities, and reducing the overall impact of recurrent shocks and stresses. In addition to leading the U.S. government's response to international disasters, USAID supports data-driven early recovery, disaster risk reduction, and resilience through its ER4 programs, which are interrelated and provide the foundations for transformative change (<https://www.usaid.gov/humanitarian-assistance/what-we-do/early-recovery-risk-reduction-and-resilience>). Early recovery efforts focus on saving lives by protecting and restoring basic systems and services, building on emergency response efforts and establishing the initial foundations of long-term recovery. Disaster risk reduction efforts focus on preventing new disaster risks and associated mortality and economic losses, reducing existing risk exposure, mitigating impact, and strengthening resilience by managing residual risk. Efforts to strengthen resilience help connect disaster risk-informed, climate-smart humanitarian

response and the need for longer-term development assistance by supporting frontline disaster and crisis-affected people, communities, and countries to anticipate, prevent, avoid, mitigate, and more positively cope with, adapt to, and recover from shocks and stresses.

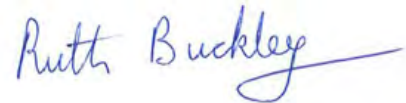
USAID uses data, policy, and readiness to strategically inform and enhance its humanitarian assistance efforts, including by anticipating hazardous events and acting to prevent or reduce humanitarian impacts before they fully unfold. For example, USAID's flagship Famine Early Warning Systems program, FEWS NET (<https://fews.net/>), integrates climate, conflict, markets and trade, nutrition, livelihoods, and other data streams to provide early warning—up to one year into the future—of acute food insecurity in the most vulnerable countries in the world, enabling USAID to prevent or mitigate humanitarian crises before the worst outcomes occur. USAID also uses data through monitoring and evaluation approaches to ensure high-quality programming that addresses disaster risks, protects vulnerable populations,

and achieves results. As another example, USAID develops and uses ER4 regional fact sheets (<https://www.usaid.gov/humanitarian-assistance/what-we-do/early-recovery-risk-reduction-and-resilience>) and other regional snapshots (https://www.usaid.gov/humanitarian-assistance/regional_overviews) to inform its efforts. These resources include summary information, such as an overview of the humanitarian situation, a summary of priorities and funding by country in the region, and program highlights. In addition, USAID is implementing the BHA *Digital Action Plan* (<https://www.usaid.gov/humanitarian-assistance/policies-and-reports/bha-digital-action-plan>). The *Plan* aligns with USAID's *Digital Strategy* (<https://www.usaid.gov/digital-development/usaid-digital-strategy>) and outlines BHA's commitment to three key priorities: (1) laying the foundation for digital transformation through investing in digital capabilities, (2) protecting humanitarian data by applying do-no-harm principles to ensure robust data responsibility, and (3) supporting transformative digital programming to invest in engaging affected populations and reform the Agency's application guidelines to allow support for lifesaving digital goods and services. USAID also implements its *Local Capacity Strengthening Policy* (<https://www.usaid.gov/policy/local-capacity-strengthening>) to proactively build strong, equitable, trusting relationships with local partners that better prepare us to respond to crises when they inevitably happen. And because crises can occur at any time, USAID maintains readiness

to activate on-call, overseas-deployable Disaster Assistance Response Team (DART) and Washington-based Response Management Team (RMT) positions 24 hours a day.

CONCLUSION

USAID anticipates proactively and responds robustly and adaptively to the challenges, threats, and opportunities it faces. While AI presents significant opportunities for innovation, efficiency, and effectiveness, it also features significant risks, including but not limited to facilitating digital authoritarianism and eroding individual rights, exacerbating income inequalities, and systematically excluding some populations and exacerbating risks for them. And while USAID continues to strive to maximize the impact of its humanitarian assistance resources and leverage resources from across the humanitarian system, the Agency acknowledges improvements in the global humanitarian system are needed, just as the U.S. government needs to maintain a high level of humanitarian programming to meet the volume of need globally.



Ruth Buckley
USAID Performance Improvement Officer

FINANCIAL SUMMARY AND HIGHLIGHTS

Preparing the Agency's financial statements is a vital component of sound financial management and provides accurate, accountable, and reliable information that is useful for assessing performance, allocating resources, and targeting areas for future programmatic emphasis. The Agency's management is responsible for the integrity and objectivity of the financial information presented in the statements. USAID is committed to excellence in financial management and maintaining a rigorous system of internal controls to safeguard its widely dispersed assets against loss from unauthorized acquisition, use, or disposition. As USAID broadens its global relevance and impact, the Agency will continue to promote local partnership by delivering assistance through host-government systems and faith-based and community organizations.

FINANCIAL SUMMARY – KEY FINANCIAL MEASURES

The key financial measures that follow provide an overview of the major financial activities that occurred in USAID during FY 2024 and FY 2023. Figure 20, on the next page, highlights the key financial measures from the Consolidated Balance Sheets, the Consolidated Statements of Net Cost, and the Combined Statements of Budgetary Resources for FY 2024 and FY 2023, respectively.

HIGHLIGHTS – PRINCIPAL FINANCIAL STATEMENTS

USAID's financial statements reflect and evaluate the Agency's execution of its mission to advance economic growth, democracy, and human progress in developing countries. The following sections summarize the Agency's financial position and results of operations and addresses the relevance

of major changes in the types and/or amounts of assets, liabilities, costs, revenues, obligations, and outlays. The complete financial statements, including the independent auditor's reports, notes, and required supplementary information, are presented in the Financial Section of this report.

BALANCE SHEET – OVERVIEW OF FINANCIAL POSITION

The balance sheet shows the current and future economic resources available to meet its statutory requirements (Assets); the amounts it owes that will require payments from these resources (Liabilities); and the difference between assets and liabilities (Net Position) at the end of the fiscal year.

ASSETS – WHAT WE OWN AND MANAGE

USAID's Balance Sheet provides a comparative snapshot of the Agency's financial position as of September 30, 2024 and September 30, 2023. The total assets balance is \$50.6 billion as of September 30, 2024, which is an increase of \$8.4 billion or 20 percent over FY 2023. The increase of \$8.4 billion in total assets is primarily due to an increase of funds within the Fund Balance with Treasury (FBWT) account, valued at \$49.4 billion and representing 98 percent of USAID's total assets. The FBWT consists of funding appropriated to USAID by Congress or transferred from other federal departments and agencies that is held in U.S. Department of the Treasury (Treasury) accounts on behalf of USAID to use for incurring obligations and paying liabilities. The FBWT account increase of \$8.3 billion was due to an additional appropriation received later in the fiscal year and advances from implementing partners to assist in the global response to the war in Ukraine.

FIGURE 20. SUMMARY OF KEY FINANCIAL MEASURES (In Millions)

SUMMARY OF CONSOLIDATED BALANCE SHEETS DATA As of September 30, 2024 and 2023	2024	2023	\$ Difference	% Change
Assets:				
Fund Balance with Treasury	\$ 49,394	\$ 41,118	\$ 8,276	20%
Accounts Receivable, Net	98	101	(3)	-3%
Advances and Prepayments	641	810	(169)	-21%
Cash and Other Monetary Assets	109	138	(29)	-21%
Inventory and Related Property, Net	28	20	8	40%
General and Right-to-Use PP&E, Net	305	54	251	465%
Total Assets	\$ 50,575	\$ 42,241	\$ 8,334	20%
Liabilities:				
Downward Reestimate Payable to the Treasury	\$ 324	\$ 296	\$ 28	9%
Accounts Payable, Net	3,947	3,147	800	25%
Advances from Others and Deferred Revenue, Net	1,337	954	383	40%
Federal Employee Benefits Payable	26	24	2	8%
Loan Guarantee Liabilities	448	735	(287)	-39%
Lessee Lease Liabilities	260		260	
Other Liabilities, Net	403	422	(19)	-5%
Total Liabilities	\$ 6,745	\$ 5,578	\$ 1,167	21%
Unexpended Appropriations	\$ 42,084	\$ 35,176	\$ 6,908	20%
Cumulative Results of Operations	1,746	1,487	259	17%
Total Net Position	\$ 43,830	\$ 36,663	\$ 7,167	20%
Total Liabilities and Net Position	\$ 50,575	\$ 42,241	\$ 8,334	20%
SUMMARY OF CONSOLIDATED STATEMENT OF NET COST DATA For the Years Ended September 30, 2024 and 2023				
Total Gross Costs	\$ 24,376	\$ 37,565	\$ (13,189)	-35%
Total Earned Revenue	\$ (942)	\$ (721)	\$ (221)	31%
Total Net Cost of Operations	\$ 23,434	\$ 36,844	\$ (13,410)	-36%
SUMMARY OF COMBINED STATEMENT OF BUDGETARY RESOURCES DATA For the Years Ended September 30, 2024 and 2023				
Unobligated Balance from Prior Year Budget Authority, Net	\$ 13,033	\$ 16,849	\$ (3,816)	-23%
Appropriations	30,721	34,187	(3,466)	-10%
Spending Authority from Offsetting Collections	1,473	644	829	129%
Total Budgetary Resources	\$ 45,227	\$ 51,680	\$ (6,453)	-12%

The General and Right-to-Use PP&E, Net account balance increased significantly by \$251 million or 465 percent, as a result of the implementation of new federal lease standard, Statements of Federal Financial Accounting Standards 54 (SFFAS 54), *Leases*. SFFAS 54 guidance required USAID to recognize lease assets if the lease terms meet the SFFAS 54 lease provisions. Refer to Note 1, Section M, *Leases*, for more details related to the provisions of SFFAS 54 and Note 9, *Leases*, for a detailed breakout of the USAID lease population.

The Advances and Prepayments accounts decreased by \$169 million over the FY 2023 balances, due to reductions in advances to host country governments and institutions in response to current needs globally. Refer to Note 4, *Advances and Prepayments*, for more details on advances. The USAID stockpile inventories also increased by \$8 million or 40 percent due to health and safety concerns related to the USAID's efforts to support humanitarian efforts worldwide and the capitalization of shipping costs in FY 2024.

LIABILITIES – WHAT WE OWE

The FY 2024 total liabilities of \$6.8 billion, represents an increase of almost \$1.2 billion or 21 percent increase over the FY 2023 total liabilities of \$5.6 billion. The increase in the total liabilities balance resulted from increases in multiple liability accounts. The Accounts Payable accounts were the main contributors to the increase in the liabilities by rising \$800 million, the Advances from Others and Deferred Revenue account rose by \$383 million, and the Lease Liabilities account increased by \$260 million. However, the Loan Guarantees Liabilities account declined by \$287 million over the FY 2023 account balance.

The Accounts Payable accounts increased by \$800 million as a result of efforts to advance democratic governance and reform and to support inclusive economic, as well as supporting humanitarian efforts worldwide. The increase of \$383 million or 40 percent in the Advances from Others and Deferred Revenue account is related to advances received from other federal agencies that will be used to strengthen the capacity of our partner countries to prevent, detect, and respond to the increasing occurrence and severity of epidemics, pandemics, and novel infectious disease threats. Refer to Note 11, *Other Liabilities*, for further details on the Advances from Others and Deferred Revenue accounts. Due to the implementation of the SFFAS 54 new lease standards in FY 2024, USAID was required to recognize a lease liability balance of \$260 million for primarily overseas residential housing leases.

The reduction of \$287 million in the Loan Guarantee Liability account was as a result of the repayment of loans and repurchases of certain notes within the Israel and the Middle East Northern Africa (MENA) Loan Guarantee Programs, as well as downward reestimate adjustments related to the repayment of loans within the loan guarantee program. The decrease in the loan guarantee program reflects a reduction of USAID's overall risk exposure for a potential loan default. For additional information, refer to Note 6, *Loan Guarantee Liabilities*.

ENDING NET POSITION – WHAT WE HAVE DONE OVER TIME

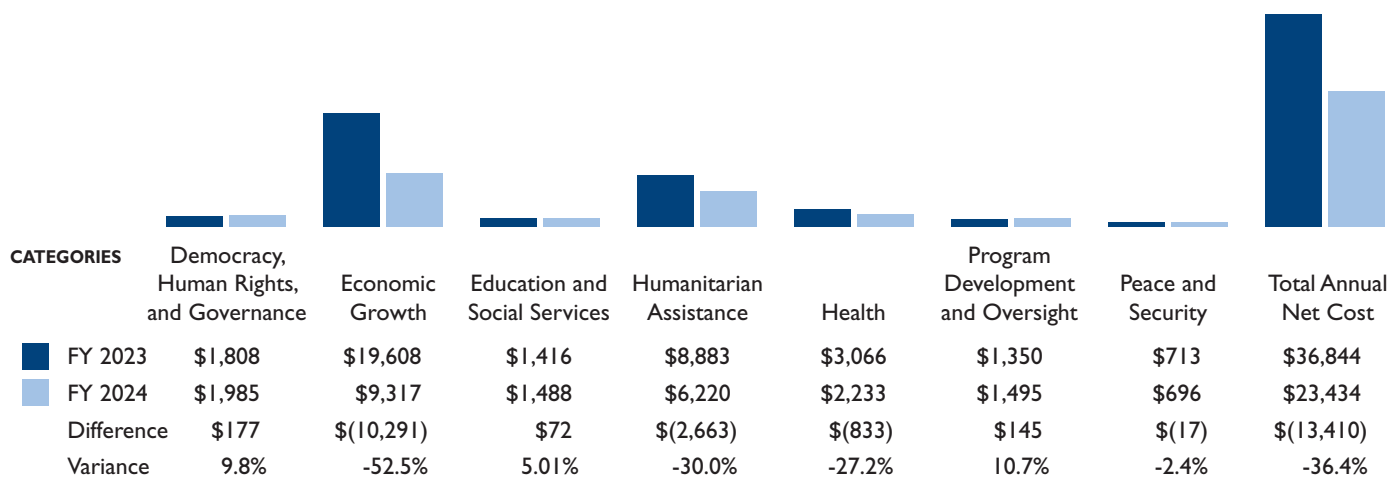
Net Position represents the Agency's equity, which includes the cumulative net earnings and unexpended appropriation authority granted by Congress. USAID's Net Position appears on the Consolidated Balance Sheet and the Consolidated Statement of Changes in Net Position. The reported Net Position balance as of September 30, 2024, was \$43.8 billion, which is an increase of almost \$7.2 billion or 20 percent over the \$36.7 billion reported for FY 2023. The primary factors for the increase in Net Position balance resulted from a decrease in the appropriations received account of \$3.3 billion, a decrease of \$13.0 billion in appropriations used account, and an increase of \$6.9 billion in the total change of unexpended appropriation. The decreases in the appropriations accounts and the total unexpended appropriations balance ultimately result in an increase in the Agency's net position. The FY 2024 Net Position balance was \$7.2 billion more than the FY 2023 balance. Refer to the section, "Results (Net Cost) of Operations" that follows for specific details on each of the foreign assistance program for FY 2024.

RESULTS (NET COST) OF OPERATIONS

NET COSTS

The results of operations are reported in the Consolidated Statement of Net Cost and the Consolidated Statement of Changes in Net Position. The Consolidated Statement of Net Cost represents the cost (net of earned revenues) of operating the Agency's foreign assistance programs. The State Department and USAID use the SPSD system to categorize their programs. The SPSD contains the following seven categories of foreign assistance programs: Democracy, Human Rights, and Governance; Economic Growth; Education and Social Services; Humanitarian Assistance; Health; Program Development and Oversight; and Peace and Security. Refer to the Mission and Organizational Structure section in this report for

FIGURE 21. FY 2023 AND FY 2024 COMPARISON OF NET COST OF OPERATIONS BY CATEGORIES (In Millions)



specific details on each of the foreign assistance programs. The net cost of operations totaled \$23.4 billion for FY 2024, which represents a decrease of \$13.4 billion or 36 percent over FY 2023 balances. The schedule, as shown in Figure 21, highlights the overall net costs of operations by each of the seven foreign assistance program categories and the change in balances from FY 2023 to FY 2024.

SHIFTING GLOBAL INITIATIVES AFFECT ANNUAL NET COSTS

Figure 21 details the respective net costs of operations spent by the program areas within each of the foreign assistance program categories for FY 2024. The net costs for each program area are constantly changing and priorities are shifting to respond to worldwide global program initiatives. The majority of the net costs of operations incurred in FY 2024 were due to spending within two foreign assistance program categories. The Economic Growth and the Humanitarian Assistance categories incurred net costs of \$9.3 billion and \$6.2 billion, respectively. These two foreign assistance program categories represent a total of \$15.5 billion or 66 percent of the overall net costs spent in FY 2024. The remaining five categories comprise the remaining \$7.9 billion or 34 percent of the overall net costs for FY 2024.

The Economic Growth program category enables USAID to focus its initiatives on supporting inclusive, sustained, and resilient economic growth with partner countries to reduce poverty and dependency. In addition, USAID partners with host governments, local and international private sector and NGOs, development assistance organizations, financial institutions, and other donors to foster enterprise-driven development.

The Humanitarian Assistance program category allows USAID and its partners to provide humanitarian assistance, such as continuing to provide life-saving aid, health services, shelter, water, sanitation, and hygiene services to millions of vulnerable people in various countries worldwide. This assistance also includes support for comprehensive protection activities, to include case management and psychosocial support for the most vulnerable populations worldwide. USAID is providing significant assistance to the Ukrainian people to counter the impact of Russia's brutal war and strengthen the resilience, democracy, economy, and healthcare systems.

PROGRAM AREAS

In addition to reporting net costs by overall major foreign assistance categories, USAID further provides detailed net costs by specific program areas for each of the seven foreign assistance program categories. In FY 2024, USAID incurred costs in 44 different

FIGURE 22. COMPARISON OF FY 2024 AND FY 2023 NET COSTS BY PROGRAM AREA
(In Millions)

Categories	Program Areas*	FY 2024	FY 2023	Difference (\$)
Democracy, Human Rights, and Governance	Good Governance	\$ 756	\$ 699	\$ 57
	Civil Society	500	474	26
	Human Rights	229	194	35
	Rule of Law (ROL)	175	167	8
	Political Competition and Consensus-Building	173	158	15
	Independent Media and Free Flow of Information	152	115	37
Democracy, Human Rights, and Governance Total		1,985	1,808	177
Economic Growth	Macroeconomic Foundation for Growth	4,891	15,866	(10,975)
	Agriculture	1,430	1,665	(235)
	Modern Energy Services	856	369	487
	Private Sector Productivity	685	530	155
	Environment	441	438	3
	Trade and Investment	247	207	40
	Climate Change – Clean Energy	210	141	69
	Climate Change – Sustainable Landscapes	135	150	(15)
	Workforce Development	116	106	10
	Transport Services	112	55	57
	Climate Change – Adaptation	99	50	49
	Information and Communications Technology Services	67	15	52
	Financial Sector	28	16	12
Economic Growth Total		9,317	19,608	(10,291)
Education and Social Services	Basic Education	981	1,020	(39)
	Higher Education	270	152	118
	Social Services	153	158	(5)
	Social Assistance	60	65	(5)
	Social Policies, Regulations, and Systems	24	21	3
Education and Social Services Total		1,488	1,416	72
Humanitarian Assistance	Protection, Assistance, and Solutions	5,780	8,505	(2,725)
	Disaster Readiness	401	320	81
	Migration Management	39	58	(19)
Humanitarian Assistance Total		6,220	8,883	(2,663)
Health	Water Supply and Sanitation	680	420	260
	HIV/AIDS	377	796	(419)
	Pandemic Influenza and Other Emerging Threats (PIOET)	253	996	(743)
	Maternal and Child Health	247	272	(25)
	Malaria	217	205	12
	Family Planning and Reproductive Health	191	188	3
	Other Public Health Threats	133	47	86
	Nutrition	69	65	4
Tuberculosis	66	77	(11)	
Health Total		2,233	3,066	(833)
Program Development and Oversight	Administration and Oversight	1,043	919	124
	Program Design and Learning	387	373	15
	Evaluation	65	59	6
Program Development and Oversight Total		1,495	1,350	145
Peace and Security	Conflict Mitigation and Stabilization	513	528	(15)
	Counternarcotics	87	109	(22)
	Transnational Threats and Crime	55	31	24
	Trafficking in Persons	28	27	1
	Counterterrorism	13	15	(2)
Combating Weapons of Mass Destruction (WMD)	0.01	3	(3)	
Peace and Security Total		696	713	(17)
Total Net Cost of Operations		\$ 23,434	\$ 36,844	\$ (13,410)

* For insight on how the Program Areas related to development, see Figure 8. Obligated Funds Coverage of Strategic Goals and Program Categories, FY 2023 on page 16 for related Strategic Goals and Strategic Objectives.

program areas within the seven foreign assistance categories. Figure 22, on the previous page, provides the comparison of FY 2024 and FY 2023 Net Costs by Program Areas.

The net costs of operations for FY 2024 totaled \$23.4 billion, which represents a decrease of \$13.4 billion over the FY 2023 balance of \$36.8 billion. The majority of the decrease in the net costs of operations balance is due to cost reductions in the following foreign assistance programs: the Economic Growth balance decreased by \$10.3 billion, the Humanitarian Assistance balance decreased by \$2.7 billion, and the Health balance decreased by \$0.8 billion resulting in an overall decrease of \$13.8 billion or a reduction of 59 percent in FY 2024 over the FY 2023 net costs of operations balance. Even with the decrease in the net costs of operations balances for the Economic Growth, Humanitarian Assistance, and Health foreign assistance programs, these programs still total \$17.8 billion and represent 76 percent of the overall FY 2024 net costs of operations. Three additional financial assistance programs had nominal increases of \$0.4 billion to the net cost of operations balance in FY 2024, representing about 21 percent of the overall net cost of operations balance. The net effect of all of the net cost variances within the various financial assistance programs resulted in an overall decrease of \$13.4 billion or 36 percent to the net cost of operations balance for FY 2024.

The Economic Growth program net costs of operations declined by \$10.3 billion in FY 2024, with the majority of the decrease occurring within the Macroeconomic Foundation for Growth and the Agriculture financial assistance program areas. The Macroeconomic Foundation for Growth and the Agriculture financial assistance program areas net costs were reduced by approximately \$11.0 billion and \$0.2 billion, respectively in FY 2024. However, USAID had a net increase in net costs of approximately \$0.9 billion within the remaining Economic Growth program areas, with the largest increase in net costs in the Modern Energy Services program area. In May 2024, USAID announced the Securing Power, Advancing Resilience and Connectivity project, which will provide urgently needed energy assistance to Ukraine

over the next five years. The focus of this project is on improving the resilience, reliability, affordability, and security of the electric power, natural gas, and district heating sectors within Ukraine and provide critical technical assistance, reform support, and equipment and services to maintain energy supply. USAID continues to help the Ukrainian government and many other countries worldwide to combat corruption; build defenses against cyberattacks, disinformation, and sustain democratic reforms and foster economic growth to benefit the citizens worldwide.

The Humanitarian Assistance program total net cost of operations balance is \$6.2 billion in FY 2024, which makes up approximately 27 percent of the overall net costs of operations balance. The largest program area with this financial assistance program category is the Protection, Assistance and Solutions program area, totaling \$5.8 billion represents 25 percentage of the overall net costs of operations balance for FY 2024. USAID is committed to delivering critical humanitarian assistance to vulnerable populations within countries around the world especially as humanitarian conditions continue to deteriorate. USAID continues to focus on and address the horrific impact of the ongoing war on civilians, the private sector, government institutions, and civil society.

The Health program totaling \$2.2 billion represents about 10 percent of the overall net costs of operations balance for FY 2024. The PIOET and HIV/AIDS program area net costs of operations result in a decrease of \$0.7 billion and \$0.4 billion, respectively. However, the Water Supply and Sanitation program area increased by \$0.3 billion in FY 2024 over the FY 2023 net cost of operations balance. The reduction in net costs related to this category coincides with the reduction in COVID-19 pandemic spending and successful initiatives related to the HIV/AIDS program areas. USAID is committed to collaborating closely with its international and country partners to support and provide global health initiatives that positively impact people and nations around the world, saves millions of lives, and improves access to basic health services, all while advancing the interests of the American people.

Each program area is an important element of the Agency’s framework for effectively leveraging scarce resources to impact development priorities and allowing USAID’s management to evaluate the overall mission or program activity efficiently and effectively. For a further breakout of net costs by responsibility segments and program areas refer to Note 15, *Schedule of Cost by Standardized Program Structure and Definition (SPSD)*, presented by responsibility segments.

BUDGETARY RESOURCES

OUR FUNDS

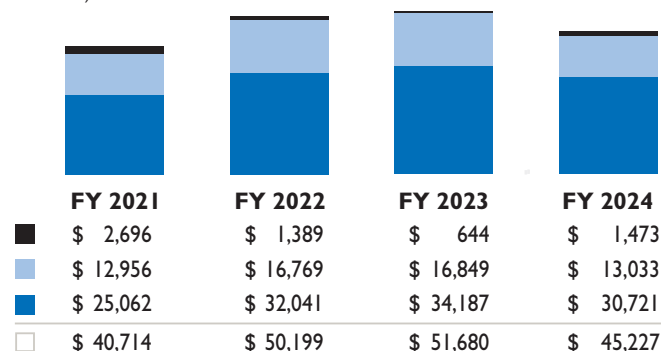
The Combined Statement of Budgetary Resources provides information on the budgetary resources made available to USAID during the fiscal year and the status of those resources at the end of the fiscal year. Budgetary Resources consist of the resources available to USAID at the beginning of the year, plus the appropriations received, spending authority from offsetting collections, and other budgetary resources received during the year. The funds that are available for the current year are made up of no-year, one-year, and multiyear funds. Figure 23 shows the unobligated balances from the prior year, appropriations and spending authority from offsetting collections, and total budgetary resources for USAID from FY 2021 through FY 2024.

The Agency receives most of its funding from general U.S. government funds administered by Treasury and appropriated by Congress for use by USAID. In addition, USAID receives budget authority as the parent of appropriations received from the State Department, the U.S. Forest Service (an agency of USDA), and HHS in FY 2024. Activity related to these departments and agencies appears in the Combining Schedule of Budgetary Resources located in the Required Supplementary Information section of this report.

USAID’s FY 2024 budgetary resources were reduced by \$6.5 billion over FY 2023. A portion of this reduction in budgetary resources is related

**FIGURE 23. SCHEDULE OF BUDGETARY RESOURCES
FY 2021 – FY 2024**

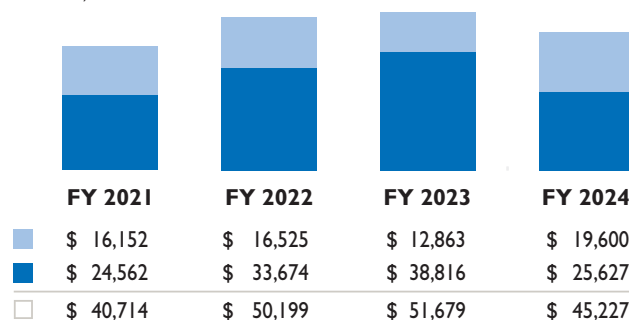
(In Millions)



■ Spending Authority from Offsetting Collections
 ■ Unobligated Balance from Prior Year Budget Authority, Net
 ■ Appropriations
 □ Total Budgetary Resources

**FIGURE 24. STATUS OF BUDGETARY RESOURCES
FY 2021 – FY 2024**

(In Millions)



■ Unobligated Balance
 ■ New Obligations and Upward Adjustments
 □ Total Budgetary Resources

to a \$3.5 billion decrease in the appropriation received in FY 2024 and \$3.8 billion less in prior year budget authority carried forward from FY 2023. However, USAID had an increase of \$0.8 billion in spending authority from offsetting collections in FY 2024, primarily due to collecting reimbursements and expenditure transfers from the State Department related to the HIV/AIDS Working Capital Fund.

OBLIGATIONS AND OUTLAYS

The Agency's cumulative budgetary resources for FY 2024 are \$45.2 billion as shown in Figure 24 on the previous page. USAID recorded new obligations or upward adjustments of \$25.6 billion, which represents 57 percent of the overall budgetary resources. The remaining budgetary resources within the unobligated balance of \$19.6 billion accounted for the remaining 43 percent of the budgetary resources for FY 2024. Overall, USAID's Total Budgetary Resources for FY 2024 decreased by \$6.5 billion or 13 percent over FY 2023.

The net outlays for USAID in FY 2024 were \$21.7 billion, which represent a decrease of \$15.0 billion or 15 percent over FY 2023 net outlays of \$36.7 billion. The decrease in net outlays is primarily due to the reduction of the carried forward FY 2023 budget authority and a reduction in the outlays within various foreign assistance programs. Although, USAID funding was reduced in FY 2024, USAID still maintains its commitment to respond to global issues within Ukraine and other countries. USAID continues to utilize its funding to lead the U.S. government's

international development and disaster assistance through partnerships and investments that save lives, reduce poverty, strengthen democratic governance, and help people emerge from humanitarian crises and progress beyond assistance.

LIMITATIONS OF THE FINANCIAL STATEMENTS

USAID's CFO has prepared these principal financial statements from the Agency's accounting records to report the financial position and results of operations of USAID, pursuant to the requirements of Section 3515 (b) of Title 31 of the U.S. Code (U.S.C.). While the CFO has prepared these statements from the books and records of USAID, in accordance with generally accepted accounting principles (GAAP) for federal entities and the formats prescribed by OMB, the Agency provides them in addition to the financial reports used to monitor and control budgetary resources. The statements should be read with the understanding that they are for a component of the U.S. government, a sovereign entity.

ANALYSIS OF SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

MANAGEMENT ASSURANCES

The Agency's integrated internal control policy requires all USAID managers to establish internal control systems to ensure U.S. government activities are managed effectively, efficiently, economically, and with integrity. All levels of management are responsible for maintaining and ensuring adequate internal controls over USAID operations.

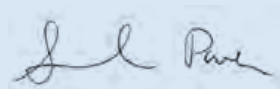
The FMFIA requires executive branch departments and agencies to establish and maintain internal controls and financial systems that provide reasonable assurance of the achievement of the following objectives:

- Effectiveness and efficiency of operations;
- Compliance with applicable laws and regulations; and
- Reliability of reporting for internal and external use.

To report on the effective management of risks and internal control, the Administrator of USAID must provide an annual Statement of Assurance that is based on an Agency internal control assessment. OMB Circular A-123, Appendix A, *Management's Responsibility for Enterprise Risk Management and Internal Control*, provides for the Unmodified Assurance Statement that requires agencies to comply with the objectives of Sections 2 and 4 of the FMFIA. The objective of Section 2 of the FMFIA is ensuring the existence and effectiveness of accounting and administrative controls; while the objective of Section 4 of the FMFIA is ensuring that the agency's accounting systems used to prepare annual statements comply with the standards provided in the FMFIA. In addition, USAID has provided a Summary of Financial Statement Audits and Management Assurances, as required by OMB Circular A-136, *Financial Reporting Requirements – Revised*, in the Other Information section of this AFR.

USAID STATEMENT OF ASSURANCE

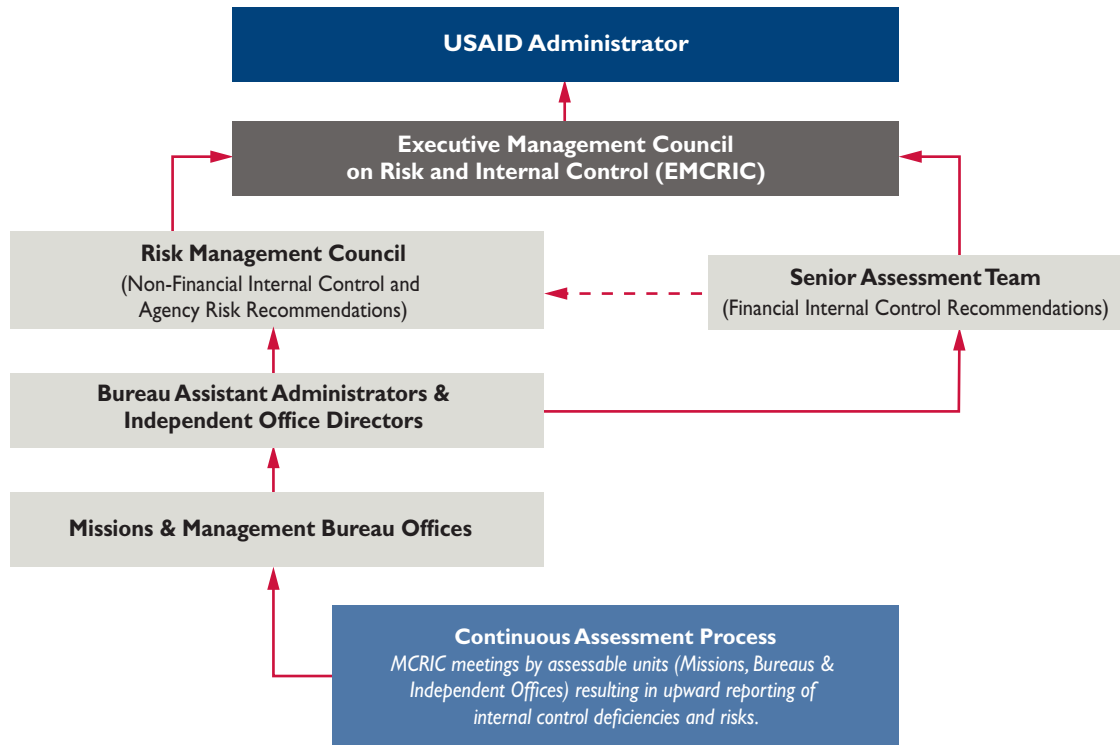
USAID management is responsible for identifying and managing risks, and maintaining effective internal controls to meet the objectives of Sections 2 and 4 of the Federal Managers' Financial Integrity Act. USAID conducted its assessment of risk and internal control in accordance with OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Based on the results of the assessment, USAID can provide reasonable assurance that internal control over operations, reporting, and compliance were operating effectively as of September 30, 2024.



Samantha Power,
USAID Administrator
November 12, 2024

USAID's Enterprise Risk Management (ERM) program supports the integration of ERM and USAID's internal control activities, as required by OMB Circular A-123, Appendix A, *Management's Responsibility for Enterprise Risk Management and Internal Control*. The ERM Secretariat, housed in the M/OCFO, is responsible for the analysis and management of Agency risks submitted through an annual risk profile and FMFIA submission processes, as well as providing technical support to USAID's ERM governance structure. As outlined in USAID's ERM Policy, ADS 596, the Chief Risk Officer serves as an advisor to the Executive Management Council on Risk and Internal Control (EMCRIC) and the Risk Management Council (RMC). This role is held by the Deputy Administrator for Management and Resources. Further, the policy requires that Missions establish a Management Council on Risk and

FIGURE 25. GOVERNANCE STRUCTURE FOR ERM AND INTERNAL CONTROL SYSTEMS



All levels of management are responsible for providing adequate controls over USAID operations.

Internal Control (MCRIC) to oversee the Mission’s risk and internal control processes. To facilitate communication among Bureaus and Independent Offices (B/IOs), Missions, and their sub offices, thereafter called Assessable Units (AU), appoint Risk Management Liaisons (RMLs) to act as key points of contact to foster open and honest conversations about risk and ensure efficient and effective identification, reporting, and treatment of risks.

USAID’s governance structure, as shown in Figure 25, is multifaceted and representative of every AU at USAID. The EMCRIC is chaired by the Deputy Administrator for Management and Resources. The EMCRIC reviews, approves, and recommends for the Administrator’s approval: the USAID annual Statement of Assurance, the Agency Risk Profile (ARP), and proposed corrective action measures and risk response for identified risk. EMCRIC membership comprises the Agency Counselor, Assistant Administrators of Bureaus and heads of Independent Offices, Statutory

Officers (CFO, CIO, and Chief Acquisition Officer/Procurement Executive [CAO]) of the Agency, Director of the Office of Management Policy, Budget, and Performance within the M Bureau (M/MPBP), and the Inspector General (as a non-voting observer). Self-certifications from heads of AUs worldwide serve as the basis for the assurance statement issued by the USAID Administrator, which comprises information gathered from various sources, including managers’ personal knowledge of day-to-day operations and existing controls, management program reviews, and other management-initiated evaluations. Additionally, management considers external reviews, audits, inspections, and investigations.

The RMC, co-chaired by Deputy Assistant Administrators (DAAs) from the M Bureau and PLR, is responsible for assessing the roll-up of enterprise risks and non-financial internal control deficiencies, based on input from AUs. The RMC, comprising DAAs from each AU, evaluates

synthesized profiles and develops or updates an ARP that presents an Agency-level portfolio of risks, coupled with proposed risk responses, where appropriate, for EMCRIC review and approval.

The Senior Assessment Team (SAT), chaired by the Agency's CFO with membership consisting of Agency Statutory Officers and B/IO Deputy Heads, is responsible for taking an Agency-wide view of deficiencies in financial internal control, as identified through the FMFIA certification process, the audit program, and any other related functions. It also assesses, monitors, and/or proposes appropriate corrective measures. The SAT reports financial internal control deficiencies deemed significant or material to the EMCRIC and the Agency as a whole. Any such deficiencies are included in this annual FMFIA assurance statement. During FY 2024, the SAT oversaw internal control over the financial reporting program to meet OMB Circular A-123, Appendix A requirements. The Agency's Internal Control team employs an integrated process to perform the work necessary to meet the requirements of OMB Circular A-123, including compliance with the Government Charge Card Management (Appendix B), Improper Payments (Appendix C), and the FFMA (Appendix D).

This year, the Agency leveraged the ERMIC Tool, an Integrated Risk Management (IRM) platform, to conduct internal control assessments of all Agency units supporting FMFIA. USAID AUs self-assessed and reported that internal controls related to the five components of the GAO 17 Principles were in place and operated effectively. All AUs were also to test key business process internal controls and provide their self-assessment results. All AUs were to provide a Certification Letter (or Statement of Assurance) that attest to the existence, efficiency, and effectiveness of internal controls within the AU. AUs were asked to identify risks simultaneously to fully synchronize ERM and internal control activities. Top risks are identified in the ARP, categorized, assigned a treatment, and monitored in accordance with a treatment plan.

ERM PROGRAM MILESTONES

The Agency advanced ERM maturity in FY 2024 by deploying the Advanced Risk Module of the ERMIC TOOL, which introduced both the Risk

and Compliance Workspace(s), automating both USAID's risk management and internal control processes. All AUs completed their FY 2024 risk profile update in this new platform and are now using the application to monitor risks continuously. This shift has cultivated a more sophisticated and forward-looking risk management posture, allowing ERM governance committees to have timely visibility of emerging and existing Agency risks. The upgraded centralized platform significantly improves the ability to perform advanced analytics on the risk data and accommodates the operationalization of the Agency's Risk Appetite Statement (RAS). The ERMIC TOOL is scalable, with plans to integrate audit management in the future, as well as expand to other use cases, creating a holistic view of the system.

In FY 2024, USAID released an ERM Program Maturity Self-Assessment to the Agency's Missions and B/IOs (M/B/IOs) to get AUs' perspectives on USAID's level of maturity in three key domains: people, processes, and tools. The self-assessment results will support future improvements to the ERMIC TOOL and the ERM program as a whole.

This year, key ERM milestones were achieved through USAID's ERM and Internal Control governance structure. During an EMCRIC meeting in June 2024, members approved two additions to the ARP. Risks added include (1) Information Manipulation and (2) Supply Chain Risk Management Human Trafficking/Forced Labor. Regarding Information Manipulation, at the request of the Administrator and Deputy Administrator for Management and Resources, the Agency-wide Information Resilience Council was created to address information manipulation, given the high risk it poses to beneficiaries, the Agency's reputation, and programs in all USAID partner countries. Foreign and non-state actors can use information manipulation online and offline. With the rise of AI, the need to address this risk is more imperative than ever.

In addition, over the past fiscal year, the EMCRIC has delved into four critical ARP progress update presentations, each shedding light on areas vital to USAID's mission, such as sustainable development, countries sensitive to cybersecurity vulnerabilities, climate change, and USAID's commitment to DEIA

ASSESSMENT OF COMPLIANCE WITH THE FFMIA

As required by Section 803(a) of the FFMIA, the Agency determined that its financial management systems comply substantially with federal financial management systems requirements, applicable federal accounting standards promulgated by the Federal Accounting Standards Advisory Board (FASAB), and the U.S. Standard General Ledger (USSGL) at the transaction level for FY 2024.

The FFMIA requires USAID to implement and maintain financial management systems that comply substantially with federal financial management systems requirements, applicable federal accounting standards promulgated by the FASAB, and the USSGL at the transaction level. USAID assesses its financial management systems for compliance with Appendix D of OMB Circular A-123, FFMIA, FMFIA, and other federal requirements. USAID's process for assessing compliance includes the use of the FFMIA Compliance Determination Framework, which incorporates a risk model applied against common goals and compliance indicators. (The Treasury Financial Manual Chapter 9500 provides guidance for using the Federal Financial Management System Requirements when determining compliance with the FFMIA.)

GOALS AND SUPPORTING FINANCIAL SYSTEM STRATEGIES

In April 2022, the CFO released the Financial Management Strategic Plan for 2022 – 2027. This five-year plan has helped the M/OCFO go beyond traditional roles and become an integrated business and strategic partner to increase the value and potential of financial management across the Agency. The strategic plan focuses on the three goals of Establishing a Culture of Operational Excellence; Becoming a Trusted and Valued Strategic Advisor, Partner, and Service Provider; and Enhancing ERM and Internal Control Performance.

The strategic plan states that to achieve a culture of operational excellence, M/OCFO should focus on improving financial management processes; support the development of financial systems and reports; and prepare the workforce to align with USAID's envisioned future plans.

USAID operates with an efficient financial management system that enables the Agency to focus its resources where they achieve the most impact in direct support of the Agency's priorities. USAID strives to maximize development impacts to deliver more sustainable results by promoting resilient, democratic societies, while advancing U.S. security and prosperity. The Agency's emphasis is not only on dollars spent, but on the results achieved.

To do so, USAID needs a financial management system that is efficient for staff; reliable and useful for management; and compliant with federal requirements. For over 20 years, USAID has met this requirement through Phoenix, a single, worldwide system based on CGI's Momentum® solution. Phoenix allows the Agency to effectively account for the billions of dollars recorded for development and assistance activities in the more than 100 countries where USAID operates.

USAID uses Phoenix data to guide decision making and provide an accurate picture of the Agency's activities providing health, humanitarian, economic, and development assistance worldwide. Detailed budget and spending data from Phoenix are a vital input into the public-facing websites such as the Foreign Assistance Dashboard (<https://www.foreignassistance.gov/>) and USAspending (<https://www.usaspending.gov/>). USAID's Digital Accountability and Transparency Act of 2014 (DATA Act) submissions provide increased transparency into the Agency's finances and procurement activity. USAID submitted and certified its FY 2024 DATA Act files to Treasury on time and on budget as the Agency has since the process was first tracked in FY 2017. These tools promote transparency by enabling stakeholders to see how U.S. taxpayer funds achieve international development results and explain how the U.S. government invests in



The cover of the Financial Management Strategic Plan for 2022 – 2027.

countries around the world. They also provide insight into the Agency's response to major global events such as the response to Putin's invasion of Ukraine.

While Phoenix has been in place for more than 20 years, the Financial Systems Division (M/OCFO/FS) works with other Divisions in M/OCFO and colleagues in other OUs to improve its systems and processes. In FY 2024, M/OCFO deployed an automated accruals process for USAID, which greatly decreased the number of hours USAID staff spent preparing accruals estimates. Previously, USAID staff dedicated tens of thousands of hours manually preparing accruals estimates annually. By automating this process, staff have more time to focus attention toward more critical tasks. Additionally, M/OCFO/FS Leadership has created and implemented a new Phoenix Intake Request Process wherein a M/B/IO can submit a Phoenix enhancement request to improve a current financial business process, develop a new financial business process, or request ad hoc support from the M/OCFO/FS Team.

This new process has been designed to improve the organization, standardization, and responsiveness of incoming enhancement requests. M/OCFO/FS also works to evaluate new versions of the Commercial Off-The-Shelf (COTS) Momentum product to determine implementation strategies that address increased automation and additional interfaces to reduce the reliance on data entry and other burdensome, repetitive tasks. An upgrade to a newer version of the COTS solution is currently planned for implementation in FY 2026.

In FY 2024, USAID increased adoption of the Mission Operating Expenses (OE) Budget Tools through user engagement and continuous improvements to the associated processes and configuration. Regional training conducted in Accra, Ghana; Frankfurt, Germany; and Pretoria, South Africa deepened understanding of the OE Budget Tools and business processes, and encouraged knowledge sharing and best practices at a regional level. USAID also enhanced the information in Phoenix Performance Budgeting by ensuring alignment between Mission Current Year Budget Requests and the Operating Year

Budget. Looking ahead to FY 2025, USAID is focused on stabilizing knowledge management surrounding the OE Budget Tools and collaborating with B/IOs to leverage the Mission details now available in Phoenix Performance Budgeting. This will facilitate building Bureau budget levels for the current fiscal year, integrating Regional and Washington Bureau Current Year Budget submissions.

M/OCFO's Automated Deobligation Application continued to improve the deobligation process by allowing users to automatically deobligate actions including travel orders, credit card obligations, and Phoenix obligations, as well as small purchase awards. In FY 2024, the Agency used the application to deobligate more than 26,700 Phoenix accounting lines, freeing up more than \$95.5 million for potential reuse. M/OCFO's Upward Adjustment Request tool continued to help the Agency automate its process for using its deobligated funds to execute upward adjustments, bilateral realignments, and other budgetary adjustments. In FY 2024, this tool processed more than 1,500 requests from approximately 178 users.

The CFO is committed to ensuring that USAID complies with evolving federal requirements. As of October 2022, Treasury requires federal program agencies to use the G-Invoicing system to record and manage any new intra-governmental buy/sell transactions (also known as Interagency Agreements [IAAs]). Treasury also intends to limit the use of the Intra-Governmental Payment and Collection (IPAC) system for buy/sell activity beyond October 2025, which requires the review and potential transition of existing open IAAs extending beyond FY 2025 to G-Invoicing. To meet the mandate, M/OCFO continued to address impacts to IAA processes from inception to closeout, help users obtain access to G-Invoicing, provide training and support, and assist Bureaus and Missions in reconciling IAA balances with their trading partners. An upgrade to the Phoenix system is underway that will allow an automated integration between G-Invoicing and Phoenix. In FY 2026, this integration will reduce the need for dual manual data entry of IAAs between the two systems, provide a more complete audit trail of IAA activity, and strengthen data integrity.

In alignment with the strategic plan, M/OCFO will continue to focus on improving its data analysis capability to assist with decision making, improve customer service, and systematically enhance collaboration with USAID's strategic partners. To help achieve this goal, M/OCFO developed a pilot of the Griffin Azure Analytics solution, which was launched in March 2023. Backed by a modernized cloud-based architecture, Griffin provides robust analytical tools to USAID's community of financial data users. Griffin will significantly reduce the downtimes inherent in the current architecture and provide M/OCFO with near real-time data, which will be critical in making better-informed financial decisions. It offers an enhanced user experience and consolidates multiple sources of data into interactive reports and dashboards to better serve day-to-day operations. Griffin offers a secure, scalable platform, providing a solid foundation for larger, more complex financial data solutions tailored to Agency needs. Griffin implementation will begin in early FY 2025.

Finally, to enhance ERM and internal control performance, the JSP states that there should be a focus on reinforcing a risk-aware culture, increasing operationalization of ERM and internal control, and providing data analytics for better risk/control-related decisions. M/OCFO/FS works to enhance effectiveness and efficiency by continuously evaluating Phoenix operations to reduce risk and maintain a secure IT operating environment. Throughout the year, the Phoenix Program Management Office complies with the Agency's ERM processes. In August 2023, M/OCFO/FS performed a review and a revision of the existing Phoenix Program Risk and Issue Management Plan. M/OCFO/FS has continued to follow these updated procedures in FY 2024, resulting in a more accurate reflection of how the program tracks, measures, and mitigates risks. In addition, the M/OCFO/FS team has continued to attend various risk-management meetings throughout the year to maintain a high level of understanding and execution of the Agency's risk-management guidance. These updates, reviews, and training sessions have allowed the team to more comprehensively monitor and track issues

that the program may face. They have also helped to increase M/OCFO's responsiveness to risk and other potential program issues.

FRAMEWORK FOR FINANCIAL MANAGEMENT SYSTEMS

The Phoenix financial system is the Agency's accounting system of record and the core of USAID's financial management systems framework. Phoenix enables the Agency's staff to analyze, manage, and report on foreign assistance funds. In FY 2024, Phoenix had over 3,100 users who processed more than 1.8 million transactions and obligated over \$34.4 billion dollars.

Phoenix interfaces with other Agency systems and tools to align USAID's financial management operations with other business processes. Phoenix is fully integrated with USAID's procurement system, the Global Acquisition and Assistance System (GLAAS), via a real-time interface. This integration helps streamline business processes and simplify unified reporting. Phoenix is also integrated with USAID's end-to-end government travel and expense tool, E2 Solutions, allowing unified tracking of the Agency's travel budgets and spending.

USAID applies incremental investments to automate and streamline financial management processes, meet user and federal requirements, and follow guidance from OMB and Treasury in order to strengthen financial and IT management practices. In FY 2024, M/OCFO successfully transitioned two development environments from Windows to Linux databases. These transitions have been key components in the Agency's ongoing initiative both to modernize and standardize the Phoenix architecture in preparation for the upgrade scheduled for deployment in early FY 2026. In further support of this initiative, M/OCFO has successfully installed OpenShift with the new Phoenix architecture in the development environment as part of the update process. M/OCFO continues to deploy routine software updates to ensure that the Agency remains current with both security standards and the latest Phoenix releases in order to maintain compliance with all NIST and USAID's ADS requirements.

SUMMARY OF SIGNIFICANT LAWS

Listed below are the laws that the Agency considers having a significant impact on USAID's operations and financial statements during FY 2024 and with which the Agency maintains compliance, as indicated in the Independent Auditor's Report. [Appendix A](#) of this report contains a detailed description of each law.

- **Antideficiency Act (ADA)**
- **Cash Management Improvement Act (CMIA) of 1990**
- **Chief Financial Officers (CFO) Act of 1990**
- **Civil Service Retirement Act (CSRA)**
- **Debt Collection Improvement Act (DCIA) of 1996**
- **Federal Credit Reform Act (FCRA) of 1990**
- **Federal Debt Collection Authority**
- **Federal Employees' Compensation Act (FECA)**
- **Federal Employees Health Benefits Act (FEHBA)**
- **Federal Employee Retirement System Act (FERSA) of 1986**
- **Federal Financial Management Improvement Act (FFMIA) of 1996**
- **Federal Information Security Management Act (FISMA)**
- **Federal Managers Financial Integrity Act (FMFIA) of 1982**
- **The Foreign Assistance Act of 1961**
- **Government Management Reform Act (GMRA) of 1994**
- **Payment Integrity Information Act (PIIA) of 2019**
- **Prompt Payment Act (PPA)**



OTHER MANAGEMENT INFORMATION, INITIATIVES, AND ISSUES

USAID improved the efficiency and effectiveness of its workforce, policies, programs, and processes to support and advance the Agency's development and humanitarian assistance mission through wide-ranging management reforms and initiatives in FY 2024. These improvements also supported Administration priorities and initiatives, such as the President's Management Agenda (<https://www.performance.gov/pma/>) and the USAID Policy Framework (<https://www.usaid.gov/policy/documents/mar-23-2023-usaids-policy-framework>). USAID's key management reforms and initiatives in FY 2024 include:

- Advancing Localization;
- Strengthening and Empowering USAID's Workforce;
- Delivering Excellent, Equitable, and Secure Federal Services and Customer Experience (CX);
- Optimally Managing the Business of the Government;
- Audit Follow-Up; and
- Sovereign Bond Guarantees (SBGs).



The cover of USAID's FY 2023 Localization Progress Report, which the Agency published in June 2024.

ADVANCING LOCALIZATION

Locally-led development is critical to effective programmatic implementation and is critical for the long term effectiveness, and sustainability of USAID-funded interventions. Building on past efforts, USAID is implementing a set of internal reforms, actions, and behavior changes to advance a model of locally-led, inclusive development and humanitarian response. In this model, local actors set agendas, develop solutions, and mobilize their capacities and other resources to make those solutions a reality.

LOCALIZATION GOALS AND PROGRESS

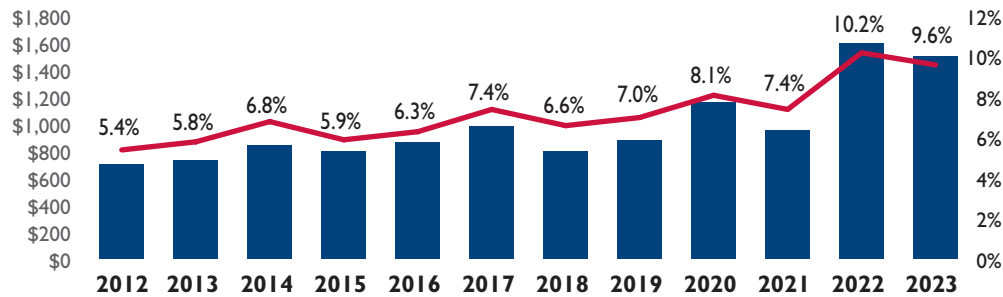
USAID Administrator Samantha Power announced two ambitious Agency-wide targets to track and motivate progress in November 2021: (1) USAID will strive to channel at least one quarter of its program funds directly to local partners by the end of FY 2025; and (2) by 2030, at least 50 percent of USAID's programming will place local communities in the lead to set priorities, co-design projects, drive implementation, and measure and evaluate impact.

Advancing localization to achieve these targets has required USAID to comprehensively reevaluate many of its core programmatic and operational processes and behaviors. Accordingly, USAID is implementing several lines of effort, which USAID summarizes and shares on its public-facing website: <https://www.usaid.gov/localization>.

In June 2024, USAID published its *Committed to Change: FY 2023 Localization Progress Report* (<https://www.usaid.gov/localization/progressreport/full-report-fy2023>), the second update on USAID's progress toward these targets and its broader localization goals. As shown in Figure 26 on the next page, in FY 2023, USAID's Direct Local Funding to individuals, organizations, or corporations based and legally organized in a country where they implement USAID-funded work reached \$1.5 billion, or 9.6 percent of USAID's obligations, down slightly from \$1.6 billion and 10.2 percent of obligations in FY 2022, which was the highest level and percentage in more than ten years. Still, FY 2023 marks the second highest level and percent of Direct Local Funding in over a decade, following a longer-term, generally increasing trend. USAID's Missions and other overseas OUs led these efforts, through which they directed approximately 14 percent of attributable A&A obligations to local partners. Additionally in FY 2023, USAID provided \$68 million to

FIGURE 26. USAID’S DIRECT LOCAL FUNDING OVER TIME

(Millions of dollars and percent)



SOURCE: USAID’s FY 2023 Localization Progress Report

local partners who work regionally and another \$156 million in government-to-government (G2G) assistance. Both the number of new awards to local partners and the number of local partners with whom USAID works have increased annually since FY 2021 and reached new highs in FY 2023. For instance, since FY 2021, the number of new awards to local partners has increased by 45 percent and the number of new local partners has increased by 24 percent. By sector, health stands out, with more than 20 percent of health funding going to local partners in FY 2023. Africa remains the region with the highest proportion of direct local funding at 22 percent.

In FY 2023, USAID piloted a new metric, the Locally-Led Programs indicator, across approximately half of the Agency’s portfolio to track the extent to which USAID programs employ a set of “good practices” that advance locally-led development over the life of a project. USAID added the indicator to its FY 2024–2025 DEIA APG (<https://www.performance.gov/agencies/usaid/apg/fy-24-25/goal-3/>). For the pilot, the indicator included 14 good practices across four categories of ways to elevate local leadership in USAID’s programming: (1) working directly with local partners; (2) creating effective local partnerships; (3) recognizing, leveraging, and strengthening local capacity; and (4) engaging communities directly. Overall, 53 percent of reported programs met the indicator’s criteria for using at least two good practices across two categories. These strong results present USAID with an opportunity to raise its ambition around how it elevates and measures local leadership in its programs.

In FY 2024, USAID applied lessons from the pilot to inform adjustments to the indicator and adopted the metric Agency-wide. Key adjustments included reducing the good practices tracked in the indicator from 14 to ten, and restructuring the indicator to organize the good practices into categories that reflect the project lifecycle.

USAID maintains a separate webpage about how it is measuring its localization progress (<https://www.usaid.gov/localization/measurement>).

INTERNATIONAL ENGAGEMENT

USAID and other bilateral donors committed in December 2022 to a shared set of principles that build on previous donor commitments to advance locally-led development, humanitarian, and peacebuilding efforts. In the 2022 Donor Statement on Locally-Led Development (<https://www.usaid.gov/localization/donor-statement-on-supporting-locally-led-development>), these donors resolved to: (1) shift and share power to ensure local actors have ownership over and can meaningfully and equitably engage in development, humanitarian, and peacebuilding programs; (2) work to channel high-quality funding as directly as possible to local actors while ensuring mutual accountability for effectively using funds, managing risks, and achieving results; and (3) publicly advocate for locally-led development by using convening authority, leveraging partnerships and networks, and enhancing cooperation with national and subnational authorities, community leaders, and civil society, and in international fora and multilateral institutions.

As of August 2024, USAID and 20 bilateral donors, along with 26 U.S. and European foundations, have endorsed the Donor Statement on Locally-Led Development.



In June 2024, USAID connected with more than 130 prospective and current local partners at a [WorkwithUSAID.gov](https://www.usaid.gov/workwithusaid) roadshow in Arua, Uganda. SOURCE: <https://x.com/usmissionuganda/status/1808065958000369729>

INTERNAL STRATEGIES AND POLICIES

USAID advances progress internally by implementing several key strategies and policies, including growing its workforce, through which the Agency shapes and supports how it engages with local actors. USAID reaffirmed its commitment to “significantly expand our support for locally-led development” in the 2023 *Policy Framework: Driving Progress Beyond Programs* (<https://www.usaid.gov/policy/policy-framework>), the Agency’s overarching policy document.

USAID’s sector- and issue-specific development and humanitarian policies (<https://www.usaid.gov/policy>) also prioritize locally-led programs and reforms. For example, by implementing the 2022 *Local Capacity Strengthening (LCS) Policy* (<https://www.usaid.gov/policy/local-capacity-strengthening>), the Agency is: (1) responding to local priorities for strengthening capacity and leveraging the skills and expertise that local organizations and communities already have; (2) expanding its own capacity to enable more effective programming and equitable partnerships with local actors; and (3) emphasizing accountability in aligning its operations to the principles and best practices outlined in the policy. Through this work, USAID seeks to improve performance in capacity strengthening-related activities, revise USAID processes and policies, and exchange best practices with local actors and global stakeholders.

In FY 2024, USAID continued to implement the LCS Policy. Highlights include:

- The cross-Agency implementation team, which USAID’s New Partnerships Initiative (NPI) chairs, developed 21 resources and guides, including public-facing implementation guidance from the Bureaus for Global Health; Management; Democracy, Human Rights, and Governance; and Conflict Prevention and Stabilization.
- USAID hosted the first annual virtual LCS Learning and Feedback Forum on the anniversary of launching the policy in October 2023— attracting more than 1,700 participants from 80 countries. USAID hosted the second forum in October 2024 (<https://www.usaid.gov/policy/local-capacity-strengthening/forum>).
- As part of piloting the Locally-Led Programs Indicator, “Demand driven local capacity strengthening in line with the LCS Policy” was the most frequently reported on good practice, and USAID will continue to include it as part of the indicator because it is important for locally-led development.

Relatedly, USAID finalized and published a *Locally-Led Humanitarian Assistance Policy* (<https://www.usaid.gov/humanitarian-assistance/policies-and-reports/locally-led-humanitarian-assistance>) in FY 2024.

USAID’s A&A Strategy (<https://www.usaid.gov/policy/acquisition-and-assistance-strategy>) and Implementation Plan (<https://www.usaid.gov/sites/default/files/2023-03/AA-Strategy-Implementation-Plan-3-2023-draft.pdf>) include a number of reforms that are critical for USAID to advance its localization efforts, including through expanding connections with local partners, while making it easier for implementing partners to work with USAID. Many local partners are new to working with USAID and benefit from Agency guidance throughout the process.

Through the A&A Strategy and Implementation Plan, USAID emphasizes being more accessible to

local actors by reducing barriers to entry through:

- Communicating proactively to reach local partners and share funding and partnering opportunities;
- Using more flexible, adaptable, and simple award mechanisms to provide direct funding to local organizations;
- Improving local partners' abilities to recover their full costs of implementing USAID awards, including by expanding existing and introducing new indirect cost-recovery options; and
- Expanding opportunities for local partners to engage in USAID's A&A processes in multiple languages beyond English.

In FY 2024, USAID made progress implementing these reforms. For example, USAID expanded its Translation Program (<https://www.workwithusaid.gov/en/blog/usaid-translation-program-saves-partners-time-and-money>) to reduce the language barrier between USAID and local partners by translating nearly 200 assistance award-related documents into Amharic, Arabic, Chichewa, French, Hausa, Portuguese, Somali, Spanish, and Swahili. By translating these documents into languages more widely spoken in many of the countries where USAID works, the USAID Translation Program helped the Agency reach more local partners, guiding them throughout the application process from solicitation, to registering on SAM.gov, to submitting a Final Application.

USAID understands that working with partners who are new to USAID presents different types of risks, both for USAID and the partners themselves, than working with longstanding partners. This is why USAID's RAS (<https://www.usaid.gov/sites/default/agency-policy/596mad.pdf>) states that USAID has a high programmatic risk appetite to be balanced with a medium fiduciary risk appetite for implementing funding through local partners.¹¹ As such, USAID encourages staff to take informed risks to expand USAID's set of local partners to advance equitable and sustainable development outcomes. In line with the A&A Strategy and RAS,

USAID encourages its staff to work closely with new and local partners to jointly identify risks, and develop and implement plans to mitigate and manage them, including by strengthening local capacity.

GUIDANCE, TRAINING, AND RESOURCES

USAID is integrating localization into guidance, training, and resources to ensure staff have the information and skills they need to operationalize locally-led development throughout USAID's A&A processes and Program Cycle. These efforts include:

- Guidance on integrating local knowledge in development practice (<https://usaidlearninglab.org/resources/report-integrating-local-knowledge-development-practice>);
- Internal training on G2G activities, including courses on the G2G activity lifecycle, managing partner-government relationships, G2G risk management, and G2G design and implementation;
- Internal training on engaging the local private sector and using systemic design for sustainable and locally-led development;
- “How to” guides on topics including: conducting partner landscapes (https://www.usaid.gov/sites/default/files/2023-08/USAID_NPI_PartnersLandscapeFieldGuide_FINAL.pdf), incorporating locally-led development into subawards (https://www.usaid.gov/sites/default/files/2023-05/USAID_NPI_SubawardGuide-ALP_final.pdf), creating accountability and feedback plans, (https://www.usaid.gov/sites/default/files/2023-08/USAID_NPI_ALPGuideSeries-4_5-27-2022b.pdf), building stronger working relationships through the use of refinement periods (https://www.usaid.gov/sites/default/files/2023-01/USAID_NPI_RefinementGuide_FINAL.pdf);
- Resources on collective action (<https://usaidlearninglab.org/collective-action-usaid-programming>);

¹¹ Please refer to the ERM subsection in this Other Management Information, Initiatives, and Issues section for more information about USAID's RAS. The ERM subsection is on page 92.

- Resources on co-creation (<https://www.usaid.gov/npi/capacity-building-indicator-resources/co-creation-interactive-guide>); and
- Training on implementing the LCS Policy (<https://usaidlearninglab.org/insights-practice/self-paced-training-and-courses/training/local-capacity-strengthening-policy>).

USAID also disseminates resources for USAID staff through a Localization Community of Practice that comprises 1,000 staff from all regions and sectors.

WorkwithUSAID.gov PLATFORM

USAID remains focused on identifying and using technology and process improvements to eliminate redundant, manual, and time-consuming tasks for A&A professionals and partners. Doing this enables USAID staff and partners to work more effectively and efficiently to design, implement, and manage awards that change lives and communities.

USAID efforts to support partners are evident in the evolution of WorkwithUSAID.gov (<http://WorkwithUSAID.gov>), which now has more than half a million users, a host of valuable resources, and a partner directory that boasts more than 7,000 organizations from 163 countries. This platform is now available in Arabic (<https://www.workwithusaid.gov/ar>), French (<https://www.workwithusaid.gov/fr>), and Spanish (<https://www.workwithusaid.gov/es>).

USAID is simplifying the process of partnering with USAID through its WorkwithUSAID.gov platform (<http://www.workwithusaid.gov>). The platform is a free and easy-to-navigate resource hub through which USAID provides clear, timely, and accessible information in multiple languages about how to work with the Agency and announces opportunities for funding. Current and prospective partners can network using the robust Partner Directory and the subopportunities page. The subopportunities page helps organizations seeking subrecipients and subcontractors to connect with organizations that are interested in being subs, and vice versa. Please refer to the High Impact Service Provider (HISP): Progress and Next Steps section on page 85 for more information on WorkwithUSAID.gov.

NEW PARTNERSHIPS INITIATIVE

The NPI (<https://www.usaid.gov/npi>) is a key way USAID advances localization, including through 44 active awards during FY 2024 that enhance the Agency’s collaboration with new, nontraditional, and local partners. In FY 2024, NPI submitted its second report to Congress, reporting on funding provided via NPI award mechanisms in the previous fiscal year. USAID estimated that in FY 2023, aggregate NPI funding mechanisms obligated more than \$183 million across 48 awards to more than 70 partners.

NPI directly supports Missions globally across all USAID development sectors. This flexibility enables NPI support to be demand-driven and responsive to local and regional priorities as they arise. In FY 2024, NPI provided direct technical assistance to 12 different Missions and OUs. For example, USAID/Democratic Republic of the Congo, with support from the NPI team, developed a localization strategy and action plan that has helped the Mission realize a trajectory toward doubling direct local partner funding levels. Additionally, the Partnerships Incubator, the NPI team’s partnership accelerator and localization support mechanism, continued delivering exceptional support in its fifth and final year of operation. The Incubator enabled NPI to engage with an additional 17 OUs to provide support to new, local, and nontraditional partners during FY 2024. At the direction of USAID, the Incubator delivered partner landscape analyses and assessments (PLAs), co-creation events between the Agency and potential partners, tailored capacity strengthening services to local organizations, and direct localization support to OUs.

For example, at the Mission level, the Incubator worked with USAID/Liberia to conduct a PLA of local organizations demonstrating leadership in areas aligned with the Mission’s technical focus areas and offered a unique value proposition not otherwise available in their community, geography, or sector. The Mission’s goal was to better understand local systems and determine whether investments in capacity strengthening for key local actors can effectively contribute to sustainable change at the system level. NPI used the Incubator to design and launch “USAID KickStart” in October 2024.

USAID KickStart is a standardized post-award training program intended to strengthen the current kick-off and onboarding process for new local partners receiving assistance awards. The self-paced, ten module e-learning course is designed to equip recently awarded partners with the foundational skills and tools to navigate and implement their assistance awards while facilitating a seamless project initiation for both partners and Agreement Officers and Agreement Officer's Representatives.

In FY 2024, the NPI team recognized the need to meet growing demand among USAID Missions and OUs for localization and partner diversification support. As NPI's partnership accelerator and localization support mechanism—the Partnerships Incubator—was coming to an end in FY 2024, the NPI team awarded two new mechanisms to build on and widen the partnership-related services the Incubator provided. The first of these NPI mechanisms—Compliance and Capacity Strengthening for Diverse Partnerships—is an indefinite delivery, indefinite quantity (IDIQ) contract with a maximum ceiling value of \$250 million. USAID awarded the IDIQ to nine U.S. small businesses in FY 2024. Through the contract, the businesses will deliver compliance support and capacity-strengthening services that USAID staff have regularly cited as key enablers for expanding awards to nontraditional and local partners.

NPI also awarded a second U.S. small business set-aside contract in FY 2024. This Linguistic Services Blanket Purchase Agreement (BPA) addresses another major hurdle for expanding the Agency's collaboration with nontraditional and local partners: USAID's collective ability to meet, exchange information, submit applications, and more, in global languages other than English. The Linguistic Services BPA offers USAID Missions and OUs even greater access to a host of linguistic services—translation, interpretation, transcription, and verification—in more than 120 global languages.

LOCAL WORKS

Through the Local Works program (<https://www.usaid.gov/local-faith-and-transformative-partnerships/local-works>), USAID provides opportunities for



The landing page for USAID's Partnerships Incubator KickStart training module pilot that will be available in early 2025. USAID designed the pilot to equip recently awarded partners with the foundational skills and tools to navigate and implement their assistance awards while facilitating a seamless project initiation.

SOURCE: <https://www.usaidkickstart.com/>

local partners and those new to working with USAID to access the financial and technical resources they need. At the end of FY 2024, 46 USAID Missions across all regions are receiving Local Works funding to support demand driven activities that enable locally-led development across various sectors.

USAID is currently selecting additional Missions to join the Local Works program in FY 2025. USAID's Local Works program also provides 24 Missions with technical and/or financial support for unsolicited applications to support locally driven priorities. An example of USAID's Local Works programming is USAID/Central Asia's partnership with Decenta, a Kazakhstani organization with more than two decades of experience supporting civil society organizations. Through Local Works, Decenta is collaborating with local communities and governments in four regions of Kazakhstan to co-create local development plans and re-engineer business processes for public services, such as housing. The activity aims to improve citizen participation in governance and strengthen local government capacity for more effective, responsive public services.

USAID Missions with Local Works programming currently manage 65 active awards and plan to add 31 more in the first two quarters of FY 2025.

In addition to direct support to Missions and partners, the Local Works program facilitates opportunities for Missions to share their experiences with locally-led development with each other and across the Agency. The program maintains a Local Works Community of Practice to support open collaboration between Missions and USAID/Washington and continues to host periodic Learning Summits. Following successful events in the Balkans and Latin America and Caribbean (LAC) regions, Local Works will convene Missions for a Learning Summit in Southern Africa in October 2024. Through Learning Summits, USAID staff implementing Local Works have the opportunity to share their successes and challenges in tackling issues such as mobilizing local resources, engaging marginalized and Indigenous communities, and expanding innovation in A&A and locally-led monitoring, evaluation, and learning (MEL). Local Works also plays a key role in helping put locally-led development into practice across the Agency through initiatives including during the Agency Learning and Evidence (ALE) Month. This session presented evidence from Local Works programs and garnered the highest event attendance, with 330 attendees from 55 countries.

Through all of these efforts, USAID strives to be more responsive to local actors' priorities and capacities and provide more funding to local partners.

STRENGTHENING AND EMPOWERING USAID'S WORKFORCE

Strengthening and empowering the workforce is a top priority for USAID. In FY 2024, USAID progressed strategically on several critical goals, including but not limited to strategic workforce planning and advancing DEIA; empowering employees to learn, grow, and thrive; incentivizing, recognizing, and holding staff accountable to their performance; and optimizing physical and digital infrastructure.

STRATEGIC WORKFORCE PLANNING AND ADVANCING DEIA

ONE USAID WORKFORCE

The development challenges of today are more formidable than those the world has faced at any time since World War II, with significant implications for U.S. national security. To achieve our mission, USAID has historically overly relied on non-career/non-permanent hiring (contract) mechanisms to fill staffing gaps, which now represent nearly 70 percent of our global workforce. Our current workforce composition stems directly from a bifurcation of our appropriations imposed on USAID almost 50 years ago, with the requirement that our career federal employees be solely funded with OE funds. However, our OE funding has not kept pace with the increase in USAID's programming funds and responsibilities, leaving the Agency to utilize program-funded non-direct-hire staffing mechanisms. Recognizing the need for a strong workforce to confront these issues head-on, USAID has worked to maximize the use of available resources and authorities to make progress toward One USAID Workforce, expanding permanent Civil Service and Foreign Service workforce and bringing greater equity to those contractor positions that exist.

Via the One USAID Framework, the Agency aims to strengthen its workforce through seven key objectives:

- (1) Expand the Agency's career workforce of Civil Service and Foreign Service.
 - ✦ Under the Global Development Partnership Initiative (GDPI), USAID has been increasing our career federal workforce (both Civil Service and Foreign Service) from 3,450 to 4,750 since FY 2021. In the first two years of the initiative, we have created almost 300 new career positions. In FY 2024, USAID is on track to hire and maintain 1,980 FSOs and around 1,765 career Civil Service employees, advancing toward its goals of 2,500 FSOs and 2,250 Civil Service employees.

(2) Increase direct hire positions to support crisis response and reduce overreliance on contract mechanisms.

- ✦ Through the Crisis Operations Staffing authority, USAID has hired 150 program-funded direct hire CSE positions in the Bureau for Global Health, the Bureau for Humanitarian Assistance, and the Bureau for Conflict Prevention and Stabilization.

(3) Enhance local leadership and expertise.

- ✦ In March 2023, USAID committed to a series of reforms to better empower our local workforce of FSNs. Since then, USAID has increased the number of the most senior FSN positions by more than 60 percent, and the number of FSN Deputy Office Directors by more than 90 percent.

(4) Equip the Agency’s workforce to tackle complex challenges.

- ✦ In FY 2024, as part of USAID’s Skills and Competencies Initiative, the Agency launched a “Skills Hub” within USAID’s central, online employee portal for human resources (HR) services to manage skills data and drive workforce development. In July 2024, USAID began Phase 3, which includes collecting skills data across the Agency to prepare for a comprehensive gap analysis in FY 2025.

(5) Strengthen the Foreign Service and Senior Foreign Service.

- ✦ In FY 2024, USAID conducted an extensive listening and research initiative to better understand the needs of the Foreign Service workforce and identify barriers to meeting those needs. As a result, the Agency streamlined Foreign Service assignment processes, introduced quarterly Senior Foreign Service leadership forums, launched key initiatives including the Foreign Service Coaching and Mentoring Playbook, and created a Foreign Service Strengthening Initiative Dashboard to keep USAID informed about activities and events.

(6) Reform the Civil Service by addressing mobility, talent management, recruitment strategies, and professional development.

- ✦ In FY 2024, USAID revamped recruitment, hiring, and position management processes, and expanded professional and leadership development programs, including the Federal Executive Institute (FEI) Leadership program and the Certified Coaching program.

(7) Strengthen support to USPSCs and ISCs.

- ✦ USAID has focused on addressing pay, benefits, and other needs of USPSCs and ISCs, recognizing that they are critical members of the Agency’s workforce.

STRATEGIC WORKFORCE PLANNING

STRATEGIC WORKFORCE PLANNING COUNCIL

USAID launched a Strategic Workforce Planning (SWFP) Council in December 2023 as a central forum to advance USAID’s workforce planning efforts, including by providing strategic guidance and making workforce decisions that are transparent, actionable, data-informed, and in line with Agency priorities and policies. The SWFP Council comprises Agency leaders who are committed to improving USAID’s agility in meeting workforce needs and ensuring the right staff are in the right places at the right times. The Council aligns its efforts with the annual USAID workforce planning cycle as it aims to:

- Institute strategic goals and ensure change is congruent with USAID’s overarching objectives.
- Align USAID’s goals with current federal strategic mandates and intra-agency human capital strategies.
- Enhance transparency and collaboration among stakeholder groups who are involved in workforce planning, fostering a culture of openness and information sharing.
- Improve decision making by providing stakeholders with tools, training, and guidance needed to analyze workforce data and achieve data-driven results.

- Standardize USAID's workforce planning processes by reviewing them and leveraging technology, data, and tools to reduce silos.
- Provide governance to ensure roles, responsibilities, and authorities are clearly defined and upheld.

WORKFORCE PLANNING PLAYBOOK

Within USAID, each M/B/IO is responsible for workforce planning for itself in concert with the Agency's Office of Human Capital and Talent Management (HCTM). USAID created a Workforce Planning Playbook to facilitate a consistent and comprehensive approach to workforce planning across the Agency. The Playbook provides in one document descriptions and instructions of workforce planning activities that each OU needs to perform. The objectives of the Playbook are to:

- Document standard workforce planning practices across the Agency.
- Outline USAID's workforce planning guidance and references to staff who play a critical role in workforce reporting and planning activities.
- Provide detailed "how-to" guidance for workforce planning activities to help standardize how OUs analyze and plan their workforce.

The Playbook is a living document that USAID will update periodically to reflect new developments in workforce planning guidance, tools, and technology, as well as user feedback.

RECRUITING, HIRING, AND CAREER PATHWAYS

USAID conducts outreach and recruitment through virtual, in-person, and hybrid fora to advance its broader talent acquisition strategy. USAID engaged in more than 75 nationwide events in FY 2024, including with individuals with disabilities, veterans, socioeconomically disadvantaged individuals, and people from traditionally underrepresented groups. USAID ran recruitment events in California, Georgia, Missouri, Texas, and Massachusetts to highlight USAID careers via virtual and in-person career

fairs. USAID also increased its promotion of employment opportunities across seven talent sourcing platforms—four more than in 2023—to reach more diverse candidates and networks.

In FY 2024, USAID hosted a series of hiring fairs to recruit candidates more quickly for positions with USAID. In October 2023, the USAID Student Employment Team participated in Florida A&M University's Study Abroad Fair, engaging with students, faculty, and staff to promote USAID's mission, leading to successful placements in FY 2024 Pathways internship and temporary employment programs. Additionally, in February 2024, the Development Diplomat in Residence (DDIR)-South and Payne Fellowship staff from Howard University attended a career fair at Morehouse College, actively recruiting for the 2025 Payne Fellowship cohort engaging directly with promising students and enhancing recruitment efforts for the fellowship.

USAID also expanded career pathways for students and recent graduates in FY 2024 (<https://www.usaid.gov/careers/student-internships>). USAID identified inequities in unpaid voluntary student internships and now compensates its interns. This is one way USAID implements E.O. 14035, *DEIA in the Federal Workforce* (<https://www.federalregister.gov/documents/2021/06/30/2021-14127/diversity-equity-inclusion-and-accessibility-in-the-federal-workforce>).

USAID supported four of these Pathways interns (<https://www.opm.gov/policy-data-oversight/hiring-information/students-recent-graduates/>) in four Missions. Additionally, the Agency provided 28 paid summer internships through third-party programs, including the Hispanic Association of Colleges and Universities (HACU) National Internship Program (<https://www.hacu.net/hacu/default.asp>), the International Leadership Foundation Program (<https://www.illfnational.org/>), and partnerships with two educational institutions.

USAID also continued to attract outstanding individuals to the Foreign Service through the Donald M. Payne International Development Graduate Fellowship Program (<https://www.paynefellows.org/>), particularly individuals who identify as members of underserved and

In Summer 2024, USAID employed 65 Pathways interns, a 71 percent increase from summer 2023.



marginalized populations. In FY 2024, USAID funded 30 Payne Fellows. Of these, 3.33 percent self-identified as American Indian or Alaskan Native, 20 percent as Hispanic, 70 percent as Black/African American, 3.33 percent as Multi Racial, and 3.33 percent as Asian, or Native Hawaiian or other Pacific Islander.

Additionally, in FY 2024, USAID continued to implement masked hiring, which aims to reduce bias in hiring. This approach masks certain information about candidates that could lead to conscious or unconscious bias in the hiring process. USAID plans to evaluate the effectiveness of masked hiring in the future.

DEIA IN RECRUITMENTS

USAID has further integrated DEIA considerations throughout the recruitment and assignment process.

To facilitate the hiring of persons with disabilities, USAID has implemented several initiatives aimed at raising awareness, improving processes, and promoting inclusivity. One such effort includes providing job applicants with the contact information for the Agency's Reasonable Accommodation Manager during the interview process, which has been well-utilized by applicants.

Additionally, USAID has taken steps to address unconscious bias by mandating bias prevention training for hiring panel members, in consultation with stakeholders like the Office of Civil Rights. To further support its hiring goals, in FY 2024,

USAID hosted a hiring fair specifically targeting persons with disabilities, veterans, and military spouses. Through this event, USAID verified Schedule A eligibility for more than 100 candidates, and a briefing in January 2024 helped hiring managers better understand the Schedule A process, resulting in 22 individuals with disabilities being selected for noncompetitive appointments.

Despite these efforts, USAID's representation of persons with disabilities remains at 10 percent, with persons with targeted disabilities making up less than 1 percent of the workforce, falling short of federal goals of 12 percent and 2 percent, respectively. To address this gap, USAID is enhancing outreach, promoting noncompetitive hiring, and aligning with E.O. 13548, *Increasing Federal Employment of Individuals With Disabilities*. As part of this effort, the Agency has participated in 19 events, reaching more than 8,000 attendees and adding over 900 candidates to its disability employment repository.

In addition to these initiatives, USAID has worked to increase diversity on its selection panels by including FSNs and mandating bias prevention training for all panel members, with the goal of ensuring greater equity in FSO assignments. The Agency has also assessed its process for assigning Senior Foreign Service (SFS) members to high-level positions, identifying recommendations to improve fairness and transparency, such as automating the 360-degree feedback process to minimize bias. These recommendations will continue to be implemented in FY 2025.

USAID's summer 2024 Pathways Program interns with Administrator Samantha Power.

PHOTO: HCTM

To foster a culture of inclusivity and ensure its workforce reflects the society it serves, USAID has adopted measures to simplify its vacancy announcements by using plain language and complying with federal guidelines. Additionally, USAID has addressed inequities in unpaid student internships by compensating its interns and working to ensure that students from the Pacific Territories, Alaska, and Hawaii are not disadvantaged by time zone differences or application limits.

MSI PARTNERSHIPS

A mutually responsive and supportive partnership between USAID and the U.S. higher education community is vital to achieve broad global development objectives—and MSIs are uniquely well-positioned to partner with USAID. USAID and its partners have a long history of working with MSIs in critical U.S. foreign and humanitarian assistance areas. USAID’s mission for its MSI program is to facilitate an environment in which U.S. MSIs become Agency partners by successfully competing for USAID awards and by engaging in U.S. foreign assistance activities. The program supports minority-serving U.S. higher education institutions interested in USAID programs and activities and promotes the interests, capabilities, and experience of MSIs within USAID. In partner countries, MSIs have brought the same passion

and vision that propels them in their work with Indigenous and underrepresented communities in the United States.

In FY 2024, USAID held a series of three internal webinar events that promoted USAID engagement with MSIs as thought leaders, implementing partners, and key sources of diverse talent pipelines. In June, USAID held a webinar to highlight the Long-Term Assistance and Services for Research (LASER) Partners for University-Led Solutions Engine (PULSE) consortium (<https://www.usaid.gov/innovation-technology-research/research/long-term-assistance-and-services-research-laser>). The consortium is funded by USAID’s Innovation, Technology, and Research Hub and led by Purdue University. It awards grants to university-based researchers in countries and technical sectors in which USAID works. The awards are intended to establish a network of researchers across these countries and sectors. The network of university researchers available for USAID projects, including those from MSIs, has been growing. Ultimately, the consortium leads to societal, environmental, educational, and agricultural improvements in partner countries globally.

One example of an MSI partner-led project is the "Using Nature-Based Solutions to Improve the Productivity of Maize Growers in Zambia" project, which North Carolina Agricultural and Technical State University led with partners Salvation Farming Solutions LLC and Zambia Policy Monitoring and Research Centre to enhance food security in Zambia. The one-year, \$150,000 budget project aligned with USAID/Zambia’s strategy by promoting governance, citizen capacity, and economic growth. The project produced training materials, reports, and interactive platforms for widespread dissemination and stakeholder engagement.

Through its MSI Partnership Initiative, USAID established one new MSI partnership in FY 2024 with its first MOU with an Asian American and Pacific Islander (AAPI) institution and institution from a U.S. territory, the University of Guam. This brought the Agency’s total to seven partnerships with MSIs and two with MSI associations, the Office of HBCU Development (OHBCUD)



Farmers in Zambia using nature-based solutions to improve maize productivity. The project was the result of a USAID-funded MSI partnership with North Carolina A&T State University and its partners Salvation Farming Solutions LLC and Zambia Policy Monitoring and Research Centre. SOURCE: <https://www.youtube.com/watch?v=GYdIZaZ5ydk&t=69s>

and HACU. Additionally, in FY 2024, Florida International University was the first MSI partner to extend its MOU through this initiative to continue its successful partnership with USAID's Bureau for Latin America and the Caribbean. Through these MOUs, USAID is:

- Demonstrating commitment to inclusivity and affirmatively advancing equity, civil rights, racial justice, and equal opportunity;
- Increasing MSI knowledge of, and access to, USAID programs and initiatives;
- Identifying opportunities for students and faculty to engage in U.S. foreign assistance;
- Sharing career and internship opportunities;
- Increasing student engagement with USAID; and
- Supporting increased MSI participation in USAID's research initiatives.

Through this initiative, USAID also partnered with Fayetteville State University to co-create and launch a first-of-its-kind Acquisition Workforce Certification Fellows Program (AWCFP). For more information about USAID's partnership with Fayetteville State University, please refer to the JSP Strategic Goal 4 illustrative story on page 32 of this AFR, in the Overview of Programmatic Performance section.

USAID also launched a new interagency agreement with USDA's U.S. Forest Service's (USFS) International Programs Division. Through the agreement, USAID generated additional partnerships with educational institutions serving underrepresented populations, such as MSIs and other organizations serving socioeconomically diverse communities. USAID awarded 14 subawards to MSIs, universities, and organizations serving underrepresented populations to implement small scale development projects in partner countries. In addition, six university professors were selected through a competitive process to serve as USAID/USFS Faculty Fellows. The Fellows help USAID and USFS implement projects, gaining insight into both organizations while contributing their technical expertise.



A photo from the University of Guam's campus. USAID established a partnership with the University in FY 2024, USAID's first with an AAPI institution and institution from a U.S. territory.
PHOTO: UNIVERSITY OF GUAM

To create stronger partnerships between USAID and MSIs, USAID hosted a virtual opportunities fair to link MSI partners to USAID Missions globally. The event included faculty and staff from ten institutions and was an engaging capstone and networking event for MSIs to build direct relationships, explore partnership opportunities, and connect with the wider global development ecosystem of USAID Missions, Bureaus, and implementing partners. The event was also an opportunity for USAID Missions, Bureaus, and implementing partners to increase their knowledge of, exposure to, and engagement with MSIs.

EMPOWERING EMPLOYEES TO LEARN, GROW, AND THRIVE

WORK ENVIRONMENT AND ORGANIZATIONAL HEALTH AND PERFORMANCE

In FY 2024, USAID continued to support the Administration's Work Environment initiative (<https://www.whitehouse.gov/wp-content/uploads/2023/04/M-23-15.pdf>) by implementing meaningful personnel policies, such as talent and workforce performance management strategies focused on workforce capacity, workloads, and work schedules. USAID continued to promote substantial in-person time to build stronger culture,

deepen trust, expand mentoring and on-the-job training, and foster interpersonal connections and collaboration.

USAID is implementing a Work Environment initiative in line with the Federal Government's work environment goals. The Agency is using the initiative to increase support and resources for staff who are in-office; measure progress on organizational health; and maximize workforce well-being. For example, in FY 2024, USAID continued using its Organizational Health Index (OHI) as a business management tool to measure, track, and inform improvements on organizational health based on more than 50 indicators across eight dimensions: Operational Control, Capabilities, Direction/Mission Achievement, Accountability, Employee Engagement, Innovation and Learning, Service Orientation, and Work Environment. USAID updates its OHI monthly and reviews changes quarterly with its senior leader-level Management Operations Council. Through a quarterly review in FY 2024, USAID identified an opportunity to improve its organizational health related to the Capabilities dimension, by improving supervisory training completion within the Agency.

In FY 2024, teams across USAID also worked to optimize long-term organizational health and advance the Agency's commitment to creating respectful, inclusive, safe, and engaging workplaces. To do this, USAID regularly solicited feedback from its workforce, including through the Agency's DEIA Survey, Customer Experience Survey (CXs), and work environment pulse surveys, the Federal Employee Viewpoint Survey (FEVS), the Managing Change to Advance Equity and Inclusion, and FSN regional workshops. These engagements have provided valuable and actionable information, which USAID leadership has used to improve understanding of the work environment changes that would be most meaningful to their staff. For example, in FY 2024, all M/B/IOs were responsible for creating Work Environment Action Plans, recognizing that a "one size fits all" approach does not work for an agency as multifaceted, complex, and diverse as USAID. The Plans leveraged information and feedback to design actions the M/B/IOs are implementing

to create positive change. USAID recognizes that action planning leads to increased employee engagement, a better sense of workplace safety, and an overall more positive work environment.

USAID guides, measures, and improves its organizational performance in many ways, including by implementing:

- The Federal Performance Framework (<https://www.performance.gov/about/performance-framework/>).
- Its Agency Learning Agenda (<https://www.usaid.gov/evaluation/evidence-act-agency-learning-agenda>) and Operational Excellence Agenda as described in the Overview of Programmatic Performance section of this AFR.
- Its monitoring, evaluation, and learning work USAID describes in the Overview of Programmatic Performance section of this AFR.
- The CLA practices (<https://usaidlearninglab.org/cla/cla-toolkit/understanding-cla>) USAID embeds in its Program Cycle.
- HISP and CX work USAID describes on page 85 and implements to reduce "time taxes" on the public and partners.

As part of our organizational health efforts and in support of the CX Executive Order, USAID continued implementing its Burden Reduction Program (BRP) to reduce bureaucratic processes in FY 2024.

Through BRP, USAID continuously identifies, documents, and pursues burden reduction opportunities based on feedback from the Agency's workforce and partners, as well as on lessons learned and best practices from across the Federal Government, private sector, and other governments and international institutions. USAID is also fostering a culture of burden reduction through recognition, performance management, awards, and encouragement of bottom-up innovation. In 2024, USAID expanded the BRP to focus on reducing the burden for the Agency's external stakeholders, including prospective grant applicants, contractors, implementing partners, job applicants, and private

USAID will continue building on its success of saving the Agency more than 3.85 million hours in FY 2023.

sector partners, which are all important to USAID’s mission. BRP highlights from FY 2024 include:

- USAID transitioned to automated, system-generated accruals, which eliminated a time-consuming manual process each quarter and saved the Agency approximately 91,520 person-hours annually—the equivalent of one person working 11,440 business days.
- USAID communicated to its procurement staff that it is not only allowable, but strongly recommended that, where possible, they encourage potential partners to submit a brief, initial concept paper in response to a notice of funding opportunity—instead of the tens to hundreds of pages the Agency required previously. This option is already boosting USAID’s ability to be more responsive to real-world conditions. For example, USAID/Peru used this streamlined application process to issue awards to three new local partners to quickly provide public health support for vulnerable communities. USAID was able to make the awards in three months; the process typically takes ten months.

RISE PROGRAM

USAID implemented RISE as a pilot training program in 2018 and has since expanded it into a cross-disciplinary learning and engagement platform. The Agency’s goal has been to foster a more respectful, inclusive, and safe workplace culture and environment, which are fundamental for USAID to achieve its core mission. RISE is a critical component of USAID’s DEIA efforts and includes content about:

- Defining civility and respect;
- Exploring implicit biases and micro-messaging;
- Promoting employee accountability;
- Preventing harassment and misconduct, including sexual misconduct;
- Promoting inclusive development approaches in USAID’s programs;



A graphic USAID used for a Burden Reduction Program "Peer Learning from Missions Hackathon" Agency-wide webinar in March 2024. More than 200 members of the Agency’s workforce attended and learned about burden reduction strategies developed in several USAID international offices and OUs. SOURCE: USAID

- Integrating safeguarding measures into USAID programs to protect beneficiaries from harm, including sexual exploitation and abuse (SEA); and
- Advancing staff safety, security, wellness, and resilience.

RISE is different from other USAID training programs in that the Agency’s subject matter experts and dedicated volunteers own, develop, and deliver the content, rather than outsource these tasks to third-party trainers.

RISE is a gold standard for DEIA training in the Federal Government and is the model the Office of Personnel Management (OPM)—the Federal Government’s HR agency—uses to evaluate the effectiveness of federal DEIA training.

LEADERSHIP DEVELOPMENT

USAID promotes a culture of continuous learning and leadership development for its staff through formal coursework and diverse learning platforms. The Agency offers a range of leadership education opportunities for Civil Service, Foreign Service, and FSN employees. These opportunities provide employees the necessary skills and abilities for modeling leadership within and on behalf of the Agency, and emphasize accountability to each other, USAID partners and program participants,

Through FY 2024, USAID trained about 8,021 participants in 217 RISE sessions and events, including the Inclusive Leadership Seminar.



An image of the FEI management development and training center in Charlottesville, Virginia. USAID partners with FEI to design and deliver trainings customized for USAID. SOURCE: LIBRARY OF CONGRESS

and U.S. taxpayers. USAID partners with the FEI to design and deliver a suite of leadership development programs for all levels, specifically customized for USAID. The curriculum is progressive, as each course builds on the content presented and the skills developed in the previous course, and builds a common “leadership language” and skill set throughout the Agency.

In FY 2024, USAID delivered more than 19 instances of its FEI leadership program globally, including across the Intentional Leadership, Collaborative Leadership, Adaptive Leadership, Strategic Leadership, and Cultivating the Leader Within programs. USAID used a variety of delivery methods for these programs: in-person; virtual with asynchronous lessons and asynchronous sessions; and hybrid with in-person and virtual components.

USAID also continued implementing its Certified Coaching Program in FY 2024, which the Agency initially launched in FY 2023 by leveraging recent USAID graduates of an executive leadership coaching certification partnership with Georgetown University. This partnership

has enabled USAID to quickly transition from retaining two certified coaches annually through OPM’s Federal Internal Training Coaching Program, to 28 within nine months. As a result, USAID’s workforce is able to access coaching services internally on demand. Additionally, in FY 2024, two USAID Missions agreed to pilot coaching programs tailored to meet their organizational needs. These programs will utilize a cadre of internal coaches and involve 90 staff members participating in coaching as a professional development resource.

USAID also facilitated training for its supervisors in FY 2024. For example, USAID hosted quarterly group training sessions on how to address performance and behavioral deficiencies in the workplace. On average, more than 80 supervisors participated in the training. USAID also hosted individual sessions on managing probationary periods, labor obligations, and leave requests under the Family and Medical Leave Act and USAID’s Voluntary Leave Transfer Programs.

Since launching the Management Exchange Program pilot at the end of FY 2023, USAID’s Bureau for Management has had three staff members from different offices participate. The program is a dynamic leadership development opportunity through which senior staff rotate through the Bureau’s seven offices, learning about the inner workings of each while building and bringing fresh perspectives and skills that help the Bureau increase its efficiency and effectiveness in the immediate and long terms.

The first three program participants had the opportunity to draft USAID’s FY 2024 External Burden Reduction Agenda focused on partners, which USAID submitted to OMB; refine USAID’s work environment pulse survey; and support the rollout and implementation of USAID’s Social, Economic, and Environmental Accountability Mechanism (SEE-AM), which is described in the EAP Implementation Progress section on page 87.

The Bureau integrated continuous improvement into the design of the program and plans to use lessons it learns from the pilot to improve the program.

ELEVATING AND INSTITUTIONALIZING FSNs' EXPERTISE

USAID's local workforce is critical to USAID achieving its mission around the world. More than 5,000 FSNs (as USAID's local workforce is called) work for USAID, representing approximately 75 percent of the Agency's overseas staff and more than a third of USAID's total workforce. FSNs have an unparalleled understanding of country contexts, local networks, and lived experiences, which are critical to helping USAID advance locally-led development and progress beyond programs.

In FY 2024, USAID continued to take steps to better empower, invest in, and recognize the integral contributions of the FSN workforce, with a specific focus on expanding leadership opportunities; strengthening professional development pathways; and updating USAID's internal operational policies to enhance equity for and increase representation of FSNs. The impacts over FY 2024 include:

- Increasing FSN representation in senior positions across USAID Missions, in recognition of their significant contributions. This includes substantial increases in the number of FSNs at the most senior grade, the number of FSNs serving as deputy office directors, and the number of FSNs working alongside Mission leadership as senior advisors.
- USAID's first-ever operational policy ADS chapter (https://www.usaid.gov/sites/default/files/2024-05/402_053024.pdf) on elevating local expertise in overseas policy and programming, affirming the central role that FSNs have in the Agency's work, and new tools for understanding and supporting FSNs' specific needs in the context of USAID's emergency planning and crisis management.

Significantly expanding the opportunities for exchanging knowledge between USAID headquarters and Missions, including by empowering 193 FSNs to come to Washington as fellows in FY 2024—almost five times the number in 2019—and to go between different Missions with 122 Mission-to-Mission fellowships.

EMPLOYEE UNIONS

USAID maintains positive labor relationships with its two unions: the American Federation of Government Employees (AFGE) (<https://www.afge.org/>) and the American Foreign Service Association (AFSA) (<https://afsa.org/>). USAID and AFSA successfully completed negotiations on a new Framework Agreement in January 2023. With this agreement, USAID has institutionalized every relevant commitment the White House Task Force on Worker Organizing and Collective Bargaining has recommended, and the Agency has concurrently modernized, streamlined, and clarified its labor-management relationship with AFSA in a manner that will pay dividends for both parties for years to come. In March 2024, USAID achieved one of the principal recommendations of the White House Task Force on Worker Organizing and Empowerment (WOE Task Force) by hosting its inaugural Labor Management Forum (LMF). With the LMF, unions and top Agency leaders meet quarterly, ensuring a more transparent and efficient process for union engagement.

EMPLOYEE WELLNESS AND RESILIENCE

Staff Care, USAID's employee wellness and resilience program, is an integrated program the Agency designed to bolster the physical and emotional well-being, work-life balance, and resilience of its approximately 13,000 member



A photo of USAID senior management leaders and staff with union representatives at the signing of the charter for the Labor Management Forum, through which USAID and the unions meet quarterly. PHOTO: THE AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES (AFGE)

global workforce and their families. Through Staff Care, USAID offers work-life assistance, wellness programs, support for new and expecting parents, support for caregivers, employee assistance counseling, individual resilience training, and organizational resilience services. Staff Care also helps USAID teams build working environments and relationships to navigate change effectively. In FY 2024, Staff Care enhanced programs to address the effects of operational crises on USAID staff and the effects of operating in hybrid work environments. For example, Staff Care focused on enhancing the resilience of members of the USAID workforce affected by, and responding to, Russia's ongoing war on Ukraine; the conflict in Sudan and displacement of USAID staff; and the ongoing crisis in Haiti, among other crises.

In FY 2024, Staff Care leveraged 176 champions from across USAID in Washington and internationally to promote employee wellness and resilience. Between October 1, 2023, and June 30, 2024, Staff Care supported more than 3,700 participants through Agency-wide webinar sessions on more than 30 topics, and more than 3,960 individuals through custom sessions, including psychoeducation, critical incidents, and other clinical support and program overviews for their respective OUs. Staff Care uses survey data to measure outcomes and continuously improve its services. Based on survey responses, approximately 96 percent of webinar participants reported an increase in feeling that USAID appreciates its

workforce, approximately 94 percent reported strengthened resilience and well-being skills, and approximately 80 percent reported learning skills to improve their effectiveness at work. Staff Care also supported 334 staff through individual counseling sessions.

Staff Care augmented its Organizational Resilience (OR) efforts in FY 2024 by adding specific resources for training, on top of existing and ongoing OR efforts, to increase the individual and organizational resilience of USAID's workforce. Staff Care also strengthened its leadership and management consultation efforts to better engage and support leaders at all USAID levels. From January to June 2024, Staff Care provided OR support through more than 65 engagements with M/B/IOs. Additionally, Staff Care is leading the development of the Agency Staff Mental Health Plan. USAID anticipates finishing its draft plan in early 2025.

EEO AND REASONABLE ACCOMMODATIONS

USAID encourages EEO and Reasonable Accommodations through various Agency-wide initiatives. In FY 2024, USAID supported EEO by supporting the Disability Resource Center, enforcing the Pregnant Workers Fairness Act, and utilizing the Alternative Dispute Resolution (ADR)/Facilitation and Impacted Persons Support Unit. USAID enhanced EEO by opening the Disability Resource Center in its Ronald Reagan Building headquarters in October 2023. This facility enables employees to test and train on assistive technologies, such as large-print keyboards, ergonomic devices, and specialized software. The center aids in the hiring, retention, and advancement of individuals with disabilities, ensuring they have equal access to USAID's work environments.

Additionally, in FY 2024, USAID's Performance Management division created a journey map to better understand how people go through the EEO complaint process and in particular, the felt experience of all EEO "customers," including those who may have disabilities or who request accommodations. The Division designed the journey map to yield ongoing insights and help



Then-Deputy Administrator for Management and Resources Paloma Adams-Allen officially opened USAID's new Disability Resource Center on October 31, 2023. PHOTO: USAID

detect areas that need focused attention to inform continuous improvements to the EEO process.

USAID promotes EEO through its ADR program, which provides a voluntary, confidential process for resolving workplace disputes without litigation. ADR helps maintain a positive work environment by encouraging early conflict resolution and fostering open communication. USAID designed the program to be inclusive, including by allowing any employee to participate and seek mutually beneficial solutions, which supports fair treatment and equal opportunity in the workplace. USAID offered ADR in 100 percent (50 out of 50) of informal cases that were initiated in FY 2024. Of the 50 cases, 38 concluded with 17 individuals electing to participate in ADR; four of the 17 ADR elections achieved settlement.

EMPLOYEE PERFORMANCE MANAGEMENT, ACCOUNTABILITY, AND AWARDS

USAID encourages outstanding employee performance through performance management, awards and recognition programs, and employee accountability. In FY 2024, USAID continued to implement the performance management framework for Civil Service staff, which it revised in 2023. In the revision, USAID integrated 13 critical skills and competencies that range from anti-corruption principles to embracing digital development, gender equality, and sustainable practices. Each competency is a cornerstone through which USAID fortifies its commitment to transparency, inclusion, and innovation, while the performance management framework solidifies USAID's overall commitment to excellence.

USAID recognizes and rewards individuals and groups through monetary and non-monetary awards for exceeding performance expectations and contributing to USAID's mission, goals, and objectives. Through the 2023 Annual Incentive Award season, USAID personnel submitted 623 nominations, totaling 2,388 nominees. USAID conducted an award utilization analysis in FY 2024 to further ensure it distributes awards equitably across eligible staff. Through the analysis, the Agency found no major exclusions. USAID continued to implement its newly improved awards tool, which enabled the



An image from USAID's November 2023 Agency Awards ceremony. USAID recognizes and rewards high performance through a variety of types of awards. PHOTO: USAID

Agency to resolve approximately 96.94 percent of all internal customer inquiries about awards, compared to 94.35 percent in FY 2023—a 2.59 percent improvement.

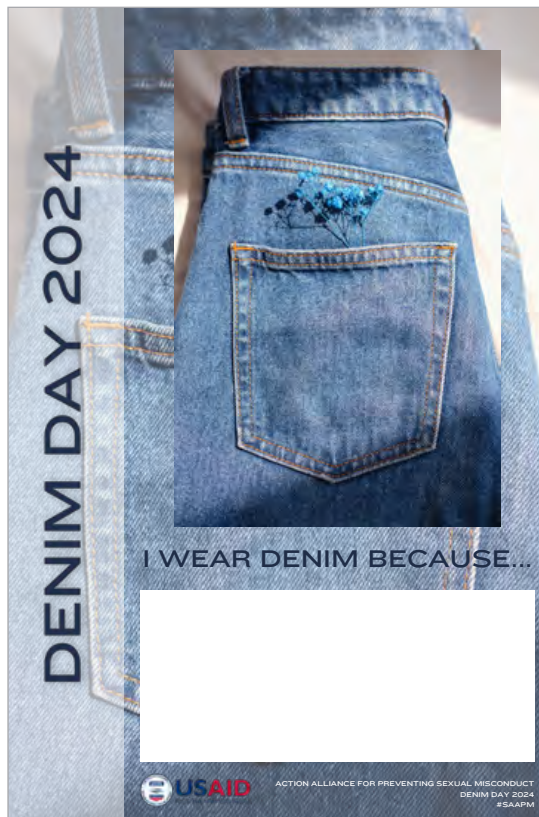
USAID also holds its executives accountable for achieving the Agency's goals and priorities. USAID identifies annual shared performance requirements for Civil Service executive personnel, including Senior Executive Service and Administratively Determined executives, and evaluates executive performance against those goals. USAID's Civil Service Executive Shared Performance Requirements for FY 2024 aligned with current Agency priorities, such as advancing DEIA, along with U.S. government-wide performance expectations. In FY 2024, USAID continued to implement quarterly performance conversions for Senior Foreign Service employees who serve as Mission Directors and Country Representatives to institutionalize more robust accountability measures.

ACTION ALLIANCE FOR PREVENTING SEXUAL MISCONDUCT (AAPSM)

USAID is committed to advancing people-centered policies, systems, and processes to better prevent and respond to sexual misconduct in the workplace. Since 2018, USAID's AAPSM has led these efforts, in partnership with a wide range of stakeholders. In FY 2024, USAID launched a new, three-year plan for preventing and responding to sexual misconduct and workplace violence. USAID designed the plan to enhance Agency protections,

safeguards, and preventive efforts holistically and systematically to reduce risk at both the system and individual levels, while also building people-centered systems for incident response and accountability. The plan includes four pillars: (1) proactive organizational safeguards; (2) cultivating a culture of allyship; (3) advancing people-centered response approaches; and (4) enhanced and transparent accountability systems. In parallel with releasing the plan, USAID also updated its comprehensive policy on workplace sexual misconduct, ADS 113 (<https://www.usaid.gov/about-us/agency-policy/series-100/113>). Through the updates, USAID added an anti-fraternization policy for its workforce, clarified how sexual misconduct workforce screening measures apply to Personal Services Contractors (PSCs), and incorporated new mandatory, trauma-informed training requirements for individuals who conduct inquiries or investigations into sexual misconduct.

On April 24, 2024, USAID employees participated in Denim Day, a campaign raising awareness and prompting action against sexual violence. AAPSM created a toolkit with participation ideas, from wearing denim to organizing custom events. Employees customized the poster from the toolkit, featured at right. PHOTO: USAID



In FY 2024, USAID:

- Led the planning and execution of the first-ever interagency executive roundtable on sexual misconduct in federal workplaces. USAID Deputy Administrator for Management and Resources Paloma Adams-Allen and the U.S. Department of Justice's (DOJ) Director for the Office on Violence Against Women Rosie Hidalgo led the event, which centered on the U.S. government's commitment to creating safe workplaces for staff. During the event, ten federal agencies renewed commitments related to preventing and responding to sexual misconduct, including advancing data-driven prevention and response approaches, and sharing resources and learning about people-centered and trauma-informed practices across the Federal Government. The roundtable reinforced themes from the 2021 Government-Wide Strategic Plan to Advance DEIA in the Federal Workforce (<https://www.whitehouse.gov/wp-content/uploads/2021/11/Strategic-Plan-to-Advance-Diversity-Equity-Inclusion-and-Accessibility-in-the-Federal-Workforce-11.23.21.pdf>), which called for agencies to proactively create more respectful, inclusive, and safe environments for the federal workforce.
- Continued implementing internal reforms and business process improvements related to sexual misconduct incident response. In November 2023, AAPSM launched Phase 1 of a new Impacted Person Support (IPS) pilot program, in cooperation with BHA. The multiyear IPS pilot is testing how USAID provides enhanced support services to persons impacted by sexual misconduct, in addition to piloting a new, multidisciplinary response team model that facilitates improved coordination and collaboration among key Agency stakeholders during the incident response process. During Phase 1, AAPSM held regular learning sessions and facilitated tabletop exercises for the BHA staff and Agency stakeholders, including specific training for managers and supervisors.

Phase 2, which AAPSM expects to launch in FY 2025, will expand on these efforts and continue collecting valuable information to inform future program expansions. AAPSM’s pilot program responds, in part, to recommendations from an internal review focused on improving CX for individuals who interact with the Agency’s systems and processes related to incident response.

- Continued efforts to expand its workforce’s awareness of and skills related to preventing and responding to sexual misconduct. In addition to training hundreds of individuals on a wide range of topics—including workplace sexual misconduct, sexual violence awareness, and trauma-informed approaches—USAID also hosted its second-annual Denim Day in April 2024 to honor of victims and survivors of sexual violence. Denim Day events included expert panels and other participatory activities, culminating in an interactive closing ceremony highlighting commitments from members of the USAID workforce related to advancing respectful, inclusive, and safe work environments.

OPTIMIZING PHYSICAL AND DIGITAL INFRASTRUCTURE

FEDERAL REAL PROPERTY

In FY 2024, USAID continued renovations as part of its ten-phase Washington Real Estate Strategy for its Washington headquarters at the Ronald Reagan Building and International Trade Center. The renovations included implementing workplace designs to improve USAID’s ability to support its hybrid, in-person, and remote work model. USAID also implemented several building infrastructure upgrades to operate more sustainably and reduce USAID’s carbon footprint under the “Do Our Part” Special Objective of USAID’s Climate Strategy (<https://www.usaid.gov/policy/climate-strategy>). The upgrades included transitioning to LED lighting, installing higher efficiency plumbing systems, improving the heating and cooling system, and installing electric vehicle charging stations. USAID expects to finish the renovations by the end of FY 2028. Overseas,

the USAID/Namibia Mission moved into the recently constructed New Embassy Compound in Windhoek, consolidating operations and office space with the State Department into a more modern, more secure, and more efficient facility. Please refer to the Facilities subsection in the Climate-Related Financial Risk section of this AFR from page 220 for more information on USAID’s sustainability efforts related to real property.

HR AND TECHNOLOGY

In FY 2024, USAID continued to develop new features and functionality in LaunchPad, which is USAID’s central, online employee portal for HR services, and in the Human Capital Data Analytics system, which includes a data warehouse and a front-end reporting tool, and Talent Analytics. USAID made the following significant updates in FY 2024:

- Enhanced the MyWork solutions in LaunchPad to improve user experience, task management (e.g., such as for developing and approving telework agreements), efficiency, effectiveness, and customer satisfaction.
- Integrated USAID’s Onboarding Tool, Navigate, with other enterprise apps to significantly reduce onboarding time and streamline hiring processes.
- Implemented skills tagging in LaunchPad, which standardized skill definitions and cataloging across all USAID career levels, and enhanced workforce skill tracking to improve staffing, workforce planning, and hiring decisions.
- Designed a recruiting and hiring reporting solution to achieve end-to-end transparency in the talent acquisition process while empowering hiring managers and Bureau leaders with better tracking and reporting capabilities with real-time dashboards.
- Launched the Integrated Staffing Pattern solution to improve data accuracy and management, vacancy tracking, and workforce planning, as well as reduce data call burdens and the time spent on position data management by up to 30 percent.

- Enhanced the Senior Leadership Group (SLG) process to improve equity, efficiency, and transparency by introducing the SLG Assignments Board Tool in Talent Analytics for the 2025 Major Listings, streamlining FSO feedback, and automating bidder registration to reduce manual work and errors.
- Improved the 2023–2024 Promotion Board summary in LaunchPad to provide promotion-eligible FSOs with insights into core skill scores to inform their efforts to develop their skills.
- Implemented Robotics Process Automation (RPA) to automate tasks. The first two bots extract critical personnel and position data from the National Finance Center personnel system and routinely load them into LaunchPad and the Data Warehouse, which saves approximately three hours of manual work each week.

CYBERSECURITY, PROTECTING AGAINST 21ST CENTURY THREATS, AND AI

International development and humanitarian assistance runs on IT, and IT underpins everything USAID does. A resilient, modern, and secure IT infrastructure is critical for USAID to execute its global, impact-driven mission to advance the economic, political, social, and environmental well-being of the world’s most vulnerable people. For the Agency to leverage IT effectively, the M/CIO strategically works with key stakeholders across USAID’s M/B/IOs to develop and update USAID’s IT Strategic Plan (ITSP) every five years. USAID developed its ITSP 2024–2028 (<https://www.usaid.gov/egov/itsp>) in collaboration with the State Department to ensure both agencies’ ITSPs align and support the JSP.

Cybersecurity is a foundational element of USAID’s ITSP, given the Agency’s complex information enterprise, vast amount of sensitive humanitarian aid data, and the wide array of cyber threats USAID faces across a multitude of potential entry points for external—and potentially internal—adversaries. For instance,

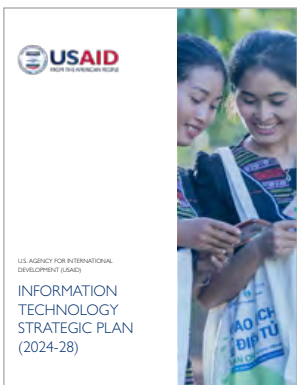
more than 16,000 users across more than 90 countries have access to USAID’s network. The Agency continues to face an ever-increasing volume of cyberattacks, including malware attacks, phishing emails, and threats to personally identifiable information (PII).

USAID continues to build, maintain, and monitor and improve a modern, secure, and resilient IT environment that features cloud technology and implementation of Zero-Trust Architecture. Through this work, USAID continuously upgrades its security strategy and information security environment to protect the Agency’s networks, systems, and information assets; improve user experiences through “anywhere, anytime” user access; and maintain a strong cybersecurity stance to combat malicious actors and threats, support stable identity proofing, and enhance network and data security. USAID stays abreast of the latest threat intelligence by working closely with OMB, the U.S. Department of Homeland Security (DHS), the Federal Chief Information Officer and Federal Chief Information Security Officer Councils among others.

Like other U.S. government agencies, USAID continues to explore how to leverage AI responsibly to reduce burdensome tasks and empower the Agency’s workforce. In FY 2024, USAID released its 2024–2034 USAID Digital Policy (https://www.usaid.gov/sites/default/files/2024-07/DigitalPolicy_USAID_FINAL_24JUL.pdf), through which the Agency strives to advance inclusive digital development and responsible technology use globally, with a focus on secure, accessible, and ethical digital solutions, including the responsible integration of AI technologies. For more information on USAID’s AI-related efforts, please refer to the Looking Forward section of this AFR on page 42.

USING DATA AS A STRATEGIC ASSET AND STRENGTHENING DATA INFRASTRUCTURE, ACCESS, AND TRANSPARENCY

USAID significantly advanced its priority enterprise data and digital transformation initiatives in FY 2024, which align with



The cover of USAID’s IT Strategic Plan for 2024 – 2028.

USAID’s JSP Strategic Objective 4.2 to “Modernize IT and leverage data to inform decision making and support mission delivery” (https://www.usaid.gov/sites/default/files/2022-05/Final_State-USAID_FY_2022-2026_Joint_Strategic_Plan_29MAR2022.pdf#page=43), as well as the 21st Century Integrated Digital Experience Act (IDEA). USAID’s ITSP 2024–2028 outlines the Agency’s current IT priorities and reinforces its commitment to delivering efficient, flexible, and secure technology solutions.

At the start of FY 2024, USAID’s Data Administration and Technical Advisory (DATA) Board set strategic data priorities for the fiscal year and devised a comprehensive data governance roadmap to guide and measure progress, which USAID implemented to achieve significant accomplishments. The DATA Board is USAID’s data governance body and a central forum for gathering input from Agency stakeholders on data-related priorities and best practices to support Agency objectives. Selected FY 2024 highlights include:

- Launching the first iteration of the Development Data Commons (DDC) in August 2024, a computing platform through which users can access diverse data and data science tools to build new analytics that can inform decisions. USAID is piloting the DDC with the Bureau for Global Health, Office of HIV/AIDS, and plans to expand it Agency-wide.
- Launching the modernized Enterprise Reporting Portal (ERP), USAID’s central hub for accessing the Agency’s enterprise reports and dashboards.
- Integrating policies on non-English data into ADS 579, *USAID Development Data* (<https://www.usaid.gov/about-us/agency-policy/series-500/579>).
- Finalizing Version 2.0 of USAID’s Public Access Plan (<https://www.usaid.gov/open/public-access-plan>) for increasing access to the results of federally funded research for public release.

Additionally, USAID finalized its Digital Information Rule (<https://www.federalregister.gov/documents/2024/05/06/2024-09373/usaaid-acquisition-regulation-planning-collection-and-submission-of-digital-information-submission-of>),

which took effect on June 5, 2024. The Rule streamlines how contractors plan for, collect, and submit data to USAID by requiring them to align their processes with USAID’s digital information standards (<http://data.usaid.gov/standards>) and use USAID’s new “Digital Front Door.” This framework improves the management and use of digital information throughout USAID’s programs and operations by establishing clear guidelines and standards. By requiring partners to align to USAID’s digital information standards, USAID ensures the data its partners submit are consistent and compatible, which facilitates effective data analysis and use. By adhering to these standards and using the Digital Front Door, partners contribute to creating a robust, reliable, and integrated data ecosystem within USAID.

In support of the President’s Management Agenda, USAID advanced data literacy by implementing its Data Literacy Learning Series, providing data literacy-focused technical assistance, and piloting its DID Certification Program to help its workforce across all hiring mechanisms to build the skills, strategies, and confidence necessary to manage, assess, and use data to inform a wide range of development activities. The first DID cohort of 18 participants completed the program in August 2024. USAID’s Data Services team also conducted a one week, in-person data literacy workshop for internal customers from USAID’s international office in Zimbabwe in March 2024 to enhance the customers’ skills in data cleaning, analysis, visualization, and communication. Through the workshop, USAID strived to empower its staff with better tools and knowledge to inform decisions and improve program outcomes.



USAID’s final Digital Information Rule published in the Federal Register on June 6, 2024.

In FY 2025, USAID will continue to build on these initiatives by launching its second cohort of the DID Certification Program, expanding engagement for the DDC, collaborating with the White House Office of Science Technology and Policy (OSTP) and other agencies to revise the Public Access Plan (<https://www.usaid.gov/sites/default/files/2024-04/USAID%20Public%20Access%20Plan%20v2%20-%202024-04-01.pdf>), and establishing a minimum viable product for a new repository to consolidate the Agency's holdings of digital artifacts. Through these efforts, USAID continues to advance data-related initiatives and fosters an environment of effective data governance, accessibility, and literacy across the Agency and its partnerships.

USAID continued investing in its Development Information Solution (DIS) (<https://www.usaid.gov/partner-with-us/resources-for-partners/development-information-solution>) in FY 2024. DIS is designed to help the Agency advance its mission by streamlining the collection of performance and programmatic data of development activities, Agency initiatives, and Administration priorities. The system's consolidated data helps inform implementation, track progress, and enhance communication and reporting.

As of the end of FY 2024, 102 out of 125 OUs use DIS to monitor their performance data in support of an evidence-based development approach. Over 2,000 USAID users and 1,000 implementing partners are actively using the system. The Agency also uses DIS for business procurement forecasting, which was recognized as a best practice by the Professional Services Council's annual Federal Business Forecast Scorecard (https://www.pscouncil.org/_p/cr/r/2024_Business_Forecast_Scorecard.aspx).

Implementing digital signature capabilities is another of USAID's noteworthy IDEA Act-related accomplishments in FY 2024. This advancement enables USAID staff and implementing partners to digitally sign A&A documents, which eliminates the burdensome process of printing, signing, and scanning. The digital signature solution saves time and resources and aligns with USAID's broader strategy to use digital tools and processes to enhance CX.

Furthermore, USAID continued to bolster the use of AidScape (<https://aidscape.usaid.gov/>) with new, interactive pages, such as USAID In Action (<https://aidscape.usaid.gov/explore>), which explores the Agency's portfolio of activities, the Public-Private Partnership (PPP) portal

The AidScape explore page, which includes links to reports and data, country spotlights, products and tools, news, and more. SOURCE: <https://aidscape.usaid.gov/explore>



(<https://aidscape.usaid.gov/pse>), and the Private-Sector Engagement Evidence Gap Map (<https://aidscape.usaid.gov/egm/map>). AidScape is USAID’s central source for U.S. foreign assistance data, international socioeconomic data, and data-driven analyses that support USAID’s goals. AidScape provides a broad summary of products and services specifically designed to help USAID staff and partners improve development outcomes by using data and information.

DELIVERING EXCELLENT, EQUITABLE, AND SECURE FEDERAL SERVICES AND CX

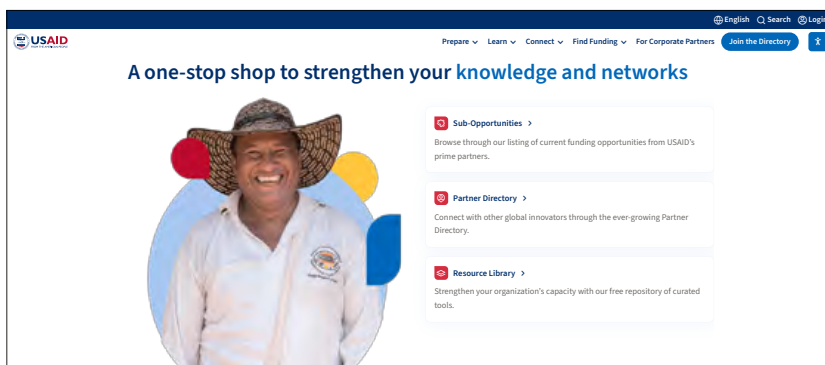
Delivering high-quality, equitable, and secure services and CX is critically important for USAID. To do these things, in FY 2024, USAID continued to improve how it designs, develops, and delivers services, digital products, and CX; implements its EAP; and supports employees through their federal careers.

IMPROVING DESIGN, DEVELOPMENT, AND DELIVERY OF SERVICES, DIGITAL PRODUCTS, AND CX

HIGH IMPACT SERVICE PROVIDER (HISP): PROGRESS AND NEXT STEPS

In 2021, President Biden designated USAID as a new HISP. USAID’s HISP designation (<https://www.performance.gov/agencies/usaid/service-providers/usaid/>) reflected its efforts to listen and respond to its customers’ needs and experiences, such as by making it easier to partner with the Agency and alleviating administrative burdens. USAID’s HISP work is an opportunity to highlight, build on, and continue its work on everything from localization to making USAID a diverse, equitable, inclusive, and accessible workplace.

USAID has been focusing on expanding its community of partners as a key component of its HISP work. USAID started focusing on CX by ensuring the Agency creates an entry point for new organizations to connect with USAID. Agency customers include organizations in the United States and around the world who partner with USAID or would like to, participants in and leaders of USAID’s



WorkwithUSAID.gov is a one-stop shop for organizations to learn about partnering with USAID. The site includes information on current funding opportunities, a partner director, a resource library, and more.

SOURCE: <https://www.workwithusaid.gov>

programs, and U.S. taxpayers. USAID established its WorkwithUSAID platform (<https://www.workwithusaid.gov/>) to improve engagement with all of these groups, especially partners and potential partners.

USAID continuously improves WorkwithUSAID.gov. For instance, in FY 2024, the Agency rolled out the Funding Opportunities Feed (<https://www.workwithusaid.gov/funding-opportunities>) on the site, which pulls all USAID-specific funding links from SAM.gov and Grants.gov into one place every day. This will help prospective partners locate relevant “live” solicitations more easily, as identifying appropriate funding opportunities has been a barrier for new entrants looking on SAM.gov and Grants.gov. Those platforms have an overwhelming amount of opportunities listed from other U.S. government agencies, and partners find the USAID-specific stream more user-friendly and easier to navigate.

Since WorkwithUSAID.gov launched, the platform has gained more than 4.2 million pageviews and 7,000 registered organizations, 67 percent of which are local and nearly 71 percent are new to USAID. Over 5,100 organizations have completed the Pre-Engagement Assessment to determine their readiness to partner with USAID.

The logo for Compass, USAID's new Customer Relationship Management system.



USAID's Agency-Wide Partner Relationship Management System

USAID is receiving positive feedback from users, including:

- An excellent initiative! This helps lower barriers and restrictions for potential organizations to be involved with USAID!
- I gotta say—the website is above and beyond almost anything I've seen on the internet in general. I've only explored it a little but the accessibility features, ask zara, library, and navigation are incredible. I think it's groundbreaking in general, even beyond the USAID space.
- The WorkwithUSAID website has been a welcome tool for learning about various aspects of partnering, easily identifying relevant online learning opportunities, and connecting with other organizations. We encourage USAID to continue to use this program platform, including making more resources available in other languages.



On May 8, 2024, USAID's Private-Sector Engagement Hub Managing Director, Michael Rifer (left), and Executive Director, Michael Metzler (right), introduced Compass, the Agency's first-ever partner relationship management system, during an Agency Town Hall.

SOURCE: <https://www.youtube.com/watch?v=nqnn35LiZL4&t=0s>

- It's great to hear that USAID has created a multilingual platform to enable new, local, and nontraditional partners to learn how to #WorkWithUSAID. The availability of this resource hub in Spanish and French is wonderful, as it allows for broader accessibility and engagement. It's important to break down language barriers and provide valuable information to a wider audience. Thank you for sharing this valuable resource.

In FY 2024, USAID enhanced WorkwithUSAID.gov by offering fully translated versions in French, Spanish, and Arabic to improve CX and relationships. Additionally, USAID incorporated an automated process within the site to receive and manage unsolicited proposals and applications, providing greater transparency and quicker responses to strategic partners (<https://www.workwithusaid.gov/unsolicited-submissions>). To further streamline global partnership management, USAID launched a new Agency-wide Customer Relationship Management tool, Compass (<https://www.youtube.com/watch?v=nqnn35LiZL4&t=0s>), and a partner relationship management system that includes training resources based on CX principles. Compass allows USAID to track its relationships with businesses, foundations, philanthropies, and other strategic resource partners worldwide. Compass also empowers USAID staff to take a more cohesive, better-informed approach to these important global relationships. Built in Salesforce, Compass has powerful contacts and records management capabilities, as well as strong data analytic and reporting functions. It also integrates seamlessly with other USAID applications to provide an excellent user experience.

Additionally, USAID is working to simplify the digital experience for private sector partners by launching a new subsite to WorkwithUSAID.gov designed to meet their needs and make it easier for business leaders to understand how to collaborate with the Agency. This subsite, along with USAID's streamlined process for responding to private-sector inquiries, will save time for partners and staff.

EAP IMPLEMENTATION PROGRESS

USAID uses a change management approach to embed the principles of DEIA in its programs and operations through its EAP (<https://www.usaid.gov/equity/equity-action-plan>), which features five strategies:

- (1) Reduce barriers to the USAID partnership process through the WorkwithUSAID platform;
- (2) Enhance accountability measures and nondiscrimination protections for program participants and employees of contractors and recipients;
- (3) Reduce barriers for USAID awards, including barriers in USAID's A&A processes that hinder partners' abilities to work with USAID;
- (4) Advance effective and equitable U.S. foreign assistance that meaningfully integrates inclusive development and the perspectives and experiences of women and girls in all their diversity, and improve outcomes in gender equality and for marginalized populations; and
- (5) Strengthen USAID's approaches to policy, programming, and learning to advance racial and ethnic equity and support for underserved communities in partner countries more effectively.

Strategy 2 of USAID's EAP includes actions to establish a SEE-AM. The SEE-AM will ensure that people who have been or may potentially be socially, economically, or environmentally adversely affected by USAID programming worldwide have an opportunity to voice their concerns and complaints to USAID and have them addressed. The SEE-AM will cover complaints filed by an individual, community, civil society organization, or other stakeholder, alleging actual or perceived environmental, social, or economic harm caused by a USAID-funded project or activity.

Through the SEE-AM, USAID will transparently:

- Provide an accessible means of reporting harm;
- Review, process, and resolve complaints in a fair and equitable way;

- Learns from these experiences and adapt how and what it does in a way that helps prevent the Agency from repeating harm and reduce the likelihood that harm will occur again; and
- Provide publicly accessible data on the Agency's learning journey.

USAID plans to formally launch the SEE-AM in winter 2025 and will create a public webpage.

The SEE-AM is a key component of upholding program participant protections and ensuring USAID exercises duty of care in support of its principle of "do no harm." The SEE-AM is also a Congressional requirement outlined in the Joint Explanatory Statement in the FY 2021 Department of State, Foreign Operations, and Related Programs Appropriations Act.

Strategy 5 of USAID's EAP involves strengthening USAID's approach to better address the development needs of racial and ethnic groups, as well as underserved communities around the world in policy, programming, and learning. The Agency developed a Practitioner's Guide to Advancing Racial and Ethnic Equity in USAID Programming and Operations to increase the Agency's effectiveness in integrating equity in its policies, programming, and learning. The Guide is a tool for staff to better understand how to address development challenges of racial and ethnic groups within the context of the countries where USAID implements programs. USAID will also make available an accompanying e-Learning course for USAID staff.

In FY 2024, USAID also established the External Civil Rights (ECR) Program within its Office of Civil Rights. The ECR is responsible for performing critical compliance and enforcement duties under relevant civil rights statutes, which helps ensure all individuals have equal access to opportunities and resources. For example, ECR enforces federal statutes and regulations that prohibit discrimination, including discrimination based on race, color, national origin (including English proficiency), religion, disability, age, and sex (including pregnancy, gender identity, and sexual orientation) in programs and activities in the United States that receive federal financial assistance from USAID or that USAID conducts.

USAID highlights additional EAP implementation progress on page 27 of this AFR, in the Overview of Programmatic Performance section, Strategic Goal 3 subsection, Linking Activities to Outcomes part.

SAFEGUARDING

USAID prioritizes protecting the integrity of its foreign assistance programs and improving its oversight of its implementing partners, including by ensuring USAID and its partners comply with various safeguarding, financial, and program requirements systematically across awards. Safeguarding refers to operational measures USAID uses to protect program participants and other vulnerable populations from harm related to Agency-funded programs and activities. Safeguarding violations, such as trafficking in persons (TIP), SEA, and child abuse, exploitation, and neglect, conflict with USAID's values and the respect for human dignity on which international development stands. USAID updated its ARP through its ERM program in FY 2023 to expand its risk related to SEA to include TIP and child safeguarding considerations. Please refer to the ERM section on page 92 for more information about USAID's ERM program.

As an international leader in the safeguarding space, USAID lives out its survivor-centered approach by improving its systems, requirements, and response to violations. In FY 2024, the Agency took major steps forward in advancing safeguarding objectives with a new mandatory requirement for NGOs that not only prohibits exploitation, sexual abuse, child abuse, and child neglect across USAID programs, but also prohibits inaction in response to these violations. This new provision raises the bar for protecting program participants and the communities USAID seeks to serve by furthering the Agency's commitment to survivor-centered response and accountability. It also requires NGOs to disclose potential safeguarding violations to USAID, which led to an 89 percent increase in disclosures in FY 2024, compared to the same time period in FY 2023. To mitigate and respond consistently to alleged safeguarding violations in USAID's programming, in 2020, USAID leaders decided to enhance the Agency's safeguarding procedures and centralize

its safeguarding functions. In FY 2022, USAID established its central safeguarding function in the Responsibility, Safeguarding, and Compliance (RSC) Division in M/MPBP. In FY 2024, the RSC Division conducted in-depth safeguarding and compliance training with more than 2,600 USAID/Washington, Mission, and implementing partner staff. To further drive progress and foster a collaborative, coordinated approach among other donor governments, in FY 2024 the RSC Division Chief assumed one of three Reference Group co-chair roles for the Organization for Economic Co-operation and Development (OECD) Development and Assistance Committee (DAC) Reference Group on Ending Sexual Exploitation, Abuse, and Harassment.

In FY 2024, USAID continued to be a leader in the U.S. government and donor community in using available measures to respond to safeguarding violations in USAID's programming. For example, when appropriate, USAID uses powerful administrative tools, such as suspending and debarring partners, to protect the U.S. government and program participants from perpetrators of safeguarding violations.

COMMUNICATIONS: STRENGTHENING AND MODERNIZING

USAID is investing in, enhancing, and diversifying its approach to strategic communications to raise greater public awareness of the Agency's impact.

In FY 2024, USAID focused on the need to mobilize a strong, bipartisan U.S. constituency to support the world's growing resource needs, and in light of the onslaught of foreign information manipulation in the countries in which we work, it is imperative that we invest in, enhance, and diversify our approach to strategic communications to raise greater public awareness of our impact and inspire new actors to join in achieving critical objectives. While we have long invested in making USAID's achievements well-known, we now must also devote more resources and develop new strategies for combating the willful spread of falsehoods about the U.S. government's actions and motives, while emphasizing the pivotal role USAID plays in addressing issues that matter greatly in

people’s lives. Central to these goals is effectively conveying themes that are both core to USAID’s work and invaluable to U.S. foreign policy: the unique capabilities of the United States to be a leader in solving large problems, the generosity of the American people, and the undeniable fact that global challenges affect our lives at home.

Overall, USAID’s Communication Strategy focuses on:

- Enhancing transparency, expanding access to vital information, encouraging public contributions during crises, amplifying local partner voices, and addressing partner-country actions on development goals.
- Creating accessible, human-centered content using various formats (visual, audio, press, speeches, op-eds, articles) to engage broader audiences and connect USAID’s work to global challenges.
- Using digital channels, social networks, and niche media to reach audiences through their preferred platforms.
- Working with external validators and influencers to amplify messages, reach new audiences, and tailor communications to local contexts.

ENHANCING INTERNAL CX

CX: SURVEY, PLAYBOOK, AND TRAINING

Placing customers at the heart of services and activities can significantly improve overall performance. Government leaders recognize CX as a core function, encouraged by the potential to improve customer satisfaction, efficiency, and mission effectiveness. Moreover, customer-centric efforts and orientation can strengthen DEIA, work environment, and organizational health and performance efforts.

USAID’s annual CXS is a longstanding part of its internal efforts to improve and benchmark customer service. The impact of the CXS continues to grow. The CXS currently includes 20 Washington-based service centers, nine regional service centers, and five service offices in every one of USAID’s more than 75 Missions globally. USAID included five Agency-level priorities in the FY 2024 CXS, including a section on “Burden Reduction” to support and inform efforts to reduce program and administrative burdens on staff and operations. Overall, more than 2,800 staff responded to the survey; collectively, they provided approximately 5,900 unique comments and more than 1,100 distinct actionable recommendations.



Participants in USAID’s CX Fundamentals Training in Colombia in October 2023.
PHOTO: USAID

Demographically, 58 percent of the respondents were based in Washington, and 42 percent were based internationally. Through sustained efforts, most OUs have improved and stabilized their CXS results over time. The 2024 CXS results reflected that respondents from Missions especially expressed improvements in the services and support they received from the OUs they evaluated in their survey responses.

In FY 2024, USAID continued implementing the CX Playbook it rolled out in FY 2022. The CX Playbook outlines participatory planning techniques OUs can use to ascertain customers' aspirations, priorities, and experience, and methods to monitor customer participation and experience. These methods include regularly seeking feedback and input—including after providing service—to inform and improve future activities and programs.

USAID also continued delivering the CX Fundamentals Training it rolled out in FY 2023. In FY 2024, the team delivered training to USAID staff in-person in Colombia, Uganda, and Thailand; participants included staff from 18 USAID Missions. The team also customized the training to align with internal needs. For example, trainers provided two sessions to DEIA advisors across USAID; those sessions highlighted how CX and DEIA align. The CX Fundamentals Training helps USAID staff better meet internal customers' needs by helping staff understand how:

- Customer service influences most aspects of their work;
- To identify and address customer pain points and how to start to address them;
- To apply “customer journeys” to their customer service interactions; and
- To collect data and document feedback to improve service.

Through the training, to date USAID has reached more than 350 USAID staff globally with key CX principles and practices.

AGENCY APPROACH TO FIELD SERVICES (AAFS)

USAID's AAFS fosters collaboration across Washington OUs to ensure coordination, transparency, responsiveness, and informed decision making for providing technical assistance to other OUs. Through the Universal Technical Request and Mission Support (UTRAMS) system, USAID has a single process for OUs to request, manage, track, and learn from technical assistance provision. In addition, AAFS has helped USAID identify new cross-functional opportunities to collaborate and coordinate. USAID drives change and results through AAFS by leveraging networks and various crosscutting technical expertise and tools to support on-the-ground results through cutting-edge, holistic support.

During the first six months of calendar year 2024, the UTRAMS system facilitated approximately 2,600 requests from USAID Missions for programmatic support.

OPTIMALLY MANAGING THE BUSINESS OF THE GOVERNMENT

USAID always prioritizes optimizing how it manages its business as a U.S. government agency accountable to the American people. In FY 2024, USAID continued to improve its efficiency, effectiveness, and impact, including by supporting federal acquisition initiatives and enhancing financial management.

SUPPORTING FEDERAL ACQUISITION INITIATIVES

CATEGORY MANAGEMENT

USAID has fully engaged its acquisition workforce to optimize the Agency's use of Category Management principles, in line with OMB's memorandum on Category Management (<https://www.whitehouse.gov/wp-content/uploads/2019/03/M-19-13.pdf>) and the President's Management Agenda Priority 3, Strategy 1 on fostering lasting improvements

in the federal acquisition system. The primary objective of Category Management is to procure common goods and services more like a single U.S. government enterprise, which helps USAID efficiently and effectively use taxpayer dollars in Agency procurements to save money and avoid time-consuming and redundant contracting actions. Category Management also enables USAID's acquisition workforce to focus more on high-priority mission work that is outside the scope of Category Management and that represents the majority of USAID's contract dollars.

In FY 2024, USAID exceeded by 1.24 percent its Spend Under Management (SUM) target of 77 percent of obligated contract dollars going to a SUM solution, for a total of 78.24 percent of spend. USAID also exceeded by 5.1 percent its Best-in-Class (BIC) target of 8.1, for a total of 13.2 percent. Notably, USAID's Category Management spend contributed significantly to the Agency's performance against its small business targets, with more than 95 percent of USAID's SUM also having contributed to its small business spend. Additionally, USAID exceeded by 497 percent its Category Management training target of 633 individuals by training more than 3,779 individuals.

MADE IN AMERICA

In FY 2024, USAID continued to work closely with OMB's Made in America Office (<https://www.madeinamerica.gov/>) to fulfill the mandates of E.O. 14005, *Ensuring the Future is Made in All of America by All of America's Workers* (<https://www.federalregister.gov/documents/2021/01/28/2021-02038/ensuring-the-future-is-made-in-all-of-america-by-all-of-america-workers>), and associated laws, regulations, and OMB policies, which focus on maximizing the use of U.S.-made goods and services in federal contracts and assistance awards. USAID continues to explore ways to maximize the use of goods, products, and materials produced in, and services offered in, the United States, within the context of USAID's unique statutory authorities and overseas development and humanitarian assistance mission, which distinguish USAID's sourcing practices from those of other federal agencies.

SMALL AND DISADVANTAGED BUSINESS UTILIZATION

USAID initiated an Equity in Procurement Working Group to advance the President's focus on Small, Disadvantaged Businesses, in line with OMB's memorandum on Advancing Equity in Procurement (<https://www.whitehouse.gov/wp-content/uploads/2021/12/M-22-03.pdf>) and subsequent memoranda. The working group focuses on reducing barriers to entry for underrepresented groups, increasing opportunities, and incorporating small business utilization into USAID policy for advanced planning. The working group gathers and shares lessons learned and best practices from OUs to improve USAID's performance.

In November 2023, USAID hosted the USAID Asia Regional Overseas Small Business Conference to allow small businesses to learn about the strategic directions of and opportunities in the region. More than 200 small business representatives attended, along with representatives from ten USAID Missions and other federal agencies including the State Department, Millennium Challenge Corporation, and the U.S. General Services Administration (GSA). In May 2024, USAID hosted its 15th Annual Small Business Conference, titled "Partnering for Impact: Equity in Procurement," to provide small businesses with guidance on working with USAID and opportunities to connect with industry experts, explore emerging trends, and network with peers and colleagues from around the world. USAID also hosted an in-person Exhibit Hall in Washington on August 2, 2023, to enable U.S. small businesses to engage directly with USAID staff and the Agency's large implementing partners, with attendance from 108 U.S. small business representatives. U.S. small businesses can also visit the WorkwithUSAID platform (<https://www.workwithusaid.gov/>) to learn more about partnering with USAID.

USAID's FY 2024 small business utilization goal was 13.75 percent. Preliminary data indicates that USAID will achieve this goal.

ENHANCING FEDERAL FINANCIAL MANAGEMENT

ERM

USAID manages enterprise risk through its ERM program (<https://www.usaid.gov/about-us/agency-policy/series-500/references-chapter/596mab>) in compliance with OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, the FMFIA (<https://www.congress.gov/bill/97th-congress/house-bill/1526>), and the GPRA Modernization Act (<https://www.govinfo.gov/content/pkg/PLAW-111publ352/pdf/PLAW-111publ352.pdf>). The ERM program enables USAID to approach risk management holistically and integrate and coordinate risk management across all levels and functions within the Agency.

One of USAID's key tools for addressing risk is its RAS (<https://www.usaid.gov/about-us/agency-policy/series-500/references-chapter/596mad>), which the Agency revises, as needed, to respond to evolving environments as it pursues progress beyond programs. The RAS is a critical component of USAID's ERM program: it provides the USAID workforce with broad guidance on the amount and type of risk the Agency is willing to accept—based on evaluating opportunities and threats—to achieve its mission and objectives.

In FY 2024, USAID continued maturing its ERM program through:

- Deployment of Release 2.0 of its ServiceNow-based ERMIC TOOL, which includes advanced functionality for risk management and internal controls. In FY 2023, USAID adopted the ERMIC TOOL as its enterprise risk database and platform, which has streamlined the Agency's real-time risk assessment, reporting, and monitoring. Release 2.0 introduced a

Compliance Module, which replaced the previous Uniform Risk and Internal Control Assessment (URICA) process. With the Compliance Module, the ERMIC TOOL supports USAID managers and staff as they continually assess and improve internal controls within their AUs. The Compliance Module also improves the Agency's audit preparedness and strengthens its overall programs and operations. Additionally, the ERMIC TOOL helps enhance USAID's compliance with the requirements outlined in OMB Circular A-123, Appendix A, the FMFIA, the GAO Green Book (<https://www.gao.gov/greenbook>), and the GAO Fraud Risk Framework (<https://www.gao.gov/products/gao-15-593sp>). These upgrades have also enabled USAID to better operationalize its RAS by alerting users when risk exposure exceeds the Agency's tolerance levels.

- ERM training via Agency-wide webinars and the USAID University online learning platform. USAID offered and recorded six webinar-based training sessions between March and April, and more than 50 workshops with individual AUs on Release 2.0 of the ERMIC TOOL. USAID also offered a self-paced online "Introduction to ERM" course that aligns and integrates ERM concepts, cultivating a strong risk culture within the Agency that helps drive programs and operations.
- Use of the ERMIC TOOL to consolidate and analyze risks from more than 120 AUs via the annual risk profile submission process, providing the Agency with an up-to-date and clear picture of its most pressing risks. The results of the self-assessment informed strategic, risk-based decision making, which led USAID to update or create policies to address areas of elevated risk exposure. These included:
 - ✦ Advancing staffing and resources by growing USAID's career workforce and spearheading the Crisis Operations Staffing mechanism;
 - ✦ Addressing crosscutting risk by expanding safeguarding program protections to include language on child safeguarding and counter-trafficking;



Branding for USAID's ERM and Internal Control program. SOURCE: USAID

- Monitoring resource diversion through efforts to further institutionalize the Risk Based Assessment (RBA) process, which helps USAID identify and assess risks and identify measures to mitigate the risk that USAID funding may be diverted for the benefit of terrorist groups, their members, or their supporters;
 - Integrating DEIA performance elements into all senior-level positions in the Civil Service and Foreign Service to ensure USAID is at the forefront of DEIA efforts; and
 - Including new risk considerations, such as a Climate Change Management Operations Risk, to help ensure USAID achieves its Climate Strategy objectives, and a Centralized Complaints Function Risk, to centralize complaint filing for harms that may have occurred in USAID-funded or -supported projects.
- Analysis of the data from its FY 2024 M/B/IOs Capability Maturity Model self-assessment on the Agency’s level of ERM maturity in three key domains—People, Processes, and Tools—to identify achievements and opportunities for growth. Through this iteration, USAID determined that expanding the self-assessment to include program officers and technical officers helped improve the maturity status and enhanced their understanding of their role in advancing the ERM program.

By managing risk through its ERM program, USAID continuously improves the accountability and effectiveness of its programs and operations. In addition, USAID includes financial results and assurances in its annual AFR (<https://www.usaid.gov/results-and-data/progress-data/agency-financial-report>), in accordance with OMB Circular A-136, *Financial Reporting Requirements* (<https://www.whitehouse.gov/wp-content/uploads/2023/05/A-136-for-FY-2023.pdf>).

CLIMATE RISK MANAGEMENT

In FY 2024, USAID continued managing climate risk at the enterprise, OU, and program and activity levels through USAID’s ERM program and Climate Risk Management (CRM) process (<https://www.climatelinks.org/climate-risk-management>).

Through its ERM program, USAID:

- Updated the operational climate change risk in its ARP, including by adding a supply chain risk treatment. The operational climate change risk features nine cross-functional treatments through which USAID emphasizes training, policy, operations, and reporting to ensure USAID manages the risk in a continuous, systematic, rigorous, efficient, and effective way.
- Equipped RMLs across the Agency with the tools and information they need to identify and properly respond to climate risk through the annual FMFIA and internal USAID risk profile review and submission process.
- Spotlighted and analyzed Mission climate risk submissions, using the ERMIC TOOL, to manage and contextualize risks proactively, such as by identifying where particular climate risks are most concentrated geographically. These kinds of analyses help USAID target resilience and risk mitigation resources as efficiently and effectively as possible, as well as socialize regional environmental threats.

	PROBABILITY OF NEGATIVE IMPACT (increases from left to right)		
SEVERITY OF NEGATIVE IMPACT (increases from top to bottom)	Low probability Low impact LOW RISK	Moderate probability Low impact LOW RISK	High probability Low impact LOW RISK
	Low probability Moderate impact LOW RISK	Moderate probability Moderate impact MODERATE RISK	High probability Moderate impact MODERATE RISK
	Low probability High impact MODERATE RISK	Moderate probability High impact HIGH RISK	High probability High impact HIGH RISK

The climate risk rating matrix USAID uses as part of systematically assessing climate risks to enable efficient and effective action to address and adaptively manage those risks. SOURCE: <https://www.usaid.gov/sites/default/files/2022-05/201mat.pdf#page=9> (ADS 201mat)

USAID also continued implementing its CRM process, which is a mandatory part of USAID's Program Cycle and how the Agency systematically assesses, addresses, and adaptively manages climate variability and climate change risks in strategies and programming. In FY 2024, USAID updated its operational policy mandatory reference on addressing climate variability and climate change in USAID's strategies (<https://www.usaid.gov/about-us/agency-policy/series-200/references-chapter/201mat>). Under USAID policy, new strategies must include a climate analysis and integrate climate considerations within the strategy. USAID recommends five steps to do this:

- (1) Gather and review climate information;
- (2) Conduct initial internal and external consultations and identify opportunities for equitable climate actions and goals;
- (3) Finalize climate risk screening;
- (4) Integrate equitable climate actions and goals into the strategy; and
- (5) Draft climate analysis and ensure climate is integrated in the strategy.

In addition, OUs must complete a more-rigorous climate risk assessment during project or activity design for sectors or areas identified in the strategy as moderate or high risk.

USAID continues to strengthen partner countries' capacities to adapt and build resilience to climate change impacts; better manage climate and disaster threats; improve access to and use of climate information; and reduce resource-related conflict by using climate solutions and adaptation assistance to address intersecting climate and conflict stressors.

Please refer to the Climate-Related Financial Risk section on page 220 of this AFR for more information about USAID's efforts to manage this risk.

AUDIT FOLLOW-UP

BACKGROUND

USAID is subject to audit by both the OIG and GAO, an independent, nonpartisan agency that works for Congress. The OIG conducts engagements related to global foreign assistance programs and operations. The engagements include the audit of the Agency's financial statements required under the CFO Act of 1990 and audits related to the financial accountability of grantees and contractors. GAO performs evaluations of federal programs, policies, operations, and performance to examine how departments and agencies spend taxpayer dollars, providing Congress and federal organizations with objective, reliable information to help the U.S. government save money and work more efficiently.

AUDIT FOLLOW-UP RESULTS FOR FY 2024

OIG

USAID's managers are mindful of the statutory requirements included in the Inspector General Act, as amended; OMB Circular A-50, *Audit Follow-up*; and OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Management has a responsibility to complete and implement a management decision¹² within one year from the final report date, to the extent practicable.

On October 1, 2023 (FY 2024), the Agency had a beginning balance of 248 total recommendations. During FY 2024, the OIG issued a total of 248 recommendations and the Agency closed 283, which left 213 recommendations open at the end of the fiscal year. Of the number closed, 209 were procedural or non-monetary; 74 were questioned costs, totaling \$1.4 million in disallowed costs that the Agency recovered.¹³ As of September 30, 2024,

¹² A "management decision" is the evaluation of a recommendation by management and a decision upon an appropriate course of action.

¹³ "Management efficiencies" relate to monetary recommendations that could allow the Agency to use funds more efficiently. The recommendation can include (a) savings from such items as reprogramming or the recapture of unliquidated obligations; (b) more-efficient contract negotiations; or (c) the reduction or elimination of payments, costs, or expenses the Agency would incur. This term has the same meaning as "funds are put to better use."

USAID has two recommendations over six months old without a management decision, and 65 with a management decision more than a year old, and submitted 35 performance recommendations to the OIG requesting closure.

REPORTS

During FY 2024, the OIG issued over 500 financial and performance engagement reports. The financial engagements¹⁴ focused on the schedule of expenditures, incurred costs, and specific projects and program closeouts. The reports also addressed the compliance with cost accounting standards and the adequacy of accounting systems of implementing partners. The performance engagements¹⁵ addressed the challenges the Agency faced during withdrawal from Afghanistan, Ukraine, and Gaza programs; COVID-19; and quality control reviews. Performance engagements also addressed

pre-award risk management and risk assessments and monitoring, AI, anti-corruption, climate, new partnerships initiative, public international organizations, democracy in Latin America and the Caribbean, and various administrative programs (travel card, purchase card, and Federal Information Security Modernization Act of 2014 [FISMA]).

As illustrated in Figure 27, on October 1, 2023, the Agency had a beginning balance of 85 management decisions. During FY 2024, the OIG acknowledged 205 recommendations with management efficiencies and planned recoveries¹⁶ that totaled more than \$2.3 million. During FY 2024, the Agency completed final action for 228 monetary recommendations that represented \$23.4 million in cost savings. During FY 2024, the OIG did not issue recommendations for funds put to better use.

FIGURE 27. TABLE I. MANAGEMENT ACTION ON AUDIT RECOMMENDATIONS WITH DISALLOWED COSTS

	Recommendations	Dollar Value (\$000)
Management Decisions:		
Beginning Balance October 1, 2023	85	\$ 46,091
Management Decisions During the Fiscal Year	205	\$ 2,271
Total Management Decisions Made	290	\$ 48,362
Final Actions:		
Collections/Offsets	–	\$ 824
Other Recovery	–	\$ 22,201
Write-offs	–	\$ 338
Total Final Actions*	228	\$ 23,363
Ending Balance September 30, 2024	62	\$ 24,999

Note: The data in this table includes procedural (non-monetary) audit recommendations that are associated with disallowed costs. Adjustments were made to the beginning balance due to system updates post September 30, 2023.

* A single audit recommendation can involve multiple recovery types (collections/offset, other recovery, write-offs).

¹⁴ An audit to assess whether a contractor, recipient, or host government has accounted for and used USAID funds as intended, and in compliance with applicable laws and regulations. This includes OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. This Circular is issued pursuant to the Single Audit Act of 1984, Public Law (P.L.) 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156, and on December 26, 2013, OMB Circular A-133 was superseded by the issuance of 2 Code of Federal Regulations (CFR) part 200, subpart F. It sets forth standards for obtaining consistency and uniformity among federal agencies for the audit of states, local governments, and non-profit organizations expending federal awards. Non-federal entities that expend \$1,000,000 (for fiscal years beginning on or after October 1, 2024) or more in a year in federal awards shall have a single or program-specific audit conducted for that year.

¹⁵ An objective and systematic examination of evidence to assess the performance and management of a program, provide a prospective focus, or synthesize information on best practices or crosscutting issues.

¹⁶ "Planned recoveries" relate to collections of disallowed costs.

GAO

As illustrated in Figure 29, on October 1, 2023 (FY 2024), USAID began with 30 open recommendations issued by GAO, an increase from 26 which represents a 15 percent increase from FY 2023. During FY 2024, USAID

managed 52 GAO recommendations, of which 22 were issued during the fiscal year and 11 were implemented. USAID currently has 41 open recommendations. GAO is currently reviewing 34 USAID programs globally.

FIGURE 28. TABLE II. STATEMENT OF ACTION ON RECOMMENDATIONS THAT WERE SUBMITTED TO CONGRESS

Recommendations	12
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Note: This table depicts the number of recommendations contained within the Statement of Actions submitted to Congress during FY 2024.

FIGURE 29. TABLE III. STATUS OF GAO RECOMMENDATIONS

	Recommendations
Audit Recommendation:	
Beginning Balance on October 1, 2023	30
GAO Recommendations Received	22
Total GAO Recommendations	52
Final Actions:	
Recommendations Implemented	11
Ending Balance on September 30, 2024	41

Note: This table depicts the number of recommendations GAO issued to USAID during FY 2024.

During FY 2024, the GAO Comptroller General issued its annual priority recommendation letter, which highlights open recommendation(s) that the USAID Administrator should focus on implementing. USAID is noted for having a 100 percent implementation rate for all GAO recommendations made during the past four years, which surpassed the government-wide implementation rate of 75 percent. This year the priority focus areas centered around workforce planning and management, and fraud risk. USAID remains committed to leveraging existing processes, systems, and policies, as well as incorporating new strategies, frameworks, and procedures to ensure complete and successful implementation of these priority recommendations.

SOVEREIGN BOND GUARANTEES (SBGs)

Since 1993, the U.S. government has provided 20 guarantees of sovereign bonds issued by foreign governments in the international capital markets (by the governments of the State of Israel, the Arab Republic of Egypt, the Republic of Tunisia, the Hashemite Kingdom of Jordan, Ukraine, and the Republic of Iraq) that have totaled \$23.8 billion. The guarantees are one form of macro-level financial assistance the United States provides to strengthen the economic and policy environments of countries that face economic difficulties.

From 1993 to 2011, the U.S. government used SBGs sparingly to support Israel and Egypt. However, the use of SBGs expanded in response to political shocks in the Middle East and Eastern Europe to ten additional issuances between 2012 and 2017. As illustrated in Figures 30 and 31, the total current exposure of USAID's SBG portfolio is \$2.7 billion, of which \$2.4 billion represents outstanding principal and \$303 million represents outstanding interest following the full repayments of certain guarantees. SBGs that have been fully repaid

include Egypt's bond in 2015, Tunisia's in 2019 (one bond) and 2021 (two bonds), Ukraine's bonds during 2019, 2020, and 2021; three of Jordan's bonds in 2019, 2021, and 2022; Iraq's bond in 2022; and seven of Israel's bonds in 2023 (three bonds) and 2024 (four bonds), and the continuing amortization of Israel's sovereign bonds. See Note 6, *Loan Guarantee Liabilities*, in the Financial Section of this AFR for additional information on the current loan portfolios.

FIGURE 30. CURRENT SBG EXPOSURE AS OF SEPTEMBER 30, 2024

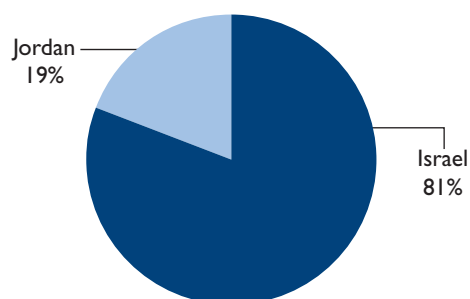


FIGURE 31. USAID OUTSTANDING SOVEREIGN BOND GUARANTEE PORTFOLIO As of September 30, 2024

(Dollars in Millions)

Country	Year	Principal Outstanding	Interest Outstanding	Total	Maturity
Israel	1994	\$ 869	\$ 104	\$ 973	*
Israel	2003	\$ 1,083	\$ 184	\$ 1,267	*
Jordan	2015	\$ 500	\$ 15	\$ 515	June 2025
Total		\$ 2,452	\$ 303	\$ 2,755	

* Multiple loans with varying maturity time frames. The last loan for 1994 is due November 2027 while the last loan for 2003 is due September 2033.

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FINANCIAL SECTION





(Preceding page) A nurse feeds 3-week-old Reign Alma her mother's breast milk from a cup at Kitovu Hospital in Uganda. Until the child can nurse properly, this will be the means of feeding.

PHOTO: CARIELLE DOE FOR USAID

(Above) A tourist snorkels during a day trip run by a local fisherman to view a reef in Siete Pecados Marine Park. Ecotourism is a conservation enterprise intended to reduce fishing pressure in the nearshore environment. Coron, Palawan, Philippines. February 2023.

PHOTO: JASON HOUSTON FOR USAID

LETTER FROM THE CHIEF FINANCIAL OFFICER



As the Agency's Chief Financial Officer (CFO), I am pleased to join Administrator Power in presenting the USAID Agency Financial Report (AFR) for FY 2024. The AFR illustrates our Agency's continued strong financial performance and reinforces our commitment to transparency and accountability for the funds entrusted to us by the American people.

AUDIT OF THE AGENCY'S FINANCIAL STATEMENTS

For FY 2024, USAID's independent auditor issued its audit report with an unmodified audit opinion on the Agency's consolidated financial statements. In addition, USAID made an unmodified Statement of Assurance under the Federal Managers' Financial Integrity Act and assured compliance with the Federal Financial Management Improvement Act. Moreover, the independent auditor found no reportable instances of noncompliance with laws and regulations during FY 2024.

Sound financial management continues to be an Agency priority. Our strong and sustainable internal control posture has provided for process improvements in financial management activities that resulted in the closure of all prior years' Government Management Reform Act audit findings and recommendations. For the FY 2024 audit report, USAID's independent auditors identified no material weaknesses, however, two significant deficiencies were identified in USAID's internal control over financial reporting related to Processing of Personnel and Payroll Actions and Implementation of SFFAS 54, Lease Reporting. The Agency is making improvements in the processing of personnel and payroll actions and developing a process for the adoption and implementation of SFFAS 54.

KEY ACCOMPLISHMENTS

I am honored to announce USAID is the recipient of the prestigious *Certificate of Excellence in Accountability Reporting (CEAR) Award for Fiscal Year 2023*, which recognizes the Agency's integration of performance and financial reporting. This is the tenth year the Agency's report received the CEAR award. I want to sincerely thank all USAID staff for their dedication and diligence in contributing to the FY 2024 AFR, which presents the Agency's use of resources, operating performance, financial stewardship, and assessment of risks in a clear and effective manner.

In addition to the notable financial milestones, my staff and I sought opportunities to contribute, promote, and advance activities that support the Administrator's anti-corruption, localization, and sustainability priorities, including the following highlights:

- Strengthened the Agency's internal control and risk monitoring capabilities by expanding the ERMIC TOOL to perform the FMFIA attestation process and update the annual risk profile. This tool enhances USAID's audit readiness by identifying internal controls that need to be strengthened and improves risk management through the ability to review and analyze risks in real-time, providing USAID with a clearer picture of its most crucial risks. Completed projects identified for engagement as part of the CFO Five Year Financial Management Strategic Plan, including transitioning USAID's time and attendance system to a new platform and fully automating the Agency's quarterly accruals process. Fully automating the accrual process also aligns with and supports the Agency's Burden Reduction Program.



USAID Chief Financial Officer Reginald W. Mitchell with USAID Counselor Clinton White at the 2024 International Consortium on Governmental Financial Management.

- Refined the Agency’s process to resolve performance and financial outstanding audit recommendations with results demonstrating favorable trends on closures and a reduced number of outstanding recommendations.
- Advised on international accounting guidance for the International Financial Reporting for Non-Profit Organizations project that recently published the third exposure draft of International Non-Profit Accounting Guidance. The Guidance aims to improve the clarity and consistency of non-profit organization financial reports, resulting in greater credibility and trust in the sector globally.
- Represented the Agency’s interests on the Donor Steering Committee for the International Organization of Supreme Audit Institutions (INTOSAI) and the International Federation of Accountants (IFAC) by working with global institutions for supreme audit institution (SAI)

and Professional Accountancy Organization capacity development. These efforts helped to strengthen the accountability, transparency, and integrity of partner-government institutions and public-sector accounting in accordance with generally accepted international standards.

- Continued engagements with the U.S. Government Accountability Office’s Center for Audit Excellence using a newly revised ten year interagency agreement and INTOSAI Development Initiative to strengthen the capacity of international accountability organizations, including SAIs, which leads to increased accountability and transparency over Agency funds and contributes to strengthening anti-corruption activities.
- In concert with the USAID Bureau for Global Health, continued to implement a memorandum of understanding with IFAC; the Global Fund to Fight AIDS, Tuberculosis and Malaria; and Gavi, the Vaccine Alliance to strengthen the capacity of auditors in SAIs through the African Professionalization Initiative Learning Program.

USAID remains steadfast in our work improving financial management and operations by partnering and collaborating with external stakeholders, and by the dedicated work of our staff. In FY 2025, the Office of the Chief Financial Officer will continue to implement new innovations to automate its financial systems. These efforts will specifically advance Administration priorities of anti-corruption, localization, and sustainability while continuing to safeguard U.S. taxpayer funds.

A handwritten signature in blue ink that reads "Reginald W. Mitchell".

Reginald W. Mitchell
 Chief Financial Officer
 November 12, 2024

FINANCIAL SECTION **AUDITOR'S REPORT**





(Preceding page) The Epic of Manas is a very long and traditional epic poem of the Kyrgyz people of Central Asia. Manas is the classic centerpiece of Kyrgyz literature, and parts of it are often recited at Kyrgyz events by specialists in the epic, called manaschy. Manaschy recites the tale in a melodic chant unaccompanied by musical instruments. The flagship USAID-funded media activity titled Media-K supports non-traditional media in the Kyrgyz Republic. Since 2023, the Media-K activity has been supporting over 21 Manaschy in strengthening their skills in media literacy and gender integration in their melodic tales.

PHOTO: MAXIME FOSSAT

(Above) Celimpilo "Celi" Heather Nkambule is a community liaison officer at Wits RHI, a leading African research institute in Johannesburg, South Africa that is partnering with USAID and others on a project to help women and adolescent girls protect themselves from HIV.

PHOTO: MOSAIC



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

MEMORANDUM

DATE: November 14, 2024

TO: Reginald W. Mitchell, Chief Financial Officer, USAID

FROM: Paul K. Martin, Inspector General *PKM*

SUBJECT: Audit of USAID's Financial Statements for Fiscal Years 2024 and 2023 (0-000-25-001-C)

Enclosed is the final report on the audit of USAID's financial statements for fiscal years 2024 and 2023.¹ The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of Williams, Adley & Company-DC LLP (Williams Adley) to conduct the audit. The contract required the audit firm to perform the audit in accordance with generally accepted government auditing standards and Office of Management and Budget Bulletin 24-02, Audit Requirements for Federal Financial Statements.

In carrying out its oversight responsibilities, OIG reviewed the audit firm's report and related audit documentation and inquired of its representatives. Our review, which was different from an audit performed in accordance with generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion on USAID's financial statements. The audit firm is responsible for the enclosed auditor's report and the conclusions expressed in it. That said, we found no instances in which Williams Adley did not comply, in all material respects, with applicable standards.

The audit objectives were to: (1) express an opinion on whether the financial statements as of September 30, 2024, were presented fairly, in all material respects; (2) evaluate USAID's internal control over financial reporting; and (3) determine whether USAID complied with applicable laws, regulations, contracts, and grant agreements. To answer the audit objectives, the audit firm assessed risk, considered internal controls, and designed audit procedures relevant to USAID's fair presentation of its fiscal year 2024 financial statements.

The audit firm concluded that USAID's financial statements for fiscal years ended September 30, 2024, are presented fairly, in all material respects, and in accordance with U.S. generally accepted

¹ Pursuant to the Pub. L. No. 117-263 § 5274, USAID OIG provides nongovernmental organizations and/or businesses specifically identified in this report 30 days from the date of report publication to submit a written response to USAID OIG. Any comments received will be posted on <https://oig.usaid.gov>. Please direct inquiries to oignotice_ndaa5274@usaid.gov.

USAID Office of Inspector General
Washington, DC
oig.usaid.gov

accounting principles. For fiscal year 2024, the audit firm found no reportable noncompliance with applicable laws, regulations, contracts, and grant agreements, including the provisions referred to in Section 803(a) of the FFMA² they tested. The audit firm also found no material weaknesses but reported two significant deficiencies related to USAID's internal controls over (1) financial reporting pertaining to personnel and payroll actions (modified repeat finding) and (2) lease reporting in accordance with Statements of Federal Financial Accounting Standards (SFFAS) 54.

Moreover, the financial statements of USAID for fiscal year 2023 were audited by GKA P.C. Certified Public Accountants and Consultants, whose report dated November 6, 2023, expressed an unmodified opinion meaning that the financial statements are presented fairly, in all material respects, and in accordance with U.S. generally accepted accounting principles.³

To address the internal control deficiencies identified in the fiscal year 2024 report, we recommend that USAID's Chief Financial Officer:

Recommendation 1. Perform quarterly reviews over a sample of personnel to ensure that personnel files are maintained and updated to correctly reflect personnel actions.

Recommendation 2. Assess reviews performed by the Human Capital and Talent Management/Employee Services and Benefits division to ensure payroll benefit, leave, and deductions calculated and recorded in employee leave and earnings statements are accurate, agree to employee authorized elections, and comply with USAID's Automated Directive System and federal regulations.

Recommendation 3. Review the reconciliation process with National Finance Center Payroll/Personnel System records to determine enhancements for more effectively identifying and correcting inaccurate information.

Recommendation 4. Develop and document a process on how the Agency implements and adopts new accounting standards and guidance going forward, including, but not limited to, the implementation of the embedded leases portion of SFFAS 54.

Recommendation 5. Develop and document a process to ensure its leases are recorded in accordance with SFFAS 54. At a minimum, this should include the Agency's consideration of materiality and process to assess the completeness, accuracy and reasonableness of all information from the Department of State for which USAID relies on to report in its financial statements and to include an element of management review and approval.

Recommendation 6. Determine what information needs to be captured at a transaction level to allow for the identification of the lease and the type of lease (i.e., domestic, international – USAID dedicated, international – housing pool) at the disbursement transaction level.

² Federal Financial Management Improvement Act of 1996, Public Law No. 104-208, (September 30, 1996).

³ USAID OIG, "[Audit of USAID's Financial Statements for Fiscal Years 2023 and 2022](#)" (0-000-24-001-C), November 14, 2023.

Recommendation 7. Develop and implement a process to capture the information identified based on Recommendation 6 to allow for automation of determining completeness of the Department of State-provided lease listing.

Recommendation 8. Develop a process by which USAID can automatically calculate lease balances for leases dedicated to USAID to allow USAID to verify the accuracy of the information provided by the Department of State related to USAID's dedicated leases.

Recommendation 9. Ensure the new processes developed in Recommendations 4, 5, 7, and 8 are adequately communicated, both in writing and via trainings, to impacted personnel.

In finalizing the report, the audit firm evaluated USAID's responses to the recommendations. After reviewing that evaluation, we consider recommendations 1 through 9 resolved but open pending completion of planned activities. For recommendations 1 through 9, please provide evidence of final action to the Audit Performance and Compliance Division.

We appreciate the assistance provided to our staff and the audit firm's employees during the engagement.



Independent Auditor's Report

Chief Financial Officer
U.S. Agency for International Development

Inspector General
U.S. Agency for International Development

In our audit of the fiscal year 2024 financial statements of the United States Agency for International Development (USAID), we found:

- USAID's financial statements as of and for the fiscal year ended September 30, 2024, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed¹; and
- no reportable noncompliance for fiscal year 2024 with provisions of applicable laws, regulations, contracts, and grant agreements, including the provisions referred to in Section 803(a) of the FFMIA² we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI)³ and other information included with the financial statements⁴; (2) our report on internal control over financial reporting; (3) our report on compliance with laws, regulations, contracts, and grant agreements; and (4) agency comments.

Report on the Financial Statements

Opinion

In accordance with *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*, we have audited USAID's financial statements. USAID's financial statements comprise the consolidated balance sheet as of September 30, 2024; the related consolidated

¹ A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

² Federal Financial Management Improvement Act of 1996, Public Law No. 104-208, (September 30, 1996).

³ The RSI consists of "Management's Discussion and Analysis" and the "Combining Statement of Budgetary Resources", which are included with the financial statements.

⁴ Other information consists of information included with the financial statements, other than the RSI and the auditor's report.

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statements of net cost and changes in net position; the combined statement of budgetary resources for the fiscal years then ended; and the related notes to the financial statements (hereinafter referred to as the “financial statements”). In our opinion, USAID’s financial statements present fairly, in all material respects, USAID’s financial position as of September 30, 2024, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the U.S. and the U.S. generally accepted government auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of USAID and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

Prior Year Financial Statements

The USAID financial statements as of and for the year ended September 30, 2023 were audited by other auditors, whose Independent Auditor’s Report dated November 6, 2023 expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Financial Statements

USAID management is responsible for:

- the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles;
- preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles;
- preparing and presenting other information included in USAID’s agency financial report, and ensuring the consistency of that information with the audited financial statements and the RSI; and
- designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with U.S. generally accepted government auditing standards will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a

substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. generally accepted government auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements in order to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to our audit of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of USAID's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Perform other procedures we consider necessary in the circumstances.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the financial statement audit.

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context.

We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards. These procedures consisted of (1) inquiring of management about the methods of preparing the RSI and (2) comparing the RSI for consistency with management's responses to the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit, and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

USAID's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in USAID's agency financial report. The other information consists of information included within the financial statements, other than the RSI and the auditor's report.

Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Internal Control over Financial Reporting

In connection with our audit of USAID's financial statements, we considered USAID's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described below and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies⁵ or to express an opinion on the effectiveness of USAID's internal control over financial reporting. Given these limitations, during our fiscal year 2024 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

As discussed in *Appendix I*, our audit identified two significant deficiencies in USAID's internal controls over financial reporting pertaining to (1) personnel and payroll actions and (2) lease reporting in accordance with Statements of Federal Financial Accounting Standards (SFFAS) 54. Although the significant deficiencies in internal control did not affect our opinion on USAID's fiscal year 2024 financial statements, misstatements may occur in unaudited financial information reported internally and externally by USAID because of these deficiencies.

Our assessment of the current status of the prior significant deficiency is presented in *Appendix II*.

In addition to the current year significant deficiencies, we also identified deficiencies in USAID's internal control over financial reporting that we do not consider to be material weaknesses or significant deficiencies. Nonetheless, these deficiencies warrant USAID management's attention. We will communicate these matters to USAID management separately in a management letter.

Basis for Results of Our Consideration of Internal Control over Financial Reporting

We performed our procedures related to USAID's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards and Office of Management and Budget audit guidance.⁶

⁵ A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

⁶ Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*, issued on July 29, 2024. According to the guidance, for those controls that have been suitably designed and implemented, the auditor should perform sufficient tests of such controls to conclude on whether the controls are

Responsibilities of Management for Internal Control over Financial Reporting

USAID management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for Internal Control over Financial Reporting

In planning and performing our audit of USAID's financial statements as of and for the fiscal year ended September 30, 2024, in accordance with U.S. generally accepted government auditing standards, we considered USAID's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of USAID's internal control over financial reporting. Accordingly, we do not express an opinion on USAID's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that:

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and
- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of USAID's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of USAID's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audit of USAID's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, including the

operating effectively (i.e., sufficient tests of controls to support a low level of assessed control risk). OMB audit guidance does not require the auditor to express an opinion on the effectiveness of internal control.

provisions referred to in Section 803(a) of the FFMIA, consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, including the provisions referred to in Section 803(a) of the FFMIA, disclosed no instances of noncompliance for fiscal year 2024 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to USAID. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements

USAID management is responsible for complying with laws, regulations, contracts, and grant agreements, including the provisions referred to in Section 803(a) of the FFMIA applicable to USAID.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements

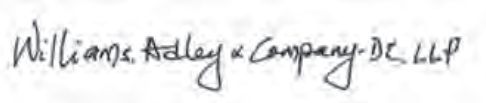
Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, including the provisions referred to in Section 803(a) of the FFMIA applicable to USAID that have a direct effect on the determination of material amounts and disclosures in USAID's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all provisions of laws, regulations, contracts, and grant agreements applicable to USAID. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, including the provisions referred to in Section 803(a) of the FFMIA, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements, including the provisions referred to in Section 803(a) of the FFMIA is not suitable for any other purpose.

Agency Comments

In commenting on a draft of this report, USAID management provided a written response which is presented in *Appendix III*. We did not audit USAID's response and, accordingly, we express no opinion on the response.

A handwritten signature in black ink that reads "Williams, Adley & Company-DC, LLP". The signature is written in a cursive, slightly slanted style.

Washington, District of Columbia
November 12, 2024

Appendix I – Significant Deficiencies

USAID Needs to Strengthen Controls Surrounding Processing of Personnel and Payroll Actions (Modified, Repeat Finding)

USAID's payroll processes require improvement in the retention of USAID employees' benefit and payroll records, the accuracy of information represented in employees leave and earnings statements, and compliance with accrued leave regulations and USAID operational policies. Weaknesses in processing records surrounding new hires, time and attendance, and separation activities represent a systemic issue with control deficiencies observed in USAID's maintenance of support and calculation of employees' leave and earnings since fiscal year 2022. In fiscal year 2022 USAID implemented the centralization of the employee onboarding process and developed templates to facilitate processing of personnel actions; however, issues persist.

Specifically, we noted the following:

- For 34 out of the 45 new hire employees tested, representing 76% of the employees sampled, records were incomplete and/or employee information in the National Finance Center (NFC)⁷ Payroll/Personnel System (PPS) did not agree to underlying records as follows:
 - For 29 samples, the Standard Form 52, *Request for Personnel Action*, was missing elements or was not fully approved.
 - For 17 samples, the employee's data on Standard Form 50, *Notification of Personnel Action*, information (name, grade, salary, etc.) did not agree with the Standard Form 52, *Request for Personnel Action*.
 - For 19 samples, the information in the NFC PPS and the information in the Standard Form 50, *Notification of Personnel Action*, did not agree.
- For 34 out of the sample of 45 active employees tested, representing 76% of the employees sampled, we identified inaccuracies in amounts presented on employee's leave and earnings statements and/or did not receive records to support employee elections as follows:
 - For one sample, the accrued annual leave was 426 hours on the leave and earnings statement, when maximum allowable is 240 hours.
 - For one sample, we were unable to re-calculate the differential amount in the employee's leave and earning statement, resulting in a variance of \$1,644.
 - For 10 samples, the Federal Employees Health Benefits program enrollment code and associated deduction in dollars did not agree to elections per the employee Standard Form 2089, *Health Benefits Election Form*.
 - For three samples, the Standard Form 2089, *Health Benefits Election Form*, was not provided.
 - For 11 samples, the Standard Form 2817, *Life Insurance Election*, was not provided.
 - For seven samples, the Federal Employees' Group Life Insurance amount withheld from employee leave and earning statement was not calculated per elections in

⁷ The United States Department of Agriculture's National Finance Center (NFC) is a Shared Service Provider for Financial Management Services and Human Resources Management Services. UKG's GovTA is web-based Time and Attendance (T&A) application utilized by NFC in its services. USAID relies on NFC and GovTA in its payroll function.

Standard Form 2817, *Life Insurance Election*, resulting in an aggregate variance of \$157.

- For 19 samples, we were unable to recalculate the Federal Employees Retirement System retirement amount withheld from the employee leave and earning statement, resulting in an aggregate variance of \$476.
- For two samples, no documentation was provided for the employee sampled as they were inactive during the pay period. As the population subject to sampling represented all active employees for pay period 2024-10, we requested the *Exit Clearance Form* (AID 451) to determine when the employee separated/became inactive. No documentation was provided.
- For 26 of the 45 separated employees tested, representing 58% of the employees sampled, we did not receive supporting documentation that demonstrated the employees were subject to all required exit procedures and timely removed from the NFC PPS. Specifically, we identified the following:
 - For two samples, evidence was not provided to support the employee was properly removed/deactivated from NFC PPS and categorized as inactive and one sample was shown as active in NFC PPS.
 - For 11 samples, the *Exit Clearance Form* (AID 451) was not provided and for 10 samples, the AID 451 was not properly completed by all responsible departments.
 - For 15 samples, the Standard Form 1150, *Record of Leave Data*, was not provided.
 - For five samples, the Standard Form 75, *Request for Preliminary Employment Data* was not provided, for one sample we were provided an incomplete form, and for one sample we were not provided the official signed form.

The table below summarizes, by document type, the documentation not provided:

Document Type	NFC Evidence	AID 451	SF-1150	SF-2089	SF-2817	Total
# Not Provided	2	10	15	3	11	41

USAID management has not deployed adequate reviews of information in employees’ personnel files to ensure employee payroll information transmitted to NFC PPS for the preparation of employees leave and earnings statements are consistent with authorized employee payroll benefits and deductions standard forms.

Weaknesses in controls surrounding personnel and payroll processes limit USAID management’s ability to proactively identify and resolve issues that could result in misstatements in financial accounting and reporting records. Without adequate reviews, oversight, and reconciliations of personnel and payroll data, discrepancies may exist but go undetected and uncorrected, thereby causing the financial information to be misstated.

The Government Accountability Office’s (GAO) Standards for Internal Control in the Federal Government (GAO-14-704G), Section 10.3. states:

“Accurate and timely recording of transactions. Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.

Appropriate documentation of transactions and internal control. Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.”

In addition, Appendix A of OMB Circular No. A-123, *Management's Responsibility for Internal Control*, states:

“Reliability of financial reporting means that management can reasonably make the following assertions.... documentation for internal control, all transactions, and other significant events is readily available for examination.”

Title 5 of the Code of Federal Regulations, Section 630.302(b)(3)(i), *Maximum annual leave accumulation – forty-five day limitation*, states:

“When, on the date prescribed by paragraph (c), the amount of an employee’s accumulated and accrued annual leave is more than 45 days, he may carry forward the amount of unused annual leave to his credit at the end of the current leave year that does not exceed: (i) 45 days, if he is not entitle to a greater accumulation under section 6304(c) of title 5 United States Code.”

USAID Automated Directive System (ADS) 480, *Leave Program*, Section 480.3.2.2 states:

“The maximum amounts of annual leave allowed to be carried over into the new leave year...employees assigned to positions in the United States are subject to a leave ceiling of 240 hours.”

USAID ADS 451, *Separations and Exit Clearance*, Section 451.2(f) states:

“The Responsible Organizations listed on the AID 451-1 form under Section II are required to certify that the employee has satisfied their specific requirements for exiting the Agency.”

USAID ADS 626, *Payroll and Time and Attendance Transactions*, Section 626.3.1 states:

“Financial documentation is any documentation that impacts, or results in financial activity. It is not limited to documentation within Controller or CFO operations but includes any source material causing or resulting in a financial transaction. The basic financial documentation retention rules are 1) if an action will result in a financial transaction, it must be documented. 2) Source documentation must be readily available for audit or review by external or internal audit entities.”

Recommendations: We recommend the USAID Chief Financial Officer coordinate with the USAID Office of Human Capital and Talent Management to:

1. Perform quarterly reviews over a sample of personnel to ensure that personnel files are maintained and updated to correctly reflect personnel actions.
2. Assess reviews performed by the Human Capital and Talent Management/Employee Services and Benefits division to ensure payroll benefit, leave, and deductions calculated and recorded in employee leave and earnings statements are accurate, agree to employee authorized elections, and comply with USAID ADS and federal regulations.
3. Review the reconciliation process with NFC PPS records to determine enhancements for more effectively identifying and correcting inaccurate information.

USAID Needs to Strengthen its Process for Adoption and Implementation of SFFAS 54 (Lease Reporting)

USAID has not established policies, procedures or an overall strategy for recording its leases in accordance with the Statement of Federal Financial Accounting Standard (SFFAS) 54.⁸ Specifically, we noted USAID did not sufficiently (1) assess the materiality thresholds for lease reporting, (2) verify the accuracy of international lease balances reported by the Department of State (State), (3) assess the reasonableness of assumptions used in State's Allocation Methodology, or (4) verify completeness of the changes to the State provided international lease listing between June 30 and September 30, 2024, all of which is discussed in detail below.

USAID has both domestic (primarily intra-governmental leases with the General Services Administration) and international leases. USAID employees stationed overseas are provided with leased housing through either (1) housing pools operated at each mission or (2) leases dedicated for USAID use, both of which are administered by the State's International Cooperative Administrative Support Services (ICASS). To assist the various agencies, including USAID, Department of Justice, Department of Homeland Security among others, with international leases to recording their leases in accordance with SFFAS 54, State developed a lease reporting methodology to determine how the overseas leases should be allocated to the occupying agencies (including USAID) and to calculate the lease asset and liability amounts.

Each agency that participates in the housing pool has a responsibility to ensure the balances reported in their financial statements are materially accurate. Therefore, during our audit, we made inquiries of USAID management and reviewed USAID's *Lease Implementation Narrative* and related supporting documentation to gain an understanding of USAID's SFFAS 54 adoption and implementation process. We determined USAID Bureau for Management, Office of the Chief Financial Officer, Central Accounting and Reporting Division (M/CFO/CAR):

- conducted procedures to identify a complete domestic lease listing and accurately recorded and disclosed the related balances;
- participated in monthly Governmentwide meeting with Treasury, Federal Accounting Standards Advisory Board, State and multiple other federal agencies to discuss how to implement SFFAS 54;
- conducted regular meetings with State's SFFAS 54 team to discuss State's efforts to assist USAID in complying with SFFAS 54 requirements;
- elected to report the lease balances as provided by State;
- conducted (highly manual and time intensive) procedures to gain comfort over the completeness of the overseas real property lease listing provided by State as of June 30, 2024 and September 30, 2024; and
- conducted procedures to gain comfort over the accurate classification of overseas real property leases classified as short-term.

⁸ SFFAS 54 was issued on April 17, 2018 and was effective for periods beginning after September 30, 2023. This standard revised the financial reporting standards for federal lease accounting. SFFAS 54 requires that federal lessees (which includes USAID) recognize a lease liability and a lease asset at the commencement of the lease term, unless it meets the scope exclusions or the definition/criteria of a non-intragovernmental short-term lease, contract or agreement that transfers ownership, or intragovernmental lease."

Despite these actions, USAID did not sufficiently plan for the adoption and implementation of SFFAS 54 as it relates to:

- **Lack of Policies and Procedures** – While we noted that USAID M/CFO/CAR created a Lease Implementation Narrative, as of October 7, 2024, this document was still considered a ‘working draft’, suggesting it has not been finalized, nor reviewed and approved by management. In addition, the Lease Implementation Narrative documents the accounting treatment for USAID’s leases and the actions steps taken, and planned actions to be taken, by USAID M/CFO/CAR to date regarding lease implementation. However, this does not constitute a policy or procedures document.
- **Materiality** – The provisions of SFFAS 54 do not need to be applied to immaterial items. USAID management has not determined or documented the materiality threshold level for leases or the rationale for the threshold (even if the threshold is zero).⁹
- **Verification of the Accuracy of Lease Balances reported by State for International Leases** – USAID did not develop or perform sufficient procedures, to verify the accuracy of the lease balances reported to USAID by State. This would include the recalculation of the balances as well as the verification of various data inputs (e.g., interest rates, lease end dates, payment frequency, rates per period, etc.) used by State in the calculation of USAID’s lease balances.¹⁰
- **Assessment of Assumptions Used in State’s Allocation Methodology** – Per review of State’s Real Property Leases Managed by the State Overseas Reporting Methodology and Procedures document and USAID Overseas Leases as of September 30, 2024 workbook, State used several assumptions (e.g., interest rate applied, probability of exercising extension periods and termination options, application of escalating payments, determination of the number of lease periods, etc.) in designing the housing pool allocation methodology and calculating the lease balances to be reported by the impacted agencies. Based on conversations with USAID M/CFO/CAR personnel, USAID is aware of and understands the assumptions used by State. However, these assumptions have not been formally assessed for reasonableness or accepted by USAID.
- **Manual Process for International Lease Listing Verification** – Due to the lack of specific lease reference information on disbursement transactions, USAID M/CFO/CAR performed a time intensive and manual process to determine the completeness over the overseas lease population provided by State as of June 30, 2024. Specifically, USAID M/CFO/CAR obtained the lease listing from USAID’s Overseas Management Division and conducted a mission lease data call (separate from the annual mission lease data call). The results of the data call and the information in the Overseas Management Division listing were compared to the State-provided lease population. To the extent differences were identified, USAID M/CFO/CAR worked with State to successfully resolve the discrepancies.

⁹ SFFAS 54 Summary, page 1 states “The determination of whether an item is material depends on the degree to which omitting or misstating information about the item makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or the misstatement.”

¹⁰ To assist the auditor in resolving differences between auditor calculated lease balances and State calculated balances for select dedicated leases, USAID M/CFO/CAR personnel performed recalculations of said lease balances and worked with the auditor and State to ensure material differences were resolved.

Based on review of the State lease listing as of September 30, 2024, we noted there were modifications to the June 30th lease listing due to new leases, lease terminations, changes to occupying agencies, etc. Due to inconsistent lease information reported by USAID missions on the annual Property Plant and Equipment (PP&E) data call as of September 30, 2024, the Agency was unable to use the annual data call information to determine completeness. As such, on October 14, 2024, USAID M/CFO/CAR conducted an additional mission data call by which each mission was asked to confirm the accuracy of the information as reported by the State in its lease listing. While sufficient information was obtained from the data call to allow for the determination that the State lease listing as of September 30, 2024 was complete, this occurred due to the request of the auditors and not as a result of a process USAID had in place.

While the agency ultimately conducted procedures to determine completeness as of June 30, 2024 and September 30, 2024, a formal process for determining completeness going forward has not been developed or implemented. Further, there is no evidence of management review of the procedures performed.

USAID does not have an effective process in place to guide the Agency on how to adopt and implement new guidance or standards upon issuance. As such, no strategic roadmap and policies were established and followed on how to adopt and implement recording its international leases in accordance with SFFAS 54. USAID relied on State's development of a lease reporting methodology and State's provision of the information required for appropriate lease reporting. However, USAID did not consider the actions that they needed to take to ensure USAID could rely on the completeness and accuracy of the State provided information.

In addition, USAID did not consider whether any modifications were needed to its:

- systems to ensure lease data is captured in a way that allows USAID to automatically verify the completeness and accuracy of the information provided by State; or
- current processes (e.g., PP&E data call) to ensure sufficient and accurate information is obtained to verify the completeness and accuracy of the information provided by State.

As USAID did not have a strategic plan in place to adopt and implement SFFAS 54, USAID did not have sufficient resources, systems or processes in place to confirm the completeness and accuracy of the balances provided by State and reported by USAID in its financial statements. This was especially critical given State did not provide any initial balances until July 2024, further demonstrating the importance of USAID management proactively developing policies and procedures and implementing required system and process modifications to allow for assigned resources to determine the completeness and accuracy of the balances provided by State.

To the extent that there are errors in State's methodology or balances reported to USAID by State, USAID's PP&E, net and Other Liabilities – Lease Liabilities line items on USAID's balance sheet could be misstated.

OMB Circular No. A-136, *Management's Responsibility for Internal Control, II.3.1 Instructions for the Annual Financial Statements* states:

“Fair Presentation and Materiality. Management is responsible for ensuring that their financial statements as a whole are presented fairly in accordance with GAAP, in all material respects; immaterial misstatements (including omissions) in the financial statements may exist.... Management may use different approaches or a combination of approaches to determine its reported assets and liabilities. For example, for individual line items, entities may: compile individual transaction data and report on the resulting balances at the end of the year (e.g., cash and FBWT); use estimates (e.g., insurance, employee pension, and environmental liabilities); or use a combination of both approaches. Estimates may be derived from statistical sampling or modeling methodologies. In addition, entities may establish thresholds in recognizing assets (e.g., capitalization thresholds) and liabilities (which should be reviewed periodically and updated as necessary) based on an appropriate consideration of materiality. Regardless of which reporting approach is used, management should adequately document how they concluded that the result of the chosen reporting approach was reasonable and in conformity with GAAP in all material respects. Management has discretion in whether and how to report immaterial amounts, including immaterial amounts associated with SFFAS 54, Leases.”

In addition, OMB Circular No. A-136, *Management's Responsibility for Internal Control, II.3.2.3 Assets – General Categories* states:

“Other Liabilities – Lease Liabilities. Regardless of how the lease liability was derived, management should adequately document how they concluded that the reported amount is reasonable and in conformity with GAAP in all material respects.”

GAO Standards for Internal Control in the Federal Government (GAO-14-704G), states:

Section 10.3. *“Appropriate documentation of transactions and internal control.* Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.”

Section 16.05. Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions. Ongoing monitoring may include automated tools, which can increase objectivity and efficiency by electronically compiling evaluations of controls and transactions.

Section 16.08. Management retains responsibility for monitoring the effectiveness of internal control over the assigned processes performed by service organizations. Management uses ongoing monitoring, separate evaluations, or a combination of the two to obtain reasonable assurance of the operating effectiveness of the service organization’s internal controls over the assigned process. Monitoring activities related to service organizations may include the use of work performed by external parties, such as service auditors, and reviewed by management.

Recommendations: We recommend the USAID Chief Financial Officer:

4. Develop and document a process on how the Agency implements and adopts new accounting standards and guidance going forward, including, but not limited to, the implementation of the embedded leases¹¹ portion of SFFAS 54.
5. Develop and document a process to ensure its leases are recorded in accordance with SFFAS 54. At a minimum, this should include the Agency’s consideration of materiality and process to assess the completeness, accuracy and reasonableness of all information from State for which USAID relies on to report in its financial statements and to include an element of management review and approval.
6. Determine what information needs to be captured at a transaction level to allow for the identification of the lease and the type of lease (i.e., domestic, international – USAID dedicated, international – housing pool, etc.) at the disbursement transaction level.
7. Develop and implement a process to capture the information identified based on Recommendation 6 to allow for automation of determining completeness of the State provided lease listing.
8. Develop a process by which USAID can automatically calculate leases balances for leases dedicated to USAID (this will allow USAID to verify the accuracy of the information provided by State related to USAID’s dedicated leases).
9. Ensure the new processes developed in Recommendations 4, 5, 7 and 8 are adequately communicated, both in writing and via trainings, to impacted personnel.

¹¹ Embedded leases is a common industry term which generally describes contracts or agreements that contain lease component(s) and nonlease component(s), such as service components, and serve a primary purpose attributable to the nonlease component(s). USAID has not developed a process to identify and analyze contracts or agreements to determine if they are classified as an “embedded leases” under SFFAS 54 and thus subject to the same lease reporting requirements. SFFAS 62: Transitional Amendment to SFFAS 54 allows agencies to defer the application of SFFAS 54 requirements to embedded leases.

Appendix II – Status of Prior Year Finding and Recommendation

Our assessment of the current status of the prior year finding and recommendation is presented below.

Prior Year Finding	Current Status
<p>Significant Deficiency in Internal Control Over Calculating and Recording Accrued Expenses</p> <p>Recommendation: Update the methodology for reporting and posting quarterly accruals to eliminate or mitigate the human factor while increasing automation by developing a system generated accrual estimation amount for financial reporting purpose</p>	Closed

Appendix III – Agency Comments



Chief Financial Officer

MEMORANDUM FOR OFFICE OF INSPECTOR GENERAL

TO: Khadija Walker, Deputy Assistant Inspector General for Audits, Inspections and Evaluations

FROM: Reginald W. Mitchell /s/

DATE: November 8, 2024

SUBJECT: Management Comments to Respond to the Draft Audit Report Produced by the Office of Inspector General (OIG) titled, Audit of USAID's Financial Statements for Fiscal Years 2024 and 2023 (Report No. 0-000-25-001-C, Task No. 00150524)

The U.S. Agency for International Development (USAID) would like to thank the Office of Inspector General (OIG) for the opportunity to provide comments on the subject draft report. The Agency agrees with the nine recommendations, herein provides plans for implementing them.

**COMMENTS BY THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID) ON THE
REPORT RELEASED BY THE USAID OFFICE OF THE INSPECTOR GENERAL (OIG) TITLED, AUDIT OF
USAID'S FINANCIAL STATEMENTS FOR FISCAL YEARS 2024 AND 2023
(REPORT NO. 0-000-25-001-C, TASK NO. 00150524)**

Please find below the Management Comments from the U.S. Agency for International Development (USAID) on the draft report produced by the Office of the USAID Inspector General (OIG), which contains nine recommendations for USAID:

Recommendation 1: Perform quarterly reviews over a sample of personnel to ensure that personnel files are maintained and updated to correctly reflect personnel actions.

- **Management Comments:** USAID agrees and will perform quarterly reviews on personnel files as part of HCTM's internal audit process. The internal audit process will start once the new Accountability Manager is onboard, with quarterly internal audits of various HCTM functions planned out for the following year.
- **Target Completion Date:** November 4, 2025

Recommendation 2: Assess reviews performed by the Human Capital and Talent Management/Employee Services and Benefits division to ensure payroll benefit, leave, and deductions calculated and recorded in employee leave and earnings statements are accurate, agree to employee authorized elections, and comply with USAID's Automated Directive System and federal regulations.

- **Management Comments:** USAID agrees with the recommendation and will assess reviews performed by HCTM/ESB on benefits and deductions calculations. As detailed above, HCTM/ESB performs quarterly audits of benefits actions and deductions calculations and reconciles with NFC. M/OCFO/P is responsible for verifying the accuracy of the employee leave and earnings statements and will collaborate with HCTM to ensure employee service computation dates are entered timely.

USAID agrees to assess reviews of leave accrual calculations processed by the respective HCTM onboarding teams (and not by HCTM/ESB). To ensure accurate processing and compliance with ADS and federal regulations, the HCTM onboarding teams use the Service Computation Date (SCD) calculating tool in the Government Retirement & Benefits Platform (GRB).

- **Target Completion Date:** November 4, 2025

Recommendation 3: Review the reconciliation process with National Finance Center Payroll/Personnel System records to determine enhancements for more effectively identifying and correcting inaccurate information.

- **Management Comments:** USAID agrees with the recommendation. HCTM will review

the reconciliation process with NFC and implement the following enhancements to more effectively identify and correct inaccurate information:

- Establish a routine schedule for reconciling NFC records, such as monthly or quarterly, to ensure that discrepancies are identified and corrected promptly.
 - Implement automated data validation rules within HR and Time & Attendance systems to flag inconsistencies or errors in real-time before they are transmitted to NFC.
 - Conduct audits of NFC records periodically to identify systemic issues or recurring discrepancies. This can help pinpoint areas where process improvements or additional training may be needed.
 - Develop and distribute clear Standard Operating Procedures (SOPs) that outline the reconciliation process, including steps to be taken when discrepancies are identified.
- **Target Completion Date:** November 4, 2025

Recommendation 4: Develop and document a process on how the Agency implements and adopts new accounting standards and guidance going forward, including, but not limited to, the implementation of the embedded leases portion of SFFAS 54.

- **Management Comments:** OCFO agrees with the audit recommendation. OCFO will develop and document a process on how the Agency will implement and adopt the new accounting standards and guidance, to include collaboration with the Department of State (State) to improve and strengthen compliance with the new lease accounting standard SFFAS 54.
- **Target Completion Date:** November 4, 2025

Recommendation 5: Develop and document a process to ensure its leases are recorded in accordance with SFFAS 54. At a minimum, this should include the Agency's consideration of materiality and process to assess the completeness, accuracy and reasonableness of all information from the Department of State for which USAID relies on to report in its financial statements and to include an element of management review and approval.

- **Management Comments:** OCFO agrees with the audit recommendation. OCFO will develop and document a process to ensure its leases are recorded in accordance with SFFAS 54. That will at minimum include establishing materiality and assessing the completeness, accuracy and reasonableness of all information from the Department of State.
- **Target Completion Date:** November 4, 2025

Recommendation 6: Determine what information needs to be captured at a transaction level to allow for the identification of the lease and the type of lease (i.e., domestic, international – USAID dedicated, international – housing pool) at the disbursement transaction level.

- **Management Comments:** OCFO agrees with the audit recommendation. OCFO will collaborate with system personnel to revise the process for recording lease transactions that will include the determination of information needed to be captured at the transaction level to allow for the identification of the lease and the type of lease (i.e., domestic, international – USAID dedicated, international – housing pool) at the disbursement transaction level.
- **Target Completion Date:** November 4, 2025

Recommendation 7: Develop and implement a process to capture the information identified based on Recommendation 6 to allow for automation of determining completeness of the Department of State provided lease listing.

- **Management Comments:** OCFO agrees with the audit recommendation. OCFO will develop and implement a process to capture the information identified based on Recommendation 6 to allow for automation of determining completeness of the Department of State provided lease listing.
- **Target Completion Date:** November 4, 2025

Recommendation 8: Develop a process by which USAID can automatically calculate lease balances for leases dedicated to USAID to allow USAID to verify the accuracy of the information provided by the Department of State related to USAID’s dedicated leases.

- **Management Comments:** OCFO agrees with the audit recommendation. OCFO will develop a process to automatically calculate lease balances to verify the accuracy of information provided by the Department of State.
- **Target Completion Date:** November 4, 2025

Recommendation 9: Ensure the new processes developed in Recommendations 4, 5, 7, and 8 are adequately communicated, both in writing and via training, to impacted personnel.

- **Management Comments:** OCFO agrees with the audit recommendation. OCFO will provide written guidance and training to staff to ensure compliance with SFFAS 54.
- **Target Completion Date:** November 4, 2025

In view of the above, we request that the OIG inform USAID when it agrees or disagrees with a recommendation’s management comments (correct action plan).

FINANCIAL SECTION FINANCIAL STATEMENTS AND NOTES





(Preceding page) Zahraa El Sayed was awarded a scholarship through the U.S.-Egypt Higher Education Initiative (HEI), allowing her to pursue her dream of becoming an engineer. With USAID's assistance, Zahraa is now in her third year studying construction engineering—and inspiring her six sisters and girls across Egypt.

PHOTO: HEBA EL BEGAWI FOR USAID

(Above) USAID's Marawi Response Project increased opportunities for individuals affected by the Marawi siege in the Philippines, reduced the threat of violent extremism. Nearly 2,000 people were trained to identify and prevent gender-based violence.

PHOTO: TIMEWRAP PRODUCTIONS FOR USAID

INTRODUCTION TO PRINCIPAL FINANCIAL STATEMENTS

USAID has prepared the **Principal Financial Statements** for FY 2024 to report the financial position and results of its operations, from the books and records of the Agency, in accordance with formats prescribed by OMB in Circular A-136, *Financial Reporting Requirements*. The statements are in addition to other financial reports prepared by the Agency, in accordance with OMB and Treasury directives to monitor and control the status and use of budgetary resources, from the same books and records. Subject to appropriation law, the Agency has no authority to pay liabilities not covered by budgetary resources. Liquidation of such liabilities requires the enactment of a corresponding appropriation. The Principal Financial Statements include comparative data for FY 2023. USAID's Principal Financial Statements, footnotes, and other information for FY 2024 and FY 2023 consist of the following:

The **Consolidated Balance Sheets** present those resources owned or managed by USAID that are available to provide current and future economic benefits (assets); amounts owed by USAID that will require payments from those resources or future resources (liabilities); and residual amounts retained by USAID, which comprise the difference between future economic benefits and future payments (net position).

The **Consolidated Statements of Net Cost** presents the net cost of USAID's operations, made up of the gross costs incurred by USAID less any exchange revenue earned from the Agency's activities. Because of the geographic and organizational complexity of USAID's operations, the classification of gross cost and exchange revenues by major program and suborganization appears in Note 15, *Schedule of Costs by Standardized Program Structure and Definition (SPSD)*.

The **Consolidated Statements of Changes in Net Position** presents the change in USAID's net position that results from the net cost of the Agency's operations, budgetary financing sources other than exchange revenues, and other financing sources for the years ended September 30, 2024 and 2023. Two sections, namely "Unexpended Appropriations" and "Cumulative Results of Operations," display the components separately.

The **Combined Statements of Budgetary Resources** presents the spending authority or budgetary resources available to USAID, the use or status of these resources at year-end, and outlays of budgetary resources for the years ended September 30, 2024, and 2023. USAID reports the information in this statement on the budgetary basis of accounting.

The **Notes to Principal Financial Statements** are an integral part of the Principal Financial Statements. They provide explanatory information or additional details to help readers understand, interpret, and use the data presented, and include comparative notes on data from FY 2023.

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

As of September 30, 2024 and 2023

(In Thousands)

	2024	2023
ASSETS:		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	\$ 49,394,493	\$ 41,118,024
Accounts Receivable, Net (Note 3)	22,087	22,509
Advances and Prepayments (Note 4)	153,851	164,220
Total Intragovernmental	49,570,431	41,304,753
Other than Intragovernmental:		
Cash and Other Monetary Assets (Note 5)	109,171	138,518
Accounts Receivable, Net (Note 3)	75,956	77,996
Inventory and Related Property, Net (Note 7)	27,605	19,968
General and Right-to-Use PP&E, Net (Note 8)	305,303	54,427
Advances and Prepayments (Note 4)	486,843	645,815
Total Other than Intragovernmental	1,004,878	936,724
Total Assets	\$ 50,575,309	\$ 42,241,477
LIABILITIES:		
Intragovernmental:		
Downward Reestimate Payable to the Treasury (Note 6)	\$ 324,291	\$ 295,801
Accounts Payable	35,865	41,397
Advances from Others and Deferred Revenue (Note 11)	1,325,570	942,722
Other Liabilities (Note 11)	20,077	22,034
Total Intragovernmental	1,705,803	1,301,954
Other than Intragovernmental:		
Accounts Payable	3,910,877	3,105,885
Loan Guarantee Liabilities (Note 6)	447,960	734,536
Federal Employee Benefits Payable (Note 12)	26,010	24,531
Advances from Others and Deferred Revenue (Note 11)	11,702	11,719
Lessee Lease Liabilities (Note 11)	260,093	–
Other Liabilities (Note 11)	383,003	400,344
Total Other than Intragovernmental	5,039,645	4,277,015
Total Liabilities	6,745,448	5,578,969
Commitments and Contingencies (Note 13)		
NET POSITION:		
Unexpended Appropriations	42,084,143	35,175,707
Cumulative Results of Operations	1,745,718	1,486,801
Total Net Position	43,829,861	36,662,508
Total Liabilities and Net Position	\$ 50,575,309	\$ 42,241,477

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF NET COST

For the Years Ended September 30, 2024 and 2023

(In Thousands)

Category	2024	2023
DR—Democracy, Human Rights, and Governance		
Gross Costs	\$ 2,001,400	\$ 1,820,743
Less: Earned Revenue	(16,468)	(12,458)
Net Program Costs	1,984,932	1,808,285
EG—Economic Growth		
Gross Costs	9,425,101	19,726,503
Less: Earned Revenue	(107,721)	(118,456)
Net Program Costs	9,317,380	19,608,047
ES—Education and Social Services		
Gross Costs	1,500,367	1,426,015
Less: Earned Revenue	(12,560)	(9,732)
Net Program Costs	1,487,807	1,416,283
HA—Humanitarian Assistance		
Gross Costs	6,223,249	8,885,506
Less: Earned Revenue	(3,474)	(2,260)
Net Program Costs	6,219,775	8,883,246
HL—Health		
Gross Costs	3,017,170	3,629,951
Less: Earned Revenue	(784,406)	(566,169)
Net Program Costs	2,232,764	3,063,782
PO—Program Development and Oversight		
Gross Costs	1,506,092	1,358,097
Less: Earned Revenue	(11,235)	(7,656)
Net Program Costs	1,494,857	1,350,441
PS—Peace and Security		
Gross Costs	702,313	717,907
Less: Earned Revenue	(6,034)	(4,390)
Net Program Costs	696,279	713,517
Net Cost of Operations (Note 15)	\$ 23,433,794	\$ 36,843,601

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION

For the Years Ended September 30, 2024 and 2023

(In Thousands)

	2024	2023
Unexpended Appropriations:		
Beginning Balance	\$ 35,175,707	\$ 37,844,754
Appropriations Received	30,768,615	34,116,060
Appropriations Transferred-in/out	95,570	167,639
Other Adjustments	(209,776)	(141,524)
Appropriations Used	(23,745,973)	(36,811,222)
Change in Unexpended Appropriations	6,908,436	(2,669,047)
Total Unexpended Appropriations, Ending Balance	\$ 42,084,143	\$ 35,175,707
Cumulative Results of Operations:		
Beginning Balance	\$ 1,486,801	\$ 1,641,180
Appropriations Used	23,745,973	36,811,222
Donations and Forfeitures of Cash and Cash Equivalents	60,175	66,478
Transfers-in/out Without Reimbursement	224,501	5,803
Donations and Forfeitures of Property	10,263	5,946
Imputed Financing	97,796	95,581
Other	(445,997)	(295,808)
Net Cost of Operations (Note 15)	(23,433,794)	(36,843,601)
Net Change in Cumulative Results of Operations	258,917	(154,379)
Total Cumulative Results of Operations, Ending Balance	\$ 1,745,718	\$ 1,486,801
Net Position	\$ 43,829,861	\$ 36,662,508

The accompanying notes are an integral part of these statements.

COMBINED STATEMENTS OF BUDGETARY RESOURCES

For the Years Ended September 30, 2024 and 2023

(In Thousands)

	2024		2023	
	Budgetary	Non-Budgetary Credit Reform Financing Accounts	Budgetary	Non-Budgetary Credit Reform Financing Accounts
Budgetary Resources:				
Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory)	\$ 12,025,522	\$ 1,008,057	\$ 15,257,148	\$ 1,591,514
Appropriations (Discretionary and Mandatory)	30,720,656	–	34,187,235	–
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	1,413,431	59,822	592,452	51,297
Total Budgetary Resources	\$ 44,159,609	\$ 1,067,879	\$ 50,036,835	\$ 1,642,811
Status of Budgetary Resources:				
New Obligations and Upward Adjustments (Total) (Note 14)	\$ 25,331,495	\$ 295,802	\$ 38,181,628	\$ 634,754
Unobligated Balance, End of Year:				
Apportioned, Unexpired Accounts (Note 2)	15,969,328	132,221	10,967,484	–
Unapportioned, Unexpired Accounts (Note 2)	2,659,079	639,856	639,099	1,008,057
Unexpired Unobligated Balance, End of Year	18,628,407	772,077	11,606,583	1,008,057
Expired Unobligated Balance, End of Year	199,707	–	248,624	–
Total Unobligated Balance, End of Year	18,828,114	772,077	11,855,207	1,008,057
Total Budgetary Resources	\$ 44,159,609	\$ 1,067,879	\$ 50,036,835	\$ 1,642,811
Outlays, Net and Disbursements, Net:				
Outlays, Net (Total) (Discretionary and Mandatory)	\$ 22,132,538	–	\$ 37,343,280	–
Distributed Offsetting Receipts (-)	(410,355)	–	(729,610)	–
Agency Outlays, Net (Discretionary and Mandatory)	\$ 21,722,183	–	\$ 36,613,670	–
Disbursement, Net (Total) (Mandatory)		\$ 235,979		\$ 583,457

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

USAID is a component of the U.S. government. For this reason, some of the assets and liabilities reported by USAID may be eliminated for government-wide reporting because they are offset by assets and liabilities of another U.S. government entity.

Established in 1961 by President John F. Kennedy, USAID is the independent U.S. government agency that provides economic development and humanitarian assistance to advance United States economic and political interests overseas.

PROGRAM FUNDS

The hierarchy of USAID program funds is reported first at the budget authority funding level followed by responsibility segments that encompass pillar and regional Bureaus. These Bureaus in turn carry out the Agency's mission through various funded programs.

The main program funds include Assistance for Europe, Eurasia, and Central Asia (AEECA); Economic Support Fund (ESF); Development Assistance; International Disaster Assistance; Global Health/Child Survival and HIV/AIDS; and Guaranteed Loan Programs, which are used throughout all foreign assistance programs categories. This classification is consistent with the budget of the United States.

Assistance for Europe, Eurasia, and Central Asia

These funds are considered to be economic assistance under the Foreign Assistance Act of 1961.

These funds provide assistance to the independent states that emerged from the former Soviet Union and support the U.S. foreign policy goals of consolidating improved U.S. security; building a lasting partnership with the new independent states; and providing mutual access to markets, resources, and expertise.

Economic Support Fund

The ESF supports U. S. foreign policy objectives by providing economic assistance to allies and countries in transition to democracy. Programs funded through this fund promote stability and U.S. security interests in strategic regions of the world.

Development Assistance

This fund provides economic resources to developing countries with the aim of bringing the benefits of development to the poor. The fund promotes broad-based, self-sustaining economic growth and opportunity, and supports initiatives intended to stabilize population growth, protect the environment, and foster increased democratic participation in developing countries. The fund is concentrated in those areas in which the United States has special expertise, and which promise the greatest opportunity for the poor to better their lives.

International Disaster Assistance

This fund provides relief, rehabilitation, and reconstruction assistance to foreign countries struck by disasters such as famines, floods, hurricanes, and earthquakes. The fund also provides assistance in disaster preparedness, prevention, and mitigation; and provides emergency commodities and services for immediate healthcare and nutrition. Additionally, this fund supports the capability to provide timely emergency response to disasters worldwide.

Global Health/Child Survival and HIV/AIDS

This fund provides economic resources to developing countries in support of programs to improve infant and child nutrition, with the aim of reducing infant and child mortality rates; to reduce HIV transmission and the impact of the HIV/AIDS pandemic in developing countries; to reduce the threat of infectious diseases of major public health

importance such as polio, malaria, or tuberculosis; and to expand access to quality basic education for girls and women.

Guaranteed Loans:

- **Israel Loan Guarantee Program**

Congress authorized the Israel Loan Guarantee Program in Section 226 of the Foreign Assistance Act of 1961 (P.L. 87-195) to support the costs for immigrants resettling to Israel from the former Soviet Union, Ethiopia, and other countries. Under this program, the U.S. government has guaranteed the repayment of up to \$9.23 billion in notes issued to date. In addition, the Emergency Wartime Supplemental Appropriations Act of 2003 (P.L. 108-11) authorized supplemental funding for this program to support Israel's economy which was negatively impacted by political strife in the region. As a result of this, \$4.1 billion in additional notes were issued.

- **Loan Guarantees to Middle East Northern Africa (MENA) Program**

The authority for the MENA Program was initially established under the Consolidated Appropriations Act, 2012 (P.L. 112-74), earmarked to provide support for the Republic of Tunisia. Pursuant to section 7034(r) of the State Department, Foreign Operations, and Related Programs Appropriations Act, 2015 (P.L. 113-235), this program was expanded to include the Hashemite Kingdom of Jordan and renamed the Middle East Northern Africa Loan Guarantee Program. The added guarantee reinforces the firm U.S. commitment to the people of Jordan by strengthening the Government of Jordan's ability to maintain access to international financing, while enabling it to achieve its economic development and reform goals. This program was further expanded to include the Republic of Iraq in 2017. The U.S. government guaranteed a total repayment of \$5.23 billion in notes issued for the MENA program, \$500 million of which remains outstanding to date. The Tunisia and Iraq guarantees have matured and are no longer active. Refer to the Management's Discussion and Analysis (MD&A) Sovereign Bond Guarantees (SBGs) section of this AFR for details.

FUND TYPES

For each of the program funds listed, a receipt or expenditure account is established. These receipt and expenditure accounts are further classified into fund types. Agency activities are financed through these funds.

The principal statements include all funds under USAID's control. Most of the accounts relate to general fund appropriations. USAID also has special funds, revolving funds, trust funds, deposit funds, a capital investment fund, receipt accounts, and budget clearing accounts.

General fund appropriations and the special funds are used to record financial transactions under Congressional appropriations or other authorization to spend general revenue.

Revolving funds are established by law to finance a continuing cycle of operations, with receipts derived from such operations usually available in their entirety for use by the fund without further action by Congress.

Trust funds are credited with receipts generated by the terms of the underlying trust agreement or statute. At the point of collection, these receipts may be available or unavailable, depending upon statutory spending authority.

Deposit funds are established for (1) amounts received for which USAID is acting as a fiscal agent or custodian, (2) unidentified remittances, (3) monies withheld from payments for goods or services received, and (4) monies held awaiting distribution on the basis of legal determination.

The capital investment fund contains no-year (non-expiring) funds to provide the Agency with greater flexibility to manage investments in technology systems and facility construction which are allowed under the annual appropriation for operating expenses.

B. BASIS OF PRESENTATION

The accompanying principal financial statements report USAID's financial position and results of operations. They have been prepared using USAID's books and records in accordance with

Agency accounting policies, the most significant of which are summarized in this note. The statements are presented in accordance with the guidance and requirements of OMB Circular A-136, *Financial Reporting Requirements*.

USAID accounting policies follow generally accepted accounting principles for the Federal Government, as established by the Federal Accounting Standards Advisory Board (FASAB). The FASAB has been recognized by the American Institute of Certified Public Accountants (AICPA) as the official accounting standard setting authority for the Federal Government. These standards have been agreed to by the Director of OMB, the Secretary of the Treasury, and the Comptroller General.

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

C. BASIS OF ACCOUNTING

Transactions are recorded on both an accrual and budgetary basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints on, and controls of, the use of federal funds. The accompanying Balance Sheets, Statements of Net Cost, and Statements of Changes in Net Position have been prepared on an accrual basis. The Statements of Budgetary Resources have been prepared in accordance with budgetary accounting rules.

D. BUDGETS AND BUDGETARY ACCOUNTING

The components of USAID's budgetary resources include current budgetary authority (that is, appropriations and borrowing authority) and unobligated balances remaining from multiyear and no-year budget authority received in prior years. Budget authority is the authorization provided by law to enter into financial obligations that result

in immediate or future outlays of federal funds. Budgetary resources also include reimbursement and other income (that is, spending authority from offsetting collections credited to an appropriation or fund account) and adjustments (that is, recoveries of prior year obligations).

Unobligated balances associated with appropriations that expire at the end of the fiscal year remain available for obligation adjustments, but not new obligations, for five years until that account is canceled. When accounts are canceled, amounts are not available for obligations or expenditure for any purpose and are returned to Treasury.

The Consolidated Appropriations Act signed into law as P.L. 112-74 provides to USAID extended authority to obligate funds. USAID's appropriations have consistently provided essentially similar authority, commonly known as "7011" authority. Under this authority, funds shall remain available for obligation for an extended period if such funds are initially obligated within their initial period of availability.

E. REVENUES AND OTHER FINANCING SOURCES

USAID receives the majority of its funding through Congressional appropriations—annual, multiyear, and no-year (non-expiring) appropriations—that may be used within statutory limits. Appropriations are recognized as a financing source (i.e., Appropriations used) on the Statements of Changes in Net Position at the time the related program or administrative expenses are incurred. Appropriations expended for capitalized property and equipment are not recognized as expenses. In addition to funds warranted directly to USAID, the Agency also receives allocation transfers from USDA Commodity Credit Corporation, the Executive Office of the President, and the State Department.

Additional financing sources for USAID's various credit programs and trust funds include amounts obtained through collection of guarantee fees, permanent indefinite borrowing authority from the U.S. Treasury, proceeds from the sale of overseas real

property acquired by USAID, and advances from foreign governments and international organizations.

Revenues are recognized as financing sources to the extent that they are received by USAID from other agencies, other governments, and the public. Imputed revenues are reported in the financial statements to offset imputed costs. Amounts received from other federal agencies under reimbursable agreements are recognized as revenue as related expenditures are incurred.

F. FUND BALANCE WITH THE U.S. TREASURY

Fund Balance with Treasury (FBWT) is an asset of a reporting entity and a liability of the General Fund of the U.S. Government. Amounts reported for FBWT represent commitments by the Federal Government to provide resources to particular programs; however, they do not represent net assets to the government as a whole. When a reporting entity seeks to use FBWT to liquidate budgetary obligations, Treasury will finance the disbursements with current receipts or borrow from the public if a deficit exists. On USAID's financial statements, FBWT represents the aggregate amount of undisbursed funds in USAID's general funds, deposit fund, and clearing/suspense fund. The general fund cash balance includes a portion that is available to USAID to make expenditures and pay liabilities and a portion that is unavailable. Deposit fund and clearing/suspense fund balances are non-entity funds that are temporarily held by USAID until transferred to another federal agency or distributed to a third party. Fund balances are carried forward into subsequent fiscal years until disbursements are made.

G. FOREIGN CURRENCY

Some USAID host countries contribute funds for the overhead operation of the host Mission and the execution of USAID programs. These funds are held in trust and reported in U.S. dollar equivalents on the Cash and Other Monetary Assets line on the Balance Sheets and the Statements of Net Costs.

H. ACCOUNTS RECEIVABLE

Accounts receivable consist of amounts due mainly from other federal agencies and private organizations. USAID regards amounts due from other federal agencies as 100 percent collectible. The Agency establishes an allowance for uncollectible accounts receivable from the public for non-loan or revenue generating sources based on a historical analysis of collectability.

I. LOAN GUARANTEES

In the event a guaranteed loan defaults, the loans are accounted for as receivables after funds have been disbursed. To date, no defaults have occurred on the current loan portfolio.

The loans receivable is reduced by an allowance equal to the net present value of the cost to the U.S. government of making the loan. This cost, known as "subsidy", takes into account all cash inflows and outflows associated with the loan, including the interest rate differential between the loans and Treasury borrowing, the estimated delinquencies and defaults net of recoveries, and offsets from fees and other estimated cash flows. This allowance is reestimated when necessary and changes reflected in the Statements of Net Cost.

J. ADVANCES

Funds disbursed before expenditures are incurred are recorded as advances. Most advances consist of funds disbursed under letters of credit to contractors and grantees. The advances are liquidated and recorded as expenses upon receipt of expenditure reports from the recipients.

K. INVENTORY AND RELATED PROPERTY

USAID's inventory and related property consist of life-essential materials and supplies. The Agency has materials and supplies in reserve for foreign disaster assistance stored at strategic sites around the world. These include tents, disaster kits, field packs, and water purification units.

Agency supplies held in reserve for future use are items not readily available in the market, or for which there is more than a remote chance that the supplies will be needed, but not in the normal course of operations. Their valuation is on a basis that reasonably approximates historical cost, and they are not considered “held for sale.” At any time during the year, inventory may include excess, obsolete, or unserviceable operating materials and supplies.

L. PROPERTY, PLANT AND EQUIPMENT

USAID capitalizes all property, plant and equipment (PP&E) that have an acquisition cost of \$25,000 or greater and a useful life of two years or more. Acquisitions that do not meet these criteria are recorded as operating expenses. Assets are capitalized at historical cost, depending on when the asset was put into production and depreciated using the straight-line method (mid-year and mid-quarter). Real property is depreciated over 20 years, nonexpendable personal property is depreciated over three to five years. The Agency uses land, buildings, and equipment that are provided by GSA. Internal use software that has development costs of \$300,000 or greater is capitalized. Deferred maintenance amounts are immaterial with respect to the financial statements. In addition, certain USAID assets are held by government contractors. Under provisions of the Federal Acquisition Regulation (FAR), the contractors are responsible for the control and accountability of the assets in their possession, which are immaterial to the financial statements.

M. LEASES

SFFAS 54, *Leases*, provides a comprehensive set of lease accounting standards to recognize federal lease activities in the reporting entity’s general purpose federal financial reports, effective for reporting periods beginning after September 20, 2023.

USAID implemented SFFAS 54 in FY 2024, this standard results in significant accounting changes to the financial reporting standards for federal lease accounting. A lease is defined

as “a contract or agreement whereby one entity (lessor) conveys the right to control the use of PP&E (the underlying asset) to another entity (lessee) for a period of time as specified in the contract or agreement in exchange for consideration.” This standard requires that federal lessees recognize a lease liability and a right-to-use lease asset at the commencement of the lease term, unless it meets any of the scope exclusions or meets the definition/criteria of short-term leases, contracts or agreements that transfer ownership, or intra-governmental leases.

USAID applied professional judgment and collaborated within its Agency to reach certain determinations before establishing proprietary accounting treatment of its domestic and overseas leases, by evaluating the following elements: (1) Lease Term, with consideration for Options, Renewals/Terminations, and Cancellation Clauses; (2) Calculation of Lease Asset/Liability; with consideration for Fixed vs. Variable Payments; (3) Selection of Proprietary Interest Rates – Amortization of Discount on Lease Liability/ Receivable; (4) Modifications, Terminations, and any respective remeasurements; and (5) Contracts or Agreements Containing Non-lease and Lease Components (if applicable). USAID determined that the following four categories of leases exist within the Agency: (1) short-term leases, (2) intragovernmental leases, (3) domestic lease, and (4) overseas real property leases. The overseas real property leases are segregated between by housing pool leases and USAID dedicated leases for financial reporting purposes. Based on SFFAS 54, the short-term leases and intragovernmental leases identified are recognized as expenses based on the payment provisions of the contract. The domestic lease and overseas real property leases fall within the provisions of SFFAS 54 that require USAID to recognize a lease liability and a right-to-use lease asset.

In accordance with SFFAS 54, USAID established accounting policy to recognize lease liabilities and right-to-use lease assets for both the domestic lease and overseas real property leases. However, the accounting policies for recognizing the lease liabilities and right-to-use lease asset for these two types of leases differ. The domestic lease is managed

and accounted for internally within USAID, in accordance with SFFAS 54 guidance. The State Department manages the overseas housing pool, as well as maintains the USAID lease data within its real property accounting system. During the implementation of SFFAS 54, a determination was made by the State Department, FASAB, OMB, and Treasury that the State Department would implement guidance and determine a methodology to allocate all the overseas housing pool expenses amongst those federal agencies participating in the overseas housing pool, since the lease data exists within their systems.

In June 2024, the State Department issued additional SFFAS 54 implementation guidance “Real Property Leases Managed by the Department of State Overseas, Reporting Methodology and Procedures.” This guidance describes the allocation methodology and steps performed by the State Department to allocate and provide USAID relevant lease data based on the net present value for the USAID portion of the residential housing pool lease balances. This allocation methodology is only used to determine the USAID’s share of the estimated expenses of the entire housing pool leases over the next fiscal year. Once the State Department determines USAID’s share of the housing pool then the allocation percentage assigned to USAID is then applied to the housing pool lease balances to determine USAID’s lease liabilities, corresponding right-to-use lease assets and related amortization and interest expenses. The State Department intends on evaluating the data inputs on a periodic basis to achieve accurate allocations for each participating agency based on its usage of the housing pool leases. The State Department has agreed to provide USAID with the actual lease data for the USAID dedicated leases based on actual net present values and expenses. USAID established procedures and controls to evaluate both the allocated housing pool and dedicated lease data calculations provided by the State Department.

In addition, USAID has elected to apply SFFAS 62, *Transitional Amendment to SFFAS 54*, that provides transitional accommodations to reporting entities implementing SFFAS 54 in the area of “embedded leases.” “Embedded leases”

is a common industry term which generally describes contracts or agreements that contain lease component(s) and nonlease component(s), such as service components, and serve a primary purpose attributable to the nonlease component(s). USAID is electing this accommodation to prospectively apply the provisions of SFFAS 54 to lease components of new or modified contracts or agreements meeting the “embedded leases” eligibility criteria beginning October 1, 2023, through October 1, 2026.

N. LIABILITIES

Liabilities represent the amount of monies or other resources that are likely to be paid by USAID as the result of transactions or events that have already occurred. However, no liability can be paid by the Agency without an appropriation or borrowing authority. Liabilities for which an appropriation has not been enacted are therefore classified as Liabilities Not Covered by Budgetary Resources (unfunded liabilities), and there is no certainty that the appropriations will be enacted. As a sovereign entity, the Federal Government can abrogate the payment of all liabilities other than for contracts.

O. LIABILITIES FOR LOAN GUARANTEES

The Federal Credit Reform Act of 1990 (FCRA) prescribes an alternative method of budgeting for guarantees obligated on or after October 1, 1991 (post-1991). The FCRA significantly changed the manner in which USAID finances the activities of loan programs. The main purpose of the FCRA was to measure the cost of federal credit programs more accurately and to place the cost of such programs on a budgetary basis equivalent to other federal spending. Consequently, commencing in FY 1992, USAID can only make new loans or guarantees with an appropriation available to fund the cost of making the loan or guarantee. This cost is known as “subsidy.”

Subsidy cost associated with guarantees, is required by the FCRA to be recognized as an expense in the year in which the guarantee is disbursed. Subsidy cost is calculated by Agency program offices prior to obligation using a model prescribed by OMB.

For USAID’s loan guarantee programs, when guarantee commitments are made, an obligation for subsidy cost is recorded in the program account. This cost is based on the net present value of the estimated net cash outflows to be paid by the program as a result of the loan guarantees, except for administrative costs, less the net present value of all cash inflows to be generated from those guarantees. When the loans are disbursed, the subsidy cost is disbursed from the program account to a financing account.

Subsidy relating to existing loans and guarantees is generally required to be re-estimated on an annual basis to adjust for changes in risk and interest rate assumptions. Reestimates can either be upward reestimates which indicate that insufficient funds are available to cover the financing account liabilities or downward reestimates which indicate that there is too much subsidy.

The excess funding derived through the downward reestimates is anticipated to be disbursed to Treasury after OMB provides the authority in the succeeding fiscal year. This is reported on the Downward Reestimate Payable to Treasury line of the Balance Sheets. Budget authority is also requested from OMB for the upward reestimates.

P. ANNUAL, SICK, AND OTHER LEAVE

Annual leave is accrued as it is earned, and the accrual is reduced as leave is taken. Each year, the balance in the accrued annual leave account is adjusted to reflect current pay rates. To the extent that current or prior year appropriations are not available to fund annual leave earned but not taken, funding will be obtained from future financing sources. Sick leave and other types of leave are expensed as taken.

Q. RETIREMENT PLANS AND POST EMPLOYMENT BENEFITS

USAID recognizes its share of the cost of providing future pension benefits to eligible employees over the period of time the employees provide the related services. The pension expense recognized in the

financial statements equals the current service cost for USAID employees for the accounting period less the amount contributed by the employees. The measurement of the service cost requires the use of an actuarial cost method and assumptions. OPM administers these benefits and provides the factors that USAID applies to calculate the cost. The excess of the pension expense over the amount contributed by USAID and employees represents the amount being financed directly through the Civil Service Retirement System and the Federal Employees Retirement System administered by OPM. This cost is considered an imputed cost to USAID.

USAID recognizes a current period expense for the future cost of post retirement health benefits and life insurance for its employees while they are still working. USAID accounts for and reports this expense in its financial statements in a manner similar to that used for pensions, with the exception that employees and USAID do not make contributions to fund these future benefits.

R. COMMITMENTS AND CONTINGENCIES

A contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to USAID. The uncertainty will ultimately be resolved when one or more future events occur or fail to occur. For loss contingencies on matters of pending or threatened litigation and unasserted claims, a contingent liability is recognized when a future outflow or other sacrifice of resources is “likely to occur,” a past event or exchange transaction has occurred, and the future outflow or sacrifice of resources is measurable.

S. NET POSITION

Net position is the residual difference between assets and liabilities. It is composed of unexpended appropriations and cumulative results of operations.

- Unexpended appropriations are the portion of the appropriations represented by undelivered orders and unobligated balances.

- Cumulative results of operations are also part of net position. This account reflects the net difference between expenses and losses and financing sources, including appropriations, revenues, and gains, since the inception of the activity.

T. NON-ENTITY ASSETS

Non-entity fund balances are amounts in deposit fund accounts. These include such items as: funds received from outside sources where the government acts as fiscal agent, monies the government has withheld awaiting distribution based on legal determination, and unidentified remittances credited as suspense items outside the budget. For USAID, non-entity assets are minimal in amount, and are composed solely of accounts receivable, net of allowances.

U. AGENCY COSTS

USAID costs of operations are program and operating expenses. USAID/Washington program and Mission-related expenses by objectives are obtained directly from Phoenix, the Agency general ledger. A cost allocation model is used to distribute operating expenses, including Management Bureau, Global Development Alliance, Trust Funds and Support Offices costs to specific goals. Expenses related to Credit Reform and Revolving Funds are directly applied to specific Agency goals based on their objectives.

V. PARENT/CHILD REPORTING

USAID is a party to allocation transfers with other federal agencies as both a transferring (parent) entity and receiving (child) entity. Allocation transfers are legal delegations by

one department of its ability to obligate budget authority and outlay funds to another department. A separate fund account (allocation account) is created in the U.S. Treasury as a subset of the parent fund account for tracking and reporting purposes. All allocation transfers of balances are credited to this account, and subsequent obligations and outlays incurred by the child entity are also charged to this allocation account as they execute the delegated activity on behalf of the parent entity. Generally, all financial activity related to these allocation transfers (e.g., budget authority, obligations, outlays) is reported in the financial statements of the parent entity, from which the underlying legislative authority, appropriations, and budget apportionments are derived. Per OMB Circular A-136 guidance, parent transfer activities are to be included and child transfer activities are to be excluded in trial balances. Exceptions to this general rule affecting USAID include the Executive Office of the President, for whom USAID is the child in the allocation transfer but, per OMB guidance, will report all activity relative to these allocation transfers in USAID's financial statements. In addition to these funds, USAID allocates funds as the parent to:

- U.S. Department of Agriculture, Forest Service
- U.S. Department of State
- U.S. Department of Health and Human Services
- U.S. Department of Defense

USAID receives allocation transfers as the child from:

- U.S. Department of State
- U.S. Department of Agriculture, Commodity Credit Corporation

NOTE 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury as of September 30, 2024 and 2023 consisted of the following (*in thousands*):

Status of Fund Balance with Treasury	2024	2023
Unobligated Balance		
Available	\$ 16,101,549	\$ 10,967,484
Unavailable	3,498,642	1,895,780
Obligated and Other Balances Not Yet Disbursed (Net)	29,794,302	28,254,760
Total	\$ 49,394,493	\$ 41,118,024

Fund Balances with Treasury are the aggregate amounts of USAID's accounts with Treasury for which the Agency is authorized to make payments. Other Funds include credit program and operating funds which are established to record amounts held for the loan guarantee and other operating funds.

Unobligated balances become available when apportioned by OMB for obligation in the current fiscal year. Obligated and other balances not yet disbursed (net) include balances for non-budgetary funds and unfilled customer

orders without advances. The unobligated and obligated balances are reflected on the Combined Statements of Budgetary Resources. The total available unobligated balance includes expired funds which are available for upward adjustments, however they are not available to incur new obligations. In the Combined Statements of Budgetary Resources the expired fund balance is included in Unobligated Balance, Unapportioned. The obligated and other balances not yet disbursed include other liabilities without budgetary related obligations.

NOTE 3. ACCOUNTS RECEIVABLE, NET

The primary components of USAID's Accounts Receivable, Net as of September 30, 2024 and 2023 are as follows (*in thousands*):

	Receivable Gross	Allowance Accounts	Receivable Net 2024	Receivable Net 2023
Intragovernmental				
Accounts Receivable from Federal Agencies	\$ 346,552	N/A	\$ 346,552	\$ 340,592
Less: Intra-Agency Receivables	(324,464)	N/A	(324,464)	(318,083)
Total Intragovernmental Accounts Receivable	22,087	N/A	22,087	22,509
Accounts Receivable from the Public	90,653	(14,697)	75,956	77,996
Total Accounts Receivable, Net	\$ 112,740	\$ (14,697)	\$ 98,043	\$ 100,505

Entity intragovernmental accounts receivable consist of amounts due from other U.S. government agencies. No allowance accounts have been established for the intragovernmental accounts receivable, which are considered to be 100 percent collectible.

Accounts receivable from the public consists of amounts managed by Missions or USAID/Washington. These receivables primarily relate to audit findings associated with questioned costs. Other receivables relate

to unrecovered advances and overdue advances. Unrecovered advances are advances disbursed to Agency employees that have not been used and have not been returned to the Agency. Overdue advances are advances disbursed to non-federal vendors that have not been used and are associated with obligations that have exceeded the performance end date.

The allowance for uncollectable accounts related to these receivables is calculated based on a historical analysis of collectability.

NOTE 4. ADVANCES AND PREPAYMENTS

Advances and Prepayments as of September 30, 2024 and 2023 consisted of the following (*in thousands*):

	2024	2023
Intragovernmental		
Advances to Federal Agencies	\$ 153,851	\$ 164,220
Total Intragovernmental	153,851	164,220
Other than Intragovernmental		
Advances to Contractors/Grantees	358,258	364,084
Advances to Host Country Governments and Institutions	128,585	281,731
Total Other than Intragovernmental	486,843	645,815
Total Advances and Prepayments	\$ 640,694	\$ 810,035

Intragovernmental Advances consist of advance payments to other Federal Government entities for Agency expenses not yet incurred and for goods and services not yet received.

Advances to Contractors/Grantees are amounts that USAID pays to cover immediate cash needs related to program implementation

until Contractors/Grantees submit expense reports to USAID and USAID records those expenses. Advances to Host Country Governments and Institutions represent amounts advanced by USAID Missions to host-country governments and other in-country organizations, such as educational institutions and volunteer organizations.

NOTE 5. CASH AND OTHER MONETARY ASSETS

Cash and Other Monetary Assets as of September 30, 2024 and 2023 are as follows (*in thousands*):

	2024	2023
Cash and Other Monetary Assets		
Foreign Currencies	\$ 109,171	\$ 138,518
Total Cash and Other Monetary Assets	\$ 109,171	\$ 138,518

Foreign Currencies is the value of the Foreign Currency Trust Funds which totaled \$109 million in FY 2024 and 139 million in FY 2023, as disclosed in Note 11. The Agency operates in over 40 different countries, therefore, the Agency exchanges U.S. dollars for various local currencies.

The value of Foreign Currency fluctuates relative to the value of the U.S. dollars.

USAID does not have any non-entity cash or other monetary assets.

NOTE 6. LOAN GUARANTEE LIABILITIES

USAID operates the following loan guarantee programs:

- Israel Loan Guarantee Program
- Middle East Northern Africa (MENA) Loan Guarantee Program

A description of these credit programs and the accounting for them is detailed in Note 1 of this report.

An analysis of loan guarantees, liability for loan guarantees, and the nature and amounts of the subsidy costs associated with the loan guarantees are provided in the following sections.

GUARANTEED LOANS OUTSTANDING

Guaranteed Loans Outstanding as of September 30, 2024 and 2023 are as follows (*in thousands*):

Loan Guarantee Programs	Outstanding Principal of Guaranteed Loans, Face Value	Amount of Outstanding Principal Guaranteed
Guaranteed Loans Outstanding (2024):		
Israel	\$ 1,952,351	\$ 1,952,351
MENA	500,000	500,000
Total	\$ 2,452,351	\$ 2,452,351
Guaranteed Loans Outstanding (2023):		
Israel	\$ 4,132,436	\$ 4,132,436
MENA	500,000	500,000
Total	\$ 4,632,436	\$ 4,632,436

Liability for Loan Guarantees as of September 30, 2024 and 2023 are as follows (*in thousands*):

Loan Guarantee Programs	Liabilities for Post-1991 Guarantees, Present Value	Loan Guarantee Liabilities
Liability for Loan Guarantees as of September 30, 2024:		
Israel	\$ 299,087	\$ 299,087
MENA	148,873	148,873
Total	\$ 447,960	\$ 447,960
Liability for Loan Guarantees as of September 30, 2023:		
Israel	\$ 566,973	\$ 566,973
MENA	167,563	167,563
Total	\$ 734,536	\$ 734,536

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SUBSIDY EXPENSE FOR LOAN GUARANTEES BY PROGRAM AND COMPONENT

Subsidy Expense for Loan Guarantees by Program and Component as of September 30, 2024 and 2023 are as follows (*in thousands*):

Loan Guarantee Programs	Total Modifications	Interest Rate Reestimates	Technical Reestimates	Total Reestimates
Modifications and Reestimates (2024):				
Israel	\$ –	\$ –	\$ (300,602)	\$ (300,602)
MENA	–	–	(23,515)	(23,515)
Total	\$ –	\$ –	\$ (324,117)	\$ (324,117)
Modifications and Reestimates (2023):				
Israel	\$ –	\$ –	\$ (295,801)	\$ (295,801)
MENA	–	–	22,281	22,281
Total	\$ –	\$ –	\$ (273,520)	\$ (273,520)

Total Loan Guarantee Subsidy Expense as of September 30, 2024 and 2023 are as follows (*in thousands*):

Loan Guarantee Programs	2024	2023
Israel	\$ (300,602)	\$ (295,801)
MENA	(23,515)	22,281
Total	\$ (324,117)	\$ (273,520)

SUBSIDY RATES FOR LOAN GUARANTEES BY PROGRAM AND COMPONENT

Budget Subsidy Rates for Loan Guarantees for the Current Year's Cohorts are as follows (*percent*):

Loan Guarantee Programs	Interest Supplements (%)	Defaults (%)	Fees and Other Collections (%)	Other (%)	Total (%)
Israel	–	–	–	–	–
MENA	–	–	–	–	–

(continued on next page)

Schedule for Reconciling Loan Guarantee Liability Balances (Post-1991 Loan Guarantees) as of September 30, 2024 and 2023 are as follows (*in thousands*):

2024: Post-1991 Loan Guarantees			
	Israel	MENA	Total
Beginning Balance of the Loan Guarantee Liabilities	\$ 566,973	\$ 167,563	\$ 734,536
Add:			
Fees received	–	–	–
Interest expense on entity borrowings	–	–	–
Subsidy expense	–	–	–
Upward reestimate	174	–	174
Less:			
Claim payments to lenders	–	–	–
Interest supplements paid	–	–	–
Interest revenue on uninvested funds	32,715	4,826	37,541
Negative subsidy payments	–	–	–
Downward reestimates	(300,776)	(23,515)	(324,291)
Loan guarantee modifications	–	–	–
Other	–	–	–
Ending Balance of the Loan Guarantee Liabilities	\$ 299,086	\$ 148,874	\$ 447,960

2023: Post-1991 Loan Guarantees			
	Israel	MENA	Total
Beginning Balance of the Loan Guarantee Liabilities	\$ 815,544	\$ 141,215	\$ 956,759
Add:			
Fees received	–	–	–
Interest expense on entity borrowings	–	–	–
Subsidy expense	–	–	–
Upward reestimate	–	22,281	22,281
Less:			
Claim payments to lenders	–	–	–
Interest supplements paid	–	–	–
Interest revenue on uninvested funds	47,230	4,067	51,297
Negative subsidy payments	–	–	–
Downward reestimates	(295,801)	–	(295,801)
Loan guarantee modifications	–	–	–
Other	–	–	–
Ending Balance of the Loan Guarantee Liabilities	\$ 566,973	\$ 167,563	\$ 734,536

Administrative Expense as of September 30, 2024 and 2023 are as follows (*in thousands*):

	2024	2023
Loan Guarantee Program*	\$ 109	\$ 71
Total	\$ 109	\$ 71

* USAID receives appropriations for administering its programs in the operating fund. Due to the relative size of the current loan portfolio in relation to other USAID programs, distinction of associated loan administrative costs are based on estimates.

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OTHER INFORMATION

Reestimate amounts calculated during the year are subject to approval by OMB, and any adjustments, if necessary, will be made in FY 2025. In addition, the reestimates reported in the current fiscal year financial statements are not reported in the U.S. government's budget until the following year. Several loan guarantees matured and were fully repaid during the current fiscal year, reducing USAID's risk exposure by approximately \$2.4 billion (this is further detailed under the Management's Discussion and Analysis – Sovereign Bond Guarantees (SBGs) section of this AFR).

There are no new loans disbursements, as such, no data was reported under the subsidy rates table on the previous page. The subsidy rates disclosed pertain only to the current year's cohorts. These rates cannot be applied to the guarantees of loans disbursed during the current reporting year to yield the subsidy expense. The subsidy expense for new loan guarantees reported in the current year could result from disbursements of loans from both current year cohorts and prior year(s) cohorts. The subsidy expense reported in the current year also includes modifications and reestimates.

NOTE 7. INVENTORY AND RELATED PROPERTY, NET

USAID's Inventory and Related Property, Net is comprised of Operating Materials and Supplies. Operating Materials and Supplies as of September 30, 2024 and 2023 are as follows (*in thousands*):

	2024	2023
Items Held for Use		
Office Supplies	\$ 2,013	\$ 3,487
Items Held in Reserve for Future Use		
Disaster Assistance Materials and Supplies	12,043	8,883
Birth Control Supplies	13,549	7,598
Total Inventory and Related Property (Net)	\$ 27,605	\$ 19,968

Operating Materials and Supplies are considered tangible properties that are consumed in the normal course of business and not held for sale. The valuation is on a basis that reasonably approximates historical cost. At any time during

the year, inventory may include excess, obsolete, or unserviceable operating materials and supplies. Items costing less than \$25,000 are expensed as incurred.

NOTE 8. GENERAL AND RIGHT-TO-USE PP&E, NET

The components of General and Right-to-Use PP&E, Net as of September 30, 2024 and 2023 are as follows (*in thousands*):

2024	Useful Life	Cost	Accumulated Depreciation/Amortization	Net Book Value
Classes of Fixed Assets:				
Equipment	3 to 5 years	\$ 57,419	\$ (48,367)	\$ 9,052
Buildings, Improvements, and Renovations	5 to 20 years	84,720	(54,598)	30,122
Land and Land Rights*	N/A	7,203	N/A	7,203
Lessee Right-to-Use Asset (Note 9)	3 to 30 years	298,676	(40,339)	258,337
Internal Use Software	3 to 5 years	144,322	(143,733)	589
Total		\$ 592,340	\$ (287,037)	\$ 305,303

* Land and Land Rights consists of property owned by USAID in foreign countries. Land is generally procured with the intent of constructing buildings. Under FASAB SFFAS 59, *Accounting and Reporting of Government Land*, land values will be removed from the Balance Sheet beginning FY 2026, however, information concerning estimated land acreage is discussed in unaudited required supplementary information.

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2023	Useful Life	Cost	Accumulated Depreciation/Amortization	Net Book Value
Classes of Fixed Assets:				
Equipment	3 to 5 years	\$ 61,278	\$ (49,043)	\$ 12,235
Buildings, Improvements, and Renovations	5 to 20 years	84,568	(51,575)	32,993
Land and Land Rights	N/A	7,203	N/A	7,203
Internal Use Software	3 to 5 years	144,322	(142,326)	1,996
Total		\$ 297,371	\$ (242,944)	\$ 54,427

Schedule of General and Right-to-Use PP&E, Net as of September 30, 2024 and 2023 is as follows (in thousands):

	2024	2023
Beginning Balance, Unadjusted	\$ 54,427	\$ 59,437
Effects of implementation of SFFAS 54*	259,741	–
Beginning Balance, Adjusted	314,168	59,437
Right-to-Use Lease Assets, Current Year Activity	37,494	–
Current Year Amortization of Right-to-Use Lease Assets	(38,898)	–
Capital Acquisition	4,116	9,195
Dispositions	(942)	(442)
Depreciation Expense	(10,635)	(13,763)
Ending Balance	\$ 305,303	\$ 54,427

* Starting in FY 2024, federal reporting entities are required to report a right-to-use lease asset and a lease liability for non-intragovernmental, no-short-term contracts or agreements, when the entity has the right to obtain and control access to economic benefits or services from an underlying PP&E asset for a period of time in exchange for consideration under the terms of the contract or agreement. For additional details on the implementation of FASAB SFFAS 54 refer to Note I, Summary of Significant Accounting Policies, Section M, Leases.

Equipment consists primarily of electric generators, Automatic Data Processing hardware, vehicles, and copiers located at the overseas field Missions.

Buildings, Improvements, and Renovations, in addition to Land and Land Rights include USAID-owned office buildings and residences at foreign Missions, including the land on which the building resides.

NOTE 9. LEASES

Current and Future Fiscal Year Lessee Lease Expenses as of September 30, 2024 are shown in the following tables (*in thousands*):

CURRENT YEAR (FY 2024)

Type of Lease	2024
Short-Term Leases	\$ 11,385
Intragovernmental Leases	42,419
Total Lessee Lease Expenses	\$ 53,804

FUTURE YEARS (FY 2025 AND BEYOND)

Type of Lease	Fiscal Year Payment Due	Total
Intragovernmental Leases*	2025	\$ 60,766
	2026	59,471
	2027	59,321
	2028	59,727
	2029	58,736
	2030 and Beyond	267,973
Total Intragovernmental Future Lease Payments		\$ 565,994

* Future intragovernmental lease payments total \$566.0 million for the USAID Headquarter buildings in D.C. metro area. These current lease agreements are with GSA and provide approximately 893,888 sq. feet of space for use by USAID and extend out until FY 2039. In accordance with SFFAS 54, USAID is recognizing the lease payments for intragovernmental leases as an expense in the appropriate reporting period based on the specifics of the lease provisions.

Type of Lease	Fiscal Year Payment Due	Principal	Interest*	Total
Other Than Short-Term Leases, Contracts or Agreements that Transfer Ownership, and Intragovernment Leases:**				
Domestic Non Federal	2025	\$ 49	\$ 8	\$ 57
	2026	53	5	58
	2027	56	2	58
	2028	20	–	20
Total Domestic Commercial Future Lease Payments		\$ 178	\$ 15	\$ 193
Overseas Housing Pool – State Allocated	2025	\$ 37,133	\$ 10,612	\$ 47,745
	2026	34,796	8,889	43,685
	2027	30,208	7,343	37,551
	2028	24,976	6,026	31,002
	2029	21,123	4,940	26,063
	2030 – 2034	58,966	13,917	72,883
	2035 – 2039	16,517	5,955	22,472
	2040 – 2044	8,640	3,108	11,748
	2045 – 2049	6,025	1,408	7,433
	2050 – 2054	2,679	227	2,906
Total Overseas Housing Pool – State Allocated Future Lease Payments		\$ 241,063	\$ 62,425	\$ 303,488

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Type of Lease	Fiscal Year Payment Due	Principal	Interest*	Total
Overseas Housing – USAID Dedicated	2025	\$ 3,314	\$ 826	\$ 4,140
	2026	3,244	670	3,914
	2027	2,274	531	2,805
	2028	2,044	428	2,472
	2029	1,850	338	2,188
	2030 – 2034	3,649	880	4,529
	2035 – 2039	1,020	443	1,463
	2040 – 2044	824	238	1,062
	2045 – 2049	431	78	509
	2050 – 2054	148	11	159
	Total Overseas Housing – USAID Dedicated Future Lease Payments		\$ 18,798	\$ 4,443
Total Future Lease Payments		\$ 260,039	\$ 66,883	\$ 326,922

* The interest rates used to discount the future lease payments were consistent with the interest rate on marketable Treasury securities at the commencement of the lease term or designated financial reporting date as provided within the SFFAS guidance. The Treasury rates used range from 4.14 percent through 5.00 percent with the longest Treasury maturity rate of 30 years.

** Currently, USAID has one domestic non-federal lease for contingent operation purposes and approximately 1,148 overseas real property leases, which are assigned by the Interagency Housing Board and administered by ICASS in conjunction with the State Department. The number of housing pool leases can vary throughout the year based upon the housing needs of USAID personnel at overseas locations. USAID funds approximately 60 overseas real property leases dedicated for the exclusive use by USAID.

Effective FY 2024, USAID recognized lease liabilities and right-to-use assets for their domestic non-federal and overseas housing leases in accordance with SFFAS 54 for financial reporting purposes. Based upon the collaborative efforts between State, OMB, Treasury, FASAB, and multiple occupant agencies, a determination was made that the overall housing pool lease costs would be allocated between the occupying agencies on a quarterly

basis. The State Department provides USAID with quarterly reporting of actual lease costs for both the overseas real property leases and the dedicated leases used exclusively by USAID. Refer to Note 1, Section M, *Leases*, for further guidance on the implementation of SFFAS 54. Note 11, *Other Liabilities*, provides additional details regarding the funded and unfunded portions of the lease liability.

NOTE 10. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

As of September 30, 2024 and 2023 Liabilities Not Covered by Budgetary Resources were as follows
(in thousands):

	2024	2023
Liabilities Not Covered by Budgetary Resources:		
Intragovernmental:		
Unfunded FECA Liability (Note 12)	\$ 6,294	\$ 6,377
Other Unfunded Employment Related Liability (Note 11)	5	10
Total Intragovernmental	\$ 6,299	\$ 6,387
Unfunded Lease Liability* (Note 11)	218,215	–
Accrued Unfunded Annual Leave (Note 11)	92,558	84,811
FSN Separation Pay Liability (Note 11)	3,188	–
Future Workers' Compensation Benefits (Note 12)	26,010	24,531
Total Liabilities Not Covered by Budgetary Resources	346,270	115,729
Total Liabilities Covered by Budgetary Resources	6,399,178	5,463,240
Total Liabilities	\$ 6,745,448	\$ 5,578,969

* In accordance with SFFAS 54, USAID determined that the overall lessee lease liability for FY 2024 is \$ 260.1 million, which consists of the funded portion of \$41.9 million and the unfunded portion of \$218.2 million as presented in this note. The unfunded lessee lease liability balance includes liabilities not covered by budgetary resources for which budgetary resources have not yet been provided (regardless of whether the lease contract underlying the liability contains a cancellation clause that could be exercised in the future.)

USAID records liabilities for amounts that are likely to be paid as the direct result of events that have already occurred. USAID considers the Intragovernmental accounts payable as liabilities covered under budgetary resources. These accounts payable are those payable to other federal agencies and consist mainly of unliquidated obligation balances related to interagency agreements between USAID and other federal agencies. The accounts payable with the public represent liabilities to non-federal entities.

Liabilities not covered by budgetary resources include accrued unfunded annual leave and separation pay. Although future appropriations to fund these liabilities are probable and anticipated, Congressional action is needed before budgetary resources can be provided. Accrued unfunded annual leave, workers' compensation benefits, and separation pay represent future liabilities not currently funded by budgetary resources, but will be funded as it becomes due with future resources.

NOTE II. OTHER LIABILITIES

As of September 30, 2024 and 2023 Other Liabilities consisted of the following (*in thousands*):

	2024	2023
Intragovernmental		
IPAC Suspense	\$ 6,976	\$ 5,964
Unfunded FECA Liability (Note 12)	6,294	6,377
Custodial Liability	44	45
Employer Contributions & Payroll Taxes Payable	4,425	9,638
Other Unfunded Employment Related Liability (Note 10)	5	10
Other Liabilities Without Related Budgetary Resources	2,333	–
Total Other Liabilities	20,077	22,034
Advances from Others and Deferred Revenue	1,325,570	942,722
Total Intragovernmental	\$ 1,345,647	\$ 964,756
Other than Intragovernmental		
Accrued Funded Payroll and Leave	\$ 61,016	\$ 46,179
Accrued Unfunded Annual Leave (Note 10)	92,558	84,811
FSN Separation Pay Liability (Note 10)	3,188	–
Foreign Currency Trust Fund (Note 5)	109,171	138,518
Funded Lessee Lease Liability	41,878	–
Unfunded Lessee Lease Liability (Note 10)	218,215	–
Other Liabilities With Related Budgetary Resources	985	9,360
Other Liabilities Without Related Budgetary Resources	147,540	143,445
Liability For Non-Fiduciary Deposit Funds and Undeposited Collections	(31,455)	(21,969)
Total Other Liabilities	643,096	400,344
Advances from Others and Deferred Revenue	11,702	11,719
Total Liabilities Other than Intragovernmental	\$ 654,798	\$ 412,063
Total Other Liabilities	\$ 2,000,445	\$ 1,376,819

Intragovernmental Liabilities represent amounts due to other federal agencies. All remaining Other Liabilities are liabilities to non-federal entities.

NOTE 12. FEDERAL EMPLOYEES BENEFITS

The provision for workers' compensation benefits payable, as of September 30, 2024 and 2023 are indicated in the table below (*in thousands*):

	2024	2023
Intragovernmental		
Unfunded FECA Liability (Note 10)	\$ 6,294	\$ 6,377
Total Intragovernmental	\$ 6,294	\$ 6,377
Other than Intragovernmental		
Future Workers' Compensation Benefits (Note 10)	\$ 26,010	\$ 24,531
Total Other than Intragovernmental	\$ 26,010	\$ 24,531
Total Unfunded Workers' Compensation Benefits	\$ 32,304	\$ 30,908

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered federal civilian employees injured on the job and to beneficiaries of employees whose deaths are attributable to job-related injury or disease. The FECA program is administered by the U.S. Department of Labor (DOL). DOL initially pays valid FECA claims for all Federal Government agencies and seeks reimbursement two fiscal years later from the federal agencies employing the claimants.

For FY 2024, USAID's total FECA liability was \$32 million, comprised of unpaid FECA billings for \$6 million and estimated future FECA costs of \$26 million. For FY 2023, USAID's total FECA liability was \$31 million, comprised of unpaid FECA billings for \$6 million and estimated future FECA costs of \$24 million.

The actuarial estimate for the FECA unfunded liability is determined by DOL using a method that utilizes historical benefit payment patterns. The projected annual benefit payments are discounted to present value using economic assumption for 10-year Treasury notes and bonds and the amount is further adjusted for inflation.

NOTE 13. COMMITMENTS AND CONTINGENCIES

USAID is involved in certain claims, suits, and complaints that have been filed or are pending. These matters are in the ordinary course of the Agency's operations and are not expected to have a material adverse effect on the Agency's financial operations. As of September 30, 2024 and 2023 there were three pending cases.

The schedule below details the accrued liabilities and estimated range of loss for pending legal cases as of September 30, 2024 and 2023 (*in thousands*):

	2024		2023	
	Estimated Range of Loss		Estimated Range of Loss	
	Lower End	Upper End	Lower End	Upper End
Legal Contingencies:				
Probable	\$ -	\$ -	\$ -	\$ -
Reasonably Possible	1,900	4,300	1,900	4,300
Total Accrued Liabilities and Estimated Range of Loss	\$ 1,900	\$ 4,300	\$ 1,900	\$ 4,300

USAID's normal course of business involves the execution of project agreements with foreign governments that are a type of treaty. All of these agreements give rise to obligations that are fully reported on USAID's financial statements, and

none of which are contingent. It is not USAID's normal business practice to enter into other types of agreements or treaties with foreign governments that create contingent liabilities.

NOTE 14. COMBINED STATEMENTS OF BUDGETARY RESOURCES

The Combined Statements of Budgetary Resources present information about total budgetary resources available to USAID and the status of those resources, as of September 30, 2024 and 2023. USAID’s total budgetary resources were \$45.2 billion and \$51.7 billion as of September 30, 2024 and 2023, respectively.

The following schedule details the amount of the direct and reimbursable new obligations and upward adjustments against the apportionment categories.

A. APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED (in thousands):

	2024	2023
Category A, Direct	\$ 1,876,286	\$ 1,847,938
Category B, Direct	23,220,270	36,366,403
Category A, Reimbursable	105,107	105,219
Category B, Reimbursable	425,634	496,822
Total	\$ 25,627,297	\$ 38,816,382

B. BORROWING AUTHORITY, END OF PERIOD AND TERMS OF BORROWING AUTHORITY USED:

The Agency had no reported borrowing authority as of the end of both FY 2024 and FY 2023. Borrowing authority is indefinite and authorized under the Federal Credit Reform Act of 1990 and is used to finance obligations during the current year, as needed.

C. PERMANENT INDEFINITE APPROPRIATIONS:

Pursuant to Section 504(f) of the Federal Credit Reform Act of 1990, the Agency is authorized the use of permanent indefinite authority to fund increases in the projected subsidy costs of the loan guarantee programs, as determined by the annual reestimate process. When such an appropriation is received, it is obligated and disbursed from the program account to the financing fund to make sure it has sufficient assets to cover its liabilities.

D. LEGAL ARRANGEMENTS AFFECTING THE USE OF UNOBLIGATED BALANCES:

The “Consolidated Appropriations Act” signed into law as P.L. 112-74 provides to USAID extended authority to obligate funds. USAID’s appropriations have consistently provided essentially similar authority, known as “7011” authority. Under this authority funds shall remain available for obligation for an extended period if such funds are obligated within their initial period of availability. Any subsequent recoveries (deobligations) of these funds become unobligated balances that are available for reprogramming by USAID (subject to OMB approval through the apportionment process).

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E. UNDELIVERED ORDERS AT THE END OF THE YEAR:

Budgetary Resources obligated for Undelivered Orders as of September 30, 2024 and 2023, were \$26.5 billion and \$26.3 billion, respectively.

	2024	2023
Federal		
Obligations Paid	\$ 59,851	\$ 61,932
Obligations Unpaid	2,192,988	690,953
Total Federal	\$ 2,252,839	\$ 752,885
Non-Federal		
Obligations Paid	\$ 572,790	\$ 720,206
Obligations Unpaid	23,678,552	24,788,209
Total Non-Federal	\$ 24,251,342	\$ 25,508,415
Total Undelivered Orders at End of Year	\$ 26,504,181	\$ 26,261,300

F. DIFFERENCE BETWEEN THE COMBINED STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE U.S. GOVERNMENT (in thousands):

The reconciliation between the Statement of Budgetary Resources (SBR) and the Budget of the U.S. Government (Budget) is presented below. This reconciliation is as of September 30, 2023 because submission of the Budget for FY 2026, which presents the execution of the FY 2024 Budget, occurs after publication of these financial statements. The USAID Budget Appendix can be found on the OMB website (<https://www.whitehouse.gov/omb/budget>) and will be available in early February 2025.

Differences between the SBR and Budget of the U.S. Government are caused mainly by the fact that certain funds are reported in the SBR

but not included in the USAID section of the “Department of State and Other International Programs” Appendix of the Budget of the U.S. Government. This is largely reflected in the Economic Support Fund, which is approximately \$27.7 billion. This fact is corroborated by the State Department Budget Office, which confirms the aforementioned funds being warranted/allocated to State, and included in State’s section of the President’s Budget as a transfer of funds to USAID.

The amounts in the line “Other Differences” in the table below cannot be further defined because appropriation level detail is not provided in the Budget of the U.S. Government.

2023	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 51,679,646	\$ 38,816,382	\$ (729,610)	\$ 37,343,280
Funds Reported in SBR, Not Attributed to USAID in the President’s Budget	(27,698,000)	(22,812,000)	–	(21,595,000)
Other Differences	545,354	564,618	–	1,042,720
Budget of the U.S. Government	\$ 24,527,000	\$ 16,569,000	\$ (729,610)	\$ 16,791,000

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G. SCHEDULE OF CHANGE IN UNOBLIGATED BALANCES BROUGHT FORWARD

(in thousands):

The following schedule provides a reconciliation of the Unobligated Balance, End of Year, as of September 30, 2023 and the Unobligated Balances from Prior Year Budget Authority, Net, as of September 30, 2024.

	Budgetary	Non-Budgetary
Unobligated Balance from Prior Year Budget Authority, Net, as of September 30, 2024	\$ 12,025,522	\$ 1,008,057
Allocation Transfers of Prior-Year Balances	(16,474)	–
Transfers – Prior-Year Balances	124,757	–
Balance Transfers – Extension of Availability Other Than Reappropriations	16,731	–
Canceled Authority	177,590	–
Downward Adjustments of Prior-Year Unpaid Undelivered Orders – Obligations, Recoveries	(431,358)	–
Downward Adjustments of Prior-Year Unpaid Delivered Orders – Obligations, Recoveries	(27,647)	–
Downward Adjustments of Prior-Year Paid Delivered Orders – Obligations, Refunds Collected	(13,913)	–
Ending Unobligated Balance as of September 30, 2023	\$ 11,855,207	\$ 1,008,057

Differences between the Ending Unobligated Balance and Beginning Unobligated Balance Brought Forward are due to a change in the

FY 2018 revision of OMB Circular A-136 which streamlined the reporting of the SBR to reflect requirements of FASAB standards.

NOTE 15. SCHEDULES OF COST BY STANDARDIZED PROGRAM STRUCTURE AND DEFINITION (SPSD)

The Schedules of Costs by Responsibility Segment categorizes costs and revenues by Program Categories and Program Areas, which is consistent with the State-USAID SPSD and Responsibility Segment.

A responsibility segment is the component that carries out a mission or major line of activity, and whose managers report directly to top management. The Pillar and Regional Bureaus of USAID meet the criteria for responsibility segments. These bureaus directly support the Agency's goals while the remaining bureaus and offices support the operations of these bureaus. To report the full cost of program outputs, the cost of support bureaus and offices are allocated to the outputs of the Pillar and Regional Bureaus. Intra-agency eliminations are allocated to Program Areas to reflect total costs.

In the FY 2024 Consolidated Statements of Net Cost, major responsibility segments are (i) the Regional Bureaus and (ii) the Pillar Bureaus. The five Regional Bureaus are: Africa; Asia; Europe and Eurasia; Latin America and the Caribbean; and the Middle East. The six Pillar Bureaus are Bureau for Humanitarian Assistance; Conflict Prevention & Stabilization; Democracy, Human Rights, and Governance; Global Health; Inclusive Growth, Partnerships, and Innovation; and Resilience, Environment, and Food Security.

The Schedules of Costs by SPSD for the years ended September 30, 2024 and 2023 are indicated in the table on the following pages (*in thousands*):

Categories	2024										2023	
	Africa	Asia	BHA	CPS	DRG	Europe & Eurasia	Global Health	IPI	Latin America & Caribbean	Middle East	REFS	Consolidated Total
DR—Democracy, Human Rights, and Governance												
DR.1—Rule of Law (ROL)												
Gross Costs	\$ 13,613	\$ 35,571	\$ -	\$ -	\$ 125	\$ 39,845	\$ -	\$ 3,394	\$ 71,488	\$ 12,821	\$ -	\$ 168,361
Less: Earned Revenue	(152)	(331)	-	-	(3)	(80)	-	(62)	(727)	(136)	-	(1,111)
Net Program Costs	13,461	35,240	-	-	122	39,765	-	3,332	70,761	12,685	-	175,366
DR.2—Good Governance												
Gross Costs	80,712	114,239	-	102	32,634	228,688	-	9,546	214,549	81,143	-	704,199
Less: Earned Revenue	(764)	(1,044)	-	(2)	(180)	(584)	-	(128)	(2,490)	(833)	-	(4,827)
Net Program Costs	79,948	113,195	-	100	32,454	228,104	-	9,418	212,059	80,310	-	755,588
DR.3—Political Competition and Consensus-Building												
Gross Costs	55,183	21,805	1,477	3,682	8,008	39,657	-	3,493	23,227	17,568	-	159,279
Less: Earned Revenue	(458)	(192)	(1)	(27)	(287)	(102)	-	(141)	(243)	(174)	-	(1,170)
Net Program Costs	54,725	21,613	1,476	3,655	7,721	39,555	-	3,352	22,984	17,394	-	158,109
DR.4—Civil Society												
Gross Costs	90,923	125,258	432	4,498	19,527	89,875	-	4,483	74,952	94,518	-	476,920
Less: Earned Revenue	(821)	(1,132)	-	(33)	(191)	(216)	-	(87)	(825)	(919)	-	(3,187)
Net Program Costs	90,102	124,126	432	4,465	19,336	89,659	-	4,396	74,127	93,599	-	473,733
DR.5—Independent Media and Free Flow of Information												
Gross Costs	21,327	28,863	-	-	21,859	59,267	-	1,038	19,657	1,464	-	115,987
Less: Earned Revenue	(185)	(292)	-	-	(172)	(153)	-	(41)	(229)	(11)	-	(542)
Net Program Costs	21,142	28,571	-	-	21,687	59,114	-	997	19,428	1,453	-	115,445
DR.6—Human Rights												
Gross Costs	14,970	47,040	42	1,071	11,569	13,706	-	48,190	70,316	23,985	-	230,889
Less: Earned Revenue	(147)	(386)	-	(12)	(134)	(26)	-	(300)	(789)	(226)	-	(1,621)
Net Program Costs	14,823	46,654	42	1,059	11,435	13,680	-	47,890	69,527	23,759	-	228,869
Total Democracy, Human Rights, and Governance	274,201	369,399	1,950	9,279	92,755	469,877	-	69,385	468,886	229,200	-	1,984,932
EG—Economic Growth												
EG.1—Macroeconomic Foundation for Growth												
Gross Costs	2,331	5,859	-	-	-	4,009,071	-	-	3,210	907,636	17	15,962,614
Less: Earned Revenue	(29)	(4,765)	-	-	-	(4,178)	-	-	(101)	(28,453)	(1)	(96,399)
Net Program Costs	2,302	1,094	-	-	-	4,004,893	-	-	3,109	879,183	16	15,866,215
EG.2—Trade and Investment												
Gross Costs	71,310	42,942	-	-	-	84,941	-	22,087	4,975	22,620	-	208,358
Less: Earned Revenue	(657)	(467)	-	-	-	(200)	-	(203)	(67)	(203)	-	(1,408)
Net Program Costs	70,653	42,475	-	-	-	84,741	-	21,884	4,908	22,417	-	206,950
EG.3—Agriculture												
Gross Costs	700,688	198,469	-	-	-	41,677	-	16,100	85,202	47,108	353,807	1,673,977
Less: Earned Revenue	(6,844)	(2,393)	-	-	-	(117)	-	(100)	(958)	(417)	(2,078)	(9,207)
Net Program Costs	693,844	196,076	-	-	-	41,560	-	16,000	84,244	46,691	351,729	1,664,770
EG.4—Financial Sector												
Gross Costs	21	6,295	-	-	-	19,180	-	-	82	2,313	-	16,514
Less: Earned Revenue	-	(69)	-	-	-	(36)	-	-	(4)	(24)	-	(91)
Net Program Costs	21	6,226	-	-	-	19,144	-	-	78	2,289	-	16,423

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Categories	Africa	Asia	BHA	CPS	DRG	Europe & Eurasia	Global Health	IPI	Latin America & Caribbean	Middle East	REFS	2024 Consolidated Total	2023 Consolidated Total
EG.5—Private Sector Productivity													
Gross Costs	12,127	99,994	10,118	2,852	—	265,235	—	148,342	43,166	145,116	—	726,950	533,828
Less: Earned Revenue	(129)	(987)	—	—	—	(690)	—	(38,562)	(492)	(1,443)	—	(42,303)	(3,467)
Net Program Costs	11,998	99,007	10,118	2,852	—	264,545	—	109,780	42,674	143,673	—	684,647	530,361
EG.6—Workforce Development													
Gross Costs	1,777	14,277	—	—	—	10,471	—	34,993	22,190	33,492	—	117,200	106,352
Less: Earned Revenue	(18)	(153)	—	—	—	(57)	—	(303)	(233)	(316)	—	(1,080)	(791)
Net Program Costs	1,759	14,124	—	—	—	10,414	—	34,690	21,957	33,176	—	116,120	105,561
EG.7—Modern Energy Services													
Gross Costs	18,605	67,942	—	—	—	709,356	—	414	19,750	43,614	—	859,681	369,956
Less: Earned Revenue	(161)	(668)	—	—	—	(1,878)	—	(4)	(212)	(484)	—	(3,407)	(1,347)
Net Program Costs	18,444	67,274	—	—	—	707,478	—	410	19,538	43,130	—	856,274	368,609
EG.8—Information and Communications Technology Services													
Gross Costs	2,723	19,253	—	—	—	26,941	—	13,706	3,391	1,556	—	67,570	15,381
Less: Earned Revenue	(23)	(167)	—	—	—	(79)	—	(39)	(35)	(13)	—	(356)	(74)
Net Program Costs	2,700	19,086	—	—	—	26,862	—	13,667	3,356	1,543	—	67,214	15,307
EG.9—Transport Services													
Gross Costs	1,413	23,544	—	—	—	81,584	—	593	4,489	700	54	112,377	55,099
Less: Earned Revenue	(16)	(195)	—	—	—	(279)	—	(5)	(42)	(8)	—	(545)	(281)
Net Program Costs	1,397	23,349	—	—	—	81,305	—	588	4,447	692	54	111,832	54,818
EG.10—Environment													
Gross Costs	154,086	135,022	9	—	—	835	—	44,385	100,304	8,136	1,953	444,730	440,769
Less: Earned Revenue	(1,343)	(1,222)	—	—	—	(3)	—	(248)	(1,197)	(73)	(1)	(4,087)	(3,240)
Net Program Costs	152,743	133,800	9	—	—	832	—	44,137	99,107	8,063	1,952	440,643	437,529
EG.11—Climate Change – Adaptation													
Gross Costs	16,683	28,844	—	—	—	—	—	3,728	22,248	22,273	6,441	100,217	50,742
Less: Earned Revenue	(141)	(243)	—	—	—	—	—	(7)	(213)	(219)	(27)	(850)	(314)
Net Program Costs	16,542	28,601	—	—	—	—	—	3,721	22,035	22,054	6,414	99,367	50,428
EG.12—Climate Change – Clean Energy													
Gross Costs	68,208	87,115	—	—	—	9,922	—	10,585	19,040	10,539	6,384	211,793	141,460
Less: Earned Revenue	(534)	(600)	—	—	—	(22)	—	(30)	(184)	(103)	(5)	(1,478)	(654)
Net Program Costs	67,674	86,515	—	—	—	9,900	—	10,555	18,856	10,436	6,379	210,315	140,806
EG.13—Climate Change – Sustainable Landscapes													
Gross Costs	14,550	52,516	—	—	—	—	—	13,491	54,679	—	1,406	136,642	151,453
Less: Earned Revenue	(149)	(455)	—	—	—	—	—	(59)	(582)	—	(6)	(1,251)	(1,183)
Net Program Costs	14,401	52,061	—	—	—	—	—	13,432	54,097	—	1,400	135,391	150,270
Total Economic Growth	1,054,478	769,688	10,127	2,852	—	5,251,674	—	268,864	378,406	1,213,347	367,944	9,317,380	19,608,047
ES—Education and Social Services													
ES.1—Basic Education													
Gross Costs	303,537	148,807	616	—	—	25,611	—	170,826	87,067	252,664	—	989,128	1,026,817
Less: Earned Revenue	(2,804)	(1,266)	—	—	—	(22)	—	(114)	(965)	(2,756)	—	(7,927)	(6,785)
Net Program Costs	300,733	147,541	616	—	—	25,589	—	170,712	86,102	249,908	—	981,201	1,020,032

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(continued)

Categories	Africa	Asia	BHA	CPS	DRG	Europe & Eurasia	Global Health	IPI	Latin America & Caribbean	Middle East	REFS	2024 Consolidated Total	2023 Consolidated Total
ES.2—Higher Education													
Gross Costs	32,562	67,936	6	—	—	749	—	74,941	7,005	89,199	—	272,398	152,997
Less: Earned Revenue	(267)	(591)	—	—	—	(2)	—	(690)	(79)	(835)	—	(2,464)	(1,074)
Net Program Costs	32,295	67,345	6	—	—	747	—	74,251	6,926	88,364	—	269,934	151,923
ES.3—Social Policies, Regulations, and Systems													
Gross Costs	—	2,800	—	—	1	70	—	17	20,378	1,242	—	24,508	21,255
Less: Earned Revenue	—	(34)	—	—	—	—	—	(1)	(241)	(12)	—	(288)	(193)
Net Program Costs	—	2,766	—	—	1	70	—	16	20,137	1,230	—	24,220	21,062
ES.4—Social Services													
Gross Costs	—	37,029	—	9,104	215	9,341	265	53,635	13,582	31,276	—	154,447	159,592
Less: Earned Revenue	—	(374)	—	(124)	(9)	(24)	(11)	(278)	(180)	(261)	—	(1,261)	(1,159)
Net Program Costs	—	36,655	—	8,980	206	9,317	254	53,357	13,402	31,015	—	153,186	158,433
ES.5—Social Assistance													
Gross Costs	16,990	5,491	—	—	6	431	—	103	1,832	35,033	—	59,886	65,354
Less: Earned Revenue	(159)	(42)	—	—	—	(1)	—	(4)	(23)	(391)	—	(620)	(521)
Net Program Costs	16,831	5,449	—	—	6	430	—	99	1,809	34,642	—	59,266	64,833
Total Education and Social Service	349,859	259,756	622	8,980	213	36,153	254	298,435	128,376	405,159	—	1,487,807	1,416,283
HA—Humanitarian Assistance													
HA.1—Protection, Assistance and Solutions													
Gross Costs	—	9,026	5,766,171	103	—	1,434	—	—	—	5,786	—	5,782,520	8,506,459
Less: Earned Revenue	—	(92)	(2,452)	(1)	—	(5)	—	—	—	(52)	—	(2,602)	(1,477)
Net Program Costs	—	8,934	5,763,719	102	—	1,429	—	—	—	5,734	—	5,779,918	8,504,982
HA.2—Disaster Readiness													
Gross Costs	10,809	1,173	380,097	—	—	—	—	—	7,977	872	—	400,928	319,985
Less: Earned Revenue	(103)	(18)	(151)	—	—	—	—	—	(100)	(13)	—	(385)	(205)
Net Program Costs	10,706	1,155	379,946	—	—	—	—	—	7,877	859	—	400,543	319,780
HA.3—Migration Management													
Gross Costs	—	—	—	—	—	—	—	—	39,801	—	—	39,801	59,062
Less: Earned Revenue	—	—	—	—	—	—	—	—	(487)	—	—	(487)	(578)
Net Program Costs	—	—	—	—	—	—	—	—	39,314	—	—	39,314	58,484
Total Humanitarian Assistance	10,706	10,089	6,143,665	102	—	1,429	—	—	47,191	6,593	—	6,219,775	8,883,246
HL—Health													
HL.1—HIV/AIDS													
Gross Costs	330,490	—	—	—	—	829	761,011	12	25,664	7,132	—	1,125,138	1,329,633
Less: Earned Revenue	(12,984)	—	—	—	—	(34)	(733,509)	(1)	(1,015)	(82)	—	(747,625)	(534,037)
Net Program Costs	317,506	—	—	—	—	795	27,502	11	24,649	7,050	—	377,513	795,596
HL.2—Tuberculosis													
Gross Costs	30,067	30,127	—	—	—	432	7,590	—	199	54	—	68,469	78,966
Less: Earned Revenue	(1,216)	(1,277)	—	—	—	(17)	(307)	—	(8)	(1)	—	(2,826)	(2,274)
Net Program Costs	28,851	28,850	—	—	—	415	7,283	—	191	53	—	65,643	76,692

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(continued)

Categories	Africa	Asia	BHA	CPS	DRG	Europe & Eurasia	Global Health	IPI	Latin America & Caribbean	Middle East	REFS	2024 Consolidated Total	2023 Consolidated Total
HL.3–Malaria													
Gross Costs	150,559	4,725	-	-	-	-	66,333	-	1,288	258	-	223,163	210,593
Less: Earned Revenue	(6,089)	(192)	-	-	-	-	(228)	-	(52)	(3)	-	(6,564)	(6,085)
Net Program Costs	144,470	4,533	-	-	-	-	66,105	-	1,236	255	-	216,599	204,508
HL.4–Pandemic Influenza and Other Emerging Threats (PIOET)													
Gross Costs	133,605	31,723	-	-	-	10,650	52,974	1	16,566	12,343	-	257,862	1,003,594
Less: Earned Revenue	(2,353)	(637)	-	-	-	(38)	(638)	-	(479)	(208)	-	(4,353)	(7,608)
Net Program Costs	131,252	31,086	-	-	-	10,612	52,336	1	16,087	12,135	-	253,509	995,986
HL.5–Other Public Health Threats													
Gross Costs	508	1,522	-	-	-	39,026	7,165	35,741	10	50,106	-	134,078	47,054
Less: Earned Revenue	(10)	(12)	-	-	-	(116)	(290)	(293)	-	(503)	-	(1,224)	(597)
Net Program Costs	498	1,510	-	-	-	38,910	6,875	35,448	10	49,603	-	132,854	46,457
HL.6–Maternal and Child Health													
Gross Costs	101,183	61,333	-	-	-	1,247	54,917	3	13,237	23,488	-	255,408	279,259
Less: Earned Revenue	(4,056)	(1,302)	-	-	-	(1)	(2,176)	-	(535)	(314)	-	(8,384)	(7,117)
Net Program Costs	97,127	60,031	-	-	-	1,246	52,741	3	12,702	23,174	-	247,024	272,142
HL.7–Family Planning and Reproductive Health													
Gross Costs	82,482	43,854	-	-	-	-	10,753	1	6,311	52,990	-	196,391	192,266
Less: Earned Revenue	(3,321)	(902)	-	-	-	-	(435)	-	(255)	(624)	-	(5,537)	(4,348)
Net Program Costs	79,161	42,952	-	-	-	-	10,318	1	6,056	52,366	-	190,854	187,918
HL.8–Water Supply and Sanitation													
Gross Costs	253,205	39,962	-	-	-	-	199	1,118	15,054	364,174	12,682	686,394	422,619
Less: Earned Revenue	(2,152)	(356)	-	-	-	-	(7)	(20)	(163)	(3,553)	(69)	(6,320)	(2,984)
Net Program Costs	251,053	39,606	-	-	-	-	192	1,098	14,891	360,621	12,613	680,074	419,635
HL.9–Nutrition													
Gross Costs	37,539	22,573	-	-	-	-	1,121	-	1,730	7,304	-	70,267	65,967
Less: Earned Revenue	(1,074)	(320)	-	-	-	-	(45)	-	(70)	(64)	-	(1,573)	(1,119)
Net Program Costs	36,465	22,253	-	-	-	-	1,076	-	1,660	7,240	-	68,694	64,848
Total Health	1,086,383	230,821	-	-	-	51,978	224,428	36,562	77,482	512,497	12,613	2,232,764	3,063,782
PO–Program Development and Oversight													
PO.1–Program Design and Learning													
Gross Costs	77,655	31,312	114,169	2,499	5,611	19,852	-	40,010	40,827	50,256	7,954	390,145	374,686
Less: Earned Revenue	(1,000)	(335)	(47)	(20)	(65)	(43)	-	(266)	(524)	(495)	(54)	(2,849)	(2,148)
Net Program Costs	76,655	30,977	114,122	2,479	5,546	19,809	-	39,744	40,303	49,761	7,900	387,296	372,538
PO.2–Administration and Oversight													
Gross Costs	228,393	113,303	289,940	57,900	16,051	43,105	-	80,011	105,787	70,259	45,964	1,050,713	924,020
Less: Earned Revenue	(3,325)	(1,200)	(107)	(435)	(123)	(85)	-	(294)	(1,289)	(666)	(112)	(7,636)	(4,974)
Net Program Costs	225,068	112,103	289,833	57,465	15,928	43,020	-	79,717	104,498	69,593	45,852	1,043,077	919,046
PO.3–Evaluation													
Gross Costs	18,226	8,970	-	4,303	728	4,109	-	5,578	18,055	5,265	-	65,234	59,391
Less: Earned Revenue	(261)	(99)	-	(31)	(11)	(9)	-	(60)	(223)	(56)	-	(750)	(534)
Net Program Costs	17,965	8,871	-	4,272	717	4,100	-	5,518	17,832	5,209	-	64,484	58,857
Total Program Development and Oversight	319,688	151,951	403,955	64,216	22,191	66,929	-	124,979	162,633	124,563	53,752	1,494,857	1,350,441

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Categories	Africa	Asia	BHA	CPS	DRG	Europe & Eurasia	Global Health	IPI	Latin America & Caribbean	Middle East	REFS	2024 Consolidated Total	2023 Consolidated Total
PS—Peace and Security													
PS.1—Counterterrorism													
Gross Costs	9,880	1,821	-	221	-	19	-	709	-	49	-	12,699	15,392
Less: Earned Revenue	(87)	(11)	-	-	-	-	-	(29)	-	-	-	(127)	(134)
Net Program Costs	9,793	1,810	-	221	-	19	-	680	-	49	-	12,572	15,258
PS.2—Combating Weapons of Mass Destruction (WMD)													
Gross Costs	-	-	-	-	-	81	-	-	-	-	-	81	2,568
Less: Earned Revenue	-	-	-	-	-	-	-	-	-	-	-	-	(1)
Net Program Costs	-	-	-	-	-	81	-	-	-	-	-	81	2,567
PS.3—Counter narcotics													
Gross Costs	-	354	-	-	-	-	-	-	88,148	-	-	88,502	110,674
Less: Earned Revenue	-	(1)	-	-	-	-	-	-	(1,096)	-	-	(1,097)	(1,147)
Net Program Costs	-	353	-	-	-	-	-	-	87,052	-	-	87,405	109,527
PS.4—Transnational Threats and Crime													
Gross Costs	-	-	-	-	-	55,009	-	-	-	-	-	55,009	31,351
Less: Earned Revenue	-	-	-	-	-	(173)	-	-	-	-	-	(173)	(12)
Net Program Costs	-	-	-	-	-	54,836	-	-	-	-	-	54,836	31,339
PS.5—Trafficking in Persons													
Gross Costs	1,723	17,525	-	-	4	6,089	-	101	1,388	1,455	-	28,285	27,009
Less: Earned Revenue	(16)	(153)	-	-	-	(18)	-	(1)	(14)	(4)	-	(206)	(155)
Net Program Costs	1,707	17,372	-	-	4	6,071	-	100	1,374	1,451	-	28,079	26,854
PS.6—Conflict Mitigation and Stabilization													
Gross Costs	37,039	36,931	531	254,673	-	13,962	-	575	20,480	153,546	-	517,737	530,913
Less: Earned Revenue	(363)	(390)	(1)	(1,978)	-	(35)	-	(7)	(266)	(1,391)	-	(4,431)	(2,941)
Net Program Costs	36,676	36,541	530	252,695	-	13,927	-	568	20,214	152,155	-	513,306	527,972
Total Peace and Security	48,176	56,076	530	252,916	4	74,934	-	1,348	108,640	153,655	-	696,279	713,517
Net Cost of Operations	\$3,143,491	\$1,847,780	\$6,560,849	\$338,345	\$115,163	\$5,952,974	\$224,682	\$799,573	\$1,371,614	\$2,645,014	\$434,309	\$23,433,794	\$36,843,601

NOTE 16. RECONCILIATION OF NET COST TO BUDGETARY OUTLAYS

Budgetary and financial accounting information differ. Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the government's financial operations and financial position so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between the budgetary and financial accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting.

The first section of the reconciliation below presents components of net cost that are not part of net outlays and should be excluded from net cost. The second and third sections present increases and decreases in assets and liabilities, respectively. Some sections are used for assets that are reported on the Balance Sheets, not as net cost. The final section adds or subtracts from total resources those items reported in net cost that do not require or generate resources. As an example, the Agency collects regular passport fees that are reported as revenue on the Statements of Net Cost. However, these fees are not shown as a resource because they are returned to Treasury and cannot be obligated or spent by the Agency.

The Schedules of Reconciliation of Net Cost of Operations to Net Costs of Budgetary Outlays for the years ended September 30, 2024 and 2023 are indicated in the table below (*in thousands*):

	2024	2023
NET COST	\$ 23,433,794	\$ 36,843,601
Components of Net Cost That Are Not Part of Net Outlays:		
General and Right-to-Use PP&E Depreciation and Amortization	(51,201)	(13,875)
General and Right-to-Use PP&E Disposal and Revaluation	(2,274)	(442)
Other	324,291	295,802
Increase/(Decrease) in Assets:		
Accounts Receivable	26,027	(341,950)
Other Assets	(217,559)	130,857
(Increase)/Decrease in Liabilities:		
Accounts Payable	(799,464)	34,507
Salaries and Benefits	5,301	(825)
Other Liabilities (Unfunded Leave, Unfunded FECA, Actuarial FECA)	(351,950)	161,067
Other Financing Sources:		
Federal Employee Retirement Benefit Costs Paid by OPM and Imputed to the Agency	(97,796)	(95,581)
Transfers Out/In Without Reimbursement	(662,684)	(301,631)
Donated Revenue	(60,175)	(66,478)
Total Components of Net Operating Cost That Are Not Part of Net Outlays	(1,887,484)	(198,550)
Components of Net Outlays That Are Not Part of Net Cost:		
Miscellaneous Items	586,229	698,229
Total Components of Net Outlays That Are Not Part of Net Cost	586,229	698,229
NET OUTLAYS	\$ 22,132,538	\$ 37,343,280
Distributed Offsetting Receipts	(410,355)	(729,610)
AGENCY OUTLAYS, NET	\$ 21,722,183	\$ 36,613,670

NOTE 17. RECLASSIFICATION OF FINANCIAL STATEMENT LINE ITEMS FOR FINANCIAL REPORT COMPILATION PROCESS

To prepare the Financial Report of the U.S. Government (FR), Treasury requires agencies to submit an adjusted trial balance, which is a listing of amounts by U.S. Standard General Ledger account that appear in the financial statements. Treasury uses the trial balance information reported in the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to develop a Reclassified Statement of Net Cost and a Reclassified Statement of Changes in Net Position. Treasury eliminates intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the FR statements. This note shows the USAID's financial statements and the USAID's reclassified statements prior to elimination of intragovernmental balances and prior to aggregation of repeated FR line items. A copy of the 2024 FR can be found here: [Financial Report of the United States](#)

Government – Financial Statements of the United States Government for the Fiscal Years Ended September 30, 2024, and 2023 ([treasury.gov](https://www.treasury.gov)) and a copy of the 2024 Financial Report will be posted to this site as soon as it is released.

The term "intragovernmental" is used in this note to refer to amounts that result from other components of Federal Government. The term "non-federal" is used in this note to refer to Federal Government amounts that result from transactions with non-federal entities. These include transactions with individuals, businesses, non-profit entities, and state, local, and foreign governments.

The Reclassification of the Statement of Net Cost and the Statement of Changes in Net Position for the year ended September 30, 2024 are presented in the tables on the following pages (*in thousands*):

**Reclassification of Statement of Net Cost to Line Items Used
for the Government-wide Statement of Net Cost
For the Year Ending September 30, 2024**

**Line Items Used to Prepare
FY 2024 Government-wide
Statement of Net Cost**

FY 2024 USAID Statement of Net Cost			Line Items Used to Prepare FY 2024 Government-wide Statement of Net Cost	
Financial Statement Line	Amounts	Other than Dedicated Collections (with Elimination)	Amounts	Reclassified Financial Statement Line
Gross Cost	\$ 24,375,692	\$ –	\$ 22,817,743	Non-Federal Gross Cost
				Intragovernmental Costs:
			187,781	Benefit Program Costs
			97,796	Imputed Costs
			1,272,350	Buy/Sell Cost
			21	Other Expenses (Without Reciprocals)
			1,557,948	Total Intragovernmental Cost
Total Gross Cost	24,375,692	–	24,375,691	Total Reclassified Gross Cost
Earned Revenue	(941,898)		(54,600)	Non-Federal Earned Revenue
				Intragovernmental Revenue:
			(849,756)	Buy/Sell Revenue
			(37,541)	Borrowing and Other Interest Revenue
			(887,297)	Total Intragovernmental Earned Revenue
Total Earned Revenue	(941,898)	–	(941,897)	Total Reclassified Earned Revenue
Net Cost of Operations	\$ 23,433,794	\$ –	\$ 23,433,794	Net Cost of Operations

Reclassification of Statement of Changes in Net Position to Line Items Used for Government-wide Statement of Operations and Changes in Net Position For the Year Ending September 30, 2024

FY 2024 USAID Statement of Changes in Net Position			Line Items Used to Prepare FY 2024 Government-wide Statement of Changes in Net Position	
Financial Statement Line	Amounts	Other than Dedicated Collections (with Elimination)	Amounts	Reclassified Financial Statement Line
UNEXPENDED APPROPRIATIONS:				UNEXPENDED APPROPRIATIONS:
Unexpended Appropriations, Beginning Balance	\$ 35,175,707	\$ –	\$ 35,175,707	Unexpended Appropriations, Beginning Balance
Appropriations Received	30,768,615		30,558,840	Appropriations Received, as Adjusted
Other Adjustments	(209,776)			Other Adjustments
Appropriations Transferred In/Out	95,570	(7,830,031)	8,075,700	Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources
		7,818,395	(7,980,131)	Non-Expenditure Transfers-Out of Unexpended Appropriations and Financing Sources
Appropriations Used	(23,745,973)		(23,745,973)	Appropriations Used (Federal)
Total Unexpended Appropriations	\$ 42,084,143	\$ (11,636)	\$ 42,084,143	Total Unexpended Appropriations
CUMULATIVE RESULTS OF OPERATIONS:				CUMULATIVE RESULTS OF OPERATIONS:
Cumulative Results, Beginning Balance	\$ 1,486,801	\$ –	\$ 1,486,801	Cumulative Results, Beginning Balance
Appropriations Used	23,745,973		23,745,973	Appropriations Used (Federal)
Non-Exchange Revenues			70,437	Non-Federal Non-Exchange Revenues
			(28,489)	Other Taxes and Receipts
			(417,508)	Accrual for Non-Entity Amounts to be Collected and Transferred to the General Fund of the U.S. Government
Donations and Forfeitures of Property	10,263	(66,039)	290,550	Non-Entity Collections Transferred to the General Fund of the U.S. Government
		66,039	(66,039)	Donations and Forfeitures of Property
		(102,247)	113,883	Expenditure Transfers-In of Financing Sources
		113,883	(113,883)	Expenditure Transfers-Out of Financing Sources
		(324,291)	324,291	Non-Expenditure Transfer-In of Financing Sources – Capital Transfers (RC II)
Transfers in/out Without Reimbursement	224,501	324,291	(324,300)	Non-Expenditure Transfers-Out of Financing Sources – Capital Transfers (RC II)
Other	(445,997)			Transfers-In Without Reimbursement
Donations and Forfeitures of Cash and Cash Equivalents	60,175			Transfers-Out Without Reimbursement
Imputed Financing	97,796		97,796	Other
				Donations and Forfeitures of Cash and Cash Equivalents
				Imputed Financing Sources
Total Financing Sources	23,692,711	11,636	23,692,711	Total Financing Sources
Net Cost of Operations	(23,433,794)		(23,433,794)	Net Cost of Operations
Ending Balance – Cumulative Results of Operations	\$ 1,745,718	\$ 11,636	\$ 1,745,718	Ending Balance – Cumulative Results of Operations
Total Net Position	\$ 43,829,861	\$ –	\$ 43,829,861	Net Position

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FINANCIAL SECTION
**REQUIRED SUPPLEMENTARY
INFORMATION**





(Preceding page) Esthela Noteno, a young Kichwa Indigenous woman in Ecuador, launched beverage brand Andi Wayusa based on her grandmother's guayusa recipe and expanded the business with USAID support.
PHOTO: JOEL HEIM FOR USAID

(Above) Beekeepers in Jenin tending to the beehives as part of a USAID Conflict Management and Mitigation project to help 120 Israeli and Palestinian almond farmers develop and apply research on irrigation and plant protection to increase productivity. Palestinian women received beekeeping training to support almond farmers to improve pollination.
PHOTO: USAID/WEST BANK AND GAZA

STATEMENT OF BUDGETARY RESOURCES

REQUIRED SUPPLEMENTARY INFORMATION: COMBINING STATEMENT OF BUDGETARY RESOURCES

For the Year Ended September 30, 2024

(in thousands)

	Operating	Civilian Stabilization Initiative	Assistance for Europe, Eurasia and Central Asia	Assistance for Eastern Europe	Development Assistance	International Disaster Assistance	Economic Support Fund	Assistance for New Independent States	Child Survival and Disease Programs Funds	Credit Financing	Other	Parent Fund	Combined Total
	1000	0305	0306	1010	1021	1035	1037	1093	1095				
Budgetary Resources:													
Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory)	\$ 300,387	\$ 1,152	\$ 483,469	\$ 514	\$ 4,612,151	\$ 856,009	\$ 3,334,227	\$ 3,594	\$ 33,426	\$ 1,008,057	\$ 725,614	\$ 1,674,979	\$ 13,033,579
Appropriations (Discretionary and Mandatory)	1,734,000	–	2,345,334	–	3,931,000	10,434,000	11,636,904	–	–	–	639,418	–	30,720,656
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	99,154	–	(300)	–	–	150,000	106,593	–	–	59,822	1,037,434	20,550	1,473,253
Total Budgetary Resources	\$ 2,133,541	\$ 1,152	\$ 2,828,503	\$ 514	\$ 8,543,151	\$ 11,440,009	\$ 15,077,724	\$ 3,594	\$ 33,426	\$ 1,067,879	\$ 2,402,466	\$ 1,695,529	\$ 45,227,488
Status of Budgetary Resources:													
New Obligations and Upward Adjustments (Total) (Note 14)	1,884,002	–	828,832	–	4,378,188	7,780,765	7,045,784	2,826	10,100	295,802	1,782,033	1,618,965	25,627,297
Unobligated Balance, End of Year:													
Apportioned, Unexpired Accounts	34,821	1	1,996,748	514	1,928,827	3,658,517	8,006,785	768	23,325	132,221	273,849	45,173	16,101,549
Unapportioned, Unexpired Accounts	106,706	1,151	1,069	–	2,223,293	727	(12,949)	–	1	639,856	336,477	2,604	3,298,935
Unexpired Unobligated Balance, End of Year	141,527	1,152	1,997,817	514	4,152,120	3,659,244	7,993,836	768	23,326	772,077	610,326	47,777	19,400,484
Expired Unobligated Balance, End of Year	108,012	–	1,854	–	12,843	–	38,104	–	–	–	10,107	28,787	199,707
Total Unobligated Balance, End of Year	249,539	1,152	1,999,671	514	4,164,963	3,659,244	8,031,940	768	23,326	772,077	620,433	76,564	19,600,191
Total Budgetary Resources	\$ 2,133,541	\$ 1,152	\$ 2,828,503	\$ 514	\$ 8,543,151	\$ 11,440,009	\$ 15,077,724	\$ 3,594	\$ 33,426	\$ 1,067,879	\$ 2,402,466	\$ 1,695,529	\$ 45,227,488
Outlays, Net and Disbursements, Net:													
Outlays, Net (Total) (Discretionary and Mandatory)	1,838,485	–	633,446	91	3,545,916	6,390,386	8,285,041	114	2	–	(783)	1,439,840	22,132,538
Distributed Offsetting Receipts (-)	–	–	–	–	–	–	–	–	–	–	(410,355)	–	(410,355)
Agency Outlays, Net (Discretionary and Mandatory)	\$ 1,838,485	\$ –	\$ 633,446	\$ 91	\$ 3,545,916	\$ 6,390,386	\$ 8,285,041	\$ 114	\$ 2	\$ –	\$ (411,138)	\$ 1,439,840	\$ 21,722,183
Disbursement, Net (Total) (Mandatory)										\$ 235,979			\$ 235,979

MAJOR FUNDS

Operating Funds

1000 Operating Expenses of USAID

Program Funds

0305 Civilian Stabilization Initiative
0306 Assistance for Europe, Eurasia, and
Central Asia (AEECA)
1010 Assistance for Eastern Europe
1021 Development Assistance (DA)
1035 International Disaster Assistance
1037 Economic Support Fund (ESF)
1093 Assistance for the Newly Independent
States of the Former Soviet Union
1095 Child Survival and Disease Programs Funds

CREDIT FINANCING FUNDS

4119 Israel Guarantee Financing Account
4493 Loan Guarantees to Middle East Northern Africa
(MENA) – Financing Account

CREDIT PROGRAM FUNDS

0301 Israel Program Fund
0402 Ukraine Program Fund
0409 Loan Guarantees to Middle East Northern Africa
(MENA) – Program Account
5318 Israel Program Fund – Administrative Expense

ALLOCATIONS TO OTHER AGENCIES

0306 Assistance for Europe, Eurasia, and
Central Asia (AEECA)
1010 Assistance for Eastern Europe
1021 Development Assistance (DA)
1035 International Disaster Assistance
1037 Economic Support Fund (ESF)
1093 Assistance for the Newly Independent
States of the Former Soviet Union
1095 Child Survival and Disease Program Funds

ALLOCATIONS FROM OTHER AGENCIES

0113 Diplomatic and Consular Programs, State
0535 Embassy Security, Construction and
Maintenance, State
1030 Global HIV/AIDS Initiative
1031 Global Health/Child Survival and HIV/AIDS
1121 Democracy Fund
1154 Andean Counterdrug Initiative (ACI)
2278 Commodity Credit Corporation
4336 Commodity Credit Corporation

OTHER FUNDS

Operating Funds

0300 Capital Investment Fund (CIF)
1007 Operating Expenses of USAID Inspector General
1099 Fines, Penalties and Forfeitures – Not Otherwise
Classified

Program Funds

1012 Sahel Development Program
1014 Development Fund for Africa (DFA)
1015 Complex Crisis Fund
1023 Food and Nutrition Development Assistance
1024 Population Planning and Health, Development
Assistance
1025 Education and Human Resources,
Development Assistance
1027 Transition Initiatives
1028 Global Fund to Fight HIV/AIDS
1033 HIV/AIDS Working Capital
1038 Central American Reconciliation Assistance
1040 Sub-Saharan Africa Disaster Assistance
1096 Iraq Relief Fund
1500 Demobilization and Transition Fund

Trust Funds

8342 Foreign National Employees Separation
Liability Fund
8502 Technical Assistance – U.S. Dollars Advance
from Foreign Governments
8824 Gifts and Donations

Revolving Funds

4175 Property Management Fund
4513 Working Capital Fund
4590 Acquisition of Property Revolving Fund

OTHER INFORMATION





(Preceding page) Georgian citizens share their ideas for how the country can strengthen its democracy and advance along the Euro-Atlantic path. Citizens were invited to share their ideas as part of the USAID-supported “EU Now” campaign.

PHOTO: DAVIT KHELASHVILI FOR USAID

(Above) Fistula survivor Justine Nitele (right) chats with a nurse she remembers from when she was a patient at the Kitovu Mission Hospital in Uganda. USAID has provided fistula services in sub-Saharan Africa and South Asia, enabling more than 54,000 fistula repair surgeries.

PHOTO: CARIELLE DOE FOR USAID

SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

OMB requires all federal departments and agencies to prepare Table 1 (Summary of Financial Statement Audit) and Table 2 (Summary of Management Assurances), as shown in Figure 32. Table 1 shows that the independent auditor for USAID gave the Agency an unmodified opinion on the financial statements with no material

weaknesses. Table 2 indicates that the Agency has an unmodified Assurance Statement under the FMFIA and the FFMIA with no Agency internal control material weaknesses. These tables correspond with the information presented in the MD&A Section and Financial Section of this AFR.

FIGURE 32. SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

TABLE 1. SUMMARY OF FINANCIAL STATEMENT AUDIT

Audit Opinion: Unmodified
Restatement: No

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Material Weaknesses	0	0	0	0	0

TABLE 2. SUMMARY OF MANAGEMENT ASSURANCES

Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)
Statement of Assurance: Unmodified

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0

Effectiveness of Internal Control over Operations (FMFIA § 2)
Statement of Assurance: Unmodified

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0

(continued on next page)

TABLE 2. SUMMARY OF MANAGEMENT ASSURANCES (continued)

Conformance with Federal Financial Management System Requirements (FMFIA § 4)

Statement of Assurance: Federal systems conform to financial management system requirements

Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Non-Conformances	0	0	0	0	0	0

Compliance with Section 803(a) of the Federal Financial Management Improvement Act (FFMIA)

	Agency	Auditor
1. Federal Financial Management System Requirements	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted
2. Applicable Federal Accounting Standards	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted
3. USSGL at Transaction Level	No Lack of Substantial Compliance Noted	No Lack of Substantial Compliance Noted

DEFINITION OF TERMS

Beginning Balance: The beginning balance must agree with the ending balance from the prior year.

New: The total number of material weaknesses/non-conformances identified during the current year.

Resolved: The total number of material weaknesses/non-conformances that dropped below the level of materiality in the current year.

Consolidated: The combining of two or more findings.

Reassessed: The removal of any finding not attributable to corrective actions (e.g., management has re-evaluated and determined that a finding does not meet the criteria for materiality or is redefined as more correctly classified under another heading).

Ending Balance: The year-end balance that will be the beginning balance next year.

OFFICE OF INSPECTOR GENERAL'S STATEMENT OF MOST SERIOUS MANAGEMENT AND PERFORMANCE CHALLENGES FOR USAID

According to USAID's Inspector General, the top management challenges the Agency faces are in the following areas:

- Measuring Effectiveness, Tracking Results, and Improving Sustainability of U.S. Foreign Assistance.
- Relying on the UN and Other Public International Organizations to Distribute U.S.-Funded Aid in Unstable or Inaccessible Environments.
- Hiring and Retaining Skilled Staff and Adapting Programming to Address Emerging Priorities.

USAID aggressively pursues corrective actions for all significant challenges, whether identified by the OIG, GAO, or other sources.

The following pages that address the top management challenges for USAID are from the entire Top Management Challenges report for FY 2025, which is available on the USAID OIG website (oig.usaid.gov) at <https://oig.usaid.gov/our-work/major-management-challenges>.



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

INFORMATION MEMORANDUM

DATE: November 15, 2024

TO: Samantha Power, USAID Administrator

FROM: Paul K. Martin, Inspector General *PKM*

SUBJECT: Top Management and Performance Challenges Facing USAID in Fiscal Year 2025

As required by the Reports Consolidation Act of 2000, the Office of Inspector General (OIG) issues an annual report outlining the top management and performance challenges facing the U.S. Agency for International Development (USAID). Our office has identified three broad challenges for the Agency in fiscal year 2025, reflecting both organizational issues and ongoing global crises:

Challenge 1. Measuring Effectiveness, Tracking Results, and Improving Sustainability of U.S. Foreign Assistance

Challenge 2. Relying on the United Nations and Other Public International Organizations to Distribute U.S.-Funded Aid in Unstable or Inaccessible Environments

Challenge 3. Hiring and Retaining Skilled Staff and Adapting Programming to Address Emerging Priorities

These three broad challenges are not the only significant issues that confront USAID, nor does identification of an issue as a top challenge denote lack of attention on the Agency's part. Rather, most of these issues are long-standing, difficult challenges central to USAID's core mission and therefore likely will remain top challenges for years to come. Consequently, they require consistent, focused attention from USAID leadership and ongoing engagement with Congress and other stakeholders.

OIG is dedicated to providing independent oversight of USAID's programming and personnel. As such, in the coming year we will conduct audits, evaluations, and inspections as the Agency addresses these and other challenges in an effort to improve U.S. foreign assistance. We will also continue to hold bad actors accountable by investigating allegations of corruption, misconduct, and other wrongdoing that threaten the integrity of USAID's vital programming.

Please do not hesitate to contact me if you would like to discuss our report on the top management and performance challenges facing USAID.

Message From the Inspector General

As required by the Reports Consolidation Act of 2000,¹ this annual report presents the Office of Inspector General's (OIG) independent assessment of the top management and performance challenges facing the U.S. Agency for International Development (USAID). OIG has identified three broad challenges for the Agency in fiscal year (FY) 2025, reflecting both organizational issues and ongoing global crises:

- **Challenge 1. Measuring Effectiveness, Tracking Results, and Improving Sustainability of U.S. Foreign Assistance**
- **Challenge 2. Relying on the United Nations and Other Public International Organizations to Distribute U.S.-Funded Aid in Unstable or Inaccessible Environments**
- **Challenge 3. Hiring and Retaining Skilled Staff and Adapting Programming to Address Emerging Priorities**

USAID is the primary government agency providing non-security assistance in regions experiencing evolving, complex emergencies such as Ukraine and Gaza. In addition, the Agency provides billions of dollars in humanitarian and development assistance in over 100 countries on behalf of the American people. This task becomes even more difficult when aid recipients are in regions devastated by war and conflict, facing famine or food insecurity, or struggling with droughts, wildfires, floods, and other natural disasters. Accordingly, priorities for USAID include:

- Ensuring that Agency resources are used effectively and reach the most vulnerable populations, which requires rigorous monitoring, tracking, and management.
- Obtaining quality information from partners and improving the reliability of agency systems—essential if the Agency is to protect U.S. taxpayer dollars from fraud, waste, and abuse.
- Increasing localization efforts, which can be difficult when local partners lack sufficient expertise or financial resources to implement U.S. programs or adhere to U.S. regulations.
- Addressing sexual exploitation and abuse and human trafficking in the foreign aid sector, which remains a persistent issue due to the inherent power imbalance between aid workers and beneficiaries.

In the coming years, USAID's programs and activities will continue to be shaped by an increasingly volatile global environment, as conflicts in the Middle East, Africa, and Eastern Europe impact development and humanitarian assistance efforts. International cooperation will be critical for overcoming these challenges, particularly as the world encounters new crises requiring coordinated

¹ The Reports Consolidation Act of 2000 (Pub. L. No. 106-531) requires USAID to include in its performance and accountability report a statement by the Office of Inspector General summarizing the most significant management and performance challenges facing the Agency and the progress made in addressing them.

bilateral and multilateral responses. The Agency relies on the United Nations and other public international organizations to fulfill its mission but faces challenges in ensuring these organizations provide timely reporting of allegations of misconduct, such as fraud, sexual exploitation, and diversion, as well as unhindered access to information needed for effective oversight.

The three broad challenges we highlight in this report are not the only significant issues that confront USAID, nor does identification of an issue as a top challenge denote lack of attention on the Agency's part. Rather, most of these issues are long-standing, difficult challenges central to USAID's core mission and therefore likely will remain top challenges for years to come. Consequently, they require consistent, focused attention from USAID leadership and ongoing engagement with Congress and other stakeholders.

OIG is dedicated to providing independent oversight of USAID's programming and personnel. As such, in the coming year we will conduct audits, evaluations, and inspections to support the Agency as it addresses these and other challenges in an effort to improve U.S. foreign assistance. We will also continue to hold bad actors accountable by investigating allegations of corruption, misconduct, and other wrongdoing that threaten the integrity of USAID's vital programming.



Paul K. Martin
Inspector General



Challenge 1. Measuring Effectiveness, Tracking Results, and Improving Sustainability of U.S. Foreign Assistance

For USAID's humanitarian and development assistance efforts to achieve long-lasting impact, the Agency must be able to effectively track the progress of its programs and measure whether they are achieving their intended goals. Factored into this challenge is the need for program offices to comply with existing policies and procedures, obtain and use reliable data, and hold implementers (nongovernmental organizations or NGOs, contractors, and public international organizations or PIOs) accountable for results. Simultaneously, USAID must strengthen its efforts to detect and prevent corruption, fraud, and sexual exploitation and abuse, as these serious issues compromise the integrity of Agency programs, create reputational risk to USAID, and betray the very beneficiaries its programs are intended to assist.

Obtaining Quality Information From Partners and Improving Reliability of Agency Systems

Obtaining current, complete, and accurate data from USAID-funded grantees and contractors (implementers) is essential for the Agency to identify shortcomings in current programs and modify projects as appropriate. This is particularly critical in places such as Ukraine where travel is highly restrictive, or Gaza where current U.S. embassy travel restrictions prevent USAID personnel from entering the region.

In 2022, USAID contributed \$1.7 billion to the World Bank’s Single Donor Trust Fund to reimburse the government of Ukraine for healthcare worker salaries. However, our February 2024 evaluation found that USAID did not verify the accuracy of the salaries in expenditure reports because it was not required to do so by its own policy.² As a result, one report initially included approximately \$42,500 in expenditures for 350 mobilized healthcare workers—a category of personnel excluded from salary reimbursement. By not verifying Ukraine salary reports, USAID risked supporting ineligible expenditures. The Agency concurred with our recommendation to implement an action plan to verify the accuracy of the Ukraine healthcare worker salary reports and remediate any deficiencies.

A similar challenge relates to the Agency’s management of indirect cost agreements, which are used to reimburse implementers for expenses such as office space, utilities, and salaries not directly tied to specific awards. A January 2024 audit found that limitations with USAID’s systems and the lack of a monitoring process limited the Agency’s ability to determine whether indirect costs are reasonable, allowable, and allocable.³ We made six recommendations to help USAID negotiate and apply contractor and grantee indirect costs in compliance with government-wide and Agency requirements with the goal of preventing implementers and their subawardees from overcharging USAID for these expenses; four recommendations remain open.

We have previously alerted USAID about a vulnerability concerning the conversion of program funds from U.S. dollars into other currencies.⁴ Without robust transparency and oversight, such actions expose USAID programming to increased risks of theft, embezzlement, diversion of funds, and fraudulent invoicing. In crisis areas, several different exchange rates exist, including unofficial or black-market exchange rates, which can vary by as much as 10 times more than the official rates. These large variances can encourage individuals to buy a currency in one market and sell it at a higher rate in another market in a process known as currency arbitrage. Allowing implementers to buy and sell currencies without any requirements to disclose their financial gains creates the risk that implementing organizations will benefit from U.S. government funding that is intended for beneficiaries.

In addition, implementers are not required to provide detailed documentation of their currency exchange transactions, which creates an opportunity for fraudulent activity by implementers, subawardees, or government entities. Agency policy directs implementers to ask USAID mission directors for the written procedures on converting U.S. dollars to local currency instead of requiring the mission director to provide the information at the onset of an award.⁵ Our investigations have revealed that multiple USAID missions in the Middle East had no record of being contacted by any implementer regarding this requirement, had not expressly prohibited the use of black-market

² USAID OIG, [Direct Budget Support: USAID Ensured That the Government of Ukraine Adhered to Required Controls, but Did Not Verify the Accuracy of Salary Expenditures](#) (8-121-24-001-M), February 13, 2024.

³ USAID OIG, [Negotiated Indirect Cost Rate Agreements: Opportunities Exist to Improve Processes and Data Management](#) (3-000-24-001-U), January 26, 2024.

⁴ USAID OIG, [Update: Conversion of U.S. Dollars into Local Currencies in Conjunction With Complex Emergencies](#) (memorandum), September 27, 2023.

⁵ USAID, [“Standard Provisions for U.S. Nongovernmental Organizations”](#) (mandatory reference for Automated Directives System [ADS] Chapter 303), Section M.15, December 29, 2022.



exchange rates by implementers, or were providing broad and unspecified country guidance that was more than 35 years old.⁶

Another critical area of focus is ensuring the reliability of Agency information technology (IT) systems, especially given USAID's increasing reliance on cloud computing services. Cloud computing provides Federal agencies with a shared pool of networks, servers, storage, applications, and services available 24/7 but also presents a risk of cybersecurity compromises, which could result in higher costs, litigation, loss of public trust, and reputational harm.

We found that USAID did not consistently follow three of five requirements for procuring and monitoring cloud computing services because Agency policy was unclear or inconsistently applied.⁷ Without clear guidance on producing cost-benefit and alternative analyses for potential cloud service contracts, it is uncertain whether staff are conducting and using such analyses to reduce the risk of investing in services that are not cost effective or best aligned with the Agency's needs. USAID also did not consistently implement and document its monitoring of security controls or update security plans for the cloud computing systems we reviewed, an omission that may affect the security of the Agency's data.

USAID also needs to resolve long-standing weaknesses in its access controls for its IT systems. In FY 2020, our office recommended that USAID's Office of the Chief Information Officer (OCIO), with support from the Office of Human Capital Talent Management (HCTM), improve controls for verifying that accounts are disabled in a timely manner. OIG also recommended that the Chief Human Capital Officer maintain electronic records for employees leaving the Agency.⁸ However, a recent audit found that after almost 4 years, OCIO and HCTM officials have not implemented our recommendations.⁹ The officials explained that offboarding involves staff housed in various bureaus and offices across the Agency (including contracting officer's representatives, executive officers, Administrative Management Services officers, payroll specialists and human resources specialists). This decentralization of offboarding responsibilities reflects the diverse array of hiring mechanisms used at USAID. Despite repeated efforts, OCIO and HCTM officials have not succeeded in getting the other bureaus and offices to act on our two long-standing recommendations.

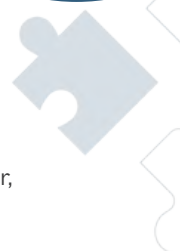
These ongoing weaknesses heighten the risk that USAID's information systems will be subject to account misuse and unauthorized access. In addition, the Agency lacks assurance that departing employees have returned IT equipment (laptops, tablets, cellphones, and other electronic devices) and diplomatic passports, paid outstanding debts, and stopped receiving transit benefits. Until USAID establishes a central mechanism to effectively manage these off-boarding processes, it remains vulnerable to unauthorized access, compromising the confidentiality, integrity, and availability of its information and systems.

⁶ USAID OIG, [Update: Conversion of U.S. Dollars into Local Currencies in Conjunction With Complex Emergencies](#) (memorandum), September 27, 2023.

⁷ USAID OIG, [Cloud Computing: USAID Needs to Improve Controls to Better Protect Agency Data](#) (A-000-24-004-P), September 16, 2024.

⁸ USAID OIG, [USAID Generally Implemented an Effective Information Security Program for Fiscal Year 2020 in Support of FISMA](#) (A-000-21-004-C), January 7, 2021.

⁹ USAID OIG, [USAID Implemented an Effective Information Security Program for Fiscal Year 2024 but Longstanding Weaknesses Persist](#) (A-000-24-005-C), September 19, 2024.





Ensuring That USAID Program Offices Coordinate With Third-Party Monitors to Comply With Agency Requirements

USAID uses third-party monitors (TPMs) as a critical oversight tool to monitor program implementation, help the Agency and its partners make programmatic adjustments, and inform future design and decision making. The Agency has faced challenges in relying upon these entities to monitor USAID programs, particularly in nonpermissive environments (regions of the world subject to instability, inaccessibility, or insecurity).

For example, an April 2024 Government Accountability Office (GAO) report noted that USAID bureaus and missions providing assistance overseas have controls to prevent and detect fiduciary, counterterrorism- or sanctions-related, and security risks, but their ability to conduct direct oversight in conflict zones is limited.¹⁰ Therefore, they rely largely on remote techniques, such as third-party monitoring for oversight. However, an absence of guidance for using third-party monitoring to detect risks has led to varying use of this method. The report also noted that USAID's Bureaus for Humanitarian Assistance and for Conflict Prevention and Stabilization have formal mechanisms to share lessons learned about risk management in conflict zones, but the entire Agency does not have such a mechanism. Without a way to systematically share lessons learned across conflict zones, missions cannot benefit from valuable practices employed in other regions and may unnecessarily make or repeat mistakes.

¹⁰ U.S. Government Accountability Office (GAO), *Foreign Assistance: USAID Should Strengthen Risk Management in Conflict Zones* (GAO-24-106192), April 30, 2024.

Achieving Desired Humanitarian and Development Aid Outcomes

The need for sustainable foreign assistance in locations across the globe is exacerbated by extreme weather events. Heat waves, droughts, wildfires, floods, cyclones and other extreme weather events affect social and economic development and disproportionately impact the poorest and most marginalized communities. In April 2022, USAID announced a new, 8-year climate strategy with the following goals: to mitigate greenhouse gas emissions; conserve, restore, or manage natural ecosystems; and mobilize \$150 billion of public and private finance to address climate change. However, as we reported in July 2024, USAID did not have quality data to support its efforts to implement a comprehensive climate strategy.¹¹ Specifically, the data was not complete, accurate, accessible, or current due to the design of USAID's information system and related processes the Agency used to collect and report data on its climate change mitigation activities.

We also found weaknesses in USAID's processes for awarding funds, managing performance, and communicating climate change information. For example, USAID did not have a full inventory of its activity funding for climate change mitigation efforts. The Agency provided us with two different reports showing that it expended as much as \$2.6 billion on climate change mitigation from FY 2011 to FY 2021 but \$1.5 billion from FY 2013 to FY 2020. Moreover, the Agency's performance management process did not include key information on operating unit responsibilities, specific timeframes for achieving strategic targets, and measurable terms for assessing performance. The Agency also lacked efficient processes for communicating comprehensive, consolidated information on its mitigation efforts to internal and external stakeholders, which hindered its ability to transparently demonstrate its climate change mitigation work. We made five recommendations to improve USAID's ability to implement its climate strategy; all five recommendations remain open. Until it addresses these issues, USAID may not achieve the impact that is needed to tackle this global challenge.

Another key issue for USAID has been transitioning from providing short-term humanitarian assistance to long-term development assistance in response to prolonged crises. Over the past decade, USAID has focused on ensuring that development initiatives are sustainable, in part by fostering long-term commitments from local stakeholders. However, tailoring solutions to the specific needs and contexts of local populations has proved challenging.

In Burma and Bangladesh, USAID provided life-saving humanitarian aid to displaced Rohingya people and refugees. While USAID's food and nutrition assistance programming has been critical for addressing immediate needs of the Rohingya, the Agency has struggled to provide more sustainable aid in both countries. Our January 2024 audit found that USAID faced multiple challenges that impeded its ability to transition from humanitarian to long-term development assistance, including host country restrictions in Bangladesh and access and security issues in Burma.¹² USAID also lacked a centralized strategy for moving from humanitarian aid to development programming; instead Agency operating units worked under their individual mandates and governing strategies that shaped each unit's siloed response to the crisis. As a result, USAID did not have clearly defined end goals, specific and measurable outcomes, clear roles and responsibilities, or a roadmap for achieving those goals.

¹¹ USAID OIG, [USAID's Climate Strategy: Limitations in Information Quality and Agency Processes Compromise Implementation](#) (5-000-24-002-P), July 17, 2024.

¹² USAID OIG, [Rohingya Crisis: Ongoing Challenges Limit USAID's Ability to Move From Humanitarian to Development Assistance](#) (5-000-24-001-P), January 19, 2024.

With respect to its localization efforts, USAID allocated only 1 percent of its total funding for the Rohingya crisis directly to local organizations due to limited local capacity as well as USAID’s bandwidth to monitor and support those organizations. We made six recommendations, five of which remain open, to improve USAID’s humanitarian and development assistance efforts in response to the Rohingya crisis.

Balancing Localization Efforts With Staffing and Funding Limitations

USAID continues to prioritize locally led development—shifting funding and decision-making authority to local organizations to “foster sustainable results across its development and humanitarian assistance work.”¹³ However, diversifying its partner base remains a significant challenge for the Agency.

In 2019, the Agency launched the New Partnerships Initiative (NPI), which creates avenues for new and underutilized partners—defined as organizations that have received less than \$25 million in awards from USAID over the past 5 years—to work with the Agency through an updated approach to partnering and procurement. As our audit found, USAID missions identified longstanding challenges to working with these partners, including their inexperience and USAID’s limited monitoring bandwidth.¹⁴ Consequently, future localization efforts will need to take these challenges into account. The Agency concurred with our three recommendations for improving and streamlining USAID’s processes for measuring and reporting NPI performance results.

USAID has also faced challenges when working with local partners in Latin America and the Caribbean (LAC), where the U.S. government has significant economic, political, security, and humanitarian interests but also faces a range of external challenges, such as corruption and criminal activity. For example, our audit of three USAID missions found that they implemented certain required procedures before making awards to local organizations in the LAC region; however, they missed opportunities to enhance risk management for the program.¹⁵ Two of the three missions did not request or document required reviews to identify whether proposed local implementers had any known involvement with drug trafficking. By not applying robust risk management practices into the pre-award process for local entities or ensuring full compliance with Federal requirements, USAID may subject itself to significant reputational harm that undermines U.S. credibility and interests.

Still, USAID is finding ways to hold implementers accountable for results. For example, with the emphasis on expanding locally led development, USAID has increased its use of fixed-amount awards (FAAs). Unlike traditional assistance awards, FAAs do not require the Agency to review implementers’ actual costs, reducing the administrative burden. As we reported, this approach holds implementers accountable for results throughout the life of a project, as the Agency only makes award disbursements once specific milestones are achieved.¹⁶

¹³ USAID, [What Is Locally Led Development? Fact Sheet](#), n.d., accessed September 3, 2024.

¹⁴ USAID OIG, [New Partnerships Initiative: USAID Provided Technical Assistance to Support Implementation but Faced Challenges with Data Reliability, Partner Inexperience, and Mission Staff Capacity](#) (9-000-24-003-P), March 25, 2024.

¹⁵ USAID OIG, [Pre-Award Risk Management: USAID and IAF Missed Opportunities to Enhance Risk Management of Local Entities in Latin America and the Caribbean](#) (9-000-24-004-P), May 30, 2024.

¹⁶ USAID OIG, [USAID Conducted Risk Assessments and Monitoring for Sampled Fixed Amount Awards](#) (900024002-P), March 22, 2024.

Preventing Aid Diversion and Fraud

Safeguarding the Agency's programming from fraud, corruption, diversion, and other misconduct remains an ongoing challenge for USAID. Theft and diversion of cash assistance, food, medicine, and other commodities frustrates the intent of the United States, which contributed the aid, and deprives the people who are most in need of humanitarian assistance. Moreover, there is a high risk that aid and money could be diverted to foreign terrorist organizations (FTOs) or scammers seeking to defraud prospective job, grant, and visa applicants.

In November 2023, we highlighted the responsibility of organizations receiving USAID humanitarian assistance funding in Gaza to identify and report diversion to Hamas and other U.S.-designated terrorist organizations.¹⁷ We followed up on that alert with an advisory in July 2024 that focused on the various oversight mechanisms available to USAID: self-reporting by Agency-funded implementing organizations, partner vetting, antiterrorism certification in contracts, and third-party monitoring.¹⁸ Our past investigations have identified deliberate interference and efforts to divert humanitarian assistance in regions where FTO activity is prevalent. This includes: systemic coercion of aid workers by FTOs; imposition of taxes, duties, and fees on USAID awardees and beneficiaries; and FTO influence over beneficiary selection and the management of camps for internally displaced persons. Rigorous oversight and accountability measures by USAID in nonpermissive environments can help ensure that U.S. government-funded assistance is protected from diversion or fraud. For example, when bread provided under a USAID award was diverted from the intended beneficiaries at the al-Hol refugee camp in Syria,¹⁹ the Agency disallowed \$17,940 in costs from the awardee, which was responsible for administering the USAID-funded assistance. USAID also informed all of its operational awardees across Syria that allegations related to diversion, fraud, waste, and abuse of U.S. resources must be reported to OIG. In another example, an implementing organization in South Africa agreed to pay \$671,914 to resolve allegations that it had knowingly submitted false payment claims to USAID for employees who had not performed any work.²⁰



¹⁷ USAID OIG, [Responsibility to Identify and Report Potential Diversion of U.S. Humanitarian Aid to Hamas and Other Foreign Terrorist Organizations](#) (advisory), November 3, 2024.

¹⁸ USAID OIG, [Assessment of USAID's Oversight Policies to Prevent the Diversion of Assistance to Hamas and Other Terrorist Organizations](#) (advisory), July 25, 2024.

¹⁹ USAID OIG, [OIG Investigated and Found Food Diversion in the al-Hol Displaced Persons Camp in Northeast Syria](#) (investigative summary), August 30, 2024.

²⁰ Department of Justice, "South African Company Agrees to Pay \$617,914 to Resolve False Claims Act Allegations," September 5, 2024.

One of our recent investigations found that a company in Zahle, Lebanon, which received \$89,798 from a USAID-funded grant to support ecotourism and agrotourism in Lebanon, employed children in various positions.²¹ The company also transported the children to its location from what witnesses described as local Syrian refugee camps. OIG investigators interviewed the owner and manager who admitted to employing multiple minors. USAID terminated the grant and issued 2-year debarments for the owner and his company.

We have also notified the Agency about ongoing fraud schemes that misuse USAID's name, Agency symbols, and letterhead to defraud prospective job applicants, USAID grant applicants, and visa program applicants.²² In these schemes, individuals and entities claim to represent USAID or a USAID-funded organization. The scammers require victims to pay fees associated with job, grant, and visa applications through wire transfers or mobile money applications. Hundreds of applicants defrauded by these schemes have lost hundreds of thousands of dollars.

Stopping Sexual Exploitation and Abuse and Human Trafficking in the Foreign Aid Sector

As we have noted in previous Top Management Challenges reports, addressing sexual exploitation and abuse (SEA) and human trafficking in the foreign aid sector remains a persistent issue for USAID due to the inherent power imbalance between aid workers and beneficiaries. Our previous work identified gaps in USAID's approaches for preventing SEA in Agency award and monitoring processes and responding to SEA allegations.²³ USAID concurred or partially concurred with our nine recommendations to bolster the Agency's controls for preventing and responding to SEA of beneficiaries. However, two recommendations requiring the Agency to update its pre-award risk assessment process and acquisition and assistance award requirements to better prevent and detect instances of SEA remain open.

Still, preventing SEA remains a paramount challenge for USAID, necessitating urgent and sustained attention. According to the UN, in the first year of Russia's full-scale invasion of Ukraine, one-third of Ukraine's population of 41.4 million people was uprooted and forced to flee to safer areas within the country, in neighboring countries in Europe, or further abroad. Ninety percent of the people displaced by the war were women and children. Given the high displacement rates, women experienced an elevated risk of SEA and trafficking.²⁴

²¹ USAID OIG, [Investigative Summary: OIG Investigation into Child Labor Allegations at Lebanese Company Results in Sub-Grant Termination and Debarment](#), July 11, 2024.

²² USAID OIG, [Fraud Alert—USAID Name and Logo Used to Defraud Job, Grant, and Visa Applicants](#) (advisory), June 14, 2024.

²³ USAID OIG, [USAID Should Implement Additional Controls To Prevent and Respond To Sexual Exploitation and Abuse of Beneficiaries](#) (9-000-21-006-P), May 12, 2021.

²⁴ USA for UNHCR (the UN Refugee Agency), [5 Things You Should Know About the War in Ukraine](#), February 23, 2024.



A serious crime and a grave violation of human rights, trafficking in persons is a global challenge. In 2023, OIG issued an audit to assess USAID's implementation of counter-trafficking in persons (C-TIP) programming in Asia. OIG found that USAID adhered to some C-TIP programming objectives but did not consistently integrate C-TIP across development sectors, engage with trafficking survivors, designate C-TIP coordinators, or track implementer compliance with trafficking in persons prevention and detection requirements. Though several actions have since been taken to address these findings, the Agency has yet to fully address OIG's recommendations to align and update policies, procedures, and other key guidance to mitigate C-TIP risks across its missions in Asia.²⁵

Similarly, a recent GAO report found that USAID had not taken the initial steps outlined in a 2019 memorandum from the Office of Management and Budget to identify risks of working with contractors who engage in human trafficking.²⁶ While the Agency communicated Federal anti-trafficking requirements to contracting officials through training and guidance, compliance with requirements was inconsistent. In addition, USAID had not yet taken a systematic approach to managing risks in contracting to better support the U.S. zero-tolerance policy for human trafficking.

²⁵ USAID OIG, *Counter-Trafficking in Persons: Improved Guidance and Training Can Strengthen USAID's C-TIP Efforts in Asia* (5-000-23-001-P), September 11, 2023.

²⁶ GAO, *Human Trafficking: Agencies Need to Adopt a Systematic Approach to Manage Risks in Contracts* (GAO-24-106973), July 30, 2024.



Challenge 2. Relying on the United Nations and Other Organizations to Distribute U.S.-Funded Aid, Particularly in Unstable or Inaccessible Environments

USAID depends on UN agencies and other public international organizations (PIOs) as well as NGOs and contractors to implement its programs. Due to access and security issues in some countries and regions, direct oversight and monitoring by USAID of these organizations continues to present a very real challenge.

Oversight of Public International Organizations in Nonpermissive Environments

Cutting across a significant amount of oversight of U.S. foreign assistance is the extent to which USAID and OIG successfully obtain information from USAID-funded UN agencies about alleged misuse of aid funds.²⁷ USAID funds billions of dollars in humanitarian assistance and developmental programming through UN agencies across the globe, often in nonpermissive environments such as Gaza, Ukraine, Ethiopia, and Haiti. To conduct effective oversight, USAID and OIG must have access to the same level of information from PIOs that they receive from nongovernmental organizations or contractors.

²⁷ USAID OIG, [Independent Oversight of USAID Funding to United Nations Agencies](#), September 11, 2024.



Our work has led to fundamental changes to USAID awards to UN agencies, including new requirements to promptly disclose to OIG credible allegations of fraud, corruption, and sexual exploitation and abuse. In August, we issued an evaluation of USAID’s due diligence of funding to PIOs, including UN agencies.²⁸ The evaluation focused on 67 PIOs that received approximately \$46 billion in USAID funding between FY 2019 and FY 2022 and found that USAID did not consistently use due diligence mechanisms for its pre-award processes and some of its post-award processes to ensure effective oversight of PIOs. We noted that when USAID does not use established mechanisms to ensure that a PIO is capable of safeguarding USAID funding, the Agency lacks information on potential vulnerabilities that may lead to waste or misuse within critical programming.

USAID’s disbursements to PIOs increased from \$5.3 billion in FY 2019 to \$24.2 billion in FY 2023. However, PIOs are not subject to the same rigorous oversight regulations as contractors, grantees, and other nongovernmental organizations. Still, USAID’s policies on PIO agreements include a variety of due diligence mechanisms to help ensure proper oversight of U.S. funds. Pre-award, USAID must perform organizational capacity reviews to ensure that a PIO is capable of safeguarding Agency resources. While USAID reports that it conducts these reviews every 5 years, our evaluation found that, for more than 70 percent of PIOs, USAID did not conduct the reviews in line with Agency guidelines.²⁹ Similarly, after making an award, USAID can rely on a variety of due diligence mechanisms,

²⁸ USAID OIG, [Public International Organizations: USAID Did Not Consistently Perform Expected Due Diligence](#) (E000-24-002-M), August 22, 2024.

²⁹ USAID OIG, [Public International Organizations: USAID Did Not Consistently Perform Expected Due Diligence](#) (E000-24-002-M), August 22, 2024.

including spot checks, that vary by agreement type. For the type of awards we reviewed, however, USAID generally did not perform spot checks and had limited guidance on how to conduct such reviews. Without more rigorous pre- and post-award mechanisms, Agency officials will lack access to information about vulnerabilities in a PIO's policy or organizational framework, project operations, and management that might lead to waste or misuse of U.S. aid funds.

Oversight of Implementers in Nonpermissive Environments

Nonpermissive environments constrain USAID's ability to safely and effectively execute its programs. For example, attacks on implementing organizations in Ukraine have impacted their ability to reach nonpermissive environments and provide humanitarian assistance safely.³⁰ In Iraq, already challenging conditions have been compounded by the lack of effective coordination among NGOs, which has hindered their ability to engage collectively with local authorities and increase access to humanitarian programs.³¹

Both USAID and OIG encounter significant challenges in overseeing U.S.-provided assistance in Ukraine and Gaza due to the severity of the ongoing conflicts. U.S. government personnel face restrictions when traveling outside of a limited "Green Zone" around Kyiv and from entering any part of Gaza. Despite these limitations, we strive to alert the Agency about vulnerabilities in its aid programs and to ensure that USAID-funded organizations operating in nonpermissive environments report allegations of wrongdoing so that our criminal investigators can hold accountable those who corrupt or defraud taxpayer-funded programs. Given the challenges posed by Gaza's inaccessibility to OIG staff, we are working to secure both on-the-ground and geospatial monitoring contracts to gather information that will inform our oversight work and assess the effectiveness of USAID's ongoing programming. These initiatives, coupled with our audits and evaluations, will allow us to inform USAID and external stakeholders about the key risks and challenges to the Agency's programming.

³⁰ USAID OIG, State OIG, DoD OIG, [Operation Atlantic Resolve Lead Inspector General Quarterly Report to Congress, April 1, 2024–June 30, 2024](#), August 15, 2024, p. 71.

³¹ USAID OIG, Department of State OIG, Department of Defense (DoD) OIG, [Operation Inherent Resolve Lead Inspector General Quarterly Report to Congress, April 1, 2024–June 30, 2024](#), July 31, 2024, p. 58.



Challenge 3. Hiring and Retaining Skilled Staff and Adapting Programming to Address Emerging Priorities

Hiring and retaining skilled and experienced staff has been a longstanding challenge for USAID. This includes ensuring adequate staffing to facilitate implementation of rapid-response programming—a critical need, given that USAID responds on average to 75 crises in 70 countries every year, providing humanitarian aid to tens of millions of people. In addition, budgetary planning remains difficult as the Agency only has full control of a portion of its allocated funding with the rest subject to congressional earmarks that may not reflect Agency priorities. Still, USAID may be able to adapt its programming to emerging crises by leveraging flexibilities in its policies and procedures.

Managing the Composition and Allocation of Agency Staffing

Staffing challenges can lead to consequential outcomes affecting USAID’s rapid-response programming in countries in crisis or where USAID-affiliated personnel are in danger. For example, during the United States’ withdrawal from Afghanistan in August 2021, USAID did not have defined evacuation-related roles and responsibilities or a mechanism to accurately track implementing organization staff.³² Further, staff and volunteers detailed to the effort did not consistently have the necessary

³² USAID OIG, *Withdrawal From Afghanistan: USAID Faced Challenges Assisting in the Evacuation and Relocation of Implementer Staff* (E-306-24-001-M), March 18, 2024.

institutional knowledge or skills to perform evacuation-related tasks efficiently. One Agency official noted that because USAID is generally short staffed, it must rely on the same people to respond whenever emergencies arise, which exacts a physical and mental toll on those routinely involved in these crises. As a result, staff working for USAID-funded implementers said they felt that they did not receive enough support from USAID because the Afghanistan mission was understaffed before the evacuation. In addition, implementer staff said they had trouble accessing information from the mission during the evacuation.

Our evaluation also found that adaptable risk management strategies would help USAID respond to rapidly changing environments and unanticipated global crises. Specifically, USAID's Bureau for Asia, which provides technical and programmatic support to the USAID Mission in Afghanistan, did not conduct a comprehensive review of the risks that the mission in Kabul identified before the evacuation—likely due to the staff's limited knowledge and experience in this area. The lack of a full review may have weakened the Agency's response to the withdrawal. As USAID continues to be involved in complex crises globally, it should identify the organizational risks facing both its bureaus and their subordinate missions. USAID agreed with six of our seven recommendations to improve the Agency's preparation to support implementing organizations during a withdrawal; two recommendations remain open. In addition, USAID updated its Emergency Planning Overseas policy in September 2024.³³

In an April 2024 report, GAO recommended that USAID strengthen its risk management in conflict zones, noting that the Agency

did not comprehensively assess or document ... the relevant fraud risks affecting its assistance in the three conflict-affected countries GAO selected for its review—Nigeria, Somalia, and Ukraine. As a result, USAID cannot ensure it has identified and is mitigating all relevant fraud risks in these countries. [For example], while the Nigeria and Ukraine missions conduct financial reviews to detect fiduciary risks, the Somalia mission has not. Additional oversight in conflict zones would strengthen USAID's ability to detect risks of misuse or diversion.³⁴

During a review of the operations at USAID's Bureau for Global Health, GAO found that the bureau's staffing is not aligned with its mission and priorities.³⁵ GAO made six recommendations, including that USAID ensure the bureau develops a workforce plan, improves performance assessments and reporting, documents lessons learned from the COVID-19 pandemic, and institutionalizes efforts to address negative behaviors affecting the bureau's culture. USAID concurred with all of GAO's recommendations but they remained open as of September 2024.

³³ USAID, Automated Directives System, Chapter 530, "Emergency Planning Overseas," September 12, 2024.

³⁴ GAO, *Foreign Assistance: USAID Should Strengthen Risk Management in Conflict Zones* (GAO-24-106192), April 30, 2024.

³⁵ GAO, *USAID: Management Improvements Needed to Better Meet Global Health Mission* (GAO-23-105178), June 9, 2023.

Designating Resources While Controlling Only a Portion of the Agency’s Allocated Funding

Budgetary planning remains a challenge for USAID as it works to fulfill its humanitarian and development mandate. In part, this is because the Agency’s funding is subject to congressional earmarks as well as administration and State Department priorities. While some program earmarks align with USAID’s priorities, in general earmarks reduce the Agency’s ability to act flexibly and support the administration’s current goals. To ensure that such funds are spent in accordance with the intent of Congress, USAID is required to align its budget execution with earmarked purposes even if they do not fully align with broader Agency priorities. Further, it is difficult for USAID to allocate earmarked funds to other activities, such as economic growth, energy security, conflict mitigation. Our previous audit work has suggested that earmarks may create a mismatch between a country’s development and cooperation strategy and its budget allocation.³⁶

In FY 2022, for example, congressional earmarks constituted 85.9 percent of the \$8.7 billion in funding for the Agency’s Economic Support Fund, development assistance program, and funding for Europe, Eurasia, and Central Asia. Similarly, earmarks comprised 84.9 percent of a base of \$9.2 billion in FY 2023 and 91 percent of an \$8.6 billion base in FY 2024. According to Agency officials, such a lack of flexibility hinders USAID’s ability to achieve its humanitarian mission without compromising overall effectiveness.

Leveraging Flexibilities in Policies and Procedures to Adapt Programming to Emerging Issues

An ongoing challenge facing the Agency is the increasing need to respond quickly and efficiently to emerging global crises and humanitarian disasters. One approach is to adapt existing policies and procedures to reflect region-specific challenges. For example, USAID’s actions in Ukraine following Russia’s full-scale invasion can serve as a model for the Agency’s response to new complex emergencies in the future. When escalating hostilities in Ukraine increased the USAID Mission in Ukraine’s (USAID/Ukraine) need for flexible programming, the Administrator gave the mission approval to modify its awards to address wartime conditions and align with Ukraine’s recovery efforts.³⁷ USAID also developed a framework for the Agency’s response to Russia’s invasion that aligned with USAID/Ukraine’s development objectives and the government of Ukraine’s priorities for recovery.

In another example, the Agency authorized the use of a new procurement procedure—the Expedited Procedures Package for Responding to Outbreaks of Contagious Infectious Diseases (Outbreak EPP)—to accelerate awards for COVID-19 programming. The Outbreak EPP deviated from the Agency’s standard competitive procurement procedures by allowing USAID to issue new and



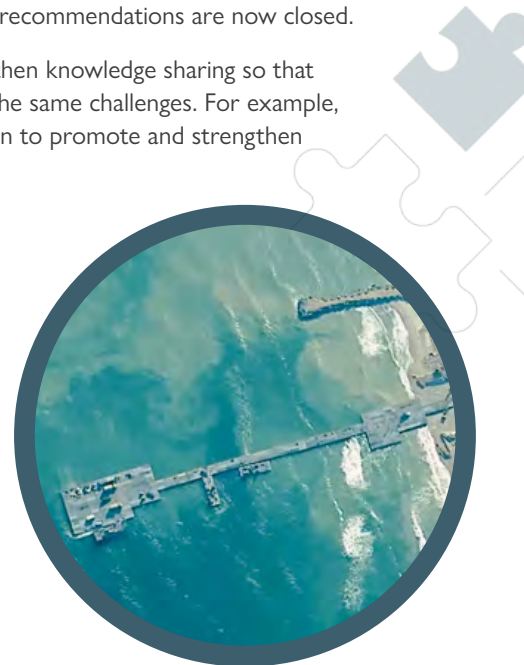
³⁶ USAID OIG, [Audit of USAID/Haiti’s Feed the Future North Project](#) (1-521-16-001-P), October 21, 2015. USAID OIG, [USAID Updated Guidance To Address Inconsistent Use of Journey to Self-Reliance Metrics and Misalignment of Missions’ Budgets](#) (9-000-21-002-P), December 23, 2020.

³⁷ USAID OIG, [Ukraine Response: USAID/Ukraine Adjusted Its Internal Processes and Strategies to Support Recovery Goals for Ukraine](#) (8-121-24-001-P), October 16, 2023.

modified contracts for COVID-19-related activities without resorting to full and open competition. In that undertaking, however, our audit found that USAID did not have complete and accurate information about how the Agency used the Outbreak EPP for COVID-19 programming.³⁸ In addition, USAID lacked an established process for periodically reviewing the continued need of the Outbreak EPP for other diseases. Complete information and periodic evaluation will enable the Agency to better manage its use of the Outbreak EPP approach when addressing future pandemics. USAID agreed with three of our four recommendations to address weaknesses in how the Agency tracks and reports Outbreak EPP information and assesses continued need; all recommendations are now closed.

USAID also has an opportunity to apply lessons learned and strengthen knowledge sharing so that missions can learn from their regional counterparts facing some of the same challenges. For example, during our audit of the efforts of selected missions in the LAC region to promote and strengthen democracy, staff identified a need for regional mission-to-mission knowledge sharing.³⁹ Without support from USAID headquarters to formally organize such learning, missions are not fully aware of lessons learned and program ideas that could enhance their influence and ability to respond to democratic backsliding and other global challenges. USAID concurred with both of our recommendations to improve the Agency's ability to respond to democratic backsliding in the LAC region; both remain open.

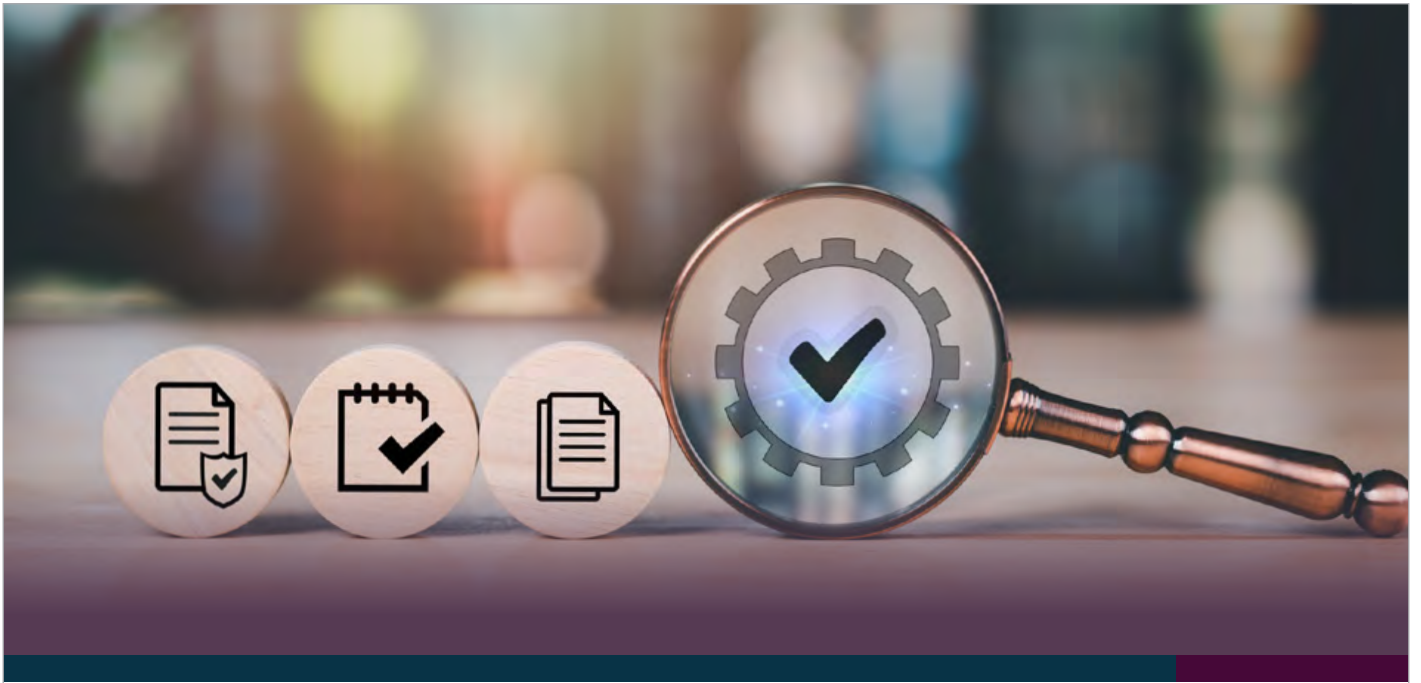
Similarly, our evaluation of USAID's planning, execution, and oversight of the distribution of humanitarian assistance to Gaza via the Joint Logistics Over-the-Shore (JLOTS) maritime corridor noted that USAID should examine its experience with JLOTS for lessons related to deconfliction, stakeholder coordination, and contingency planning.⁴⁰



³⁸ USAID OIG, [COVID-19: Enhanced Controls Could Strengthen USAID's Management of Expedited Procurement Procedures](#) (4-000-24-001-P), October 18, 2023.

³⁹ USAID OIG, [Democratic Backsliding in Latin America and the Caribbean: Practical Guidance and Internal Coordination May Enhance USAID's Response](#) (9-000-24-001-P), January 23, 2024.

⁴⁰ USAID OIG, [USAID's Gaza Response: External Factors Impaired Distribution of Humanitarian Assistance Through the JLOTS Maritime Corridor](#) (E-000-24-004-M), August 27, 2024.



USAID’s Progress on Addressing the Top Management Challenges for FY 2024

USAID has reported progress on addressing the challenge areas identified in last year’s [Top Management Challenges](#) report with the examples detailed below. However, OIG has not verified the completion of these actions or confirmed the extent of the Agency’s progress. For information related to USAID’s actions to address OIG recommendations, refer to our [Semiannual Reports to Congress](#).

Challenge 1. Curbing Corruption, Abuse, and Fraud That Degrade U.S. Foreign Assistance

USAID reported the launch of a new action plan to assess and mitigate diversion risks across all humanitarian programs, including a review of Agency and third-party monitor (TPM) staffing levels and training. In addition, USAID plans to adapt its mandatory annual fraud awareness briefing for staff—developed in coordination with OIG—for its humanitarian assistance partners. USAID also reported engaging directly with UN agencies, including the World Food Programme, on reforms to better address diversion moving forward.

To target business email compromise schemes and mitigate the risks posed by currency exchange arbitrage, USAID highlighted its efforts to:

- Provide cybersecurity notices and annual cybersecurity awareness training to staff;
- Establish multifactor authentication with phishing- and disabling-resistant capabilities;
- Train contracting officer representatives how to detect business email compromise triggers, such as an urgency to act; and
- Coordinate with donors and UN agencies to work with governments or other authorities to limit abuse and arbitrage of foreign currency.

USAID reported that it is continuing to strengthen its controls to prevent and respond to SEA and other safeguarding violations by incorporating a new mandatory standard provision in its cooperative agreements and grants. This provision:

- Prohibits exploitation, sexual abuse, child abuse, and child neglect across USAID programs as well as inaction in response to these violations;
- Requires NGOs to report incidents immediately to OIG; the USAID agreement officer; and the Bureau for Management Responsibility, Safeguarding, and Compliance; and
- Requires partners with larger awards to develop a context-specific plan to assess risks and establish mitigation measures. USAID states that it has formally initiated rulemaking for similar requirements for contractors.

USAID also released comprehensive guidance—on SEA; human trafficking; and child exploitation, neglect, and abuse—for its staff and partners and established a centralized incident and case management system for documenting violations. According to the Agency, as of July 2024, it had trained more than 2,500 staff and partners on safeguarding and compliance topics, including on the new safeguarding mandatory standard provision for NGOs.

USAID established disclosures@usaid.gov as a reporting mechanism for safeguarding violations as well as other forms of social, economic, and environmental harm occurring in connection with USAID-funded programming.

Challenge 2. Mitigating Programming Risks, Increasing Accountability, Improving Stakeholder Awareness, and Strengthening Agency Documentation

Acknowledging that the increased pace of obligations to awardees has made USAID's oversight role more difficult, the Agency reported that it is addressing this challenge in the following ways:

- USAID's Bureau for Planning, Learning and Resource Management (PLR) conducts Organizational Capacity Reviews every 5 years and reviews them annually to ensure they are current and accurate. PLR requires public international organizations to report all program irregularities, waste fraud, and abuse, and allegations of diversion, immediately or as soon as possible, to USAID and OIG.
- As of February 2024, all applicants for Bureau of Humanitarian Assistance funding must submit a Risk Assessment Management Plan (RAMP) to the bureau regardless of whether the operating context is deemed "high risk." RAMP requirements now look beyond sanctions and terrorism risks to include the risk of fraud, waste, and abuse (including diversion) of Federal funds.
- To mitigate risks facing humanitarian assistance programs in Ukraine, USAID is working with OIG to encourage implementers to prevent and report fraud, corruption, and other crimes. The Agency is also using a TPM contractor to provide independent monitoring of USAID-funded humanitarian activities in Ukraine. According to the Agency, to date, TPM monitors have completed 100 site visits to 27 partners to verify and validate that USAID programs are reaching the intended populations.

- USAID also expanded its procurement staff from 6 to 14, including the addition of 4 contracting officers. According to the Agency, this will allow USAID to assign a dedicated team to each development sector for procurement management purposes. USAID is also working to increase employees' awareness of their roles, expectations, and responsibilities.
- In response to OIG's counter-trafficking in persons (C-TIP) audit,⁴¹ the Bureau for Democracy, Human Rights and Governance (DRG) developed and implemented an action plan to improve CTIP-related guidance and training for missions. DRG is also working with the Department of State to streamline C-TIP standard indicators based on feedback from the missions.
- To ensure that documentation of results is sufficient to measure performance, evaluate partners, and fully understand risks, USAID reported issuing guidance reminders and conducting training on performance indicators and target results.

Challenge 3. Optimizing the Workforce to Deliver on USAID's Mission

According to USAID, it plans to conduct the following actions to enhance the effectiveness and diversity of its workforce:

- Schedule an ongoing, annual workforce planning cycle at both the Agency- wide and the operating unit levels to begin in late summer FY 2025.
- Gather and use workforce data reporting and analysis tools to support decision making and engage senior leadership in this approach, clarifying their role in setting strategic direction.
- Develop a workforce planning governance structure, policy, procedures, and guidance. The Agency's forthcoming policy, Automated Directives System Chapter 417, "Workforce Planning," is in draft form.
- Establish an advisory Strategic Workforce Planning Council to set strategic direction on filling vacant positions, planning and budgeting allocation levels, expanding the Pathways Intern Program, developing recruitment and hiring dashboards to communicate the status of position openings, and implementing hiring reform initiatives for Civil Service and Foreign Service employees. Civil Service reform will focus on five pillars: career mobility, talent management (hiring) recruitment strategies, professional development, leadership development, and employee experience.

⁴¹ USAID OIG, [Counter-Trafficking in Persons: Improved Guidance and Training Can Strengthen USAID's C-TIP Efforts in Asia](#) (5-000-23-001-P), September 11, 2023.

The Agency also described its efforts to rebuild the USAID Mission team in Kyiv—hiring 54 new cooperating country national personal services contractors (CCNPSCs), filling 19 new direct hire positions, and increasing the number of offshore-hire U.S. personal services contractors. According to USAID, in May 2023, only 20 out of 73 CCNPSCs were living and working in Kyiv; by June 2024, this number had increased to 110.

USAID reported that it used small increases in operating expense funds from FY 2022 and FY 2023 to add nearly 300 new career positions and also created nearly 600 noncareer Federal employee positions using program accounts authorized by Congress for that purpose. About 400 of the 900 positions were previously designated as contractors.

In support of the global workforce, the Agency reports that it is working to expand and strengthen leadership, learning, and professional development opportunities; build on services that promote well-being, work-life balance, and organizational resilience; and strengthen human resources operations and systems. Underpinning these efforts is a focus on diversity, equity, inclusion, and accessibility.

Challenge 4. Implementing Financial and Information Technology Controls to Safeguard Taxpayer Resources

To strengthen the Agency's financial management controls and close security gaps in its IT practices, USAID reported that it has implemented:

- An automated accruals methodology to minimize human error;
- A process to verify that employees' accounts are disabled in a timely manner in accordance with USAID policy; and
- A revised policy for maintaining the Agency's hardware inventory to include requiring the specific physical location of hardware assets to the degree possible.

PAYMENT INTEGRITY

USAID complies with all regulatory requirements and legal updates on improper payments (IP). PIIA, signed into law on March 2, 2020, requires federal managers to assess and identify high-risk programs and activities and report findings in the AFR, PaymentAccuracy.gov, and the OMB Annual Data Call. Additionally, the U.S. government's Do Not Pay (DNP) Initiative provides access to multiple sources of information, including a centralized DNP portal for federal departments and agencies to verify the eligibility of a vendor, grantee, loan recipient, or beneficiary to receive federal payments prior to disbursing payments.

PIIA requires the identification of IPs and defines an IP as a payment that should not have been made or that was made in an incorrect amount or wrong recipient, or not applicable purpose. PIIA further classifies IPs into two broad categories: monetary loss IPs and non-monetary loss IPs. Such payments include overpayments, underpayments, technically IPs, and unknown payments (UPs).

Monetary loss type IPs (i.e., overpayments) are defined as excess payments that in theory should/could be recovered. They are either intentional or unintentional overpayments.

Intentional monetary loss IPs, commonly referred to as financial fraud, are overpayments that occur on purpose. Examples of such payments include theft, collusion to defraud, defalcations, vendor manipulation of invoices by deliberately increasing invoice, and applicants intentionally understating income on an application to qualify for benefits.

Unintentional monetary loss IPs are overpayments that are accidental in nature because the program is unaware that the payment is an overpayment at the time of the payment; also, the recipient has not purposefully falsified information for gain. Examples of unintentional monetary loss IPs include errors and mistakes in under and overpayments.

Non-monetary loss IPs are payments that do not result in monetary loss to the Agency. They include underpayments and technically IPs.

An **underpayment** is a payment that is less than what is due. When an underpayment occurs, the improper amount is the difference between the amount due and the amount that was actually paid. An underpayment is a non-monetary loss type of IP. Interest that may result from an underpayment by an agency is not considered an IP if the interest was paid correctly.

Technically IPs are payments to the right recipient for the right amount. Therefore, they do not result in the program needing to recover funds due to overpayment. What makes this type of payment technically an IP rather than a proper payment is that the payment process failed to follow an applicable statute or regulation. For example, paying the right recipient the right amount, and for the right purpose, despite failing to obtain all evidence required under regulation prior to payment or despite failing to obtain a statutorily required signature in a contract prior to payment are both technically IPs.

UPs occur when a program cannot discern whether a payment is proper or improper. If a program is still conducting research or reviewing a payment at the time the program must finish sampling and report its results, the payment is considered an UP for reporting purposes that year.

USAID defines its programs and activities in alignment with the manner of funding received through appropriations—these funds are further subdivided into funding for global operations. USAID is dedicated to reducing fraud, waste, and abuse by reviewing and reporting programs susceptible to IPs under PIIA and OMB Circular A-123, Appendix C, *Requirements for Payment Integrity Improvement*, as revised per OMB Memorandum M-21-19, Transmittal

of Appendix C to OMB Circular A-123, *Requirements for Payment Integrity Improvement*.

USAID takes significant steps to reduce and eliminate the Agency's IPs through comprehensive annual reviews of internal controls and the substantive testing of payments. Each year, USAID delivers basic and advanced training courses on voucher examination to its staff in Washington and at global Missions. These courses include sessions about the characteristics of IPs and the process controls to reduce and eliminate them. As a result, staff exercise the highest degree of quality control in the payment process, ensuring Agency accountability.

OMB Circular A-123, Appendix C requires all federal departments and agencies to determine if the risk of IPs is significant and to provide statistically valid annual estimates of IPs when the amount in any program exceeds OMB-established thresholds. Each year, USAID responds to a data call from OMB regarding IPs.

I. ASSESSING RISK

The FY 2024 President's Budget requested more than \$10.5 billion to address humanitarian crises in more than 65 countries, including Ukraine and Syria, and to respond to 75 crises annually. Additionally, \$1.11 billion was allocated to USAID's FTF program to tackle food insecurity worsened by climate change and Russia's war against Ukraine. These initiatives reflected the U.S. commitment to assisting vulnerable populations globally.

The budget also emphasized economic resilience and democratic governance, with \$60 million for the new EDGE Fund to encourage private-sector involvement in global development. Additionally, \$2.8 billion was requested to support democratic governance and counter corruption, and \$522 million was dedicated to aiding Ukraine by maintaining government services and rebuilding infrastructure.

Key focuses included global health, gender equity, and regional stability, with \$10.9 billion for global health programs and \$3.1 billion to advance gender equality. Furthermore, more than \$1 billion of the

request was allocated to address the root causes of irregular migration from Central America, aligning with the Administration's strategy for regional development and stability.

USAID assessed the risk of IPs in all program areas in FY 2023 and FY 2024. The next scheduled risk assessment is planned for FY 2025. On March 11, 2024, the President's FY 2025 Budget Request for the State Department and USAID was reported to be \$42.8 billion for foreign assistance. This budget includes \$28.3 billion in foreign assistance for USAID fully and partially managed accounts, which represents \$411.5 million (1 percent) above the FY 2023 estimate. The budget allocation for USAID would support various initiatives including Sustaining U.S. leadership in Humanitarian Assistance and Stabilization Assistance; Supporting the People of the Middle East; Boosting Economic Growth and Resilience Through Private Sector Engagement; Building and Expanding Digital and Cyber Programs; Addressing Food Security Challenges; Accelerating Climate Action; Championing Global Health and Global Health Security; Ensuring Russia's Strategic Failure in Ukraine; Investing in the Indo-Pacific Region; Supporting Outcompeting the People's Republic of China; Catalyzing Partnerships for Global Infrastructure; Addressing Irregular Migration in the Western Hemisphere; and Revitalizing the USAID Workforce.

II. USAID MANAGEMENT FRAMEWORK FOR PAYMENT INTEGRITY

Operating in more than 100 countries around the world, USAID maintains an accounting and payment system that allows for payments in both U.S. dollars and foreign currencies. Trained authorized officers certify all Agency payments, whether processed by USAID or by the State Department on behalf of USAID. USAID minimizes IPs by integrating its internal control system with these payment business processes. The Agency's IP risk management builds on the concepts of prevention, detection, and response. The framework is a continuously improving process of addressing internal control components

for efficient and effective payment operations; reliable reporting on payments; and legal compliance with payment terms, laws, and regulations, with the goal of safeguarding U.S. government assets during the payment process.

USAID has a rigorous payment process supported by extensive core financial systems, financial management, and procedural controls. For example, in Washington and at Missions, staff first review invoices for potential duplicate submissions, then record proper invoices in a secure online system for storing and imaging documents to establish an approval workflow that guides the review, approval, and routing in the financial system. Controls built into the routing process enable contracting representatives to disallow all or part of a payment, as appropriate. Administratively approved invoices flow automatically to a voucher examiner for review. In accordance with USAID policy, voucher examiners determine whether a valid obligation exists, verify payee details, confirm the mathematical accuracy of the vendor invoice, and confirm that the payment is in accordance with applicable laws and regulations.

Payments approved by the voucher examination section receive a final review by a certifying officer, who is held personally accountable for the propriety of payments. USAID’s extensive process for prepayment control minimizes the

likelihood of IPs and has reduced IPs worldwide, both in the number of incidents and in the total dollar amount. In the 12-month period that ended June 30, 2024, USAID-funded payments were \$27.91 billion, with \$4.12 million in IPs, which resulted in an IP rate of 0.015 percent.

III. RECAPTURE OF OVERPAYMENTS

To complement its extensive prepayment controls, USAID has implemented a series of post-payment activities to satisfy audit requirements for recapturing payments. USAID has determined that it is not cost effective to engage a contracted audit firm for recapture testing. Rather, the Agency’s internal control activities supplement testing for IP by focusing enhanced scrutiny on grants and contracts, which make up a significant portion of USAID’s expenditures. Table 1, shown in Figure 33, summarizes the Agency’s internal control testing for IPs and recapture.

USAID identified \$4.12 million IPs known as non-monetary loss and monetary loss IPs, as defined in PIIA and in OMB Circular A-123, Appendix C. USAID identified \$4.04 million in monetary loss (overpayments) and \$0.08 million in non-monetary loss (underpayments and technically IPs), for the period of July 1, 2023

FIGURE 33. TABLE 1 – IMPROPER PAYMENTS RECAPTURED WITH INTERNAL CONTROLS AND WITHOUT AUDIT PROGRAMS AS OF JUNE 30, 2024

(Dollars in Millions)

Payment Stream	Improper Payment	Overpayment	Amount Recaptured	Percent Recaptured
Allowances	\$ 0.09	\$ 0.09	\$ 0.08	88.82%
Contracts	3.61	3.57	3.51	98.23%
Grants and Cooperative Agreements	0.33	0.31	0.31	100.00%
Other Operating Expenses	0.02	0.02	0.02	94.72%
Training	0.03	0.02	0.02	100.00%
Travel	0.02	0.02	0.01	63.44%
Total	\$ 4.12	\$ 4.04	\$ 3.96	
Recapture Rate = (Total Recapture Amount)/(Total Overpayment) = 3.96/4.04				97.94%

Note: Please note that percentages in this table (Table 1) may vary due to rounding.

through June 30, 2024. During this reporting period, USAID has no high-priority program in monetary loss in excess of \$100 million.

Table 2, shown in Figure 34, depicts the amount of uncollected payments identified for recapture during the period July 1, 2023 through June 30, 2024.

The Agency also leverages the results of audits by the USAID OIG, audits under OMB Circular A-133, Compliance Supplement 2016, and contracts and grants close-outs to identify payment anomalies and target areas for improvement. The applicable financial offices at the Agency promptly initiate corrective actions for duplicates and overpayments caused by administrative errors.

USAID applies recaptured payments in accordance with OMB Circular A-123, Appendix C, by crediting the unexpired funds to the account from which the Agency made them. USAID uses expired fund accounts for the original purpose of the funds or returns the funds to Treasury as miscellaneous receipts. The Agency also deposits recaptured canceled resources as miscellaneous receipts.

If USAID's OUs are unable to collect funds owed from an implementing partner, contractor, grantee, or other party, the Agency will refer the collection to Treasury. Barring any debt compromise, suspension, or termination of collection action or close-out,

the recovery process makes full use of all collection tools available, including installment payment plans, cross-servicing with Treasury, and the claims litigation process in DOJ.

IV. REDUCTION OF IMPROPER PAYMENTS WITH THE DNP INITIATIVE

PIIA requires OMB to submit to Congress an annual report, "which may be included as part of another report submitted to Congress by the Director, regarding the operation of the DNP Initiative, which shall: (A) include an evaluation of whether the DNP Initiative has reduced IPs or improper awards; and (B) provide the frequency of corrections or identification of incorrect information."

USAID has incorporated searches of the PIIA listed DNP databases into the existing processes for verifying a recipient's eligibility. Starting in FY 2018, Treasury began sending a monthly DNP adjudication report that listed possible DNP database matches to USAID's M/OCFO, which then conducted a manual review of disbursed payments by using the online DNP portal. For example, the monthly Treasury DNP adjudication report might identify five matches for a vendor named "Smith." For each possible match, USAID's

FIGURE 34. TABLE 2 – AGING SCHEDULE OF OVERPAYMENTS FOR RECAPTURE AS OF JUNE 30, 2024

(Dollars)

Payment Stream	Overpayment			Aging for Uncollected Overpayment (Month)		
	Recaptured	Uncollected	Total	1 to 6	7 to 12	Total
Allowances	\$ 82,479	\$ 10,381	\$ 92,860	\$ 7,866	\$ 2,515	\$ 10,381
Contracts	3,506,459	63,297	3,569,756	1,743	61,554	63,297
Grants and Cooperative Agreements	312,863	–	312,863	–	–	–
Other Operating Expenses	18,449	1,028	19,477	1,028	–	1,028
Training	24,345	–	24,345	–	–	–
Travel	14,906	8,590	23,496	7,711	879	8,590
Total	\$ 3,959,501	\$ 83,296	\$ 4,042,797	\$ 18,348	\$ 64,948	\$ 83,296

Note: Prior to FY 2019, USAID categorized all sustained questioned and unallowable costs as "improper." As a result of the recent update to OMB Circular A-123, Appendix C, and after further consultation with OMB, USAID will only classify questioned and unallowable costs that result from a payment error as improper.

M/OCFO would determine if the vendor was correctly identified or if the payment was proper.

USAID is currently using the following databases:

- The Full Death Master File of the Social Security Administration;
- The GSA's System for Award Management; and
- The Treasury Offset Program (TOP) Debt Check Database.

For reporting purposes, the data in question include the following:

- Payments reviewed for IPs, which includes all payments screened by the DNP Initiative or other USAID internal databases managed by USAID's M/OCFO as appropriate, and disbursed by, or on behalf of USAID;
- Payments stopped, which includes payments intercepted or not disbursed because of the DNP Initiative; and
- IPs reviewed and not stopped, which includes payments reviewed by the DNP databases, disbursed, and later identified as improper.

USAID's M/OCFO plans to continue using the portal to adjudicate any DNP matches.

Since FY 2015, USAID has reviewed 518,847 payments that totaled \$104.4 billion, using the DNP Initiative to conclude "No" confirmed IPs.

V. MANAGING FRAUD

As the world's largest bilateral donor, the Agency realizes that countering corruption is crucial to fulfilling USAID's mission and goals. USAID also recognizes that fraud risk management is not a one-time exercise but a dynamic process. The Agency understands the importance of addressing fraud strategically and has, therefore, adopted a proactive approach. During FY 2024, USAID continued to improve its vigorous approach to managing fraud and continued its consistent messaging and concerted actions on fraud prevention and detection.

USAID implements its anti-fraud plan (<https://www.usaid.gov/sites/default/files/2022-05/596sac.pdf>), which provides a strategic implementation approach that protects USAID's operations and programs against fraud, and ensures the Agency can work effectively with governments, civil society, and the private sector in its partner countries. The plan includes awareness, prevention, detection, monitoring, early response, reporting, and evaluation of fraud and is included in guidance provided on the submission of annual risk profiles and internal control deficiencies for all USAID M/B/IOs. This process provides appropriate monitoring over material weaknesses, significant and control deficiencies, and regular updates on corrective action plans of the Agency's AUs to better understand and develop mitigating solutions to identified risk(s). Considering that USAID works with a number of governments, the Anti-Fraud Field Guide (<https://www.usaid.gov/about-us/agency-policy/series-500/references-chapter/596sad>) was created to operationalize and implement the Anti-Fraud Plan and highlight how existing tools and processes at USAID can be tailored to implement anti-fraud activities at the AU and program-specific level.

Keeping in mind that fraud involves intentional actions or omissions, including misrepresentations, to obtain a financial benefit; and that corruption is the dishonest or fraudulent conduct by those in power, the Agency is committed to highlighting anti-corruption as a core U.S. national security and development priority, along with the greater U.S. government. To that effect, the Agency has also put in place an Anti-Corruption Policy (<https://www.usaid.gov/anti-corruption/policy>) to mitigate the risk of corruption and address how USAID manages abuses of power that contribute to fraud. Through its Anti-Corruption Policy, USAID outlines its plan for institutionalizing anti-corruption efforts throughout all of the Agency's work. In alignment with the U.S. Strategy on Countering Corruption (<https://www.whitehouse.gov/briefing-room/statements-releases/2021/12/06/fact-sheet-u-s-strategy-on-countering-corruption/>), the Policy commits the Agency to tackle corruption at its source and across all sectors and in all regions where the

Agency operates and outlines USAID’s approaches to keep pace with contemporary corruption threats. One of the six lines of action under the policy is “safeguarding development and humanitarian assistance from corruption risk to preserve public resources for development, protect foreign assistance from diversion, and avoid unintended negative consequences of international aid.” A key effort under that line of action highlights protecting the integrity of foreign assistance and the stewardship of taxpayer funds, in line with the Agency’s anti-fraud plan. For example, the Agency is ramping up staff capacity to manage corruption risk through increased fraud awareness training. USAID will also identify ways to learn from its implementing partners more systematically regarding the risks of fraud and corruption in the use of USAID funds.

In July 2024, USAID also released the DRG Policy (<https://www.usaid.gov/sites/default/files/2024-07/DRG%20Policy%20Guide%20240707.pdf>), which calls on all USAID OUs to make four strategic changes, or pivots, to accelerate democratic development, while embracing important principles that underpin democracy assistance. Pivot (4) asks OUs to elevate anti-corruption as critical to democracy and development, with a focus on transnational corruption, grand corruption, and kleptocracy. To advance this pivot, USAID seeks to tackle the most pernicious abuses of power and forthrightly confront corruption in the places where USAID works. Using the full range of its tools as an Agency, anti-corruption actions focus on (1) reducing opportunities for corruption, through responsible digitization of government services, and disrupting illicit finance and money laundering across borders; (2) increasing the costs of corruption, by exposing corrupt corporate and state practices that knowingly benefit from labor abuses in business operations and supply chains; and (3) incentivizing integrity, through celebrating officials who act with integrity. The DRG Policy also asks OUs to leverage their full range of capabilities, including strategic communications, donor mobilization, interagency coordination, and relationships with the private sector, to counter corruption and support reform.

Corruption affects resources and slows progress in virtually every sector of development work, and the Administration has prioritized taking on this scourge as both a development and a national security imperative. To that effect, in June 2021, USAID launched the Agency’s Anti-Corruption Task Force (ACTF) to elevate anti-corruption throughout all of the Agency’s work and align USAID’s efforts with the U.S. government’s ambitious strategy to counter corruption at a global scale. After the ACTF’s original mandate expired, the Agency extended it three times until November 2023, when the ACTF was decommissioned, and its critical work transitioned into USAID’s first-ever ACC within the new DRG. The establishment of the ACC reflects the continued elevation of anti-corruption as a key development and national security priority. The ACC leads the Agency’s efforts to tackle corruption within countries and transnationally and blunt corruption’s impact on development and democracy. Through an approach that focuses on prevention, detection, mitigation, and accountability, the ACC mobilizes broad-based coalitions and partnerships. It also galvanizes collective action across sectors, elevates anti-corruption considerations in policymaking, catalyzes innovation and experimentation, and serves USAID and the broader community with cutting-edge and responsive technical leadership and programming.

In line with USAID’s anti-fraud efforts and the implementation of its Anti-Corruption Policy, the Agency has been contributing to various innovative approaches to address fraud and corruption. At the third Summit for Democracy, held in March 2024, USAID announced updates on the significant progress that has been achieved under the Presidential Initiative for Democratic Renewal.

- **Strengthen anti-corruption efforts by expanding anti-corruption programs:** In FY 2024, the Agency continued to support anti-corruption initiatives launched the previous year, including the Financial Transparency and Integrity (FTI) Accelerator, which provides surge support to partner governments and civil

society on key FTI reforms, amplify and connect these to the efforts of other democracy cohorts dedicated to anti-corruption, and support cooperation on FTI efforts at the transnational level. The Integrity for Development Campaign (I4D) seeks to increase the overall amount of donor resources for anti-corruption, especially in environments in which the international community is making major sectoral investments—such as climate finance—and where, as a result, the risks of corruption are high. The Empowering Anti-Corruption Change Agents Program—which supports civil society and media to engage in global collective action—launched the first regional Empowering the Truth Tellers Activity/Asia Investigative Reporting Network (ETT/AIR) in Southeast Asia. This and other Empowering the Truth Tellers activities support and connect regional media actors to share strategies and best practices in detecting and exposing corruption. It also enhances communication and strategic messaging around corruption and facilitates joint investigations, especially around transnational corruption.

- **Accelerate innovation and adaptation:**

USAID is increasing its focus on innovative, responsive, and flexible programming, as well as addressing the increasingly transnational nature of corruption. The Countering Transnational Corruption (CTC) Grand Challenge for Development, which funds innovative and collaborative efforts to prevent corruption, supported 14 winning innovations under the Powering a Just Energy Transition (JET) Green Minerals Challenge and the Data for Integrity hackathon series. The JET Minerals Challenge catalyzes the development, application, and scaling of innovations to counter corruption and strengthen transparency, accountability, and integrity in the global rush to meet the unprecedented demand for green minerals. The Data for Integrity Hackathon Series advances the development and use of tools and platforms to harness the power of data to identify corruption vulnerabilities and/or corrupt behavior. On February 22–25, 2024, the Southeast Asian regional hackathon brought together nearly

50 changemakers to build innovative solutions to counter corruption. Five winning teams, including three that focus specifically on transnational corruption, are receiving up to \$10,000 in financial support, mentorship, and ongoing training to build out their innovations. In June 2024, the CTC Grand Challenge, in collaboration with the BHP Foundation, a global philanthropy collaborating to catalyze new solutions to social and environmental challenges, and the Global Partnership for Social Accountability, launched the Safeguarding Carbon Markets Challenge (SCM Challenge). The SCM Challenge encourages fresh ideas, early-stage prototypes, and scalable solutions that bridge and build on best practices and expertise from both the anti-corruption and climate finance communities. This effort seeks to reduce opportunities for corruption, raise the costs of corruption, and incentivize public- and private-sector integrity in these critical markets. The Doing Business with Integrity initiative incentivizes the private sector to play a leadership role in developing, applying, and scaling innovations to counter transnational corruption. The call for concept notes closed in January 2024, offering awards up to \$4 million. The CTC Grand Challenge is currently in the partnership and design phase of a new prize competition in global health supply chains focused on addressing substandard and/or falsified medicines and the theft and diversion of medicines or medical products. Opportunities can, for example, focus on addressing corruption related to procurement irregularities, theft and diversion of funds, abuse of power in medical regulation, and the distribution of falsified/substandard pharmaceuticals, among other possibilities.

- **Global Accountability Program (GAP):** The GAP/Strengthening National Architectures to Counter Terrorism (GAP/SNA) activity mechanism provides USAID Missions with specialized rapid, responsive, and state-of-the-art technical support to implement new anti-corruption directions and address transnational corruption dynamics. On November 15, 2023, USAID announced awards of up to \$30 million to strengthen national architectures to systemically

address pervasive governance weaknesses that corrupt actors commonly exploit. The funding will strengthen the systems and actors needed to close loopholes, detect illicit finance and dirty money, follow its movement across borders, and ultimately hold corrupt actors accountable. The project will deliver high-impact assistance that builds the country's resilience to transnational corruption, grand corruption, and kleptocracy, and will expand efforts to counter corruption across high-risk, high-opportunity sectors—such as real estate, extractives, infrastructure, and pharmaceuticals. At the regional and global levels, this award will fund multi-country efforts to enhance international cooperation in tracking and blocking transnational corruption; it will also test tools and approaches that move anti-corruption practice forward. Activities since the launch of GAP/SNA include (1) strengthening the resilience of political finance systems in the Europe and Eurasia region against malign strategic corruption; (2) strengthening anti-corruption institutions and systems in the health and extractives sectors in Zambia; and (3) deploying a global rapid, short-term mechanism to provide cutting-edge technical expertise to USAID Missions, Bureaus, and partners.

- **Anti-Corruption Technical Clinics:** USAID continued to hold Anti-Corruption Technical Clinics as part of its Mission outreach plan. This consists of a series of monthly deep-dive Anti-Corruption Technical Clinics that provide opportunities for staff worldwide to discuss the main lines of effort in the Anti-Corruption Policy and understand the Agency-wide Transforming the Fight Against Corruption Initiative as part of it. Through this fora, staff is able to explore options for practical, country-level implementation of the Policy and participate in deep-dive technical discussions around potential alignment and adaptations. This is also an opportunity for staff to share and contribute their insights and experience in countering corruption at the country, regional, and global levels, including ways to counter corruption across sectors. Another outcome of the clinics is the opportunity for peer learning and cross-fertilization of ideas on

implementing the Policy and adapting, scaling, and modernizing anti-corruption programming.

- **USAID Anti-Corruption Response Fund (ACRF):** The ACRF program addresses emerging and dynamic opportunities within countries to counter corruption, responds to heightened corruption risks and challenges, and pilots new approaches to countering transnational corruption. At the time of the Third Summit on Democracy, USAID had allocated \$6 million to five countries to respond to windows of opportunity or increased risk. Activities funded include efforts to identify and prevent corruption in licensing and procurement related to natural resources and enhance private-sector integrity and anti-corruption engagement; exploring bold new accountability measures—including prosecutions—of transnational corruption in the pharmaceutical space; strengthening central bank and SAI functions to unlock the fight against corruption and civil society and media efforts to monitor; and enhancing implementation of conflict of interest laws.

PREVENTING FRAUD

The Agency continues to take a proactive approach to fraud prevention through a sound system of preventive controls, which disincentives motive, restricts opportunity, and limits rationalization of fraudulent acts. USAID is moving forward with implementing its strategies, policies, and processes for fraud prevention. The Agency continues to carry on with its efforts to create a fraud prevention culture. To further fraud prevention at USAID, the ACC leads efforts that are geared to reducing opportunities for its stakeholders to use their positions to perpetrate fraud.

The Agency's Anti-Corruption Policy is a holistic vision, applying a "progress beyond programs" mindset. Since the policy presentation, the Agency has been working on its implementation. As part of these efforts, USAID prioritizes working with and supporting local oversight bodies, including in-country SAIs. The Anti-Corruption Policy states that working with these institutions will support USAID's efforts to counter corruption.

USAID/Macedonia has been working on a “Partnership Against Corruption” \$11.5 million program (October 2023 through September 2028). The goal of the program is to partner with the government and independent state institutions to identify common priorities and co-create and co-invest in activities that strengthen national-level systems aiming to reduce institutional vulnerabilities to corruption. The program works in equal partnership with the government and independent state entities to detect, mitigate, and prevent corruption of all forms and hold state actors accountable.

USAID acknowledges that ERM and Internal Controls are key to the Agency’s operations and that effective and efficient fraud prevention programs must be risk-based. The Agency’s ERM approach ensures that USAID objectives, strategic planning, programming, operations, and resource allocations are monitored within a risk-balanced culture. During FY 2024, USAID continued to develop its ERM approach, strengthening and accelerating its cogent risk management culture and processes across the Agency via systems, tools, skills, and experience to support USAID activities. The ERM Secretariat continued to support the Agency-wide IT solution called the ServiceNow ERMIC TOOL by releasing an advanced risk assessment capability. This automated tool was used by USAID M/B/IOs to complete the risk profile process for FY 2024, as the tool allows Agency Units to monitor risks in real-time continuously. The ERMIC TOOL includes risk themes related to anti-fraud, such as anti-corruption, diversion of funds, sanctions, fraud, waste, and abuse. On April 2, 2024, the Agency announced the implementation of a new risk-based approach for testing key controls that management developed within business processes with the objective of preventing fraud, waste, and abuse. Simultaneously the Agency worked on identifying any events that could prevent the agency from achieving its mission. These risks reside in the ERMIC TOOL, and the ARP is a component of this repository. Together, the ARP and the internal control assessment help the Agency manage risk and strengthen internal controls to achieve objectives and support the Administrator’s

Statement of Assurance, included in the annual AFR. The Agency will continue to develop a fraud risk framework, leveraging USAID’s Anti-Fraud Field Guide, the GAO Fraud Risk Framework and the Managing Improper Payments in Emergency Assistance Programs Framework, to include a fraud risk approach for IPs and data analytics.

The new Internal Control Compliance Module of the ServiceNow ERMIC TOOL was released to replace the URICA Tool and Consolidated Audit and Compliance System/Agency Secure Image and Storage Tracking (CACs/ASIST) for the FMFIA Certification process. The Risk Profile continues to be updated in the ERMIC TOOL for an advanced risk assessment capability. As part of global deployment, the ERM and Internal Control Division conducted webinars and virtual orientation sessions, developed an Internal Control Compliance User Guide, with the aim to support a cross-Agency ERMIC TOOL Community of Practice. USAID also developed the ERM Risk Profile Update Guide to explain how to leverage new advanced functionality in the ERMIC TOOL Risk Module. Utilizing the real-time centralized reporting of the ERMIC TOOL, M/B/IOs can monitor and track risks (inclusive of fraud risks) and processes at the Agency, Bureau, programmatic, and transactional levels. This focuses on sustained prevention, early warning, detection, and response capabilities that strengthen accountability, efficiency, and effective administration of Agency operations and resources. As part of the FY 2024 ARP submission process, OUs were asked to examine all categories of risks including fiduciary within their operating context. During FY 2024, the Agency identified 47 risks related to fraud, waste, abuse, socioeconomic instability, and the potential for diversion of funds. All identified risks will be actively tracked and managed within the ERMIC TOOL. Future updates of the ERMIC TOOL will continue to build on the foundation established by the Risk Management and Internal Control Compliance Module(s) to assist staff in managing their risk portfolio.

Another critical tool in Fraud Prevention is the Agency’s RAS. The RAS aligns USAID’s current risk posture with key priorities and is a critical

component of USAID's ERM maturation. The RAS provides clear guidance of the types and levels of risk that the Agency is willing to accept. The RAS also outlines USAID's commitment to minimizing fraud risks while balancing the need to achieve development outcomes. It helps technical teams set acceptable levels of variation around project objectives within eight key risk categories.

Related to eliminating IPs, the Agency continues to use the DNP portal data analytic capabilities to make payment-verification decisions and detect and prevent fraudulent and/or IPs to vendors, grantees, loan recipients, and beneficiaries. Following receipt of USAID's daily payment file, Treasury performs DNP searches from multiple data sources before disbursement of the Agency's funds. Upon detecting an improper or questionable transaction, Treasury alerts USAID, and the Agency further reviews and adjudicates the transaction to verify vendor eligibility to receive federal payment and/or determine if the transaction is proper before Treasury disburses the funds.

The Agency also has a robust suspension and debarment program to protect it from doing business with entities and individuals that are not honest. Further, the Agency adheres to regulations and policies that address fraud awareness to help staff and development partners in exerting their roles and responsibilities to prevent and reduce fraud.

USAID also recognizes that training is crucial to creating a fraud prevention culture and to be able to permeate this into the Agency. Everyone should be aware of the risks associated with fraud and receive training in measures to prevent it. Effective fraud training can help mitigate fraud risks, increase the effectiveness of anti-fraud controls, and ensure that anti-fraud policies and reporting protocols are followed. Skills and employee development are crucial to combat fraud. Knowledgeable and well-trained staff are the best resource for a fraud prevention program. The Agency also understands that training directly affects USAID's productivity and performance. Therefore, during FY 2024, the Agency continued its effort to strengthen work performance through training and knowledge-sharing events. Particularly, in April 2024, USAID launched its new online training titled,

"Introduction to Anti-Corruption Concepts and Considerations." This training helped participants to recognize that anti-corruption practices help prevent fraud by identifying red flags. This course gives learners a greater awareness of corruption—what it is, how it happens, and why it happens. Participants can explore the basics of USAID's framing of corruption and approach to addressing it; as the training teaches participants what to do if they suspect fraud and how to report it. In addition, participants gain an appreciation of corruption within the broader development perspective, and learn how it interferes with countries' development and with USAID's work across sectors. This helps to increase sensitivity to fraud and corruption considerations and concrete ways of thinking through this in USAID programming. USAID also continues to enforce its Annual Ethics mandatory training requirement. According to ADS 109.3.2.1, all Civil Service (including political appointees), Foreign Service personnel, and personal services contractors (USPSCs; U.S. citizens; and foreign nationals) must complete the ethics training each calendar year. Failure to complete ethics training may result in disciplinary action.

During FY 2024, the Agency's M/OCFO delivered six iterations of the "Introduction to the Government-to-Government (G2G) Risk Management Process" training, in Senegal, Jordan, Bangkok, Zambia, Uganda, and Washington. This training includes the requirements of the G2G Risk Management Process as per ADS 220 policy, *Strengthening the Capacity of Partner Governments through G2G Assistance*. In addition, during FY 2024, USAID's OIG continued to build relationships with key players across the international aid sector to strengthen accountability and integrity in U.S. foreign assistance programs. In the first half of FY 2024 alone, the OIG presented 90 fraud awareness briefings to 5,222 aid workers across the world to encourage their reporting of fraud and misconduct, including sexual exploitation and abuse of beneficiaries.

USAID acknowledges that SAIs play a role in preventing and detecting fraud and corruption in a number of ways. That is why it is worth mentioning the work of the Agency in strengthening local oversight bodies, including the work with the U.S.

GAO Center for Audit Excellence, the INTOSAI-Donor Cooperation, and a MOU with the IFAC; Gavi, the Vaccine Alliance; and the Global Fund to Fight AIDS, Tuberculosis and Malaria. These international engagements are underway, and progress is being made in sustaining long-term financial management practices to prevent fraud, waste, and abuse of U.S. and international donor funds. M/OCFO continues to engage with international accountancy and auditing bodies to help strengthen the audit capacity of international chartered accountants responsible for auditing USAID's IPs. Several Missions recently agreed to fund auditors from their countries' SAIs to travel to Washington as part of the GAO's [International Auditor Fellowship Program](#). GAO hopes that the program participants will transfer the knowledge and skills they have gained to their organizations. In addition, from the SAI officials attending (16 countries) for the 2024 Program, USAID provided funding for eight country SAI officials (Malawi, Sri Lanka, Georgia, Kosovo, Madagascar, Nepal, Sierra Leone, and Ukraine). This is the highest number USAID has ever funded for one year.

M/OCFO also continues to deliver the training titled "Working with Supreme Audit Institutions." The training is available to staff from headquarters and Missions interested in working with SAIs. The training allows participants to develop or deepen their knowledge about SAIs and provides information about an SAI's purpose and role in the country's public financial management system. Participants also learn about SAI's external oversight function and its role in efficiently using public funds and combating corruption. The course also provides information so staff can explore various options for USAID Missions to partner with SAIs in achieving programmatic goals, be able to recognize the strengths and weaknesses of SAIs, and learn about ways to build their audit capacity.

DETECTING FRAUD

The Agency knows that fraud prevention is not absolute and may not stop all potential fraudulent acts. Still, the quick and timely detection of fraud incidents will go a long way in containing losses, improving the chances of recovery, and deterring future fraud. Fraud detection involves

monitoring and reviewing tools to detect fraud when it occurs. USAID uses the ERM and internal control self assessment to verify that business processes are free from fraud, waste, and abuse to a reasonable degree.

USAID's OIG conducted audits, evaluations, and investigations that promote economy, efficiency, and effectiveness and prevent and detect fraud, waste, and abuse in USAID programs and operations. In the first half of FY 2024, the OIG conducted 20 performance and financial audits and evaluations, which covered \$54.5 billion in funds. The audit reports generated 30 recommendations for improved operations and identified more than \$39.5 million in questioned costs. During that same time period, the investigative results performed by OIG reviewed 267 audit reports totaling \$6.3 billion in funds audited. In addition, the investigative results produced 36 investigations opened, 56 investigations closed, \$7.9 million in savings and recoveries, 31 prosecutorial referrals, one conviction, 11 government-wide suspensions, and 90 fraud awareness briefings delivered. As a result of the OIG's audit findings and recommendations, the ERMIC unit is able to track corrective action plans to improve operations within the ERMIC Governance structure, which helps the Agency identify business processes susceptible to fraud and consequently informs the Agency's decision to conduct subsequent testing for fraud detection.

The Audit, Performance, and Compliance Division within M/OCFO manages USAID's audit follow-up of audit recommendations and internal control programs, including activities with the OIG and GAO.

In addition, the Agency continues to conduct pre-award surveys, financial, program, and monitoring reviews; and audits of contracts and grants. The Agency procures the following types of audits from both the Defense Contract Audit Agency (DCAA) and Independent Accounting Firms: Incurred Cost Audits (for-profit entities only); Cost Accounting Standards (CAS) Disclosure Statement Audits (for both types of entities); and Accounting System Audits (for-profit entities only). Fraud risk assessments are part of

USAID’s ongoing transactional review of key business processes including annual verification of key controls and testing. It is also important to note the assessment for fraud is not just limited to financial and transactional reviews but also non-financial reviews, such as IT input controls and compliance requirements in accordance with FISMA 2014.

M/B/IOs utilize fraud risk assessments to identify risks (with respect to payroll, beneficiary payments, grants, large contracts, purchase and travel cards, and other vendor payments). Missions also conduct assessments, evaluations and processes, such as the Non-U.S. Pre-award Surveys (NUPAS), G2G risk assessments, capacity assessments, close-out audits, GMRA audits, Payment Integrity reviews, financial reviews, and other pre-award surveys per 2 CFR 200. Mission ERM Systems highlight other opportunities of fraud risk assessment that are embedded into Mission processes.

In addition, USAID effectively prevents, detects, and responds to the potential for fraud while conducting assessments of internal control in accordance with OMB Circular A-123. The Agency continues to conduct annual assessments:

- OMB Circular A-123, Appendix A, *Management’s Responsibility for Enterprise Risk Management and Internal Control*, is the testing of business process key controls by managers and developing supporting documentation attesting for the timeliness of financial reconciliations for fraud detection.
- OMB Circular A-123, Appendix B, *A Risk Management Framework for Government Charge Card Programs*, is the assessment of charge cards, requiring managers to reconcile bank statements with data from USAID’s financial systems with the objective of identifying fraud.
- OMB Circular A-123, Appendix C, *Requirements for Payment Integrity Improvement*, is the process to identify IPs and determine their root cause for better tracking the various opportunities for fraud within the business processes.

- OMB Circular A-123, Appendix D, *Management of Financial Management Systems – Risk and Compliance*, ensures USAID’s major financial systems have the controls in place to help the Agency detect fraudulent activities.

For FY 2024, the FMFIA process was performed through the ERMIC TOOL. The Agency no longer utilizes the URICA tool to conduct and report internal-control self-assessments from each OU. The entire FMFIA compliance process was changed, beginning with a new template used for testing key business controls, called FMFIA Reimagined, in which each AU is required to test all controls related to three business processes they select. Replacing URICA with the ERMIC TOOL for the FMFIA annual process helped streamline Agency-wide risk assessment, mandatory fraud-assertion statements, and the GAO Green Book evaluation for internal control, which addresses fraud risk.

RESPONDING TO FRAUD

The Agency is aware that fraud response includes timely actions. Fraud response strategies are designed to guide dealing with detected or suspected fraud cases in a measured and consistent manner. USAID has embedded actions that integrate and strengthen anti-corruption practices across the Agency’s operations. The Agency’s fraud response plans include investigation protocols, remedial action, and reporting. USAID staff must disclose fraud, waste, abuse, and corruption to appropriate authorities such as the OIG. Contractors and grantees implementing projects with U.S. funds must also comply with mandatory disclosure requirements when reporting allegations of fraud and misconduct. USAID’s Office of Acquisition and Assistance has recently developed a Procurement Integrity Internal Compliance Plan, embedded fraud awareness sessions in acquisitions and assistance conferences, conducted ethics refresher training, and implemented other internal improvements to strengthen its internal control system and mitigate fraud risks.

USAID’s programs and operations foster and encourage the integrity of the Agency’s employees, contractors, grantees, and partner country counterparts. The Compliance Division in

M/MPBP ensures USAID partners with responsible organizations and individuals. The Compliance Division leads the Agency's suspension and debarment program. Suspension and debarment actions are business decisions that protect the Agency and the U.S. government from doing business with entities and individuals that are not presently responsible.

In compliance with its mission to protect the integrity of USAID programs and awards, the OIG continues to use its online Hotline portal to receive information from all sources. The Hotline provides a mechanism for individuals and organizations to report fraud, waste, abuse (including sexual exploitation and abuse), and corruption related to programming, personnel, or operations. The portal, which replaces the OIG's legacy Hotline intake process, is accessible on the OIG's public-facing

Fraud Awareness and Reporting webpage (<https://oig.usaid.gov/report-fraud>). It was created to promote greater efficiency and accountability in the Hotline's intake process. The portal is intended to be an efficient way for awardees, their staff, and others to submit allegations of fraud. The OIG has full law enforcement authority and employs investigative techniques, including interviews, surveillance, electronic monitoring, undercover operations, subpoenas, and executing arrest and search warrants. This expertise allows USAID to remain vigilant to fraud risk in areas where increased security measures are instituted to protect staff and where processes must be expedited due to the immediate demands of the crisis. To leverage the OIG's law enforcement authority in responding to fraud through investigation, USAID posts the OIG's contact information in all areas where personnel usually congregate.

GRANTS PROGRAMS

Pursuant to the OMB Uniform Guidance in Section 200.344 of Part 2 of the CFR, recipients of grants and cooperative agreements must liquidate all obligations incurred under their awards within 120 days after the end of the period of performance, unless the federal awarding department or agency authorizes an extension, or program-specific statutes specify a different liquidation period.

The table shown in Figure 35 reflects that USAID had a total of 972 grants/cooperative agreements with an undisbursed balance of \$110,483,312 for which the period of performance elapsed by two years or more as of September 30, 2024. This is an increase of 89 awards from the 883 grants/cooperative awards, and an increase of \$9,573,888 from the \$100,909,424 reported in the AFR in 2023. The increase in awards without activity occurs as a result of the challenges listed at right. For example, Negotiated Indirect Cost Rate Agreement (NICRA) audits can take upward of ten years before the NICRA is accomplished and the award is closed. Each award is subject to a NICRA audit, and this further contributes to delays.

The Agency is still reviewing unclosed awards and monitoring them for appropriate de-obligation and/or closeout action. The Agency's responsible

officers continue to be proactive in ensuring that grantees comply with provisions of their grant/cooperative agreements and are communicating with grantees to ensure the better management of federal funds.

Challenges that cause delays in closeout include the following:

- Grant recipients incorrectly submitting Federal Financial Reports Standard Form (SF)-425, the statement of expenditures associated with the grant, with unadjusted balances. Recipients of federal funds are required to use the SF-425 for reporting cumulative expenses quarterly.
- Missing or delayed final SF-425s that would enable the completion of the reconciliation process.
- Delays by grantees in adjusting their accounts in the HHS payments-management system that interfaces with Phoenix, USAID's financial system.
- Problems with balances in SF-425s submitted by grantees not reconciling with the Agency's financial system records. This results in repeated engagement with grantees to ensure accomplishment of the reconciliation process.

FIGURE 35. EXPIRED FEDERAL GRANTS AND COOPERATIVE AGREEMENTS

Category	Period of Performance Elapsed Without Closeout		
	2-3 Years	3-5 Years	More Than 5 Years
Number of Grants/Cooperative Agreements with Zero Dollar Balances	0	2	2
Number of Grants/Cooperative Agreements with Undisbursed Balances	288	389	295
Total Amount of Undisbursed Balances	\$34,433,919	\$48,931,750	\$27,117,643

- Delays in resolving audit recommendations by foreign grant recipients and pending audit clearances.
- Delays by grantees in returning funds from questioned costs or unspent advances that are adjudicated by auditors.
- Delays by grantees in posting refunds in the payments-management system, thus prolonging the time frame for closing out the grants.
- Delays in refund of Value Added Tax by partner host governments. Refunds received after closure of an award leads to reopening the closeout process of impacted grants.
- Delays in finalizing the NICRA.¹⁷ NICRAs are designed to streamline the grant process for both the government and non-profits. Once the rate is negotiated, it applies to all subsequent federal grants to the non-profits. However, delays in the audit of the NICRA and finalizing NICRA rates prolong the time frame for the closeout process.

¹⁷ A document published to reflect an estimate of indirect cost rate negotiated between the Federal Government and a Grantee/Contractor's organization, which reflects the indirect costs (facilities and administrative costs) and fringe benefit expenses incurred by the organization that will be the same across all the agencies of the United States. The NICRA allows the Grants or Contracting Officer to quickly calculate the appropriate allocation of indirect costs associated with any one project and this streamlines the entire process.

CLIMATE-RELATED RISK



The cover of USAID's Climate Strategy, which the Agency published on Earth Day 2022 and has reported on annually.



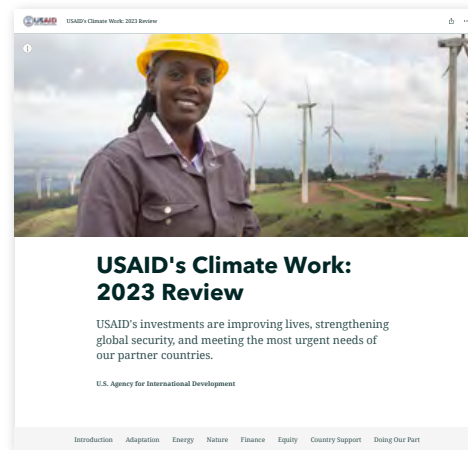
The cover of the President's Emergency Plan for Adaptation and Resilience (PREPARE).

USAID assesses, manages, and reduces climate-related risks, including climate-related financial risks, across its operations and programs. It has systematically done so at the strategy level since 2015 and at the program level since 2016. Climate risk management complements long-standing climate change adaptation, mitigation, and mainstreaming efforts. USAID's climate-related initiatives from 1990–1994, 1998–2002, and 2010–2018, in particular, were important and galvanized efforts to promote sustainable development that minimizes greenhouse gas (GHG) emissions and reduces vulnerability to climate change. USAID's **Climate Strategy 2022–2030** (<https://www.usaid.gov/climate/strategy>) builds on these efforts and makes climate action an all-of-Agency priority. In FY 2024, USAID further advanced these efforts by continuing to implement its Climate Strategy and **Climate Change APG**, which the Agency implements jointly with the State Department and which is in its JSP (https://www.usaid.gov/sites/default/files/2022-05/Final_State-USAID_FY_2022-2026_Joint_Strategic_Plan_29MAR2022.pdf) as part of Strategic Objective 1.2 on “securing ambitious climate mitigation and adaptation outcomes, including supporting effective Paris Agreement implementation.” It is critical that USAID advance climate action to reduce its financial risk, including protecting critical development gains and bolstering adaptation and resilience to reduce the long-term need for the Agency to respond to climate change-related humanitarian disasters and other crises.

CLIMATE STRATEGY, 2022–2030

In FY 2024, USAID publicly reported on its progress implementing its Climate Strategy. In May, USAID published a “Climate Work:

2023 Review” (<https://storymaps.arcgis.com/stories/336fa1cc7ec143829096479a72cee39a>), through which the Agency highlighted its major accomplishments in FY 2023. Please refer to the Strategic Goal 1 Performance Goal Accomplishment Highlights part of the Overview of Programmatic Performance section of this AFR (see page 17) for a summary of these accomplishments. This reporting built on the “Year One Review” (<https://www.usaid.gov/policy/climate-strategy/jun-2023-progress>) USAID published in June 2023 and the “Progress Update” factsheet (<https://www.usaid.gov/policy/climate-strategy/apr-2023-progress>) USAID published in April 2023, through which USAID highlighted its ongoing leadership role in advancing key interagency initiatives. One such initiative is PREPARE (<https://www.usaid.gov/prepare>), which acknowledges the financial risks floods, drought, fires, extreme heat, and sea level rise pose to governments, communities, businesses, and investors, and which is delivering concrete risk-reducing actions. PREPARE drove more than \$2.3 billion in U.S. financing into



USAID published a “Climate Work: 2023 Review” progress update on its website in May 2024.



DEPARTMENT OF STATE

Climate Change

GOAL LEADERS



Trigg Talley

Director
OES/EGC (DOS)



Gillian Caldwell

Chief Climate Officer and Deputy Assistant
Administrator
Bureau for Development, Democracy, and
Innovation (USAID)

The Climate Change APG landing page on Performance.gov, where the public can access quarterly progress updates.

SOURCE: <https://www.performance.gov/agencies/usaiddapgf/y-24-25/goal-1/>

international adaptation in calendar year 2023, and today is fostering investments in effective climate information services and early warning systems in 80 countries and mobilizing more than \$3 billion in corporate actions that are helping countries adapt to climate change. Under PREPARE, USAID is building a larger practice on climate-related insurance from the public and private sectors that can help transfer climate-related financial risks. USAID recognizes that the climate crisis touches every aspect of development.

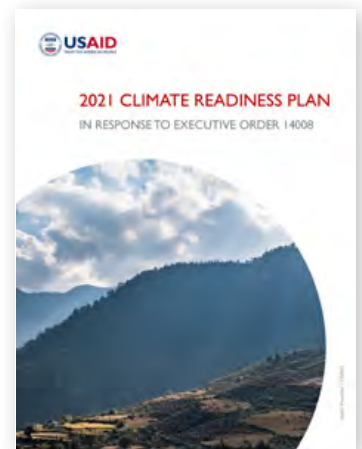
CLIMATE CHANGE APG

In FY 2024, USAID concluded implementing and reporting on its FY 2022 – FY 2023 Climate Change APG ([https://www.performance.gov/agencies/usaiddapgf/y-22-23/#:~:text=Climate%20Change%20\(Joint%20with%20DOS\)](https://www.performance.gov/agencies/usaiddapgf/y-22-23/#:~:text=Climate%20Change%20(Joint%20with%20DOS))) and launched its FY 2024 – FY 2025 Climate Change APG (<https://www.performance.gov/agencies/usaiddapgf/y-24-25/goal-1/>). USAID publishes its APG plans and reports to <https://www.performance.gov/>, the Federal Government’s central, online performance reporting portal. For more information about USAID’s Climate Change APG performance, please refer to Performance.gov or the Strategic Goal 1 Performance Goal Accomplishment

Highlights part of the Overview of Programmatic Performance section of this AFR (see page 17).

DOING OUR PART

USAID’s Climate Strategy includes a **Special Objective** on “Doing Our Part” by equitably addressing climate change, including reducing the Agency’s carbon footprint, increasing its resilience to the impacts of climate change, and strengthening DEIA in and for its climate- and environment-focused workforce. The Special Objective is a critical way in which USAID is leading by example, which helps support and validate USAID’s global climate diplomacy, technical assistance, and programming efforts. Implementing the Special Objective includes implementing USAID’s **Climate Readiness Plan**, which focuses on climate adaptation and resilience and is posted at <https://www.usaid.gov/climate/readiness-plan> and <https://www.sustainability.gov/contributing-agencies.html#usaidd>, and USAID’s **Sustainability Plan**, which focuses on minimizing USAID’s contributions to global warming-fueled climate change. USAID has provided guidance for all OUs and staff globally to use to implement the Special Objective based on their specific operating circumstances and job functions. The implementing guidance explains the core



The cover of USAID’s Climate Readiness Plan, through which the Agency is implementing priority climate adaptation and risk mitigation actions across its program processes and management functions to increase the resilience of the Agency’s core mission to climate threats and vulnerabilities.

tenets of the Special Objective, highlights priority efforts, and provides information about additional tools and resources available to support OUs. The guidance includes a list of internal and external resources; an overview of how USAID is tracking and reporting on progress; a description of how USAID is advancing and sharing learning; and frequently asked questions. USAID updates the implementing guidance as needed.

USAID's **Climate Readiness Plan** under E.O. 14008, *Tackling the Climate Crisis at Home and Abroad* (<https://www.federalregister.gov/documents/2021/02/01/2021-02177/tackling-the-climate-crisis-at-home-and-abroad>) includes actions to integrate climate adaptation and resilience more robustly across the Agency's business operations, including financial management, ERM, IT, A&A, supply chains, human resources, real property and asset management, and security, as well as in USAID's Program Cycle (<https://usaidlearninglab.org/learning-at-usaid/program-cycle-overview-page>) through the Climate Risk Management (CRM) process (<https://www.climatelinks.org/climate-risk-management>) detailed in the Agency's operational policy (<https://www.usaid.gov/ads/policy/200/201>).

In FY 2024, as part of its climate mainstreaming efforts, USAID Bureaus continued implementing their Bureau Climate Action Plans through which they are contributing to USAID's Climate Strategy objectives. For instance, USAID's Bureau for Africa (<https://www.usaid.gov/about-us/organization/bureau-africa>) is empowering the climate team within its Office of Sustainable Development to provide frontline support to USAID's international offices in Sub-Saharan Africa, recognizing that 16 of the 20 countries most vulnerable to climate change are in this region. The support includes project and activity design and implementation, training, CRM support, thought leadership, and other on-demand technical assistance. In addition, Power Africa (<https://www.usaid.gov/powerafrica>), a USAID-coordinated U.S.



The logo of Power Africa, a U.S. government-led partnership that USAID coordinates. Power Africa is working to reduce or avoid GHG emissions as it helps double electricity access in Sub-Saharan Africa.

government-led partnership of more than 200 public and private partners, continued its efforts to reduce or avoid GHG emissions while working to double access to electricity in Sub-Saharan Africa through cleaner and more reliable power. Power Africa's goals include advancing inclusive, low-carbon economic growth that improves lives and powers health, education, and prosperity by adding 60 million new electricity connections and 30,000 megawatts of new, cleaner power in more than 40 countries.

For more information about USAID's progress implementing ERM and CRM, refer to the Climate Risk Management subsection within the Other Management Information, Initiatives, and Issues section of this AFR (see page 93).

USAID published its most recent Climate Readiness Plan progress report in FY 2022, which is available at <https://www.usaid.gov/climate/readiness-plan> and <https://www.sustainability.gov/contributing-agencies.html#usaid>. In line with Administration guidance, USAID reported on progress internally to the White House in FY 2023. USAID is one of the only U.S. government agencies that has a stand-alone climate strategy, which exceeds Executive Order requirements. USAID also has a Resilience Policy (https://www.usaid.gov/sites/default/files/2024-06/USAID3090_USAID%20Resilience%20Policy_062524_WEB%28508c%29.pdf) and has integrated climate into its Policy Framework (<https://www.usaid.gov/policy/policy-framework>) and



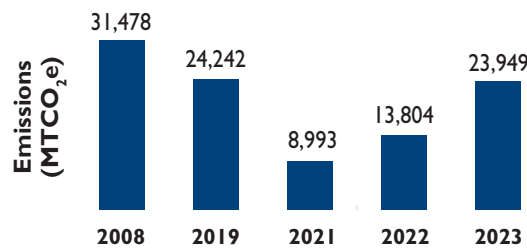
The cover of the Federal Sustainability Plan. USAID aligns its operational sustainability goals and targets to the Federal Sustainability Plan.

other key policies, including its Biodiversity Policy (<https://www.usaid.gov/policy/biodiversity>), Gender Equality and Women’s Empowerment Policy (<https://www.usaid.gov/gender-policy>), Economic Growth Policy (<https://www.usaid.gov/policy/economic-growth>), Global Health Policy (<https://www.usaid.gov/policy/vision-health-system-strengthening>), Democracy, Human Rights, and Governance Policy (<https://www.usaid.gov/policy/democracy-human-rights-and-governance>), and others (<https://www.usaid.gov/policy>).

USAID’s Sustainability Plan aligns with the Federal Sustainability Plan (<https://www.sustainability.gov/federsustainabilityplan>) and includes a variety of actions to minimize the Agency’s operational GHG emissions equitably from A&A, facilities, motor vehicles, employee business travel, and more, as USAID strives to do its part to achieve the U.S. government’s sustainability goals. In line with its Sustainability Plan, in FY 2024, USAID inventoried its GHG emissions across its global business travel, global vehicle fleet fuel use, U.S.-based staff commuting, and U.S.-based facilities for FY 2023. The inventory built on USAID’s previous inventories for FYs 2008, 2019, 2021, and 2022, and enabled USAID to track progress toward its U.S. government-aligned emissions reduction targets to: (1) achieve net-zero emissions from operations by 2050; and (2) reduce its GHG emissions from its FY 2008 baseline by 65 percent by the end of FY 2030. USAID chose FY 2008 as its baseline in line with the requirement in E.O. 14057, *Federal Sustainability* (<https://www.federalregister.gov/documents/2021/12/13/2021-27114/catalyzing-clean-energy-industries-and-jobs-through-federal-sustainability>).

As illustrated in Figure 36, through the inventory, USAID estimates it has reduced its operational GHG emissions from these sources by approximately 24 percent compared to its FY 2008 baseline. Despite mitigation and internal change management campaigns, USAID’s FY 2023 GHG emissions were approximately the same as its FY 2019 emissions, and increased approximately 73 percent compared to FY 2022. As FY 2023 was the first year since FY 2020 without direct

FIGURE 36. USAID OPERATIONAL GHG EMISSIONS BY FISCAL YEAR
(In Thousands)



A bar chart that visualizes USAID’s operational GHG emissions for FYs 2008, 2019, 2021, 2022, and 2023 from the Agency’s global business travel, global vehicle fleet fuel use, U.S.-based facilities, and U.S.-based workforce commuting.

SOURCE: USAID

COVID-19 pandemic impacts on USAID’s operations, USAID’s FY 2023 GHG emissions essentially represent a return to pre-pandemic levels.

USAID’s greatest emissions reduction opportunities continue to be related to facilities energy use, business travel, A&A and supply chains, and workforce commuting; two key enablers for these opportunities are partnering and training. USAID will realize reductions from some of these sources as a result of multiyear efforts that are still underway, such as headquarters facilities energy-efficiency improvements and partnering with GSA to purchase carbon pollution-free electricity for USAID’s leased headquarters facilities. In addition, given USAID’s global presence and mission, reducing business travel-related emissions continues to be challenging, but is still possible and important. In general, USAID’s approach to reducing its emissions has been to integrate sustainability considerations into how it does business, an approach through which the Agency has made significant progress; however, a lack of dedicated funding for sustainability efforts continues to be a challenge that USAID is doing its best to navigate.

USAID socializes the results of its GHG emissions inventory with its workforce to empower them to do what they can to contribute to the Agency’s emissions reduction efforts. One way USAID has done this is by publishing the results via interactive

dashboards on the Agency’s internal cloud server. The dashboards enable USAID staff to explore the data to understand USAID’s carbon footprint, the Agency’s priority GHG emissions reduction opportunities, and how they can make more climate-conscious decisions in their and their OUs’ day-to-day job functions and work.

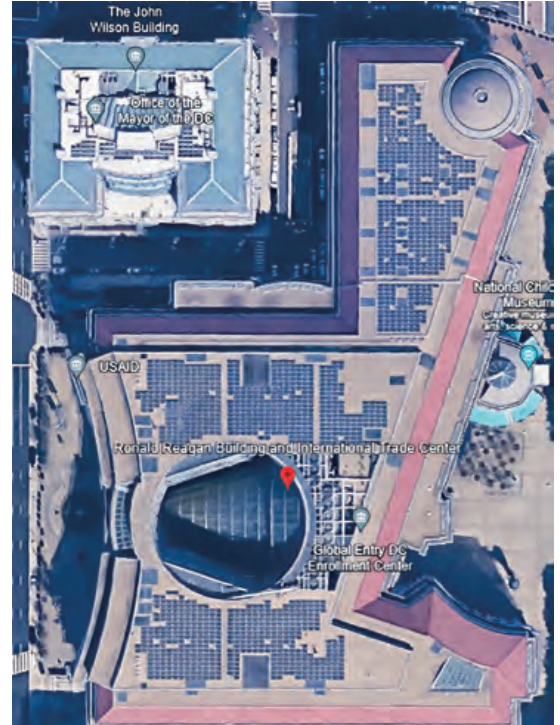
USAID conducts the GHG emissions inventory annually and will continue to leverage the State Department’s global inventory to better understand USAID’s emissions footprint and inform priority sustainability efforts internationally on which to partner with the State Department.

USAID is implementing a multi-pronged approach to address its biggest opportunities to reduce its GHG emissions, because the Agency recognizes one of the most powerful and direct ways to reduce its climate-related financial risk is to reduce its contributions to the GHG emissions that cause climate change. The following sections describe USAID’s high-level approach.

FACILITIES

USAID has identified using clean and renewable energy, where possible, as a major opportunity to reduce its facilities-related GHG emissions. USAID is benefitting from and advancing multiple related lines of effort.

One such effort is GSA’s ongoing renovations to the Ronald Reagan Building and International Trade Center, the location of USAID’s headquarters and one of the largest buildings in GSA’s federal buildings portfolio. Through the renovations, GSA is using Inflation Reduction Act funding to install clean-energy technologies to transition the building to use 100 percent electric power. The upgrades are creating good-paying local jobs and will save more than \$6.2 million in energy costs, reduce energy use by 50 percent, and reduce emissions by 16,000 tons annually. The Administration announced the renovations in June 2023 (<https://www.gsa.gov/about-us/newsroom/news-releases/bidenharris-administration-announces-nearly-1-bi-062023>), began implementing them in spring 2024, and anticipates completing



An aerial view of the Ronald Reagan Building, which shows the rooftop solar panels GSA has installed. The Ronald Reagan Building is one of USAID’s two major headquarters office facilities in Washington, D.C. SOURCE: GOOGLE EARTH

them in spring 2025 (<https://www.gsa.gov/about-us/newsroom/news-releases/gsa-awards-227-million-contract-for-electrification-of-the-ronald-reagan-building-and-international-trade-center-as-part-of-investing-in-america-agenda-11302023>).

Because GSA is the real property owner of the facilities USAID operates in Washington, USAID is also collaborating with GSA to advance other facilities sustainability initiatives. For instance, USAID and GSA are evaluating the viability and cost of purchasing and using carbon pollution-free electricity for USAID’s other headquarters facilities, in line with E.O. 14057. In addition, USAID and GSA are completing renovations to USAID’s space in the Ronald Reagan Building to make upgrades and attain Leadership in Energy and Environmental Design (LEED) (<https://www.usgbc.org/leed>) Silver certification.



(Left) Rainwater cisterns in Pretoria, South Africa. PHOTO: USAID

(Middle) The LEED Platinum-certified campus in Vilnius, Lithuania, from which USAID's Belarus Affairs Unit works. PHOTO: USAID



(Top right) A solar panel array on the roof of the USAID Mission Director residence in Pretoria, South Africa. PHOTO: USAID

(Bottom right) A solid-state battery backup system in the Mission Director residence in Pretoria, South Africa. PHOTO: USAID



Similarly, USAID is collaborating with the State Department on facilities sustainability initiatives and improvements internationally. For example, at the 78 residential properties USAID owns internationally, the Agency is partnering with the State Department to install solar arrays, solid-state battery backup systems, and rainwater cisterns with pumps, filter systems, and ultraviolet light sterilizers to create potable water reserves. These systems will enhance sustainability, resilience and energy security, and emergency preparedness by enabling the residences to operate essentially “off-grid,” if necessary, such as during power outages. Installing these systems will also reduce the need for and use of backup diesel generators, which will also reduce operating costs. USAID follows all federal guidelines for purchasing solar panels, recognizing that parts of the global solar panel supply chain are tainted by the use of forced labor (<https://www.state.gov/wp-content/uploads/2022/07/Forced-Labor-and-the-Clean-Energy-Transition-Finding-A-Responsible-Way-Forward.pdf>). In addition, USAID is partnering with the State Department to install a smart metering system at 100 percent of its stand-alone office buildings and owned residential properties. The system will not only monitor utility

usage and provide baselines to enable USAID to identify opportunities to reduce usage and improve efficiency, but will also provide a stream of real-time data to the cloud for USAID to use to better estimate its global carbon footprint.

USAID is also implementing sustainability actions internationally that are within its operational control. For instance, in FY 2024, USAID conducted a study on upgrading the Agency’s stand-alone office in Cairo, Egypt, to obtain LEED Silver certification. At 12,340 square meters, the building is one of the largest USAID owns and manages internationally. USAID plans to implement the recommended improvements beginning in FY 2025. In FY 2024, USAID also relocated its Belarus Affairs Unit to a new 315 square meter office space in a LEED Platinum-certified campus in Vilnius, Lithuania.

VEHICLE FLEET

To reduce its GHG emissions from operating its vehicle fleet, USAID has assessed its opportunities globally for transitioning to battery electric vehicles (EVs) and plug-in hybrid EVs where viable, based on local country conditions.



USAID has begun transitioning its U.S.-based vehicle fleet to EVs, starting with a Chevy Bolt.



The two EVs USAID procured in FY 2024 for use locally in Pristina, Kosovo, as part of a pilot to test the viability of EVs and EV infrastructure in locations where EVs are fairly new. PHOTO: USAID

In the United States, in FY 2024, USAID operated nine leased GSA vehicles and advanced its plans and efforts to transition to EVs and to install and use EV supply equipment, such as charging stations. USAID has one dual-port EV charging station at its USAID Annex Headquarters facility in downtown Washington, which is available for workforce members to use for their privately owned vehicles through a pay-by-use system. In addition, via a reimbursable work agreement, GSA installed five dual-port EV charging stations in the USAID section of the Ronald Reagan Building, positioning USAID to transition its U.S.-based vehicle fleet to EVs. USAID also received its first EV in the United States, a Chevy Bolt, which it ordered in FY 2023, and traded in three gas-powered vehicles for EVs, for a total of four U.S.-based fleet EVs.

USAID also advanced EV-related efforts for Mission locations in FY 2024. USAID continued advocating through the International Cooperative Administrative Support Services (ICASS) Program (<https://fam.state.gov/fam/06fam/06fam0910.html>)

for international-presence U.S. government agencies to purchase and use EVs in motor pools where local country conditions allow. In most international locations where USAID operates, USAID is co-located with the State Department at the U.S. Embassy, and the State Department typically is the motor pool service provider. The State Department has identified a few viable locations for the U.S. government to transition interagency motor pools to EVs, including Amman, Jordan, where USAID has a presence. In addition, in FY 2024, USAID, as the alternate service provider for the motor pool services in Pristina, Kosovo, successfully procured two EVs locally for travel within the city limits. These EVs are part of a pilot to test the viability of EVs and EV infrastructure in a country where EVs are fairly new. In less-developed locations where USAID works, it will not be possible to transition to EVs for the foreseeable future. However, USAID encourages its international offices to purchase hybrid vehicles as the alternative, if they are viable and available. To date, three USAID international offices have purchased hybrid vehicles.

BUSINESS TRAVEL

USAID recognizes that to achieve its GHG emissions reduction goals, it also needs to reduce its carbon footprint from business travel while continuing to deliver on its mission. In FY 2024, USAID's business travel GHG emissions increased slightly from FY 2023 levels. Despite internal change management efforts, USAID continues to face major challenges. For example, complying with the Fly America Act (<https://www.gsa.gov/policy-regulations/policy/travel-management-policy-overview/fly-america-act>) and Federal Travel Regulation (<https://www.govinfo.gov/content/pkg/CFR-2021-title41-vol4/pdf/CFR-2021-title41-vol4.pdf>) sometimes means USAID travelers are unable to book the most efficient, least polluting flights available; staff struggle to balance mixed messaging on reducing the Agency's carbon footprint but also traveling to renew, deepen, and forge relationships internationally; and different OUs use varying approaches to making travel decisions, including by weighting various factors differently. USAID uses nonstop flights when possible, in line with the Federal Travel Regulation and through the

GSA City Pair Program (<https://www.gsa.gov/travel/plan-a-trip/transportation-airfare-rates-pov-rates-etc/airfare-rates-city-pair-program>), and in line with USAID's sustainability objectives.

In FY 2024, USAID updated its travel policy (<https://www.usaid.gov/about-us/agency-policy/series-500/522>) to align with the White House's guidance in the December 2023 OMB memo on *Catalyzing Sustainable Transportation Through Federal Travel* (<https://www.whitehouse.gov/wp-content/uploads/2023/12/M-24-05-Catalyzing-Sustainable-Transportation-Through-Federal-Travel.pdf>). USAID's travel policy already included guidance on using public transit and prioritizing rail travel over air travel or long-distance automobile travel; USAID added guidance on using zero-emissions vehicles (ZEVs) instead of other automobiles, when possible.

Beyond aligning with U.S. government-wide guidance, based on guidance and input from USAID's senior leadership, USAID's approach has been to provide leaders and managers with tools to equip them to make the most informed decisions. These tools include guiding questions for making climate-conscious and DEIA-informed travel approvals. For example, the question set USAID provided includes but is not limited to the following questions:

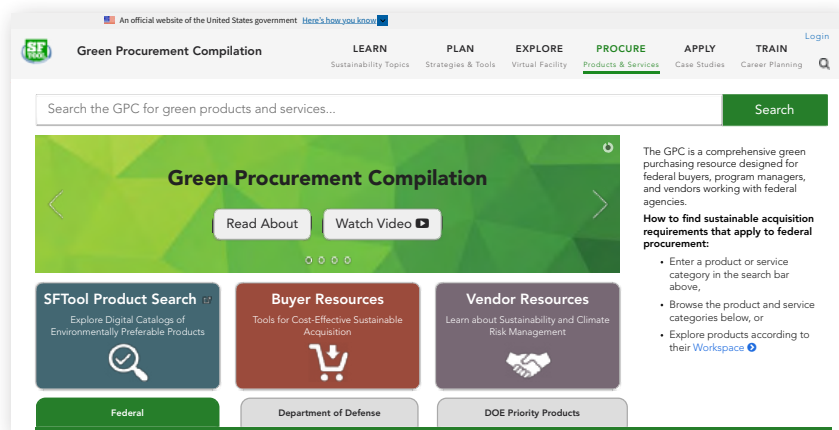
- “What is the mission objective that USAID needs to achieve with the potential air travel? Can USAID achieve this remotely or via hybrid approach? Why or why not?”;
- “Could the travel be combined with other international office support work or travel requirements? (e.g., by batching trips or pairing temporary duty travel with other official travel)”;
- “Who would be traveling? Has your OU documented and applied consistently and systematically an equitable, just, and impartial process for identifying international office and professional development needs that USAID must support through travel?”

USAID also continues to apply lessons from the COVID-19 pandemic to avoid increasing its travel-related GHG emissions. During the

pandemic, USAID learned that while some aspects of its operations suffered, such as building relationships through in-person contact, the Agency was able to leverage digital technology to achieve its mission. Using data from a survey of USAID's senior leaders in Washington and internationally, the Agency developed and disseminated recommendations outlining when OUs can best use virtual technical assistance to advance USAID's mission while avoiding travel-related emissions. Example recommendations include: (1) Consider travel limits on or a 'default to virtual' approach for professional training and conferences; and (2) Promote hybrid virtual engagements, in which virtual is the primary form of engagement and future temporary duty travel is planned when or if needed. Because there are particular scenarios that are unique to technical assistance support, some collaborations may require periods of virtual support combined with an in-person visit.

USAID is taking several other steps to more deeply integrate sustainable travel into its business operations.

- USAID is engaging with GSA and other agencies via the Senior Travel Officers Council to include sustainability business requirements in the design for ETSNext, the next generation of the E-Gov Travel Service program; the contract for the existing program is scheduled to expire on June 3, 2027 (https://www.gsa.gov/travel/travel-and-lodging-services/egov-travel-services-ets/etsnext-faqs#:~:text=What%20is%20ETSNext%3F-,ETSNext,-is%20the%20next.)).
- In July, launched GSA's Ride Share Program (<https://www.gsa.gov/travel/travel-and-lodging-services/rideshare>) with Uber for Business as USAID's on-demand ground transportation provider for USAID's workforce on official business globally. In addition to providing cost savings and efficiencies associated with avoiding renting vehicles, the program enables USAID travelers to choose Uber Green for low-emissions rides via hybrid- and fully-electric vehicles. The program will also enable USAID to track data on EV usage and carbon emissions, which will feed into the Agency's operational GHG emissions inventory.



A screenshot of the GSA Green Procurement Compilation, a comprehensive green purchasing resource for federal buyers, program managers, and vendors. USAID integrated the Green Procurement Compilation into its worldwide purchase card program policy. SOURCE: <https://sftool.gov/greenprocurement>

ACQUISITION & ASSISTANCE

USAID more deeply integrated climate change and sustainability considerations into A&A in FY 2024.

In October 2023, USAID’s Office of Acquisition and Assistance published a new Guide for Incorporating Environmental and Climate Considerations in A&A Awards, which helps USAID’s workforce integrate climate and environment considerations into solicitations and project and activity designs in all sectors. The guide provides background on USAID’s climate goals, methods to use and other key resources and guidance, questions to guide climate language in each section of a solicitation, and examples from different USAID sectors, such as health and agriculture, so users can see real cases of how USAID has done this in the past.

In addition, in May 2024, USAID updated its operational policy in ADS 331, USAID Worldwide Purchase Card Program (<https://www.usaid.gov/about-us/agency-policy/series-300/331>), to incorporate the GSA Green Procurement Compilation (<https://sftool.gov/greenprocurement>). The Green Procurement Compilation is a comprehensive green purchasing resource for federal buyers, program managers, and vendors working with federal agencies, which includes,

among other things, a GSA-cleared set of environmentally preferable products. Thus, by updating ADS 331, USAID further empowered its purchase card holders to make green buying decisions.

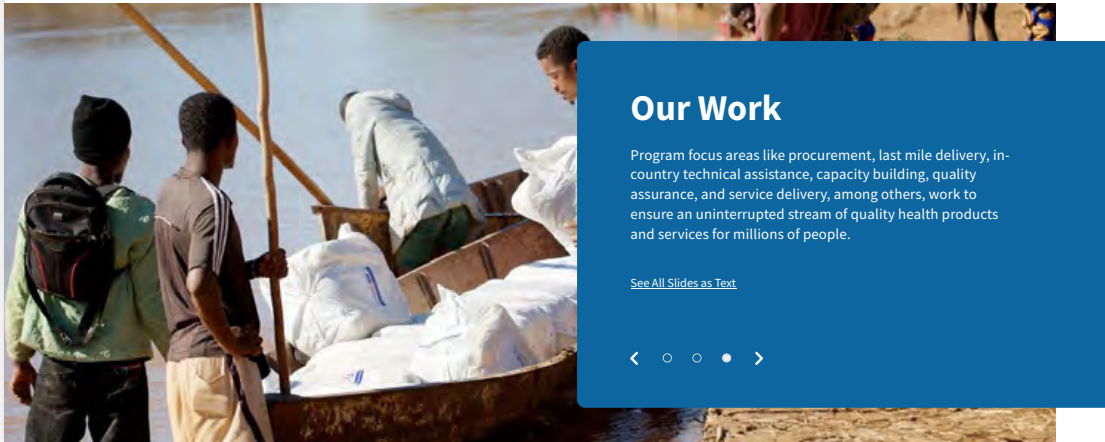
In FY 2024, USAID’s Office of Acquisition and Assistance also continued providing training and technical assistance to USAID’s A&A workforce. For example, the Office of Acquisition and Assistance continued to host training sessions for A&A professionals in USAID’s regional A&A labs and Washington on how to integrate the Agency’s Climate Strategy into programming. USAID recorded an instance of the training and made it available on-demand online for its workforce. Further, the Office provided consultations and assistance for colleagues in USAID’s international offices on incorporating climate and environment considerations into activity designs.

These efforts built on USAID’s prior and ongoing A&A sustainability efforts, which include but are not limited to adhering to FAR Part 23 on *Environment, Sustainable Acquisition, and Material Safety* (<https://www.acquisition.gov/far/part-23>), implementing paperless procurement via E-Sign technology and automatic filing, and exploring pathways to strengthen the Agency’s environmental compliance in A&A awards through project-specific climate considerations.

SUPPLY CHAINS

In FY 2024, USAID advanced efforts to reduce its GHG emissions from its global health and humanitarian assistance supply chains. The Agency continuously identifies and acts on opportunities to reduce emissions as a matter of business, including by optimizing shipping mode decisions while considering “mission-critical” tradeoffs. For instance, when possible, USAID maximizes its use of ocean shipping over alternative shipping modes, such as air freight, as ocean shipping generates significantly fewer GHG emissions than other modes. Reducing supply chain GHG emissions is critical, as organizations’ supply chain emissions are typically 11.4 times higher

USAID Global Health Supply Chain Program



The landing page of USAID’s Global Health Supply Chain (GHSC) website. USAID is working to reduce GHG emissions from its GHSC while increasing its climate resilience and ensuring an uninterrupted stream of high-quality health products and services for millions of people globally. SOURCE: <https://www.ghsupplychain.org/>

than their operational emissions (<https://www.cdp.net/en/research/global-reports/transparency-to-transformation#:~:text=Supply%20chain%20emissions%20are%20on%20average%2011.4%20times%20higher%20than%20operational%20emissions>).

GLOBAL HEALTH SUPPLY CHAINS

In its global health supply chains (GHSC), USAID advanced sustainability and resilience, including by working with partners, using data, and looking upstream to suppliers and product-level manufacturing.

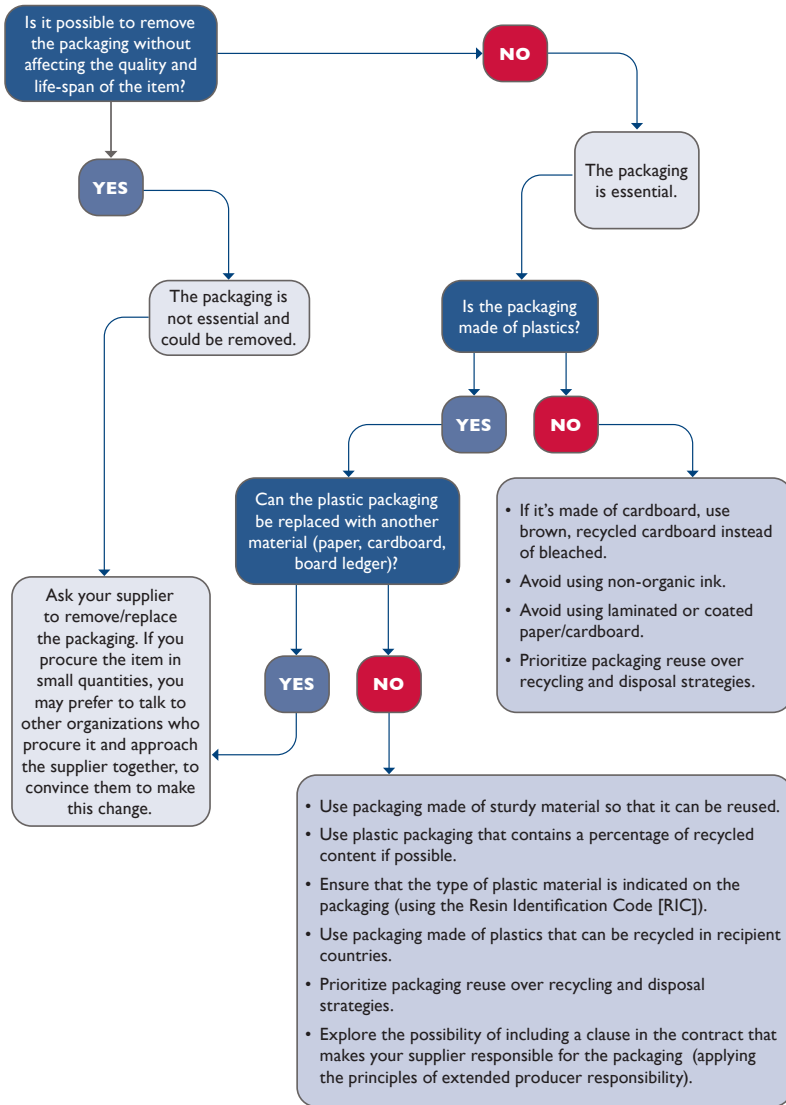
The U.S. President’s Malaria Initiative (PMI) (<https://www.usaid.gov/global-health/health-areas/malaria/pmi>), which USAID leads, continued to use ocean freight for its global transport to reduce its carbon footprint. PMI also explored opportunities to green its manufacturing base, starting with a baseline review to inform potential procurement incentives, further reduce GHG emissions, promote a climate-resilient health system, and advance global health security.

USAID also began implementing a GHG accounting tool for its GHSC-Procurement and Supply Management (GHSC-PSM) (<https://www.ghsupplychain.org/PSM>) to report GHG emissions annually. GHSC-PSM purchases and delivers health commodities, works closely with country partners and suppliers globally to strengthen national supply chain systems, and provides global supply chain leadership to ensure lifesaving health supplies reach those in need, when they need them. GHSC-PSM supports five key health priority areas: HIV/AIDS, malaria, voluntary family planning and reproductive health, maternal and child health, and emerging and major public health threats including Zika, Ebola, and COVID-19.

For its GHSC, USAID also assessed its broader value chain to estimate product storage emissions, assessed the feasibility of reducing preliminary product-level manufacturing emissions, and surveyed its suppliers about their capacities to provide GHG emissions-related data.

In summary, USAID is now equipped to track, monitor, report on, and continuously and

The following diagram presents the decision tree process.



A decision tree from the Joint Initiative for Sustainability Humanitarian Assistance Packaging Waste Management, which is designed to help humanitarian assistance organizations procure packaging to minimize unnecessary materials and waste. USAID co-leads the Joint Initiative.

SOURCE: https://eacentre.org/wp-content/uploads/2019/07/Packaging-Decision-Tree_JI.pdf#page=4

strategically identify opportunities to reduce its GHSC-related GHG emissions, including by working with upstream suppliers.

USAID is also coordinating with other health commodity donors, such as the UN Population Fund (UNFPA) (<https://www.unfpa.org/>), to

enhance sustainable sourcing practices, mitigate GHG emissions, and reduce waste in health sector supply chains, which is responsible for the greatest proportion of GHG emissions in the sector.

HUMANITARIAN ASSISTANCE SUPPLY CHAINS

In its humanitarian assistance supply chains, USAID advanced efforts to evaluate and understand its GHG emissions, as well as to reduce materials use and packaging waste, and mitigate commodity losses, shortages, and delays.

In FY 2024, USAID continued tracking and recording GHG emissions from its humanitarian assistance food aid (<https://www.usaid.gov/food-assistance>) ocean shipments, which is enabling USAID to better quantify its GHG emissions and set goals and targets for reducing them, including by implementing requirements in future contracts and grants for more efficient procurement and transportation. USAID also mapped a portion of its non-food aid humanitarian assistance supply chains and inventoried related GHG emissions, including for key items such as kitchen sets, blankets, and plastic sheeting. As part of this effort, USAID evaluated alternative sourcing opportunities for these items, such as within recipient countries, to estimate GHG emissions and identify potential opportunities to achieve reductions.

USAID also continued key partnerships in FY 2024. Through the Joint Initiative for Sustainable Humanitarian Assistance Packaging Waste Management (<https://eacentre.org/2019/07/15/https-www-eacentre-org-2019-07-15-sustainable-humanitarian-packaging-waste-management/>), which USAID leads, and with the Climate Action Accelerator (<https://climateactionaccelerator.org/>), USAID published in February 2024 a report on Operationalizing and Scaling-up Donors' Climate and Environment Commitments (<https://climateactionaccelerator.org/donors-climate-and-environmental-commitments/>). The purpose of the report was to:

- Analyze how donors' climate and environmental commitments influence the way they fund humanitarian assistance.

- Explore donors’ efforts to reduce their climate and environmental footprints, including by examining how they encourage and support mainstreaming climate change action and environmental considerations into humanitarian assistance.
- Generate findings to support humanitarian organizations to better anticipate and adapt to donors’ requirements and requests, as well as to inform donors’ coordination efforts.

Major findings included that:

- Donors have been scaling up climate action beyond climate adaptation, but dedicated humanitarian funding for greening operations and activities remains rare.
- Most donor agencies have been ramping up their own internal carbon footprint mitigation efforts, but there is still much work to be done, including building on existing coordination mechanisms, harmonizing practices, and linking greening to localization.

USAID’s humanitarian assistance supply chain climate mitigation efforts align with the Climate and Environment Charter for Humanitarian Organizations’ goal to “minimize and manage the damage we cause to the environment and the climate, while maintaining our ability to provide timely and principled humanitarian assistance” (<https://www.climate-charter.org/>). USAID’s future efforts will include quantifying the GHG emissions associated with food assistance agriculture and identifying climate risk hotspots throughout the global humanitarian supply chain.

WORKFORCE COMMUTING

To reduce GHG emissions from its workforce commuting, USAID implements a robust Transit Benefits Program through which USAID encourages employees to use mass transit and other commuting options that reduce air pollution and traffic congestion instead of using single-occupant vehicles.

In line with the Telework Enhancement Act of 2010 (<https://www.govinfo.gov/content/pkg/BILLS-111hr1722enr/pdf/BILLS-111hr1722enr.pdf>), in

the United States, USAID also offers a Telework and Remote Work Program, which is governed by the Agency’s operational policy (<https://www.usaid.gov/sites/default/files/2023-07/405.pdf>) and in which employees can voluntarily participate, though the Agency encourages all employees to have, at minimum, a situational telework agreement. While USAID did not design its Telework and Remote Work Program specifically to help reduce its GHG emissions, implementing the program helps USAID slightly reduce its carbon footprint by foregoing emissions associated with employees commuting to U.S. government facilities. In terms of climate adaptation, implementing its Telework and Remote Work Program helps USAID bolster its climate resilience and continuity of operations by enabling the Agency to direct participating employees to telework, as needed, during extreme weather events and climate change-related emergencies. USAID defines these as “acute weather events that prevent access to the worksite or disrupt operations, including intense storms, frequent heavy precipitation, heat waves, drought, extreme flooding, and higher sea levels.”

USAID implements a biennial global commuter survey to estimate, track, and inform efforts to reduce its commuting-related GHG emissions, and to inform and continuously improve its Transit Benefits Program. USAID developed its commuter survey and related processes in FY 2023 and cleared it through the Paperwork Reduction Act process with the OMB Office of Information and Regulatory Affairs (OIRA) in FY 2024. USAID plans to implement the survey in FY 2025.

In September 2023, USAID instituted a work posture policy under which all workforce members in the United States who do not have an active remote work agreement or personal exception are required to work at least three days in a USAID or other U.S. government facility each week. Internationally, USAID staff are under the authority of the Chief of Mission, who is usually the U.S. Ambassador, and have more limited telework flexibilities. USAID knows that many staff internationally, particularly FSNs, have significant daily commutes. Implementing its commuter survey will help USAID estimate and understand the GHG emissions consequences

of its updated work posture in the United States and its workforce commuting internationally. This data should help inform USAID’s management decisions on commuting policies globally, while balancing other equities, such as physical and cybersecurity measures, operational readiness best practices, and more.

PARTNERING

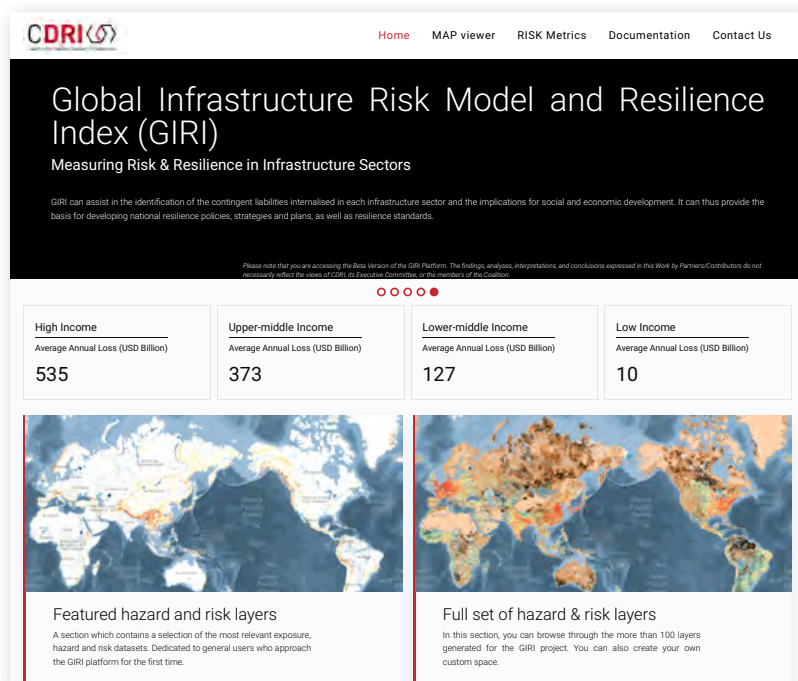
USAID recognizes the importance of collaborating with its partners to address the climate crisis as the Agency seeks to “Do Our Part,” particularly because the climate crisis affects everyone and all organizations.

USAID has built and leverages a network of partnerships inside and outside of government to combat climate change. Within the U.S. government, the Agency has developed close working relationships on climate and sustainability with the White House Council on Environmental Quality (CEQ), OMB’s Office of Federal Procurement

Policy (OFPP), the State Department, DOE, GSA, Peace Corps, and others. For example, USAID and the State Department Bureaus for Management meet regularly to coordinate on operational climate change adaptation and mitigation efforts, opportunities, and challenges. In 2024, USAID also engaged in the State Department’s Climate Risk Working Group, which focused on integrating natural hazards risk information into operational and management decisions, as well as policies, processes, and practices, to reduce and manage exposure. In addition, USAID shared resources and information to help the Peace Corps advance its sustainability work.

Outside of the U.S. government, USAID engages in the Sustainability Managers Roundtable (SMRT), which is “a diverse group of sustainability professionals from more than 60 NGOs, universities, government agencies, and multilateral [organizations] and private sector companies, which the World Resources Institute, Natural Resources Defense Council, The Nature Conservancy, Environmental Defense Fund, and Organization of American States coordinate and facilitate (<https://www.wri.org/sustainability-wri>). Through the SMRT, USAID has shared and accessed information and ideas, including related to benchmarking sustainability progress and maturity, business travel, energy consumption-related GHG emissions inventory methodologies, and procurement.

More broadly, USAID partners to implement its Climate Strategy with other government agencies; partner country and local governments; the private sector; Indigenous Peoples; local communities; women, youth, and other marginalized and/or underrepresented groups; multilateral organizations; and other donor agencies. For example, USAID Administrator Samantha Power co-chairs the Coalition for Disaster Resilient Infrastructure (CDRI) (<https://www.cdri.world/>), through which she helped CDRI release the world’s first Global Infrastructure Risk Model and Resilience Index (GIRI). The GIRI helps countries predict the risks that various disasters pose to them, and their associated average losses, which countries can use to forecast the need for and inform climate-resilient infrastructure investments.



The landing page of the CDRI’s GIRI, the world’s first such tool that helps countries predict the risks that various disasters pose to them, and their associated average losses, which countries can use to forecast the need for and inform climate-resilient infrastructure investments. USAID Administrator Samantha Power co-chairs CDRI. SOURCE: <https://giri.uneppgrid.ch>

The CDRI is developing a sustainable approach that integrates infrastructure best practices that include the aspirations and perspectives of local communities, women, and Indigenous Peoples; expanding its global reach, particularly to the countries climate change is affecting most; and fostering partnerships with the public and private sectors, academia, and other U.S. and international institutions.

At the regulatory level, USAID follows the government-wide FAR and engages in the Civilian Agency Acquisition Council (<https://www.acquisition.gov/content/civilian-agency-acquisition-council-caac>) as an advisory member of the FAR Environmental Council. As a member, USAID helps shape the climate-related considerations in the FAR as a way to help the U.S. government, including USAID, improve its sustainability and reduce its climate-related financial risk. The U.S. government is following established rulemaking processes to inform and solicit feedback from the public about considering establishing U.S. government-wide contract requirements for reducing, measuring, and tracking GHG emissions. USAID has encouraged its partners to follow relevant FAR cases and use opportunities for public comments to express their suggestions and concerns. For example, USAID flagged for its partners Case 2021-015, *Disclosure of Greenhouse Gas Emissions and Climate-Related Financial Risk* (<https://www.regulations.gov/docket/FAR-2021-0015>), and Case 2021-016, *Minimizing the Risk of Climate Change in Federal Acquisitions* (<https://www.regulations.gov/docket/FAR-2021-0016>). USAID also participated directly in Case 2022-006, *Sustainable Acquisition* (<https://www.regulations.gov/docket/FAR-2022-0006>), which became final and took effect in May 2024. The final rule modernizes existing federal sustainable purchasing standards and directs the U.S. government, as the world's single largest purchaser, to prioritize the purchase of U.S.-made sustainable products and services (<https://www.whitehouse.gov/ceq/news-updates/2024/04/19/biden-harris-administration-finalizes-rule-to-maximize-federal-purchases-of-american-made-sustainable-products-and-services-using-epa-purchasing-recommendations/>). USAID supported the rulemaking process by helping address questions from the public

and crafting the language of the FAR clause in collaboration with colleagues from across the Federal Government.

As stated in the A&A section on page 228, USAID also is partnering with its implementing partners on an effort to integrate climate and environment considerations into its award and project and activity designs and solicitations. For example, through co-creation processes, USAID and its implementing partners can collaboratively identify opportunities to integrate and advance climate and environment objectives in projects and activities across sectors in which USAID works.

In FY 2024, USAID's two senior managers who were White House Leadership Development Program Fellows (<https://www.performance.gov/whldp/>) in the Office of the Federal Chief Sustainability Officer in the CEQ during FY 2023 returned to USAID after having helped drive the U.S. government's implementation of the Federal Sustainability Plan, the Greening Government Initiative (GGI) (<https://www.sustainability.gov/ggi/>), and the Net-Zero Government Initiative (NZGI) (<https://www.sustainability.gov/federalsustainabilityplan/net-zero-initiative.html>), as well as having led efforts on federal employee engagement and environmental justice. Their work at CEQ helped increase the number of countries that joined the NZGI by 50 percent at the UN Climate Change Conference in November–December 2023 in the United Arab Emirates (<https://unfccc.int/cop28>), underscoring U.S. leadership in greening government operations. The senior managers brought back to USAID their strengthened sustainability expertise, networks, and leadership skills, which are helping USAID further advance its climate and sustainability objectives. In addition, the senior managers secured promotions to senior leader positions in USAID's Bureau for Global Health and Office of Policy, with one now overseeing the team focused on advancing USAID's climate policy priorities.

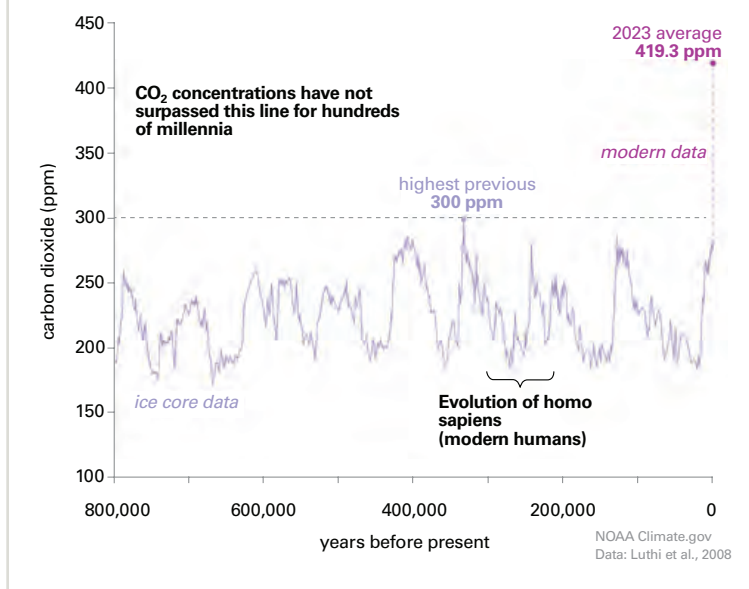
Please refer to USAID's Climate Strategy (<https://www.usaid.gov/policy/climate-strategy>) for more information about how USAID partners to implement it.

TRAINING

Training Agency workforce and partners and strengthening their climate capacities are key ways USAID actively mitigates its climate-related financial risks while leading and supporting global climate action and implementing the Agency's Climate Strategy.



CARBON DIOXIDE OVER 800,000 YEARS



USAID's Climate Basics training uses simple, easy-to-understand language and features engaging multimedia content, such as the YouTube video "Neil DeGrasse Tyson's Simple Explanation of Climate Change" available at <https://www.youtube.com/watch?v=6YUPIX7yEOM&t> and this data visualization of carbon dioxide concentrations over time on planet Earth from Climate.gov. USAID's Climate Basics training is available to the public online at <https://www.climatelinks.org/resources/climate-basics-course>.

VIRTUAL, ON-DEMAND TRAINING

USAID offers at least ten climate-related training sessions on demand on its internal USAID University learning platform, several of which USAID also maintains on its public ClimateLinks.org website (<https://www.climatelinks.org/>) for USAID and partner personnel. The trainings include but are not limited to:

- Climate Basics (<https://www.climatelinks.org/resources/climate-basics-course>), which explains in simple terms what climate change is and why and how it is relevant to development and humanitarian assistance.
- Climate Risk Management (CRM) (<https://www.climatelinks.org/resources/what-climate-risk-management-process>), which focuses on CRM for activity design, implementation, and monitoring, evaluation, and learning, as well as how CRM flows through USAID's program cycle and specific tips for strategies and projects.
- Integrating Climate Risk in Long-Term Planning (<https://www.climatelinks.org/resources/integrating-climate-risk-long-term-planning>), which walks through developing mid-century, low-carbon strategies that consider climate risks and include climate adaptation strategies.
- Climate Finance (<https://www.climatelinks.org/resources/climate-finance-training>), which provides strategies and examples to help development assistance organizations and professionals scale up financing for climate action; and
- Climate Resilient Development (<https://www.climatelinks.org/resources/climate-resilient-development-101>), which focuses on identifying climate risks to development programs, communicating effectively about those risks, and applying existing resources and information to solving climate-related development problems to make development efforts climate resilient.

In FY 2024, USAID also:

- Developed a self-paced course on "Climate Change and Humanitarian Assistance" that explores how the intensity, duration, and

magnitude of climate-related disasters is altering humanitarian assistance, increasing needs, and creating and intensifying complex emergencies. The course draws on examples from around the world to explore various climate risks and impacts and highlights approaches humanitarian actors can employ to reduce some of the worst consequences of the climate crisis, integrate climate considerations into their work, and advance broader USAID priorities, including localization and DEIA.

- Began developing a climate and environment training for partners who implement USAID humanitarian assistance Resilience and Food Security Activities (<https://www.usaid.gov/humanitarian-assistance/partner-with-bha/bha-rfsa>). USAID expects to launch this training in fall 2024.

PRACTICAL, INNOVATIVE, ON-THE-JOB TRAINING (PIVOT)

One critical way USAID is meeting current needs and filling gaps is through its Climate Finance Practicum and Climate Champions Practicum, for which USAID uses the cutting-edge PIVOT model (<https://sites.google.com/view/usaid-pivot/home>). USAID designed and has been implementing instances of these climate-focused training sessions since 2022. In FY 2024, USAID conducted the third instance of its Climate Champions Practicum, kicking off in fall 2023 and concluding in May 2024. The Practicum focused on building Mission colleagues' capacities to implement USAID's Climate Strategy, including by building climate expertise across those offices' functions. USAID tailors the training to individual international office's needs, recognizing that addressing large-scale challenges such as climate change requires a whole of Mission response. In FY 2024, teams from USAID/Cambodia, USAID/Malawi, USAID/Egypt, USAID/Pakistan, and USAID/Tajikistan completed the Practicum. In FY 2025, USAID will offer the PIVOT Climate Champions Practicum again and will have participants from USAID/Madagascar, USAID/Nigeria, and USAID/Iraq among others.

Through the PIVOT model, USAID implements virtual and in-person learning, technical support, and team coaching to help staff across all development sectors, programming, and operations to mobilize their capacities and commitment to tackle the climate crisis. USAID roots the PIVOT Practicum in equitable, inclusive, and locally-led development, a learn-by-doing and evidence-based approach, and leadership and change management to drive holistic climate action at the individual, team, and international office levels. Teams work to apply their knowledge by completing a climate action plan and collaborating on a specific project during the practicum. Example projects include concepts for new activity designs that include climate action without any climate funding, and integration of climate goals into R/CDCS processes and strategies.

An FY 2022 PIVOT Climate Finance Practicum for USAID's Bureau for Africa resulted in measurable gains in technical skills and knowledge, leadership capacity, and CLA among several Missions that subsequently modified existing programs to embed new ways to elevate climate finance. Results from the FY 2023 and FY 2024 Climate Champions Practicums also consistently showed a one-point increase on a five-point scale of competencies across the three core learning areas of (1) climate technical skills, (2) CLA for change management, and (3) inclusive leadership founded



Members of USAID's Cambodia office PIVOT Practicum team.



The logo for the Foreign Service Institute.

in diversity, equity, inclusion, accessibility, and belonging (DEIAB). For example, 85 percent of respondents to the post-practicum survey agreed they have the skills to advocate for USAID’s Climate Strategy, and only 15 percent noted a neutral response; compared to the baseline survey, this represents a 49 percent increase. In FY 2024, USAID funded an external impact evaluation to examine the outcomes and behavior changes teams experience after the practicum concludes. USAID expects the impact evaluation to be completed in FY 2025.

INTERAGENCY COLLABORATION

USAID also collaborated with the State Department’s Foreign Service Institute (FSI) (<https://www.state.gov/bureaus-offices/under-secretary-for-management/foreign-service-institute/>), the Federal Government’s premier foreign affairs training provider, to enhance FSI’s climate change-focused course offerings and promote those offerings to USAID staff. For example, USAID contributed to FSI’s new “Climate for All” course, as well as new two-day virtual workshops on “Climate Ambition,” “Climate Finance,” “Climate Resilience,” and other topics. In addition, USAID encouraged its staff, based on relevance to their job functions, to take FSI’s Climate Diplomacy (<https://sis.fsi.state.gov/MySISWeb/s/course/a0J3d000001VU4VEAW/climate-diplomacy>) and Climate Tradecraft (<https://sis.fsi.state.gov/MySISWeb/s/course/a0J3d000002ntDsEAI/climate-tradecraft>) courses. USAID also partnered with FSI to deliver a Climate Technology course to USAID personnel in Bangkok, Thailand, in September 2024, through which participants built their understanding of current and future climate technologies, how to evaluate them effectively, and how to facilitate more rapid climate technology development and deployment in local contexts.

USAID also collaborated with a small interagency team with members from CEQ, OFPP, and the U.S. Department of the Interior to revise the training module on Sustainable Procurement (FAC 038) (<https://icatalog.dau.edu/mobile/CLModuleDetails.aspx?id=1967>), which is a Federal Government-wide training on sustainable procurement.

In FY 2023, USAID inventoried climate- and sustainability-related training available inside and outside of government. USAID also inventoried the knowledge, skills, and behaviors USAID leaders and staff need to exercise to implement climate and sustainability efforts. USAID used this information to analyze training and knowledge, skill, and behavior gaps to identify future training needs. Based on this analysis, USAID is prioritizing training approaches that are output- and/or outcome-oriented and emphasize learning-by-doing in teams; priority themes for the teams are climate finance and climate integration. USAID also shared training resources and information with other U.S. government agencies, such as the Peace Corps and the State Department.

ENVIRONMENTAL EQUITY AND JUSTICE

USAID also mitigates its climate-related financial risk by integrating environmental equity and justice into its work to implement its Climate Strategy. USAID recognizes equity, justice, and inclusion are critical to catalyzing and sustaining bold and ambitious climate action—the best, most enduring solutions are and will be those in which equity, justice, and inclusion are deeply embedded. Through its work, USAID strives and is actively working to:

- Directly fund diverse local actors and support the meaningful engagement and leadership of local communities, including social groups experiencing marginalization, in decision making, policymaking, and benefit-sharing.
- Confront entrenched power structures that create and maintain inequities.
- Support a Just Transition—one in which the global transition to a low-carbon, resilient economy occurs in a way that fosters positive environmental, social, and economic outcomes, delivers equitable benefits, and does no harm.
- Improve DEIA in its workforce that focuses primarily on climate- and environment-related work.
- Partner to deliver clean air for local communities and reduce emissions and the risk of displacement and dangerous health effects.

In addition, USAID is mainstreaming climate and environmental equity and justice by:

- Acting on the expertise of and recommendations from working groups on Environmental Equity and Justice and Climate Equity.
- Employing two Climate Equity Advisors in USAID’s Bureau for Humanitarian Assistance.
- Embedding these topics in its Climate Staffing Plan and Climate Capacity-Building Plan to ensure staff has the knowledge, skills, and abilities they need to integrate climate and environmental equity and justice effectively into USAID’s programs and operations in all sectors.
- Implementing a Climate Equity and Justice module in the PIVOT Climate Champions Practicum.

In FY 2024, USAID developed an **Environmental Justice Guide** under E.O. 14096, *Revitalizing Our Nation’s Commitment to Environmental Justice and Equity for All* (<https://www.federalregister.gov/documents/2023/04/26/2023-08955/revitalizing-our-nations-commitment-to-environmental-justice-for-all>) to articulate how USAID applies environmental justice principles to its policies, processes, and programs, and to outline best practices and current actions across USAID programmatic sectors and operations. USAID focused the guide on themes including Localization and Inclusive Development; Climate Equity; Community, Environmental, and Ecosystem Health; and Land and Resource Governance. For example, in the guide, USAID explains its environmental procedures (<https://www.usaid.gov/environmental-procedures>), through which the Agency implements environmental impact assessments to systematically address environmental risk in its efforts to support self-reliance and resilience and to safeguard people and resources. USAID’s environmental procedures involve examining the existing environmental conditions of a strategy, program, project, or activity, and predicting the potential impacts of those actions on the environment and the community. This work involves integration and alignment with USAID’s EAP (<https://www.usaid.gov/equity/equity-action-plan>), Gender Equality and Women’s

Empowerment Policy (<https://www.usaid.gov/gender-policy>), Policy on Promoting the Rights of Indigenous Peoples (PRO-IP) (<https://www.usaid.gov/policy/indigenous-peoples>) guidance on Free, Prior, and Informed Consent (https://www.usaid.gov/sites/default/files/2023-02/3%20Guidance-on-Monitoring-FPIC_2.pdf), and related guidance and resources.

USAID also began planning to collaborate with the other members of the Multi-Donor Learning Partnership for Development Impact (<https://www.md4dev.org/>) and partner countries to develop a publicly available, web-based framework and guidance tool to help USAID, its partners and stakeholders, and the broader development sector understand and engage local and Indigenous knowledge more deeply in international development work. USAID’s vision for the tool is that it will be:

- Hosted externally;
- Organized by general topic area;
- Structured on key themes, such as definitions, examples, implications for shifting power, and practical guidance, with each theme leading to a group of guiding questions, and each question leading to brief content, examples, additional sources, and more; and
- Continuously updated and improved based on subject matter expert knowledge and feedback, new information, and more.

More deeply integrating local and Indigenous knowledge into the Agency’s work helps USAID reduce its climate-related financial risk by enhancing the sustainability of the projects and activities it funds, recognizing the clear and growing body of evidence that demonstrates that Indigenous and local knowledge and solutions are highly effective at sequestering GHG emissions and promoting adaptation, including in conservation, reforestation, and land management.

In addition, to address potential and realized harms to project-affected communities resulting from its actions, USAID is implementing its SEE-AM. In line with USAID’s principle of “Do No Harm,” the SEE-AM ensures that people who have been

or may potentially be socially, economically, or environmentally adversely affected by USAID programming worldwide have an opportunity to have their concerns addressed. The SEE-AM will help USAID promptly address policy gaps and improve its approaches to reduce harms and injustices. For more information about the SEE-AM, please refer to the EAP Implementation Progress subsection on page 87 of this AFR, which is within the Other Management Information, Initiatives, and Issues section.

CHALLENGES AND LIMITATIONS

While USAID is making significant progress on mitigating and managing its climate-related financial risk and operational GHG emissions, USAID recognizes that managing climate-related financial risk comes with unique challenges and limitations internationally. Unfortunately, climate change is making international development and humanitarian assistance more challenging and more costly. This is not a burden that USAID bears alone, but one the Agency is working to address

in partnership with country governments, local communities, other donors, and other stakeholders. USAID knows that it will not be successful in its development and humanitarian mission without successfully tackling the climate crisis. As such, USAID has put climate action at the center of its work, integrating climate considerations into its work in all sectors. For that reason, USAID has not prioritized quantifying climate-related financial risk because it is not necessarily discrete from its “other” work and because often climate-related financial risk does not fall squarely on USAID, but rather is shared across many stakeholders. Instead, USAID is focusing on addressing climate risk across the Agency’s portfolio as an integral part of addressing the climate crisis.

USAID also recognizes the challenge of addressing its operational GHG emissions, particularly emissions related to travel, as people globally transform how they live and work to move toward the shared vision of a resilient, prosperous, and equitable world with net-zero GHG emissions. USAID continues to look for and move toward solutions that will enable the Agency to achieve its mission, which includes also achieving its GHG.

APPENDICES





(Preceding page) Anastasia Haraz in her plant shop Floral Soul in Chisinau, the capital of Moldova. With support from USAID's Future Technologies Activity, Fadura, a community digital bank, connected Anastasia to its innovative crowdfunding and investor support platform—providing her with the financing she needed to turn her passion for plants into a thriving business.

PHOTO: TEAMWORK.MD FOR USAID

(Above) Tegucigalpa, Honduras, April 18 2023. In Honduras, USAID is partnering with diverse strategic allies to provide specialized technical skills training for young women in traditionally male-dominated fields, such as heavy machinery, construction, and computer science. In Comayagua, USAID's support allowed 27-year-old Ivannia Caballero and ten of her peers to complete specialized training in heavy equipment operation in order to secure employment in the field of construction.

PHOTO: EDUARDO CÁLIX/CREANDO MI FUTURO AQUÍ/USAID

APPENDIX A.

SUMMARY OF SIGNIFICANT LAWS

Laws that the Agency considers having a significant impact on USAID's operations and financial statements during FY 2024 are the following:

- **Antideficiency Act (ADA)** – initially enacted in the 1800s with the current version recodified on September 13, 1982. Among other things, prevents the incurring of obligations or the making of expenditures (outlays) in excess of amounts available in appropriations or funds. Violations are obligations or expenditures in excess of the lower of the amount in the affected account, the amount apportioned, or any administrative subdivision of funds specified in the agency's fund-control regulations.
- **Cash Management Improvement Act (CMIA) of 1990** – provides the general rules and procedures for the efficient transfer of funds for federal financial assistance programs between the Federal Government and the states, territories, and the District of Columbia. CMIA's objectives are (1) Efficiency: to minimize the time between the transfer of funds to the states and the payout for program purposes; (2) Effectiveness: to ensure that federal funds are available when requested; and (3) Equity: to assess an interest liability to the Federal Government and/or the states to compensate for the lost value of funds.
- **Chief Financial Officers (CFO) Act of 1990** – described on page i in *About This Report* listing legislation containing reporting requirements satisfied in the *Agency Financial Report (AFR)*.
- **Civil Service Retirement Act (CSRA)** – which became effective on August 1, 1920, established a retirement system for certain federal employees. The Civil Service Retirement System (CSRS) is a defined benefit, contributory retirement system. Employees and agencies share in the expense of the annuities to which employees become entitled. It was replaced by the Federal Employees Retirement System (FERS) for federal employees who first entered covered service on and after January 1, 1987.
- **Debt Collection Improvement Act (DCIA) of 1996** – tasked the U.S. Department of the Treasury (Treasury) with certain government-wide debt collection responsibilities. The law provides that delinquent non-tax debts generally must be turned over to Treasury for appropriate action to collect the debt. Certain types of debts are exempt from this requirement. A major purpose of DCIA is to maximize collections of delinquent debts owed to the Federal Government by ensuring quick action to enforce recovery of debts and the use of all appropriate collection tools. DCIA as amended by the Digital Accountability and Transparency Act (DATA Act) of 2014 requires federal agencies to notify Treasury of federal nontax debt delinquent over 120 days for purposes of payment offset and requires agencies to refer such debt to Treasury for centralized collection action. To facilitate debt collection, DCIA, in concert with other federal debt collection laws that the act amended, authorizes several debt collection tools, including administrative wage garnishment, credit bureau reporting, and referring debt to private collection agencies, and bars delinquent federal non-tax debtors from receiving additional federal loans, loan insurance, or loan guarantees until such debtors resolve their delinquencies.
- **Federal Credit Reform Act (FCRA) of 1990** – was enacted to accomplish four objectives: (1) measure the costs of federal credit programs more accurately, (2) place the cost of credit programs on a budgetary basis equivalent to other federal spending, (3) encourage the delivery of benefits in the form most appropriate to the needs of beneficiaries, and (4) improve the allocation of resources among credit programs and between credit and other spending programs. Agencies that borrow for Credit Reform Accounts follow standardized processes for establishing accounts,

creating borrowing agreements, accruing interest, and processing principal and interest transactions. It requires federal agencies to set aside the subsidy cost of new credit assistance provided in the form of direct loans or loan guarantees. The subsidy cost will be the estimated long-term cost to the Federal Government of the loan or loan guarantee.

- **Federal Debt Collection Authority** – includes Public Laws, Statutes, and Other Authorities Related to the Collection of Delinquent Debts Owed to the Federal Government. DCIA provides that any non-tax debt or claim owed to the Federal Government that is 180 days delinquent, with certain exceptions, will be referred to Treasury for appropriate action to collect or terminate collection actions. Debt that is in litigation or foreclosure, with a collection agency or designated federal debt collection center, or that will be disposed of under an asset sales program, is exempt from transfer to the Secretary. DCIA as amended by the DATA Act provides that agencies are required to notify Treasury of all non-tax debts that are 120 days delinquent for purposes of administrative offset. There are no exemptions.
- **Federal Employees' Compensation Act (FECA)** – enacted on September 7, 1916, provides compensation benefits to civilian employees for disability due to personal injury or disease sustained while in the performance of duty. The FECA also provides for payment of benefits to dependents if a work-related injury or disease causes an employee's death. These benefits include medical expenses, compensation for wage loss, and payment to dependents of employees who die from work-related injuries or diseases. For partially disabled employees returning to work, FECA provides vocational rehabilitation (training for a different job). The act is administered by the U.S. Department of Labor.
- **Federal Employees Health Benefits Act (FEHBA)** – enacted September 28, 1959, governs the health benefits of millions of federal workers and dependents, and authorizes OPM to enter into contracts with private insurance carriers to administer benefit plans.
- **Federal Employee Retirement System Act (FERSA) of 1986** – establishes the FERS for federal employees, postal employees, and Members of Congress who

began service after December 31, 1983. Declares that benefits payable under the system are in addition to those payable under the Social Security Act. Sets forth provisions for the benefit plan including: (1) eligibility for an annuity after five years of creditable service, (2) entitlements to retirement based on age and years of service, (3) the formulas for computing an annuity, (4) survivor election reductions, and (5) funding. Sets forth provisions for mandatory retirement for air traffic controllers, law enforcement officers, and firefighters.

- **Federal Financial Management Improvement Act (FFMIA) of 1996** – described on page i in *About This Report listing legislation containing reporting requirements satisfied in the AFR.*
- **Federal Information Security Management Act (FISMA)** – enacted in 2002, recognizes the importance of information security to the economic and national security interests of the United States. The act requires each federal agency to develop, document, and implement an agency-wide program to provide security for the information and information systems that support the operations and assets of the agency, including those provided or managed by another agency, contractor, or other source.

The Federal Information Security Modernization Act of 2014 (FISMA 2014) – amends the Federal Information Security Management Act of 2002 to: (1) reestablish the oversight authority of the Director of OMB with respect to agency information security policies and practices, and (2) set forth authority for the Secretary of DHS to administer the implementation of such policies and practices for information systems. FISMA 2014 updates the Federal Government's cybersecurity practices by: (1) codifying DHS authority to administer the implementation of information security policies for non-national security federal Executive Branch systems, including providing technical assistance and deploying technologies to such systems; (2) amending and clarifying OMB's oversight authority over federal agency information security practices; and (3) requiring OMB to amend or revise OMB A-130, *Managing Information as a Strategic Resource*, to "eliminate inefficient and wasteful reporting."

- **Federal Managers' Financial Integrity Act (FMFIA) of 1982** – described on page i in *About This Report* listing legislation containing reporting requirements satisfied in the AFR.
- **The Foreign Assistance Act of 1961** – promotes the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic development and internal and external security, and for other purposes. Along with issuance of E.O. 10973, *Administration of Foreign Assistance and Related Functions*, the Act reorganized the structure of existing U.S. foreign assistance programs, distinguishing between military and non-military aid, and created a new agency, the United States Agency for International Development (USAID), to administer non-military, economic assistance programs.
- **Government Management Reform Act (GMRA) of 1994** – described on page i in *About This Report* listing legislation containing reporting requirements satisfied in the AFR.
- **Payment Integrity Information Act (PIIA) of 2019** – described on page i in *About This Report* listing legislation containing reporting requirements satisfied in the AFR.
- **Prompt Payment Act (PPA)** – enacted May 21, 1982, requires federal agencies pay their bills on time, pay interest penalties when payments are made late, and take discounts only when payments are made by the discount date and the discount is economically justified.

APPENDIX B.

ABBREVIATIONS AND ACRONYMS

A

A&A	Acquisition and Assistance
AA	Assistant Administrator
AAFS	Agency Approach to Field Services
AAPI	Asian American Pacific Islander
AAPSM	Action Alliance for Preventing Sexual Misconduct
ACC	Anti-Corruption Center
ACI	Andean Counterdrug Initiative
ACRF	Anti-Corruption Response Fund
ACTF	Anti-Corruption Task Force
ADA	Antideficiency Act
AEECA	Assistance for Europe, Eurasia, and Central Asia
ADR	Alternative Dispute Resolution
ADS	Automated Directives System
AFGE	American Federation of Government Employees
AFR	Agency Financial Report
AFSA	American Foreign Service Association
AI	Artificial Intelligence
AICPA	American Institute of Certified Public Accountants
AIR	Asia Investigative Reporting
ALA	Agency Learning Agenda
ALE	Agency Learning and Evidence
AMR	Antimicrobial Resistance
ANC	Absolute Neutrophil Count
APG	Agency Priority Goal
APP	Annual Performance Plan
APR	Annual Performance Report

ARP	Agency Risk Profile
ART	Antiretroviral Therapy
ASIST	Agency Secure Image and Storage Tracking
ATDA	Accountability of Tax Dollars Act
AU	Assessable Unit
AWCFP	Acquisition Workforce Certification Fellows Program

B

B/IO	Bureau and Independent Office
BHA	Humanitarian Assistance Bureau
BIC	Best-in-Class
BPA	Blanket Purchase Agreement
BRIDGE	Building Research and Innovation for Development, Generating Evidence
BRP	Burden Reduction Program

C

C-TIP	Counter-Trafficking in Persons
CACS	Consolidated Audit and Compliance System
CAO	Chief Acquisition Officer
CAR	Central Accounting and Reporting Division
CAS	Cost Accounting Standards
CCNPSC	Cooperating Country National Personal Services Contractor
CDC	Centers for Disease Control and Prevention
CDCS	Country Development Cooperation Strategy

CDRI	Coalition for Disaster Resilient Infrastructure	DCIA	Debt Collection Improvement Act
CE	Cost-Effectiveness	DDC	Development Data Commons
CEAR	Certificate of Excellence in Accountability Reporting	DDIR	Development Diplomat in Residence
CEQ	Council on Environmental Quality	DDL	Development Data Library
CFO	Chief Financial Officer	DEC	Development Experience Clearinghouse
CFR	Code of Federal Regulations	DEIA	Diversity, Equity, Inclusion, and Accessibility
CIF	Capital Investment Fund	DEIAB	Diversity, Equity, Inclusion, Accessibility, and Belonging
CIO	Chief Information Officer	DFA	Development Fund for Africa
CLA	Collaborating, Learning, and Adapting	DHS	U.S. Department of Homeland Security
CMIA	Cash Management Improvement Act	DID	Data-Informed Development
COM	Chief of Mission	DIS	Development Information Solution
COTS	Commercial Off-The-Shelf	DNP	Do Not Pay
COVID-19	Coronavirus Disease 2019	DoD	U.S. Department of Defense
CPS	Conflict Prevention and Stabilization Bureau	DOE	U.S. Department of Energy
CRM	Climate Risk Management	DOJ	U.S. Department of Justice
CSE	Civil Service Excepted	DOL	U.S. Department of Labor
CSRA	Civil Service Retirement Act	DPT	Diphtheria, Pertussis and Tetanus
CSRS	Civil Service Retirement System	DQA	Data-Quality Assessment
CTC	Countering Transnational Corruption	DR	Democracy, Human Rights, and Governance
CX	Customer Experience	DRG	Democracy, Human Rights, and Governance Bureau
CXS	Customer Experience Survey	DSU	Delaware State University

D

DA	Development Assistance
DAA	Deputy Assistant Administrator
DAC	Development and Assistance Committee
DART	Disaster Assistance Response Team
DATA	Data Administration and Technical Advisory
DATA Act	Digital Accountability and Transparency Act
DCAA	Defense Contract Audit Agency

E

EAP	Equity Action Plan
EAU	Emergency Use Authorization
ECR	External Civil Rights
ECTAD	Emergency Centre for Transboundary Animal Diseases
EDGE	Enterprises for Development, Growth, and Empowerment
EEI	Employee Engagement Index

EEO	Equal Employment Opportunity	FCI	Facility Condition Indices
EEOC	Equal Employment Opportunity Commission	FCRA	Federal Credit Reform Act
EG	Economic Growth	FECA	Federal Employees' Compensation Act
EID	Emerging Infectious Disease	FEHBA	Federal Employees Health Benefits Act
EMCRIC	Executive Management Council on Risk and Internal Control	FEI	Federal Executive Institute
E.O.	Executive Order	FERS	Federal Employees Retirement System
EPA	U.S. Environmental Protection Agency	FERSA	Federal Employee Retirement System Act
EPP	Expedited Procedures Package	FEVS	Federal Employee Viewpoint Survey
ER4	Early Recovery, Risk Reduction, and Resilience	FEWS NET	Famine Early Warning System
ERM	Enterprise Risk Management	FFMIA	Federal Financial Management Improvement Act
ERP	Enterprise Reporting Portal	FISMA	Federal Information Security Management Act
ES	Education and Social Services	FISMA 2014	Federal Information Security Modernization Act of 2014
ESI	Employee Satisfaction Index	FIU	Florida International University
ESF	Economic Support Fund	FMFIA	Federal Managers' Financial Integrity Act
ETT	Empowering the Truth Tellers	FR	Financial Report of the U.S. Government
EUA	Emergency Use Authorization	FSI	Foreign Service Institute (State Department)
EV	Electric Vehicle	FSL	Foreign Service Limited
Evidence Act	Evidence-Based Policymaking Act	FSN	Foreign Service National
EXIR	Experts in Residence	FSO	Foreign Service Officer
F		FSU	Fayetteville State University
F	Bureau for Foreign Assistance	FTF	Feed the Future
FAA	Fixed-Amount Award	FTI	Financial Transparency and Integrity
FAC	Federal Acquisition Certification	FTO	Foreign Terrorist Organization
FAC-C	Federal Acquisition Certification in Contracting	FY	Fiscal Year
FAO	Food and Agriculture Organization	G	
FAR	Federal Acquisition Regulation	G2G	Government-to-Government
FASAB	Federal Accounting Standards Advisory Board	GAAP	Generally Accepted Accounting Principles
FATAA	Foreign Aid Transparency and Accountability Act		
FBWT	Fund Balance with Treasury		

GAFREH	Groupe d'Action des Femmes pour la Relance Economique Houet	HCTM	Human Capital and Talent Management
GAO	Government Accountability Office	HEI	Higher Education Initiative
GAP	Global Accountability Program	HHS	U.S. Department of Health and Human Services
GDPI	Global Development Partnership Initiative	HISP	High Impact Service Provider
GEEA	Gender Equity and Equality Action	HIV/AIDS	Human Immune Deficiency Virus/Acquired Immune Deficiency Syndrome
GenAI	Generative AI	HL	Health
GFSS	Global Food Security Strategy	HR	Human Resources
GGI	Greening Government Initiative	HRSM	Human Rights Support Mechanism
GH	Global Health Bureau		
GHG	Greenhouse Gas		
GHS	Global Health Security		
GHSC	Global Health Supply Chain		
GHSC-PSM	GHSC-Procurement and Supply Management		
GIRI	Global Infrastructure Risk Model and Resilience Index		
GLAAS	Global Acquisition and Assistance System		
GMRA	Government Management Reform Act		
GPRA	Government Performance and Results Act		
GPRAMA	Government Performance and Results Act Modernization Act		
GSA	U.S. General Services Administration		
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System		
H			
HA	Humanitarian Assistance	I4D	Integrity for Development Campaign
HACU	Hispanic Association of Colleges and Universities	IAA	Interagency Agreement
HBCU	Historically Black Colleges and Universities	ICASS	International Cooperative Administrative Support Services
		IDEA	Integrated Digital Experience Act
		IDIQ	Indefinite Delivery, Indefinite Quantity
		IFAC	International Federation of Accountants
		IGR	Inclusive Governance for Resilience
		INTOSAI	International Organization of Supreme Audit Institutions
		IP	Improper Payment
		IPAC	Intra-Governmental Payment and Collection
		IPI	Inclusive Growth, Partnerships, and Innovation Bureau
		IPS	Impacted Person Support
		IRM	Integrated Risk Management
		ISC	Institutional Support Contractor
		IT	Information Technology
		ITN	Insecticide-Treated Net
		ITSP	IT Strategic Plan

J

JET	Just Energy Transition
JLOTS	Joint Logistics Over-the-Shore
JSP	Joint Strategic Plan

K

KMOL	Knowledge Management and Organizational Learning
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L

LAC	Latin America and Caribbean
LASER	Long-Term Assistance and Services for Research
LCS	Local Capacity Strengthening
LEED	Leadership in Energy and Environmental Design
LMF	Labor Management Forum
LPA	Legislative and Public Affairs Bureau

M

M	Bureau for Management
M/B/IO	Mission, Bureau, and Independent Office
M/MPBP	Office of Management Policy, Budget, and Performance
M/OCFO	Office of the Chief Financial Officer
M/OCFO/FS	M/OCFO Financial Systems Division
M/OCIO	Office of the Chief Information Officer
MCRIC	Management Council on Risk and Internal Control
MD&A	Management's Discussion and Analysis
MEL	Monitoring, Evaluation, and Learning
MENA	Middle East Northern Africa
MOU	Memorandum of Understanding
MSI	Minority-Serving Institution

N

N/A	Not Applicable
NAP	National Adaptation Plan
NASA	National Aeronautics and Space Administration
NDC	Nationally Determined Contribution
NFC	National Finance Center
NGO	Nongovernmental Organization
NICRA	Negotiated Indirect Cost Rate Agreement
NIST	National Institute of Standards and Technology
NPI	New Partnerships Initiative
NUPAS	Non-U.S. Pre-award Survey
NZGI	Net-Zero Government Initiative

O

OBO	Bureau of Overseas Buildings Operations (State Department)
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OE	Operating Expense
OECD	Organization for Economic Co-operation and Development
OFPP	Office of Federal Procurement Policy
OHBCUD	Office of HBCU Development
OHI	Organizational Health Index
OIG	Office of Inspector General
OIRA	Office of Information and Regulatory Affairs (OMB)
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OR	Organizational Resilience
OSTP	Office of Science Technology and Policy
OU	Operating Unit

P

PAR	Performance and Accountability Report
PASA	Participating Agency Service Agreement
PCV	Pneumococcal Vaccine
PII	Personally Identifiable Information
PIIA	Payment Integrity Information Act
PIO	Public International Organization
PIOET	Pandemic Influenza and Other Emerging Threats
PIRS	Performance Indicator Reference Sheet
PIVOT	Practical, InnoVative, On-the-Job Training
P.L.	Public Law
PLA	Partner Landscape Analysis and Assessment
PLR	Planning, Learning, and Resource Management Bureau
PMI	President's Malaria Initiative
PMP	Performance Management Plan
PO	Program Development and Oversight
PP&E	Property, Plant and Equipment
PPA	Prompt Payment Act
PPP	Public-Private Partnership
PPR	Performance Plan and Report
PPS	Payroll/Personnel System
PrEP	Pre-Exposure Prophylaxis
PREPARE	President's Emergency Plan for Adaptation and Resilience
PRO-IP	Policy on Promoting the Rights of Indigenous Peoples
PS	Peace and Security
PSC	Personal Services Contractor
PULSE	Partners for University-Led Solutions Engine

R

R/CDCS	Regional and Country Development Cooperation Strategy
RAMP	Risk Assessment Management Plan
RAS	Risk Appetite Statement
RBA	Risk Based Assessment
REFS	Resilience, Environment, and Food Security Bureau
RFSA	Resilience Food Security Activities
RIC	Resin Identification Code
RISE	Respectful, Inclusive, and Safe Environments
RMC	Risk Management Council
RML	Risk Management Liaison
RMT	Response Management Team
ROL	Rule of Law
RPA	Robotics Process Automation
RSC	Responsibility, Safeguarding, and Compliance
RSI	Required Supplementary Information

S

SAI	Supreme Audit Institution
SAT	Senior Assessment Team
SBG	Sovereign Bond Guarantee
SBR	Statement of Budgetary Resources
SCM	Safeguarding Carbon Markets
SDG	Sustainable Development Goal
SEA	Sexual Exploitation and Abuse
SEE-AM	Social, Economic, and Environmental Accountability Mechanism
SF	Standard Form
SFFAS	Statements of Federal Financial Accounting Standard
SFS	Senior Foreign Service
SLG	Senior Leadership Group

SMRT	Sustainability Managers Roundtable	U.S.	United States
SNA	Strengthening National Architectures	U.S.C.	United States Code
SPSD	Standardized Program Structure and Definition	USAID	U.S. Agency for International Development
State Department	U.S. Department of State	USDA	U.S. Department of Agriculture
STEM	Science, Technology, Engineering, and Mathematics	USDH	U.S. Direct Hire
SUM	Spend Under Management	USFS	U.S. Forest Service
SWFP	Strategic Workforce Planning	USPSC	U.S. Personal Services Contractor
		USSGL	U.S. Standard General Ledger
		UTRAMS	Universal Technical Request and Mission Support

T

T&A	Time and Attendance
TIP	Trafficking in Persons
TOP	Treasury Offset Program
TPM	Third-Party Monitor
TRACE-TB	Transformative Research and AI Capacity for Elimination of Tuberculosis and Responding to Infectious Diseases
Treasury	U.S. Department of the Treasury

U

UGX	Ugandan Shilling Currency Code
UN	United Nations
UNFPA	UN Population Fund
UP	Unknown Payment
URICA	Uniform Risk and Internal Control Assessment

V

V-Dem	Varieties of Democracy
VMMC	Voluntary Medical Male Circumcision

W

WASH	Water, Sanitation, and Hygiene
WHO	World Health Organization
WMD	Weapons of Mass Destruction
WOE	Worker Organizing and Empowerment
WPS	Women, Peace, and Security

Z

ZEV	Zero-Emissions Vehicle
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We welcome your comments on how we can improve this report. Please provide comments to:

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