



USAID
FROM THE AMERICAN PEOPLE

FISCAL YEAR 2022 AGENCY FINANCIAL REPORT

PROGRESS BEYOND PROGRAMS



ON THE COVER

First row, from left to right:

(Africa region) To reduce violent confrontations among communities in Nigeria's Middle Belt states, this USAID program organized workshops with residents to develop and run early warning systems that allow them to raise alerts among neighbors and authorities.

PHOTO: JIM HUYLEBROEK FOR USAID

(Asia region) USAID Administrator Samantha Power traveled to India in 2022 to meet with food security and climate experts, civil society, and government officials to discuss the global food security crisis, and the U.S.-India development partnership. PHOTO: USAID

(Europe region) USAID helped fund vital vaccine equipment in Ukraine. These cold chain systems will be provided to 3,100 COVID vaccination sites, including the 1,034 sites that are operational at primary healthcare clinics, and to 800 mobile teams. PHOTO: USAID/UKRAINE

Second row, from left to right:

(Africa region) Mary Emma, 21, Elphas Guya, 28, and Phoebe Achieng, 28, listen intently to the discussion of the 2019–2020 county budget on Ratego FM in Siaya County, Kenya. USAID's Agile Harmonized Assistance for Devolved Institutions project developed locally-led programs that empower citizens through public participation to hold governments accountable for service delivery with a focus on gender, social inclusion, and human rights. PHOTO: AMUNGA ESHUCHI

(LAC region) Children in El Salvador use masks and face shields to protect them as they continue learning during the COVID-19 pandemic.

PHOTO: USAID/EL SALVADOR

Third row, from left to right:

(Middle East region) Najlae Lakchar, 23, from the Moroccan city of Tetouan, rests at her home. Najlae is receiving training from USAID's FORSATY program to become a car mechanic.

PHOTO: BOBBY NEPTUNE FOR USAID

(Asia region) Akhi (left) is a pregnant mother living in the most remote locations of southwest Bangladesh. She has been receiving a monthly Conditional Cash Transfer of \$27 per month—directly to her mobile phone via an e-wallet and using this cash to purchase nutritious food and medicine. Mili (right), a community nutrition volunteer working with USAID's Nobo Jatra Project, visits pregnant women like Akhi and counsels families, including mothers, fathers, and grandmothers on nutrition and health behaviors. PHOTO: MEHZABIN RUPA, WORLD VISION

(Africa region) Niger's imzad musicians also enjoyed performances by local comedians, musicians, and dancers. USAID support goes beyond entertainment. It helps to strengthen traditional values of honor, courage, and bravery in a part of the world where violent extremists seek to erase those values. PHOTO: ERICA FRENDAK FOR USAID

Fourth row, from left to right:

(LAC region) At a maternal and child clinic at La Fossette Health Center in Haiti, patients arrive for regular check-ups as well as vaccinations. Pictured are ward and student nurses giving vaccines to babies. Many countries are facing disruptions to health services amidst COVID-19, however, USAID remains committed to protecting global immunization progress and continues working towards equitable access to vaccines for all.

PHOTO: KAREN KASMAUSKI, MCSP AND JHPIEGO

(Europe region) Twins from Severodonetsk, Ukraine on board a train to be evacuated. USAID remains committed to supporting Ukraine and its people, and addressing immediate and growing humanitarian needs in response to Russia's invasion of the country.

PHOTO: SAVE UKRAINE

(Middle East region) Najlae Lakchar, left, and her sister Rajae, right, trained to be auto mechanics through an internship a garage in the northern Moroccan city of Tetouan. The girls have received 16 months of training and were placed in this internship as part of USAID's FORSATY program, which helps at-risk youth develop practical and technical skills to increase their employability.

PHOTO: BOBBY NEPTUNE FOR USAID

ABOUT THIS REPORT

The *Agency Financial Report* (AFR) of the U.S. Agency for International Development (USAID) for Fiscal Year (FY) 2022 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 it. 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. For FY 2019 and FY 2020, it requires each agency to submit to Congress, as part of the annual financial report of the agency, a report of the agency's progress pursuant to fraud. For FY 2019 and FY 2020, the law required a report on the agencies' fraud reduction efforts undertaken to implement federal agency financial and administrative controls and procedures to assess and mitigate fraud risks and implement federal agency's development and use of data analytics for the purpose of identifying, preventing, and responding to fraud, including improper payments.

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 2022 APR to OMB in spring 2023. Both reports will be available at <https://www.usaid.gov/results-and-data/performance-reporting>.

USAID AT A GLANCE

USAID

- Is an independent Federal Government agency headquartered in Washington, D.C.
- Receives overall foreign policy guidance from the Secretary of State.
- Is the U.S. government's lead international development and humanitarian assistance agency, an essential component of U.S. foreign policy and national security.

MISSION STATEMENT

On behalf of the American people, the U.S. Agency for International Development (USAID) promotes and demonstrates democratic values abroad and advances a free, peaceful, and prosperous world. In support of America's foreign policy, USAID 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.

Apples represent one of Moldova's top exports—nearly 3 percent of what the country sells abroad each year—and Moldovan apples are delicious. For years, through our programs, USAID has invested in spurring the productivity of apple growers and establishing cold storage facilities, while supporting the growers' efforts to secure the best prices on the market. However, the war in Ukraine presented a roadblock. The closest port to export Moldova's apples was in the Ukrainian city of Odesa and could not be accessed, putting the most recent apple harvest at risk of going to waste. USAID stepped in, and Moldovan growers sold more than half their stored apples in record time. How? Not a new program. Instead, USAID used its convening power and contacts both in and outside government—including a connection with the chef José Andrés—to find new buyers and secure ways to transport the delicious apples to new customers. By drawing on the community's entrepreneurship, and USAID's convening power, the Agency was able to make a meaningful difference that likely would not have happened otherwise. PHOTO: USAID



<https://www.usaid.gov/news-information/speeches/may-26-2022-administrator-samantha-power-society-international-development-us-annual>

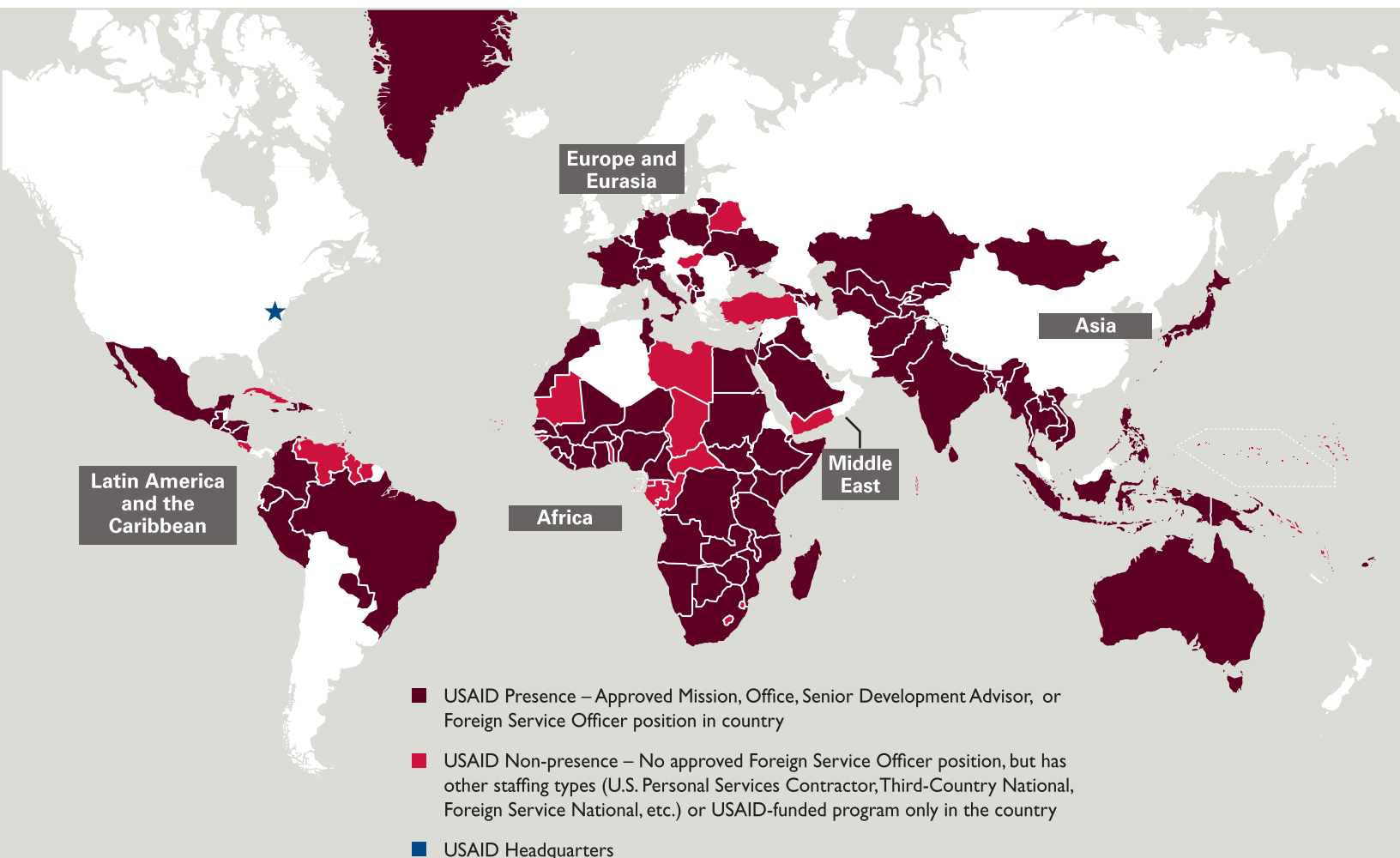
WHERE USAID WORKS

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

“ We have to focus on driving development progress, not simply development programs, building on past efforts to spur catalytic investments and bring in new partners to our work.”

— Administrator Samantha Power
Address at *The Society For International Development-US Annual Conference*,
May 26, 2022

▶ <https://www.usaid.gov/news-information/speeches/may-26-2022-administrator-samantha-power-society-international-development-us-annual>



* As of September 30, 2022

WHY USAID MATTERS

ADVANCING U.S. SECURITY AND PROSPERITY

USAID's work advances U.S. national security and economic prosperity, demonstrates American generosity, and promotes resilience around the world by helping build up communities in need. U.S. international engagement is grounded in American values, working in partnership with allies, and focused on strengthening international institutions—to lift lives, build communities, and establish self-sufficiency.

USAID's efforts are simultaneously for, and for, the American people. While demonstrating U.S. goodwill around the world, USAID increases global stability by addressing the root causes of violence, opening new markets for U.S. businesses, and generating opportunities for trade.

SUPPORTING PRIVATE ENTERPRISE

USAID builds dynamic, mutually beneficial partnerships with the private sector to foster economic growth and improve business outcomes in the United States and in the countries where the Agency works. Private enterprise is a powerful force that accelerates development progress. At USAID, in an era when 53 of the 100 largest economies in the world are companies, and one company alone can reach four billion customers—nearly 60 percent of the global population—working with the private sector is a necessity. Since 2001, USAID has formed more than 2,500 partnerships with nongovernmental partners, including more than 1,700 partnerships with the private sector.

HOW USAID ORGANIZES INITIATIVES THAT FULFILL ITS MISSION

USAID saves lives; reduces poverty; strengthens democratic, citizen-responsive governance; and helps people progress beyond assistance. Through the Agency's work and that of our partner organizations, development assistance from the American people transforms lives, communities, and economies around the world by:



Promoting Global Health

Through activities that save lives, strengthen fragile states, and promote social and economic progress.
<https://www.usaid.gov/promoting-global-health>



Supporting Global Stability

By advancing democracy and governance to help promote sustainable development and peace around the world—recognizing poverty does not cause violent extremism, it creates conditions that extremists can exploit.
<https://www.usaid.gov/supporting-global-stability>



Providing Humanitarian Assistance

Through timely and effective humanitarian responses, bringing disaster relief and lifesaving assistance amid complex crises.
<https://www.usaid.gov/providing-humanitarian-assistance>



Catalyzing Innovation and Partnership

By making the impossible, possible, the unsolvable, solvable with technology, new thinking, and engaging with the private sector to reinvent how USAID fulfills its mission.
<https://www.usaid.gov/catalyzing-innovation-and-partnership>



Empowering Women and Girls

Through supporting women and girls—peace and progress cannot be sustained without women's equal access to opportunities and participation in their countries' institutions.
<https://www.usaid.gov/empowering-women-and-girls>

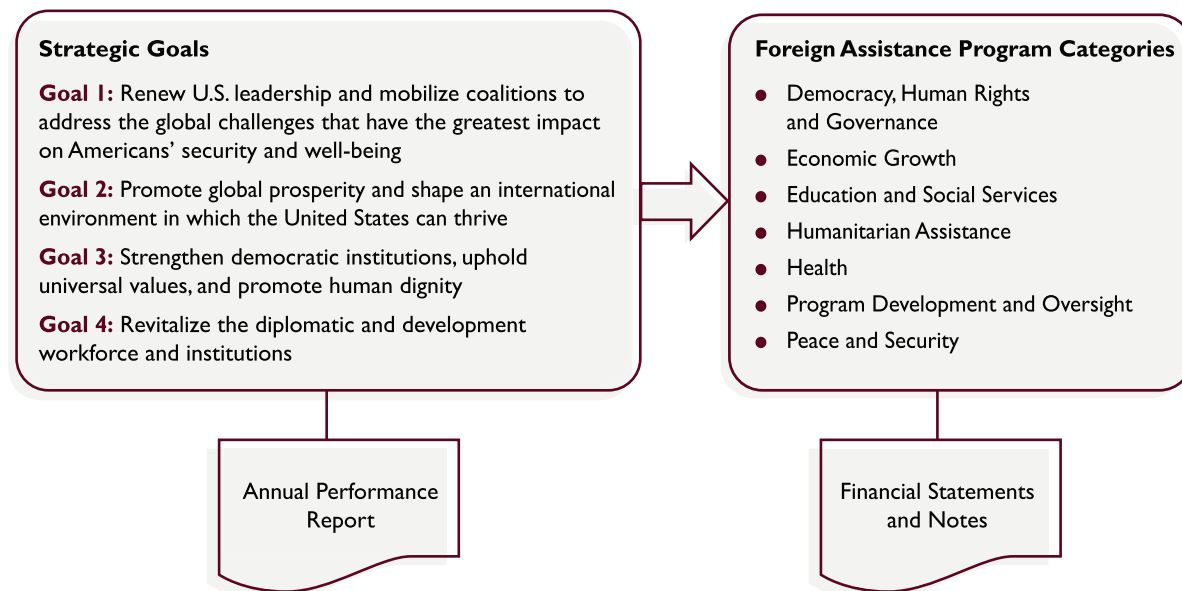
HOW USAID IS ACCOUNTABLE

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, the design and implementation of projects, and the monitoring and evaluation of partners’ performance. These components depend on continuous learning and adapting, influence the annual budget and resource-management processes, and focus on achieving sustainable results. Additionally, USAID and the U.S. Department of State (State) developed the *FY 2022–FY 2026 Joint Strategic Plan* (JSP), 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. 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 further explore USAID’s strategic goals and performance results, see the *State-USAID FY 2022 – FY 2026 JSP* (https://www.usaid.gov/sites/default/files/documents/Final_State-USAID_FY_2022-2026_Joint_Strategic_Plan_29MAR2022.pdf) and the USAID Annual Performance Report (APR)¹ (https://www.usaid.gov/sites/default/files/documents/State-USAID_Fiscal_Year_FY_2021_Annual_Performance_Report_APR.pdf).

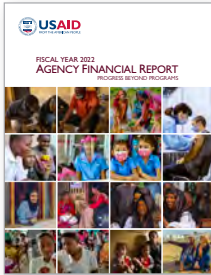


USAID is leading data transparency with the ForeignAssistance.gov website. To explore where the whole U.S. government spends foreign assistance dollars, visit <https://foreignassistance.gov/>. To explore USAID investments and illustrative results, visit <https://results.usaid.gov/results>.

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

¹ USAID transitioned reporting and planning from the FY 2018 – FY 2022 JSP to the FY 2022 – FY 2026 JSP. The FY 2021 APR served as the final year of reporting for the FY 2018 – FY 2022 JSP. The FY 2022 APR will be the first APR reporting against the FY 2022 – FY 2026 JSP.

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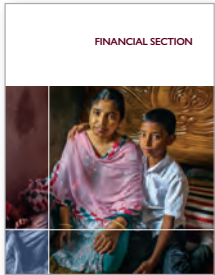
A brief message from the Agency Head highlighting the Agency's vision and an assessment of the reliability and completeness of financial and performance data in the report.



I MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The MD&A provides an overview of the Agency's financial and performance results. It summarizes the Agency's mission, activities, program and financial performance, systems, controls, legal compliance, and financial position.

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This report is available at <https://www.usaid.gov/results-and-data/progress-data/agency-financial-report>.

EXECUTIVE MESSAGE FROM ADMINISTRATOR SAMANTHA POWER



Samantha Power

For more than 60 years, the U.S. Agency for International Development (USAID) has taken on the most pressing challenges our planet has faced. Today, the same Agency that helped eradicate smallpox and avert an age of famine by launching the Green Revolution is confronting threats of overwhelming size and scale. A still smoldering COVID-19 pandemic that continues to claim lives and damage economies.

A climate crisis whose fury is only growing, devastating countries and endangering entire ways of life. Open war in Europe, as Vladimir Putin continues his deadly, brutal assault on Ukraine. And a global food crisis exacerbated by all these other calamities, as rising food, fuel, and fertilizer prices squeeze those who can least afford it.

Yet, as daunting as these global challenges are, the United States has stepped up to meet them. With USAID support, our government has donated nearly 625 million COVID-19 vaccine doses to more than 115 countries, with no expectation of payment or favor. From Kiribati to the Gambia to Pakistan to the Dominican Republic, we have responded to climate disasters with assistance that has saved lives, helped rebuild economies, and strengthened resilience to future shocks. We have provided billions in humanitarian and development aid to Ukraine, helping to keep the government afloat, maintain public services, repair infrastructure, document war crimes, and help restart the country's economy. And we have provided more than \$1.8 billion to address the epicenter of the global food crisis—the Horn of Africa.

While these efforts will mean the difference between life and death for millions of people, there are limits to what money alone can achieve. In a world where no amount of foreign aid will be commensurate with the problems we face, we have to seek development progress beyond our programs. We must work to extend our impact beyond our foreign assistance programs, marshaling together our development partners, international institutions, and the global private sector to extend the reach of democracy, prosperity, and human dignity to billions more. And we must do this in partnership with the most marginalized, elevating their voices to drive change in their own communities, rather than imposing it from abroad.

The goals and actions described in this Agency Financial Report are critical to these efforts. We have 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 other issues.

Our world will continue to face new crises, so we will challenge what the development community thinks is possible by pushing for progress beyond our programs. While there is still work to do, we continue to extend the reach of freedom and dignity to all people.

A handwritten signature in black ink that reads "S. Power".

Samantha Power
Administrator
November 12, 2022

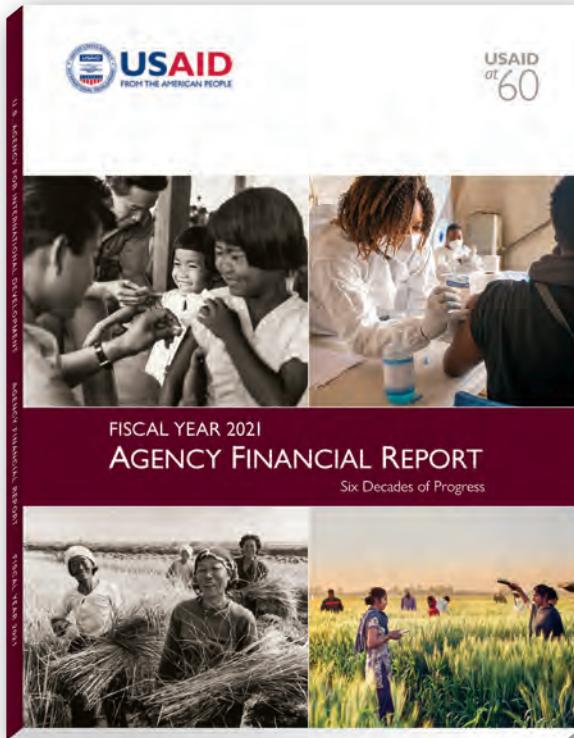
On October 6, 2022, Administrator Samantha Power arrived in Kyiv for a visit to convey the United States' steadfast support for the people of Ukraine. While in Kyiv, Administrator Power met with President Volodymyr Zelenskyy, civil society leaders, and other Ukrainians. PHOTO: U.S. EMBASSY UKRAINE



<https://www.usaid.gov/usaid-response-ukraine>



2021 CERTIFICATE OF EXCELLENCE AWARDS



MANAGEMENT'S DISCUSSION AND ANALYSIS





(Preceding page) Meralia Simon, 90, talks with a Handicap International staffer at a school in Haiti where she took refuge following Hurricane Matthew in 2016. The U.S. government committed more than \$100 million in response to this humanitarian crisis. PHOTO: BENOIT ALMERAS, HANDICAP INTERNATIONAL

(Above) In 2020, millions of Venezuelans fled their country and many, like this mother and child, ended up in neighboring Colombia and in need of care and services. USAID partnered with governments and organizations to provide humanitarian aid. PHOTO: DAVE COOPER 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.”

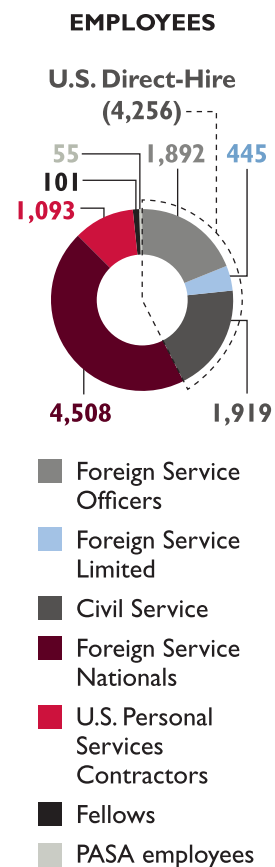
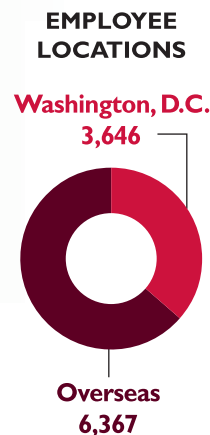
The U.S. Agency for International Development (USAID) has been working toward these goals for more than 60 years. Resilient societies must have healthy, educated, and well-nourished citizens, as well as a vibrant economy and inclusive, legitimate, and responsive institutions. All of USAID’s work—including 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 97 countries and programs in 30 others, the Agency accelerates human progress in developing countries by reducing poverty, advancing democracy, empowering women, building market economies, promoting security, responding to crises, and improving the quality of life through investments in health and education. An Administrator and two Deputy Administrators, appointed by the President and confirmed by the U.S. Senate, head USAID. As the U.S. government’s lead international development and humanitarian assistance agency, USAID helps societies realize their full potential. USAID plans its development and assistance programs in close coordination

with the U.S. Department of State (State) 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 2022, the Agency delivered on its mission with the support of its workforce which includes: 4,256 U.S. direct-hire (USDH) employees, of whom 1,892 are Foreign Service Officers, 445 are Foreign Service Limited, and 1,919 are in the Civil Service. The workforce also includes 4,508 Foreign Service Nationals (FSNs), 1,093 U.S. Personal Services Contractors (USPSCs), 101 Fellows, and 55 staff under Participating Agency Service Agreements (PASAs). Of these employees, 3,646 work in Washington, D.C., and 6,367 are assigned overseas. These totals include all funding types and employees from the USAID Office of Inspector General (OIG) and political appointees onboard at the time of the data pull.²



² The data are as of Pay Period 19, and any arrival action after September 24, 2022, was dropped from the data. Foreign Service National data: In coordination with State, USAID transitioned from using the WebPASS system to the Overseas Personnel System (OPS). As part of that transition, the Agency is in the process of validating the overseas data to capture all staff and countries accurately.



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 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

USAID's workforce and culture continue to reflect core American values—rooted in the belief of doing the right thing.

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 (IOs) support crosscutting or more limited services.

USAID's **regional Bureaus** are Africa (AFR), Asia (ASIA), Middle East (ME), Latin America and the Caribbean (LAC), and Europe and Eurasia (E&E).

USAID's **pillar Bureaus** are the following:

- The Bureau for Humanitarian Assistance (BHA), which provides expertise in emergency aid;

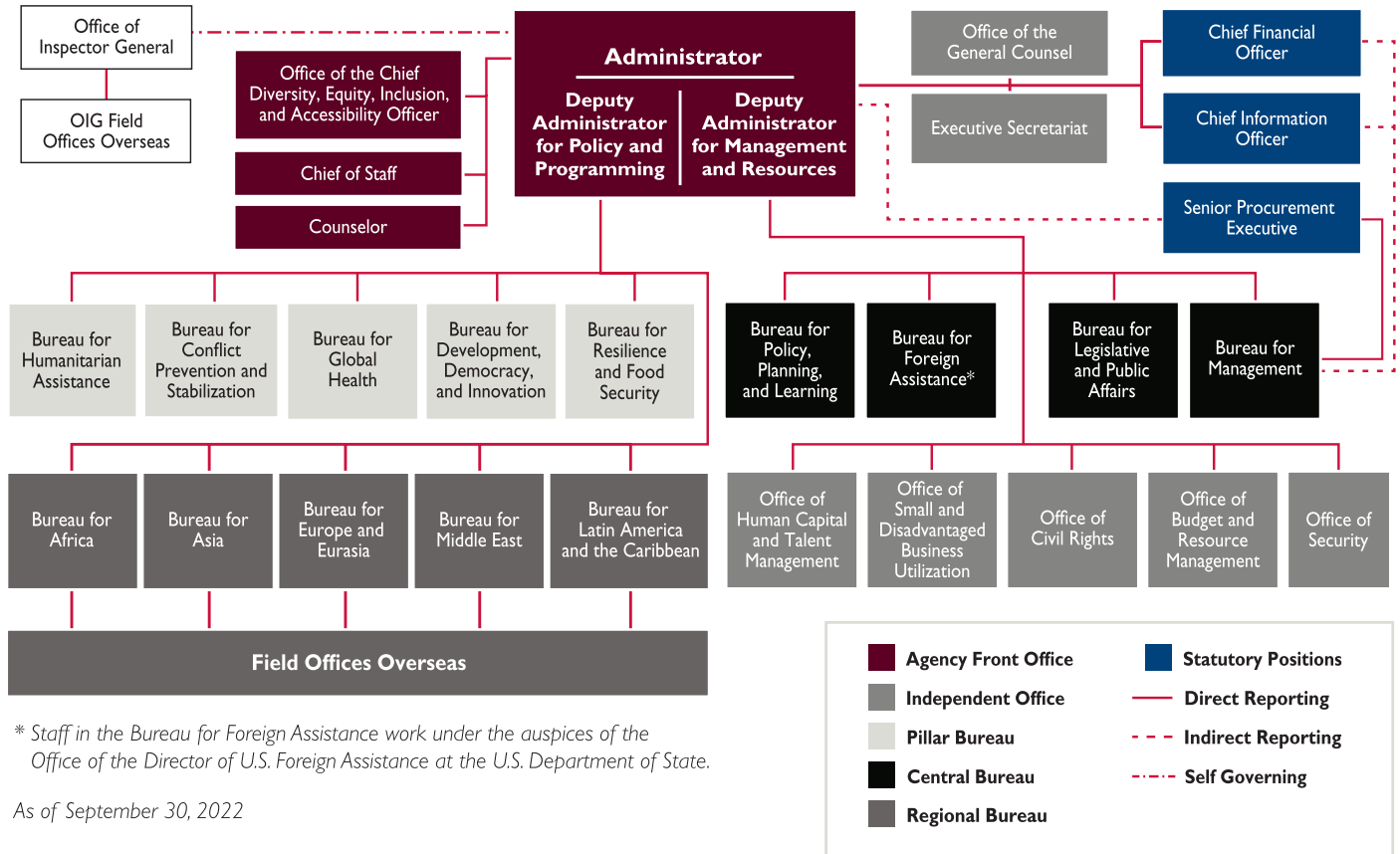
- The Bureau for Conflict Prevention and Stabilization (CPS), which provides expertise in peacebuilding, conflict and violence prevention, and implementation of political transition and stabilization programs;
- The Bureau for Resilience and Food Security (RFS), which provides expertise in agricultural productivity, addresses hunger and malnutrition, and leads the U.S. government's initiative in global food security, Feed the Future;
- The Bureau for Development, Democracy, and Innovation (DDI), which provides world-class technical assistance to USAID overseas Missions enabling the Agency to anticipate and respond to evolving trends and issues, catalyze innovation, and broaden the Agency's partnership base; and
- The Bureau for Global Health (GH), which provides expertise in global challenges, such as child, maternal, and reproductive health; HIV/AIDS; malaria; tuberculosis; and integrated health care.

The regional and pillar Bureaus report to the Deputy Administrator for Policy and Programming.

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

- The Bureau for Policy, Planning, and Learning (PPL), which shapes USAID's development policy, builds the Agency's capacity to plan and implement evidence-based programming, and fosters a culture of learning and evaluation;
- The Bureau for Foreign Assistance (FA), which is part of State's Office of Foreign Assistance (F) and serves both the Secretary of State and the USAID Administrator in coordinating foreign assistance resources across the U.S. government. Under the auspices of F, FA manages consolidated policy, planning, budget, and implementation processes and mechanisms to provide leadership, coordination, and guidance to maximize the impact of U.S. foreign assistance in close coordination with PPL and the Office of Budget and Resource Management (BRM);

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT STRUCTURE



- 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 seven IOs that are responsible for discrete Agency functions that include legal issues, budget, diversity programs, security, and partnerships. These offices are (1) the Office of the Executive Secretariat (ES); (2) the Office of the General Counsel (GC); (3) BRM; (4) the Office of Security (SEC); (5) the Office of Small and Disadvantaged Business

Utilization (OSDBU); (6) the Office of Civil Rights (OCR); and (7) the Office of Human Capital and Talent Management (HCTM), which oversees the planning, development, management, and administration of human capital and talent for the Agency.

In FY 2022, USAID reorganized OCR and moved the unit dedicated to diversity matters to the newly established Office of the Chief Diversity Officer in the USAID Front Office. USAID’s leadership is strongly committed to all aspects of the Agency’s Equal Employment Opportunity (EEO) Program and the reorganized and renamed OCR now has expanded functions in four divisions.

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.

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

In accordance with the Chief Financial Officer (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 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 (FITARA), the E-Government Act of 2002, and the Office of Management and Budget (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 receives administrative support from the M Bureau.

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 for all U.S. government departments and agencies in a given country, and all USAID operations fall under their authority. The USAID Mission Director or USAID representative, as the USAID Administrator's representative and the Ambassador's prime 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 Standardized Program Structure and Definitions (SPSD) system to categorize and account for foreign assistance funds. The SPSD contains the following seven categories of foreign assistance programs:

- Democracy, Human Rights, and Governance (DR): supports the establishment, consolidation, and protection of democratic institutions, processes, and values in countries to advance freedom;
- Economic Growth (EG): strives to generate rapid, sustained, and broad-based economic growth;
- Education and Social Services (ES): 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 (HA): 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 (HL): contributes to improvements in the health of people, especially women, children, and other vulnerable populations in countries globally;
- Program Development and Oversight (PO): provides program management, accounting, and tracking for costs to assist U.S. foreign assistance objectives; and
- Peace and Security (PS): 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

SECTION STRUCTURE

The Overview of Programmatic Performance section comprises three main sections:

- Background information, including: overview, discipline of development, quality of monitoring and evaluation, and strategic goals and results;
- Performance goal accomplishment highlights for the Fiscal Year (FY) 2022 – FY 2026 *Joint Strategic Plan* (JSP); and
- U.S. Agency for International Development (USAID) illustrative indicators and performance trends.

OVERVIEW

As the U.S. government's lead international development, health, and humanitarian assistance agency, USAID seeks to save lives, reduce poverty, strengthen democracy, and improve economic conditions across the world. USAID plans its development and assistance programs in coordination with the U.S. Department of State (State) and collaborates with other U.S. government departments and agencies, Congress, multilateral and bilateral organizations, private companies, academic institutions, faith-based groups, and nongovernmental organizations (NGOs), with the support of our local partners.

USAID is a key player in addressing national security priorities as a member of the National Security Council. If the world is to defeat the COVID-19 pandemic, mitigate and adapt to the climate crisis, prevent and stabilize conflicts, restore and strengthen democracy, and embrace diversity, USAID must take on challenges in new ways that deliver results on a global scale while shifting to a model of locally led development that gives decision-making to local partners who know their problems best. USAID,

working with State, supports U.S. national security, demonstrates American generosity, and promotes prosperity at home and abroad. Through the Agency's work and that of its partner organizations, development assistance from the American people transforms lives, communities, and economies around the world. USAID's assistance exemplifies U.S. generosity consistent with American values, adhering to 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.
- Mitigating climate change and addressing its impacts across all sectors by partnering with countries to reduce emissions, protect critical ecosystems, transition to renewable energy, build resilience, and promote the flow of capital toward climate-positive investments.
- Strengthening our operations and approaches to programming to address climate change and further climate justice within USAID and our partner organizations.
- Revitalizing democracy through work that confronts corruption, defends and protects human rights, resists the authoritarian use of disinformation and digital repression, and engages civil society, governments, local media, and other key actors, particularly those from under-represented 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 Women, Peace, and Security; 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 here and abroad; promoting sustainable development; and supporting economic growth.
- Empowering women and girls in all their diversity, through support for 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 the development, iteration, and adaptation of our programs.
- Advancing Diversity, Equity, Inclusion, and Accessibility (DEIA) in our foreign affairs work and our workforce through improvements in strategic planning, policy formulation, budgeting, programming, partnerships, training, outreach, learning, and reporting.

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 between country-level strategic planning (through Country Development Cooperation Strategies, or CDCs), design, and implementation of Agency programs, and monitoring and evaluation to generate evidence and understand program performance. Across these components, which together represent the discipline of development, USAID continuously learns and adapts to influence the annual budget and resource management processes and achieve measurable, sustainable results. USAID’s Program Cycle Operational Policy (Automated Directives System [ADS] Chapter 201 [<https://www.usaid.gov/ads/policy/200/201>]) includes four principles that guide USAID’s Program Cycle:

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

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

USAID Missions use Performance Management Plans (PMP) to manage the process to monitor, evaluate, and learn from progress toward strategic objectives, intended results, and the performance of USAID-funded programs. USAID Operating Units (OUs) report key indicator data in their annual performance reports, which inform Agency decisions and external reporting.

QUALITY OF MONITORING AND EVALUATION

As part of the Program Cycle, USAID's requirements for monitoring and evaluation help the Agency build a body of evidence from which to learn and adapt, as well as increase the quality and transparency of that evidence. Meeting these requirements also ensures the Agency complies with the objectives of the Foreign Aid Transparency and Accountability Act (FATAA) of July 2016 and the guidelines the Office of Management and Budget (OMB) publishes for using monitoring and evaluation to implement the FATAA. In a July 2019 report (<https://www.gao.gov/products/GAO-19-466>), the Government Accountability Office found that USAID had adopted all of OMB's guidelines for monitoring and evaluation. To meet the provisions of the Foundations for Evidence-Based Policymaking Act of 2018 (Evidence Act), USAID named an Agency Evaluation Officer and published the FY 2023 Annual Evaluation Plan (https://www.usaid.gov/sites/default/files/documents/USAID_Annual_Evaluation_Plan_FY_2023_Published_March_2022.docx.pdf). Under Title I of the Evidence Act, agencies must develop a learning agenda that covers a four-year period aligned with the strategic plan and addresses a set of agency-wide priority learning questions. USAID developed a new Agency Learning Agenda (<https://www.usaid.gov/evaluation/evidence-act-agency-learning-agenda>) to align with emerging policy priorities and the FY 2022 – FY 2026 JSP. Following consultations with internal and external stakeholders, USAID identified nine learning questions that will guide evidence generation, sharing, and use in decision-making as the Agency implements top policy priorities. USAID published the Agency Learning Agenda and the Capacity Assessment for Research, Evaluation, Statistics, and other Analysis (<https://www.usaid.gov/evaluation/2022-capacity-assessment>) in early 2022, along with the JSP.

The Evaluation Policy Task Force of the American Evaluation Association has called USAID's Evaluation Policy a "model for other federal agencies." In October 2020, USAID updated its Program Cycle Operational Policy (ADS Chapter 201 [<https://www.usaid.gov/ads/policy/200/201>]) to (1) streamline planning requirements for design and monitoring; evaluation; and Collaborating, Learning, and Adapting (CLA); (2) reduce burden on field staff; better align with legislative requirements (e.g., the evaluation section of the Evidence Act); and (3) provide more flexibility for meeting monitoring requirements in nonpermissive environments (e.g., allowing virtual site visits to adapt to the travel and meeting restrictions caused by the COVID-19 pandemic). Finally, ADS Chapter 201 now requires that USAID's OUs analyze costs when doing an impact evaluation to produce an estimate of the impact per dollar of the intervention being studied. The Program Cycle includes basing strategic planning for and the design of activities on the best available evidence and providing ongoing accountability, learning, and adaptation during strategy and implementation. USAID's OUs have completed more than 1,300 external evaluations since USAID issued the Agency's Evaluation Policy in 2011. In the fall of 2021, USAID updated and published its Evaluation Policy (https://www.usaid.gov/sites/default/files/documents/Evaluation_Policy_Update_OCT2020_Final.pdf) to incorporate changes to the Evidence Act and the Agency's revised ADS 201. To promote internal and external learning from evaluations, USAID requires evaluations (with limited exceptions) to be publicly available on USAID's Development Experience Clearinghouse (DEC) at <https://dec.usaid.gov>.

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 main areas of work: delivering classroom and online training courses, creating tools and guidance to support staff in implementing the Program Cycle's procedures, providing direct technical assistance on Program Cycle processes to USAID Missions and offices, and facilitating peer-to-peer learning by hosting communities of practice.

For example:

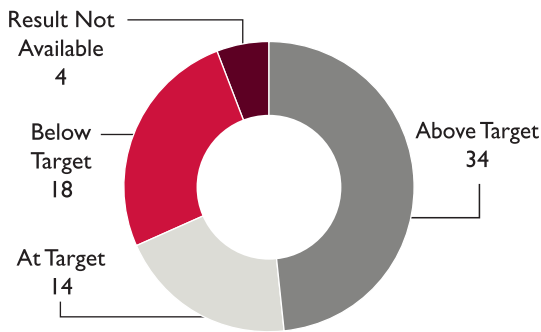
- USAID has developed a sophisticated training curriculum with a set of online and classroom courses tailored to specific staff roles to build capacity in the Program Cycle's processes. Courses include Introduction to the Program Cycle, Project Design, Activity Design and Implementation, Performance Monitoring and Evaluation Essentials, Applied Performance Monitoring and Evaluation, Data Quality Assessment Essentials, and Better Development through CLA.
- USAID has trained more than 3,000 staff in evaluating and monitoring programs since 2011.
- USAID provides templates, checklists, guidance documents, and other tools that support its staff to plan, design, manage, and learn from monitoring and evaluation. USAID has published its toolkits for good practice in evaluation (<https://usaidlearninglab.org/evaluation/evaluation-toolkit>), monitoring (<https://usaidlearninglab.org/monitoring/monitoring-toolkit>), and learning (<https://usaidlearninglab.org/cla/cla-toolkit>) on USAID's Learning Lab website (<https://usaidlearninglab.org>).
- USAID offers training courses and workshops that promote a standard approach to strategic operations management and business analytics across the Agency. For example, USAID developed a new eLearning Data Literacy Curriculum that provides on-demand, self-paced modules designed to equip staff with a variety of tools to use data to improve development, humanitarian, and operational outcomes. 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 operational improvements that align with the Agency Learning Agenda. The Agency implements a range of research studies to improve management operations. These studies include—and are not limited to—benchmarking studies, business process reviews, data-driven after-action reviews, and cost-savings/avoidance studies. USAID uses these studies to address major management challenges and produce practical, actionable recommendations that relevant offices and staff can implement. As of August 2022, 50 percent of the recommendations USAID has accepted are either in progress or complete, which reflects USAID's action- and results-oriented management approach. USAID publishes its management assessments on the DEC.

PERFORMANCE INDICATORS AND TRENDS

Performance indicators are the basis for observing progress and measuring actual results compared to expected ones. Hence, they are an indispensable management tool for making evidence-based decisions about the design of programs, activities, and operations. While several factors contribute to the overall success of foreign assistance programs and management operations, analyzing and using performance data are critical to USAID achieving its intended results. OUs within USAID do not report the results of their foreign assistance programs for FY 2022 until December 2022, and these results are validated by March 2023, after the required publication date of USAID’s Agency Financial Report (AFR).³ Accordingly, the most recent performance data in this report are for FY 2021,⁴ with baseline and trend data included when available. Despite a variety of obstacles, most USAID-funded programs met or exceeded their targets in FY 2021 for indicators under the *FY 2018 – FY 2022 JSP*.

FY 2021 PERFORMANCE MEASURE SUMMARY*



Total Performance Measures: 70

* Summary of FY 2021 results for the *FY 2018 – FY 2022 JSP*.

QUALITY OF DATA

Data are only useful for decision-making if they are high quality and provide support for informed decisions. According to USAID’s ADS Chapter 201, USAID OUs must adhere to rigorous processes to ensure the programs they fund 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. Each PIRS: (1) defines the indicator’s meaning and use and the method of data collection, and (2) specifies the data sources and identifies data’s limitations. A Data-Quality Assessment (DQA) is the process USAID uses to assess the validity, integrity, precision, reliability, and timeliness of performance-indicator data; USAID uses a PIRS to record the results of each DQA. All performance-indicator data USAID reports externally must go through the DQA process every three years. 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 come from other sources); and (3) third-party (data that are typically widely available from U.S. government departments and agencies and international organizations such as the World Bank or the United Nations [UN]).

³ USAID has elected to produce an AFR and Annual Performance Report (APR) as an alternative to the consolidated Performance and Accountability Report (PAR). The Agency will submit its FY 2022 APR to OMB in spring 2023 and publish it at <https://www.usaid.gov/results-and-data/progress-data/annual-performance-report>.

⁴ Annual targets are set before results of the previous year are calculated. The Performance Plan and Report (PPR) includes targets two years in advance. For example, targets for FY 2021 were set in the PPR of FY 2019.

STRATEGIC GOALS AND RESULTS

Development, alongside diplomacy and defense, is indispensable in advancing U.S. 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 for 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 the American taxpayer.

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





The Government Performance and Results Act (GPRA) of 1993 requires federal departments and agencies to develop strategic plans. USAID and State develop a JSP that outlines the long-term goals each agency aims to achieve, what actions each will take to realize those goals, and how each will deal with challenges and risks that could hinder achieving 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 2021 Annual Performance Report* (APR) served as the final year of reporting for the *FY 2018 – FY 2022 JSP* (https://2017-2020.usaid.gov/sites/default/files/documents/1870/JSP_FY_2018_-_2022_FINAL.pdf). The *FY 2023 Annual Performance Plan* (APP) serves as the first year of planning for the *FY 2022 – FY 2026 JSP* (<https://www.usaid.gov/results-and-data/planning/joint-strategic-plan/2022-2026>).

According to the requirements of the GPRA Modernization Act of 2010, USAID reports on a quarterly and public basis the progress of its Agency Priority Goals (APGs) (<https://www.performance.gov/agencies/usaid/>).⁵ USAID's FY 2022 – FY 2023 APGs focus 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's FY 2020 – FY 2021 APGs focused on: Resilience and Food Security; Maternal and Child Health (MCH); Private-Sector Engagement; Effective Partnering and Procurement Reform (EPPR); Category Management (CM); and HIV/AIDS (joint with State). Results and targets for all USAID APGs—which provide progress updates on the Strategic Goals and indicators—are in the relevant sections in this report. The Executive Branch suspended public reporting on the FY 2020 – FY 2021 APGs on Performance.gov in early 2021 due to a change in priorities from the new Administration. USAID continued reporting on these APGs as regular performance goals in the FY 2021 APR.





⁵ 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.

STATE-USAID FY 2018 – FY 2022 JOINT STRATEGIC GOAL FRAMEWORK

Strategic Goal	Strategic Objective	Program Categories*
<p>1: Protect America's Security at Home and Abroad</p> 	<p>1.1 – Counter the proliferation of weapons of mass destruction (WMD) and their delivery systems</p> <p>1.2 – Defeat the Islamic State of Iraq and Syria (ISIS), Al-Qaida, and other transnational terrorist organizations and counter state-sponsored, regional, and local terrorist groups that threaten U.S. national security interests</p> <p>1.3 – Counter instability, transnational crime, and violence that threaten U.S. interests by strengthening citizen-responsive governance, security, democracy, human rights, and rule of law</p> <p>1.4 – Increase capacity and strengthen resilience of our partners and allies to deter aggression, coercion, and malign influence by state and non-state actors</p> <p>1.5 – Strengthen U.S. border security and protect U.S. citizens abroad</p>	<p>Peace and Security</p> <p>Democracy, Human Rights and Governance</p>
<p>2: Renew America's Competitive Advantage for Sustained Economic Growth and Job Creation</p> 	<p>2.1 – Promote U.S. prosperity by advancing bilateral relationships and leveraging international institutions and agreements to open markets, secure commercial opportunities, and foster investment and innovation to contribute to U.S. job creation</p> <p>2.2 – Promote healthy, educated, and productive populations in partner countries to drive inclusive and sustainable development, open new markets, and support U.S. prosperity and security objectives</p> <p>2.3 – Advance U.S. economic security by ensuring energy security, combating corruption, and promoting market-oriented economic and governance reforms</p>	<p>Health</p> <p>Education and Social Services</p> <p>Economic Growth</p> <p>Democracy, Human Rights and Governance</p>
<p>3: Promote American Leadership through Balanced Engagement</p> 	<p>3.1 – Transition nations from assistance recipients to enduring diplomatic, economic, and security partners</p> <p>3.2 – Engage international fora to further American values and foreign-policy goals while seeking more equitable burden sharing</p> <p>3.3 – Increase partnerships with the private-sector and civil-society organizations to mobilize support and resources and shape foreign public opinion</p> <p>3.4 – Project American values and leadership by preventing the spread of disease and providing humanitarian relief</p>	<p>Health</p> <p>Humanitarian Assistance</p> <p>Democracy, Human Rights and Governance</p> <p>Peace and Security</p> <p>Economic Growth</p>
<p>4: Ensure Effectiveness and Accountability to the American Taxpayer</p> 	<p>4.1 – Strengthen the effectiveness and sustainability of our diplomacy and development investments</p> <p>4.2 – Provide modern and secure infrastructure and operational capabilities to support effective diplomacy and development</p> <p>4.3 – Enhance workforce performance, leadership, engagement, and accountability to execute our mission efficiently and effectively</p> <p>4.4 – Strengthen security and safety of workforce and physical assets</p>	<p>Program Development and Oversight</p>

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

STATE-USAID FY 2022 – FY 2026 JOINT STRATEGIC GOAL FRAMEWORK

Strategic Goal	Strategic Objective	Program Categories*
<p>1: Renew U.S. leadership and mobilize coalitions to address the global challenges that have the greatest impact on Americans' security and well-being</p> 	<p>1.1 – Strengthen global health security, combat infectious disease threats, and address priority global health challenges through bilateral engagement and within multilateral fora</p> <p>1.2 – Secure ambitious climate mitigation and adaptation outcomes, including supporting effective Paris Agreement implementation</p> <p>1.3 – Reinvigorate U.S. humanitarian leadership and provide lifesaving protection and assistance in response to international disasters and humanitarian crises overseas</p> <p>1.4 – Lead allies and partners to address shared challenges and competitors; prevent, deter, and resolve conflicts; and promote international security</p> <p>1.5 – Enhance foreign publics' understanding of and support for the values and policies of the United States</p>	<p>Health</p> <p>Economic Growth</p> <p>Humanitarian Assistance</p> <p>Peace and Security</p> <p>Program Development and Oversight</p>
<p>2: Promote global prosperity and shape an international environment in which the United States can thrive</p> 	<p>2.1 – Promote a global economy that creates opportunities for all Americans</p> <p>2.2 – Support inclusive and sustainable economic growth and opportunity for communities around the globe</p> <p>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</p> <p>2.4 – Strengthen U.S. and global resilience to economic, technological, environmental, and other systemic shocks</p>	<p>Economic Growth</p>
<p>3: Strengthen democratic institutions, uphold universal values, and promote human dignity</p> 	<p>3.1 – Promote good governance and defend strong, accountable, and resilient democracies that deliver for their citizens</p> <p>3.2 – Advance equity, accessibility, and rights for all</p> <p>3.3 – Prevent, expose, and reduce corruption</p> <p>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</p> <p>3.5 – Improve inclusive and equitable health, education, and livelihood services, especially for women, youth, and marginalized groups</p>	<p>Democracy, Human Rights and Governance</p> <p>Economic Growth</p> <p>Education and Social Services</p> <p>Health</p> <p>Peace and Security</p>
<p>4: Revitalize the diplomatic and development workforce and institutions</p> 	<p>4.1 – Build and equip a diverse, inclusive, resilient, and dynamic workforce</p> <p>4.2 – Modernize IT and leverage data to inform decision-making and support mission delivery</p> <p>4.3 – Protect our personnel, information, and physical infrastructure from 21st century threats</p>	<p>Program Development and Oversight</p>

Note: The U.S. Department of State exclusively manages JSP Strategic Goal 5 and related Strategic Objectives.

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

PERFORMANCE GOAL ACCOMPLISHMENT HIGHLIGHTS

Below are highlights of USAID’s performance accomplishments that support the Agency’s achievement of its strategic goals as 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 BENEFIT

U.S. foreign policy delivers security for the American people, creates economic opportunities, and addresses global challenges that affect Americans’ lives directly. From COVID-19 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 our partners and allies, and through international and multilateral institutions the United States helped build, shape, and lead.

The United States’ unmatched web of bilateral and multilateral alliances and local partnerships are our greatest force multiplier in maintaining a stable, open, rules-based international system. These alliances and partnerships enhance our ability to deter and disrupt threats before they reach our shores and to counter and compete with our adversaries. These connections amplify our humanitarian and development assistance and enable us to prevent and mitigate conflicts more effectively.

To meet the challenges of this century, from climate change and global pandemics to cyber threats, disinformation, and digital repression, the United States will modernize alliances and revitalize international institutions. State and USAID will forge new partnerships across regions, bringing together sub-national governments; the private sector; civil society; local organizations, including those representing marginalized and indigenous communities; and social and youth movements. Both organizations will help build institutional capacity in partner nations and promote international cooperation to combat transnational threats, disinformation, and aggression. Further, the United States must resume a leadership role in multilateral

ILLUSTRATIVE PERFORMANCE INDICATOR:

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

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Target	N/A ¹	N/A	N/A	N/A	25
Result	N/A	N/A	N/A	N/A	Q1: 2 Q2: 9 Q3: 11 Q4: TBD ²

Source: September 2022 Climate Change APG Progress Update (<https://www.performance.gov/agencies/USAID/apg/goal-5/>)

- ¹ USAID introduced some performance indicators after FY 2018 and, thus, did not collect data on them in some years. Where appropriate, the tables indicate “N/A” (not applicable).
- ² USAID was still collecting data for FY 2022 results at the time of publication. Where appropriate, the tables indicate “TBD” (to be determined).

organizations to ensure they continue to reflect the universal values, aspirations, and norms on which they were founded. To support all these efforts, both agencies will continue their work to enhance foreign publics’ understanding of and support for the values and policies of the United States.

LINKING ACTIVITIES TO OUTCOMES

The climate crisis profoundly threatens the global economy, national security, global health, food security, and natural ecosystems. To avoid catastrophic damages, we must change the global emissions trajectory to limit global temperature rise to 1.5 degrees Celsius and help hundreds of millions of people adapt to and manage the impacts of climate change.

USAID launched its whole-of-Agency 2022–2030 Climate Strategy in April 2022. At the center of the new Strategy are six ambitious targets, discussed on page 46 in the Looking Forward section of this AFR, that USAID aims to achieve by 2030.



Zahra Ennis aims to introduce her fellow Jamaicans to renewable energy resources. PHOTO: ZAHRA ENNIS

TURNING TOWARD RENEWABLE ENERGY

How one Jamaican is “renewing” the minds of her fellow countrymen to conserve and preserve energy one installation at a time

Zahra Ennis, 32, admits she has gotten accustomed to the constant questions and concerns when she carries out the duties of her job.

“Are you going to go on the roof?” “Do you not have anyone to help you?” “Are you sure you know what you are doing?”

As the marketing director for Saddle Energy Ltd., a small renewable energy company that specializes in solar assessments, equipment procurement, and installations, Zahra’s job goes beyond her official title and covers most of the company’s operations.

“My job will take me from sales to surveys and site visits,” explains Zahra.

It is a job that has increased her appetite to learn and grow in the energy industry over the last two years.

Jamaica’s energy sector is largely dependent on imported fossil fuels. The country’s imports account for more than 87 percent of electricity production. The high cost of imported fuel results in Jamaican electricity rates being more than double the global average. This cost was high even before the Russian invasion of Ukraine, which caused a spike in oil prices. The higher oil prices are directly passed to the consumer through higher electricity bills. During natural disasters, to which Jamaica is especially prone, oil prices also increase.

Although she is fairly new to the energy sector, Zahra has a passion for finding ways to conserve and preserve the biodiversity within her country and, by extension, the planet. With a bachelor’s degree in Marine Biology, it was easy for Zahra to make the transition and join the energy company

(continued on next page)

The United States, working in partnership with host-country and international institutions, reestablishes itself as a premier global provider of innovation, support, and solutions for emissions reductions and adaptation. Over the next two years of the Climate Change APG, State and USAID will strategically assist partner countries in their efforts to make major contributions to the global effort to combat climate change and respond to its impacts. This work will harness State’s and USAID’s

diplomatic, development, and technical expertise and that of State and USAID partner agencies and will drive implementation of the Paris Agreement and the COP26 conference in Glasgow. Specifically, State and USAID will focus on three tracks:

- Supporting efforts in 27 partner countries to raise ambition and drive enhanced emissions reductions in line with pathways to limiting global temperature rise to no more than

(continued from previous page)

when the opportunity presented itself. But she wanted to learn more, especially about renewable energy.

In 2021, she learned about the USAID-funded photovoltaics course [Photovoltaics, or PV, is the conversion of sunlight into electricity], offered by the North American Board of Certified Energy Practitioners (NABCEP) Photovoltaic Associate Program and administered by Green Solutions International.

With Jamaica's dependence on the use of crude oil and liquified natural gas for electricity supply, increasing Jamaican knowledge and understanding of PV has become more important to reducing the country's emissions and achieving its climate change targets. This can be achieved by having more renewable energy systems installed across the island.

Zahra successfully applied for a scholarship from the USAID-supported Jamaica Energy Resilience Alliance to cover the six-week intensive course, the cost of which was out of her budget.

The PV course is a part of a larger partnership between USAID and the CADMUS Group, which launched a \$4 million Global Development Alliance in 2021 between U.S. and Jamaican firms, aiming to boost energy sector resilience and enhance business continuity across the island. Dubbed the Jamaica Energy Resilience Alliance, the activity expands renewable energy technology availability and accessibility for businesses in key Jamaican sectors, including tourism and manufacturing.

Prior to taking the course, Zahra was at a disadvantage in her new career. "While I was working with a solar installer, I wouldn't really be able to know exactly what they were talking about when they told me the type of equipment needed and the limitations they had in doing roofing installations," she explained.

Today, Zahra proudly and happily notes that she is very active in doing site visits and advising the team on the necessary requirements, rather than hiring a subcontractor.

"I think I'm having an impact in educating the public and anyone that reaches out to Saddle Energy about how to get started with solar," she says. "Educating our customers about their renewable options, and ensuring that we are providing them with the right information and guiding them along the way, is what I aim to do every chance I get."

Jamaica's Vision 2030 (<https://www.vision2030.gov.jm/#:~:text=Vision%202030%28%20is%20the,raise%20families%20and%20do%20business.%E2%80%9D>) calls for the government to reduce its dependence on fossil fuels for electricity generation. While the official target established is to have 30 percent of energy come from renewables by 2030, Prime Minister Andrew Holness is pushing the government to achieve 50 percent by that time. As of 2020, Jamaica's use of renewables accounted for approximately 11 percent of its energy—6.5 percent wind, 3.5 percent hydropower; and 1 percent solar.

That's why programs like this through USAID's partnership are important to move the needle forward in the country's climate smart initiatives.

"To date, USAID continues to help identify and implement approaches that encourage private-sector involvement in improving the renewable energy market; diversify energy sources; and supporting energy infrastructure alternatives that ensure electrical supply," says Janelle James, USAID/Jamaica Energy Project Management Specialist. "The Agency has assisted more than 50 people receive Solar Photovoltaic Associate Training Course Certification and is providing support to several private companies to secure financing for PV and PV plus storage systems."

Zahra's personal goal is to help more Jamaicans fully embrace renewable energy through public awareness and education. "If we continue to educate our people and renew their way of thinking about the benefits of renewable energy and solar power, we will continue to make strides to preserve and conserve our country."

- 1.5 degrees Celsius to substantially reduce the risk of catastrophic climate change.
- Supporting development and implementation of National Adaptation Plans (NAPs) and other strategies in 75 partner countries that will enable them to adapt to, manage, and reduce vulnerability to the impacts of a changing climate.
- Boosting national capacity to measure, report, and verify greenhouse gas emissions in 30 countries to shore up the transparency-based accountability mechanism that is the foundation of the Paris Agreement.

STRATEGIC GOAL 2

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

PUBLIC BENEFIT

A strong U.S. middle class, resilient and equitable democracy, domestic competitiveness, and national security are mutually reinforcing. At the same time, the COVID-19 pandemic and its disruptions to economic systems, communities, and livelihoods across the globe have illustrated more clearly than ever that our domestic prosperity is intertwined with the success and stability of our partners abroad. Trends in inequality and stresses on middle-class livelihoods have emerged as defining challenges for democratic governments around the world. Together with our partners, USAID and State promote inclusive, sustainable growth, and build economic, environmental, and technology systems and infrastructure that are resilient to present and future shocks and challenges, delivering for all our citizens while improving lives overseas.

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 that will build open, market-based economies around the globe. USAID and State support a level playing field, fair competition, and the rule of law while building the networks and coalitions to support these aims. USAID and State lead the international community in ensuring that the promise of transformative new technologies delivers for people, including by shaping norms and standards to protect U.S. interests, boost our competitiveness, and uphold our values. Both agencies work 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. All of these efforts are grounded in a commitment to future generations to protect the environment; promote democratic values; combat corruption; develop human capital, including science, technology, engineering, and mathematics (STEM) skills for the workers of the future; and enhance DEIA for all.

ILLUSTRATIVE PERFORMANCE INDICATOR:
Value of annual sales of producers and firms in the agriculture and food system receiving U.S. government assistance (USAID) **APG** ★

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Target	\$1.39B	\$1.82B	\$2.19B	\$2.09B	\$2.26B
Result	\$1.68B	\$3.05B	\$3.30B	\$3.78B	TBD

Source: September 2022 Resilience and Food Security APG Progress Update (<https://www.performance.gov/agencies/USAID/apg/goal-1/>)

LINKING ACTIVITIES TO OUTCOMES

Led by USAID, Feed the Future (<https://www.feedthefuture.gov/>) draws on the agricultural, trade, investment, development, and policy resources and expertise of multiple U.S. federal departments and agencies. Feed the Future is moving into a new phase, guided by the refreshed U.S. government's Global Food Security Strategy (GFSS) (<https://www.usaid.gov/what-we-do/agriculture-and-food-security/us-government-global-food-security-strategy>). Developed by 12 U.S. government agencies and departments, with the input of multi-sectoral partners, this strategy rises to the challenges of the current global context and presents an integrated, multi-disciplinary approach to combating the root causes of hunger, malnutrition, and poverty for the next five years.

The strategy reflects lessons learned from the first GFSS, as well as the latest evidence alongside insights from the communities Feed the Future works with, and charts a course for the U.S. government and its partners to address current and emerging crises that threaten to undermine progress on global food security and nutrition and achieve a more food-secure future across the globe. The refreshed whole-of-government GFSS provides a robust response to today's crises of COVID-19; increased global food, fuel, and fertilizer prices exacerbated by Putin's war in Ukraine; conflict; inequity; and climate change. The overarching goal and vision remains sustainably reducing global poverty, hunger, and malnutrition across Feed the Future's three objectives: inclusive and sustainable agriculture-led economic growth; strengthened resilience among

people, communities, countries, and systems; and a well-nourished population, especially among women and children.

Of particular note, the updated strategy highlights five new or elevated priority areas of emphasis and action to position Feed the Future to adjust and pivot successfully in a constantly changing global landscape. The priority areas are: equity and inclusion; climate change; long-term COVID-19 impacts; strengthening food systems; and integration of conflict mitigation, peacebuilding, and social cohesion.

The COVID-19 pandemic and Putin's war in Ukraine threaten to erase years of food-security progress. As a result of the pandemic, extreme poverty is rising globally for the first time in two decades, while global inequality is also on the rise. The latest estimate from the World Bank is that in 2020, the pandemic pushed up to 97 million additional people into poverty. Early modeling estimates that an additional 8-13 million people could become food insecure as a result of the war in Ukraine, though this estimate is likely conservative.⁶ Feed the Future recently announced an expansion into eight new target countries to help address these impacts.

Inclusive and sustainable agriculture-led economic growth provides many pathways to poverty reduction—generating jobs and reliable incomes directly through the agriculture and food system and indirectly through multiplier effects across the broader economy—and increases access to safe and nutritious foods.

The value (in U.S. dollars) of sales from producers and firms in targeted markets that receive U.S. government assistance is a proxy measure of the competitiveness of those actors. This measurement also helps track strengthened and expanded access to markets and progress toward engagement by producers and firms throughout the agriculture and food system. Strengthened and expanded access to markets is essential to achieving inclusive, sustainable, agriculture-led economic growth, which, in turn, will reduce poverty and thus achieve USAID's Resilience and Food Security APG.

⁶ FAO Early Modeling Estimate (March 25, 2022) (<https://www.fao.org/3/cb9236en/cb9236en.pdf>)



AC Kitsnisi is one of nine nurseries participating in a partnership with USAID and the Netherlands aimed at expanding Georgia's agricultural output.

PHOTO: KATHERINE MORGAN FOR USAID

RAISING THE BAR

How modern agricultural technologies grow new markets for Georgia

On a road outside of Tbilisi, I (Katherine Morgan) travel with a team from USAID's Mission in Georgia. We are heading to the Gori municipality in the Shida Kartli region, about an hour and a half from the country's capital. On the way, I look out the vehicle's window at a beautiful landscape filled with lush green rolling hills, topped by small houses in small villages.

"That is one of the Russian-occupied territories," says a colleague.

As we continue to travel, I am intrigued by how close I am to a painful part of Georgia's past—the 2008 Russian invasion (<https://www.history.com/news/russia-georgia-war-military-nato>), which resulted in 20 percent of Georgia's territory being occupied by Russia, a status that remains to this day. As we drive, I can see the signs marking the boundary of the occupied territory of South Ossetia and the Georgian checkpoints on roads heading north.

Our destination is Agriculture Cooperative (AC) Kitsnisi, one of the few nurseries in the country to produce high-quality, certified fruit tree saplings.

With support from USAID and the Embassy of the Netherlands in Georgia, AC Kitsnisi was able to connect with a leading Dutch supplier of high-quality planting material and secure a purchasing agreement for certified fruit planting materials unavailable in the Georgian market.

On the visit, we learned how AC Kitsnisi grafted and grew the planting materials, as well as the measures employed to maintain the integrity of the imported materials.

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USAID, together with the National Food Agency (<https://nfa.gov.ge/En/>) and Scientific Research Center of Agriculture (<https://srca.gov.ge/en>), is supporting AC Kitsnisi on its path to meet higher international standards. Compliance with these higher-level standards will enable Georgian producers to sell to new markets in the European Union (EU) and beyond. That day, we were seeing the progress.

Upon reaching the nursery, we meet Akaki Iosebashvili, who owns AC Kitsnisi, where he shows us what is being grown. As I approach a series of covered greenhouses, I peek inside to see many rows of tiny saplings—apples, pears, and quince—stretching along the floor from end to end. Those tiny saplings were the beginning stages of a larger effort intended to strengthen Georgia’s agriculture sector by making it more diverse and able to enter new markets.

“Our success is a result of support provided by the U.S. and Georgian governments,” says Akaki. “The assistance of the USAID Agriculture Program helped us to establish a more modern type of nursery by implementing modern approaches to produce healthy seedlings, which is the first step to a high-quality crop and improved yields.”

RAISING THE BAR

Starting in 2024, certification will become mandatory for Georgian seedling producers, as part of Georgia’s Association Agreement with the EU. Currently, only a small fraction of nurseries have information about or access to high-quality planting materials for mother orchards, which are needed to meet certification standards.

In response to increasing demand from the private sector for high-quality planting material, USAID and the Netherlands worked to bring modern technology to Georgian seedling nurseries, enabling them to meet higher certification standards needed to reach new markets. AC Kitsnisi, where we visited, is one of nine nurseries in Georgia using this new technology.

“Access to high-quality planting materials is critical for diversifying Georgia’s agriculture sector and enhancing its competitiveness in the global market,” says Siobhan Pangerl, who leads the USAID Agriculture Program in Georgia. “In three years’ time, AC Kitsnisi will be able to produce 100,000 high-quality, certified plants each year, increasing sales by 800,000 GEL [\$266,223]—which will also result in creating new jobs and benefiting the local economy.”

The planting materials arrived from the Netherlands in February 2022 and have been processed and placed in AC Kitsnisi’s screen-house. Their arrival, at the start of Russia’s invasion of Ukraine, was timely, as they will be part of the effort to reduce Georgia’s economic reliance on Russian markets.

USAID’s Agriculture Program co-invests with government ministries and private-sector partners to increase production capacity, efficiency, and compliance with international quality standards. USAID targets high-potential Georgian agricultural enterprises with proven track records of revenue generation and high-value job creation. Methods of support include adding value through modern production, processing, storage, and distribution techniques, while building diverse regional and international market linkages.

These are all important endeavors that will help drive investment in Georgia’s agricultural sector. In addition, USAID/Georgia helps producers meet EU and U.S. quality standards for exports and build trade relationships with higher-value markets. These investments promote Georgia’s economic sovereignty and security.

Historically, 80 percent of Georgian agricultural production has gone to Russian markets, giving Russia a lever to upend the Georgian economy.

Diversifying Georgia’s production with new tree varieties, and improving agribusinesses’ access to diverse markets, lessens Russia’s influence on the Georgian economy and helps mitigate the destabilizing effects of sanctions stemming from Russia’s invasion of Ukraine.

REACHING NEW MARKETS

By teaming up with the Netherlands, USAID hopes to catalyze Georgia’s economic development and open the door to new markets, from exporting apples and citrus to the EU, to selling berries to the Gulf states. This work is just one example of the importance of strategic partnerships to modernize Georgia’s agricultural sector and facilitate linkages with Western markets.

“In order to meet its international commitments, and take advantage of new, more lucrative markets, Georgia’s agricultural sector needs to modernize and adopt new technologies,” says Konstantine Kobakhidze, a USAID/Georgia agriculture specialist. “Our support to the Georgian agricultural sector goes beyond helping individual entrepreneurs. The aim is to ensure international quality, highly productive, and virus-free planting materials, locally produced here in Georgia—which will in turn introduce them to new markets and make them a stronger global competitor.”

AC Kitsnisi is a prime example. These linkages are critical to improving the productivity of Georgian agribusinesses, as well as eventually meeting the higher certification requirements under Georgia’s Association Agreement with the EU. USAID is continuing this partnership—and planning to establish new ones—to support Georgia on its path to market diversification and reduced reliance on Russia.

STRATEGIC GOAL 3

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

PUBLIC BENEFIT

Our world is at an inflection point: 2020 marked the 15th consecutive year of global democratic decline, and the pace of decline has accelerated so that 68 percent of the world’s population now lives in autocracies. Meanwhile, pro-democracy movements are facing new emergency laws 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 at international fora—both to protect regimes that abuse the concept of sovereignty to hide their domestic abuses and to discredit U.S. global leadership.

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. State and USAID are committed to revitalizing democracies that are accountable to and deliver for their citizens. To do this, State and USAID will join 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 will partner with host-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. State and USAID will further equity, inclusion, accessibility, support for human rights, and resilience of marginalized peoples, including individuals from marginalized racial, ethnic, indigenous, and religious communities, persons with disabilities, LGBTQI+

ILLUSTRATIVE PERFORMANCE INDICATOR:

Percentage of new partners registered in the partner directory that have taken the pre-engagement assessment on WorkwithUSAID platform (<https://workwithusaid.org/>) (USAID) **APG** ★

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Target	N/A	N/A	N/A	N/A	25%
Result	N/A	N/A	N/A	N/A	Q1: 28%
					Q2: 24%
					Q3: 31%
					Q4: TBD

Source: September 2022 Diversity, Equity, Inclusion, and Accessibility in USAID Programs APG Progress Update (<https://www.performance.gov/agencies/USAID/apggoal-3/>)

individuals, women, and older persons, by improving and adapting policy, public diplomacy, foreign assistance, and humanitarian aid. This will extend to how State and USAID engage in strategic planning, policy formulation, budgeting, programming, training, outreach, learning, and reporting and requires investments in efforts to redress inequities that serve as barriers to equal access and opportunity.

LINKING ACTIVITIES TO OUTCOMES

USAID is working to increase equitable outcomes with USAID partners, including implementing partners, globally. Governments, civil society, local organizations (including those representing marginalized and indigenous communities), social and youth movements, and populations with which we work often cannot operate on an equal footing with international agencies. This inequality 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 benefits of development programs when specific efforts to involve them in development programming are not made. This undermines progress toward the Sustainable Development Goals (SDGs).

(continued on page 23)

A HOME RUN FOR YACINE

How legal, economic, and civic empowerment can unlock the potential of Senegalese women



Yacine Ciss at Gindiku FM Radio Studio where she is a community reporter. PHOTO: OLIVIER LE BLANC FOR USAID/SENEGAL

Over the past several decades, Senegal has made significant strides toward gender equality.

This progress is evident, for example, in the classrooms where gender parity is almost achieved at primary and secondary levels.

There is, however, work to do to improve women's understanding of ownership and management of land. This is particularly true in rural areas where people have limited access to information, which makes it difficult to address traditional imbalances between men and women.

That began to change four years ago with an activity called Suxali Jigeen, which means "Women Empowered" in Wolof. Supported by USAID, the activity worked with more than 1,300 women in 60 villages to increase their participation in their communities. The goal: build up businesses and entrepreneurs, educate women on their legal rights, and support civic and political engagement.

Yacine Ciss took advantage of all three opportunities. Over time the assistance from USAID allowed her to become a radio reporter and improve her skills as an elected municipal councilor and entrepreneur. Here's how.

A mother of seven children, Yacine lost her husband more than 25 years ago and provided for their children while they were growing. Before Suxali Jigeen, she was selling food in Thiès, a big city half an hour away. She also cultivated her land and wanted to develop as a businesswoman. She needed to learn some skills.

Besides providing business-related training, Suxali Jigeen helped women access loans to buy crops or small animals and start

a small farming business. When women generate an income, their role and voice increase dramatically in their family and community.

"I received two small grants that helped me to start a business of growing and selling sheep," Yacine explained. "The revenues it generated allowed me to pay for the repairs of a very damaged wall in our house and for hospital bills for my oldest daughter, who has a heart problem."

With the information on her rights she obtained during her training, she was able to resolve a land dispute with the local government. The authorities of Notto Diobass had asked her to give up the land she inherited from her husband, so that they could build a school. At first they didn't offer her an alternative site, but she knew her rights and sought the support of local leaders, including the media.

Senegalese law states that women and men have equal access to—and control over—land and natural resources. However, most women are unaware of their rights. In addition, those who do own land face the threat of their land being forcibly and illegally seized. This knowledge proved critical for Yacine and her family.

"Thanks to the training I received, I understand my role in front of decision-making bodies in my community and was able to fight for my rights as a landowner. I negotiated a relocation to an area nearby and obtained a bigger lot."

Suxali Jigeen also equipped and trained 60 women in 60 villages to improve their skills as community reporters. Every week, these reporters prepare news segments and documentaries about issues that affect their communities, including civic participation and voter registration. They record all their material on mobile phones, then use WhatsApp to send their reporting to Radio Gindiku FM, an all-woman-run station supported by USAID as part of this activity.

Similarly to economic empowerment, this has given women a voice. It also increased their political, social, and leadership roles.

As Yacine's skill sets expanded, so too did her leadership skills and her engagement in her community. Yacine was recently re-elected as a municipal council representative in Notto Diobass, a township in the municipality of Thiès, which includes 67 villages and about 40,000 inhabitants.

"My dream is to become mayor," she says. "We need more women engaged in local government bodies in our area."

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USAID is embedding DEIA in Agency programs through its Equity Action Plan (EAP) (<https://www.usaid.gov/equity/equity-action-plan>) and APG. The EAP identifies gaps in advancing equity with underserved communities, including racial and ethnic equity, in USAID’s policies, programs, and partner base and details five commitments to address these gaps. The EAP, closely linked to the APG, indicates that by September 2023, USAID will conduct inclusive development analyses and assessments in six additional Missions, and 100 percent of USAID Missions will have an Inclusive Development (ID) Champion to inform program design.⁷

In the last decade, despite numerous efforts, initiatives, and support from Congress, the total amount of USAID dollars going directly to local partners increased only slightly, from 4 to 7 percent. USAID’s EAP includes a commitment to expand the Agency’s partnership base. On November 4, 2021, USAID launched the WorkwithUSAID (<https://www.workwithusaid.org/>) platform, a free resource hub USAID built to empower new and existing partners with the knowledge and networks to navigate how to work with the Agency, to streamline the partnership process and improve ease of access for underserved and underrepresented groups.⁸

STRATEGIC GOAL 4

Revitalize the diplomatic and development workforce and institutions

PUBLIC BENEFIT

State and USAID’s diplomatic and development workforce and institutions play a vital role in promoting security and prosperity, along with contributing to an equitable, effective, and accountable government that delivers results for all Americans. State and USAID will continue 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.

Meeting this moment will require ingenuity, creativity, and initiative. New challenges and accelerating change—geopolitical, economic, social, environmental, and technological—mean that State and USAID must also adapt and transform. Both agencies will leverage technology to reach new audiences and forge new connections, even as they protect against ongoing threats to the security of their personnel and information. State and USAID will build new capabilities, draw a wider range of expertise and experience into government, and empower employees to innovate and lead. Central to these efforts must be a renewed commitment to build both agencies’ workforces fully to reflect the richness and diversity of the nation they represent. State and USAID will identify and eliminate barriers to equity, implement targeted recruitment and retention efforts, and establish provisions for DEIA accountability. State and USAID will build on their successes in supporting employees with disabilities by promoting enhanced career opportunities and workplace accommodations.

⁷ USAID has refined and finalized the definition of “ID Champion” to include Mission points of contact responsible for overseeing inclusive development in strategic planning, program design, and implementation. This definition does not automatically include gender advisors, but includes staff who dedicate a minimum of 50 percent level of effort (LOE) to addressing the needs of marginalized groups, underrepresented populations, and people in vulnerable situations, and promoting inclusive development concepts.

⁸ Please refer to the Other Management Information, Initiatives, and Issues section of this AFR for more information about WorkwithUSAID.

LINKING ACTIVITIES TO OUTCOMES

USAID is working to deliver on the promise of a workforce that looks like the nation it represents, because the diversity of the United States is a unique source of strength and provides our country and institutions with a significant competitive advantage on the world stage. Building and maintaining a workforce that reflects our country’s diversity demonstrates our country’s values as a nation where all are afforded equal opportunities to achieve their highest aspirations and help us better promote U.S. interests abroad and deliver results for the American people.

Employees with targeted disabilities are chronically underrepresented at USAID in both the Civil and Foreign Service categories, as well as in other demographics. Between FY 2018 and FY 2020, representation of employees with disabilities at USAID only increased by 0.22 percent and decreased by 0.1 percent for employees with targeted disabilities, per the Agency’s Management Directive 715 (MD-715) reports (<https://www.usaid.gov/who-we-are/organization/independent-offices/office-civil-rights/md-715-reports>). 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 requires federal agencies to adopt the goal of having 12 percent of their workforce be people with disabilities and 2 percent of their workforce be people with targeted disabilities.

ILLUSTRATIVE PERFORMANCE INDICATOR:

Percentage of positions filled within a given quarter by people with targeted disabilities (USAID) **APG** ★

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Target	N/A	N/A	N/A	N/A	1.8%
Result	N/A	N/A	N/A	1.28%	Q1: 1.3% Q2: 1.3% Q3: 1.5% Q4: TBD

Source: September 2022 Diversity, Equity, Inclusion, and Accessibility in USAID Programs APG Progress Update (<https://www.performance.gov/agencies/USAID/apg/goal-6/>)

ILLUSTRATIVE PERFORMANCE INDICATOR:

Percentage of positions filled within a given quarter by people with disabilities **APG** ★

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Target	N/A	N/A	N/A	N/A	10%
Result	N/A	N/A	N/A	5.25%	Q1: 5.2% Q2: 5.4% Q3: 5.3% Q4: TBD

Source: September 2022 Diversity, Equity, Inclusion, and Accessibility in USAID Programs APG Progress Update (<https://www.performance.gov/agencies/USAID/apg/goal-6/>)

USAID can increase its number of employees with disabilities through hiring and by increasing the number of current employees who self-identify a disability through internal human resources systems. More employees self-identifying disabilities will be an expression of allyship with colleagues who have visible disabilities. This information and progress will help USAID better understand the diversity of its employees and whether the Agency is providing equitable treatment and equal opportunities to all employees. It will also allow USAID to better represent a broader spectrum of the American people.

ENHANCING OPERATIONAL READINESS AND RESILIENCE IN RESPONSE TO THE COVID-19 PANDEMIC

In November 2020, as the COVID-19 pandemic challenged USAID's ability to effectively conduct its vital mission, USAID established the Critical Coordination Structure to enhance the Agency's operational readiness and resilience while strengthening its ability to respond to and recover from crises. As the Agency built the Critical Coordination Structure, USAID faced the immediate challenge of safely reopening its domestic facilities to its workforce while the COVID-19 pandemic continued.

To tackle the challenge of safely reopening USAID's domestic facilities, the Critical Coordination Structure developed a COVID-19 Safety Plan (<https://www.usaid.gov/coronavirus/workforce-safety-plan>), which established guidelines and protocols to protect the health and safety of Agency staff when reentering domestic facilities.

Next, USAID implemented the Safety Plan. Supporting the Agency's workforce to get vaccinated against COVID-19 was a key step in this process. The Critical Coordination Structure coordinated with the Department of State and Department of Health and Human Services to secure vaccine doses and organize a clinic, through which more than 1,300 of the Agency's domestic staff who perform mission-critical functions received vaccines. The Critical Coordination Structure also partnered with the Department of State's Bureau of Medical Services to offer vaccines to thousands of personnel located overseas. When President Biden signed Executive Order 14043, which required all federal employees to get vaccinated by November 22, 2021, the Critical Coordination Structure worked across USAID to rapidly establish systems and procedures to implement the Executive Order. As a result of these efforts, 98.5 percent of USAID employees received vaccines by the White House's deadline—the highest rate of any federal agency.

Another key step for USAID in implementing its COVID-19 Safety Plan was to continuously protect its workforce during the Agency's multi-phase domestic workplace reentry schedule, during which USAID progressively eased restrictions on accessing facilities based on continuously assessing local COVID-19 risk factors. To do this, the Critical Coordination Structure created the Safe Access to Facilities Evaluation (SAFE) Process, which provides USAID leaders with a flexible and data-driven tool to assess COVID-19-related risk indicators and determine the most appropriate operating status for domestic facilities. USAID used the SAFE Process to determine when and how to reopen its domestic facilities while prioritizing the health and safety of its people, USAID's most valuable resource.



Signs welcoming employees back to the office stood in the lobby of the USAID Annex Building as USAID completed its domestic “Reentry” process on May 23, 2022. PHOTO: USAID

Safely reopening facilities and actually having them ready to support the workforce are two different things. To prepare for the Agency's domestic workforce to return to the office, the Critical Coordination Structure led a “Reentry Readiness” initiative that convened stakeholders across USAID to ensure all policies, systems, procedures, services, equipment, facilities, and communications were functioning as efficiently and effectively as possible. On May 23, 2022, USAID completed its multi-phase reentry process and welcomed staff safely back into its domestic facilities.

Using lessons USAID learned from its COVID-19 response about staff health and safety, emergency management, and continuity of operations, the Critical Coordination Structure continues to enhance USAID's operational readiness by developing and implementing USAID's “Readiness Scorecard.” The Scorecard is a standard tool the Agency uses to measure and identify opportunities to improve OU readiness. Through this work and other efforts, the Critical Coordination Structure enables USAID to deliver on its mission in increasingly complex environments and respond efficiently and effectively to current and future crises and emergencies.

USAID ILLUSTRATIVE INDICATORS AND PERFORMANCE TRENDS

As a result of the transition in reporting and planning from the *FY 2018 – FY 2022 JSP* to the *FY 2022 – FY 2026 JSP*, there are two indicator tables starting below. The first table includes indicators and data that represent all indicators with USAID equity included in the *FY 2021 Annual Performance Report (APR)*, available at <https://www.usaid.gov/results-and-data/progress-data/annual-performance-report/fy2021>. The second table includes indicators and data that represent all indicators with USAID equity included in the *FY 2023 Annual Performance Plan (APP)*, available at <https://www.usaid.gov/results-and-data/progress-data/annual-performance-report/fy2023>. Some indicators include

data from joint reporting with State. While this report includes some explanations as footnotes here, the APR includes additional analyses of the results as compared to the targets. **Indicators reported as part of USAID’s FY 2020 – FY 2021 Agency Priority Goals (APGs) and FY 2022 – FY 2023 APGs are noted in the FY 2018 – FY 2022 JSP Indicators and FY 2022 – FY 2026 JSP Indicators tables below with bold APG and star symbol ★; each APG includes multiple indicators.** USAID introduced some performance indicators after FY 2018 and, thus, did not collect data on them in some years. Where appropriate, the table indicates N/A (not applicable).

FY 2018 – FY 2022 JSP INDICATORS

FY 2021 RESULTS LEGEND

Above Target	More than 100 percent of the target set for FY 2021 was met
At Target	90 to 100 percent of the target for FY 2021 was met
Below Target	Below 90 percent of the target set for FY 2021 was met
Result Not Available	Result data not available at time of publication
Target Not Set	Target not established for FY 2021

Strategic Goal 1: Protect America’s Security at Home and Abroad					
Indicator Title	FY 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results
Strategic Objective 1.2: Defeat ISIS, Al-Qaida, and other transnational terrorist organizations and counter state-sponsored, regional, and local terrorist groups that threaten U.S. national security interests					
Number of Countering Violent Extremism (CVE) programs directly related to U.S. government CVE objectives implemented in country by civil society and partner governments ¹	96	72	21	33	54
Strategic Objective 1.3: Counter instability, transnational crime, and violence that threaten U.S. interests by strengthening citizen-responsive governance, security, democracy, human rights, and rule of law					
Number of U.S. government-funded events, trainings, or activities designed to build support for peace or reconciliation on a mass scale ²	7,460	5,097	2,453	5,035	5,641
Number of people participating in U.S. government-supported events, trainings, or activities designed to build mass support for peace and reconciliation ³	369,766	601,499	277,629	319,601	247,005
Number of local women participating in a substantive role or position in a peacebuilding process supported with U.S. government assistance ⁴	5,852	4,422	21,067	9,263	12,324
Number of individuals receiving voter education through U.S. government-assisted programs ⁵	64.220 million	10.330 million	13.422 million	10.977 million	52.316 million

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Strategic Goal 1: Protect America's Security at Home and Abroad (continued)

Indicator Title	FY 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results
Strategic Objective 1.3: Counter instability, transnational crime, and violence that threaten U.S. interests by strengthening citizen-responsive governance, security, democracy, human rights, and rule of law (continued)					
Number of individuals receiving civic education through U.S. government-assisted programs ⁶	11.762 million	10.065 million	12.800 million	13.177 million	11.854 million
Number of judicial personnel trained with U.S. government assistance ⁷	46,294	38,479	30,829	19,545	19,602

Strategic Goal 2: Renew America's Competitive Advantage for Sustained Economic Growth and Job Creation

Indicator Title	FY 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results
Strategic Objective 2.1: Promote U.S. prosperity by advancing bilateral relationships and leveraging international institutions and agreements to open markets, secure commercial opportunities, and foster investment and innovation to contribute to U.S. job creation					
The World Bank's Doing Business Trading Across Borders score for partner countries with USAID trade facilitation programming ⁸	72.8	76.6	77	73	N/A
Number of private sector firms that have improved management practices or technologies as a result of U.S. government assistance ⁹	1,443	832	85,081	21,654	41,215
Strategic Objective 2.2: Promote healthy, educated, and productive populations in partner countries to drive inclusive and sustainable development, open new markets, and support U.S. prosperity and security objectives					
Value of annual sales of producers and firms that are receiving U.S. government assistance APG ★	N/A	N/A	\$4.09 billion	\$1.17 billion	\$3.78 billion
Number of individuals in the agriculture system who have applied improved management practices or technologies with U.S. government assistance APG ★	N/A	N/A	7.9 million	5.13 million	7.8 million
Value of new private-sector investment leveraged by the U.S. government to support food security and nutrition APG ★	N/A	N/A	\$281.8 million	\$392.0 million	\$500 million
Number of children under age five reached with nutrition-specific interventions through programs funded by the U.S. government APG ★	N/A	N/A	26.8 million	14.25 million	26.5 million
Hectares under improved management practices or technologies that promote improved climate-risk reduction and/or natural-resources management APG ★	N/A	N/A	5.70 million	2.23 million	6.60 million
Number of USAID Feed the Future evaluations ¹⁰ APG ★	N/A	N/A	Q1: 7 Q2: 2 Q3: 3 Q4: 4	Q1: 2 Q2: 2 Q3: 2 Q4: 2	Q1: N/A Q2: N/A Q3: N/A Q4: 3
Percentage of female participants in U.S. government-assisted programs designed to increase access to productive economic resources (assets, credit, income, or employment) ¹¹	50.39%	43.96%	41.68%	32.32%	44.76%
Percentage of participants reporting increased agreement with the concept that males and females should have equal access to social, economic, and political resources and opportunities ¹²	51.89%	59.25%	71.21%	48.87%	39.77%
Number of people reached by a U.S. government-funded intervention providing gender-based violence (GBV) services (e.g., health, legal, psychosocial counseling, shelters, hotlines, other) ¹³	5.050 million	8.860 million	5.823 million	2.452 million	1.683 million

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Strategic Goal 2: Renew America's Competitive Advantage for Sustained Economic Growth and Job Creation (continued)

Indicator Title	FY 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results
Strategic Objective 2.2: Promote healthy, educated, and productive populations in partner countries to drive inclusive and sustainable development, open new markets, and support U.S. prosperity and security objectives (continued)					
Number of legal instruments drafted, proposed, or adopted with U.S. government assistance designed to improve prevention of, or response to, sexual and gender-based violence at the national or sub-national level ¹⁴	56	77	173	30	30
Number of countries with improved learning in primary grades	N/A	4	4	8	8
Number of learners in primary schools or equivalent non-school-based settings reached with U.S. government education assistance ¹⁵	35.095 million	32.643 million	24.039 million	26.607 million	23.852 million
Number of firms that receive U.S. government-funded technical assistance to improve business performance ¹⁶	99,546	115,615	138,993	34,463	80,242
Full-time equivalent employment of firms that receive U.S. government assistance ¹⁷	19,345	19,092	56,072	52,089	214,440
Number of people gaining access to a basic drinking water service as a result of U.S. government assistance	N/A	2.562 million	2.231 million	2.231 million	2.136 million
Number of people who gained access to a basic sanitation service as a result of U.S. government assistance ¹⁸	3.066 million	3.601 million	3.227 million	1.411 million	2.861 million
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 ¹⁹	585,555	810,471	511,965	980,070	827,323
Number of people who receive livelihood co-benefits (monetary or non-monetary) associated with the implementation of U.S. government sustainable landscapes activities ²⁰	174,410	372,763	2.283 million	1.694 million	1.486 million
Strategic Objective 2.3: Advance U.S. economic security by ensuring energy security, combating corruption, and promoting market-oriented economic and governance reforms					
Number of beneficiaries with improved energy services due to State and USAID assistance ²¹	9.500 million	15.774 million	49.689 million	10.881 million	515,989
Amount of investment mobilized (in US\$) for energy projects (including clean energy) as supported by U.S. government assistance ²²	\$5.999 billion	\$3.324 billion	\$4.865 billion	\$1.729 billion	\$3.539 billion
Energy generation capacity (MW) supported by U.S. government assistance that has achieved financial closure ²³	7,895	14,436	8,098	3,671	12,559
Number of energy-sector laws, policies, regulations, or standards formally proposed, adopted, or implemented as supported by U.S. government assistance	235	317	254	198	208
Number of government officials receiving U.S. government-supported anti-corruption training ²⁴	15,804	38,800	29,488	21,268	57,249
Number of people affiliated with nongovernmental organizations (NGOs) that receive U.S. government-supported anti-corruption training ²⁵	15,875	13,613	7,556	5,482	16,464
Number of anti-corruption measures proposed, adopted, or implemented due to U.S. government assistance, to include laws, policies, or procedures ²⁶	704	973	56	428	277
Number of target countries with new Fiscal Transparency Innovation Fund projects ²⁷	15	14	15	15	13

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Strategic Goal 3: Promote American Leadership through Balanced Engagement

Indicator Title	FY 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results
Strategic Objective 3.1: Transition nations from assistance recipients to enduring diplomatic, economic, and security partners					
Percentage of USAID Country Development Cooperation Strategies that include a Development Objective, Intermediate Result, Sub-Intermediate Result, or transition section that addresses ways to strengthen host-country capacity to further its self-reliance ²⁸	3.17%	14.29%	64%	100%	87%
Strategic Objective 3.3: Increase partnerships with the private-sector and civil-society organizations to mobilize support and resources and shape foreign public opinion					
Amount of resource commitments by non-U.S. government public and private entities in support of U.S. foreign-policy goals ²⁹	\$55.7 billion	\$54.2 billion	\$56.364 billion	\$56.4 billion	\$85.064 billion
Number of staff trained on the principles of Private-Sector Engagement (PSE) ³⁰ APG ★	N/A	N/A	Q1: 83 Q2: 75 Q3: 0 Q4: 23	Q1: 50 Q2: 50 Q3: 50 Q4: 50	Q1: 24 Q2: 49 Q3: 51 Q4: 36
Percent of staff who “agree” or “strongly agree” that their Operating Unit (OU) adheres to USAID’s PSE Policy APG ★	N/A	N/A	67%	68%	68%
Percent of Missions that report multiple active partnerships with the private sector ³¹ APG ★	N/A	N/A	74%	83%	68%
Strategic Objective 3.4: Project American values and leadership by preventing the spread of disease and providing humanitarian relief					
Absolute change in the under-five mortality rate (decrease per 1,000 live births) APG ★	-2	-2	-1.8	-2	-1.8
Absolute change in total percentage of children who received at least three doses of pneumococcal vaccine by 12 months of age ³² APG ★	+2.1%	+4.4%	+4.4%	+1%	+1.6%
Absolute change in total percentage of births delivered in a health facility ³³ APG ★	+1%	+1.2%	+1.2%	+1%	+1.4%
Absolute change in the prevalence rate of modern contraceptive APG ★	+0.6%	+0.5%	+0.8%	+1%	+0.9%
Annual total number of people protected against malaria with insecticide treated nets (ITN) APG ★	126 million	114 million	125 million	110 million	109 million
Absolute change in the rate of exclusive breastfeeding among children under six months of age APG ★	+1.9%	+1.9%	+1.9%	+1%	+1.1%
Percent of shipments of contraceptive commodities that are on time ³⁴ APG ★	Q1: 75% Q2: 81% Q3: 84% Q4: 91%	Q1: 93% Q2: 85% Q3: 98% Q4: 95%	Q1: 88% Q2: 92% Q3: 97% Q4: 94%	Q1: 80% Q2: 80% Q3: 80% Q4: 80%	Q1: 92% Q2: 98% Q3: 100% Q4: 93%
Percent of shipments of contraceptive commodities that are on time and in full ³⁵ APG ★	Q1: 57% Q2: 74% Q3: 63% Q4: 85%	Q1: 89% Q2: 94% Q3: 87% Q4: 84%	Q1: 81% Q2: 93% Q3: 94% Q4: 93%	Q1: 80% Q2: 80% Q3: 80% Q4: 80%	Q1: 88% Q2: 95% Q3: 100% Q4: 98%
Number of adults and children newly diagnosed with HIV ³⁶ APG ★	Q1: 705,161 Q2: 789,254 Q3: 773,327 Q4: 944,619 FY 2018: 3,212,361	Q1: 676,282 Q2: 741,115 Q3: 716,264 Q4: 904,892 FY 2019: 3,038,553	Q1: 675,331 Q2: 728,696 Q3: 531,667 Q4: 756,492 FY 2020: 2,692,186	2,385,635	Q1: 595,995 Q2: 634,251 Q3: 604,496 Q4: 658,590 FY 2021: 2,493,332

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Strategic Goal 3: Promote American Leadership through Balanced Engagement (continued)

Indicator Title	FY 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results
Strategic Objective 3.4: Project American values and leadership by preventing the spread of disease and providing humanitarian relief (continued)					
Number of adults and children currently receiving antiretroviral therapy (ART) APG ★	Q4: 14.8 million	Q4: 15.7 million	Q3: 15.9 million Q4: 17.4 million	19,774,264	Q4: 19.0 million
Number of adults and children newly enrolled on ART ³⁷ APG ★	Q1: 580,568 Q2: 651,420 Q3: 645,180 Q4: 813,205 FY 2018: 2,690,373	Q1: 583,522 Q2: 653,055 Q3: 637,946 Q4: 788,537 FY 2019: 2,663,060	Q1: 608,338 Q2: 678,962 Q3: 517,009 Q4: 677,579 FY 2020: 2,481,888	2,347,635	Q1: 569,516 Q2: 604,201 Q3: 573,398 Q4: 620,689 FY 2021: 2,367,804
Number of males circumcised as part of voluntary medical male circumcision (VMMC) programs ³⁸ APG ★	Q1: 714,338 Q2: 839,088 Q3: 1,086,402 Q4: 1,094,386 FY 2018: 3,734,214	Q1: 859,987 Q2: 852,995 Q3: 1,089,946 Q4: 1,096,403 FY 2019: 3,899,331	Q1: 873,843 Q2: 838,676 Q3: 280,976 Q4: 637,708 FY 2020: 2,631,203	2,629,034	Q1: 595,812 Q2: 567,842 Q3: 665,220 Q4: 594,245 FY 2021: 2,423,119
Protection mainstreaming in NGO proposals ³⁹	100%	96%	100%	95%	100%
Percent of disaster declarations responded to within 72 hours ⁴⁰	89%	95%	91%	95%	74%

Strategic Goal 4: Ensure Effectiveness and Accountability to the American Taxpayer

Indicator Title	FY 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results
Strategic Objective 4.1: Strengthen the effectiveness and sustainability of our diplomacy and development investments					
Percentage of completed evaluations used to inform management and decision-making ⁴¹	USAID: 99.4%	USAID: 100%	USAID: 87%	USAID: 95%	USAID: 93%
Percent of completed Foreign Assistance evaluations with a local expert as a member of the evaluation team ⁴²	64.8%	61%	57%	65%	72%
Percentage of awards using co-creation APG ★	64.8%	61%	Q1: 31.2% Q2: 25.6% Q3: 31.1% Q4: 24.9%	Q1: 26% Q2: 27% Q3: 27.5% Q4: 28.5%	Q1: 25.6% Q2: 27.9% Q3: 27.1% Q4: 30.7%
Percentage of obligations using co-creation APG ★	18%	N/A	Q1: 36.9% Q2: 21.3% Q3: 26.7% Q4: 23.4%	Q1: 23% Q2: 25.5% Q3: 26% Q4: 26%	Q1: 45.8% Q2: 24.7% Q3: 24.2% Q4: 23.5%
Direct awards to new and underutilized partners ⁴³ APG ★	N/A	N/A	N/A	N/A	N/A
Sub-awards to new and underutilized partners ⁴⁴ APG ★	N/A	N/A	N/A	N/A	N/A
Field OUs percentage of obligations made to new and underutilized partners ⁴⁵ APG ★	N/A	N/A	11.9%	22%	12.8%
Field OUs percentage of obligations made through sub-awards to new and underutilized partners APG ★	N/A	N/A	0.7%	6%	11.3%
Washington OUs percentage of obligations made to new and underutilized partners ⁴⁶ APG ★	N/A	N/A	8%	12%	7.4%
Washington OUs percentage of obligations made through sub-awards to new and underutilized partners ⁴⁷ APG ★	N/A	N/A	0.8%	3%	1.5%

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Strategic Goal 4: Ensure Effectiveness and Accountability to the American Taxpayer (continued)

Indicator Title	FY 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results
Strategic Objective 4.1: Strengthen the effectiveness and sustainability of our diplomacy and development investments (continued)					
Number of addressable contract dollars awarded to Best-in-Class (BIC) vehicles ⁴⁸ APG ★	N/A	N/A	Q1: \$17.3 million Q2: \$44.1 million Q3: \$95.8 million Q4: \$197.7 million	\$204.3 million	\$241.3 million
Number of contract dollars awarded to contract vehicles designated as Spend Under Management (SUM) APG ★	N/A	N/A	Q1: \$495.6 million Q2: \$1,608.6 million Q3: \$3,063.8 million Q4: \$4,960.5 million	\$3,850 million	\$3,900 million
Strategic Objective 4.2: Provide modern and secure infrastructure and operational capabilities to support effective diplomacy and development					
Number of OUs Adopting the Development Information Solution (DIS) ⁴⁹	0	3	38	40	47
Strategic Objective 4.3: Enhance workforce performance, leadership, engagement, and accountability to execute our mission efficiently and effectively					
Overall Score on Human Capital Function of GSA's Customer Satisfaction Survey (or USAID's equivalent survey)	USAID: 3.91	USAID: 4.24	USAID: 3.9	USAID: 4.3	USAID: 4.2
Strategic Objective 4.4 – Strengthen security and safety of workforce and physical assets					
Percentage of USAID Global Health and Management Bureau staff moved to newly leased facility ⁵⁰	0%	0%	100%	N/A	N/A
Percent completion of Phases 3 and 4 of the Ronald Reagan Building Renovation	0%	33%	90%	100%	100%

- ¹ Creative solutions devised by implementers, increased program capacity, and more reliable funding resulted in more CVE programs being implemented by civil society and government partners relative to the FY 2021 target.
- ² A pivot to virtual initiatives, coupled with increased programming, resulted in more U.S. government-funded peace and reconciliation activities relative to the FY 2021 target. FY 2020 result is significantly lower than previous results and targets. The main reason is that key projects ended and new projects began in FY 2020 at several U.S. Missions.
- ³ COVID-19 affected the implementing environment, thus preventing people from participating in U.S. government-funded activities designed to build support for peace and reconciliation relative to the FY 2021 target.
- ⁴ FY 2021 activities enabled higher levels of female participation because of new or expanded State and USAID peacebuilding programs; shifts to digital platforms that allowed for broader participation in COVID-19-affected environments; a focus on working with community members; and designing culturally appropriate, demand-driven activities, which resulted in a larger-than-expected discrepancy in target achievement. Due to several new programs, State's Bureau of Conflict and Stabilization Operations (CSO) came in well above the reported target. With new programming, CSO's actual target for FY 2021 was 96, which State also exceeded. For the Colombia Local Peace Councils (LPCs) program, more women than anticipated are participating in substantive roles in the LPCs. This reflects a greater focus on inclusion of women and women's perspectives in peace and stabilization processes at the local level.

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- ⁵ COVID-19 and conflict-related challenges necessitated the use of multimedia platforms to provide voter education including virtual and digital delivery of programs. This helped the U.S. government reach more individuals than anticipated in FY 2021. Due to the nature of this indicator, results can be dependent on election scheduling and the accessibility of messages in target communities. This may lead to inconsistent trends in this indicator from year to year. The FY 2018 result represents a significant increase from past annual trends because of increased opportunities in countries, greater technological access through broadcast and social networks, and greater support for voter education than in past years. For example, an unanticipated, short-term rapid-response intervention to better inform Venezuelan citizens (domestically and abroad) on the May 2018 snap elections for president through a wide-reaching social-media, radio, and television campaign reached 4.3 million persons. Additionally, the short-term nature of this support can make targets difficult to set. Out-year targets reflect only the small subset of programming that is actually planned and does not account for "rapid response" type interventions designed to address unforeseen needs globally. As such, the targets may underestimate the anticipated number of people to be reached through elections-related programming in subsequent years.
- ⁶ While there was a discrepancy against the initial target set for this fiscal year, given the scale of the actuals, the discrepancy was mild. Uncertainty regarding the COVID-19 global pandemic can lead to increased variance from initial targets that are set as implementing partners sought to adapt to a changing and increasingly emergent operating environment. In some cases, partners were able to switch their approaches to digital or mass media activities that may have increased their reach, while others relying on direct in-person approach faced significant delays during COVID-19. Additionally, in some cases, there may be a gap in reporting to this indicator as some partners do not use this indicator to capture activities that may have an active learning component for adult-based populations outside of a classroom setting.
- ⁷ The year-to-year decline in totals and targets reflect the fact that several OUs have activities that are transitioning or concluding.
- ⁸ After publishing Doing Business 2020, the World Bank suspended and then terminated the Doing Business index. Hence, there is no score data to report for FY 2021.
- ⁹ COVID-19 has affected the implementing environment and led to award and activity modifications or redirections. These changes resulted in the actual number of private-sector firms improving their management practices and technologies exceeding targets in FY 2020 and FY 2021. Additionally, several large USAID activities in Armenia, Ukraine, and elsewhere benefited more firms than anticipated via online modalities.
- ¹⁰ In FY 2021, reporting for this indicator paused due to the change in administrations.
- ¹¹ The FY 2021 target represents the figure at the time these data were pulled and suggests that the target was exceeded in FY 2021. However, a January 2022 extraction of these data from FACTS Info shows a much higher target. Using this new target instead indicates that the actual result fell short of projections by about 7 percent. Most of the OU deviation narratives pointed to pandemic-related problems in the operating environment, as well as secondary effects, such as women not being able to participate in programs because their children were attending school virtually.
- ¹² The FY 2021 target reflected here represents the figure at the time these data were pulled and suggests that the target was missed in FY 2021 by around 18 percent. However, a more recent extraction of these data from FACTS Info in January 2022 shows the actual result fell short by somewhat less, around 13 percent. The shortfall is partially attributable to pandemic-related impacts on the implementing environment.
- ¹³ USAID did not achieve its overall FY 2021 target for this indicator because of a series of COVID-19-related disruptions, including staffing constraints, changes in resource allocation, impacts on the implementing environment, and award modifications or redirections. Additionally, conflict situations hindered the delivery of programs and services. Despite these obstacles, some Missions exceeded their FY 2021 targets. In Azerbaijan, the loosening of COVID-19 restrictions prompted GBV survivors to get psychosocial and legal counseling. In Honduras, USAID helped more survivors through increased partnerships with women's associations and UNICEF. Additional COVID-19-related rapid-response grants increased the number of female survivors seeking counseling services and legal help in the Kyrgyz Republic.
- ¹⁴ The FY 2020 result exceeded the target by 131 percent. Indonesia accounts for much of this increase. Indonesia adopted additional Standard Operating Practices. Unexpectedly, many Standard Operating Practices were adopted at the same time. For example, in Afghanistan, many longstanding efforts came to fruition in FY 2020, including policies and regulations that govern women's protection centers. In Egypt, USAID was able to support four additional legal instruments after establishment of the National Committee to Eradicate Female Genital Mutilation.
- ¹⁵ COVID-19 affected the implementing environment resulting in the U.S. government reaching fewer learners relative to the target in FY 2021.
- ¹⁶ COVID-19 affected the implementing environment and led to changes in resource allocation and award modifications or redirections resulting in U.S. government-funded technical assistance designed to improve business performance reaching more firms than initially targeted in FY 2021. USAID activities in Colombia, Egypt, the Philippines, Sri Lanka, Tajikistan, Tunisia, and Latin America were able to outperform targets due to a combination of high demand and successful adoption of virtual modalities.
- ¹⁷ COVID-19 affected the implementing environment and led to award (or activity) modifications or redirections that resulted in a larger-than-expected discrepancy in target achievement. USAID activities in Armenia, the Kyrgyz Republic, Timor-Leste, Tunisia, and Ukraine benefited more firms and employees due to rescoping for pandemic response, increased demand in target sectors due to pandemic-related supply chain disruptions and adopting virtual modalities.
- ¹⁸ The FY 2021 target was set conservatively in response to the COVID-19 pandemic. Despite the pandemic's unique challenges, activities were successful in delivering first-time sanitation services to more than 2.5 million people.
- ¹⁹ FY 2021 actuals likely underestimate final values as PPR data were not available for all OUs at the time of reporting. In addition, four OUs responsible for half of the FY 2021 target reported a larger-than-expected discrepancy in target achievement. COVID-19 affected implementation in several programs, and one of these four experienced a delay in land rights devolution, a precondition to improved management.
- ²⁰ COVID-19 affected the implementing environment resulting in fewer people receiving livelihood co-benefits relative to the target in FY 2021. Reporting for FY 2020 included lump-sum results from large-scale development activities that USAID has supported for years, such as Vietnam's Payment for Ecosystem Services system, which supports forest-dependent communities in many areas of the country.

- 21 Targets were not met because of delays in completing the installation of generation units 5 and 6 under the Mangla Dam Rehabilitation Project, which was originally scheduled to end by August/September 2021 but was rescheduled to January 2022. The delays were due to the complex nature of the project where major equipment was replaced with brand new equipment in a 50-year-old power plant. Several unexpected calibration issues surfaced and were successfully resolved, taking additional time. Separately, two projects set their FY 2021 targets as a preliminary estimate before activities officially started. Most of the activities were scheduled to be implemented in October 2021 or the first quarter of FY 2022; hence no result is reported this year. Improvement in energy services in FY 2020 resulted from an increase in clean generational capacity in countries such as Indonesia, Pakistan, and Senegal. Additionally, significant improvements in electricity systems and trading in Central America will increase energy access across the region.
- 22 This indicator predominately represents investments in new energy capacity. Due to the nature of these investments, it is hard to predict the success rate of active project proposals and the timing of financial close; thus the targets are approximate only. Support for large-scale renewable energy auctions can also cause large year-to-year fluctuations in the magnitude of results reporting, as these are outliers in the overall total. When setting the FY 2021 target, it was not anticipated that the Kholongchhu project would mature in FY 2021. The project is a joint venture between India and Bhutan, with 50:50 investments of \$602 million. Through the South Asia Regional Initiative / Energy activity USAID helped mobilize this private-sector investment by informing policies, developing regulatory frameworks, strengthening institutions, and building the capacity of key stakeholders on all aspects related to cross-border power trade and regional power markets. The strong performance against this indicator is also a result from USAID's Clean Power Activity. With the announcement of Vietnam's distributed photovoltaic (DPV) policy in early FY 2020, it was expected that higher investment would be made during the final quarter of the policy's lifespan. The FY 2021 targets were revised during the FY 2020 PPR to comply with this expectation. However, an unpredictably high number of clean energy projects achieved commercial operation as an incentive under the DPV policy whereby projects reaching commercial operations by December 2020 became eligible to receive a tariff waiver. Another reason actual investment for energy projects beat FY 2021 targets is attributed to the 100MW Redstone Concentrated Solar Power project reaching financial closure ahead of schedule. Due to errors with pushing data from DIS to FACTS Info for the FY 2020 PPR, the FY 2021 target was set as zero for Redstone Concentrated Solar Power project. The actual FY 2021 target was 1,436,600,000, which results in a deviation of 11.5 percent.
- 23 This indicator predominately represents investments in new energy capacity. Due to the nature of these investments, it is hard to predict the success rate of active project proposals and the timing of financial close; thus the targets are approximate only. Actual energy generation capacity exceeded the FY 2021 target due to the PACE D 2.0 activity. The activity was able to help Jharkhand Biji Vitran Nigam Limited (JBVL), the largest Distribution Company of Jharkhand State, issue the tender for a new 25 MW distributed solar project for the state of Jharkhand. The initial design called for a 5 MW distributed solar project, but that figure was adjusted upward to 25 MW. USAID Clean Power Asia surpassed targets due to the additional MWs that were installed as part of the DPV policy in Vietnam. The announcement of this policy in 2020 accelerated the number of MW of rooftop solar systems achieving financial closure through December 2020 (first quarter of FY 2021). The FY 2021 target was revised in the FY 2020 PPR to align with the expectation that more MW would be deployed in the last month (December 2020) of the policy. However, there was still an unpredictably high number of MW achieving financial closure and commercial operation. The DPV policy that drove the financial closure and installation included a condition that only projects reaching commercial operations by December 2020 would be eligible to receive a tariff waiver. As a result, many developers expedited their projected financial closure and installation to beat the deadline, boosting the total MWs deployed for this rating period in the process.
- 24 COVID-19 affected the implementing environment resulting in more government officials receiving anti-corruption training relative to the FY 2021 target.
- 25 COVID-19 affected the implementing environment resulting in more people affiliated with NGOs receiving anti-corruption training relative to the FY 2021 target.
- 26 COVID-19 affected the implementing environment resulting in fewer anti-corruption measures being proposed, adopted, or implemented relative to the FY 2021 target.
- 27 FY 2021 target corrected. Pandemic-related challenges caused staffing constraints and adversely affected the implementing environment, resulting in fewer countries initiating new Fiscal Transparency Innovation Fund projects. Additionally, several potential implementing partners experienced limited capacity resulting in projects being modified or canceled. In some cases where host-government buy-in was essential, government partners lost interest or the political will to pursue projects.
- 28 In FY 2021, the Agency approved 23 CDCSs, bringing the cumulative total to 47 out of 53 approved by January 2021. The remaining 6 strategies were delayed by COVID-19-related staffing constraints that affected planning schedules. Note that the original goal was to include information described in this indicator in 63 CDCS documents, but the USAID offices in ten of these countries developed alternative strategic documents instead of standard CDCSs. As a result, those ten countries are not accounted for in the table.
- 29 The indicator reflects the total value of the expected commitments for all active partnerships within the designated fiscal year. These figures do not represent new resource commitments each fiscal year. Two partnerships, Gavi, the Vaccine Alliance and the USAID Neglected Tropical Disease (NTD) Program and Pharmaceutical Companies Partnership, represent over \$76 billion of the total lifetime non-U.S. government partner commitments reported under this indicator. The primary reason the actual result surpassed the FY 2021 target is due to a substantial increase in the commitments reported under Gavi. Resource commitments for the Gavi partnership were driven in part by the COVID-19 pandemic. An equal rate of growth for this metric should not be assumed in out-years.
- 30 The targets were based on the expected two training sessions per quarter. The Private-Sector Engagement (PSE) Hub offers additional "on-demand" training sessions tailored to Missions or OUs. To protect the health and safety of USAID staff during the COVID-19 pandemic, the PSE Hub canceled its planned FY 2020 Q3 training sessions and resumed them in a limited virtual form in FY 2020 Q4. In FY 2021, training sessions continued to be held primarily virtually. These challenges have resulted in fewer training participants and synchronous training sessions than originally anticipated. Though the data are not counted by this indicator, in FY 2021 the PSE and Partnerships Pre-requisite course was embedded into USAID staff onboarding and was added to the USAID University training queue of all staff who have not yet completed it. The prerequisite course for PSE 101 is now part of the New Employee Orientation process.
- 31 A number of ongoing partnerships ended in FY 2020, which resulted in a lower actual result than the target for FY 2021. Missions continue to actively explore partnership opportunities to establish new public-private partnerships.
- 32 This year the increase was slightly higher than the target (0.016 versus 0.010) and reflects significant increases in high-population countries that have most recently introduced the vaccine, such as India and Indonesia. USAID expects the increase will stabilize around 0.1 per year in the next year or two.
- 33 The increase in the percent of births delivered in a health facility in USAID priority countries (for preventing child and maternal deaths) is in line with the target. This increase is expected as USAID Missions work with host governments to increase access to and quality of labor and delivery care.

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- ³⁴ The indicator is 13 percent above target. The priority countries were able to keep up high performance despite the COVID-19 pandemic.
- ³⁵ The indicator is 18 percent above target. The priority countries were able to keep up high performance despite the COVID-19 pandemic.
- ³⁶ FY 2020 results updated to reflect final, validated data.
- ³⁷ FY 2020 results updated to reflect final, validated data.
- ³⁸ FY 2020 results updated to reflect final, validated data.
- ³⁹ One of the ways in which USAID prevents GBV in emergencies is by ensuring each proposal received from an NGO mainstreams protection principles and practices. "Protection mainstreaming" is the process of incorporating protection principles and promoting meaningful access, safety, and dignity in humanitarian aid. The numerator for this indicator is the number of NGO proposals received by USAID's Bureau for Humanitarian Assistance (BHA) that include protection mainstreaming; the denominator is the total number of NGO proposals received by USAID/BHA.
- ⁴⁰ Insufficient staffing levels and limited internal training capacity challenged BHA's ability to respond quickly and manage awards, as well as created inconsistencies in institutional knowledge between overseas and Washington staff, influencing the disaster declaration response timeline. Additionally, COVID-19 prompted additional administrative requirements and award modifications that delayed the processing timelines.
- ⁴¹ Updated with final FY 2021 result.
- ⁴² Updated with final FY 2021 result.
- ⁴³ Former APG. Reporting for this indicator discontinued with the 2021 change in Administration.
- ⁴⁴ Former APG. Reporting for this indicator discontinued with the 2021 change in Administration.
- ⁴⁵ New and underutilized partners are strictly organizations that have received less than \$25 million from USAID over the past five years. USAID set targets with the intention of increasing awards to local organizations and other nontraditional partners. If partners exceed the threshold, it would not be captured in this indicator. Reaching the selected new and underutilized partners target became progressively harder due to the target-setting methodology. Funds obligated for the purpose of combating COVID-19 were earmarked for traditional partners who have the capabilities.
- ⁴⁶ Cultural and systemic barriers for Washington-based OUs limited work with new and underutilized partners. Missions traditionally work more closely with new and underutilized local partners.
- ⁴⁷ Cultural and systemic barriers for Washington-based OUs limited work with new and underutilized partners. Missions traditionally work more closely with new and underutilized local partners.
- ⁴⁸ USAID exceeded its BIC targeted spending because it continued to make Category Management a priority and increased its awareness through dedicated outreach and training of its acquisition workforce.
- ⁴⁹ In FY 2021, the actual number of USAID OUs adopting DIS exceeded the target by 18 percent. This was partially due to an Agency Notice from the USAID Administrator for a coordinated effort to onboard all USAID OUs by the end of FY 2021.
- ⁵⁰ Indicator target was achieved in FY 2020. As a result, this indicator was closed out, and no future targets were set.

FY 2022 – FY 2026 JSP INDICATORS

Indicators with an asterisk (*) = the FY 2021 result and FY 2022 target represent incomplete data. The final FY 2021 result and FY 2022 target will be included in the FY 2022 APR.

FY 2021 RESULTS LEGEND

Above Target	More than 100 percent of the target set for FY 2021 was met
At Target	90 to 100 percent of the target for FY 2021 was met
Below Target	Below 90 percent of the target set for FY 2021 was met
Result Not Available	Result data not available at time of publication
Target Not Set	Target not established for FY 2021

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 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results	FY 2022 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)	N/A	N/A	0%	N/A	23.4%	70%
Annual global deaths from COVID-19 per 100,000 population (Joint)	N/A	N/A	13.5	N/A	47.1	45
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	N/A	N/A	N/A	N/A	35%
Number of adults and children newly diagnosed with HIV (Joint) APG ★	Q1: 705,161 Q2: 789,254 Q3: 773,327 Q4: 944,619 FY 2018: 3,212,361	Q1: 676,282 Q2: 741,115 Q3: 716,264 Q4: 904,892 FY 2019: 3,038,553	Q1: 675,331 Q2: 728,696 Q3: 531,667 Q4: 756,492 FY 2020: 2,692,186	2,385,635	Q1: 595,995 Q2: 634,251 Q3: 604,496 Q4: 658,590 FY 2021: 2,493,332	2,330,425
Number of adults and children currently receiving ART (Joint) APG ★	Q4: 14.8 million	Q4: 15.7 million	Q3: 15.9 million Q4: 17.4 million	19,774,264	Q4: 19.0 million	20,358,681
Percent of adults and children who are virally suppressed (Joint) APG ★	87.9%	90.1%	92.4%	95%	94.3%	95%
Number of males circumcised as part of the VMMC for HIV prevention program within the reporting period (Joint) APG ★	Q1: 714,338 Q2: 839,088 Q3: 1,086,402 Q4: 1,094,386 FY 2018: 3,734,214	Q1: 859,987 Q2: 852,995 Q3: 1,089,946 Q4: 1,096,403 FY 2019: 3,899,331	Q1: 873,843 Q2: 838,676 Q3: 280,976 Q4: 637,708 FY 2020: 2,631,203	2,629,034	Q1: 595,812 Q2: 567,842 Q3: 665,220 Q4: 594,245 FY 2021: 2,423,119	2,252,753
Number of individuals who were newly enrolled (in the reporting period) on oral antiretroviral pre-exposure prophylaxis (PrEP) to prevent HIV infection (Joint) APG ★	N/A	161,315	386,430	1,218,192	1,190,202	1,050,766

See end of table starting on page 40 for footnotes.

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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 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results	FY 2022 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)						
Percent of shipments of contraceptive commodities that are on time (USAID) APG ★	Q1: 75% Q2: 81% Q3: 84% Q4: 91%	Q1: 93% Q2: 85% Q3: 98% Q4: 95%	Q1: 88% Q2: 92% Q3: 97% Q4: 94%	Q1: 80% Q2: 80% Q3: 80% Q4: 80%	Q1: 92% Q2: 98% Q3: 100% Q4: 93%	Q1: 80% Q2: 80% Q3: 80% Q4: 80%
Absolute change in the rate of exclusive breastfeeding among children under six months (USAID) APG ★	+1.9%	+1.9%	+1.9%	+1%	+1.1%	+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 ★	+2.1%	+4.4%	+4.4%	+1%	+1.6%	+1%
Annual total number of people protected against malaria with insecticide-treated nets (USAID) APG ★	126 million	114 million	125.3 million	110 million	109 million	110 million
Absolute change in the modern contraceptive prevalence rate (USAID) APG ★	+0.6%	+0.5%	+0.8%	+1%	+0.9%	+1%
Absolute change in under-five mortality rate (decreased per 1,000 live births) (USAID) APG ★	-2	-2	-1.8	-2	-1.8	-2
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	N/A	N/A	N/A	N/A	10
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	N/A	N/A	N/A	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	N/A	N/A	N/A	N/A	25
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) APG ★	N/A	N/A	N/A	N/A	N/A	10
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)	89	95	91	95	74	95

See end of table starting on page 40 for footnotes. Full description of legend can be found on page 35.

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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 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results	FY 2022 Target
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	N/A	N/A	N/A	N/A	USAID: 45

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

Indicator Title	FY 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results	FY 2022 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)	1,195	1,309	1,241	N/A	1,418	1,451
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 in the agriculture and food system receiving U.S. government assistance (USAID) APG ★	\$1.68 billion	\$3.05 billion	\$3.30 billion	\$2.09 billion	\$3.78 billion	\$2.26 billion
Average value per capita of agriculture-related financing received by females as a percentage of the value per capita of agriculture-related financing received by males as a result of U.S. government assistance (USAID) APG ★	N/A	N/A	N/A	N/A	N/A	153%
Number of USAID Feed the Future evaluations (USAID) APG ★	N/A	N/A	Q1: 7 Q2: 2 Q3: 3 Q4: 4	Q1: 2 Q2: 2 Q3: 2 Q4: 2	Q1: N/A Q2: N/A Q3: N/A Q4: 3	Q1: 2 Q2: 2 Q3: 2 Q4: 2
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)* 1	USAID: 593,397	USAID: 649,401	USAID: 511,490	USAID: 599,900	USAID: 827,212	USAID: 694,943
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)	N/A	N/A	N/A	N/A	USAID: 13	USAID: 14
Average internet freedom score of countries in the Freedom on the Net report (Joint)	N/A	N/A	N/A	N/A	52.7	54
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: 109.8 million	USAID: 208.8 million	USAID: 107.2 million	USAID: 110 million	USAID: 133.4 million	USAID: 78.9 million
Hectares of cultivated land under improved climate adaptation practices or technologies with U.S. government assistance (USAID)*	2.5 million	1.1 million	1.2 million	1.4 million	1.5 million	1.1 million

See end of table starting on page 40 for footnotes. Full description of legend can be found on page 35.

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

Indicator Title	FY 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results	FY 2022 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)*	N/A	N/A	129	N/A	34	USAID: 30
Fairness and Access to Justice: Number of U.S. government-assisted courts with improved case management systems (Joint – Disaggregated by State and USAID)*	N/A	N/A	339	N/A	703	USAID: 225
Percent of DRG project solicitations in target countries that call for evidence-based approaches (USAID) APG ★	N/A	N/A	N/A	N/A	N/A	28.5%
Percentage increase in V-Dem Civil Society Participation Index for target countries (USAID) APG ★	N/A	3%	0.7%	N/A	1%	5%
Number of new DRG Center learning resources produced (USAID) APG ★	N/A	N/A	N/A	N/A	25	27
Downloads of data portrait and indicator inventories from idea.usaid.gov/drg (USAID) APG ★	N/A	N/A	N/A	N/A	2,202	Q1: 600 Q2: 750 Q3: 900 Q4: 1,050
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	N/A	N/A	N/A	N/A	USAID: 20
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)*	57	60	84	65	36	USAID: 67
Percentage of new partners registered in the partner directory that have taken the pre-engagement assessment on WorkwithUSAID platform (USAID) APG ★	N/A	N/A	N/A	N/A	N/A	25%
Percentage of Missions with Inclusive Development Champions (USAID) APG ★	N/A	N/A	N/A	N/A	N/A	N/A
Percentage of external stakeholders who believe USAID's streamlined processes have made proposal/application submission more cost effective for potential partners (USAID) ² APG ★	N/A	N/A	N/A	N/A	N/A	N/A
Percentage of USAID evaluations with a local expert included on the external evaluation team (USAID) APG ★	N/A	N/A	N/A	N/A	72%	75%

See end of table starting on page 40 for footnotes. Full description of legend can be found on page 35.

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

Indicator Title	FY 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results	FY 2022 Target
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)*	N/A	N/A	N/A	N/A	127	70
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)	18,138	30,874	40,616	N/A	71,617	30,000
Number of youth in Central America accessing violence prevention services (USAID)	N/A	N/A	N/A	N/A	N/A	90,000
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) ANC1 and ANC4; and (b) DPT1/ Penta1 and DPT3/Penta3, in health system strengthening project catchment areas supported by USAID (USAID)* ³	N/A	10.00	19.00	18.05	22.86	15.65
Number of people gaining access to sustainable water services (USAID)*	5.1 million	6.5 million	3.8 million	5.3 million	5.0 million	3.8 million
Number of children under five (0-59 months) reached with nutrition-specific interventions through U.S. government-supported nutrition activities (USAID)*	33.4 million	27.2 million	26.7 million	24.1 million	29.6 million	23.3 million
Percent of individuals with improved soft skills following participation in U.S. government-assisted programs (USAID)*	N/A	78%	81%	76%	72%	56%
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)*	N/A	N/A	0%	10%	24%	26%
Number of learners with improved access to education through U.S. government-assisted programs (USAID)*	N/A	N/A	N/A	N/A	14,050	50,678

Strategic Goal 4: Revitalize the diplomatic and development workforce and institutions

Indicator Title	FY 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results	FY 2022 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)	3.91	4.24	3.9	4.3	4.2	4.5
FEVS Employee Engagement Index (EEI) Score (Joint – Disaggregated by State and USAID)	USAID: 75.6	USAID: 75.7	USAID: 78.6	USAID: 81	USAID: 79	USAID: 83
FEVS Employee Satisfaction Index (ESI) Score (USAID)	68	68	72.7	75	TBD	80
Percentage of positions filled within a given quarter by people with targeted disabilities (USAID) APG ★	N/A	N/A	N/A	N/A	1.28%	1.8%

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

Indicator Title	FY 2018 Results	FY 2019 Results	FY 2020 Results	FY 2021 Target	FY 2021 Results	FY 2022 Target
Strategic Objective 4.1: Build and equip a diverse, inclusive, resilient, and dynamic workforce (continued)						
Percentage of positions filled within a given quarter by people with disabilities (USAID) APG ★	N/A	N/A	N/A	N/A	5.25%	10%
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	N/A	N/A	N/A	N/A	60%
Number of OUs using a geospatial approach for decision-making as a result of GeoCenter assistance (USAID)	N/A	N/A	N/A	N/A	N/A	25
Number of OUs using data literacy training and data management assistance for decision-making as a result of USAID Data Services support (USAID)	N/A	7	16	N/A	29	13
Strategic Objective 4.3: Protect our personnel, information, and physical infrastructure from 21st century threats						
Readiness Scorecard Rating (USAID) ⁴	N/A	N/A	N/A	N/A	N/A	N/A
Number of resolved physical security deficiencies through State Department Bureau of Overseas Buildings Operations (OBO) projects (Joint)	N/A	N/A	144	134	N/A	176
Percentage of overseas facilities with Facility Condition Indices (FCI) score above 70 (Joint)	N/A	N/A	N/A	N/A	N/A	72%

Full description of legend can be found on page 35.

- ¹ FY 2018 – 2021 results and targets may have been updated from prior APP/APRs to reflect final data.
- ² In FY 2022, USAID will survey external stakeholders to establish a baseline to measure the effectiveness of streamlined processes in proposal/application submission for historically underrepresented groups. This baseline will be available by Q4 FY 2022.
- ³ Antenatal care (ANC) 1 = Total number of pregnant women who received antenatal care at the first visit. ANC4 = Total number of pregnant women who received antenatal care four times or more. Diphtheria, pertussis and tetanus (DPT) 1/Penta1 = Total number of children under 24 months of age who received the first dose of the DPT1 vaccination. DPT3/Penta3 = Total number of children under 24 months of age who received the third dose of the DPT3 vaccination.
- ⁴ USAID will establish a baseline for USAID Readiness Scorecard Rating by Q4 FY 2022.

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

LOOKING FORWARD



Ruth Buckley

CHALLENGES AND OPPORTUNITIES

The U.S. Agency for International Development (USAID) executes its mission in an increasingly complex global environment in which efficiency, effectiveness, equity, and innovation are imperative. USAID adapts, continuously improves, and makes data-driven decisions to maximize progress beyond programs as it partners and strives for just, equitable, inclusive, and accessible programming, policies, and processes. As USAID works with its U.S. government and international partners, the Agency recognizes many shared challenges, risks, and opportunities, including those that relate to institutionalizing localization, preventing and responding to crises and conflicts, and addressing climate change. USAID is committed to disclosing and responding to challenges and opportunities, while continuously enhancing its performance.

LOOKING FORWARD TOPIC ALIGNMENT WITH THE USAID-STATE FY 2022 – FY 2026 JOINT STRATEGIC PLAN GOALS AND OBJECTIVES

Topic	Strategic Goal	Strategic Objective
Institutionalizing Localization	Localization cuts across and informs the Agency's implementation of all strategic goals and objectives in its Joint Strategic Plan (JSP) (https://www.usaid.gov/results-and-data/planning/joint-strategic-plan/2022-2026).	
Preventing and Responding to Crises and Conflicts	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. 1.4: Lead allies and partners to address shared challenges and competitors; prevent, deter, and resolve conflicts; and promote international security.
	2: Promote global prosperity and shape an international environment in which the United States can thrive	2.2: Support inclusive and sustainable economic growth and opportunity for communities around the globe. 2.4: Strengthen U.S. and global resilience to economic, technological, environmental, and other systemic shocks.
	3: Strengthen democratic institutions, uphold universal values, and promote human dignity	3.5: Improve inclusive and equitable health, education, and livelihood services, especially for women, youth, and marginalized groups.
Addressing Climate Change	1: Renew U.S. leadership and mobilize coalitions to address the global challenges that have the greatest impact on Americans' security and well-being	1.2: Secure ambitious climate mitigation and adaptation outcomes, including supporting effective Paris Agreement implementation.

INSTITUTIONALIZING LOCALIZATION

In her address on *A New Vision for Inclusive Development* at Georgetown University in November 2021 (<https://www.usaid.gov/news-information/speeches/nov-4-2021-administrator-samantha-power-new-vision-global-development>), Administrator Samantha Power identified Localization as one of USAID's top priorities, explaining that "If we truly want to make aid inclusive, local voices need to be at the center of everything we do." Localization refers to the processes and actions that USAID will undertake to put local actors in the lead, strengthen local systems, and respond to local communities. Implementing this priority includes recognizing that development agencies like USAID cannot, on their own, bring about lasting change in the communities in which they work. Instead, their role is to catalyze change and support and empower local civil-society, private-, and public-sector partners to take ownership of development and humanitarian assistance to achieve more equitable, effective, and sustainable results. USAID also recognizes that today's global development and humanitarian challenges are vast, demanding, complex, and inherently local, as unique histories, power dynamics, and other local context-specific factors shape them.

Localization is not a new idea, but the scale and scope is. While USAID has embraced localization goals in various forms for more than a decade, the Agency now incorporates localization into its entire development and humanitarian mission through a set of internal reforms, actions, and behavior changes that center on four mutually reinforcing efforts:

(1) Adapting USAID's policies and program practices to foster locally sustained change that is tied to each country's unique political, social, cultural, economic, and environmental conditions, while targeting the drivers of and barriers to change;

(2) Shifting power to local actors by integrating local voices and leadership into all aspects of USAID programs, including setting priorities, designing programs, leading implementation, and defining and measuring results;

(3) Channeling a larger portion of assistance directly to credible local partners while providing accountability for appropriately using funds and achieving development and humanitarian results; and

(4) Serving as a public advocate and thought-leader at the global and country level, using USAID's convening authority, partnerships, voice, and the power of example to catalyze a broader shift to locally led development.

USAID has set targets to motivate and track progress for these efforts. By fiscal year (FY) 2025, 25 percent of USAID's program funding will go directly to local actors, and by 2030, at least half of USAID's activities will put local actors in the lead to identify priorities, design programs, implement, and measure results.

One example of USAID's efforts is the Centroamérica Local initiative, which USAID launched in November 2021 and through which the Agency will allocate \$300 million over the next five years to foster locally led development solutions to irregular migration from El Salvador, Guatemala, and Honduras. USAID will do this by implementing programs to advance sustainable and equitable economic growth, improve governance, fight corruption, protect human rights, improve citizen security, and combat sexual and gender-based violence.

USAID's localization targets are ambitious and global, which enables each Mission to set individual targets based on its unique country context. USAID uses lessons it has learned to strengthen its ability to partner with local organizations by addressing strategy and policy constraints and barriers to increase the number of its awards to local organizations. Examples of these efforts include, but are not limited to:

- **Updating USAID’s Policy Framework** (<https://www.usaid.gov/policyframework>) to reinforce USAID’s commitment to increasing its work with more local organizations and actors and to articulate how USAID is operationalizing that commitment.
- **Revising USAID’s Acquisition and Assistance (A&A) Strategy** to simplify and streamline the Agency’s processes where possible and main-stream more flexible and adaptable approaches to funding nontraditional partners.
- **Amending USAID’s Risk Appetite Statement** to provide clear guidance on the level and type of risk the Agency is willing to accept, recognizing there are sometimes new and different risks associated with engaging with partners who are new to USAID, as are many local partners.
- **Launching the WorkwithUSAID** (<https://www.workwithusaid.org/>) platform, to provide new and nontraditional groups a platform where they can learn how to access USAID’s funding and partnership opportunities.
- **Publishing a Local Capacity Strengthening (LCS) Policy** (<https://www.usaid.gov/sites/default/files/documents/LCS-Policy-2022-10-17.pdf>) to establish USAID-wide principles for local programming and emphasize local actors’ priorities and existing capacities.

Localization will catalyze and support shifting more priority setting, leadership, ownership, decision-making, implementation, and monitoring and evaluation to the local people and institutions that possess the capability, connectedness, and credibility to propel change in their own communities and countries. USAID will pursue this priority with vigor not only because it is the right thing to do, but because local leadership and ownership are critical for better and more sustainable outcomes, consistent with the findings from USAID’s July 2022 report, “Integrating Local Knowledge in Development Programming” (https://usaidlearninglab.org/sites/default/files/2022-07/integrating_local_knowledge_07112022-400pm.pdf).

PREVENTING AND RESPONDING TO CRISES AND CONFLICTS

Crises and conflicts around the world, such as Russia’s unjustified full-scale invasion of Ukraine and the global food-security crisis, influence how USAID continuously adapts and improves its mission delivery as it works to respond to and prevent additional crises and conflicts.

SUPPORTING PEOPLE IN UKRAINE

The United States is committed to supporting people in Ukraine who are affected by Russia’s unprovoked war. While USAID has supported United Nations (UN) and nongovernmental organization (NGO) humanitarian programs in Ukraine since 2014, USAID scaled up its assistance following Vladimir Putin’s full-scale invasion on February 24, 2022, to match the rapid increase in conflict-related humanitarian needs. USAID’s Disaster Assistance Response Team (DART) leads the U.S. humanitarian response inside Ukraine, while the U.S. Department of State (State) leads the regional refugee response. As of October 2022, the United States has provided more than \$1.5 billion in humanitarian assistance to support people in Ukraine and those fleeing to neighboring countries, including more than \$1 billion from USAID to provide food and cash assistance; water, sanitation, and hygiene support; health care; protection; shelter; and other lifesaving humanitarian assistance.

Russia’s full-scale invasion of Ukraine has displaced more than 14 million people, including 7.6 million refugees who have fled and 6.2 million people who have been displaced inside Ukraine as of October 2022. USAID humanitarian funding includes support for more than 60 Ukrainian local organizations that are providing food, medical supplies, hygiene items, logistics support, and other relief in coordination with international NGO and Public International Organization (PIO) partners as sub-recipients of USAID humanitarian funding.

Russia’s war on Ukraine exacerbates existing humanitarian needs in Ukraine and around the world that stem from years of protracted conflict, the effects of



USAID’s Local Capacity Strengthening Policy establishes Agency-wide principles for local programming and emphasizes local actors’ priorities and existing capacities globally.

the COVID-19 pandemic, and devastating droughts caused by climate change, which adversely affect the entire global food supply chain, contributing to rising prices for food, fertilizer, and fuel globally and leading to a global food-security crisis.

RESPONDING TO THE GLOBAL FOOD-SECURITY CRISIS

There are currently 768 million people who are hungry, tens of millions of whom face grave hunger. In fact, in 2021, a record 193 million people in 53 countries across Africa, the Middle East, Asia, and Latin America experienced food crises, and 238 million people globally are newly hungry. As many as 150 million of those people became hungry in the past two years since the outbreak of COVID-19.

To fight the global food crisis, USAID led the development and release of the U.S. government 2022–2026 Global Food-Security Strategy (<https://www.usaid.gov/what-we-do/agriculture-and-food-security/us-government-global-food-security-strategy>) and is:

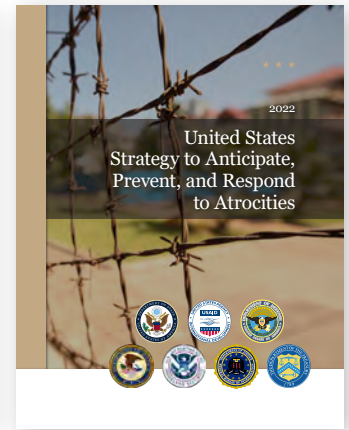
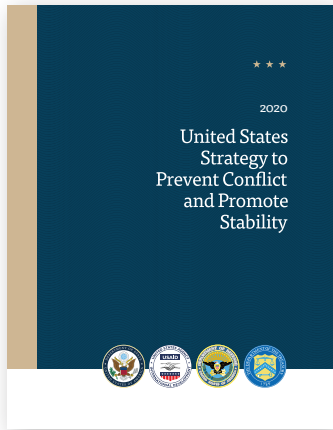
- Providing immediate humanitarian aid to people who are severely hungry and malnourished;
- Sustaining investments in global agriculture to help farmers boost their harvests; and
- Mobilizing more resources from donors, avoiding export restrictions that can exacerbate the crisis, and lessening the burden on countries that have fewer resources.

As part of these efforts, in FY 2022 USAID provided more than \$2.3 billion for emergency food-security assistance and other services in countries that have high levels of acute food insecurity, rely on imports from Russia and Ukraine, and are vulnerable to price shocks. In addition, USAID is providing \$655 million of development assistance from the Additional Ukraine Supplemental Appropriations Act, 2022 to prevent and respond to food insecurity as a result of Russia’s invasion of Ukraine. The United States is also expanding Feed the Future (<https://www.feedthefuture.gov/>), the global food-security initiative that USAID leads, from 12 to 20 countries. The initiative newly includes the Democratic Republic of Congo, Liberia, Madagascar, Malawi, Mozambique, Rwanda, Tanzania, and Zambia.

As USAID continues to target investments to address the root causes of poverty, hunger, and malnutrition, the Agency provided more than \$1.8 billion in humanitarian and development assistance to the Horn of Africa. This assistance includes more than \$1.8 billion in humanitarian assistance to enable USAID partners to provide



A map of the 20 Feed the Future countries, with the newest eight countries labeled.



critical aid for millions of people across the region. It also includes \$90 million, subject to congressional approval, in development assistance to enable USAID to invest in activities to scale drought-tolerant crops, reduce post-harvest loss and waste, and support social protections and safety nets.

While the United States will continue to be a leader in responding to humanitarian crises, the fight against global hunger will not succeed without collective action. The U.S. government and USAID collaborate with other countries (especially those that have the most resources), multilateral organizations, private companies, and individuals through a wide variety of fora, ranging from the UN to online fora like the Global Food Fund's GoFundMe site (<https://www.gofundme.com/jf/global-food-fund>).

There is much USAID does to prevent even more loss from hunger and malnutrition. Together, the world can and must do even more.

WORKING IN CRISIS AND CONFLICT

Crises and conflicts are happening more frequently, exacerbated by the effects of climate change and competition for natural resources, deteriorating economies and economic shocks from the COVID-19 pandemic, and instability from weak or illegitimate political institutions. USAID works hard to prevent conflict and violence and to foster peace and reconciliation when conflict and violence occur.

Violent conflict and instability affect at least 50 countries and 1.5 billion people worldwide. The United States' stakes in these countries are high. As global rates of poverty continue to fall, the world's poor increasingly are concentrated in fragile and conflict-affected countries, with estimates that more than 50 percent of the world's poor will be located in these countries by 2030. Roughly 80 percent of current humanitarian assistance helps people who are affected by violence and conflict, with the vast majority of this aid spent on protracted crises. Conflict and violence has forced nearly 60 million people, half of them children, from their homes. These crises often spread across borders—and state failure can breed chaos and enable transnational crime and terrorism to flourish. Due to the devastating effects of conflict and fragility on development outcomes, the 2030 Agenda for Sustainable Development (<https://sdgs.un.org/2030agenda>) elevated peace as a crosscutting issue and adopted Goal 16, which seeks to promote peace, justice, and inclusive societies.

In addition to the JSP, the U.S. Strategy to Prevent Conflict and Promote Stability (<https://www.state.gov/stability-strategy/>), the U.S. Strategy on Women, Peace, and Security (https://www.state.gov/wp-content/uploads/2021/01/WPS_Strategy_10_October2019.pdf), and the U.S. Strategy to Anticipate, Prevent, and Respond to Atrocities (<https://www.state.gov/atrocities-prevention>) guide USAID's efforts to address root causes of fragility

U.S. government strategies that guide USAID's efforts to address root causes of fragility and prevent violent extremism while affirming gender equity and equality in security, peace-making, and peacekeeping globally.

and prevent violent extremism while affirming gender equity and equality in security, peace-making, and peacekeeping globally.

In FY 2021, USAID began partnering with the U.S. Departments of State, the Treasury, and Defense, as well as Haiti, Libya, Mozambique, Papua New Guinea, and a group of Coastal West African countries that includes Benin, Côte d'Ivoire, Ghana, Guinea, and Togo, to implement the U.S. Strategy to Prevent Conflict and Promote Stability. Over the next ten years, the partners will foster peace and long-term stability by integrating engagement across the diplomacy, development, and security sectors and tailoring approaches to the unique circumstances of local and regional contexts, while elevating local voices to collaborate and prevent conflict.

In countries that are experiencing political crises, demonstrating signs of fragility, or emerging from conflict, USAID develops and implements best-practice interventions, including conflict and countering violent extremism assessments, early-warning analyses, and leadership training programs, to bolster prevention, preparedness, responses, and resilience. USAID intentionally learns from past challenges in stabilization environments, improves coordination, enhances partnerships, and tackles management burdens to improve outcomes and long-term impact. USAID has conducted more than 85 conflict-related assessments in approximately 50 countries. The Agency has also trained more than 900 government, interagency, and NGO partners to design and implement programs in conflict-affected environments since 2012.

USAID also supports peacebuilding through “people-to-people” reconciliation programs and activities that convene individuals of different ethnic, religious, or political backgrounds to provide opportunities to address issues, reconcile differences, promote greater understanding and mutual trust, and work on common goals related to potential, ongoing, or recent conflict. USAID has supported nearly 330 peacebuilding projects in

42 countries and awarded more than \$230 million in grants for “people-to-people” reconciliation programs and activities.

As the world continues to face myriad crises and conflicts, USAID will continue to partner on, lead, and improve development and humanitarian assistance efforts to prevent, mitigate, and recover from conflict, instability, and extremism, as well as maximize and sustain gains.

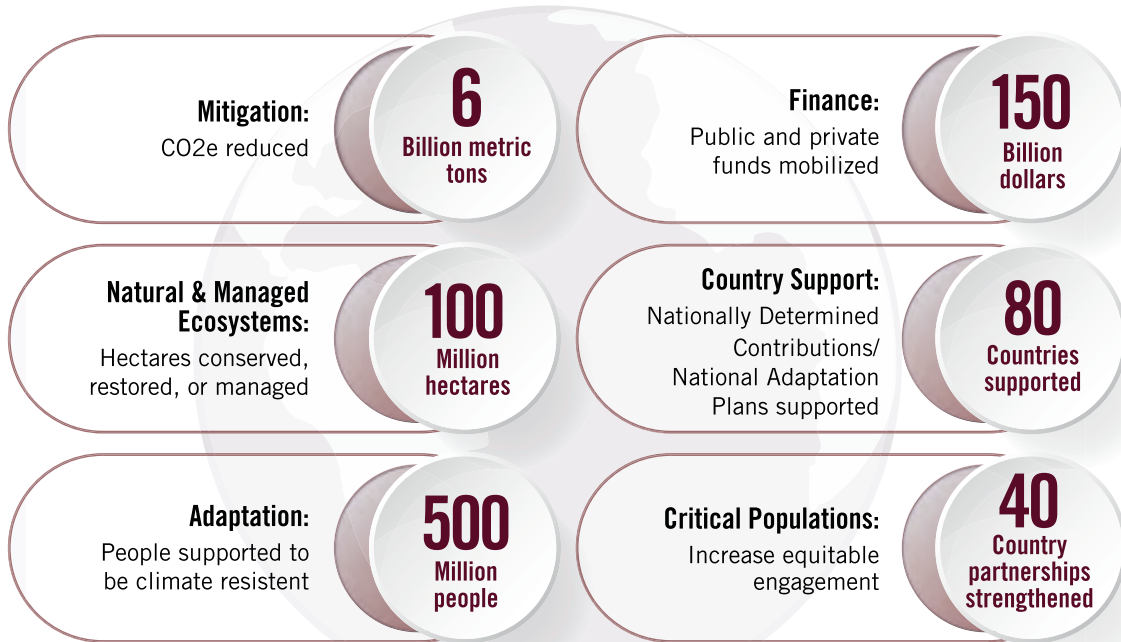
ADDRESSING CLIMATE CHANGE

Climate change is a global crisis. As temperatures and sea levels rise, people around the world increasingly see heat waves, droughts, floods, cyclones, and wildfires upend their lives. Climate change disproportionately affects marginalized people living in poverty, affects virtually everything that USAID does, and threatens the development progress the Agency has supported for more than 60 years.

This decade will be decisive for the future of our planet. To drive action, USAID developed a Climate Strategy (<https://www.usaid.gov/climate/strategy>) that now guides its humanitarian and development work through 2030 in a way that is truly different: by establishing a whole-of-Agency response to the climate crisis.

USAID’s Climate Strategy includes six ambitious targets for the Agency to achieve between 2022–2030 and represents a dramatic increase in the Agency’s efforts to mitigate the climate crisis. These targets include preventing six billion metric tons of global greenhouse gas emissions—the equivalent of taking 100 million cars off the road for a decade—and conserving 100 million hectares of critical landscapes, an area more than twice the size of California. As the lead implementing agency for the President’s Emergency Plan for Adaptation and Resilience (PREPARE) initiative (<https://www.whitehouse.gov/wp-content/uploads/2021/10/Full-PREPARE-Plan.pdf>), USAID will also support 500 million people globally to better prepare for and adapt to the impacts of climate change that already wreak havoc on marginalized communities.

Climate Strategy Targets 2022–2030



USAID's Climate Strategy includes six ambitious targets for the Agency to achieve between 2022–2030.

USAID's Climate Strategy also includes several foundational principles, which the Agency will use to guide and maximize the impact of its work. These principles include locally led development, equity and inclusion, private-sector engagement, nature-based solutions, and evidence, technology, and innovation. Following these principles to achieve USAID's bold targets is not easy; it requires USAID to see itself not just as a development and humanitarian assistance Agency, but as a climate Agency, with each sector and Mission fighting to protect the planet. Only by using a whole-of-Agency approach can USAID meet the most immediate needs of the climate crisis today and support larger-scale transformations in key global systems—such as agriculture, energy, governance, infrastructure, and health—that are essential in the long run.

Please refer to the Climate-Related Financial Risk section of this AFR for more information about USAID's efforts to address climate change through the Agency's operations, including by managing climate risk.

LOOKING AHEAD

USAID robustly and adaptively responds to the challenges, risks, and opportunities it faces as it works to expand prosperity, peace, and freedom globally. USAID will continue to support individuals, communities, governments, civil society, and the private sector in partner countries globally as the Agency implements its localization priority, prevents and responds to crises and conflicts, addresses climate change, and advances sustainable progress beyond programs in all of the sectors in which USAID works.

Ruth Buckley
Acting Performance Improvement Officer

ANALYSIS OF FINANCIAL STATEMENTS

The U.S. Agency for International Development's (USAID) financial statements reflect and evaluate the Agency's execution of its mission to advance economic growth, democracy, and human progress in developing countries. This analysis summarizes 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 principal statements include a Consolidated Balance Sheet, a Consolidated Statement of Net Cost, a Consolidated Statement of Changes in

Net Position, and a Combined Statement of Budgetary Resources. These principal statements appear in the Financial Section of this report. The Agency also prepares a Combining Statement of Budgetary Resources with the Required Supplementary Information.

OVERVIEW OF FINANCIAL POSITION

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.

A summary of USAID's major financial activities in fiscal year (FY) 2022 and FY 2021 appears in the Schedule of Changes in Financial Position for FY 2022 table, as shown below. This table represents the resources available, assets on hand to pay liabilities, and corresponding net position. The net cost of operations is the cost of operating USAID's lines of business, less earned revenue. Budgetary resources are funds available to the Agency to incur obligations and fund operations. This summary section also includes an explanation of significant fluctuations on each of USAID's financial statements.

CHANGES IN FINANCIAL POSITION IN FY 2022

(In Thousands)

Net Financial Condition	2022	2021	% Change in Financial Position
Fund Balance with Treasury	\$44,827,671	\$43,534,920	3%
Accounts Receivable, Net	103,501	108,398	-5%
Advances and Prepayments	644,007	529,662	22%
Cash and Other Monetary Assets	261,179	288,936	-10%
Inventory and Related Property, Net	15,177	17,920	-15%
General Property, Plant and Equipment, Net	59,437	64,073	-7%
Total Assets	\$45,910,972	\$44,543,909	3%
Downward Reestimate Payable to the Treasury	634,755	852,076	-26%
Accounts Payable	3,181,785	2,726,529	17%
Advances from Others and Deferred Revenue	1,107,182	1,182,796	-6%
Federal Employees and Veteran's Benefits	32,666	33,360	-2%
Loan Guarantee Liability	956,759	1,522,937	-37%
Other Liabilities	511,891	587,830	-13%
Total Liabilities	\$6,425,038	\$6,905,528	-7%
Unexpended Appropriations	37,844,754	35,385,955	7%
Cumulative Results of Operations	1,641,180	2,252,426	-27%
Total Net Position	\$39,485,934	\$37,638,381	5%
Net Cost of Operations	\$29,348,853	\$15,949,898	84%
Budgetary Resources	\$50,199,483	\$40,714,223	23%

BALANCE SHEET SUMMARY

ASSETS – WHAT WE OWN AND MANAGE

Total assets were \$45.9 billion as of September 30, 2022. This represents an increase of \$1.4 billion or 3 percent increase over the FY 2021 total assets of \$44.5 billion. The most significant asset is the Fund Balance with Treasury, which totals \$44.8 billion and represents 98 percent of USAID's total assets, as of September 30, 2022. The Fund Balance with Treasury consists of cash appropriated to USAID by Congress or transferred from other federal departments and agencies and held in U.S. Department of the Treasury (Treasury) accounts that are accessible by the Agency to pay incurred obligations. The Fund Balance with Treasury account increased by \$1.3 billion or 3 percent as a direct result of increased appropriations received and allocation transfers to support USAID's global response to the war in Ukraine. The Advances and Prepayments account balance increased \$114.3 million or 22 percent increase over the FY 2021 balance, mainly because of increases to Advances to County Governments and Institutions to support the current global initiatives. Refer to Note 4, *Advances and Prepayments*, for more details on advances. The USAID stockpile inventories also decreased by \$2.7 million or 15 percent due to health and safety concerns related to the pandemic and USAID's efforts to combat the effects of the COVID-19 virus worldwide.

LIABILITIES – WHAT WE OWE

The FY 2022 total liabilities of \$6.4 billion, represents a decrease of \$480.5 million or 7 percent decrease over the FY 2021 total liabilities of \$6.9 billion. The decrease in the total liabilities balance results from account balance changes in multiple liability accounts. For example, there was a decrease of \$783.5 million in related loan guarantee program liabilities, an increase of \$455.3 million related to the accounts payable balance, and a decrease of \$151.6 million in the Other Liabilities and Advances for Others and Deferred Revenue accounts over the FY 2021 account balances.

The \$783.5 million decrease in liabilities is attributable to decreases of \$566.2 million or 37 percent in the Loan Guarantee Liability account and a \$217.3 million or 26 percent decrease in the Downward Reestimate Payable to Treasury account over the FY 2021 account balances. Due to the maturity and full repayment of the Ukraine, Iraq, and one of the Jordan loans, the outstanding loan guarantee liability and reestimate payable decreased across the loan guarantee program, which reduces the overall USAID's risk exposure to a potential loan default. For additional information, refer to Note 6, *Loan Guarantee Liabilities*.

The increase of \$455.3 million or 17 percent in Accounts Payable resulted from an increase of \$525.0 million in accruals related to the International Disaster Assistance Fund, the Emergency Response Fund, and the Economic Support Fund, that are used to fund programs areas supporting the COVID-19 pandemic worldwide, efforts in Ukraine and other global initiatives. In addition, due to a change in priorities, USAID deobligated funds of \$69.7 million from the Joint Program Executive Office for Chemical, Biological and Nuclear Defense, thus decreasing the overall accounts payable balance.

The decrease of \$151.6 million in Other Liabilities and Advances for Others and Deferred Revenue accounts comprised of a decrease of \$82.4 million or 8 percent in the Other Liabilities account and decrease of \$75.6 million or 17 percent in the Advances for Others and Deferred Revenue accounts. Refer to Note 12, *Other Liabilities*, for further details.

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, 2022, was \$39.5 billion, which is an increase of \$1.9 billion

or 5 percent over the \$37.6 billion reported for FY 2021. The primary contributing factor to the increase in Net Position is the supplemental appropriation authority received to aid in the COVID-19 pandemic response and to Ukraine and other countries impacted by the war in Ukraine. USAID substantially increased its appropriations used in FY 2022, as shown by the increase in Net Cost of Operations, however unexpended appropriation funds remain available for future obligations, resulting in the increase to the net position balance.

RESULTS (NET COST) OF OPERATIONS

NET COSTS

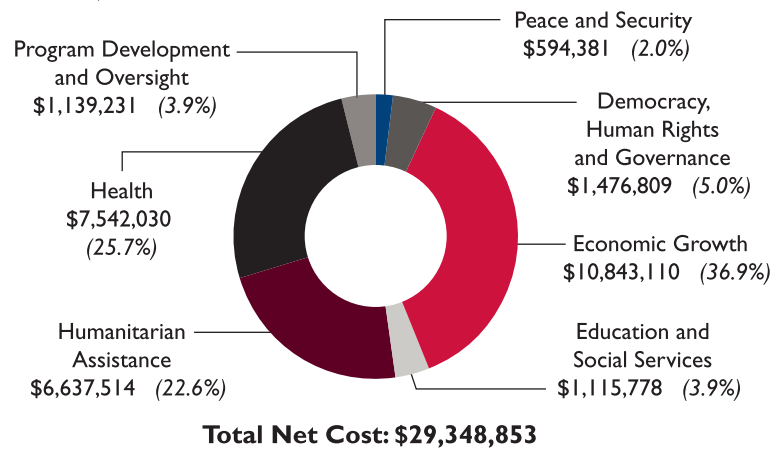
The results of operations are reported in the Consolidated Statement of Net Cost and the Consolidated Statement of Changes in Net Position. The Consolidated Statement of Net Cost represents the cost (net of earned revenues) of operating the Agency’s foreign assistance programs. The U.S. Department of State (State) and USAID use the Standardized Program Structure and Definition (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 specific details on each of the foreign assistance programs.

The USAID net cost of operations totaled \$29.3 billion for FY 2022, which is an increase of \$13.4 billion or 84 percent over FY 2021. The chart below highlights the net cost of operations by the seven categories of foreign assistance programs for FY 2022. Most of the net costs of operations for FY 2022 was spent within two foreign assistance programs. The Economic Growth category incurred \$10.8 billion and the Health category spent \$7.6 billion of the net costs of operations for FY 2022, which represents a total of \$18.4 billion or 63 percent of the overall net costs spent in FY 2022. The remaining five categories comprise the remaining 37 percent or \$10.9 billion of the overall net costs for FY 2022. The chart shows the respective net costs of operations spent by each foreign assistance program category and the percentage of the overall costs spent by each category in FY 2022.

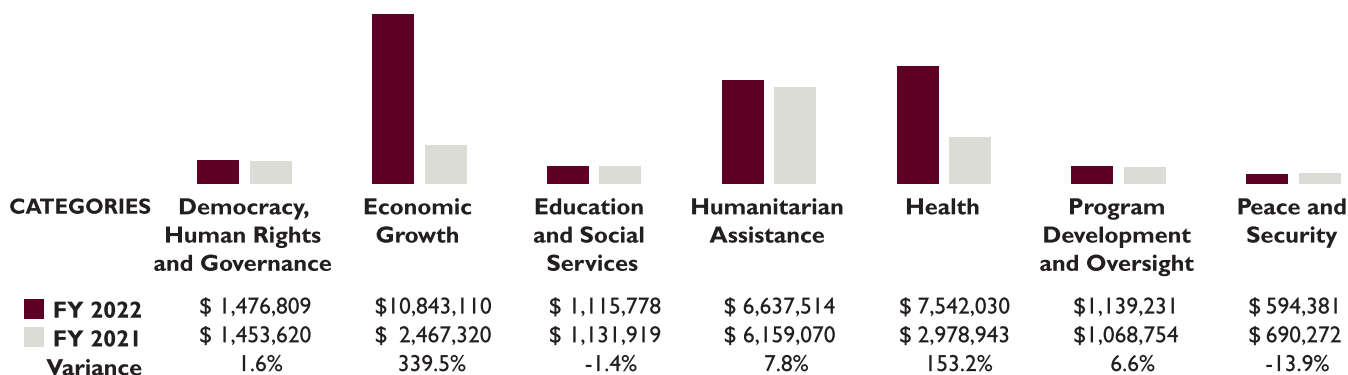
FY 2022 NET COST OF OPERATIONS BY CATEGORIES

(In Thousands)



MAJOR CATEGORIES OF NET COST COMPARISON FOR FY 2022 AND FY 2021

(In Thousands)



SHIFTING GLOBAL INITIATIVES AFFECT ANNUAL NET COSTS

The chart above provides a comparison of the overall net costs of operations by category for each major foreign assistance category for FY 2022 and FY 2021. The net cost of operations spent within each foreign assistance category is constantly changing due to USAID’s shifting priorities to provide a response to various global program initiatives, for example the amount of net costs of operations for the Economic Growth category increased by \$8.4 billion or 339.5 percent over FY 2021 balance due to a focus on supporting inclusive, sustained, and resilient economic growth with partner countries to reduce poverty and dependency. USAID partners with host governments, local and international private sector and nongovernmental organizations, development assistance organizations, financial institutions, and other donors to foster enterprise driven development.

The Health financial assistance program category spending increased by \$4.6 billion or 153.2 percent over the FY 2021 costs. The implementation of the global health programs save lives, protect people most vulnerable to disease, and promote the stability of communities and nations all the while advancing American security and values. USAID collaborates closely with governments, other donors, civil society, faith-based organizations, and the private sector to achieve sustainable

solutions to global challenges. USAID along with its international and country partners, continues 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.

NET COSTS BY PROGRAM AREAS

In addition to reporting net costs by overall major foreign assistance categories, USAID further calculates net costs by program areas for financial reporting. In FY 2022, USAID incurred costs in 46 of the 48 program areas within the seven foreign assistance categories. The table on the following page presents the Comparison of FY 2022 and FY 2021 Net Costs by Program Areas.

Overall, the net costs of operations increased by \$13.4 billion or 84 percent of the FY 2021 net cost of operations. The two primary foreign assistance categories with increased net costs of \$8.4 billion in the Economic Growth category and \$4.6 billion in the Health category as discussed earlier within the section entitled “*Shifting Global Initiatives Effect Annual Net Costs.*” The major increase of \$8.2 billion was within the Macroeconomic Foundation for Growth program area within the Economic Growth category. The next largest increase of net costs was \$4.0 billion within the Pandemic Influenza and Other Emerging Threats

COMPARISON OF FY 2022 AND FY 2021 NET COSTS BY PROGRAM AREA

(In Thousands)

Categories	Program Areas*	FY 2022	FY 2021	Difference (\$)	
Democracy, Human Rights and Governance	Good Governance	\$ 573,624	\$ 625,009	\$ (51,385)	
	Civil Society	421,167	321,669	99,498	
	Political Competition and Consensus-Building	161,264	163,374	(2,110)	
	Human Rights	120,736	104,626	16,110	
	Rule of Law (ROL)	117,292	159,002	(41,710)	
	Independent Media and Free Flow of Information	82,726	79,940	2,786	
Democracy, Human Rights and Governance Total		1,476,809	1,453,620	23,189	
Economic Growth	Macroeconomic Foundation for Growth	8,272,656	56,667	8,215,989	
	Agriculture	1,030,332	848,309	182,023	
	Private Sector Productivity	536,138	378,682	157,456	
	Environment	337,694	295,275	42,419	
	Modern Energy Services	168,590	381,712	(213,122)	
	Trade and Investment	129,949	165,124	(35,175)	
	Climate Change – Sustainable Landscapes	129,885	88,908	40,977	
	Workforce Development	106,261	90,047	16,214	
	Climate Change – Clean Energy	45,254	1,024	44,230	
	Financial Sector	40,815	49,512	(8,697)	
	Climate Change – Adaptation	21,008	3,480	17,528	
	Information and Communications Technology Services	13,401	9,369	4,032	
	Transport Services	11,127	99,211	(88,084)	
Economic Growth Total		10,843,110	2,467,320	8,375,790	
Education and Social Services	Basic Education	851,275	849,504	1,771	
	Higher Education	130,924	96,583	34,341	
	Social Services	102,188	103,488	(1,300)	
	Social Policies, Regulations, and Systems	18,656	25,379	(6,723)	
	Social Assistance	12,735	56,965	(44,230)	
Education and Social Services Total		1,115,778	1,131,919	(16,141)	
Humanitarian Assistance	Protection, Assistance and Solutions	6,272,902	5,849,162	423,740	
	Disaster Readiness	309,786	247,689	62,097	
	Migration Management	54,826	62,219	(7,393)	
Humanitarian Assistance Total		6,637,514	6,159,070	478,444	
Health	Pandemic Influenza and Other Emerging Threats (PIOET)	4,225,955	206,924	4,019,031	
	HIV/AIDS	2,408,894	1,952,099	456,795	
	Water Supply and Sanitation	349,925	351,325	(1,400)	
	Maternal and Child Health	168,357	168,343	14	
	Family Planning and Reproductive Health	138,241	103,674	34,567	
	Malaria	119,280	120,705	(1,425)	
	Other Public Health Threats	62,538	20,478	42,060	
	Tuberculosis	41,119	33,517	7,602	
Nutrition	27,721	21,878	5,843		
Health Total		7,542,030	2,978,943	4,563,087	
Program Development and Oversight	Administration and Oversight	796,991	743,283	53,708	
	Program Design and Learning	300,724	280,965	19,759	
	Evaluation	41,516	44,506	(2,990)	
Program Development and Oversight Total		1,139,231	1,068,754	70,477	
Peace and Security	Conflict Mitigation and Stabilization	416,482	491,372	(74,890)	
	Counternarcotics	116,234	136,934	(20,700)	
	Trafficking in Persons	28,525	17,271	11,254	
	Counterterrorism	19,157	42,220	(23,063)	
	Transnational Threats and Crime	13,794	2,423	11,371	
	Combating Weapons of Mass Destruction (WMD)	147	33	114	
	Citizen Security and Law Enforcement	42	11	31	
	Conventional Weapons Security and Explosive Remnants of War (ERW)	–	5	(5)	
	Strengthening Military Partnerships and Capabilities	–	3	(3)	
	Peace and Security Total		594,381	690,272	(95,891)
	Total Net Cost of Operations		\$29,348,853	\$15,949,898	\$13,398,955

* For insight on how the Program Areas relate to development, see the FY 2022 – FY 2026 State-USAID Joint Strategic Goal Framework on page 14 for related Strategic Goals and Strategic Objectives.

program area of the Health category. The increases within these two program areas reflect the changing priorities within USAID to address economic growth globally and enhance the effectiveness of Global Health programs worldwide. 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 16, *Schedule of Cost by Standardized Program Structure and Definition (SPSD)*, presented by responsibility segments.

and agencies appears in the Combining Schedule of Budgetary Resources located in the Required Supplementary Information section of this report.

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 multi-year funds, that include 7011 authority. The Status of Budgetary Resources shown below compares the new obligations and upward adjustments, unobligated balances, and total budgetary resources for USAID from FY 2019 through FY 2022.

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. 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 an appropriation received from State and the U.S. Forest Service (an agency of the U.S. Department of Agriculture), and U.S. Department of Health and Human Services in FY 2022. Activity related to these departments

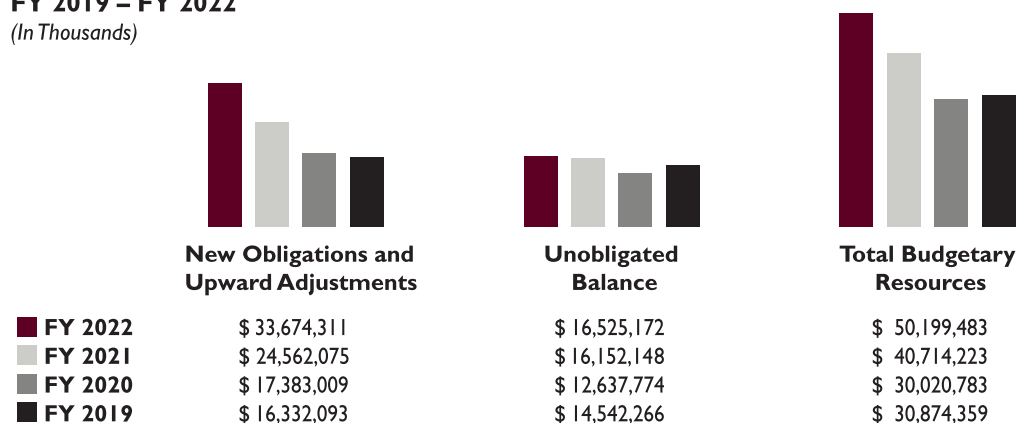
OBLIGATIONS AND OUTLAYS

The Agency's cumulative budgetary resources for FY 2022 is \$50.2 billion as shown in the Status of Budgetary Resources chart below. USAID has recorded new obligations or upward adjustments of \$33.7 billion or 67.1 percent with remaining unobligated resources of \$16.5 billion or 32.9 percent of the overall budgetary resources available during FY 2022.

The increase of \$9.5 billion or 23.3 percent, in USAID's Total Budgetary Resources for FY 2022 was due to the carryover of \$2.9 billion in supplemental COVID-19 funding from prior years, as discussed in Note 15, *COVID-19 Activity*. USAID also received supplemental Ukraine funding of \$17.7 billion

STATUS OF BUDGETARY RESOURCES FY 2019 – FY 2022

(In Thousands)



to respond to the situation in Ukraine and other countries impacted by the situation in Ukraine, to combat human trafficking, to respond and prevent food insecurity, to provide provisions for emergency food and shelter needs for vulnerable populations and communities within Ukraine and other affected countries in the region.

FINANCIAL IMPACT OF THE CORONAVIRUS DISEASE 2019 (COVID-19)

USAID is using the supplemental COVID-19 funding to support the United States response to the COVID-19 pandemic both at home and abroad. Since the start of the outbreak, USAID has acted decisively to commit funding to health, humanitarian, and development assistance specifically aimed at fighting the pandemic. USAID allocated funds to the Economic Support Fund, the International Disaster Assistance Fund, and the Operating Expenses of USAID accounts to support the COVID-19 efforts. USAID is helping to save lives by improving public health education, protecting health care facilities, increasing laboratory services, disease surveillance, and supporting vaccine access and delivery in more than 120 countries.

During FY 2022, USAID incurred obligations of \$3.0 billion, used appropriation funding of \$5.2 billion and has \$94.0 thousand of COVID-19 funding remaining available beyond FY 2022. For further details related to COVID-19 funding refer to Note 15, *COVID-19 Activity*.

LIMITATIONS OF THE FINANCIAL STATEMENTS

USAID's Chief Financial Officer (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 United States 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 the Office of Management and Budget (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 ENTITY'S SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

MANAGEMENT ASSURANCES

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

The Federal Managers' Financial Integrity Act (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.

Based on an Agency internal control evaluation, the Administrator of USAID is required to provide an annual Statement of Assurance (see below) on whether the Agency has met this requirement. The Office of Management and Budget (OMB) Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, implements FMFIA and Federal Financial Management Improvement Act (FFMIA) and defines management's responsibility for internal controls and risk management. In addition, the Agency 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 report.

USAID STATEMENT OF ASSURANCE

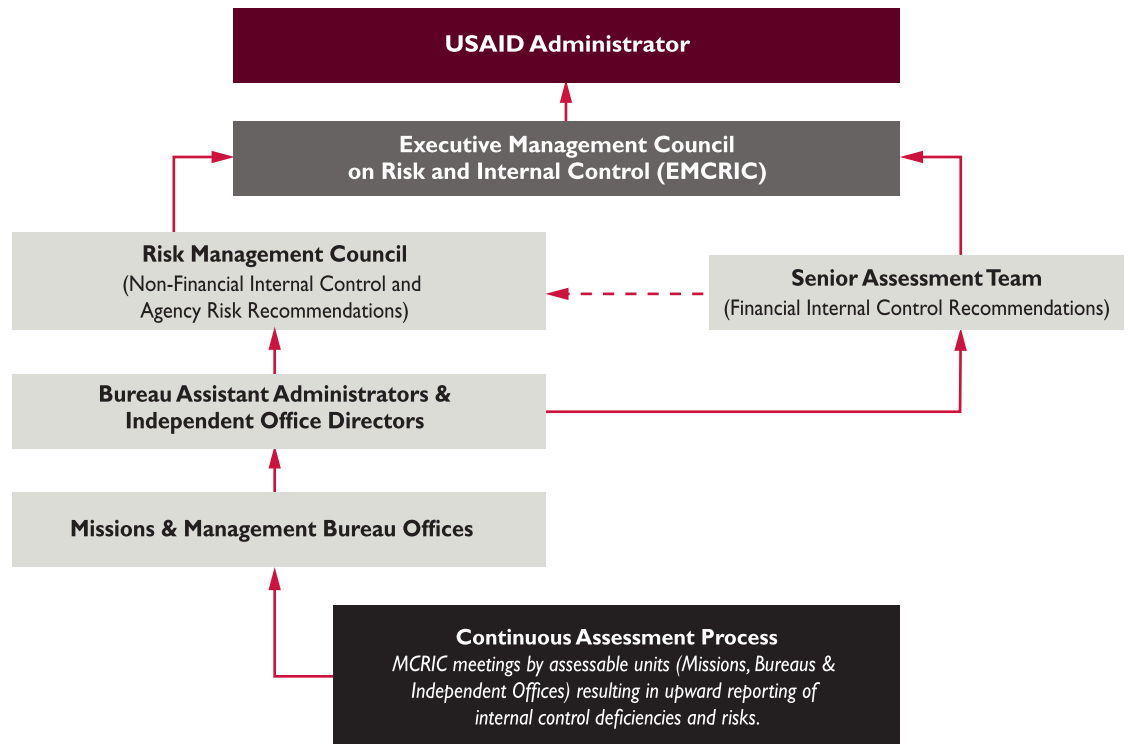
The Agency's management is responsible for identifying and managing risks, as well as maintaining effective internal controls to meet the objectives of Sections 2 of the Federal Managers' Financial Integrity Act (FMFIA). The Agency conducted its assessment of risk and internal controls in accordance with OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. Based on the results of the assessment, the Agency can provide reasonable assurance that USAID's internal controls over financial systems, operations, reporting, and compliance were operating effectively as of September 30, 2022. Additionally, the Agency can provide reasonable assurance that internal control over financial reporting was operating effectively as

of September 30, 2022, based on the results of the assessment in accordance with Appendix A of OMB Circular A-123. The Agency's financial management systems meet the objective of Section 4 of the FMFIA requirements and comply with government-wide requirements as mandated by Section 803 (a) of the Federal Financial Management Improvement Act (FFMIA) and Appendix D of OMB Circular A-123.



Samantha Power,
USAID Administrator
November 12, 2022

GOVERNANCE STRUCTURE FOR ERM AND INTERNAL CONTROL SYSTEMS



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

USAID’s Enterprise Risk Management (ERM) program supports integration of ERM and USAID’s internal control activities, required by OMB Circular A-123. The ERM Secretariat housed in the Office of the Chief Financial Officer (M/OCFO) provides administrative and logistical support to the USAID governance structure. USAID’s Bureaus and Independent Offices (B/IOs) have appointed Risk Management Liaisons (RMLs) to facilitate the efficient and effective identification, reporting, and treatment of risks.

The Deputy Administrator for Management and Resources chairs the Executive Management Council on Risk and Internal Control (EMCRIC). In addition, their designee(s), reviews, approves, and recommends the Administrator’s approval of the USAID annual Statement of Assurance, the Agency’s Risk Profile, and proposed corrective measures and risk response. EMCRIC membership

comprises the Agency Counselor, Assistant Administrators (AAs) of Bureaus and Heads of Independent Offices, Statutory Officers (Chief Financial Officer [CFO], Chief Information Officer [CIO], Chief Acquisition Officer [CAO]) of the Agency, Director of the Office of Management Policy, Budget, and Performance within the Bureau for Management (M/MPBP), and the Inspector General (as a non-voting observer). Self-certifications from heads of Operating Unit (OUs) 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 Risk Management Council (RMC), co-chaired by the Deputy Assistant Administrators from the Bureaus for Management (M), and Policy, Planning, and Learning, are responsible for assessing the roll-up of enterprise risks and non-financial internal control deficiencies, based on input from OUs. The RMC evaluates composite profiles and develops or updates an Agency Risk Profile 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 and senior executives with significant responsibilities over financial processes, 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 to be material weaknesses to the EMCRIC and the Agency as a whole. Any such deficiencies will be included in this annual FMFIA assurance statement. A representative from the OIG is also a non-voting member of the SAT.

During fiscal year (FY) 2022, the SAT provided oversight for internal control over financial reporting of programming to meet OMB Circular A-123, Appendix A, requirements. The Agency's Internal Control Teams employ an integrated process to perform the work necessary to meet the requirements of the components of OMB Circular A-123, including compliance with the Government Charge Card Management (Appendix B), Improper Payments (Appendix C), and the FFMIA (Appendix D).

In conclusion, during FY 2022, the Agency used the Uniform Risk and Internal Control Assessment (URICA) tool to conduct internal control assessments of all Agency units in support of FMFIA, with added emphasis on anti-corruption. USAID Missions and B/IOs self-assessed and reported that the five components and 17 Government Accountability Office (GAO) principles of internal control were effective. To fully integrate ERM, OUs leveraged the existing

internal control assessment process and identified risks simultaneously. Top risks are identified in the Agency Risk Profile, categorized, assigned a treatment, and monitored in accordance with a treatment plan. Other accomplishments during FY 2022 include improvements to the guidance for OUs, the expansion of the ERM cross-agency team to reflect the Agency-wide approach to risk management, and the continuation of the ERM training program. Additional accomplishments include requirements gathering and development of an ERM Tool to support USAID's governance, risk management, and compliance processes. Pilot Testing for the platform began in September 2022, with full deployment of the ERM Tool scheduled for FY 2023, which will enable more efficient collection and trend analysis of risks reported at all levels of the Agency.

ASSESSMENT OF COMPLIANCE WITH THE FFMIA

As required by Section 803(a) of the FFMIA, the Agency determined that its financial management systems substantially comply with federal requirements for financial management systems, 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 2022.

The FFMIA requires USAID to implement and maintain financial management systems that comply substantially with federal requirements for financial management systems, 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, the 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

USAID operates 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. The Agency's emphasis is not only on the dollars spent, but on the results achieved.

USAID strives to maximize development impacts to deliver more sustainable results by promoting resilient, democratic societies, while advancing U.S. security and prosperity. To do so, USAID needs a financial management system that is efficient for staff, both reliable and useful for management, and compliant with federal requirements. For over 20 years, USAID has met this requirement through Phoenix, a single, worldwide Enterprise Resource Planning (ERP) system, based on CGI's Momentum® solution, that enables 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 data from Phoenix to guide decision-making and provide an accurate picture of the Agency's activities worldwide. The Digital Accountability and Transparency Act of 2014 (DATA Act), which requires federal departments and agencies to report on procurement and financial assistance spending in a standardized manner, provides increased transparency into the Agency's finances and procurement activity. USAID submitted and certified its FY 2022 DATA Act files to the U.S. Department of the Treasury (Treasury) on time and on budget, as it has since it was first tracked in FY 2017. 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/>). 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 countries around the world. They also provide insight into the Agency's response toward events such as COVID-19 and

Russia's invasion of Ukraine that is centered around providing health, humanitarian, economic, and development assistance.

During FY 2022, USAID utilized Performance Budgeting (PB), a subsystem of Phoenix that provides oversight and tracking of the full operating expenses (OE) programming and budgeting lifecycle, to improve the management of OE funds by introducing Spending Analysis dashboards and Status of Funds reports. Along with the Congressional Budget Justification, tables were improved during the second phase of updates to include additional insight into Ukraine, the Global Development Partnership Initiative (GDPI), and Career Candidate Corps (C3) funding. Additionally, new PB configurations and reports were piloted to support and centralize Mission OE Current Year Budget (CYB) and Quarterly Spend Plan business processes into a single central system. In FY 2023, USAID plans to roll out the new CYB and Quarterly Spend Plan functionality to additional Missions around the world. In the future, USAID also aims to expand the tools available to Bureaus and Missions to support the formulation of the OE budget to its execution. The M/OCFO continues to explore ways to use technology to streamline Agency financial processes.

The Automated Deobligation Application continued to improve the deobligation process by allowing for deobligations of small purchase awards in the Global Acquisition and Assistance System (GLAAS) as well as travel orders, credit card obligations, and Phoenix obligations. For FY 2022, the application allowed the Agency to deobligate more than 13,000 accounting lines, which freed up more than \$49 million for potential reuse. The 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 2022, this tool allowed the processing of more than 990 requests from approximately 121 users.

The Chief Financial Officer (CFO) is committed to ensuring that USAID complies with evolving federal requirements. In February 2022, USAID completed the Phoenix 7.8 UEI Release. The

update to Phoenix 7.8 enabled USAID to comply with the government-wide mandate that required all entities registered in the System for Award Management (SAM) and conduct business with the Federal Government to stop using the privately sanctioned Dun & Bradstreet Data Universal Numbering System (DUNS) for identification. All entities registered with SAM are now required to use the authoritative Unique Entity Identifier (UEI). The 7.8 Update contained additional system enhancements including expanded functionality to allow greater collaboration and additional document audit options to help identify and capture improper payments. In addition, USAID continues its work toward the Federal Government's upcoming G-Invoicing requirements to better manage its intragovernmental actions.

In April 2022, the CFO released his Financial Management Strategic Plan for 2022-2027. This five-year plan will help the M/OCFO go beyond traditional roles and become an integrated business and strategic partner in increasing 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 Enhance ERM and Internal Control (IC) Performance.

The strategic plan states that to achieve a culture of operational excellence, there should be a focus on improving financial management processes, supporting the development and upgrading of financial systems and reports, and preparing the workforce to align toward the envisioned future state. To achieve this goal, the Phoenix team consistently works to evaluate newer versions of the Commercial Off-The-Shelf (COTS) solution to determine implementation strategies for the improvement of USAID's business processes. The team works with various stakeholders to streamline these business processes while working alongside end users to provide training sessions that offer insight on newly implemented system features. In addition, a dedicated team was created that focuses solely on modernization of the core financial system and implementation of business

process improvements. This team allows for a more continuous and contemporary approach for the M/OCFO to rapidly adapt to new challenges, ever-changing technology, federal compliance, and customer needs.

To achieve becoming a trusted strategic advisor and service provider, the strategic plan states there should be a focus on developing a meaningful digital environment and data analysis to assist with better decision-making while improving customer service and systematically enhancing collaboration with strategic partners. To support executive decision-making, Phoenix provides timely and accurate financial data and information to both internal and external agencies and to thousands of USAID employees who regularly use reports directly from Phoenix and its reporting systems. The Phoenix team maintains, updates, and develops many customer requested reports to provide data to meet consumers' needs.

Finally, to enhance ERM and IC performance, the strategic plan states that there should be a focus on reinforcing a risk-awareness culture, increasing operationalization of ERM and IC, and providing data analytics for better risk/control-related decisions. The Phoenix team works to enhance the effectiveness and efficiency of Phoenix operations by consistently evaluating them to reduce risk and maintain a secure operating environment. The team also assists other groups by providing financial data for their financial risk evaluations and assessments.

FRAMEWORK FOR FINANCIAL MANAGEMENT SYSTEMS

The Phoenix financial system is the accounting system of record for the Agency 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 2022, Phoenix had more than 2,900 users who processed 1.7 million transactions and obligated over \$41.8 billion.

Phoenix interfaces with other Agency systems and tools to align USAID's financial management with other business processes. Phoenix is fully integrated

with USAID's procurement 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, which permits unified tracking of the Agency's travel budgets and spending.

USAID applies incremental investments to automate and streamline financial management processes to reflect standard business processes, meet user and federal requirements, and follow guidance

from OMB and Treasury to strengthen financial and information technology (IT) management practices. The M/OCFO uses a SecOps pipeline to rapidly update Phoenix middleware to the latest versions to help the Agency remain current with security standards. In addition, the Phoenix information system security team continuously monitors the National Institute of Standards and Technology (NIST) requirements and USAID's Automated Directives System (ADS) requirements and adjusts the Phoenix system and related documentation as needed to maintain compliance.

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 2022 and with which the Agency maintains compliance. Appendix A of this report contains a more detailed description of the laws.

- **Accountability of Tax Dollars Act of 2002 (ATDA)**
- **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 Computer Security Act**
- **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 Information Technology Acquisition Reform Act (FITARA)**
- **Federal Managers Financial Integrity Act (FMFIA) of 1982**
- **The Foreign Assistance Act of 1961**
- **Government Corporation Control Act (GCCA) of 1945**
- **Government Management Reform Act (GMRA) of 1994**
- **Payment Integrity Information Act (PIIA) of 2019**
- **Prompt Payment Act (PPA)**



OTHER MANAGEMENT INFORMATION, INITIATIVES, AND ISSUES

Through wide-ranging management reforms and initiatives, in fiscal year (FY) 2022, the U.S. Agency for International Development (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. In support of Biden-Harris Administration priorities and initiatives, including the President's Management Agenda (<https://www.performance.gov/pma/>), USAID focused this section on:

- Strengthening and empowering the federal workforce;
- Delivering excellent, equitable, and secure federal services and customer experience (CX); and
- Optimally managing the business of the government.

STRENGTHENING AND EMPOWERING THE FEDERAL WORKFORCE

Strengthening and empowering the Agency's workforce is a top priority for USAID. In FY 2022, USAID progressed strategically toward several critical goals, including but not limited to:

- Improving and enhancing Diversity, Equity, Inclusion, and Accessibility (DEIA) while hiring the most qualified and high-potential employees;
- Providing good jobs and developing and empowering employees; and
- Reimagining and building a roadmap to a digitally focused future of work.

These efforts built on and complemented several of USAID's other successful workforce-focused efforts in FY 2022, which included but were not limited to institutionalizing hybrid and remote work and welcoming domestic employees back to USAID office spaces.⁹

IMPROVING AND ENHANCING DEIA WHILE HIRING THE MOST QUALIFIED AND HIGH-POTENTIAL EMPLOYEES

DEIA STRATEGIC PLAN

USAID is committed to increasing diversity, ensuring equity, improving inclusion, and expanding accessibility across its workplace and operations. In July 2022, USAID published its DEIA Strategic Plan internally after a highly consultative, collaborative, and co-creative process with Agency staff and partners. The DEIA Strategic Plan outlines an ambitious agenda for USAID to achieve real, lasting, structural change and includes ten priority goals that USAID organized by elements of DEIA.

On **diversity**, USAID will: strengthen structures, processes, and systems to coordinate and advance DEIA efforts internally; establish new and use existing partnerships to develop a more diverse human capital pipeline and enhance the Agency's recruiting, including recruiting individuals who identify as members of communities that are underserved; and comprehensively analyze USAID's workforce to identify any potential barriers in the Agency's practices for hiring, promoting, developing, and retaining staff.



The cover of USAID's Diversity, Equity, Inclusion, and Accessibility Strategic Plan.

⁹ Please refer to the "Enhancing Operational Readiness and Resilience in Response to the Covid-19 Pandemic" story in the Overview of Programmatic Performance section of this Agency Financial Report (AFR) for more information about USAID's efforts to welcome domestic employees back to its office spaces.

On **equity**, USAID will: address barriers for low-income and first-generation professionals that result in inequitable outcomes, including a transition from unpaid interns to paid internship opportunities; advance pay equity so that USAID fairly compensates its entire workforce for their talents, including people who identify as racial and ethnic minorities, women, persons with disabilities, and members of other disadvantaged groups; and strive to ensure the federal health benefits system equitably serves all members of the workforce and their families, including USAID's LGBTQI+ workforce, and expands the use of gender markers and pronouns that respect transgender, gender non-conforming, and nonbinary members of the workforce.

On **inclusion**, USAID will: advance equity and transparency in professional development opportunities; issue guidance internally about tracking demographic data for professional development programs; and expand DEIA learning and engagement opportunities for all staff.

On **accessibility**, USAID will be a model employer for members of the workforce who have a disability and create a comprehensive framework to address workplace safety and harassment, including sexual harassment. The framework will include promoting training, education, and prevention programs, along with robust monitoring to ensure USAID is supporting a workplace culture that does not tolerate harassment, discrimination, violence, or retaliation.

and services, procurement and contracting opportunities, and USAID actions and programs.

The Equity Action Plan is a starting point for USAID's longer-term equity planning and contains five key recommendations:

- (1) Continue developing the WorkwithUSAID (<https://www.workwithusaid.org/>) platform;
- (2) Enhance how USAID is implementing its nondiscrimination for beneficiaries policy, develop and implement an Independent Accountability Mechanism, and advance protections under Title VI of the Civil Rights Act, which prohibits discrimination on the basis of race, color, or national origin in any program or activity that receives federal funds or other federal financial assistance;
- (3) Reduce internal and external barriers for USAID awards, to include reducing administrative burdens that negatively affect partners' capacities;
- (4) Designate an Inclusive Development Advisor in each Mission and procure Inclusive Development support mechanisms for USAID's Inclusive Development Hub (<https://www.usaid.gov/inclusivedevelopment>) to manage; and
- (5) Implement a consistent approach to incorporating racial and ethnic equity and diversity into policy, planning, and learning.

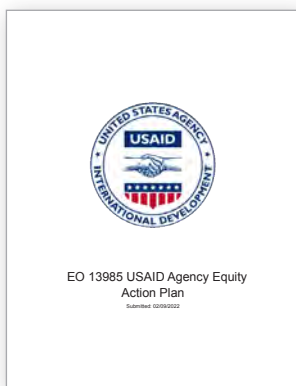
As USAID implements these recommendations, the Agency is monitoring progress and disseminating information on the Equity Action Plan to internal and external audiences.

GLOBAL DEVELOPMENT PARTNERSHIP INITIATIVE

In FY 2022, USAID began implementing the multiyear Global Development Partnership Initiative (GDPI) to expand the size of its permanent Civil Service and Foreign Service workforce and strengthen the role of and opportunities for Foreign Service Nationals (FSNs) and Cooperating Country Nationals (CCNs). Through the GDPI, USAID is shifting away from using term-limited, non-career, and often non-direct-hire mechanisms

EQUITY ACTION PLAN

In February 2022, USAID published its first Equity Action Plan (<https://www.usaid.gov/equity/documents/leo-13985-agency-equity-action-plan>) in response to Executive Order (E.O.) 13985, *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government* (<https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government/>). To develop the plan, USAID's Agency Equity Team led a participatory and inclusive assessment that resulted in findings and recommendations to advance equity in the Agency by reducing barriers to accessing benefits



The cover of USAID's Equity Action Plan, which USAID published in February 2022.

and toward more permanent staffing mechanisms that are not term-limited. The GDPI is also strengthening USAID's capacity to perform by providing employment opportunities to broader and more diverse segments of the U.S. population.

PAYNE, PATHWAYS, AND INTERNSHIP PROGRAMS

USAID 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 marginalized populations. Through July 2022, USAID has funded 89 Payne Fellows, 74 percent of whom self-identified as American Indian or Alaskan Native, Hispanic, Black/African American, Multi Racial, Asian, or Native Hawaiian or other Pacific Islander.

USAID also expanded student employment opportunities through the Pathways Internship Program (<https://www.opm.gov/policy-data-oversight/hiring-information/students-recent-graduates/#url=intern>) and other programs in FY 2022 to include seasonal internships in fall, spring, and summer. In total, USAID hired 43 interns in 2022, compared with 60 in FY 2021, a decrease of 28 percent.

EXTERNAL OUTREACH AND STRATEGIC RECRUITMENT

USAID conducts in-person and virtual outreach and partners strategically to support its plan for sourcing, referring, and employing diverse and high-quality talent. USAID's efforts have included but are not limited to collaborating with Minority Serving Institutions (MSI), such as Hispanic Serving Institutions (HSIs), professional affinity associations, and networks that serve underrepresented communities; veteran organizations; and groups that serve persons with disabilities.

In FY 2022, USAID strived to hire more persons with disabilities, veterans, and military spouses. For example, USAID implemented the Temporary Employment Program (TEP) and supported eight participants, who are persons with disabilities or

veterans, with short-term employment and developmental experiences with the Agency. USAID also established an agreement with the Department of Defense to join the Military Spouse Employment Partnership (<https://msejobs.militaryonesource.mil/msep/>) to connect with and consider military spouses for employment. In addition, as a business practice during the Agency's FY 2022 hiring surge, USAID provided candidate referrals for persons with disabilities and veterans to hiring managers to consider for noncompetitive appointments.

USAID also enhanced its ability to recruit individuals who identify as members of diverse and underrepresented communities in FY 2022. For example, USAID secured 13 additional talent-sourcing platforms to use to recruit for career and executive positions and participated in more than 60 nationwide events with diverse constituents. In addition, USAID's Development Diplomats in Residence hosted a series of webinars and brown bag sessions during which USAID presented employment opportunities for diverse candidates.

MSI PARTNERSHIPS

MSIs consist of more than 800 U.S. universities across eight categories that the U.S. Department of Education defines, including: Alaska Native Serving Institutions (ANSI), Asian American and Native American Pacific Islander Serving Institutions (AA and NAPISIs), Historically Black Colleges and Universities (HBCUs), HSIs, Native American Serving Non-Tribal Institutions (NASNTI), Native Hawaiian Serving Institutions (NHSIs), Tribal Colleges and Universities (TCUs), and Predominantly Black Institutions (PBIs) (<https://cmsi.gse.rutgers.edu/content/msi-directory>). MSIs are key USAID partners with unique perspectives and capabilities that have played essential roles supporting and connecting with indigenous and underrepresented communities in the United States and internationally.

USAID has longstanding, successful relationships and engagements with many MSIs, with which USAID is forging stronger partnerships to build a pipeline of qualified candidates to diversify the Agency's workforce and support capacity-building efforts to increase MSIs' participation in federal



USAID's flyer for its 2022 Hispanic Serving Institutions (HSIs)/ LatinX Conference and Career Expo.

programs as leaders in global development. In FY 2022, as part of USAID’s MSI Partnership Initiative, USAID signed memoranda of understanding (MOUs) with four MSIs, including Delaware State University, Tuskegee University, Florida International University, and Alcorn State University. USAID also hosts annual HBCU and HSI conferences, is expanding conferences to AA and NAPISIs, and will host its first TCU symposium in spring 2023. These events are opportunities for USAID to engage and reach students, faculty, staff, and professionals.

RESPECTFUL, INCLUSIVE, AND SAFE ENVIRONMENTS (RISE) PROGRAM

Since creating the USAID RISE program as a pilot training program in 2018, the Agency has grown it into a multifaceted, cross-disciplinary learning and engagement platform to foster a more respectful, inclusive, and safe workplace culture and environment, which is 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; integrating safeguarding measures into USAID programs to protect beneficiaries from harm, including sexual exploitation and abuse; and advancing staff safety, security, wellness, and resilience.

RISE is different from other USAID training programs in that USAID subject matter experts and a dedicated group of volunteers own, develop, and deliver the content, rather than outsourcing these tasks to third-party trainers. In FY 2022, USAID trained more than 4,000 staff members, representing 30 percent of USAID’s workforce and a 54 percent increase from FY 2021, and offered more than 400 RISE training sessions, seminars, and events. RISE is not only a gold standard for DEIA training in the Federal Government, but also the model the Office of Personnel Management (OPM)—the Federal Government’s human resources (HR) agency—is using to evaluate the effectiveness of federal DEIA training.

PROVIDING GOOD JOBS AND DEVELOPING AND EMPOWERING EMPLOYEES

LEADERSHIP EDUCATION

USAID promotes a culture of continuous learning and leadership development for its staff despite challenges from the COVID-19 pandemic. To do this, USAID uses formal coursework and new learning platforms and expands its use of existing resources. For example, USAID supports its workforce through coaching and mentoring, including by expanding the USAID mentoring program to Missions. USAID plans to launch its official internal, Agency-wide coaching program in FY 2023. The first cadre of coaches will be USAID employees whom the Agency trained in FY 2022 through Georgetown University’s virtual, eight-month Executive Certificate in Leadership Coaching program (<https://scs.georgetown.edu/programs/388/certificate-in-leadership-coaching/>). The virtual format made the program more accessible, which enabled USAID to select a broader and more diverse initial cohort than if the program had been in person.

As a result of the COVID-19 pandemic, USAID also moved more learning and instructional platforms from in-person to virtual, including the Agency’s Leadership Program, a four-tiered suite of leadership development programs the Federal Executive Institute (<https://www.opm.gov/services-for-agencies/center-for-leadership-development/federal-executive-institute/>) custom designed and delivers for USAID. In FY 2022, USAID introduced the “Cultivating the Leader Within (CLW)” program for early- and mid-career employees. CLW is designed to help those employees identify leadership strengths and values; create a plan for continuing development; demonstrate growth mindset techniques; practice presentation skills; and apply emotional intelligence, self-advocacy, and influencing techniques to daily interactions and behaviors. While virtual tools enabled USAID to continue delivering leadership training, interactive virtual learning can be more difficult to facilitate effectively and can require small class sizes to use adult learning methodologies effectively.

USAID expects to experience significant benefits as it continues to invest in the leadership education of its permanent, direct-hire workforce. As those employees apply and share their knowledge and skills within USAID, they will facilitate leadership development coaching within their Operating Unit (OU), contribute to USAID's culture of continuous learning and development, and help improve the Agency's performance.

FSNS AND CCNS

In FY 2022, USAID continued to advance equity, inclusion, and engagement for its FSN and CCN local staff in USAID's partner countries by expanding opportunities for those staff to build their leadership and technical skills and engaging the Agency's FSN Advocacy Council to advance the FSN pillars: Communication and Inclusive Collaboration, Compensation and Benefits, Transforming Skills and Enhancing Leadership in a Changing Agency, and Talent Management. USAID also expanded virtual and in-person FSN fellowship and exchange programs; advanced contracting and funding authorities for FSN procurement professionals; established more standard position descriptions for mission-critical occupations in health and other development sectors; promoted leadership opportunities for FSNs and CCNs at all levels; increased the number of FSN-13 positions, which is the highest grade for FSN positions; provided leadership development training for mid-level FSNs; and improved respectful and inclusive collaboration and communication with Foreign Service Officers and FSNs and CCNs, including through formal training. USAID's ability to recruit and retain the best talent in partner countries depends on the Agency supporting and investing in its FSN and CCN employees.

FSNs and CCNs are critical to USAID's global mission for many reasons, including their leadership and technical expertise, such as their knowledge and insights to inform how to solve complex development challenges in the countries in which USAID works. USAID employs more than 4,600 FSNs and CCNs, who represent 71 percent of USAID's field staff and 47 percent of

USAID's total workforce. FSNs and CCNs provide institutional memory and effectiveness, especially as American staff typically spend four or fewer years in a country before transitioning to their next duty station.

U.S. PERSONAL SERVICES CONTRACTOR (USPSC) BENEFITS AND POLICIES

USAID meets periodically with the leaders of the PSC Association to foster ongoing dialogue with the Agency's USPSC workforce (<https://www.usaid.gov/work-usaid/careers/hiring-mechanisms/personal-services-contractors>) about benefits and policy matters that affect them. In FY 2022, USAID approved and began providing a Paid Parental Leave benefit to eligible USPSCs, to whom the Agency grants up to 12 administrative work weeks of leave related to the birth of a child of the USPSC or a child being newly placed with the USPSC for adoption or foster care. USAID also approved relocation-expense benefits for USPSCs when: (1) an individual located in the United States accepts a new USPSC contract for 12 consecutive months or more of continuous service abroad; and (2) a USPSC who is working abroad accepts a new, 12-month-minimum USPSC contract for continuous service abroad at a different Mission immediately following their current contract.

USPSCs are critical members of USAID's workforce who serve across USAID's Bureaus and Independent Offices (B/IOs) in a variety of positions and sectors and have a vast spectrum of technical expertise. In FY 2022, USAID employed 1,093 USPSCs, who represent approximately 10.9 percent of USAID's total workforce.

REIMAGINING AND BUILDING A ROADMAP TO A DIGITALLY FOCUSED FUTURE OF WORK

FUTURE OF WORK

In FY 2022, USAID developed and implemented a Future of Work framework for daily operations that provides flexibility for how and where staff accomplish their work, while maintaining connection and engagement and providing a

sufficient in-office staff presence to meet the Agency's national security mission. USAID centered the framework on equity, inclusion, and accessibility and used it to designate positions as eligible for either telework or remote work. To align with the new framework, USAID updated personnel policies related to telework and work schedules for U.S. direct-hire (USDH) employees. Throughout the transition, USAID provided leaders, supervisors, and staff with training, guidance, tools, and other resources to help them adjust to and excel in the new hybrid working environment.

FEDERAL REAL PROPERTY

USAID continued strategically managing its federal real property portfolio in FY 2022. As part of implementing its domestic reentry activities and Future of Work framework, USAID assessed workplace space use, mobility readiness, and opportunities to integrate remote work and space sharing with other federal agencies into long-term real property strategy, in line with the Office of Management and Budget (OMB) guidance (<https://www.whitehouse.gov/wp-content/uploads/2021/06/M-21-25.pdf>). Through these assessments, USAID learned about personnel perspectives on distributed work and the services employees need to do their work. USAID also conducted and continues to conduct building occupancy studies to inform management decisions to optimize USAID's facilities use.

In FY 2022, USAID also continued implementing its Washington Real Estate Strategy (WRES) (<https://www.usaid.gov/ads/policy/500/517>) and Sustainability Plan to reduce its footprint and enhance the sustainability of its facilities. As part of the WRES, USAID continued renovating its Ronald Reagan Building headquarters to be more modern and space, energy, and water efficient. When USAID finishes renovating the building in 2025, it will be Leadership in Energy and Environmental Design (LEED) (<https://www.usgbc.org/leed>) Silver certified, and USAID will downsize from five to four domestic facilities. This achievement will follow USAID's 2020 successes downsizing by two domestic facilities and achieving LEED Gold certification for its USAID Annex headquarters

facility. USAID has reduced its domestic floor space by approximately 38 percent since 2020. As part of its Sustainability Plan, in FY 2022 USAID inventoried its greenhouse gas (GHG) emissions from its domestic facilities and assessed the sustainability performance of those facilities to establish a baseline and identify opportunities to reduce emissions and improve sustainability in FY 2023.

USAID pursued these objectives in a cost-effective, operationally efficient, and safe manner while ensuring the Agency facilities continue to support USAID's ability to achieve its broad development and diplomatic mission and mandates.

CYBERSECURITY AND PROTECTING AGAINST 21ST CENTURY THREATS

Cybersecurity is a critical priority for USAID because of the Agency's complex information enterprise and vast amount of sensitive humanitarian aid data, as well as the wide array of cyber threats the Agency faces across a multitude of potential entry points for internal and external adversaries. For instance, more than 14,000 users across more than 100 countries have access to USAID's network. The ever-increasing volume of cyberattacks challenge USAID's systems. These attacks include malicious malware attacks, phishing emails, and threats to Personally Identifiable Information (PII). Many of these attacks are sophisticated or represent advanced, persistent threats. USAID continuously monitors and improves its information enterprise to protect the Agency's networks, systems, and information, including by working closely with OMB, the U.S. Department of Homeland Security (DHS), the Federal Chief Information Officer (CIO) and Federal Chief Information Security Officer (CISO) Councils, and other federal organizations.

In FY 2022, USAID continued to build and maintain more modern, secure, and resilient information technology (IT) to enhance its ability to achieve its mission. In particular, USAID expanded its efforts to ramp up cybersecurity risk management, improve transparency, use new and innovative practices, use artificial intelligence (AI) and cloud systems, better manage and use data, and embrace shared services.

In FY 2022, USAID also continued to implement E.O. 14028, *Improving the Nation's Cybersecurity*, including by upgrading the Agency's security strategy and information security environment. USAID has already met the requirements to adopt cloud technology and has made significant progress developing and implementing a Zero Trust Architecture (ZTA) Plan to further protect USAID's cyber assets and improve end-user work experiences through a simpler, more sophisticated process for "anywhere, anytime" user access. USAID is also implementing its Zero-Trust security model strategy efficiently and effectively to help the Agency maintain strong cybersecurity, combat malicious actors and threats, support stable identity proofing, and enhance network and data security.

Lastly, in FY 2022, USAID began assessing whether its 100-plus enterprise systems comply fully with the National Institute for Standards and Technology's (NIST) Special Publication (SP) 800-53 Revision 5, including SP 800-53A, *Assessing Security and Privacy Controls in Information Systems and Organizations* (<https://csrc.nist.gov/publications/detail/sp/800-53a/rev-5/final>), and SP 800-53B, *Control Baselines for Information Systems and Organizations* (<https://csrc.nist.gov/publications/detail/sp/800-53b/final>), to help confirm critical IT systems, components, and services are trustworthy and support USAID's security and privacy risk management processes.

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

In FY 2022, USAID advanced several priority enterprise data initiatives, including for data governance, access, use, transparency, and literacy. USAID's data governance body, the Data Administration and Technical Advisory (DATA) Board (<https://data.usaid.gov/stories/s/Data-Governance/cjcz-4uux>), led many of these initiatives as part of its role to support USAID's efforts to publish its data, use evidence to inform management decisions and in all aspects of designing and implementing

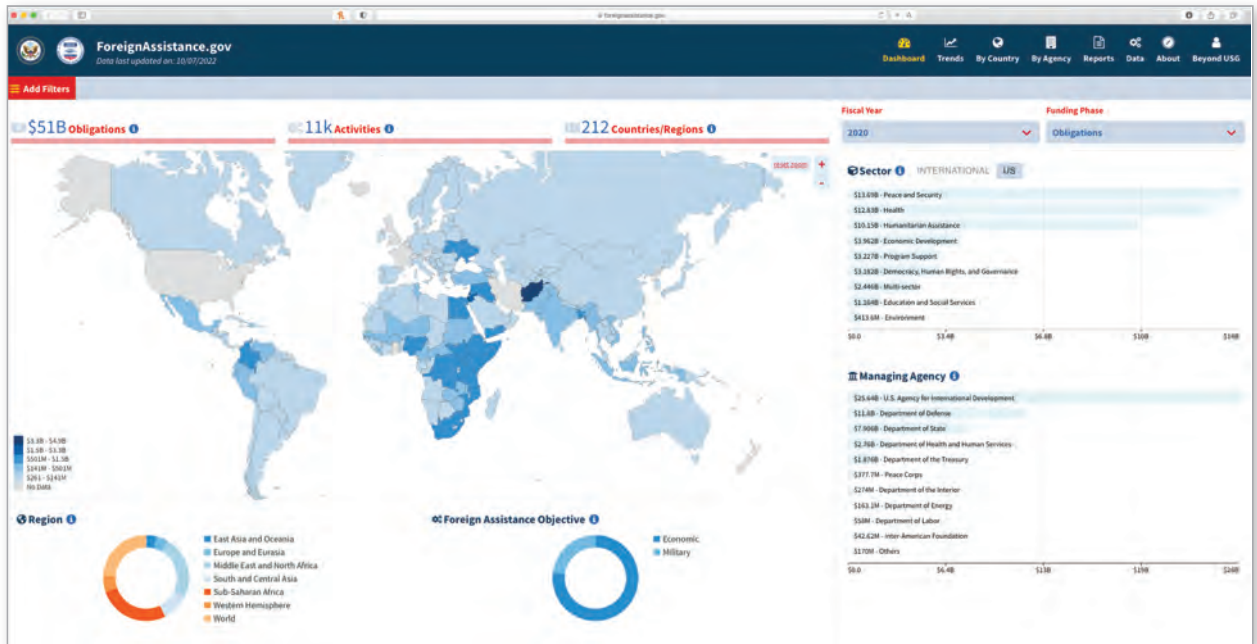
programs, address its most pressing data-related challenges, and comply with federal data-related mandates, which require federal agencies to help the public discover, access, and use their data.

At the start of FY 2022, the DATA Board set data priorities for 2022–2023 and developed and implemented a wide-ranging annual data governance roadmap to guide and measure progress.¹⁰ For example, the DATA Board organized the USAID Data Disaggregation Working Group to address DEIA, sex, and gender issues in how USAID and its partners collect, validate, analyze, and share data, as well as to improve data use in program planning to enhance outcomes. In addition, USAID developed and hosted the Quad Country COVID-19 Response in Indo-Pacific Region Dashboard for President Biden's Quad Vaccine Partnership Initiative, enabling the initiative to track, monitor, and report on progress in the region and use data to continuously improve.

To date, USAID has met all Federal Data Strategy (<https://strategy.data.gov/>) milestones. For example, USAID published an Open Data Plan that identifies specific priority data assets, including assets that support COVID-19 response and AI research and development. USAID also incorporated training and rotational experiences to improve data skills into professional development offerings.

In FY 2022, USAID also worked to support transparent foreign assistance data. USAID collaborated with State to launch the new ForeignAssistance.gov, which consolidated ForeignAidExplorer and the old ForeignAssistance.gov. ForeignAssistance.gov empowers users to explore U.S. foreign assistance data through visualizations, create custom queries, and download and analyze data by country, sector, or agency, as well as use the Development Cooperation Landscape dashboard (<https://foreignassistance.gov/donor>) to explore International Aid Transparency Initiative (IATI) data about other development organizations' activities in a country. ForeignAssistance.gov also enables USAID and other U.S. government agencies, donors, and partners to

¹⁰ USAID's DATA Board priorities and milestones roadmaps are accessible via <https://data.usaid.gov/stories/s/Data-Governance/cjcz-4uux>.



The “Dashboard” view on ForeignAssistance.gov.

make informed, data-driven decisions about how and where to distribute resources. USAID and State will regularly update ForeignAssistance.gov to refresh data and add features and resources that enhance the user experience.

Another key priority for USAID in FY 2022 was to support partners and incorporate their input into the Agency’s data infrastructure and business processes. To do this, in December 2021, USAID published a draft Digital Information Rule (<https://www.federalregister.gov/documents/2021/12/15/2021-23743/usa-id-acquisition-regulation-united-states-agency-for-international-development-usaid-acquisition>) to streamline how partners plan for, collect, and submit data to USAID. The Agency also introduced a Technical Data Standards Working Group to define the digital information and data standards to which USAID contractors must adhere. USAID intends these improvements to bolster the quality of the data USAID collects and uses; help USAID integrate data into its systems; support data from various sources to be used together; and bolster the Agency’s ability to share data with the interagency.

Improving employees’ and partners’ data literacy continues to be one of USAID’s annual priorities. In FY 2022, USAID delivered 16 new

data literacy training sessions to more than 360 USAID staff across more than 60 OUs. The Agency also continued developing several advanced-level data literacy training courses. To help USAID’s implementing partners and other stakeholders understand the Agency’s approach to managing data, USAID plans to publish the courses to its publicly available Learning Lab (<https://usaiddlearninglab.org/>).

To further empower staff to use data as a strategic asset, in FY 2022, USAID began piloting the Development Data Commons (DDC). USAID’s vision is to use the DDC to provide a standard, enterprise-wide approach to working with data from diverse sources, geographies, sectors, and time periods across the data lifecycle, while focusing on managing, integrating, processing, analyzing, and visualizing data. The DDC enables USAID to use data science techniques and other technologies to respond to complex, mission-critical development questions.

In FY 2022, USAID also continued to develop and deploy the Development Information Solution (DIS) (<https://dis.usaid.gov/>), its web-based, Agency-wide portfolio-management system designed to capture one cohesive development story—from strategy to results. DIS is a suite

of IT tools that USAID has organized into five functional areas: (1) Performance Management, (2) Budget Planning and Monitoring, (3) Project Design and Acquisition and Assistance (A&A) Planning, (4) Portfolio Reports and Dashboards, and (5) the Data Development Library (DDL) (<https://data.usaid.gov/>) and the Development Experience Clearinghouse (DEC) (<https://dec.usaid.gov/dec/home/Default.aspx>). As of FY 2022, USAID has rolled out the Performance Management module to 70 percent of its OUs. Once USAID fully deploys it, DIS will provide high-quality data in real time to inform evidence-based decisions by integrating information on program funding, awards, and development results in a single platform.

DELIVERING EXCELLENT, EQUITABLE, AND SECURE FEDERAL SERVICES AND CX

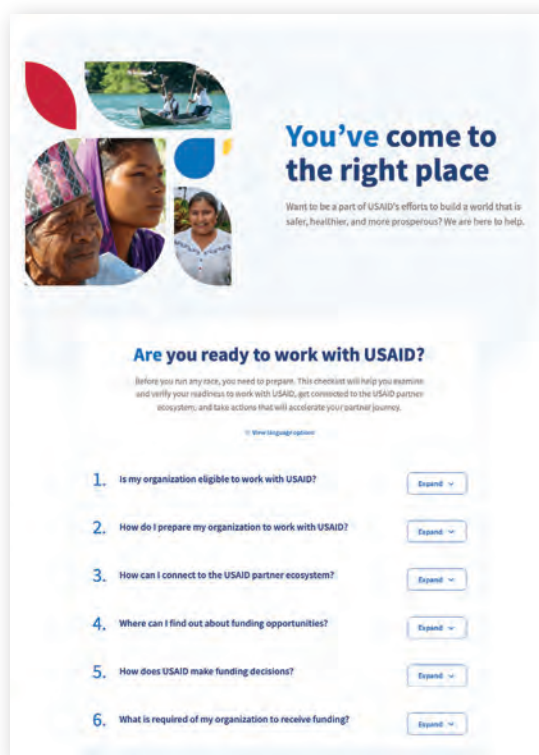
Delivering high-quality, equitable, and secure services and CX is critically important for USAID. To do these things, in FY 2022, USAID improved how it designs, develops, and delivers services, digital products, and CX and supports employees through their federal careers.

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

USAID AS A HIGH IMPACT SERVICE PROVIDER (HISP)

In E.O. 14058, *Transforming Federal Customer Experience and Service Delivery To Rebuild Trust in Government*, President Biden designated USAID as a HISP for the first time, charging the Agency to improve CX. USAID’s HISP work aligns to its Localization goals.¹¹ To deliver on its mission, USAID partners with local organizations, which offer unique perspectives, skills, and networks and will remain in their countries long after USAID assistance ends, promoting sustainable development and driving progress beyond programs. USAID is improving the CX for local partners through two lines of effort.

First, USAID developed and continues to enhance the WorkwithUSAID (<https://www.workwithusaid.org/>) platform, a free-to-use resource hub, to empower current and prospective partners with the knowledge, networks, and tools to work with USAID. A key component of the platform is the Partner Directory (<https://www.workwithusaid.org/directory>), which enables organizations to create a profile and connect with others in the development community. Since USAID publicly launched WorkwithUSAID in November 2021, more than 2,500 organizations have registered in the directory—more than 75 percent of them had never worked with USAID, and a majority are based outside of the United States. The site has had more than 121,000 unique visitors and more than 500,000 unique page views. More than 1,000 organizations have taken the Pre-Engagement Assessment (<https://www.workwithusaid.org/pre-engagement>)



The list of resources available on WorkwithUSAID.gov, which empower current and prospective partners with the knowledge, networks, and tools to work with USAID.

¹¹ Please refer to the Looking Forward section of this AFR, where USAID describes its Localization initiative in detail.



USAID partnered with Inversiones Luque, a small, family-owned restaurant business in Honduras that is implementing virtual reality technology to order through tablets, as part of USAID’s work to strengthen local Honduran networks and ecosystems, and to foster entrepreneurship and business growth. PHOTO: ANDRÉ JOSUÉ ANCHECTA OSEGUERA FOR USAID

to self-evaluate how ready they are to compete for USAID funding, after which the platform has sent them a custom report with training and resources. The platform also features a library (<https://www.workwithusaid.org/resource-library>) of curated resources in multiple languages, a weekly blog (<https://www.workwithusaid.org/blog>) with partner stories, frequently asked questions (<https://www.workwithusaid.org/faq>), and a chatbot that helps users navigate the platform.

Second, USAID is making it easier for local partners by promoting and providing guidance on flexible, user-friendly approaches to USAID’s award process to reduce barriers that prevent local organizations from partnering with the Agency. For example, USAID is focusing on reducing barriers in the application process, so that local organizations can be competitive for USAID funding opportunities, as these smaller organizations often do not have sufficient time, money, or knowledge about USAID requirements and systems to compete successfully against large, international organizations.

A&A STRATEGY

In FY 2022, USAID began updating its A&A Strategy, which USAID expects to publish in FY 2023. The A&A Strategy supports the Agency’s Progress Beyond Programs agenda and Localization initiative with three results-oriented, crosscutting objectives:

- (1) A&A workforce enabled, equipped, and empowered to further USAID’s development and humanitarian mission.
- (2) Streamlined and effective A&A integrated throughout the Agency’s development approach.
- (3) A more diverse set of partners engaged to implement locally led development solutions.

The first objective focuses on hiring, developing, and retaining A&A professionals, who are foundational to USAID’s ability to fulfill its mission. Through this objective, USAID will empower locally employed A&A Specialists in USAID Missions by increasing promotion



The cover of USAID’s Acquisition and Assistance Strategy, which USAID updated in FY 2022. The strategy aligns with USAID’s Progress Beyond Programs agenda and Localization initiative.

opportunities and authorities; integrate USAID’s DEIA priorities into planning and managing the A&A workforce; and improve knowledge management, including by better organizing data systems and enhancing peer learning by strengthening a coaching program on innovative A&A practices.

Through the second objective, USAID will achieve more optimal development results by linking the activity design process and decision-making more closely, ensuring USAID uses the best-fit A&A instrument in each situation, and increasing efficiency and the Agency’s use of digital tools throughout the A&A process to shift USAID staff and partner resources away from repetitive administrative tasks.

Through the third objective, USAID will diversify its partner base and achieve high-quality partnerships by striving to meet Administrator Power’s localization targets of providing 25 percent of USAID’s direct funding to local partners by 2025 and attaining 50 percent local leadership in USAID programming by 2030; and by expanding partnerships with small businesses and other underserved groups in the United States by removing barriers to partnering with USAID that new, small, and local partners frequently face. USAID will do this in several ways, including tailoring the Agency’s approach based on each Mission’s and OU’s unique operating environment and development priorities; enhancing how the Agency communicates with local organizations and helping them strengthen their capacities through innovative tools like the WorkwithUSAID platform; and increasing the Agency’s use of collaborative A&A approaches when programmatically appropriate, such as co-creating and tailoring assistance mechanisms to meet local partners’ needs. For example, USAID may allow a capable partner who may lack advanced financial management systems to partner with the Agency through a fixed-amount award to lower compliance barriers to entry.

NEW PARTNERSHIPS INITIATIVE (NPI)

In FY 2022, USAID continued implementing NPI (<https://www.usaid.gov/npi>) to lower the barriers nontraditional partners—like local actors, U.S. small businesses, faith-based organizations, cooperatives, diaspora groups, and civil-society organizations—face to partnering with USAID so the Agency can embrace the diverse potential of the partner community to maximize development outcomes. Through its efforts, USAID increased access and transparency, expanded NPI awards and updated standard practices, advanced innovative partnership approaches, and provided technical assistance to Missions.

USAID made its information, resources, and funding opportunities more transparent and accessible to all potential partners, including through its Localization initiative.¹² For example, NPI contributed partnership expertise for the Local Capacity Strengthening (LCS) Policy, which will help make locally led development a reality by articulating in policy for the first time USAID’s principles for investing in local partners’ capacity. USAID published the LCS Policy in early FY 2023.

USAID also promoted eight new NPI-branded solicitations, bringing the Agency’s total number of NPI awards to 43. These 43 NPI awards represent \$810 million in funding for more than 70 partners worldwide and a 100 percent increase in total award dollars compared to FY 2021. USAID’s Expanding Health Partnerships (EXPAND) award is an example of an NPI award. Through EXPAND, USAID integrates capacity strengthening to empower local organizations to improve their performance to better contribute to health, education, and economic outcomes in the communities where they work. USAID aims to obligate 60 percent of the total EXPAND funding to sub-awards for local and regional partners in more than nine countries.

USAID’s NPI awards have contributed to numerous innovative partnering arrangements. For example, USAID uses milestone-based transition awards to transfer technical and

¹² Please refer to the Looking Forward section of this AFR, where USAID describes its Localization initiative in detail.

management responsibilities to local organizations. In this arrangement, USAID provides local prime partners direct awards if they meet certain targets, while the international partner helps the activity stay on track. In other cases, international prime partners help create local consortia to pursue funding and respond to local needs.

Through USAID's Partnerships Incubator, NPI assessed the local partner landscape for seven Missions to identify new and underutilized partners that operate in particular thematic or geographic areas and provided ten B/IOs technical support to expand outreach to and include new partners.

SAFEGUARDING

USAID prioritizes protecting the integrity of its foreign assistance programs and improving its oversight of its implementing partners, including by ensuring the Agency and its partners comply with various safeguarding, financial, and program requirements systematically across awards. Safeguarding is an operational measure aid actors use to protect program recipients from harm—especially vulnerable populations like women and children. Safeguarding violations, such as trafficking in persons (TIP), sexual exploitation and abuse (SEA), and child abuse, exploitation, and neglect, conflict with USAID's values and the respect for human dignity on which international development stands.

Workload demands on USAID related to safeguarding violations are increasing rapidly. For example, since FY 2018, SEA disclosures from implementing partners to USAID have increased by 164 percent. In addition, USAID anticipates that its safeguarding workload will increase exponentially based on the Agency's new proposed award requirements, which include a mandatory reporting requirement. USAID intends to release the new award requirements in the first quarter of FY 2023.

To mitigate and respond consistently to alleged safeguarding failings in USAID programming, in 2020, USAID leaders decided to enhance the Agency's safeguarding procedures and centralize its

safeguarding functions. In FY 2022, with approval from Congress, USAID continued carrying out these decisions to ensure it consistently implements and complies with applicable policies and award requirements and efficiently and effectively responds to alleged misconduct and performance issues. Through these efforts, USAID piloted the new procedures in nine USAID Missions. USAID is establishing its central safeguarding function in phases and is resourcing it accordingly.

In FY 2022, USAID also continued to be a leader in the U.S. government and donor community in using available measures to respond to safeguarding violations in the Agency's programming. For example, when appropriate, USAID uses powerful administrative tools, such as suspending and debarring partners, to protect the U.S. government from perpetrators of SEA.

ENHANCING INTERNAL CX AND SUPPORTING EMPLOYEES THROUGH THEIR FEDERAL CAREERS

CUSTOMER SERVICE SURVEY (CSS)

USAID's annual CSS is a longstanding part of its internal efforts to improve and benchmark customer service. The impact of the CSS continues to grow. While the CSS initially included approximately ten service-providing OUs, as of FY 2022, it includes 19 Washington-based service centers, nine regional service centers, and five service offices in every one of USAID's more than 80 Missions around the world. The FY 2021 CSS had USAID's largest-ever response rate, with feedback from more than 6,000 staff. In the FY 2022 CSS, USAID included a section on burden reduction to support and inform efforts to reduce program and administrative burdens on staff and operations, contributing to the largest-ever set of qualitative feedback of more than 13,000 comments. In response to sustained efforts, most OUs have improved and stabilized their CSS results. The number of OUs that exceeded the Agency's internal customer service standard increased from 46 percent in 2018 to 84 percent in 2022—a 38 percent improvement.



The logo USAID used for its internal Customer Service Survey in FY 2022.

CX PLAYBOOK

In late FY 2022, USAID also introduced its new CX Playbook, which includes good practices Agency OUs can use to interact productively and meaningfully with internal customers; improve efficiency, employee engagement, and customer satisfaction; and ultimately, advance USAID's development and humanitarian mission. For example, the CX Playbook outlines participatory planning techniques OUs can use to ascertain customers' aspirations, priorities, and experience, as well as methods to monitor customer participation and experience, such as by regularly seeking feedback and input—including after providing service—to inform and improve future activities and programs. When the Agency rolled out the CX Playbook, USAID provided recommendations to 28 OUs to use approaches in the CX Playbook to improve their customer service based on detailed analyses of the feedback those OUs received via USAID's CSS.

AGENCY APPROACH TO FIELD SERVICES (AAFS)

USAID made significant progress implementing its AAFS in FY 2022, which is transforming how Washington-based staff and OUs support Missions overseas. Feedback from Mission staff in 2019 revealed that Missions sometimes experience challenges finding and accessing the wide variety of program and technical expertise, services, and support USAID/Washington provides. To improve USAID's focus on Mission support and local impact, AAFS makes the request process easier and more accessible, standard, and coordinated via a single technical request system called the Unified Travel and Mission System (UTRAMS) and an Agency-wide Country Support Network. USAID also uses request and service delivery data from UTRAMS to improve service delivery over time, including provider support, equitable resource allocation, and targeted support for Agency priorities. Together, these approaches improve USAID's ability to coordinate and provide high-quality assistance to Missions without creating burden for Missions. AAFS also includes a Technical Service (TS) Portal, which

makes valuable information about expertise, programming, and A&A mechanisms more readily available to Missions. By the end of FY 2023, USAID will launch an Agency-wide Mechanism Guide in the TS Portal, which will enable users to search data on all A&A mechanisms throughout USAID, helping to answer key questions like, "Who is programming where?" and, "What mechanisms are available to support work requirements?" USAID also uses AAFS to capture data about Mission demand for program and technical expertise, services, and support, as well as about customer satisfaction, which helps the Agency identify gaps and inform decisions about how to allocate resources to ensure USAID is advancing the Biden-Harris Administration's and Administrator Power's highest priorities.

HR AND TECHNOLOGY

To improve the employee experience and respond to employee feedback, USAID continued to develop new features and functionality in LaunchPad, the Agency's centralized, online employee portal for HR services. USAID made the following significant updates in FY 2022:

- Implemented a new telework and remote work agreement tool to streamline the agreement process, collect valuable data on the types of telework arrangements the workforce uses, and automatically update duty station information for employees who have remote work agreements.
- Implemented a tool for employees to submit their proof of COVID-19 vaccination to support USAID's Workplace Safety Plan.
- Developed and implemented a new version of the Getting to Post (G2P) tool, which facilitates the Foreign Service assignments process. The updates accelerate the process, allow for greater flexibility when circumstances change, and make the process more transparent for Foreign Service employees.
- Implemented Navigate, which is a tool the Agency uses to onboard USDH employees. Navigate has reduced average onboarding time by 56 percent, from 148 to 65 business days.



The cover of USAID's new CX Playbook, which the Agency released internally in FY 2022.

- Deployed a chatbot that provides instant, consistent guidance to employees. The chatbot has already saved USAID more than 100 hours in HR support time.
- Upgraded the Foreign Service Promotion Tool, which enabled USAID to process Foreign Service promotions more than 70 percent faster and helped the FY 2022 Foreign Service Promotion Boards to complete their work more efficiently.
- Developed and implemented two awards tools to process recognition and monetary awards efficiently and effectively for all users and provide valuable, just-in-time data.

EMPLOYEE WELLNESS AND RESILIENCE

Staff Care, USAID’s employee wellness and resilience program, is an innovative, integrated program USAID designed to bolster the physical and emotional well-being, work-life balance, and resilience of the Agency’s 15,000-member 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 (OR) services. Staff Care also helps USAID teams build strong, dynamic working environments and relationships that can navigate change effectively. For instance, in FY 2022, Staff Care has rapidly expanded the breadth and depth of its programs to address the effects on USAID staff of the ongoing COVID-19 pandemic, the earthquake in Haiti, the U.S. withdrawal from Afghanistan, and Russia’s unjustified full-scale invasion of Ukraine, among other crises.

In FY 2022, Staff Care supported groups and individuals and leveraged more than 100 champions in 40 Missions and 42 B/IOs to promote employee wellness and resilience. Between October 2021 and June 30, 2022, Staff Care provided 50 engagements in response

to requests from 34 overseas Missions and 64 engagements in response to requests from 51 teams in 17 B/IOs in Washington and one Employee Resource Group. Through these engagements Staff Care supported more than 4,800 employees.

More than 3,000 staff each month received Staff Care’s newsletter of tips and resources, and more than 1,700 employees received an overview of Staff Care services as part of their New Employee Orientation. Staff Care also provided 66 webinars on over 50 topics that 3,628 individuals attended. From these webinars, 82 percent of the participants reported learning skills to improve their effectiveness at work, 88 percent reported strengthening their resilience and well-being skills, and 89 percent reported an increased feeling that USAID appreciates its employees. Between October 2021 and June 2022, Staff Care provided wellness programming, such as physical strengthening challenges, flu shots, and gym membership for more than 3,741 employees. Staff Care also provided work-life programming, such as emotional well-being strengthening challenges, support for parents and caregivers, and individual consultations for more than 1,800 employees. Within these individual consultations, Staff Care provided 157 staff with work-life services and referrals, and 351 staff with counseling support on employee resilience, which saved USAID an estimated 695 work days, valued at \$227,357; 92 percent of counseling clients reported, via follow-up evaluation, increased life satisfaction and well-being.

Staff Care also hired a resettlement social worker to support former USAID/Afghanistan FSNs, CCNs, and their families who fled Afghanistan after the U.S. military withdrew. The social worker provided resettlement support and information to 160 former FSNs and their families, provided resilience training and resettlement information to nearly 600 people through twice-monthly virtual sessions, and provided mental health support to members of the broader USAID community who are supporting the former FSNs.



This request will allow the U.S. to lead on the global stage and to leverage our activities to get our allies and private sector partners to do more. We also need to make ourselves a more capable and nimble Agency, and we are seeking to adapt our systems, processes, and procedures to that end, including by seeking to expand our engagement with the private sector. We also need to build USAID’s institutional capacity given its role as a national security agency.”



— Administrator Samantha Power
Testimony to House Appropriations Committee Subcommittee on State, Foreign Operations, and Related Programs, May 26, 2021

 <https://www.usaid.gov/news-information/congressional-testimony/may-26-2021-usaid-administrator-samantha-power-opening-statement-fy>

OPTIMALLY MANAGING THE BUSINESS OF THE GOVERNMENT

USAID always prioritizes optimizing how it manages its business as a U.S. government agency that is accountable to the American people. In FY 2022, USAID continued to improve its efficiency, effectiveness, and impact, including by supporting federal acquisition initiatives and enhancing financial management.

SUPPORTING FEDERAL ACQUISITION INITIATIVES

PRIVATE-SECTOR ENGAGEMENT (PSE)

To tackle the most pressing global development challenges with increased success, USAID must increase its programming scale, scope, and impact by engaging more effectively with the private sector. The private sector drives economic growth, creates jobs, and advances development progress worldwide, making it imperative that USAID harness the private sector’s ideas, perspectives,

and contributions to help governments solve urgent challenges they cannot solve on their own. At times, however, USAID has struggled to work effectively with the private sector to foster sustainable market-based development solutions at scale, resulting in inconsistent, uncoordinated engagements with suboptimal results.

USAID now has a unique opportunity to improve how it engages with the private sector, as USAID’s and the private sector’s goals align more than ever. Shareholders, corporate executives, and consumers are all demanding more of global business, and companies are scrutinizing their roles in and impact on society in unprecedented ways, innovating new business practices and taking new risks.

To seize this opportunity, USAID is implementing its PSE Policy (<https://www.usaid.gov/work-usaid/private-sector-engagement>) and PSE Modernize initiative to mainstream, scale, and make more effective the Agency’s PSE programming across all Missions and sectors. PSE Modernize is based on extensive feedback from private-sector partners and USAID staff and includes ten areas to improve: (1) Mission capacity; (2) relationship management;

(3) data collection and reporting; (4) community of practice; (5) HR and workforce; (6) procurement; (7) research and development; (8) learning; (9) a flexible fund; and (10) a development finance unit. Through PSE Modernize, USAID will scale and mainstream PSE.

CATEGORY MANAGEMENT (CM)

In alignment 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 (PMA), USAID has fully engaged its acquisition workforce to optimize the Agency's use of CM principles. The primary objective of CM 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. CM also enables USAID's acquisition workforce to focus more on high-priority mission work that is outside the scope of CM and that represents the majority of USAID's contract dollars.

In FY 2022, USAID exceeded its Spend Under Management (SUM) target of 75 percent of obligated contract dollars going to a SUM solution by 0.5 percent, for a total of 75.5 percent of spend, and exceeded its Best-in-Class (BIC) target of 5 percent by 2.6 percent, for a total of 7.6 percent. USAID worked aggressively in FY 2022 to engage more with the General Services Administration (GSA), OMB, industry, and the Agency's acquisition workforce to make these stakeholders more aware of CM principles, available CM contracting vehicles, and USAID requirements that could be best met by using a CM solution for the procurement. Notably, USAID's CM spend significantly contributed to the Agency's small business targets. Of the \$939.6 million USAID spent with small businesses in FY 2022, \$861 million also accounted for USAID's CM totals.

MADE IN AMERICA

USAID is working closely with OMB's new 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*, which President Biden signed on January 25, 2021, to maximize the use of U.S. goods and services in federal contracts and assistance awards. To implement the E.O., USAID is implementing new Buy American Act standards and submitting a series of biannual reports on USAID's practices and progress. In addition, USAID is meeting regularly with the Made in America Office to discuss how the Agency can work with the interagency to advance the goals of the E.O. 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 aggressively pursued its small and disadvantaged business goals in FY 2022. In particular, USAID focused on implementing OMB Memorandum 22-03, *Advancing Equity in Federal Procurement* (<https://www.whitehouse.gov/wp-content/uploads/2021/12/M-22-03.pdf>), to increase the industrial base, improve small business engagement in CM, and increase opportunities to small, disadvantaged, and minority-owned businesses. USAID participated in several events focused on the small disadvantaged business community in FY 2022 and hosted an event for this community in fall 2022. USAID also sought procurement opportunities for this community using the set-aside authority available through the 8(a) Business Development Program (<https://www.sba.gov/federal-contracting/contracting-assistance-programs/8a-business-development-program>) for experienced socially and economically disadvantaged small business owners. USAID's FY 2022 small business utilization goal was

12.5 percent, and preliminary data indicate USAID achieved 16.55 percent with a total spend of \$997.9 million.

ENHANCING FEDERAL FINANCIAL MANAGEMENT

ENTERPRISE RISK MANAGEMENT (ERM)

USAID manages enterprise risk through its ERM program (<https://www.usaid.gov/sites/default/files/documents/1868/596mab.pdf>) in compliance with OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*, the Federal Managers' Financial Integrity Act (FMFIA) (<https://www.congress.gov/bill/97th-congress/house-bill/1526>), and the Government Performance Results Act (GPRA) Modernization Act (<https://www.govinfo.gov/content/pkg/PLAW-111publ352/pdf/PLAW-111publ352.pdf>). USAID's ERM program features a holistic approach to risk management and includes integrating and coordinating risk management across the Agency for key risks USAID outlined in its Risk Appetite Statement (RAS) (<https://www.usaid.gov/policy/risk-appetite-statement>), which the Agency revised in FY 2022. The RAS is a critical component of USAID's ERM program that 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. By updating the RAS, USAID has empowered its workforce to use evidence to manage risk more strategically, recognizing that USAID must manage, rather than avoid risk.

USAID also holistically manages other crosscutting risks, such as risks related to climate change, supply chains, and emergency preparedness. To identify the optimal approach to managing a risk, USAID first strives to understand context. For example, USAID generally cannot mitigate the likelihood that a weather-related event might occur, but USAID can implement measures that lessen the threat that a weather-related event may significantly hinder the effectiveness of the Agency's programs and operations. By managing risk through its ERM program, USAID continuously improves

the accountability and effectiveness of its programs and support 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*.

CLIMATE RISK MANAGEMENT

In FY 2022, as part of the Agency's efforts to continue adapting and maturing its ERM program, USAID updated and integrated climate risk into its RAS and Agency Risk Profile (ARP). USAID has also equipped risk management liaisons throughout 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.

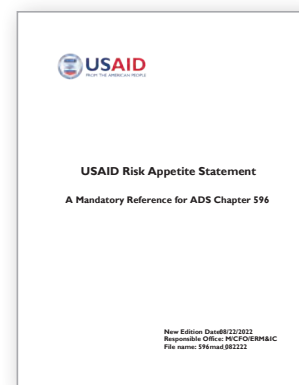
The ARP comprises the critical risks USAID's OUs have elevated for the Agency to manage at the enterprise level, as well as treatments USAID implements to manage each risk effectively. In FY 2022, USAID added a climate-related operational risk to its ARP, along with ten targeted treatments, to help USAID manage the risk in a continuous, systematic, rigorous, efficient, and effective way.

USAID also 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 of this AFR for more information about USAID's efforts to manage climate risk.

ACCOUNTABILITY AND AWARDS

USAID encourages outstanding performance through performance management, awards, and recognition programs, and guides employee accountability, which is critical in the new hybrid work environment.



The cover of the USAID Risk Appetite Statement, which the Agency revised in FY 2022.

To prepare for domestic reentry and support the Future of Work framework, USAID held outreach sessions with employees about “courageous conversations” and managing performance in a hybrid work environment. In what was the first of a three-part series, USAID focused on performance management roles, responsibilities, goal setting, accountability, and professional development for employees, supervisors, and managers. In the second part, which USAID will deliver halfway through the FY 2023 performance cycle, USAID will focus on effective performance management, employee engagement, and continuous professional development. In the third part, which USAID will deliver prior to the end of the FY 2023 performance cycle in March 2023, USAID will focus on managing for success and managing poor performance. USAID plans to offer these sessions annually in the future.

USAID holds its executives accountable for achieving the Agency’s goals and priorities. Since 2018, USAID has identified annual shared Agency goals for all Civil Service executive personnel, including Senior Executive Service (SES) and Administratively Determined (AD) executives, and evaluates performance against those goals.

USAID also uses its comprehensive award and recognition program to recognize and reward individuals and groups for their contributions to accomplishing USAID’s mission, goals, and objectives. USAID uses recognition and monetary awards, together with regular performance feedback, to reinforce and improve employee performance. Through its awards and recognition program, USAID strategically uses a combination of rating-based performance awards and individual contribution awards, which include monetary and non-monetary awards, to motivate and incentivize employees to exceed performance expectations.

AUDIT FOLLOW-UP

BACKGROUND

USAID is subject to audit by the Office of Inspector General (OIG) and the Government Accountability Office (GAO), an independent, nonpartisan agency that works for Congress. The OIG’s staff conduct audits of worldwide foreign-assistance programs and USAID operations, including performance audits and reviews of programs and management systems, the audit of the Agency’s financial statement required under the Chief Financial Officer (CFO) Act of 1990, and audits related to the financial accountability of grantees and contractors. Often called the “Congressional watchdog,” GAO evaluates federal programs, policies, operations, and performance to examine how departments and agencies spend taxpayer dollars and provides 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 2022

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 action, in a timely manner, on audit recommendations on which USAID has reached agreement with the OIG. Management must make a decision regarding audit recommendations within a six-month period after the issuance of the audit report and implement a management decision¹³ within one year, to the extent practicable.

¹³ A “management decision” is the evaluation of a recommendation by management and a decision upon an appropriate course of action.

On October 1, 2021, the Agency had a beginning balance of 268 audit recommendations. During FY 2022, the OIG issued a total of 225 audit recommendations. During FY 2022, the Agency closed 234 recommendations, which left 259 recommendations open at the end of the fiscal year. Of the number closed, 157 were procedural or non-monetary, while 77 were questioned costs, which represented \$26.9 million in disallowed costs USAID recovered.¹⁴ As of September 30, 2022, USAID has nine recommendations over six months old without a management decision, and 88 recommendations had a management decision more than a year old. USAID submitted 21 performance audit recommendations to the OIG requesting closure.

The tables below and on the following page show that, during FY 2022, USAID began the fiscal year with zero and received no OIG audit recommendations that funds be put to better use. Secondly, USAID made management decisions to act on 64 audit recommendations with management efficiencies and planned recoveries¹⁵ that totaled more than \$72.8 million. In addition, the Agency completed final action for 77 monetary audit recommendations that represented \$26.9 million in cost savings.

MANAGEMENT ACTION ON RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE

	Recommendations	Dollar Value (\$000)
Management Decisions:		
Beginning Balance on October 1, 2021	–	\$ –
Management Decisions During the Fiscal Year	–	–
Total Management Decisions Made	–	–
Final actions:		
Recommendations Implemented	–	–
Recommendations not Implemented	–	–
Total Final Actions	–	–
Ending Balance on September 30, 2022 ¹	–	\$ –

Note: The data in this table do not include procedural (non-monetary) audit recommendations.

¹ “Ending Balance September 30, 2022” equals “Total management decisions made” minus “Total final actions.”

¹⁴ “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.”

¹⁵ “Planned recoveries” relate to collections of disallowed costs.

MANAGEMENT ACTION ON AUDIT RECOMMENDATIONS WITH DISALLOWED COSTS

	Recommendations	Dollar Value (\$000)
Management Decisions:		
Beginning Balance October 1, 2021	166	\$ 236,726
Management Decisions During the Fiscal Year	64	72,807
Total Management Decisions Made	230	309,533
Final actions:		
Collections/Offsets	–	1,220
Other Recovery	–	25,681
Property	–	–
Write-Offs	–	–
Total Final Actions ²	77	26,901
Ending Balance September 30, 2022 ¹	153	\$ 282,632

Note: The data in this table do not include procedural (non-monetary) audit recommendations.

¹ “Ending Balance September 30, 2022” equals “Total management decisions made” minus “Total final actions.”

² A single audit recommendation can involve multiple recovery types (collections/offset, other recovery, write-offs).

GAO

The following table shows USAID began FY 2022 (October 1, 2021) with 30 GAO audit recommendations. During FY 2022 GAO issued seven audit recommendations and the Agency closed 11 recommendations, which left 26 recommendations open at the end of the fiscal year.

STATUS OF GAO RECOMMENDATIONS

	Recommendations	Dollar Value (\$000)
Audit Recommendation:		
Beginning Balance on October 1, 2021	30	\$ –
GAO Recommendations received	7	–
Total GAO Recommendations	37	–
Final actions:		
Recommendations Implemented	11	–
Ending Balance on September 30, 2022	26	\$ –

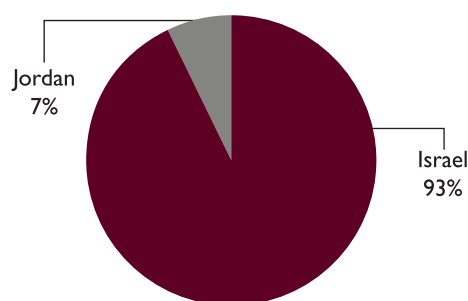
SOVEREIGN BOND GUARANTEES (SBG)

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. The total current exposure of USAID's SBG portfolio is \$7.7 billion, of which \$6.7 billion represents outstanding principal and \$1 billion represents outstanding interest following the full repayments of 11 guarantees (i.e., Egypt's bond

in 2015; all three of Tunisia's in 2019 [one bond] and 2021 [two bonds]; all three of Ukraine's bonds during 2019, 2020, and 2021; three of Jordan's bonds in 2019, 2021, and 2022; Iraq's bond in 2022; and the continuing amortization of one of Israel's sovereign bonds). See Note 6, *Loan Guarantee Liabilities*, in the Financial Section of this report for additional information on the current loan portfolio.

CURRENT SBG EXPOSURE AS OF SEPTEMBER 30, 2022



OUTSTANDING SBG PORTFOLIO

As of September 30, 2022

(Dollars in Millions)

Country	Year	Principal Outstanding	Interest Outstanding	Total	Maturity Date
Israel	1993	\$ 2,076	\$ 336	\$ 2,412	*
Israel	2003	4,100	603	4,703	*
Jordan	2015	500	45	545	June 2025
Total		\$ 6,676	\$ 984	\$ 7,660	

* Multiple loans with varying maturity time frames, the last loan for 1993 is due November 2027 while 2003 is September 2033.

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FINANCIAL SECTION





(Preceding page) Shahara Khatun, 28, visits her family in their home village thanks to new regulations at the garment factory where she works which enables her to have leave time. Sahara supports her mother, father, husband and two children with the money she makes sewing garments at a factory in Gazipur, Bangladesh. PHOTO: JOSH ESTEY FOR USAID

(Above) Shahara works in the factory to help support her parents, husband, and two sons. After joining a trade union, Shahara learned about workers rights and labor laws. Her union elected her general secretary and together they negotiated better working conditions at the factory. Now, they can discuss issues with management, they get paid on-time, they have daycare at the factory to keep their children, and they have scheduled leave. PHOTO: JOSH ESTEY FOR USAID

LETTER FROM THE CHIEF FINANCIAL OFFICER



Reginald W. Mitchell

As the Agency's Chief Financial Officer (CFO), I am pleased to join Administrator Power in presenting the U.S. Agency for International Development (USAID) Agency Financial Report (AFR) for Fiscal Year (FY) 2022. 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—especially during the continued COVID-19 pandemic. The Agency's top priorities include our continued responses to COVID-19, the global food crisis, and the humanitarian emergency affecting the people of Ukraine.

AUDIT OF THE AGENCY'S FINANCIAL STATEMENTS

For FY 2022, USAID's independent auditor issued its audit report with an unmodified (or clean) 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 (FMFIA) and assured compliance with the Federal Financial Management Improvement Act (FFMIA). Moreover, the independent auditor found no reportable instances of noncompliance with laws and regulations during FY 2022.

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 (GMRA) audit findings and recommendations. Regarding new challenges, in the FY 2022 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 calculating and recording accrued expenses and security management. The Agency is

updating its methodology for reporting and posting quarterly accruals and is updating its financial management system's security plan.

KEY ACCOMPLISHMENTS

I am honored to announce that, for the eighth year, USAID is the recipient of the prestigious *Certificate of Excellence in Accountability Reporting (CEAR) Award*, which recognizes the Agency's integration of performance and financial reporting. I sincerely thank all USAID staff for their dedication and diligence in contributing to the FY 2021 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 USAID's mission, including the following highlights:

- Continued to reduce payment errors by identifying, reporting, and recovering overpayments, as required by the Improper Payments Elimination and Recovery Act (IPERA) of 2010. The financial audit resulted in no recommendations from our independent auditors regarding improper payments.
- Facilitated a revision to the Agency's Risk Appetite Statement (Automated Directives System (ADS) 596 mad). The document, which is now codified in Agency policy as a mandatory reference, strengthens the Agency's set of existing risk management tools, while providing broad-based guidance to USAID staff on the amount and type of risk the Agency is willing to accept.
- Engaged colleagues worldwide to develop the first-ever CFO Five-Year Financial Management Strategic Plan, which USAID published and shared with Agency staff in April 2022. This plan provides a framework for our vision, mission, goals, and strategies. Our efforts to implement the strategic plan will include prioritizing initiatives, timelines, metrics, and funding resources to accompany and align directly to the plan's goals and strategies.

- Partnered to implement USAID’s revised policy document that guides planning, designing, implementing, and closing of Government to Government (G2G) activities implemented through partner-government systems. This ADS 220 policy revision introduces the Agency’s seven-step risk-management process intended to assist Missions to plan, assess, implement, monitor, and evaluate G2G activities and help USAID achieve its goals of strategic decision-making through alleviating threats and identifying opportunities. The revised policy focuses on keeping risk management and due diligence in line with the Agency’s risk-management approach, while also providing greater flexibility for Missions to advance G2G programming from a prudent, risk-aware posture.
- Managed the Agency’s cash reconciliation, collections, and reporting operations efficiently and effectively, complying with the Department of the Treasury’s Fund Balance with Treasury (FBWT) reporting requirements with results demonstrating a reduction of open reconciling items and outstanding suspense items when compared to FY 2021.
- Partnered across the Agency to implement the USAID Anti-Fraud Plan to support USAID’s fraud prevention, detection, and response activities. The plan addresses key federal mandates related to the assessment of fraud, waste, abuse, and continuous monitoring at the programmatic activity levels, while leveraging existing tools, systems, and expertise to provide compliance and integrity in Agency operations.
- Facilitated coordination between the USAID Office of Inspector General (OIG) and USAID’s Bureaus and Independent Offices (B/IOs) so the OIG Top Management Challenges Report accurately reflects the Agency’s progress and commitment.
- Continued to refine 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 International Financial Reporting for Non-Profit Organizations (IFR4NPO).
- Represented the Agency on the Donor Steering Committee for the International Organization of Supreme Audit Institutions (INTOSAI), working with global donors for Supreme Audit Institution audit capacity development that seeks to strengthen the accountability, transparency, and integrity of partner-government institutions in accordance with international standards.
- Facilitated implementation of the renewed five-year interagency agreement with the Government Accountability Office (GAO) Center for Audit Excellence (CAE). This agreement between the Agency and GAO CAE provides Missions the ability to partner with CAE to strengthen the capacity of international accountability organizations, including Supreme Audit Institutions, which leads to increased accountability and transparency over Agency funds.
- Partnered with the Bureau for Global Health to facilitate USAID joining an existing memorandum of understanding with the International Federation of Accountants (IFAC); the Global Fund to Fight AIDS, Tuberculosis, and Malaria; and Gavi, the Vaccine Alliance in May 2022. This effort marks the continuation of USAID’s commitment to reinforce and promote responsible accounting practices and financial management in the accountancy field to build resilient and sustainable health sector systems in USAID partner countries.

The Agency’s achievements reflect the exceptional effort and devotion of our employees and partners worldwide. I am proud to be part of a team of professionals that works hard to achieve its mission and objectives creatively and strategically. In FY 2023, I look forward to advancing our efforts under Administrator Power’s leadership as we continue to hold ourselves and the Agency to the highest financial-management standards while also strengthening our risk management and internal controls to safeguard and maximize the return on U.S. taxpayers’ investments.

Reginald W. Mitchell
 Chief Financial Officer
 November 12, 2022

FINANCIAL SECTION **INDEPENDENT** **AUDITOR'S REPORT**





(Preceding page) Farmer Samuel Shumuye, 38, works with laborers to harvest wheat from a field they rent in South Tigray, Ethiopia. His family of five had been reliant on the Ethiopian Government's social safety net program. With help from USAID, however, within a year, they self-graduated from the government program. PHOTO: THOMAS CRISTOFOLETTI FOR USAID

(Above) Aerial view of Aberu Mamo's village in Ethiopia. Aberu, 33, and her husband, Samuel Shumuye, 38, had been reliant on the Ethiopian Government's social safety net program to provide food for their family of five, but they wanted to be independent. With help from USAID, they learned how to save money, diversify their income sources, and take out loans to invest in business. Within a year, they self-graduated from the government program, confident they could weather setbacks caused by drought and crop loss on their own. PHOTO: THOMAS CRISTOFOLETTI FOR USAID



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

MEMORANDUM

DATE: November 12, 2022
TO: USAID, Chief Financial Officer, Reginald W. Mitchell
FROM: Deputy Assistant Inspector General for Audit, Alvin Brown /s/
SUBJECT: Audit of USAID's Financial Statements for Fiscal Years 2022 and 2021 (0-000-23-001-C)

Enclosed is the final report on the audit of USAID's financial statements for fiscal years 2022 and 2021. The Office of Inspector General (OIG) contracted with the independent certified public accounting firm of GKA P.C. Certified Public Accountants and Consultants (GKA) 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 22-01, 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. We found no instances in which GKA 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, 2022 and 2021, 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 years 2022 and 2021 financial statements.

The audit firm concluded that USAID's financial statements for fiscal years ended September 30, 2022 and 2021, are presented fairly, in all material respects, and in accordance with U.S. generally accepted accounting principles. The audit firm found no reportable noncompliance for fiscal year 2022 with provisions of applicable laws, regulations, contracts, and grant agreements. The audit firm also found no material weaknesses, but reported two significant deficiencies related to USAID's internal control process for:

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

- Calculating and Recording accrued expenses; and
- Security management

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

Recommendation 1. 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.

Recommendation 2. Issue written guidance for Agreement Officer Representatives /Contracting Officer Representatives to contact Office of the Chief Financial Officer if they need to post an accrual over and above the amount allowed in the current Phoenix accruals system.

Recommendation 3. Update the Phoenix system security plan to include National Institute of Standards and Technology 800-53 Revision 5 controls.

Recommendation 4. Perform a Security Control Assessment and use the results to update the Phoenix system security plan and create plans of action and milestones for any planned controls.

Recommendation 5. Provide the results of the Phoenix Security Control Assessment and the updated system security plan to the Authorizing Official for review and approval.

Recommendation 6. Review and, if needed, update the Memorandum of Understanding with the Department of State to include changes and obtain approval of the Agency officials.

Recommendation 7. Review and update the Service Level Agreement with the Department of State. Additionally, USAID should implement a process to ensure that the Service Level Agreement is reviewed annually.

In finalizing the report, the audit firm evaluated USAID's responses to the recommendations. After reviewing that evaluation, we consider recommendations 1 through 7 resolved but open pending completion of planned activities. For recommendations 1 through 7, 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.



Member of the American Institute of Certified Public Accountants

November 8, 2022

Chief Financial Officer and Inspector General
U.S. Agency for International Development
Washington, D.C.

RE: Audit of the U.S. Agency for International Development (USAID) Financial Statements for Fiscal Years 2022 and 2021

This letter transmits the final report on our audit of USAID’s financial statements for fiscal years 2022 and 2021. The Government Management Reform Act of 1994, Public Law 103–356, requires USAID to prepare consolidated financial statements for each fiscal year. Office of Management and Budget (OMB) Circular A–136, *Financial Reporting Requirements*, requires USAID to submit a Performance and Accountability Report or an Agency Financial Report, including audited financial statements to OMB, Congress, and the Government Accountability Office. USAID has prepared an Agency Financial Report with an agency head message, management’s discussion, and analysis, “other information” and a financial section. GKA is responsible for auditing the Agency’s financial statements and preparing the independent auditor’s report, which appears in the financial section.

GKA has issued an unmodified opinion on USAID’s principal financial statements for fiscal years 2022 and 2021.

With respect to internal control, we identified two deficiencies that we consider significant deficiencies. The significant deficiencies pertain to USAID’s processes for (1) calculating and recording accrued expenses and (2) security management.

The results of our tests of compliance disclosed no instances of noncompliance with laws and regulations that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 22-01. We identified no instances of substantial noncompliance with the Federal Financial Management Improvement Act of 1996 (FFMIA), Public Law 104-208.

The report contains seven (7) recommendations in fiscal year 2022 to improve USAID’s internal control.

We appreciate the assistance you and your staff extended to us during the audit.

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Member of the American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Chief Financial Officer and Inspector General
U.S. Agency for International Development
Washington, D.C.

In our audits of the fiscal years 2022 and 2021 financial statements of the U.S. Agency for International Development (USAID), we found:

- USAID's financial statements as of and for the fiscal years ended September 30, 2022, and 2021, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- No material weaknesses, but found two significant deficiencies in internal control over financial reporting for fiscal year 2022 based on the limited procedures we performed; and
- no reportable noncompliance for fiscal year 2022 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI)¹ and other information included with the financial statements; (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, we have audited the accompanying financial statements of USAID which comprise the consolidated balance sheets as of September 30, 2022 and 2021, the related consolidated statements of net cost, consolidated statements of changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the financial statements (hereinafter referred to as the "consolidated financial statements").

In our opinion, USAID's financial statements present fairly, in all material respects, USAID's financial position as of September 30, 2022 and 2021, and its net costs of operations, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

¹ The RSI, is information that a designated accounting standard-setter requires to accompany the basic financial statements, consists of the Management Discussion and Analysis (MD&A).

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and applicable provisions of Office of Management and Budget (OMB) Bulletin No. 22-01, *Audit Requirements for Federal Financial Statements*.

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.

Responsibility of Management for the Financial Statements

USAID management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in USAID's audited financial statements, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of 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 obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to 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 conducted in accordance with generally accepted auditing standards will always detect a material misstatement or 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 material if there is a substantial likelihood that, individually or in the 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.

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, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information 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 financial report. The other information comprises the historical information but does not include the financial statements and our auditor's report thereon. 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 responsibility 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 deficiencies or to express an opinion on the effectiveness of USAID's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, we identified two deficiencies in USAID's 2022 internal control, summarized below and described in Appendix A, that we consider to be significant deficiencies:

- Calculating and recording of accrued expenses; and
- Security management

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. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of USAID's financial statements will not be prevented, or detected and corrected, on a timely basis. 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.

During our 2022 audit, we 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 have communicated these matters to USAID management and, where appropriate, will report on them separately.

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.

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 year ended September 30, 2022 and 2021, 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 (1) 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 (2) 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 consistent with our auditor’s responsibility 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 disclosed no instances of noncompliance for fiscal year 2022 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. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for Tests of Compliance section below.

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

USAID’s management is responsible for complying with laws, regulations, contracts, and grant agreements 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 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 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, 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 is not suitable for any other purpose.

USAID’s Response to Audit Findings and Recommendations

USAID’s response to the findings and recommendations identified in our report is described in Appendix C. USAID’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Status of Prior Year Recommendations

We have reviewed the status of USAID’s corrective actions with respect to the findings and recommendations included in the prior year’s Independent Auditors’ Report, dated November 13, 2021. The status of prior year recommendations is presented in Appendix D.

G/A, P.C.

Washington, DC
November 8, 2022

APPENDIX A. SIGNIFICANT DEFICIENCIES

Significant Deficiency in Internal Control Over Calculating and Recording Accrued Expenses

USAID’s methodology for estimating and recording accrued expenses begins with a system generated estimated accrual amount. The Contracting Officer Representative (COR) reviews this amount, modifies it if necessary, before approving the “modified accrual amount” for posting to the general ledger.

USAID/WASHINGTON

- We selected a judgmental sample of 45 modified accruals as of March 31, 2022, for testing. We noted that for 5 out of the 45 sampled items, COR Quarterly Accrual Worksheet (worksheet) did not match the modified accrual amounts in Phoenix. Based on the differences noted, the Q2 accruals were overstated by the amount of \$771,857.
- During our year end testing, we selected a judgmental sample of 34 modified accruals as of September 30, 2022, for testing. We noted that for four (4) out of 34 samples, the modified accruals in the accrual worksheets were wrongly calculated or did not match the amounts in Phoenix. Based on the differences noted, the Q4 accruals were overstated by \$59 million.

USAID/MISSIONS

Mission A

For our sample of 45 items as of March 31, 2022, we noted that two (2) sampled items understated the accrued amounts in Phoenix by \$911,727. Mission A indicated that the differences arose because the COR based the calculation on an updated obligation amount resulting from incremental funding not captured in Phoenix as at the accrual cut-off date set in Phoenix. The lower obligation amount at the cut-off date was used by Phoenix to calculate and cap the system generated modified accrual amount.

Mission B

For our sample of 45 items as of March 31, 2022, we noted that three (3) sampled items overstated the accrued amounts in Phoenix by \$58,845. Mission B indicated that the differences resulted from input errors.

Mission C

For our sample of 45 items as of June 30, 2022, we noted that one sampled item out of the 45 accruals tested had the modified accrual amounts recorded in Phoenix to be different from the amounts recorded on the accrual worksheet. Mission C indicated that the differences arose because

the COR based the calculation on an updated obligation amount resulting from incremental funding not captured in Phoenix as at the accrual cut-off date set in Phoenix. The lower obligation amount at the cut-off date was used by Phoenix to calculate and cap the system generated modified accrual amount. The difference of \$33,684 was recorded on July 14, 2022.

Mission D

For our sample of 28 items as of June 30, 2022, we noted that one sampled item overstated the accrued amount in Phoenix by \$124,826. The worksheet did not include the April 2022 invoice of \$124,826 in the calculation. Mission D indicated that there was an error in the formula.

Even though the quantitative amount may be considered immaterial, our testing determined that the control issues are pervasive throughout USAID.

ADS 631.3.4, Accrued Expenditures, states that, the obligation manager or COR must (1) review system-generated accrual amounts and/or allocations to determine whether the amount can be validated or needs to be modified, (2) compare the amount developed based on actual conditions and first-hand knowledge of the project or activity with system-generated accrual amounts, and (3) complete the accrual process in accordance with the established time schedule and deadlines.

The COR generates a worksheet detailing the approved modified accrual amount. Someone other than the COR is responsible for posting the amount to the general ledger. However, the controls for checking to ensure that the amount posted to the general ledger is the amount approved by the COR was not consistently implemented. Additionally, there were instances where the worksheet were not adequately reviewed to identify errors in the calculation before they were posted.

Failure to ensure that only the modified accrual amounts approved by the COR are posted to the general ledger could cause the financial statements to be materially misstated due to error - or for other reasons.

To address noted significant deficiencies, we recommend that Office of the Chief Financial Officer:

Recommendation 1:

Update its 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.

Recommendation 2:

Issue a written guidance for AOR/CORs to contact OCFO if they need to post an accrual over and above the amount allowed in the current Phoenix accruals system.

Significant Deficiency in Internal Controls Over Security Management

We noted weaknesses in the Security Management Controls related to the Assessment and Authorization of Phoenix and the monitoring of services provided by external service providers. Specifically, we noted the following:

- The System Security Plan (SSP) for the Phoenix system was not updated to address National Institute of Standards and Technology (NIST) 800-53 Revision 5 controls.
- The SSP was not reviewed and updated during the fiscal year.
- A Security Control Assessment (SCA) was not performed for Phoenix during the fiscal year, and the results were not provided to the Authorizing Official (AO) for review.
- The Memorandum of Understanding (MOU) and Service Level Agreement (SLA) between USAID and the Department of State (DoS) for Phoenix hosting services have not been reviewed and updated since 2013 to determine whether any updates are necessary to address changes that have occurred since the 2013 update. For example, we noted the following key changes that may have to be considered in an update of the SLA.
 - Both the USAID Chief Financial Officer (CFO) and Department of State Comptroller that signed the agreement have changed.
 - The Federal Information Security Modernization Act of 2014 was implemented.
 - Automated Directives System (ADS) 545 was revised in 2017, 2018, 2019, 2020 and 2021. The 2017 update included updates to the Access Controls (AC)-20 Use of External Systems Controls.
 - Support for Windows 2008, which was mentioned in the agreement, ended on January 14, 2020.

ADS Chapter 545.3.13.2, System Security Plan (PL-2), states that, System Owners (SOs) must:

- b. Review the security plan at least annually.
- c. Update the plan to address changes to the information system or environment of operation and when problems with the IS are identified.
- d. Distribute copies of the security plan and communicate subsequent changes to the plan at a minimum to the AO, Designated Authorizing Official Representative (DAOR), Chief Information Security Officer (CISO) and Information System Security Officer (ISSO).

ADS Chapter 545.3.5.2, Security Assessments (CA-2), states that, SOs must assess the security controls in their information systems and their environment of operation at least annually to determine the extent to which the controls are:

- a. Implemented correctly,
- b. Operating as intended, and
- c. Producing the desired outcome with respect to meeting established security requirements.

The assessment must produce a Security Assessment Report that documents the results of the assessment and must provide the results of the security control assessment to Bureau for Management, Office of the Chief Information Officer, Information Assurance Division (M/CIO/IA) and the AO.

ADS Chapter 545.3.2.14, Use of External Information Systems, states that:

- AOs must only authorize the use of external information systems to process, store, or transmit USAID-controlled information when USAID verifies the implementation of required security controls on the external system. For more information, see USAID Security Assessment and Authorization (SA&A) Process. This must be specified in the system security plan and in an approved information system connection agreement or similar agreements with the organizational entity hosting the external information system.

The Information Technology (IT) Systems Accreditation Risk Management Framework (RMF) Handbook, states that:

- 3.7.3 SO Responsibilities for Third-Party Systems
Verify that contracts and other applicable agreements (to include service level agreements [SLAs], Memorandum of Agreement [MOAs], inter-agency agreements [IAAs], and Interconnection Security Agreements [ISA]) contain language required by Federal Information Security Modernization Act (FISMA) mandates. Verify contracts and agreements are signed by the relevant authorities for agencies or organizations. Ensure agreements and contracts are updated periodically or as required in accordance with Agency policy.

The Joint Financial Management System (JFMS) Service Level Agreement (SLA) Revision 1 states that:

- This SLA will be reviewed annually and modified as required to incorporate amendments that are necessary to support USAID and DoS requirements and to accurately reflect any changes. Any changes require the approval and signature of both USAID and DoS;

NIST Special Publication 800-47 Revision 1, Managing the Security of Information Exchanges, states that:

- 3.3.9 Review and Maintain System Security Plans and Applicable Agreements
System security plans, applicable agreements (e.g., ISA, MOU/MOA, Information Exchange Agreement (IEA), and access agreements), and other relevant documentation pertaining to the information exchange are reviewed and updated with a frequency agreed upon by the participating organizations or whenever there is a significant change to systems associated with the information exchange. Refer to [SP 800-18] for information on updating system security plans.

- Depending on the type of information exchange and the impact level of the information being exchanged, it may also be critical that the organizations establish and formally document one or more agreements regarding the management and use of the exchanged information and the operation of any interconnection used to exchange the information. Senior managers from each organization are responsible for reviewing, approving, and signing the agreement (e.g., Risk Executive (function) [RE(f)], Chief Information Officer [CIO], Chief Information Security Officer [CISO], Authorizing Official [AO]).

The AC-20, USE OF EXTERNAL SYSTEMS, control of NIST Special Publication 800-53 Revision 5, Security and Privacy Controls for Information Systems and Organizations, states:

- Control Enhancements:
 - (1) USE OF EXTERNAL SYSTEMS | LIMITS ON AUTHORIZED USE
 - Permit authorized individuals to use an external system to access the system or to process, store, or transmit organization-controlled information only after:
 - (b) Retention of approved system connection or processing agreements with the organizational entity hosting the external system.

USAID was in the process of updating the SSP for the system to include NIST 800-53 Revision 5 controls. Per USAID management, the updated controls were documented; however, a decision was made to wait for the Cyber Security Assessment and Management (CSAM) System, used to document the SSP, to be updated to include the NIST revision 5 controls before finalizing and approving the SSP updates. As a result, the SSP was not officially updated.

We were also informed that a SCA was initiated in May or June of this year; however due to competing priorities, the assessment team was unable to complete the assessment by the end of the Fiscal Year. Both Agency Policy, NIST Guidance and the JFMS SLA require USAID to perform an annual SCA

Additionally, we were informed that due to competing priorities, the MOU and SLA between USAID and DoS had not been reviewed and updated. USAID has steered more resources towards the recompetes of the financial management system support contract and continuous monitoring of services provided by DoS versus completing the review and update of the agreements.

Utilizing external services to host applications exposes the participating organizations to risk if the security of the system is not properly managed. If one system is compromised, the interconnection could be used as a conduit to compromise other system and data. Agreements are key to the management of security for both the primary organization and third-party service providers because each organization has little to no control over the operations and management of the other and the agreements assist in establishing the responsibilities and duties of both parties in addition to the monitoring requirements and performance measures necessary for both parties to manage the interconnection securely and monitor risk.

Weaknesses in processes to periodically review and update these agreements increase the risk that parties may not be aware of their security responsibilities with respects to securing systems and data or the requirements for monitoring and meeting required service levels. This has the potential to lead to compromise the security of the system, or inadequate monitoring of key service levels and controls

Weaknesses in process for updating security plans and assessing security controls increase the risk that the AO will not be aware of the status of control implementation or changes to the security posture of the system and control weaknesses may go unidentified, and USAID will not have management oversight via the Plan of Actions and Milestone (POA&M) process to track and remediate control deficiencies.

Additionally, the Phoenix system is hosted by the DoS and the SLA between the entities requires the performance of an annual SCA and the sharing of the results to allow both parties to manage organizational risk associated with the systems. Failure to perform an SCA also increases the risk that changes in security controls, control weaknesses and vulnerabilities may not be timely communicated to DoS so they can assess manage and monitor any risks arising from USAID control weaknesses.

To address noted significant deficiencies, we recommend that the Office of the Chief Financial Officer in coordination with the Office of the Chief Information Officer:

Recommendation 3:

Update the Phoenix system security plan (SSP) to include National Institute of Standards and Technology 800-53 Revision 5 controls.

Recommendation 4:

Perform a Security Control Assessment (SCA) and use the results to update the Phoenix SSP and create plans of action and milestones for any planned controls.

Recommendation 5:

Provide the results of the Phoenix SCA and the updated SSP to the Authorizing Official for review and approval.

Recommendation 6:

Review and, if needed, update the Memorandum of Understanding with DoS to include changes and obtain approval of the Agency officials.

Recommendation 7:

Review and update the SLA with DoS. Additionally, USAID should implement a process to ensure that the SLA is reviewed annually.

APPENDIX B. SCOPE AND METHODOLOGY

USAID's management is responsible for (1) preparing the financial statements in accordance with U.S. generally accepted accounting principles; (2) establishing, maintaining, and assessing internal control to provide reasonable assurance that the broad control objectives of the Federal Managers' Financial Integrity Act (FMFIA) are met; (3) ensuring that USAID's financial management systems substantially comply with the requirements of the Federal Financial Management Improvement Act (FFMIA) section 803(a); and (4) complying with other applicable laws and regulations.

GKA, P.C. (GKA) is responsible for obtaining reasonable assurance about whether the financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. GKA is also responsible for (1) obtaining a sufficient understanding of internal control over financial reporting and compliance to plan the audit; (2) testing and reporting whether USAID's financial management systems substantially comply with FFMIA section 803(a) requirements; (3) testing compliance with selected provisions of laws and regulations that have a direct and material effect on the financial statements, and laws for which OMB audit guidance requires testing; and (4) performing limited procedures with respect to certain other information appearing in the Agency Financial Report.

To fulfill these responsibilities, GKA:

- Obtained an understanding of USAID's design of internal control components related to financial reporting and compliance with laws and regulations (including execution of transactions in accordance with budget authority);
- Tested relevant internal controls over financial reporting and compliance, and evaluated the design and operating effectiveness of these internal controls;
- Judgmentally selected transactions, including, advances, accrued expenditures, disbursements, payroll, accounts receivable, direct loans and loan guarantees, and obligations;
- Examined, on a test basis, evidence supporting the amounts and disclosures in the financial statements;
- Assessed the accounting principles used and significant estimates made by management;
- Evaluated the overall presentation of the financial statements;
- Considered the process for evaluating and reporting on internal control and financial management systems under FMFIA; and
- Tested USAID's compliance with FFMIA section 803(a) requirements.

We also tested USAID's compliance with selected provisions of the following:

- Anti-Deficiency Act, July 12, 1870 (codified at 31 U.S.C. 1341(a)(1)(A), (B) and (C) and 1517(a)
- Improper Payments Elimination and Recovery Act, Public Law 112-248, sections 5 (a)(1)

- and (b)(4);
- Payment Integrity Information Act of 2019, Public Law 116-117;
- Prompt Payment Act, Public Law 97-177) (codified at 31 U.S.C. 3901(a)(4)(A) 3903(a)(1)(A) and (B), 3902 (a), (b), and (f); and 3904
- Debt Collection Improvement Act of 1996, Public Law 104-134
- Federal Credit Reform Act of 1990, Public Law 93-344
- OMB Circular A-136
- OMB Circular A-123
- Federal Financial Management Improvement Act of 1996, Public Law 104-208
- Pay and Allowance System for Civilian Employees

We did not evaluate all internal controls relevant to operating objectives as broadly defined by FMFIA, such as those controls relevant to preparing statistical reports and ensuring efficient operations. We limited our internal control testing to controls over financial reporting and compliance. Because of inherent limitations in internal control, misstatements due to error, fraud, losses, or noncompliance may occur and may not be detected. We also caution that projecting our evaluation to future periods is subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with controls may deteriorate. In addition, we caution that our internal control testing may not be sufficient for other purposes.

We did not test compliance with all laws and regulations applicable to USAID. We limited our tests of compliance to those laws and regulations required by OMB audit guidance that we deemed applicable to the financial statements for the fiscal year ended September 30, 2022 and 2021. We caution that noncompliance may occur and may not be detected by these tests, and that such testing may not be sufficient for other purposes.

We conducted our audit from March 2022 through November 2022 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We assessed whether USAID was substantially compliant with section 803(a) of the FFMIA, which requires agencies to implement and maintain financial management systems that substantially comply with (1) Federal financial management system requirements; (2) applicable Federal accounting standards; and (3) USSGL at the transaction level. We evaluated USAID's financial transactions recorded in USAID's financial management system to determine whether they were compatible with Federal accounting standards and USSGL at the transaction level.

APPENDIX C. AGENCY’S RESPONSE TO AUDIT



Chief Financial Officer

MEMORANDUM

TO: Deputy Assistant Inspector General for Audit, Alvin A. Brown

FROM: Reginald W. Mitchell /s/

DATE: November 4, 2022

SUBJECT: Management Comment(s) 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 2022 and 2021 (0-000-23- 001-C) (Task No. 00150722)

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 seven recommendations and herein provides significant progress to date and plans for implementing the audit recommendations. Based on the current status of actions taken to improve the accruals process, and to manage the security of the Agency’s financial system, USAID management has demonstrated its commitment to effective financial management and is confident in the integrity of its financial statements.

**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 2022 and 2021
(0-000-23-001-C) (Task No. 00150722)**

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 seven recommendations for USAID:

Recommendation 1: Update its methodology for reporting and posting quarterly accruals to eliminate the human factor while increasing automation by developing a system generated accrual estimation amount for financial reporting purpose.

- **Management Comments:** USAID agrees with the recommendation. USAID is currently analyzing the existing accruals process and exploring opportunities to develop automated, system generated accruals to minimize human error. The Office of the Chief Financial Officer will implement an automated accruals methodology and update the accruals process to incorporate the necessary changes.
- **Target Completion Date:** September 15, 2023

Recommendation 2: Issue written guidance for Agreement Officer Representatives/Contracting Officer Representatives to contact Office of the Chief Financial Officer if they need to post an accrual over and above the amount allowed in the current Phoenix accruals system.

- **Management Comments:** USAID agrees with the recommendation. USAID will reissue written guidance to Agreement Officer Representatives/Contracting Officer Representatives (AOR/COR) to highlight that obligation amendments and/or disbursements made after the accruals open date are not reflected in the Phoenix Accruals Query during the time that the accruals period is open, but are factored into the accruals closing process. Additionally, USAID will reiterate to the AORs/CORs to contact the Office of the Chief Financial Officer if they need to post an accrual over and above the amount allowed each quarter in the accruals system.
- **Target Completion Date:** January 13, 2023

Recommendation 3: Update the Phoenix system security plan to include National Institute of Standards and Technology 800-53 Revision 5 controls.

- **Management Comments:** USAID agrees with the recommendation. USAID completed updates to the Phoenix system security plan to include National Institute of Standards and Technology (NIST) 800-53 Revision 5 controls on June 1, 2022. However, the final elements were not completed during the audit cycle. Management will complete the process to sign the plan that incorporates the NIST 800-53 Revision 5 controls.
- **Target Completion Date:** January 13, 2023

Recommendation 4: Perform a Security Control Assessment and use the results to update the Phoenix system security plan and create plans of action and milestones for any planned controls.

- **Management Comments:** USAID agrees with the recommendation. The Phoenix Security Controls Assessment was scheduled to be completed in August 2022, but will not be completed until the results are provided to the System Owner on November 7, 2022. Any necessary plans of actions and milestones, including updates to the system security plan, will be identified during those meetings and implemented accordingly.
- **Target Completion Date:** January 13, 2023

Recommendation 5: Provide the results of the Phoenix Security Control Assessment and the updated system security plan to the Authorizing Official for review and approval.

- **Management Comments:** USAID agrees with the recommendation. USAID's Office of the Chief Information Officer staff scheduled the Phoenix Security Controls Outbrief to the Authorizing Official for November 8, 2022. The updated System Security Plan will be signed by the appropriate Agency officials after the meeting.
- **Target Completion Date:** January 13, 2023

Recommendation 6: Review and, if needed, update the Memorandum of Understanding with the Department of State to include changes and obtain approval of the Agency officials.

- **Management Comments:** USAID agrees with the recommendation. USAID's Office of the Chief Financial Officer will use the current security artifact templates made available to System Owners and Information System Security Officers by the Office of the Chief Information Officer and update the Memorandum of Understanding (MOU) between the Department of State and USAID.
- **Target Completion Date:** September 15, 2023

Recommendation 7: Review and update the Service Level Agreement with the Department of State. Additionally, USAID should implement a process to ensure that the Service Level Agreement is reviewed annually.

- **Management Comments:** USAID agrees with the recommendation. USAID has an

existing Interagency Agreement and service contracts in place addressing the security control responsibilities between the Department of State and USAID. However, USAID's Office of the Chief Financial Officer will use the current security artifact templates made available to System Owners and Information System Security Officers by the Office of the Chief Information Officer to replace the existing SLA with an updated Memorandum of Understanding (MOU) between the Department of State and USAID and will implement a process to review it as prescribed in the ADS 545.

- **Target Completion Date:** September 15, 2023

APPENDIX D. STATUS OF PRIOR-YEARS FINDINGS AND RECOMMENDATIONS

OMB Circular A-50, "Audit Follow-up," states that a management decision on audit recommendations shall be made within 6 months after a final report is issued. Corrective action should proceed as rapidly as possible.

Status of 2019 Findings and Recommendations

Condition:

Significant Deficiency: Password controls should be strengthened.

Recommendation 9:

- Update password settings for the databases supporting the System to ensure that they comply with the Agency's requirements.

Status: Closed as of September 30, 2022

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FINANCIAL SECTION
**FINANCIAL STATEMENTS
AND NOTES**





(Preceding page) In Ecuador, Cisne is a community leader advocating for anti-corruption rules and youth empowerment. As an indigenous woman from the Saraguro community, she also wants to preserve her community's traditions and culture. USAID helped establish dozens of youth organizations in Loja to work with youth like Cisne who are giving back to their communities. PHOTO: GABRIEL VANERIO FOR USAID

(Above) In Ecuador, USAID has helped establish dozens of youth organizations in Loja that encourage young people to give back to their communities. PHOTO: GABRIEL VANERIO FOR USAID

INTRODUCTION TO PRINCIPAL FINANCIAL STATEMENTS

The U.S. Agency for International Development (USAID) has prepared the **Principal Financial Statements** for FY 2022 to report the financial position and results of its operations, from the books and records of the Agency, in accordance with formats prescribed by the Office of Management and Budget (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 U.S. Department of the Treasury (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 2021. USAID's Principal Financial Statements, footnotes, and other information for FY 2022 and FY 2021 consist of the following:

The **Consolidated Balance Sheet** presents 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 Statement 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 16, *Schedule of Costs by Standardized Program Structure and Definition (SPSD)*.

The **Consolidated Statement 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 that ended September 30, 2022, and 2021. Two sections, namely "Unexpended Appropriations" and "Cumulative Results of Operations," display the components separately.

The **Combined Statement 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, 2022 and 2021. 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 2021.

HISTORY OF USAID'S FINANCIAL STATEMENTS

In accordance with the Government Management Reform Act (GMRA) of 1994, USAID has prepared consolidated financial statements at the end of every fiscal year since FY 1996. The Office of Inspector General (OIG) is required to audit these statements, related internal controls, and the Agency's compliance with applicable laws and regulations. From FY 1996 through FY 2000, the OIG was unable to express an opinion on USAID's financial statements, because the Agency's financial-management systems could not produce complete, reliable, timely, and consistent financial information.

In FY 2001, the OIG expressed qualified opinions on three of the then five Principal Financial Statements of the Agency, while continuing to issue a disclaimer of opinion on the remaining two statements. In FY 2002, the OIG expressed unqualified opinions on four of the then five Principal Financial Statements and a qualified opinion on the fifth. This marked the first time since the enactment of the GMRA that USAID received an opinion on all of its Principal Financial Statements. The Agency continued to receive unqualified opinions on its Principal Financial Statements until FY 2012, when an accounting error resulted in the first qualified opinion in nine years. USAID successfully executed corrective measures thereafter and regained an unmodified audit opinion on both the FY 2013 and FY 2012

Principal Financial Statements. The OIG did not express an opinion on the FY 2014 Principal Financial Statements, but rendered an unmodified opinion on the comparative FY 2015 and FY 2014 (Restated) Principal Financial Statements.

USAID is proud the Agency received an unmodified opinion on its FY 2021, FY 2020, FY 2019, FY 2018, FY 2017, and FY 2016 Principal Financial Statements. The OIG rendered an unmodified opinion on the FY 2022 Principal Financial Statements. Administrator Samantha Power and the Agency remain committed to employing the systems, resources, and strategies necessary for the production of timely and accurate financial reports.

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

As of September 30, 2022 and 2021

(In Thousands)

	2022	2021
ASSETS:		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	\$ 44,827,671	\$ 43,534,920
Accounts Receivable, Net (Note 3)	24,900	24,249
Advances and Prepayments (Note 4)	150,742	130,486
Total Intragovernmental	45,003,313	43,689,655
Other than Intragovernmental:		
Cash and Other Monetary Assets (Note 5)	\$261,179	288,936
Accounts Receivable, Net (Note 3)	78,601	84,149
Inventory and Related Property, Net (Note 7)	15,177	17,920
General Property, Plant and Equipment, Net (Note 8)	59,437	64,073
Advances and Prepayments (Note 4)	493,265	399,176
Total Other than Intragovernmental	907,659	854,254
Total Assets	\$ 45,910,972	\$ 44,543,909
LIABILITIES:		
Intragovernmental:		
Downward Reestimate Payable to the Treasury (Note 6)	\$ 634,755	\$ 852,076
Accounts Payable	65,216	134,879
Advances from Others and Deferred Revenue (Note 12)	1,088,674	1,165,779
Other Liabilities (Note 12)	18,089	17,062
Total Intragovernmental	1,806,734	2,169,796
Other than Intragovernmental:		
Accounts Payable	3,116,569	2,591,650
Loan Guarantee Liabilities (Note 6)	956,759	1,522,937
Federal Employee and Veteran's Benefits (Note 13)	32,666	33,360
Advances from Others and Deferred Revenue (Note 12)	18,508	17,017
Other Liabilities (Note 12)	493,802	570,768
Total Other than Intragovernmental	4,618,304	4,735,732
Total Liabilities	6,425,038	6,905,528
Commitments and Contingencies (Note 14)		
NET POSITION:		
Unexpended Appropriations	37,844,754	35,385,955
Cumulative Results of Operations	1,641,180	2,252,426
Total Net Position	39,485,934	37,638,381
Total Liabilities and Net Position	\$ 45,910,972	\$ 44,543,909

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF NET COST

For the Years Ended September 30, 2022 and 2021

(In Thousands)

Category	2022	2021
DR—Democracy, Human Rights and Governance		
Gross Costs	\$ 1,490,560	\$ 1,461,143
Less: Earned Revenue	(13,751)	(7,523)
Net Program Costs	1,476,809	1,453,620
EG—Economic Growth		
Gross Costs	10,954,729	2,592,664
Less: Earned Revenue	(111,619)	(125,344)
Net Program Costs	10,843,110	2,467,320
ES—Education and Social Services		
Gross Costs	1,125,723	1,136,991
Less: Earned Revenue	(9,945)	(5,072)
Net Program Costs	1,115,778	1,131,919
HA—Humanitarian Assistance		
Gross Costs	6,640,039	6,174,106
Less: Earned Revenue	(2,525)	(15,036)
Net Program Costs	6,637,514	6,159,070
HL—Health		
Gross Costs	8,453,362	3,664,816
Less: Earned Revenue	(911,332)	(685,873)
Net Program Costs	7,542,030	2,978,943
PO—Program Development and Oversight		
Gross Costs	1,147,055	1,074,567
Less: Earned Revenue	(7,824)	(5,813)
Net Program Costs	1,139,231	1,068,754
PS—Peace and Security		
Gross Costs	600,226	693,765
Less: Earned Revenue	(5,845)	(3,493)
Net Program Costs	594,381	690,272
Net Cost of Operations (Note 16)	\$ 29,348,853	\$ 15,949,898

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For the Years Ended September 30, 2022 and 2021

(In Thousands)

	2022	2021
Unexpended Appropriations:		
Beginning Balance	\$ 35,385,955	\$ 29,283,335
Appropriations Received	32,857,101	23,084,239
Appropriations Transferred-in/out	(223,357)	(23,190)
Other Adjustments	(299,397)	(116,175)
Appropriations Used	(29,875,548)	(16,842,254)
Change in Unexpended Appropriations	2,458,799	6,102,620
Total Unexpended Appropriations Ending Balance	37,844,754	35,385,955
Cumulative Results of Operations:		
Beginning Balance	\$ 2,252,426	\$ 101,133
Appropriations Used	29,875,548	16,842,254
Nonexchange Revenue	–	(3)
Donations and Forfeitures of Cash and Cash Equivalents	34,318	2,041,005
Transfers-in/out Without Reimbursement	1,910	–
Donations and Forfeitures of Property	13,749	19,566
Imputed Financing	63,703	50,445
Other	(1,251,621)	(852,076)
Net Cost of Operations (Note 16)	(29,348,853)	(15,949,898)
Net Change in Cumulative Results of Operations	(611,246)	2,151,293
Cumulative Results of Operations Ending Balance	1,641,180	2,252,426
Net Position	\$ 39,485,934	\$ 37,638,381

The accompanying notes are an integral part of these statements.

COMBINED STATEMENT OF BUDGETARY RESOURCES

For the Years Ended September 30, 2022 and 2021

(In Thousands)

	2022		2021	
	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)	\$ 14,393,937	\$ 2,375,013	\$ 9,788,448	\$ 3,167,694
Appropriations (Discretionary and Mandatory)	32,041,395	–	25,061,676	–
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	1,320,561	68,577	2,589,599	106,806
Total Budgetary Resources	\$ 47,755,893	\$ 2,443,590	\$ 37,439,723	\$ 3,274,500
Status of Budgetary Resources:				
New Obligations and Upward Adjustments (Total) (Note 17)	\$ 32,822,235	\$ 852,076	\$ 23,662,589	\$ 899,487
Unobligated Balance, End of Year:				
Apportioned, Unexpired Accounts (Note 2)	13,663,591	–	12,857,891	–
Unapportioned, Unexpired Accounts (Note 2)	1,028,599	1,591,514	718,093	2,375,013
Unexpired Unobligated Balance, End of Year	14,692,190	1,591,514	13,575,984	2,375,013
Expired Unobligated Balance, End of Year	241,468	–	201,150	–
Total Unobligated Balance, End of Year	14,933,658	1,591,514	13,777,134	2,375,013
Total Budgetary Resources	\$ 47,755,893	\$ 2,443,590	\$ 37,439,723	\$ 3,274,500
Outlays, Net and Disbursements, Net:				
Outlays, Net (Total) (Discretionary and Mandatory)	\$ 29,707,086		\$ 15,899,180	
Distributed Offsetting Receipts (-)	(899,105)		(2,968,500)	
Agency Outlays, Net (Discretionary and Mandatory)	\$ 28,807,981		\$ 12,930,680	
Disbursement, Net (Total) (Mandatory)		\$ 783,499		\$ 792,681

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 the Office of Management and Budget (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.

B. REPORTING ENTITY

USAID is a component of the U.S. government. For this reason, some of the assets and liabilities reported 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; Civilian Stabilization Initiative; Economic Support Fund; 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. All the program funds are listed on page 158.

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.

The funds appropriated in prior years under "Assistance for the Independent States of the Former Soviet Union" and "Assistance for Eastern Europe" shall be available under this heading Assistance for Europe, Eurasia, and Central Asia.

Civilian Stabilization Initiative

These funds provide support for the necessary expenses needed to establish, support, maintain, mobilize, and deploy a civilian response corps in coordination with USAID. This fund is also used for related reconstruction and stabilization assistance to prevent or respond to conflict or civil strife in foreign countries or regions, or to enable transition from such unstable conditions.

Economic Support Fund

The Economic Support Fund (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. In FY 2014, this program was expanded to include Jordan and renamed the Middle East Northern Africa Loan Guarantee Program. In January 2017, pursuant to the Further Continuing and Security Assistance Appropriations Act, 2017 (P.L. 114-254), a new guarantee agreement with Iraq, was added to the MENA portfolio. These assistance programs aim to support the Sovereign governments in their respective economic transition and reform initiatives. Under this program, the U.S government guaranteed the total repayment of \$6.24 billion notes issued to date.

● **Ukraine Loan Guarantee Program**

The Loan Guarantee Program for Ukraine was established in accordance with Title III of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2014 (division K of P.L. 113-76). The Ukraine

Loan Program is intended to help Ukraine meet its near-term social spending needs and insulate vulnerable Ukrainians from the impact of necessary economic adjustments. To date a total of \$3 billion in notes have been issued.

FUND TYPES

For each of the 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 fund 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.

C. BASIS OF ACCOUNTING

Transactions are recorded on both an accrual and budgetary basis. Under the accrual basis, 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 Sheet, Statement of Net Cost, and Statement of Changes in Net Position have been prepared on an accrual basis. The Statement of Budgetary Resources has 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, multi-year, 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 Statement 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 the U.S. Department of Agriculture (USDA) Commodity Credit Corporation, the Executive Office of the President, the Department of State, and Millennium Challenge Corporation (MCC).

Additional financing sources for USAID’s various credit programs and trust funds include amounts obtained through collection of guaranty 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

Cash receipts and disbursements are processed by the U.S. Treasury. The fund balances with Treasury are primarily appropriated funds that are available to pay current liabilities and finance authorized purchase commitments, but they also include revolving, deposit, and trust funds.

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 Balance Sheet and Statement of Net Costs.

H. ACCOUNTS RECEIVABLE

Accounts receivable consist of amounts due mainly from foreign governments but also 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 re-estimated when necessary and changes reflected in the Statement 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 are comprised 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 based on approximate 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 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 the General Services Administration. 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. 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.

N. 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 Sheet. Budget authority is also requested from OMB for the upward reestimates.

O. 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.

P. 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. The Office of Personnel Management (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.

Q. 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.

R. 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.

S. 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.

T. AGENCY COSTS

USAID costs of operations are comprised of 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.

U. 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:

- Department of Agriculture, Forest Service
- Department of State
- Department of Health and Human Services

USAID receives allocation transfers as the child from:

- Department of State
- Executive Office of the President
- Millennium Challenge Corporation
- Department of Agriculture, Commodity Credit Corporation

NOTE 2. FUND BALANCE WITH TREASURY

Fund Balance with Treasury as of September 30, 2022 and 2021 consisted of the following (*in thousands*):

Status of Fund Balance with Treasury	2022	2021
Unobligated Balance		
Available	\$ 13,663,591	\$ 12,857,891
Unavailable	2,861,581	3,294,256
Obligated and Other Balances Not Yet Disbursed (Net)	28,302,499	27,382,773
Total	\$ 44,827,671	\$ 43,534,920

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 Statement 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 Statement 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, 2022 and 2021 are as follows (*in thousands*):

	Receivable Gross	Allowance Accounts	Receivable Net 2022	Receivable Net 2021
Intragovernmental				
Accounts Receivable from Federal Agencies	\$ 659,655	N/A	\$ 659,655	\$ 876,325
Less: Intra-Agency Receivables	(634,755)	N/A	(634,755)	(852,076)
Total Intragovernmental Accounts Receivable	24,900	N/A	24,900	24,249
Accounts Receivable from the Public	102,571	(23,970)	78,601	84,149
Total Receivables	\$ 127,471	\$ (23,970)	\$ 103,501	\$ 108,398

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.

All other entity accounts receivable consist of amounts managed by Missions or USAID/Washington. These receivables consist of overdue advances, unrecovered advances, and audit findings. The allowance for uncollectable accounts related to these receivables is calculated based on a historical analysis of collectability. Accounts receivable from Missions are collected and recorded to the respective appropriation.

NOTE 4. ADVANCES AND PREPAYMENTS

Advances and Prepayments as of September 30, 2022 and 2021 consisted of the following (*in thousands*):

	2022	2021
Intragovernmental		
Advances to Federal Agencies	\$ 150,742	\$ 130,486
Total Intragovernmental	150,742	130,486
Other than Intragovernmental		
Advances to Contractors/Grantees	292,300	156,564
Advances to Host Country Governments and Institutions	1,446,817	1,217,693
Advances, Other	(1,245,852)	(975,081)
Total Other than Intragovernmental	493,265	399,176
Total Advances and Prepayments	\$ 644,007	\$ 529,662

Intragovernmental Other Assets are comprised 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. Advances, Other consist primarily of amounts advanced for living quarters, travel, and home service. Advances, Other is negative due to the liquidating of advances at the Missions.

NOTE 5. CASH AND OTHER MONETARY ASSETS

Cash and Other Monetary Assets as of September 30, 2022 and 2021 are as follows (*in thousands*):

	2022	2021
Cash and Other Monetary Assets		
Other Cash	\$ (386)	\$ (398)
Foreign Currencies	261,565	289,334
Total Cash and Other Monetary Assets	\$ 261,179	\$ 288,936

Foreign Currencies is the value of the Foreign Currency Trust Funds which totaled \$262 million in FY 2022 and \$289 million in FY 2021, as disclosed in Note 12. USAID does not have any non-entity cash or other monetary assets.

The negative amounts occurred in Other Cash due to the posting model used by the Missions for recording transfers to the local banks. The posting model has been revised and the Missions have been advised to reconcile with their local national banks.

NOTE 6. LOAN GUARANTEE LIABILITIES

USAID operates the following loan guarantee programs:

- Israel Loan Guarantee Program
- Middle East Northern Africa (MENA) Loan Guarantee Program (comprised of Tunisia, Jordan, and Iraq Loan Guarantees)
- Ukraine 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, 2022 and 2021 are as follows (*in thousands*):

Loan Guarantee Programs	Outstanding Principal of Guaranteed Loans, Face Value	Amount of Outstanding Principal Guaranteed
Guaranteed Loans Outstanding (2022):		
Israel	\$ 6,175,627	\$ 6,175,627
Ukraine	–	–
MENA	500,000	500,000
Total	\$ 6,675,627	\$ 6,675,627
Guaranteed Loans Outstanding (2021):		
Israel	\$ 6,841,786	\$ 6,841,786
Ukraine	–	–
MENA	2,500,000	2,500,000
Total	\$ 9,341,786	\$ 9,341,786

Liability for Loan Guarantees as of September 30, 2022 and 2021 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, 2022:		
Israel	\$ 815,544	\$ 815,544
Ukraine	–	–
MENA	141,215	141,215
Total	\$ 956,759	\$ 956,759
Liability for Loan Guarantees as of September 30, 2021:		
Israel	\$ 912,239	\$ 912,239
Ukraine	–	–
MENA	610,698	610,698
Total	\$ 1,522,937	\$ 1,522,937

SUBSIDY EXPENSE FOR LOAN GUARANTEES BY PROGRAM AND COMPONENT

Subsidy Expense for Loan Guarantees by Program and Component as of September 30, 2022 and 2021 are as follows (*in thousands*):

Loan Guarantee Programs	Total Modifications	Interest Rate Reestimates	Technical Reestimates	Total Reestimates
Modifications and Reestimates (2022):				
Israel	\$ -	\$ -	\$ (150,502)	\$ (150,502)
Ukraine	-	-	-	-
MENA	-	-	(484,253)	(484,253)
Total	\$ -	\$ -	\$ (634,755)	\$ (634,755)
Modifications and Reestimates (2021):				
Israel	\$ -	\$ -	\$ (121,786)	\$ (121,786)
Ukraine	-	-	(266,574)	(266,574)
MENA	-	-	(463,716)	(463,716)
Total	\$ -	\$ -	\$ (852,076)	\$ (852,076)

Total Loan Guarantee Subsidy Expense as of September 30, 2022 and 2021 are as follows (*in thousands*):

Loan Guarantee Programs	2022	2021
Israel	\$ (150,502)	\$ (121,786)
Ukraine	-	(266,574)
MENA	(484,253)	(463,716)
Total	\$ (634,755)	\$ (852,076)

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	-	-	-	-	-
Ukraine	-	-	-	-	-
MENA	-	-	-	-	-

Schedule for Reconciling Loan Guarantee Liability Balances (Post-1991 Loan Guarantees) as of September 30, 2022 and 2021 are as follows (*in thousands*):

2022: Post-1991 Loan Guarantees				
	Israel	Ukraine	MENA	Total
Beginning Balance of the Loan Guarantee Liabilities	\$ 912,239	\$ –	\$ 610,698	\$ 1,522,937
Add:				
Fees received	–	–	–	–
Interest expense on entity borrowings	–	–	–	–
Subsidy expense reestimates	–	–	–	–
Upward reestimate	–	–	–	–
Less:				
Claim payments to lenders	–	–	–	–
Interest supplements paid	–	–	–	–
Interest revenue on uninvested funds	53,807	–	14,770	68,577
Negative subsidy payments	–	–	–	–
Downward reestimates	(150,502)	–	(484,253)	(634,755)
Loan guarantee modifications	–	–	–	–
Other	–	–	–	–
Ending Balance of the Loan Guarantee Liabilities	\$ 815,544	\$ –	\$ 141,215	\$ 956,759

2021: Post-1991 Loan Guarantees				
	Israel	Ukraine	MENA	Total
Beginning Balance of the Loan Guarantee Liabilities	\$ 975,885	\$ 259,605	\$ 1,049,807	\$ 2,285,297
Add:				
Fees received	–	–	–	–
Interest expense on entity borrowings	–	–	–	–
Subsidy expense reestimates	–	–	–	–
Upward reestimate	–	–	–	–
Less:				
Claim payments to lenders	–	–	–	–
Interest supplements paid	–	–	–	–
Interest revenue on uninvested funds	58,140	6,969	24,607	89,716
Negative subsidy payments	–	–	–	–
Downward reestimates	(121,786)	(266,574)	(463,716)	(852,076)
Loan guarantee modifications	–	–	–	–
Other	–	–	–	–
Ending Balance of the Loan Guarantee Liabilities	\$ 912,239	\$ –	\$ 610,698	\$ 1,522,937

Administrative Expense as of September 30, 2022 and 2021 are as follows (*in thousands*):

	2022	2021
Loan Guarantee Program*	\$ 66	\$ 70
Total	\$ 66	\$ 70

* 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.

OTHER INFORMATION

Reestimate amounts calculated during the year are subject to approval by OMB, and any adjustments, if necessary, will be made in FY 2023. 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 \$3.1 billion (this is further detailed under the Sovereign Bond Guarantees (SBG) section of this report). As a result, downward reestimates calculated in the current fiscal year was approximately \$635 million.

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, 2022 and 2021 are as follows (*in thousands*):

	2022	2021
Items Held for Use		
Office Supplies	\$ 3,290	\$ 1,764
Items Held in Reserve for Future Use		
Disaster Assistance Materials and Supplies	4,671	6,482
Birth Control Supplies	7,216	9,674
Total Inventory and Related Property (Net)	\$ 15,177	\$ 17,920

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 based on historical acquisition

costs. There are no obsolete or unserviceable items, and no restrictions on their use. Items costing less than \$25,000 are expensed as incurred.

NOTE 8. GENERAL PROPERTY, PLANT AND EQUIPMENT, NET

The components of Property, Plant and Equipment (PP&E), Net as of September 30, 2022 and 2021 are as follows (*in thousands*):

2022	Useful Life	Cost	Accumulated Depreciation/Amortization	Net Book Value
Classes of Fixed Assets:				
Equipment	3 to 5 years	\$ 57,799	\$ (47,450)	\$ 10,349
Buildings, Improvements, and Renovations	5 to 20 years	84,935	(48,771)	36,164
Land and Land Rights	N/A	7,203	N/A	7,203
Internal Use Software	3 to 5 years	144,322	(138,601)	5,721
Total PP&E		\$ 294,259	\$(234,822)	\$ 59,437

2021	Useful Life	Cost	Accumulated Depreciation/Amortization	Net Book Value
Classes of Fixed Assets:				
Equipment	3 to 5 years	\$ 57,470	\$ (49,294)	\$ 8,176
Buildings, Improvements, and Renovations	5 to 20 years	84,104	(45,058)	39,046
Land and Land Rights	N/A	7,203	N/A	7,203
Internal Use Software	3 to 5 years	144,270	(134,622)	9,648
Total PP&E		\$ 293,047	\$(228,974)	\$ 64,073

(continued on next page)

Schedule of General PP&E, Net as of September 30, 2022 is as follows (*in thousands*):

2022	Net PP&E
Balance Beginning of Year	\$ 64,073
Capital Acquisition	12,875
Dispositions	(1,055)
Depreciation Expense	(16,456)
Balance Ending of Year	\$ 59,437

Equipment consists primarily of electric generators, Automatic Data Processing (ADP) 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 these structures reside. These structures are used and maintained by the field Missions. USAID generally does not separately report the cost of the building and the land on which the building resides.

Land consists of property owned by USAID in foreign countries. Land is generally procured with the intent of constructing buildings.

NOTE 9. LEASES

As of September 30, 2022, Future Lease Payments consisted of the following (*in thousands*):

Operating Leases: Future Payments Due: Fiscal Year	2022		
	Future Costs		Future Costs
	Federal	Non-Federal	
2023	\$ 60,566	\$ 52,050	\$ 112,616
2024	60,956	35,709	96,666
2025	61,373	22,883	84,256
2026	60,099	13,713	73,811
2027	59,969	7,265	67,234
2028 and Beyond	406,886	4,975	411,862
Total Future Lease Payments	\$ 709,849	\$ 136,595	\$ 846,445

Future operating lease payments total \$846.4 million, of which \$709.8 million is for the USAID headquarter buildings in Washington, D.C., with the remaining \$136.6 million for leases at Mission locations throughout the world. The current lease agreements are for approximately 893,888 sq. feet for the headquarter building with the longest lease

extending out until FY 2040. The leases at Mission locations are for office, warehouse, and residential spaces with various expiration dates between FY 2022 through FY 2031. All the leases for the headquarter buildings are with the U.S. General Services Administration (GSA), which charges commercial rates for USAID's occupancy and are non-cancellable.

NOTE 10. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

As of September 30, 2022 and 2021 Liabilities Not Covered by Budgetary Resources were as follows
(in thousands):

	2022	2021
Liabilities Not Covered by Budgetary Resources:		
Intragovernmental:		
Unfunded FECA Liability (Note 13)	\$ 6,333	\$ 6,432
Other Unfunded Employment Related Liability (Note 12)	79	340
Other Liabilities (Note 12)	–	27
Total Intragovernmental	\$ 6,412	\$ 6,799
Accrued Annual Leave (Note 12)	79,000	84,322
FSN Separation Pay Liability (Note 12)	701	4,877
Future Workers' Compensation Benefits (Note 13)	26,333	26,928
Total Liabilities Not Covered by Budgetary Resources	112,446	122,926
Total Liabilities Covered by Budgetary Resources	6,312,592	6,782,602
Total Liabilities	\$ 6,425,038	\$ 6,905,528

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. INTRAGOVERNMENTAL DEBT

The Balance Sheet component of the \$635 million *Liability for Capital Transfers to the General Fund of the Treasury* is reflective of the downward reestimates that are anticipated to be paid to Treasury at the end of the next fiscal year. All debt shown is intragovernmental debt.

NOTE 12. OTHER LIABILITIES

As of September 30, 2022 and 2021 Other Current Liabilities consisted of the following (*in thousands*):

	2022	2021
Intragovernmental		
IPAC Suspense	\$ 6,521	\$ 7,369
Custodial Liability	2,701	2,684
Employer Contributions & Payroll Taxes Payable	8,788	6,642
Other Unfunded Employment Related Liability	79	340
Other Liabilities (Note 10)	–	27
Total Other Liabilities	18,089	17,062
Advances from Others and Deferred Revenue	1,088,674	1,165,779
Total Intragovernmental	\$ 1,106,763	\$ 1,182,841
Other than Intragovernmental		
Accrued Funded Payroll and Leave	\$ 7,708	\$ 46,703
Accrued Unfunded Annual Leave (Note 10)	79,000	84,322
FSN Separation Pay Liability (Note 10)	701	4,877
Foreign Currency Trust Fund (Note 5)	261,565	289,334
Other Liabilities	144,828	145,532
Total Other Liabilities	493,802	570,768
Advances from Others and Deferred Revenue	18,508	17,017
Total Liabilities Other than Intragovernmental	\$ 512,310	\$ 587,785
Total Other Liabilities	\$ 1,619,073	\$ 1,770,626

Intragovernmental Liabilities represent amounts due to other federal agencies. All remaining Other Liabilities are liabilities to non-federal entities.

NOTE 13. FEDERAL EMPLOYEES AND VETERAN'S BENEFITS

The provision for workers' compensation benefits payable, as of September 30, 2022 and 2021 are indicated in the table below (*in thousands*):

Unfunded Workers' Compensation Benefits	2022	2021
Liabilities Not Covered by Budgetary Resources		
Future Workers' Compensation Benefits (Note 10)	\$ 26,333	\$ 26,928
Accrued Unfunded FECA Liability (Note 10)	6,333	6,432
Total Unfunded Workers' Compensation Benefits	\$ 32,666	\$ 33,360

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 2022, USAID's total FECA liability was \$32.6 million, comprised of unpaid FECA billings for \$6.3 million and estimated future FECA costs of \$26.3 million.

The actuarial estimate for the FECA unfunded liability is determined by the 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 14. 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, 2021 there was one pending case. There were five new cases filed

in FY 2022. Two of the new cases were dismissed on March 3, 2022. As of September 30, 2022 there were four pending cases.

The schedule below details the accrued liabilities and estimated range of loss for pending legal cases as of September 30, 2022 and 2021 (*in thousands*):

	2022		2021	
	Estimated Range of Loss		Estimated Range of Loss	
	Lower End	Upper End	Lower End	Upper End
Legal Contingencies:				
Probable	\$ -	\$ -	\$ -	\$ -
Reasonably Possible	1,100	8,263	100	1,800
Total Accrued Liabilities and Estimated Range of Loss	\$ 1,100	\$ 8,263	\$ 100	\$ 1,800

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 15. COVID-19 ACTIVITY

USAID's COVID-19 Activity as of September 30, 2022 and 2021 consisted of the following (*in thousands*):

SCHEDULE OF FY 2022 FUNDING ACTIVITY					
COVID-19 Funded Programs	Unobligated (and unexpired) Balance Carried Forward from PY ¹	New Budget Authority (+)	Budgetary Resources Obligated (-)	Ending Unobligated (and unexpired) Balance to be Carried Forward	Outlays, Net
Economic Support Fund	\$ 2,889,436	\$ -	\$ 2,889,436	\$ -	\$ 5,127,514
International Disaster Assistance	1,118	-	-	1,118	37,508
Operating Expenses	66,945	(1,305)	66,131	(1,024)	42,023
Total	\$ 2,957,499	\$ (1,305)	\$ 2,955,567	\$ 94	\$ 5,207,045

SCHEDULE OF FY 2021 FUNDING ACTIVITY					
COVID-19 Funded Programs	Unobligated (and unexpired) Balance Carried Forward from PY	New Budget Authority (+)	Budgetary Resources Obligated (-)	Ending Unobligated (and unexpired) Balance to be Carried Forward ¹	Outlays, Net
Economic Support Fund	\$ 23,101	\$ 8,523,643	\$ 5,049,985	\$ 3,496,759	\$ 1,735,360
International Disaster Assistance	121	-	-	121	454,077
Operating Expenses	49,484	41,000	27,630	62,869	26,540
Total	\$ 72,706	\$ 8,564,643	\$ 5,077,615	\$ 3,559,749	\$ 2,215,977

¹ The Ending Unobligated Balance carried forward to the beginning of the following fiscal year, October 1, 2022. In FY 2018, OMB Circular A-136 streamlined the reporting of the SBR to reflect requirements of FSAB standards. Due to this, there is a Difference of \$620.3 million between the Unobligated Balance, End of Year 2021 and the Unobligated Balance Carried Forward to October 1, 2022.

Schedule of COVID-19 Activity as reported in the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) and the Agency as of September 30, 2022 (*in thousands*):

COVID-19 Funded Programs	GTAS		AGENCY
	DEF Code L, N, and V Total	Other ¹	Total
	Budgetary Resources: Unobligated (and unexpired) Balance Carried Forward from PY	\$ 2,883,283	\$ 74,216
New Budget Authority (+)	-	(1,305)	(1,305)
Budgetary Resources Obligated (-)	2,882,656	72,911	2,955,567
Budgetary Resources: Ending Unobligated (and unexpired) Balance to be Carried Forward	1,118	(1,024)	94
Outlays, Net	\$ 5,191,260	\$ 15,785	\$ 5,207,045

¹ The balances reported under "Other" in the table above were not mapped to COVID-19 DEF Codes in GTAS, which has been addressed for future reporting.

HIGHLIGHTS OF COVID-19 FUNDING ACCOMPLISHMENTS

COVID-19 knows no borders and no one is safe until everyone is safe. USAID is leading the U.S. government's efforts to vaccinate the world and save lives now. Since the beginning of the pandemic, USAID has supported more than 120 countries to contain and combat the virus. USAID is building on decades of global health leadership combating infectious diseases such as Ebola, HIV/AIDS, tuberculosis, and malaria to now fight COVID-19 among other vaccine preventable diseases. USAID programs are helping deliver vaccines and get shots in arms through the U.S. government's Initiative for Global Vaccine Access (Global VAX), expand

access to COVID-19 testing and treatment, protect and train health workers, deliver life-saving health commodities and equipment, share accurate and reliable public health information, and safeguard global health security. USAID is not just fighting the disease—we are also fighting to secure decades of development progress that the pandemic has harmed. USAID programs are keeping kids in school, providing emergency food and hygiene assistance, helping people find work, preventing democratic backsliding, addressing gender-based violence, and tackling other devastating impacts of the pandemic.

NOTE 16. SCHEDULE OF COST BY STANDARDIZED PROGRAM STRUCTURE AND DEFINITION (SPSD)

The Schedule 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 (below) meet the criteria for responsibility segments. These bureaus directly support the Agency 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 2022 Consolidated Statement 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 five Pillar Bureaus are Bureau for Humanitarian Assistance (BHA); Conflict Prevention and Stabilization (CPS); Development, Democracy, and Innovation (DDI); Global Health (GH); and Resilience and Food Security (RFS).

Schedule of Costs by SPSD for the years ended September 30, 2022 and 2021 are indicated in the table on the following pages (*in thousands*):

Categories	Africa	Asia	BHA	CPS	DDI	Europe & Eurasia	Global Health	Latin America & Caribbean	Middle East	RFS	2022 Consolidated Total	2021 Consolidated Total
DR—Democracy, Human Rights and Governance												
DR.1—Rule of Law (ROL)												
Gross Costs	\$ 21,116	\$ 28,981	\$ 405	\$ -	\$ 2,013	\$ 20,994	\$ -	\$ 36,130	\$ 8,649	\$ -	\$ 118,288	\$ 159,827
Less: Earned Revenue	(160)	(224)	-	-	(15)	(107)	-	(370)	(120)	-	(996)	(825)
Net Program Costs	20,956	28,757	405	-	1,998	20,887	-	35,760	8,529	-	117,292	159,002
DR.2—Good Governance												
Gross Costs	79,718	90,830	-	3,703	15,235	107,288	-	182,189	99,949	-	578,912	628,325
Less: Earned Revenue	(594)	(700)	-	(20)	(91)	(502)	-	(1,976)	(1,405)	-	(5,288)	(3,316)
Net Program Costs	79,124	90,130	-	3,683	15,144	106,786	-	180,213	98,544	-	573,624	625,009
DR.3—Political Competition and Consensus-Building												
Gross Costs	43,078	19,590	3,959	1,905	6,505	28,281	-	13,811	45,852	-	162,981	164,246
Less: Earned Revenue	(300)	(160)	-	(9)	(261)	(152)	-	(179)	(656)	-	(1,717)	(872)
Net Program Costs	42,778	19,430	3,959	1,896	6,244	28,129	-	13,632	45,196	-	161,264	163,374
DR.4—Civil Society												
Gross Costs	81,463	105,373	2,093	8,416	11,888	70,390	-	54,387	91,118	-	425,128	323,250
Less: Earned Revenue	(600)	(1,001)	-	(51)	(179)	(359)	-	(558)	(1,213)	-	(3,961)	(1,581)
Net Program Costs	80,863	104,372	2,093	8,365	11,709	70,031	-	53,829	89,905	-	421,167	321,669
DR.5—Independent Media and Free Flow of Information												
Gross Costs	10,791	12,726	-	-	4,513	40,635	-	14,613	104	-	83,382	80,368
Less: Earned Revenue	(79)	(103)	-	-	(59)	(249)	-	(165)	(1)	-	(656)	(428)
Net Program Costs	10,712	12,623	-	-	4,454	40,386	-	14,448	103	-	82,726	79,940
DR.6—Human Rights												
Gross Costs	11,272	31,571	605	2,195	33,904	1,820	-	36,225	4,277	-	121,869	105,127
Less: Earned Revenue	(77)	(300)	-	(37)	(243)	(9)	-	(413)	(54)	-	(1,133)	(501)
Net Program Costs	11,195	31,271	605	2,158	33,661	1,811	-	35,812	4,223	-	120,736	104,626
Total Democracy, Human Rights and Governance	245,628	286,583	7,062	16,102	73,210	268,030	-	333,694	246,500	-	1,476,809	1,453,620
EG—Economic Growth												
EG.1—Macroeconomic Foundation for Growth												
Gross Costs	7,594	19,648	-	-	33,574	7,887,171	-	4,607	359,354	-	8,311,948	113,045
Less: Earned Revenue	(66)	(14,484)	-	-	(14,789)	(3,288)	-	(52)	(6,613)	-	(39,292)	(56,378)
Net Program Costs	7,528	5,164	-	-	18,785	7,883,883	-	4,555	352,741	-	8,272,656	56,667
EG.2—Trade and Investment												
Gross Costs	30,537	40,565	-	-	21,878	16,139	-	17,803	4,022	-	130,944	165,828
Less: Earned Revenue	(189)	(383)	-	-	(130)	(90)	-	(172)	(31)	-	(995)	(704)
Net Program Costs	30,348	40,182	-	-	21,748	16,049	-	17,631	3,991	-	129,949	165,124
EG.3—Agriculture												
Gross Costs	472,402	222,126	-	-	19,521	5,475	-	57,138	11,035	248,879	1,036,576	850,649
Less: Earned Revenue	(3,752)	(1,629)	-	-	(118)	-	-	(648)	(97)	-	(6,244)	(2,340)
Net Program Costs	468,650	220,497	-	-	19,403	5,475	-	56,490	10,938	248,879	1,030,332	848,309
EG.4—Financial Sector												
Gross Costs	505	14,246	-	-	58,686	6,287	-	1,131	14,258	-	95,113	108,647
Less: Earned Revenue	(5)	(146)	-	-	(53,826)	(45)	-	(11)	(265)	-	(54,298)	(59,135)
Net Program Costs	500	14,100	-	-	4,860	6,242	-	1,120	13,993	-	40,815	49,512

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Categories	Africa	Asia	BHA	CPS	DDI	Europe & Eurasia	Global Health	Latin America & Caribbean	Middle East	RFS	2022 Consolidated Total	2021 Consolidated Total
EG.5—Private Sector Productivity												
Gross Costs	19,822	163,763	—	—	87,294	108,645	—	28,727	132,298	—	540,549	381,610
Less: Earned Revenue	(134)	(1,008)	—	—	(570)	(647)	—	(340)	(1,712)	—	(4,411)	(2,928)
Net Program Costs	19,688	162,755	—	—	86,724	107,998	—	28,387	130,586	—	536,138	378,682
EG.6—Workforce Development												
Gross Costs	2,282	29,947	—	—	30,144	12,735	—	6,075	25,931	—	107,114	90,350
Less: Earned Revenue	(20)	(121)	—	—	(171)	(107)	—	(75)	(359)	—	(853)	(303)
Net Program Costs	2,262	29,826	—	—	29,973	12,628	—	6,000	25,572	—	106,261	90,047
EG.7—Modern Energy Services												
Gross Costs	57,764	59,003	—	—	1,436	44,068	—	2,889	4,382	—	169,542	383,069
Less: Earned Revenue	(444)	(233)	—	—	(12)	(202)	—	(17)	(44)	—	(952)	(1,357)
Net Program Costs	57,320	58,770	—	—	1,424	43,866	—	2,872	4,338	—	168,590	381,712
EG.8—Information and Communications Technology Services												
Gross Costs	225	2,257	—	—	10,711	24	—	198	44	—	13,459	9,390
Less: Earned Revenue	(2)	—	—	—	(54)	—	—	(2)	—	—	(58)	(21)
Net Program Costs	223	2,257	—	—	10,657	24	—	196	44	—	13,401	9,369
EG.9—Transport Services												
Gross Costs	6,351	—	—	—	344	681	—	717	3,149	—	11,242	99,532
Less: Earned Revenue	(47)	—	—	—	(2)	(3)	—	(8)	(55)	—	(115)	(321)
Net Program Costs	6,304	—	—	—	342	678	—	709	3,094	—	11,127	99,211
EG.10—Environment												
Gross Costs	132,363	86,018	—	—	35,151	1,257	—	79,174	6,231	264	340,458	296,737
Less: Earned Revenue	(910)	(610)	—	—	(213)	(11)	—	(909)	(111)	—	(2,764)	(1,462)
Net Program Costs	131,453	85,408	—	—	34,938	1,246	—	78,265	6,120	264	337,694	295,275
EG.11—Climate Change—Adaptation												
Gross Costs	1,000	16,333	—	—	890	—	—	2,573	179	187	21,162	3,490
Less: Earned Revenue	(9)	(109)	—	—	(7)	—	—	(26)	(3)	—	(154)	(10)
Net Program Costs	991	16,224	—	—	883	—	—	2,547	176	187	21,008	3,480
EG.12—Climate Change—Clean Energy												
Gross Costs	27,376	6,494	—	—	4,415	75	—	7,155	—	—	45,515	1,024
Less: Earned Revenue	(149)	(30)	—	—	(22)	—	—	(60)	—	—	(261)	—
Net Program Costs	27,227	6,464	—	—	4,393	75	—	7,095	—	—	45,254	1,024
EG.13—Climate Change—Sustainable Landscapes												
Gross Costs	15,524	38,184	—	—	6,869	—	—	63,035	—	7,495	131,107	89,293
Less: Earned Revenue	(107)	(360)	—	—	(34)	—	—	(721)	—	—	(1,222)	(385)
Net Program Costs	15,417	37,824	—	—	6,835	—	—	62,314	—	7,495	129,885	88,908
Total Economic Growth	767,911	679,471	—	—	240,965	8,078,164	—	268,181	551,593	256,825	10,843,110	2,467,320
ES—Education and Social Services												
ES.1—Basic Education												
Gross Costs	251,115	79,384	40	—	146,477	7,785	—	56,507	317,556	—	858,864	853,201
Less: Earned Revenue	(1,862)	(189)	—	—	(15)	(190)	—	(561)	(4,772)	—	(7,589)	(3,697)
Net Program Costs	249,253	79,195	40	—	146,462	7,595	—	55,946	312,784	—	851,275	849,504

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Categories	2022										2021	
	Africa	Asia	BHA	CPS	DDI	Europe & Eurasia	Global Health	Latin America & Caribbean	Middle East	RFS	Consolidated Total	Consolidated Total
ES.2—Higher Education												
Gross Costs	18,678	26,402	2,286	-	43,455	-	-	8,322	32,906	-	132,049	97,039
Less: Earned Revenue	(115)	(218)	(1)	-	(233)	-	-	(98)	(460)	-	(1,125)	(456)
Net Program Costs	18,563	26,184	2,285	-	43,222	-	-	8,224	32,446	-	130,924	96,583
ES.3—Social Policies, Regulations, and Systems												
Gross Costs	242	3,069	-	-	175	85	-	14,578	725	-	18,874	25,477
Less: Earned Revenue	(3)	(36)	-	-	-	-	-	(167)	(12)	-	(218)	(98)
Net Program Costs	239	3,033	-	-	175	85	-	14,411	713	-	18,656	25,379
ES.4—Social Services												
Gross Costs	1,246	20,363	-	19,061	39,336	2,018	147	13,752	7,114	-	103,037	103,974
Less: Earned Revenue	(12)	(156)	-	(118)	(270)	(12)	(6)	(163)	(112)	-	(849)	(486)
Net Program Costs	1,234	20,207	-	18,943	39,066	2,006	141	13,589	7,002	-	102,188	103,488
ES.5—Social Assistance												
Gross Costs	2,966	1,244	-	-	1,079	522	-	1,094	5,994	-	12,899	57,300
Less: Earned Revenue	(38)	(15)	-	-	-	(1)	-	(18)	(92)	-	(164)	(335)
Net Program Costs	2,928	1,229	-	-	1,079	521	-	1,076	5,902	-	12,735	56,965
Total Education and Social Service	272,217	129,848	2,325	18,943	230,004	10,207	141	93,246	358,847	-	1,115,778	1,131,919
HA—Humanitarian Assistance												
HA.1—Protection, Assistance and Solutions												
Gross Costs	-	2,031	6,219,342	-	-	269	-	12,577	40,264	-	6,274,483	5,863,332
Less: Earned Revenue	-	(13)	(960)	-	-	-	-	(75)	(533)	-	(1,581)	(14,170)
Net Program Costs	-	2,018	6,218,382	-	-	269	-	12,502	39,731	-	6,272,902	5,849,162
HA.2—Disaster Readiness												
Gross Costs	520	12,416	284,528	-	-	-	-	11,043	1,498	99	310,104	248,222
Less: Earned Revenue	(3)	(143)	(33)	-	-	-	-	(118)	(21)	-	(318)	(533)
Net Program Costs	517	12,273	284,495	-	-	-	-	10,925	1,477	99	309,786	247,689
HA.3—Migration Management												
Gross Costs	-	-	-	-	-	-	-	55,452	-	-	55,452	62,552
Less: Earned Revenue	-	-	-	-	-	-	-	(626)	-	-	(626)	(333)
Net Program Costs	-	-	-	-	-	-	-	54,826	-	-	54,826	62,219
Total Humanitarian Assistance	517	14,291	6,502,877	-	-	269	-	78,253	41,208	99	6,637,514	6,159,070
HL—Health												
HL.1—HIV/AIDS												
Gross Costs	397,070	55,138	-	-	132	2,268	2,780,305	26,227	29,248	284	3,290,672	2,626,147
Less: Earned Revenue	(13,600)	(1,163)	-	-	(3)	(94)	(865,470)	(1,002)	(446)	-	(881,778)	(674,048)
Net Program Costs	383,470	53,975	-	-	129	2,174	1,914,835	25,225	28,802	284	2,408,894	1,952,099
HL.2—Tuberculosis												
Gross Costs	18,790	21,797	-	-	1	691	1,422	2	220	2	42,925	34,362
Less: Earned Revenue	(798)	(916)	-	-	-	(29)	(60)	-	(3)	-	(1,806)	(845)
Net Program Costs	17,992	20,881	-	-	1	662	1,362	2	217	2	41,119	33,517

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Categories	Africa	Asia	BHA	CPS	DDI	Europe & Eurasia	Global Health	Latin America & Caribbean	Middle East	RFS	2022 Consolidated Total	2021 Consolidated Total
HL.3-Malaria												
Gross Costs	116,402	3,861	-	-	5	1	1,246	1,927	1,056	10	124,508	123,760
Less: Earned Revenue	(4,946)	(132)	-	-	-	-	(52)	(82)	(16)	-	(5,228)	(3,055)
Net Program Costs	111,456	3,729	-	-	5	1	1,194	1,845	1,040	10	119,280	120,705
HL.4-Pandemic Influenza and Other Emerging Threats (PIOET)												
Gross Costs	304,559	85,527	-	-	7	19,967	3,704,929	69,419	49,401	15	4,233,824	207,238
Less: Earned Revenue	(1,669)	(493)	-	-	-	(91)	(4,259)	(757)	(600)	-	(7,869)	(314)
Net Program Costs	302,890	85,034	-	-	7	19,876	3,700,670	68,662	48,801	15	4,225,955	206,924
HL.5-Other Public Health Threats												
Gross Costs	599	4,784	-	-	14,330	111	2,347	17	41,113	22	63,323	20,641
Less: Earned Revenue	(11)	(45)	-	-	(87)	-	(77)	-	(565)	-	(785)	(163)
Net Program Costs	588	4,739	-	-	14,243	111	2,270	17	40,548	22	62,538	20,478
HL.6-Maternal and Child Health												
Gross Costs	68,415	57,193	-	-	116	601	14,158	8,598	24,559	78	173,718	171,913
Less: Earned Revenue	(2,861)	(1,126)	-	-	(4)	-	(597)	(365)	(408)	-	(5,361)	(3,570)
Net Program Costs	65,554	56,067	-	-	112	601	13,561	8,233	24,151	78	168,357	168,343
HL.7-Family Planning and Reproductive Health												
Gross Costs	53,788	27,305	-	-	16	3	3,659	2,925	54,630	34	142,360	105,465
Less: Earned Revenue	(2,266)	(701)	-	-	-	-	(153)	(124)	(875)	-	(4,119)	(1,791)
Net Program Costs	51,522	26,604	-	-	16	3	3,506	2,801	53,755	34	138,241	103,674
HL.8-Water Supply and Sanitation												
Gross Costs	155,670	43,275	-	-	-	11	320	20,337	116,763	16,988	353,364	352,987
Less: Earned Revenue	(1,290)	(371)	-	-	-	-	(5)	(225)	(1,548)	-	(3,439)	(1,662)
Net Program Costs	154,380	42,904	-	-	-	11	315	20,112	115,215	16,988	349,925	351,325
HL.9-Nutrition												
Gross Costs	13,770	9,457	-	-	2	-	339	1,157	3,938	5	28,668	22,303
Less: Earned Revenue	(579)	(254)	-	-	-	-	(17)	(51)	(46)	-	(947)	(425)
Net Program Costs	13,191	9,203	-	-	2	-	322	1,106	3,892	5	27,721	21,878
Total Health	1,101,043	303,136	-	-	14,515	23,439	5,638,035	128,003	316,421	17,438	7,542,030	2,978,943
PO-Program Development and Oversight												
PO.1-Program Design and Learning												
Gross Costs	68,441	34,773	70,905	2,069	35,843	8,548	-	27,217	44,882	10,278	302,956	282,830
Less: Earned Revenue	(683)	(374)	(8)	(8)	(186)	(43)	-	(318)	(612)	-	(2,232)	(1,865)
Net Program Costs	67,758	34,399	70,897	2,061	35,657	8,505	-	26,899	44,270	10,278	300,724	280,965
PO.2-Administration and Oversight												
Gross Costs	146,075	75,863	244,553	56,230	89,458	27,659	-	75,454	57,663	29,186	802,141	746,999
Less: Earned Revenue	(1,819)	(865)	(33)	(271)	(351)	(130)	-	(903)	(778)	-	(5,150)	(3,716)
Net Program Costs	144,256	74,998	244,520	55,959	89,107	27,529	-	74,551	56,885	29,186	796,991	743,283
PO.3-Evaluation												
Gross Costs	13,033	2,334	-	44	1,867	4,564	-	14,558	5,558	-	41,958	44,738
Less: Earned Revenue	(155)	(22)	-	-	(9)	(36)	-	(157)	(63)	-	(442)	(232)
Net Program Costs	12,878	2,312	-	44	1,858	4,528	-	14,401	5,495	-	41,516	44,506
Total Program Development and Oversight	224,892	111,709	315,417	58,064	126,622	40,562	-	115,851	106,650	39,464	1,139,231	1,068,754

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Categories	2022										2021 Consolidated Total	
	Africa	Asia	BHA	CPS	DDI	Europe & Eurasia	Global Health	Latin America & Caribbean	Middle East	RFS		
PS-Peace and Security												
PS.1-Counterterrorism												
Gross Costs	6,365	4,802	-	-	5,452	66	-	-	2,651	-	19,336	42,397
Less: Earned Revenue	(57)	(54)	-	-	(32)	-	-	-	(36)	-	(179)	(177)
Net Program Costs	6,308	4,748	-	-	5,420	66	-	-	2,615	-	19,157	42,220
PS.2-Combating Weapons of Mass Destruction (WMD)												
Gross Costs	-	-	-	148	-	-	-	-	-	-	148	33
Less: Earned Revenue	-	-	-	(1)	-	-	-	-	-	-	(1)	-
Net Program Costs	-	-	-	147	-	-	-	-	-	-	147	33
PS.3-Counter narcotics												
Gross Costs	-	81	-	-	-	-	117,512	-	-	-	117,593	137,631
Less: Earned Revenue	-	-	-	-	-	-	(1,359)	-	-	-	(1,359)	(697)
Net Program Costs	-	81	-	-	-	-	116,153	-	-	-	116,234	136,934
PS.4-Transnational Threats and Crime												
Gross Costs	-	-	-	-	-	13,814	-	-	-	-	13,814	2,424
Less: Earned Revenue	-	-	-	-	-	(20)	-	-	-	-	(20)	(1)
Net Program Costs	-	-	-	-	-	13,794	-	-	-	-	13,794	2,423
PS.5-Trafficking in Persons												
Gross Costs	1,688	22,194	-	-	-	2,812	-	1,514	552	-	28,760	17,386
Less: Earned Revenue	(13)	(193)	-	-	-	(13)	-	(11)	(5)	-	(235)	(115)
Net Program Costs	1,675	22,001	-	-	-	2,799	-	1,503	547	-	28,525	17,271
PS.6-Conflict Mitigation and Stabilization												
Gross Costs	31,649	37,718	13,961	151,687	-	5,693	-	23,028	156,796	-	420,532	493,875
Less: Earned Revenue	(252)	(404)	(3)	(748)	-	(34)	-	(252)	(2,357)	-	(4,050)	(2,503)
Net Program Costs	31,397	37,314	13,958	150,939	-	5,659	-	22,776	154,439	-	416,482	491,372
PS.7-Conventional Weapons Security and Explosive Remnants of War (ERW)												
Gross Costs	-	-	-	-	-	-	-	-	-	-	-	5
Less: Earned Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Net Program Costs	-	-	-	-	-	-	-	-	-	-	-	5
PS.8-Strengthening Military Partnerships and Capabilities												
Gross Costs	-	-	-	-	-	-	-	-	-	-	-	3
Less: Earned Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Net Program Costs	-	-	-	-	-	-	-	-	-	-	-	3
PS.9-Citizen Security and Law Enforcement												
Gross Costs	-	-	-	-	-	-	43	-	-	-	43	11
Less: Earned Revenue	-	-	-	-	-	-	(1)	-	-	-	(1)	-
Net Program Costs	-	-	-	-	-	-	42	-	-	-	42	11
Total Peace and Security	39,380	64,144	13,958	151,086	5,420	22,318	-	140,474	157,601	-	594,381	690,272
Net Cost of Operations	\$ 2,651,588	\$ 1,589,182	\$ 6,841,639	\$ 244,195	\$ 690,736	\$ 8,442,989	\$ 5,638,176	\$ 1,157,702	\$ 1,778,820	\$ 313,826	\$ 29,348,853	\$ 15,949,898

NOTE 17. COMBINED STATEMENT OF BUDGETARY RESOURCES

The Combined Statement of Budgetary Resources presents information about total budgetary resources available to USAID and the status of those resources, as of September 30, 2022 and 2021. USAID's total budgetary resources were \$50.2 billion and \$40.7 billion as of September 30, 2022 and 2021, 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):

	2022	2021
Category A, Direct	\$ 1,808,046	\$ 1,585,294
Category B, Direct	30,520,233	22,333,207
Category A, Reimbursable	90,794	60,433
Category B, Reimbursable	1,255,238	583,141
Total	\$ 33,674,311	\$ 24,562,075

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 2022 and FY 2021. 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).

E. UNDELIVERED ORDERS AT THE END OF THE YEAR:

Budgetary Resources obligated for Undelivered Orders as of September 30, 2022 and 2021, were \$26 billion and \$25 billion, respectively.

	2022	2021
Federal		
Obligations Paid	\$ 55,925	\$ 42,983
Obligations Unpaid	710,934	4,129,346
Total Federal	\$ 766,859	\$ 4,172,329
Non-Federal		
Obligations Paid	\$ 580,577	\$ 478,315
Obligations Unpaid	24,797,152	20,522,327
Total Non-Federal	\$ 25,377,729	\$ 21,000,642
Total Undelivered Orders at End of Year	\$ 26,144,588	\$ 25,172,971

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, 2021 because submission of the Budget for FY 2024, which presents the execution of the FY 2022 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 2023.

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 \$17 billion. This fact is corroborated by the State 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.

2021	Budgetary Resources	New Obligations & Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	\$ 40,714,223	\$ 24,562,075	\$ (2,968,500)	\$ 16,691,861
Funds Reported in SBR, Not Attributed to USAID in the President’s Budget	(17,859,000)	(10,630,000)	–	(3,964,000)
Other Differences	386,777	519,925	–	463,139
Budget of the U.S. Government	\$ 23,242,000	\$ 14,452,000	\$ (2,968,500)	\$ 13,191,000

NOTE 18. 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 presents increase and decrease in assets and liabilities respectively. Some are used for assets that are reported on the Balance Sheet, 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 Statement 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.

Schedule of Reconciliation of Net Cost of Operations to Net Costs of Budgetary Outlays for the years ended September 30, 2022 and 2021 is indicated in the table below (*in thousands*):

	2022	2021
NET COST	\$29,348,851	\$ 15,949,897
Components of Net Cost That Are Not Part of Net Outlays:		
Property, Plant and Equipment Depreciation	(16,456)	(24,757)
Other	642,994	854,626
Increase/(Decrease) in Assets:		
Accounts Receivable	(4,897)	(58,213)
Other Assets	86,588	(768,317)
(Increase)/Decrease in Liabilities:		
Accounts Payable	(455,256)	(169,501)
Salaries and Benefits	(1,787)	(734)
Other Liabilities (Unfunded Leave, Unfunded FECA, Actuarial FECA)	105,803	89,968
Other Financing Sources:		
Federal Employee Retirement Benefit Costs Paid by OPM and Imputed to the Agency	(63,703)	50,445
Transfers Out/In Without Reimbursement	1,552	–
Total Components of Net Operating Cost That Are Not Part of Net Outlays	294,839	(127,373)
Components of Net Outlays That Are Not Part of Net Cost:		
Other	(30,654)	(28,386)
Unreconciled Difference	94,048	105,041
Total Components of Net Outlays That Are Not Part of Net Cost	63,394	76,655
NET OUTLAYS	\$29,707,086	\$ 15,899,179
Distributed Offsetting Receipts	(899,105)	(2,968,500)
AGENCY OUTLAYS, NET	\$28,807,981	\$ 12,930,680

NOTE 19. RECLASSIFICATION OF BALANCE SHEET, STATEMENT OF NET COST, AND STATEMENT OF CHANGES IN NET POSITION FOR FR COMPILATION PROCESS

To prepare the Financial Report of the U.S. Government (FR), the Department of the 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 Balance Sheet, Reclassified Statement of Net Cost, and a Reclassified Statement of Changes in Net Position for each agency, which are accessed using GTAS. Treasury eliminates all

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.

The Reclassification of the Balance Sheet, the Statement of Net Cost, and the Statement of Changes in Net Position for the year ended September 30, 2022 are presented in the following tables (*in thousands*):

FY 2022 USAID Balance Sheet

Line Items Used to Prepare
FY 2022 Government-wide
Balance Sheet

Financial Statement Line	Amounts	Intra-departmental Elimination	Amounts	Reclassified Financial Statement Line
ASSETS:				ASSETS:
Intragovernmental Assets:				Intragovernmental Assets:
Fund Balance with Treasury (Note 2)	\$ 44,827,671		\$ 44,827,671	Fund Balance with Treasury
Accounts Receivable (Note 3)	24,900	\$ (634,755)	659,655	Accounts Receivable
<i>Total Accounts Receivable, Net</i>	24,900	(634,755)	659,655	<i>Total Reclassified Accounts Receivable, Net</i>
Advances and Prepayments (Note 4)	150,742		150,796	Advances and Prepayments
<i>Total Other</i>	150,742		150,796	<i>Total Reclassified Other</i>
Total Intragovernmental Assets	45,003,313	(634,755)	45,638,122	Total Intragovernmental Assets
Cash and Other Monetary Assets (Note 5)	261,179		261,179	Cash and Other Monetary Assets
Accounts Receivable, Net (Note 3)	78,601		78,601	Accounts Receivable, Net
Inventory and Related Property, Net (Note 7)	15,177		15,177	Inventory and Related Property, Net
General Property, Plant and Equipment, Net (Note 8)	59,437		59,437	General Property, Plant and Equipment, Net
Advances and Prepayments (Note 4)	493,265		493,211	Advances and Prepayments
Total Assets	\$ 45,910,972	\$ (634,755)	\$ 46,545,727	Total Assets
LIABILITIES:				LIABILITIES:
Intragovernmental Liabilities:				Intragovernmental Liabilities:
Downward Reestimate Payable to the Treasury (Note 6)	\$ 634,755		\$ 637,455	Downward Reestimate Payable to the Treasury
Accounts Payable	65,216		65,216	Accounts Payable
<i>Total Accounts Payable</i>	65,216		65,216	<i>Total Reclassified Accounts Payable</i>
Advances from Others and Deferred Revenue (Note 12)	1,088,674		1,086,376	Advances from Others and Deferred Revenue
Other Liabilities (Note 12)	18,089		6,521	Other Liabilities (Without Reciprocals)
			15,200	Other Liabilities Benefits Contributions Payable
		\$ (634,755)	634,755	Other Liabilities-Reimbursable Activities
<i>Total Other</i>	1,106,763		1,742,852	<i>Total Reclassified other</i>
Total Intragovernmental Liabilities	1,806,734	(634,755)	2,445,523	Total Intragovernmental Liabilities
Accounts Payable	3,116,569		3,116,569	Accounts Payable
Federal Employees and Veteran's Benefits (Note 13)	32,666		106,033	Federal Employees and Veteran's Benefits Payable
Loan Guarantee Liabilities (Note 6)	956,759		956,759	Loan Guarantee Liabilities
Advances from Others and Deferred Revenue (Note 12)	18,508		20,808	Advances from Others and Deferred Revenue
Other Liabilities (Note 12)	493,802		414,101	Other Liabilities
<i>Total Miscellaneous Liabilities</i>	512,310		434,909	<i>Total Reclassified Miscellaneous Liabilities</i>
Total Liabilities	\$ 6,425,038	\$ (634,755)	\$ 7,059,793	Total Liabilities
NET POSITION:				NET POSITION:
Total Net Position	39,485,934	2,301	39,483,633	Total Net Position
Total Liabilities and Net Position	\$ 45,910,972	\$ (632,454)	\$ 46,543,426	Total Liabilities and Net Position

FY 2022 USAID Statement of Net Cost

Line Items Used to Prepare
FY 2022 Government-wide
Statement of Net Cost

Financial Statement Line	Amounts	Intra-departmental Eliminations	Amounts	Reclassified Financial Statement Line
Gross Cost	\$ 30,411,694	\$ (2,301)	\$ 25,920,378	Non-Federal Gross Cost
			25,920,378	Total Non-Federal Cost
			155,640	Intragovernmental Costs
			63,703	Benefit Program Costs
			4,274,212	Imputed Costs
			62	Buy/Sell Cost
			62	Other Expenses (Without Reciprocals)
			4,493,617	Total Intragovernmental Cost
Total Gross Cost	30,411,694	(2,301)	30,413,995	Total Reclassified Gross Cost
Earned Revenue	(1,062,841)		(79,788)	Non-Federal Earned Revenue
			(914,477)	Buy/Sell Revenue
			(68,576)	Borrowing and Other Interest Revenue
			(983,053)	Total Intragovernmental Earned Revenue
Total Earned Revenue	(1,062,841)	–	(1,062,841)	Total Reclassified Earned Revenue
Net Cost of Operations	\$ 29,348,853	\$ (2,301)	\$ 29,351,154	Net Cost of Operations

**FY 2022 USAID
Statement of Changes in Net Position**

**Line Items Used to Prepare
FY 2022 Government-wide
Statement of Changes in Net Position**

Financial Statement Line	Amounts	Intra-departmental Eliminations	Amounts	Reclassified Financial Statement Line
UNEXPENDED APPROPRIATIONS:				UNEXPENDED APPROPRIATIONS:
Unexpended Appropriations, Beginning Balance	\$ 35,385,955		\$ 35,385,955	Unexpended Appropriations, Beginning Balance
Appropriations Received	32,857,101		32,557,705	Appropriations Received as Adjusted
Other Adjustments	(299,397)			Other Adjustments
Appropriations Transferred In/Out	(223,357)	\$ (7,131,919)	7,291,239	Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources
Appropriations Used	(29,875,548)	7,131,560	(7,514,238)	Non-Expenditure Transfers-Out of Unexpended Appropriations and Financing sources
Total Unexpended Appropriations	\$ 37,844,754	\$ (359)	\$ 37,845,113	Total Unexpended Appropriations
CUMULATIVE RESULTS OF OPERATIONS:				CUMULATIVE RESULTS OF OPERATIONS:
Cumulative Results, Beginning Balance	\$ 2,252,426		\$ 2,252,426	Cumulative Results, Beginning Balance
Appropriations Used	29,875,548		29,875,548	Appropriations Expended
Non-Exchange Revenues			48,067	Non-Federal Non-Exchange Revenues
				Other Taxes and Receipts
			217,322	Accrual for Non-Entity Amounts to be Collected and Transferred to the General Fund of the U.S. Government
			(1,468,943)	Non-Entity Collections Transferred to the General Fund of the U.S. Government
Donations and Forfeitures of Property	13,749			Donations and Forfeitures of Property
		(500)	500	Expenditure Transfers-In of Financing Sources
		500	(500)	Expenditure Transfers-Out of Financing Sources
		616,867	616,867	Non-Expenditure Transfer-In of Financing Sources – Capital Transfers (RC II)
		(616,867)	(616,867)	Non-Expenditure Transfers-Out of Financing Sources – Capital Transfers (RC II)
		636,772	636,306	Transfers-In Without Reimbursement
Transfers in/out Without Reimbursement	1,910	(636,413)	(634,755)	Transfers-Out Without Reimbursement
Other	(1,251,621)			Other
Donations and Forfeitures of Cash and Cash Equivalents	34,318			Donations and Forfeitures of Cash and Cash Equivalents
Imputed Financing	63,703		63,703	Imputed Financing Sources
Total Financing Sources	28,737,607	359	28,737,248	Total Financing Sources
Net Cost of Operations	(29,348,853)	2,301	(29,351,154)	Net Cost of Operations
Ending Balance – Cumulative Results of Operations	\$ 1,641,180	\$ 2,660	\$ 1,638,520	Ending Balance – Cumulative Results of Operations
Total Net Position	\$ 39,485,934	\$ 2,301	\$ 39,483,633	Net Position

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FINANCIAL SECTION
**REQUIRED SUPPLEMENTARY
INFORMATION**





(Preceding page) Arman Assylkhan, 29, is a renewable energy specialist from Nur-Sultan, Kazakhstan. As a millennial, he believes that climate change is his generation's crisis. And his chosen career path? That's the key to addressing it. PHOTO: BOBBY NEPTUNE FOR USAID

(Above) Bounmy has been paraplegic since age 6 but through the USAID Okard project she has become more independent and is using a wheelchair for moving and meeting friends in the village. She also attended a six-month vocational training course in Vientiane capital, and now runs a business from her porch. PHOTO: ATHIT CHANTHALATH FOR USAID/LAOS

STATEMENT OF BUDGETARY RESOURCES

REQUIRED SUPPLEMENTARY INFORMATION: COMBINING STATEMENT OF BUDGETARY RESOURCES

For the Year Ended September 30, 2022

(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)	\$ 293,192	\$ 1,151	\$ 558,464	\$ 511	\$ 3,649,933	\$ 1,503,191	\$ 6,338,754	\$ 3,905	\$ 38,328	\$ 2,375,013	\$ 515,430	\$ 1,491,078	\$ 16,768,950
Appropriations (Discretionary and Mandatory)	1,677,947	–	1,620,000	–	4,140,494	11,303,460	12,656,356	–	–	–	643,138	–	32,041,395
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	107,766	–	(158,015)	–	3,755	–	(92,043)	–	–	68,577	1,163,571	295,527	1,389,138
Total Budgetary Resources	\$ 2,078,905	\$ 1,151	\$ 2,020,449	\$ 511	\$ 7,794,182	\$ 12,806,651	\$ 18,903,067	\$ 3,905	\$ 38,328	\$ 2,443,590	\$ 2,322,139	\$ 1,786,605	\$ 50,199,483
Status of Budgetary Resources:													
New Obligations and Upward Adjustments (Total) (Note 17)	1,816,943	–	1,285,333	–	3,477,547	9,096,917	14,160,348	131	–	852,076	1,491,929	1,493,087	\$ 33,674,311
Unobligated Balance, End of Year:													
Apportioned, Unexpired Accounts	42,854	878	732,158	511	4,274,162	3,707,767	4,692,530	3,774	33,369	–	(38,875)	214,463	13,663,591
Unapportioned, Unexpired Accounts	136,130	273	2,869	–	22,351	1,967	1,603	–	4,959	1,591,514	856,705	1,742	2,620,113
Unexpired Unobligated Balance, End of Year	178,984	1,151	735,027	511	4,296,513	3,709,734	4,694,133	3,774	38,328	1,591,514	817,830	216,205	16,283,704
Expired Unobligated Balance, End of Year	82,978	–	89	–	20,122	–	48,586	–	–	–	12,380	77,313	241,468
Total Unobligated Balance, End of Year	261,962	1,151	735,116	511	4,316,635	3,709,734	4,742,719	3,774	38,328	1,591,514	830,210	293,518	16,525,172
Total Budgetary Resources	\$ 2,078,905	\$ 1,151	\$ 2,020,449	\$ 511	\$ 7,794,182	\$ 12,806,651	\$ 18,903,067	\$ 3,905	\$ 38,328	\$ 2,443,590	\$ 2,322,139	\$ 1,786,605	\$ 50,199,483
Outlays, Net and Disbursements, Net:													
Outlays, Net (Total) (Discretionary and Mandatory)	1,468,958	–	929,062	869	2,852,546	5,305,340	17,835,934	696	346	–	510,268	803,067	29,707,086
Distributed Offsetting Receipts (-)	–	–	–	–	–	–	–	–	–	–	(899,105)	–	(899,105)
Agency Outlays, Net (Discretionary and Mandatory)	\$ 1,468,958	\$ –	\$ 929,062	\$ 869	\$ 2,852,546	\$ 5,305,340	\$ 17,835,934	\$ 696	\$ 346	\$ –	\$ (388,837)	\$ 803,067	\$ 28,807,981
Disbursement, Net (Total) (Mandatory)	–	–	–	–	–	–	–	–	–	\$ 783,499	–	–	\$ 783,499

MAJOR FUNDS

Operating Funds

1000 Operating Expenses of USAID

Program Funds

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 New Independent States

1095 Child Survival and Disease Programs Funds

CREDIT FINANCING FUNDS

4119 Israel Guarantee Financing Account

4345 Ukraine Guarantee Financing Fund

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

1035 International Disaster Assistance

1037 Economic Support Fund (ESF)

1093 Assistance for the 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

0305 Civilian Stabilization Initiative

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) Georgia's Darejan Berdzenishvili sells bundles of dried fruit inside small baskets made by one of her neighbors. She employs people from the community to prepare the fruit and package it.
PHOTO: THOMAS CRISTOFOLETTI FOR USAID

(Above) Georgia's Darejan Berdzenishvili washes apples she recently bought from her neighbors. In addition to being featured in a local Gurian guidebook, Darejan was featured in a national journal for her business. Her product is in high demand nationally and internationally. She is greatly motivated to grow her business.
PHOTO: THOMAS CRISTOFOLETTI FOR USAID

SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

The Office of Management and Budget (OMB) requires all federal departments and agencies to prepare Table 1 (Summary of Financial Statement Audit) and Table 2 (Summary of Management Assurances). Table 1 shows that the independent auditor for the U.S. Agency for International Development (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 Federal Managers' Financial Integrity Act (FMFIA) and the Federal Financial Management Improvement Act (FFMIA) with no Agency internal control material weaknesses. These tables correspond with the information presented in the Management's Discussion and Analysis (MD&A) Section and Financial Section of the report.

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 Compliance Noted	No Lack of Compliance Noted
2. Applicable Federal Accounting Standards	No Lack of Compliance Noted	No Lack of Compliance Noted
3. USSGL at Transaction Level	No Lack of Compliance Noted	No Lack of 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 the U.S. Agency for International Development's (USAID) Inspector General, the top management challenges the Agency faces are in the following areas:

- Establishing Optimal Conditions for Staff and Programs to Succeed;
- Mitigating Risk in Agency Operations;
- Countering Corruption, Abuse, and Malign Influence; and
- Maximizing the Impact of Monitoring and Quality Data.

USAID aggressively pursues corrective actions for all significant challenges, whether identified by the Office of Inspector General (OIG), the Government Accountability Office (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 2023, which is available on the website of the USAID OIG (oig.usaid.gov) at <https://oig.usaid.gov/our-work/major-management-challenges>.

Message From Acting Deputy Inspector General

At a time of global turmoil, from the dire effects of Russia's invasion of Ukraine, to the catastrophic flooding in Pakistan, to corruption and democratic backsliding in regions across the globe, USAID is called upon more than ever before to deliver support across the world on behalf of the American people.

During FY 2022, USAID managed \$50 billion in budgetary resources to provide life-saving assistance, drive development results, and strengthen democracies, all while advancing U.S. national security and economic prosperity. Further, an unprecedented amount of U.S. assistance is flowing to Ukraine, with billions of dollars in aid supporting both humanitarian needs of the Ukrainian people and Ukraine's government through direct budgetary support. The scale and complexity of these issues underscore the importance of USAID Office of Inspector General's (OIG's) role and the need for continued oversight.

This report identifies four management challenges confronting USAID in FY 2023:

1. Establishing optimal conditions for Agency staff and programs to succeed;
2. Mitigating risk in Agency operations;
3. Countering corruption, abuse, and malign influence; and
4. Maximizing the impact of monitoring and quality data.

Our independent and objective oversight of USAID, through our audits, evaluations, and investigations, informed these challenges and guides the responsible stewardship of U.S. funds dedicated to foreign aid and development. While this report meets the requirements of the Report Consolidation Act, it also informs our oversight work and frames our dialogue with Congress. Ongoing oversight continues to improve U.S. foreign assistance programs and prevent and detect malicious activities that could reduce program impact or harm those the Agency intends to help.

We remain committed to working with all stakeholders, within USAID, Congress, the OIG community, and the international aid sector, in our efforts to provide timely and informative oversight that improves USAID's programs and operations, while working to hold accountable those who seek to compromise the Agency's vital work.

Nicole Angarella
Acting Deputy Inspector General



Challenge I:

Establishing Optimal Conditions for Agency Staff and Programs to Succeed

USAID faces several constraints that inhibit adequate staffing and workforce support for humanitarian and development assistance programming. The constraints include hiring impediments, an increased reliance on contractors, and various skills gaps.

ENSURING STRATEGIC WORKFORCE PLANNING AND FILLING CRITICAL STAFFING NEEDS

Overcoming friction points in hiring is a continued challenge for USAID. Bringing on new staff through various mechanisms is critical to the Agency's strategic workforce planning. USAID is not alone in confronting this challenge; GAO identified improving strategic human capital management as a high-risk issue across the U.S. government.¹

Further, USAID has acknowledged risks associated with a heavy reliance on contract staff. In FY 2020, U.S. personal services contractors comprised nearly 12 percent of USAID's overall workforce, according to the Agency's Annual Financial Report.²

The Agency lacked staff, guidance, and tools to establish and implement a comprehensive approach to human capital management.³

- USAID had a hard time filling existing positions. The Agency did not reach FY 2020 congressionally-funded staffing levels due to reduced human capital positions, short hiring timelines, and pandemic-related restrictions. USAID subsequently reported to us meeting FY 2020 targets in FY 2022, nearly two years later than intended.
- USAID adjusted processes to reach hiring targets but did not develop formal guidance or disseminate a clear communication strategy to help staff navigate changes in the hiring process or in addressing the limitations generated by the COVID-19 pandemic.
- The Agency also lacked a centralized tool to track and close skills gaps and had not provided sufficient workforce planning guidance to sampled operating units.
- Recently, USAID provided a multi-year plan to address our five recommendations for improved strategic workforce planning.

¹ GAO, "Priority Open Recommendations: USAID," May 18, 2022.

² The report did not include institutional support contractors as part of the Agency's workforce assessment.

³ USAID OIG, "Strategic Workforce Planning: Challenges Impair USAID's Ability to Establish a Comprehensive Human Capital Approach" (9-000-22-001-P), May 25, 2022.

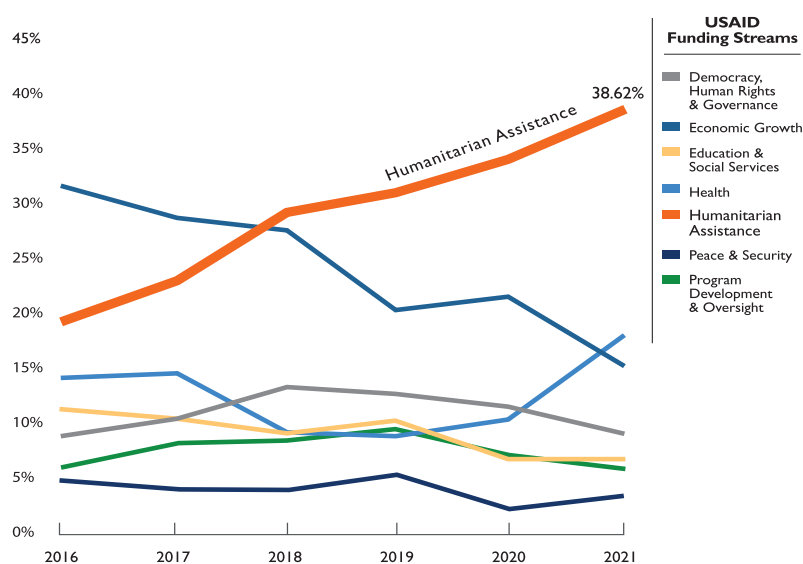
Heavy reliance on short-term contract staff for humanitarian and stabilization responses provides flexibility but creates retention and safety concerns.

- USAID’s Bureau for Humanitarian Assistance (BHA) and Office of Transition Initiatives (OTI) are comprised primarily of contract staff hired for short-term, limited capacity services. Yet, Agency leadership observed that the nature of disasters that the bureau and office are mandated to support has shifted from temporary responses to protracted crises that would benefit from longer-term personnel.
- Obstacles with recruiting and retaining personal services contractors include a lengthy hiring process and exclusion from certain benefits. Some contract staff are also subject to different safety protocols than USAID’s direct hires. For example, while serving overseas, some support contractors fall under Chief of Mission authority and are provided similar considerations as government employees while other contract staff are excluded from such authority. This can cause confusion and create challenges with coordination when developing security plans and managing evacuations.
- USAID’s efforts to address these challenges have been hindered by operating expense budget constraints, a lack of data on the program funding being used for administrative costs, and lack of human capital metrics for managing contractors.
- We made recommendations to improve the Agency’s contract staff management, including for USAID to conduct an assessment and develop a comprehensive plan with options and actionable steps for how to create a sustainable humanitarian and stabilization workforce.

Critical staffing gaps threaten to impede financial management.

- USAID staffing levels have not kept pace with shifts in the Agency’s funding streams. One such shift is the rapid growth of funds devoted to humanitarian assistance, which comprised nearly 39 percent of USAID’s overall programming in FY 2021 (see Figure 1).

Figure 1. Changes in USAID Funding Streams, FY 2016-2021



Source: OIG analysis of USAID Agency Financial Reports, Net Cost of Operations by Categories

The shortage of contracting and agreement officers for USAID award management and, specifically, for humanitarian assistance awards has sounded alarm in Congress.⁴

- We plan to issue our financial statement audit for fiscal years 2021 and 2022, which will identify and address deficiencies in the internal controls over financial reporting and information technology general controls. Absent Agency action to address these recommendations, the gap between staff, budget, and mission could jeopardize sound financial management of USAID programs and operations.

ADVANCING DIVERSITY, EQUITY, INCLUSION, AND ACCESSIBILITY PRIORITIES

By strengthening efforts to improve diversity, equity, inclusion, and accessibility (DEIA) in its workforce, USAID can cultivate more positive outcomes for its staff and beneficiaries around the world. The Agency is currently implementing nine executive orders and five presidential memorandums related to DEIA issued by the Biden administration.⁵ USAID also maintains a zero-tolerance stance on discrimination in the workplace. However, gaps remain in data and metrics on contractors that would help promote diversity among institutional support and personal services contractors.⁶

USAID aims to improve diversity in its workforce and reported achievements,⁷ but Office of DEIA processes do not include data on contractors.

- In February, USAID submitted its Agency Equity Action Plan, which outlines its process to integrate equity into its policies, strategies, and practices; prevent discrimination in its programs; and strengthen its capacity to advance inclusive development.^{8,9}
- USAID only reports diversity information on its civil service and foreign service staff, which makes up about 40 percent of its workforce. While Federal law requires annual diversity reporting from all agencies, the law excludes contract staff. Further, no procurement requirements related to diversity and inclusion exist for contractors.
- Acknowledging this concern, a senior agency official stated that USAID aims to capture additional data to improve diversity in its workforce.
- We recommended that the Agency develop a strategy to identify opportunities to build on diversity efforts in the contractor procurement process.

⁴ According to a July 2022 letter from 13 U.S. Senators to USAID Administrator Samantha Power, BHA had fewer than five full-time contracting officers to manage more than 1,200 awards, about ten times the workload of other USAID bureaus, on average. A year prior, Administrator Power told the Senate Foreign Relations Committee that the funding levels and complexity of USAID's programs have expanded at a rate that significantly outpaces the Agency's staffing. She further noted that each USAID contracting officer "has managed over \$65 million annually over the past four years, more than four times the workload of their colleagues at the Department of Defense."

⁵ USAID, "[Executive Orders on Diversity, Equity, Inclusion, and Accessibility](#)," April 14, 2022.

⁶ USAID OIG, "[Contractor Use for Disaster and Stabilization Responses: USAID Is Constrained by Funding Structure but Better Data Collection Could Improve Workforce Planning](#)" (E-000-22-002-M), September 29, 2022.

⁷ USAID, "[DEIA Achievements](#)," June 06, 2022.

⁸ USAID, "[EO 13985 USAID Agency Equity Action Plan](#)," February 9, 2022.

⁹ Executive Office of the President, "[Executive Order 13985: Advancing Racial Equity and Support for Underserved Communities Through the Federal Government](#)," January 20, 2021.

Challenge 2:

Mitigating Risk in Agency Operations

Our oversight work has highlighted the importance of USAID identifying, documenting, and responding to risks to its programming. This is particularly relevant for the Agency's efforts to provide more funds through local organizations and respond to complex emergencies. Continued vigilance is needed to address risks tied to information technology (IT) and supply chain management.

ADDRESSING RISKS IN USAID'S LOCALIZATION EFFORTS

Localization of aid remains a top priority for USAID under the Biden administration. The Agency has issued new policies and strategies aimed at empowering local civil society and public and private sector organizations, intending to streamline the award process and adapt its risk appetite to further support them. Failure to adequately address risks with local partners could jeopardize USAID's finances, reputation, and ability to achieve intended results.

Notably, USAID has committed to providing 25 percent of assistance to local partners by 2025, and 50 percent of assistance in programs that place local communities in the lead on co-design, priority setting, implementation, or evaluation by the end of the decade.¹⁰ This follows the example set by the U.S. President's Emergency Plan For AIDS Relief (PEPFAR), which previously aimed to channel 70 percent of HIV funding to local partners, such as host country governments and local organizations, by 2020 and an even earlier initiative by USAID to award 30 percent of program funds to local organizations by 2015.

A limited number of local partners are ready to implement USAID programs.

- Our recent audit of PEPFAR programs found that USAID missions in Nigeria, Tanzania, Uganda, Zambia, and Zimbabwe required more time to develop their local partner base given the limited number and low starting point of existing local organizations ready to manage USAID funds.¹¹
- Five of the eight critical missions assessed in the audit reported challenges balancing the risks of using local partners with meeting PEPFAR programmatic goals. Some missions mitigated the risks to achieving PEPFAR results by delaying new awards to local partners and extending existing awards to international partners.
- The pool of capable, eligible local partners may need to grow for the Agency to achieve its new funding goals by 2030.

¹⁰ Administrator Power, [speech at the Society for International Development annual U.S. conference](#), May 26, 2022.

¹¹ USAID OIG, "[PEPFAR in Africa: USAID Expanded the Use of Local Partners but Should Reassess Local Partner Capacity to Meet Funding Goals](#)" (4-936-22-001-P), December 13, 2021.

Local organizations may lack the financial and managerial capacity needed to ensure effective stewardship of U.S. taxpayer dollars.

- GAO noted “bureaucratic hurdles” cited by USAID as preventing the Agency from partnering with small or local organizations, including navigating the requirements for funding eligibility or understanding government terminology.¹²
- For some USAID missions in Africa, budget cuts hindered capacity development for local partners to successfully implement PEPFAR programs, as reported in our recent audit.
- Financial audits of local partners have highlighted inconsistent compliance with award provisions and maintaining documentation of significant transactions and events.¹³

Past oversight work highlights the importance of metrics and staff capacity for tracking success and managing risks related to localization.

- USAID reported a high-risk appetite for programmatic and development outcomes, which encompasses localization efforts. This means USAID has determined that the potential opportunities and/or upside benefits outweigh potential threats or downside costs.¹⁴
- Balancing opportunities for localization against fiduciary and reputational risks is necessary to help mitigate the likelihood of corruption, fraud, waste, abuse, and funds diversion.
- Past OIG and GAO reports on USAID’s earlier localization efforts¹⁵ flagged concerns related to metrics for tracking success and staff capacity to effectively manage and monitor local partners that may require more oversight and support than other well-established non-governmental organizations (NGOs).¹⁶

Spotlight: Risk Management in Local Partner Procurements

To help expand its use of local organizations, USAID committed to pursuing internal reforms, behavior changes, and actions to be more responsive and accessible to local partners. These commitments follow the Agency’s 2019 rollout of the New Partnerships Initiative, intended to diversify its partner base and improve collaboration with new, nontraditional, and local actors.

However, the pursuit of new award mechanisms to new local partners presents unique challenges for USAID. For example, USAID may need more diverse skills and resources to issue the awards, and the organizations that receive the awards may require more capacity to manage them effectively.

Our ongoing oversight work will examine the New Partnerships Initiative, specifically the extent to which USAID has established guidance and policies for how the initiative is being measured. Another engagement will look at Fixed Amount Awards (a common funding mechanism for new partners) and determine whether USAID assesses and addresses risks and ensures that milestones are completed in accordance with the award terms.

¹² GAO, “[Foreign Assistance: State and USAID Are Taking Actions to Advance Equity Abroad and Mitigate Challenges](#)” (GAO-22-105112), July 19, 2022.

¹³ For fiscal year 2022, OIG issued 240 audit reports covering over \$1 billion in funds expended by foreign, local recipients. OIG also issued 145 recommendations and questioned about \$28 million.

¹⁴ USAID, “[USAID Risk Appetite Statement - A Mandatory Reference for ADS 596](#),” August 22, 2022.

¹⁵ Prior initiatives include the Journey to Self-Reliance (2017) and USAID Forward/Local Solutions (2010).

¹⁶ USAID OIG, “[Despite Optimism About Engaging Local Organizations, USAID Had Challenges Determining Impact and Mitigating Risks](#)” (5-000-19-001-P), March 21, 2019.

ADDRESSING RISKS DURING COMPLEX EMERGENCIES

USAID is encountering a challenge identifying and documenting its analysis of risk from the outset of its response efforts in complex emergency contexts. Federal internal control standards and guidance from the Office of Management and Budget require government agencies to identify and respond to risks throughout the development life cycle. USAID has policies in place that implement these requirements. However, recent oversight work on USAID's humanitarian responses highlighted the need for greater attention to managing risk to its programming.

Past audits of USAID's emergency responses found gaps in the Agency's approach to risk mitigation.

- For example, in Yemen the Agency did not update its risk mitigation plan on a regular basis, document and incorporate all relevant risk mitigation measures, and evaluate the effectiveness of its risk responses.¹⁷ The Agency lacked a systematic process to assess and respond to significant risks such as diversions to sanctioned groups, environmental hazards, and partner staff safety and security.
- While the Agency has taken action to address many of these issues, as of October, multiple recommendations remained open, including establishing and implementing guidance to better identify and respond to risks with humanitarian assistance activities.

Incorporating lessons from recent oversight work into current and future cash assistance programs is critical to overcoming vulnerabilities.

- Cash assistance from USAID partners can provide beneficiaries with crucial flexibility to meet their needs during and after emergencies, but this type of intervention has a different risk and benefit profile than other forms of assistance and requires deliberate program design to address risks of theft and misuse.
- Our 2021 audit of USAID's Venezuela regional humanitarian response noted the use of cash assistance and the need for additional attention to fraud risk management.¹⁸
- Vulnerabilities affecting cash assistance for Venezuelan migrants in Colombia include local partners requesting fees or local authorities trying to gain political support from beneficiaries in exchange for program enrollment; theft by beneficiaries and use of stolen identification cards to access benefits; and fraud committed by the service providers facilitating cash disbursements.¹⁹

¹⁷ USAID OIG, "[Humanitarian Assistance in Yemen: Opportunities Exist for USAID to Further Strengthen its Risk Management Process](#)" (8-199-22-003-P), August 23, 2022.

¹⁸ USAID OIG, "[Enhanced Processes and Implementer Requirements Are Needed to Address Challenges and Fraud Risks in USAID's Venezuela Response](#)" (9-000-21-005-P), April 16, 2021.

¹⁹ USAID OIG, "Referral Memorandum—Vulnerabilities in Cash Assistance Programming for Venezuelan Migrants in Colombia" July 1, 2022.

Spotlight: Risk Management in USAID's Response to the Conflict in Ukraine

As USAID responds to humanitarian needs generated by Russia's invasion of Ukraine in February 2022, it is confronting risks that can be managed through controls over program design and procurement. External factors, such as corruption, require robust program oversight.

The Agency's Ukraine response is funded largely through awards to U.N. agencies and other public international organizations, which calls for diligent attention:

- By late September 2022, USAID had contributed \$8.5 billion to the World Bank to support non-security general budget expenses in Ukraine, primarily supporting salaries for government workers and social spending needs.
- Our recent advisory noted that World Bank-administered funding mechanisms can present challenges for USAID, and that the Agency can draw on past lessons to improve risk management for such awards in Ukraine.²⁰
- Our 2017 audit of a World Bank-managed trust fund in Afghanistan found that USAID had not conducted an evaluation of trust fund activities which could have helped identify poorly performing projects and trigger performance improvement plans.²¹

We are committed to monitoring the Agency's Ukraine response through audits, evaluations, and other oversight efforts. For example, USAID has statutory and policy requirements related to reporting and due diligence for funds provided through the World Bank funding mechanisms. The World Bank and the Government of Ukraine also have monitoring and reporting requirements designed to inform USAID and ensure accountability.

ADDRESSING RISKS IN USAID'S INFORMATION TECHNOLOGY AND SUPPLY CHAIN RISK MANAGEMENT

USAID needs secure and effective IT and supply chain risk management systems. In May 2022, GAO noted that IT and cybersecurity are high-risk areas for the Agency.²² Several of our recent audits reinforce the need for further vigilance in these areas.

Unresolved recommendations related to IT underscore risks to USAID.

- While our most recent audit found that the Agency's information security program reached a maturity level considered to be effective, further action is required for USAID to address recommendations raised in four prior reports related to IT.²³
- Recommendations from prior reports lay out a variety of issues related to IT risk management, such as the installation of unauthorized applications on mobile devices²⁴ and ensuring that supporting documentation is uploaded to USAID's documentation management system.^{25,26,27}

²⁰ USAID OIG, "[Key Considerations to Inform USAID's Response in Ukraine](#)," Advisory, July 22, 2022.

²¹ USAID OIG, "[USAID Planning and Monitoring Gaps Weaken Accountability for Results Through the Afghanistan Reconstruction Trust Fund](#)" (8-306-17-004-P), August 16, 2017.

²² GAO, "[Priority Open Recommendations: USAID](#)," May 18, 2022.

²³ USAID OIG, "[USAID Implemented a Managed and Measurable Information Security Program for Fiscal Year 2022 in Support of FISMA](#)" (A-000-22-009-C), September 14, 2022.

²⁴ USAID OIG, "[USAID Implemented an Effective Information Security Program for Fiscal Year 2021 in Support of FISMA](#)" (A-000-22-005-C), December 7, 2021.

²⁵ USAID OIG, "[USAID Complied in Fiscal Year 2021 With the Digital Accountability and Transparency Act of 2014](#)" (0-000-22-002-C), November 6, 2021.

²⁶ 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.

²⁷ USAID OIG, "[USAID Needs to Improve Policy and Processes to Better Protect Information Accessed on Personal Devices](#)" (A-000-20-006-P), June 19, 2020.

Risks remain within USAID’s supply chain risk management system.

- GAO noted the risks Federal agencies, including USAID, encounter due to their reliance on information and communication technology such as computing systems, software, and networks. The risks noted include attacks by foreign adversaries and introducing counterfeit products and services in the supply chain.
- The management of system components requiring repair or service remains an outstanding challenge in the Agency’s supply chain risk management procedures.^{28,29}

²⁸ GAO, “[Information Technology, Federal Agencies Need to Take Urgent Action to Manage Supply Chain Risks](#)” (GAO-21-171), December 2020.

²⁹ USAID OIG, “[USAID Implemented an Effective Information Security Program for Fiscal Year 2021 in Support of FISMA](#)” (A-000-22-005-C), December 7, 2021.



Challenge 3:

Countering Corruption, Abuse, and Malign Influence

Corruption, sexual exploitation and abuse, and malign influence threaten to undermine USAID's objectives as it provides assistance in increasingly challenging environments. The Agency can address these threats by tightening controls, strengthening processes that facilitate reporting of possible criminal activity, and ensuring accountability of Agency partners.

REMAINING VIGILANT AGAINST CORRUPTION AND ABUSE

In certain operating contexts, particularly those with large outflows of assistance at an increased pace, USAID programs are susceptible to corruption and abuse by bad actors. Increased vigilance against forms of corruption and abuse is required while providing timely aid to those in need. No system of controls is perfect, though program design can address some risks associated with chaotic operating environments.

An audit of USAID's approach to preventing and responding to sexual exploitation and abuse (SEA) in Agency awards and monitoring processes found that additional controls were needed.³⁰

- USAID has made progress refining prevention and monitoring mechanisms. The Agency's policy on protection from SEA builds upon its effort to "do no harm" with its development activities.
- SEA continues to threaten the safety of beneficiaries and partner staff, as well as the Agency's reputation. As of early October, USAID had yet to take final action on several audit recommendations related to issuing guidance and tracking SEA.

Recent oversight work suggests that small business set-aside awards are susceptible to being awarded to pass-through companies with no presence in the United States, contrary to the Small Business Act.

- Based on a review of a list of 200 small business firms interested in working with USAID under small business award mechanisms, we noted evidence that some businesses were "inactive" in the states where they purported to operate, and multiple businesses appeared to operate primarily outside of the United States.³¹
- We also noted situations where home-based businesses had a relatively large number of employees operating out of a residence, suggesting the existence of a fictitious location.

³⁰ 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.

³¹ USAID OIG, "Fraud Alert Pertaining to USAID Small Business Awards," January 24, 2022.

- These findings underscore the need for continuous monitoring to stave off potential schemes affecting small business set-asides.

Two settled False Claims Act cases highlight risks of organizations disregarding accounting standards and misappropriating USAID funds.

- In one case, an organization’s former chief executive officer submitted at least 55 invoices that contained false or speculative labor hours for staff. The former executive paid \$100,000 to settle the false claim allegations.³²
- In another case, a global health NGO submitted false invoices to USAID for work they did not perform, including billing time to their USAID award while not actually supporting the program.³³ The organization agreed to pay \$537,500 to settle the matter.

Spotlight: Boosting Accountability in USAID’s Response to the Conflict in Ukraine

As USAID continues to respond to the conflict in Ukraine, addressing corruption and increasing reporting and accountability continue to challenge the Agency. Our recent advisory highlighted these difficulties, as well as previous oversight work, to inform the Agency’s response.³⁴

To safeguard USAID programming in Ukraine from corrupt actors, USAID can improve its pre-award certification process to capture information about whether prospective award recipients have engaged with actors sanctioned by the U.S. government for corrupt activity.³⁵

We are conducting proactive, strategic outreach and engagement in Ukraine, as well as within the surrounding countries implementing cross-border USAID programs, to promote effective oversight and encourage reporting of fraud, corruption, and sexual exploitation and abuse.

CHECKING GLOBAL MALIGN INFLUENCE WITH ADDITIONAL MONITORING AND ENGAGEMENT

USAID leadership have increasingly highlighted the negative influence of foreign actors on Agency partners and programs in some countries where USAID operates. In Europe and Eurasia, for example, USAID programs are increasingly tied to countering malign Kremlin influence. The malign influence is characterized by forms of subversive tactics such as election interference, disinformation, corruption, and organized crime to interfere in the domestic political affairs of partner countries. In addition, USAID has increasingly sought to counter economic leverage and influence from the People’s Republic of China (PRC).

³² U.S. Department of Justice, “[Former CEO of SoukTel, Inc., Agrees to Pay \\$100,000 to Settle False Claims Act Allegations](#),” September 1, 2022.

³³ U.S. Department of Justice, “[Project Concern International, a Global Health Non-Profit Organization, Agrees to Pay \\$537,500 to Resolve False Claims Act Action](#),” March 10, 2022.

³⁴ USAID OIG, “[Key Considerations to Inform USAID’s Response in Ukraine](#),” July 22, 2022.

³⁵ USAID OIG, “[Observations on Risk in the Pre-Award Process for Assistance Awards](#),” June 23, 2021.

An audit of USAID’s Countering Malign Kremlin Influence (CMKI) development framework found the need for additional monitoring and engagement.³⁶

- In July 2019, USAID released its CMKI Framework, aiming to increase the resilience of partner countries against Government of Russian Federation influence.
- USAID applied risk management principles in the framework design but did not adequately monitor whether the risk responses were succeeding, assess conditional changes, or update the framework.
- USAID also did not engage with all stakeholders, such as USAID regional bureaus and members of the European Union’s Eastern Partnership Program, when designing the framework. Some missions identified implementation challenges such as limited financial and staffing resources.
- Prior to Russia’s February 2022 invasion of Ukraine, we made three recommendations to strengthen the CMKI development framework, including implementing a process to monitor risks and consulting with CMKI stakeholders both internal and external to USAID.

Even with the global focus on Ukraine, USAID continues efforts to counter China’s influence.

- In May 2022, Secretary of State Antony Blinken reiterated the Biden administration’s stance that the most serious long-term challenge to international order is posed by the PRC.
- USAID seeks to counter increasing levels of PRC influence in developing countries. In the past year, Agency leadership has highlighted concerns with the growing influence of China that conflicts with U.S. values.
- For example, a senior USAID official noted that PRC companies have invested more than \$130 billion in countries in Latin America over the past two decades, which provides China with greater leverage that may not accord with U.S. values in partner countries.
- In sub-Saharan Africa, Chinese investments, loans and foreign aid have increased steadily over the past two decades, with the PRC providing close to a reported \$199 billion in funding for projects since 2001, based on data from the Johns Hopkins Chinese Africa Research Initiative. For example, a 2021 report from Johns Hopkins noted that Chinese financiers have committed \$153 billion in loans to Africa public sector borrowers between 2000 and 2019. The report further noted that Chinese foreign direct investment in the continent, which reached \$4.2 billion in 2000, has exceeded U.S. investment in the region since 2013.³⁷
- We are conducting an audit assessing USAID’s efforts to counter PRC influence in Africa, focusing on the Democratic Republic of the Congo, Liberia, South Africa, and Tanzania.

³⁶ USAID OIG, “[Countering Malign Kremlin Influence: USAID Can Do More to Strengthen Its CMKI Development Framework](#)” (8-199-22-002-P), January 26, 2022.

³⁷ Johns Hopkins China Africa Research Initiative, Data: Chinese Investment in Africa, accessed on October 12, 2022; Johns Hopkins China Africa Research Initiative, Twenty Years of Data on China’s Africa Lending, accessed on October 12, 2022.

IMPROVING REPORTING AND ACCOUNTABILITY

To ensure accountability and prevent criminal activity and abuse, USAID needs to improve its processes for reporting allegations of illicit behavior, as well as taking action to strengthen protections for funding provided to non-U.S.-based NGOs.

We are not consistently receiving timely reporting related to allegations of fraud and abuse.

- Our investigators conduct inquiries into allegations of criminal, civil, and administrative violations worldwide, with the goal of identifying, investigating, prosecuting, and deterring fraud, corruption, and other misconduct within USAID programs and operations.
- USAID-funded partners are required to promptly report allegations of misconduct affecting USAID awards to both the Agency and to us, though recent reporting trends suggest that more attention is needed to reinforce this requirement.
- We received only 10 allegations related to the Ukraine response as of late September 2022, despite the rapid mobilization of Agency resources, including \$1 billion for humanitarian assistance and more than \$8.5 billion in direct budgetary support.³⁸
- Recently, we informed the Agency of a declining trend in the number of complaints and disclosures we received in Yemen, despite an increase in cash outlays. This may indicate the need for more oversight and additional outreach efforts to educate implementers about our reporting tools.³⁹

Improving fraud protections in awards for non-U.S.-based NGOs is an ongoing challenge.

- As noted in our prior Top Management Challenges report, a Federal judge dismissed a False Claims Act case against an NGO based in the United Kingdom that allegedly submitted false certifications to USAID regarding past support to terrorist organizations. The judge determined, on jurisdictional grounds, that the NGO could not be sued in U.S. court, and that USAID lacked a clause to that extent in its awards.
- That decision has now been affirmed by the Second Circuit,⁴⁰ creating additional precedent that may obstruct USAID's ability to recover taxpayer funds misused or fraudulently obtained by non-U.S.-based organizations.
- The agency has noted the risk but to date has not taken action to address the concern, such as establishing a forum consent clause.

³⁸ Just one of these reports was from a U.N. agency, which was only forwarded to us via USAID, contrary to USAID's own reporting requirements.

³⁹ USAID OIG, "Situational Alert on Misconduct Allegations for USAID's Yemen Response," August 24, 2022.

⁴⁰ United States ex rel. TZAC v. Christian Aid, No. 21-1542 (2d Cir. June 16, 2022).



Challenge 4:

Maximizing the Impact of Monitoring and Quality Data

Gathering, reporting, and acting on reliable data represents an ongoing challenge for USAID, particularly in locations with access limitations. Improving data quality is critical to keeping programs on track and ensuring top-notch, data-driven decision making.

ADDRESSING VULNERABILITIES WITH MONITORING

Monitoring helps USAID track progress towards meeting the development goals of its programs, but the process is constrained and sometimes not as effective as intended, particularly in complex operating environments. Agency policy incorporates monitoring requirements throughout the development life cycle, from strategy and design to implementation, allowing USAID to be nimble, adapt when necessary, and learn from mistakes as well as successes. Recent OIG oversight highlights areas where USAID can improve monitoring.

Shortfalls with quality and use of information limit the utility of USAID's third-party monitors.

- Under certain conditions, third party monitors can be a critical oversight tool to supplement the Agency's oversight of partner compliance, controls, and whether programs are on track to achieve their goals.
- Our audit of USAID's use of third-party monitors in Bangladesh, Nepal, and Pakistan noted that the missions did sometimes track and resolve issues identified by third-party monitors, but the resolution was not always timely or backed with supporting documentation. In Bangladesh, mission officials disclosed concerns with the quality of products and services provided by these contractors, as well as a lack of guidance on how to use their services.⁴¹

Access constraints continue to limit monitoring.

- Ongoing hazards impede USAID access to sites in insecure environments, including Ukraine.
- In Afghanistan, some organizations are required to sign memorandums of understanding prior to commencing activities, and female aid staff participation is limited. These agreements with aid organizations stipulate Taliban participation in planning and monitoring activities.⁴²

⁴¹ USAID OIG, "[Improved Guidance and Processes Would Strengthen the Use of Third-Party Monitors in Bangladesh, Nepal, and Pakistan](#)" (5-000-22-001-P), November 17, 2021.

⁴² Lead Inspector General Report to United States Congress, Operation Enduring Sentinel, January 1, 2022-March 31, 2022.

- In Iraq, the government has requested limits on expatriate staff included in site visits and monitoring trips, constraining the capacity for effective monitoring.⁴³

Select Asia missions needed additional training and guidance to properly monitor cost sharing.

- USAID often includes a cost share requirement to incentivize partners to mobilize additional resources to programs. Agency staff are responsible for monitoring awards, including ensuring that cost share requirements are met.
- In Asia, our audit found that four of six missions (Bangladesh, Indonesia, Nepal, and Pakistan) had gaps in monitoring due to insufficient guidance and training on how to monitor cost share.⁴⁴

Spotlight: Enhancing Monitoring of USAID Programs Amid the COVID-19 Pandemic

Previous oversight work highlighted specific monitoring challenges USAID bureaus and missions encountered during the COVID-19 pandemic, including movement restrictions and technology challenges. We found that USAID provided selected missions with flexibilities in monitoring policy and other helpful guidance, allowing staff to adapt monitoring efforts accordingly.⁴⁵

Furthermore, GAO found that improved documentation and increased reporting frequency could enhance USAID’s monitoring of humanitarian response efforts amid the pandemic.⁴⁶ GAO noted that though USAID switched to remote monitoring of humanitarian assistance awards in response to pandemic-related constraints, the Agency did not consistently document field-level oversight.

In the coming fiscal years, we are planning additional oversight of USAID’s COVID-19 response activities and the Agency’s reactions to related operational challenges and the pandemic’s second order effects, including USAID’s monitoring vulnerabilities.

ENSURING DATA QUALITY TO INFORM DATA-DRIVEN DECISIONS

Recent OIG audits illustrate the need for USAID to ensure reliable financial and performance data. As prescribed by policy and federal internal control standards, quality data informs Agency decisions, risk management, and program efficacy. USAID policy requires that data meet quality standards through regular data quality assessments. Financial audits are performed to demonstrate the accuracy of Agency financial statements.

Selected African missions lacked key documentation supporting data quality.

- High quality data helps support effective, impactful programs combatting HIV/AIDS, and data quality has been a focus of global HIV/AIDS monitoring.

⁴³ Lead Inspector General Report to United States Congress, Operation Inherent Resolve, January 1, 2022-March 31, 2022.
⁴⁴ USAID OIG, “[Cost Sharing: USAID’s Asia Bureau Should Enhance Guidance and Training to Ensure Missions Verify Awardees’ Contributions](#)” (5-000-22-002-P), November 26, 2021.
⁴⁵ USAID OIG, “[USAID Adapted to Continue Program Monitoring During COVID-19, But the Effectiveness of These Efforts Is Still to Be Determined](#)” (9-000-21-007-P), May 21, 2021.
⁴⁶ GAO, “[COVID-19: Better USAID Documentation and More-Frequent Reporting Could Enhance Monitoring of Humanitarian Efforts](#)” (GAO-22-104431), January 26, 2022.

- Our audit of USAID-implemented PEPFAR programs in Kenya, Malawi, and South Africa found that these missions generally adhered to controls.
- The audit noted weaknesses in quality control measures in PEPFAR’s official data system, data quality assessments, and the adoption of recommended best practices for validating results.⁴⁷

Stronger controls are required to improve the quality of externally reported data.

- We found that the Agency had complied with requirements related to reporting financial and payment data, as well as information on improper payments.
- However, the reports noted control weaknesses with reporting data externally to USAspending.gov and PaymentAccuracy.gov.^{48,49}

USAID has yet to take corrective action related to the validation of data between its Development Information Solution System (DIS) and the State Department’s system.

- USAID developed DIS to help missions manage performance monitoring and budgeting across program areas by collecting data from financial and procurement systems, as well as program data, to allow for a more holistic view on the Agency’s portfolio.
- Our 2021 audit of DIS found the risk of inconsistent data between DIS and State Department’s system that also collects data on foreign assistance because of a lack of two-way synchronization between the systems.⁵⁰
- To address this risk, we recommended that USAID develop a process to validate the data between the two systems. In September 2022, USAID responded to the recommendation and OIG is reviewing the Agency actions prior to closing the recommendation.

Spotlight: USAID’s Use of Data in Tracking Climate Change Funding and Results

Over the past ten years, USAID has programmed billions of dollars on interventions designed to mitigate greenhouse gas emissions and help partner countries adapt to climate change. However, the Agency has experienced challenges with tracking climate change funding.

A GAO audit of the Agency’s climate change adaptation efforts recommended improved mission and bureau level reporting of funding data related to programming that supports climate adaptation indirectly.⁵¹ USAID leadership noted that such data would allow the Agency to better track and report on its contributions.

In April 2022, USAID launched a new climate change strategy through 2030. We are undertaking oversight work of USAID’s climate change mitigation efforts, with a focus on whether the Agency has developed, communicated, and utilized quality data to inform decision making and key stakeholders.

⁴⁷ USAID OIG, “PEPFAR in Africa: USAID Can Take Additional Steps to Improve Controls Over Data Quality” (4-936-22-002-P), September 14, 2022.

⁴⁸ USAID OIG, “USAID Complied in Fiscal Year 2021 With the Digital Accountability and Transparency Act of 2014” (0-000-22-002-C), November 6, 2021.

⁴⁹ USAID OIG, “USAID Complied in Fiscal Year 2021 With the Payment Integrity Information Act of 2019” (0-000-22-013-C), June 10, 2022.

⁵⁰ USAID OIG, “USAID Was Not On Track To Achieve Performance and Cost Savings Goals for the Development Information Solution System” (A-000-21-001-U), May 6, 2021.

⁵¹ GAO, “Climate Change: USAID Is Taking Steps to Increase Projects’ Resilience, but Could Improve Reporting of Adaptation Funding” (GAO-20-555), July 28, 2020.

USAID's Progress on Addressing the Top Management Challenges Identified for FY 2022

USAID has made progress addressing challenge areas identified in last year's Top Management Challenges report. Below is a list of examples. We also report on Agency progress addressing open recommendations in our Semi-Annual Reports to Congress.⁵²

Afghanistan Spotlight:

- USAID reported implementation of risk mitigation processes to address the risks of diversion, fraud, waste, and abuse.
- USAID helped relocate personnel from Afghanistan to safe locations in coordination with other agencies.

COVID-19 Spotlight:

- The Agency noted actions supporting vaccine rollout, including setting up mechanisms to improve coordination in the Bureau for Global Health and with external agencies.
- USAID also reported a return to normal operations with staff returning to Washington, DC, offices in May 2022 and fewer restrictions on monitoring.

Managing Risks to Humanitarian Assistance:

- USAID reported significant action: to mitigate fraud and corruption risks with humanitarian assistance programming; adding additional oversight steps to the pre-award risk assessment process; reviewing noncompetitive procurements; and releasing an internal BHA Fraud Risk Management Framework for Humanitarian Assistance.
- The Agency reported issuing internal guidance designed to help staff assess whether third-party monitoring is appropriate in a humanitarian assistance context and clarifying roles and responsibilities.
- In response to concerns regarding monitoring and evaluation with the Resilience in the Sahel Enhanced II project, USAID reported developing indicators and targets to better manage performance. USAID also incorporated an evaluation and survey tracking table to help prevent delays and allow the mission to take corrective actions when necessary.

Sustaining International Development Gains:

- USAID reported progress with planning, monitoring, and private sector engagement. Of note, USAID is working to close a recommendation related to developing a process for implementing foreign policy guidance in exceptional cases when Administrator guidance could be viewed as affecting humanitarian assistance principles and risk appetite.
- USAID also reported making inroads with its private sector engagement capacity, including staffing, building a relationship management enterprise system that will track relationships across the Agency, and rolling out indicators for private sector engagement.

⁵² Prior Top Management Challenges and Semi-Annual Reports to Congress are available on oig.usaid.gov.

Advancing Coordination with Stakeholders:

- USAID reported progress with coordination, both within the Agency and with the State Department. USAID reported taking steps to improve coordination between the Office of the Administrator and BHA, as well as the risk tolerance threshold, should BHA deviate from recognized humanitarian principles.
- USAID also reported working externally, with both the State Department and Congress, to address funding delays and managing the earmark process.

Implementing Core Management Functions:

- USAID reported progress with managing awards and information systems, finances, cybersecurity, and human capital. Of note, the Agency reported progress enhancing efforts around protection from SEA in global programs, including establishing enhanced responsibilities for SEA protection and progress developing a case management system for tracking SEA allegations.
- USAID reported launching a government-wide working group to share best practices to safeguard the vulnerabilities around the Afghanistan evacuation and Ukraine humanitarian assistance response.
- Regarding delays with grant closure, the Agency noted a decline in unliquidated obligations of the third quarter of FY 2022, from \$178 million to \$34.2 million.

PAYMENT INTEGRITY

The U.S. Agency for International Development (USAID) complies with all regulatory requirements and legal updates on improper payments. The Payment Integrity Information Act of 2019 (PIIA) signed into law on March 2, 2020, replaced the Improper Payment Information Act of 2002 (IPIA), the Improper Payments Elimination and Recovery Act of 2010 (IPERA), the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), and the Fraud Reduction and Data Analytics Act of 2015 (FRDAA).

PIIA requires federal managers to assess and identify high-risk programs and activities and report findings in the Agency Financial Report (AFR), www.paymentaccuracy.gov (<https://www.paymentaccuracy.gov/>), and the Office of Management and Budget (OMB) Annual Data Call. The U.S. government's Do Not Pay (DNP) initiative provides access to multiple sources of information, including a centralized DNP list 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 improper payments (IPs) and defines these as a payment that should not have been made or that was made in an incorrect amount. Such payments include overpayments, underpayments, unknown payments, and technically improper payments.

PIIA further classifies improper payments into two broad categories: monetary loss IPs and non-monetary loss IPs.

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. (See Figure 1. Monetary Loss.)

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.

Unknown payments (UP) 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 a UP for reporting purposes that year.

MONETARY LOSS

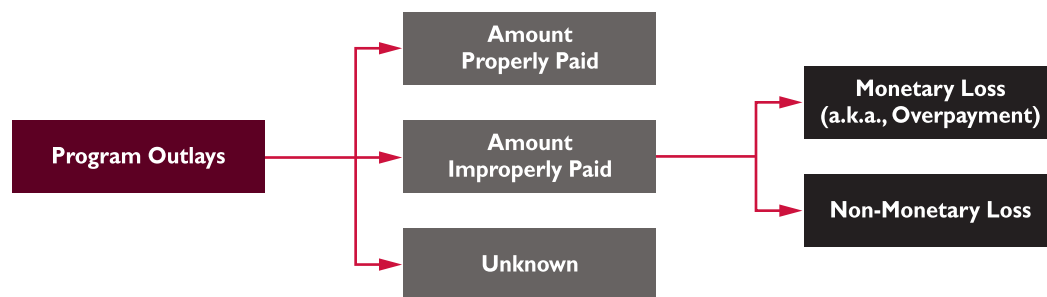


Figure 1. Improper Payment Type Categories, adapted from M-21-19 (see page 9)

NON-MONETARY LOSS

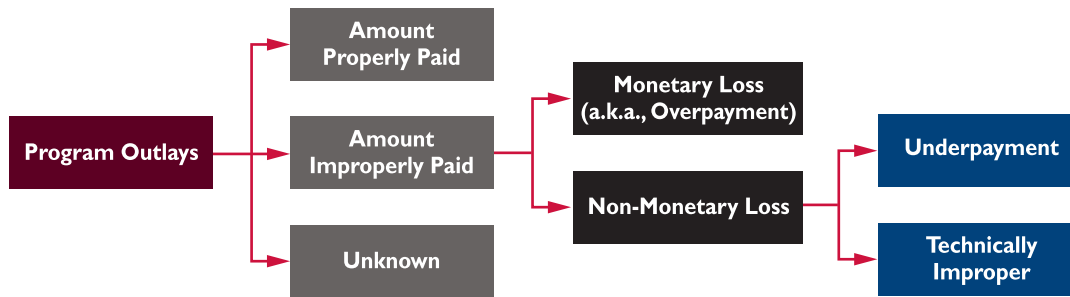


Figure 2. Non-Monetary Loss Improper Payment Type Categories, adapted from M-21-19 (see page 11)

Non-monetary loss IPs are payments that do not result in monetary loss to the Agency. They include underpayments and technically IPs. (See Figure 2. Non-Monetary Loss)

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 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.

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 improper payments 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* (M-21-19).

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, D.C., 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.

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. Further detail about IPs is available at <https://paymentaccuracy.gov/>.

ASSESSING RISK

USAID assessed the risk of IPs in all program areas in fiscal year (FY) 2021 and FY 2022. USAID is in the third year of a three-year risk assessment cycle since the beginning of FY 2023. On March 28, 2022, the Biden-Harris Administration requested

\$60.4 billion for the U.S. Department of State (State) and USAID as part of the President's Budget Request for Fiscal Year 2023, which includes \$29.4 billion for USAID's fully and partially managed accounts, \$1.7 billion (6 percent) above the FY 2022 Request. This budget will include USAID efforts to: Fight Transnational Corruption and Advance Democracy; Bolster Humanitarian Assistance; Double Our Commitment to Women's Empowerment, Equality, and Equity; Revitalize Our Workforce; Restore U.S. Climate Leadership; Address the Root Causes of Irregular Migration; and Reinforce Global Health Leadership. Additional funding level includes \$44.3 million as part of the Afghanistan Supplemental Appropriations Act in FY 2022. Therefore, the Agency incorporated an additional metric to assess program risks and IPs identification for reporting starting in FY 2020. The next scheduled risk assessment is planned for FY 2023.

I. USAID MANAGEMENT FRAMEWORK FOR PAYMENT INTEGRITY

Operating in more than 80 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 State on behalf of USAID. USAID minimizes IPs by integrating its internal control system with these payment business processes. The Agency's IP 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 overseas 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 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, 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, 2022, USAID-funded payments were \$15.51 billion, with \$502.8 million in IPs, which resulted in an IP rate of 0.032454 or 3.24544 percent.

II. RECAPTURE OF OVERPAYMENTS

To complement its extensive pre-payment 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 improper payment by focusing enhanced scrutiny on grants and contracts, which make up a significant portion of USAID's expenditures. Table 1, shown on the following page, summarizes the Agency's internal control testing for IPs and recapture.

TABLE 1 – IMPROPER PAYMENTS RECAPTURED WITH INTERNAL CONTROLS AND WITHOUT AUDIT PROGRAMS AS OF JUNE 30, 2022

(Dollars in Millions)

Activity	Amount Identified	Amount Recaptured	Percent Recaptured
Grant	\$ 500.620	\$ 500.620	100.00%
Contract	1.300	1.298	99.85%
Payroll	0.026	0.025	94.68%
Travel	0.025	0.025	100.00%
Other (Non-Payroll)	0.087	0.047	54.06%
Total	\$ 502.060	\$ 502.016	99.99%

Note: Other (Non-Payroll) is defined as non-payroll employee benefits and incentives.

TABLE 2 – AGING SCHEDULE OF OVERPAYMENTS FOR RECAPTURE AS OF JUNE 30, 2022

(Dollars in Millions)

Age Range	Amount	Percent of Total
Zero to Six Months	\$ 500.28	99.40%
Six Months to One Year	3.00	0.60%
Total to Recapture	\$ 503.28	100.00%

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 further consultation with OMB, henceforth USAID will only classify questioned and unallowable costs that result from a payment error as improper.

Table 2, shown above, depicts the amount of uncollected payments identified for recapture, 100 percent of which USAID ascertained during the period January 1, 2022, to June 30, 2022. USAID deems all outstanding overpayments identified in Table 2 to be collectible.

USAID identified IPs known as non-monetary loss and monetary loss IPs, as defined in OMB A-123, Appendix C, and PIIA. USAID identified \$986,000 in non-monetary loss: underpayments and technically IP and \$846,000 in monetary loss: overpayments for the period of July 1, 2021, through December 31, 2021; it also identified \$500.16 million in non-monetary loss: underpayments and technically IPs and \$31,000 in monetary loss: overpayment for the period of January 1, 2022, through June 30, 2022. During this reporting period, USAID has no high-priority program in monetary loss in excess of \$100 million.

For the Risk Assessment, USAID's funded payments for FY 2022 was \$15.51 billion as compared to \$13.48 billion for FY 2021. The increase in the disbursement of funds was a necessary response to humanitarian emergencies with respect to war in Ukraine and its effects on global energy and food security, emerging climate-related disasters such as the flooding in Pakistan, as well as to address the needs of dynamic operating environments that continue to be influenced by the COVID-19 pandemic.

USAID believes that satisfying a clean estimation on our financial statements is the value of transparent and accurate financial reporting for improving internal controls.

The Agency also leverages the results of audits by the USAID Office of Inspector General (OIG), audits under OMB Circular A-133, Compliance

Supplement 2016 (https://obamawhitehouse.archives.gov/omb/circulars/a133_compliance_supplement_2016), and contracts and grants closeouts 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 the U.S. Department of the Treasury (Treasury) as miscellaneous receipts. The Agency also deposits recaptured canceled resources as miscellaneous receipts.

If USAID's Operating Units (OUs) are unable to collect funds owed from an implementing partner, contractor, or grantee, the Agency will refer the collection to the Treasury. Barring any debt compromise, suspension, or termination of collection action or closeout, the recovery process makes full use of all collection tools available, including installment payment plans, cross-servicing with the Treasury, and the claims litigation process in the U.S. Department of Justice.

III. 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 tracking IPs and recapturing them. Starting in FY 2018, Treasury began sending a monthly DNP adjudication report that listed possible

DNP database matches to the USAID Office of the Chief Financial Officer (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, the USAID M/OCFO would determine if the vendor was correctly identified and/or if the payment was proper.

USAID is currently using the following databases:

- The Death Master File (DMF) of the Social Security Administration;
- The General Services Administration's System for Award Management (SAM); and
- The Debt Check Database for Treasury (Debt Check).

For reporting purposes, the data in question includes the following:

- *Payments reviewed for IPs*, which includes all payments screened by the DNP Initiative or other USAID internal databases managed by the USAID 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.

The USAID M/OCFO plans to continue using the portal to adjudicate any DNP matches. However, USAID would like to note that the DNP Initiative is an automated portal designed to identify beneficiary matches for entitlements, which the Agency does not disburse.

Since FY 2015, USAID has reviewed 396,315 payments that totaled \$60.3 billion, using the DNP Initiative to conclude no confirmed improper payments. From October 1, 2018, through July 31, 2022, the DNP Initiative reviewed 197,862 payments by USAID that totaled \$40.1 billion and found no confirmed

improper payments. Based on USAID's experience to date, the DNP Initiative is not likely to provide the Agency with a large frequency of corrections or identify significant instances of incorrect information.

IV. MANAGING FRAUD

USAID continues to champion effective, efficient, and sustainable delivery of foreign assistance while proactively managing risks within an uncertain and volatile global context. The Agency has a strong risk management culture and robust processes in place for sound Enterprise Risk Management (ERM) across USAID. The Agency continues to display resilience and commitment despite the challenges of managing humanitarian crises and geopolitical events via systems, tools, skills, experience, and partnerships that support our activities from a data-driven and risk-aware posture. The Agency's strategic plans, operations, and fraud risk management actions operate within an ERM Governance Framework that integrates risk, internal control, management oversight, staff/implementer training, and public awareness to ensure enhanced fraud prevention, detection, and response.

This year has seen consistent messaging on fraud prevention as a key component of USAID's fiduciary, financial, and operational stewardship. In addition, the Agency recognizes that the fight against corruption has to be a global effort requiring a joint response and collective actions from all stakeholders. Concerted action involves higher levels of coordination and collaboration among stakeholders. This sustained unified endeavor must have clear strategies and objectives to create effective and sustainable changes. The Agency works with parties to collectively produce mutually valued outcomes, using a participatory process that assumes some degree of shared power and decision-making. The objective is to build relationships where USAID and key stakeholders are equal partners and where activities are co-created and co-designed to leverage commitment, resources, expertise, and ownership. Undoubtedly, the Agency will obtain sustained rewards from joint anti-fraud and anti-corruption efforts as it focuses on driving development progress, beyond development programs.

USAID continues to implement its anti-fraud plan and is committed to continue integrating fraud risk management into its enterprise-wide risk management strategy. The plan includes awareness, prevention, detection, monitoring, early response, reporting, and evaluation of fraud and is included in guidance provided on submission of annual risk profiles and internal control deficiencies, as well as existing Mission-level risk-management systems issued to the Agency's Bureaus and Independent Offices (B/IOs). This process provides appropriate monitoring over material weaknesses, significant and control deficiencies, and regular updates on corrective action plans of Agency's Assessable Units (AUs) to better understand and develop mitigating solutions to identified risk(s).

To address corruption and fraud, USAID is taking actions to integrate and strengthen anti-corruption across the Agency's operations. USAID is also improving coordination with other agencies in the U.S. government, development partners, and the development community.

Through USAID's Anti-Corruption Task Force (ACTF), the Agency is taking actions to:

- **Strengthen anti-corruption efforts by expanding its anti-corruption programs:**

On December 9-10, 2021, the Administrator participated in the first of two Summits for Democracy (<https://www.usaid.gov/democracy/the-summit-for-democracy>). One of the principal themes is addressing and fighting corruption. During the event, USAID announced a suite of new programming to strengthen democracy work and expose, track, and disrupt transnational corruption. The Agency also launched new anti-corruption initiatives to include: the Empowering Anti-Corruption Change Agents Program, which will boost support to frontline actors in civil society and media who are speaking truth to power and help them operate safely, including through a new Reporters Mutual for journalists; the Combating Transnational Corruption Grand Challenge (<https://www.usaid.gov/anti-corruption/countering-transnational-corruption-grand-challenge>), which will crowdsource, fund, and scale forward-thinking

solutions from partners across the globe to identify, expose, and disrupt transnational corruption; the Global Accountability Program, which will strengthen country frameworks for fighting transnational corruption; and the Anti-Corruption Response Fund, which will support, test, and pilot evidence-based, responsive, and transformative anti-corruption programming.

- **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.
- **Incorporating anti-corruption efforts across USAID:** The Agency is institutionalizing anti-corruption throughout its internal operations and integrating anti-corruption across key sectors, including health, humanitarian assistance, and climate change.

On January 10-13, 2022, the ACTF and the Bureau for Development, Democracy and Innovation, Center for Democracy, Human Rights, and Governance hosted the first Anti-Corruption Evidence and Learning Week. This virtual event brought together a broad group of USAID and external practitioners to explore and grapple with data and evidence on existing anti-corruption approaches, share learning across technical sectors, and identify priorities and next steps for applying learning and evidence in this space. The event aligned with this Administration's elevation of anti-corruption as a core national security interest as evidenced by the new 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/>) and announcement of bold new anti-corruption initiatives at the Summit for Democracy (<https://www.usaid.gov/anti-corruption>). Representatives from the M/OCFO served as panelists in a session that also included OIG participation in risk management and fraud awareness.

On March 30, 2022, USAID and State released the FY 2022-2026 Joint Strategic Plan (JSP) (<https://www.usaid.gov/results-and-data/planning/joint-strategic-plan/2022-2026>). This Plan deals

with many strategic priorities including fighting corruption and authoritarianism. USAID has updated the Agency Learning Agenda to align with the strategic framework of the JSP and emerging USAID policy priorities, including democracy and anti-corruption. USAID's programs also seek to build anti-corruption safeguards across all of its development programs to ensure public resources are used for human development outcomes. Emphasis will be placed on curbing transnational corruption that undermines the functioning or legitimacy of democracy, and corruption that directly affects the United States and its citizens.

- **Build partnerships and coalitions:** USAID is fostering new partnerships to transform the fight against corruption.
- **Prioritize localization:** USAID is deepening support to frontline actors, whose leadership is crucial to the fight against corruption.
- **Strengthen safeguards:** USAID is enhancing its robust anti-corruption safeguards to ensure assistance is neither diverted.

As noted earlier, USAID management has established an anti-fraud approach to identify specific risks of fraud within the organization. USAID management has policies and procedures that guide compliance with provisions of laws, regulations, contracts, and grant agreements. These are documented via the Agency's newly revised Automated Directives System (ADS) Chapter 596, *Management's Responsibility for Enterprise Risk Management and Internal Control* (<https://www.usaid.gov/ads/policy/500/596>). In addition, the Agency applies a holistic approach for anti-fraud activities, utilizing internal controls and risk-management tools to assess, prevent, detect, and respond to fraud and fraud risk, which is in line with the 17 Principles in the Government Accountability Office's (GAO) Standards for Internal Control "Green Book."

To help drive fraud risk management at the program or activity level, the M/OCFO developed an Anti-Fraud Field Guide to be included as an additional help document to

ADS 596. The field guide provides guidance to operationalize and implement the Agency's Anti-Fraud Plan and highlights how existing tools and processes at USAID can be tailored to implement anti-fraud activities.

USAID also adheres to laws, regulations, and Agency policies that collectively address methods to manage the risk of fraud. USAID complies with mandates as set forth in USAID's Acquisition Regulation (AIDAR), the Code of Federal Regulations (CFR), the Federal Acquisition Regulation (FAR), the Federal Financial Management Improvement Act (FFMIA), the Federal Information Security Modernization Act (FISMA), the FITARA, the Federal Managers' Financial Integrity Act (FMFIA), the Government Management Reform Act (GMRA) of 1994, OMB Circular A-123, and internal operational fraud prevention policies and procedures documented in USAID's ADS.

PREVENTING FRAUD

The Agency recognizes that an effective fraud risk management framework enables the Agency to have controls that prevent fraud from occurring, detect fraud as soon as possible, and respond effectively to fraud incidents when they occur. ERM and Internal Controls are vital to USAID core operations. The USAID ERM approach ensures Agency objectives, strategic planning, programming, core operations management, and resource allocations are planned, implemented, and monitored within a risk-aware and risk-balanced culture.

Throughout this period, the Agency continued to revamp its ERM approach. On August 22, 2022, USAID published the updated Agency's Risk Appetite Statement (RAS) (<https://www.usaid.gov/ads/policy/500/596mad>) as a mandatory reference for ADS Chapter 596, *Management's Responsibility for Enterprise Risk Management and Internal Control* (<https://www.usaid.gov/ads/policy/500/596>). The RAS provides broad-based guidance on the level and type of risk the Agency is willing to accept based on an evaluation of opportunities and threats to achieve the Agency's mission and objectives.

The updated RAS aligns with USAID's current risk posture and key priorities and is a critical component of advancing the USAID ERM program, which seeks to address the Agency's risks holistically, as an interrelated portfolio. The RAS is also a tool to communicate with partners and other stakeholders on proactive actions taken to align risk management with Agency priorities.

The Agency B/IOs and Missions continue to comply with the ongoing evaluations and reports of the adequacy of the Agency systems of internal accounting and administrative control as required by the FMFIA. The FMFIA submission supports the Agency's Annual Assurance Statement. Using the ERM and Internal Control governance structure as well as the RAS and the Agency's Risk Management Process, USAID identifies and documents key risks and weaknesses in internal controls during the Annual Risk Profile submission and FMFIA certification processes.

In addition, the ACTF continues to work closely with USAID's M/OCFO and the OIG via the ERM governance structure and processes to identify corruption risks within USAID's programs, policies, and practices and ways to mitigate those risks, potentially through updating and/or creating new anti-corruption safeguards, risk-assessment frameworks, and risk-mitigation policies and procedures. The ACTF has been critical in driving implementation of the U.S Strategy on Countering Corruption. Recognizing that more remains to be done to enshrine anti-corruption as a central plank of USAID's development agenda, on June 28, 2022, the Agency announced the extension of the ACTF through the end of February 2023. During this period, the ACTF will continue to work across the Agency to implement the U.S. Strategy, shape a second high-impact Summit for Democracy, build cross-sectoral partnerships, craft and disseminate new programming guidance, strengthen safeguards against corruption risk, and more. Through it all, the ACTF will build the long-term capacity at USAID, so this agenda is robustly and permanently woven into USAID's identity as an agency.

On February 18, 2022, USAID signed its membership in the Law Enforcement Government Alliance (LEGA). As part of being a member of LEGA, M/OCFO will encourage both financial and non-financial management staff to seek an anti-fraud professional education and designation to support the Agency's anti-corruption efforts in furtherance of desired outcomes for the Agency's Localization Agenda. The Agency's membership in the LEGA program further enhances professional acumen and the ability to detect and deter fraud that negatively affects USAID's work. USAID membership in the LEGA also offers some benefits to staff who are members of the Association of Certified Fraud Examiners (ACFE).

On July 19, 2022, USAID renewed a five-year Participating Agency Services Agreement (PASA) with the GAO Center for Audit Excellence (CAE) to strengthen Supreme Audit Institutions (SAIs) and other accountability organizations. USAID is committed to strengthening SAIs as a key component of efforts to improve partners' capacities to prevent, detect, and disrupt corruption. The ultimate goal is to continue the Agency work of strengthening audit capacity and accountability institutions. This work will help achieve the goals of the U.S. Strategy on Countering Corruption, support Administrator Power's New Vision for Global Development, and enhance the annual State Fiscal Transparency Report.

The Agency recognizes its staff is the best asset in preventing and detecting fraud. In essence, combating fraud starts with the awareness of employees. Skills and employee development are crucial to combat fraud. Training provides an effective way to communicate the Agency's commitment to managing fraud and helping employees know the right time and way to report fraud. Therefore, the Agency continues its effort to strengthen work performance through training and knowledge-sharing events.

In December 2021, the M/OCFO launched two new online ERM training courses. The courses form part of a strategic component of ERM's commitment to reinforce a risk-aware culture at USAID; the training provides high-level and comprehensive

information on key ERM principles and requirements and offers guidance on the role staff play in advancing ERM within the Agency.

USAID's Center for Democracy, Human Rights and Governance sponsors the Introduction to Anti-Corruption Concepts and Considerations course, which provides a greater awareness of corruption and forms the basics of USAID's framing of corruption and approach to addressing it. This course is important in providing an increased sensitivity to corruption considerations and concrete ways of thinking through these in USAID programming. USAID also continues to enforce the Annual Ethics mandatory training requirement ensuring Agency staff are required to complete live ethics training each calendar year.

On September 7, 2022, the ACTF launched the Agency's Dekleptification Guide (<https://www.usaid.gov/anti-corruption/dekleptification>), a handbook for uprooting entrenched corruption and seizing windows of opportunity to dismantle kleptocracy. This guide is one component of a suite of products that the ACTF is developing to elevate anti-corruption; the guide includes lessons learned based on groundbreaking reform movements around the world and highlights the work of engaged citizens who risk it all to open windows of opportunity, make government work for the people, and lead their country toward a post-kleptocratic future.

The Agency has continued to strengthen safeguards in Government to Government (G2G) programming. The G2G risk management process includes a holistic review of all risk categories and identifies, evaluates, and responds to the risks of fraud, waste, abuse, and other forms of corruption. The risk assessments specifically address fraud risk through country context analysis of government internal systems, detailed questionnaires, and transactional testing of public financial management systems, which allows USAID programming teams and partner-government counterparts to work collectively to identify and develop planned responses to risks upon discovery and before project implementation begins. The Agency recognizes that risk assessments are a critical element of advancing USAID development

priorities, specifically its partnerships with local actors. The Agency has also continued to develop guidance, tools, and training for G2G type of assistance implemented through partner-government systems. The approach integrates all risk management in the application of USAID's operational model for planning, delivering, assessing, and adapting development programming in each region or country to advance U.S. foreign policy.

On May 17, 2022, the new G2G Activity Lifecycle Overview course launched. The course is designed to build and reinforce foundational understanding of the Agency's planning, design, implementation, and closeout processes for G2G Activities.

The OIG provides regular fraud awareness briefings to the U.S. government-funded program officials and implementers to deepen their understanding of fraud schemes. Fraud awareness briefings familiarize attendees with fraud indicators and warning signs that suggest potential misconduct in agency activities or in the performance of a federal award.

OIG personnel frequently present at implementer forums, both in the United States and abroad, to reinforce the importance of disclosing fraud and misconduct in a timely and transparent manner. Such forums describe OIG legal authorities, expectations for disclosing allegations of fraud and misconduct in a timely and transparent manner, and the need to create a culture where whistleblowers may disclose allegations without fear of reprisal.

In addition, USAID 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). Audits of non-profit entities are covered under the Single Audit Act. The Agency has a built-in system to prevent, detect, and respond to allegations of fraud as well as identify deficiencies in its Program Cycle for Design, Monitoring, and Evaluation.

DETECTING FRAUD

USAID recognizes that a timely detection of fraud incidents will go a long way in containing losses and improving the chances of recovery. Therefore, the Agency continues to use risk management to address emerging and inherent risks and adopts risk management techniques to provide early and effective risk detection and response. USAID ensures validation of business and activity processes that are susceptible to fraud, waste, and abuse throughout the program lifecycle. The Agency uses a variety of risk management techniques because the U.S. government has determined that the risk of inaction, or inadequate action, outweighs the risk of providing assistance.

Assessment of risk of fraud is an integral part of USAID's ongoing transactional reviews of key business processes to include annual verification of controls and testing. The assessment for fraud is not just limited to financial and transactional reviews, but also non-financial reviews, such as information technology (IT) input controls and compliance requirements in accordance with the FISMA.

B/IOs and Missions may use fraud risk assessments to identify risks and vulnerabilities to fraud (with respect to payroll, beneficiary payments, grants, large contracts, purchase and travel cards, and other vendor payments). Missions also conduct Mission assessments and evaluations and processes, such as the Non-U.S. Pre-award Surveys (NUPAS), G2G risk assessments, capacity assessments, close-out audits, GMRA, 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. On an annual basis, the Agency has continued to conduct assessments—Appendix A (Internal Control over Reporting), Appendix B (Improving the Management of Government Charge-Card Programs), Appendix C (Payment Integrity), Appendix D (Compliance with

FFMIA), and the FMFIA exercise. USAID utilizes the Uniform Risk and Internal Control Assessment (URICA) tool to conduct and report internal-control self-assessments from each OU. Annually, USAID performs Agency-wide risk assessments using the URICA tool, mandatory fraud-assertion statements, and the GAO Green Book evaluation for internal control, which addresses fraud risk.

The Agency continues to use the DNP List data analytic tool to make payment-verification decisions and detect and prevent fraudulent and/or IPs to vendors, grantees, loan recipients, and beneficiaries. Upon receipt of USAID's daily payment file, the Treasury performs DNP searches from multiple data sources prior to disbursement of the Agency's funds. Upon detecting an improper or questionable transaction, the 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 the Treasury disburses the funds.

USAID also has a robust suspension and debarment program, which addresses occurrences of fraud through exclusionary actions that are binding against individuals and entities. These exclusion actions apply across the U.S. government. Regulations and policies, coupled with fraud awareness for USAID staff, allow staff and development partners to play their roles to prevent and reduce fraud. In addition, the Agency's Anti-Fraud Plan supports Mission and Washington assessment and analysis of risk to bolster the multi-faceted approaches to manage the risk of fraud.

RESPONDING TO FRAUD

USAID's programs and operations foster and encourage integrity of the Agency's employees, as well as contractors, grantees, and partner-country counterparts. The Compliance Division in the Bureau for Management, Office of Management Policy, Budget and Performance ensures USAID partners with organizations and individuals that are responsible. The 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.

The Agency is aware the success of anti-fraud efforts depends on employees and contractor staff being alert to the potential for fraud as they perform their day-to-day activities and reporting concerns when noted. USAID has strongly communicated that federal employees are required to disclose waste, fraud, abuse, and corruption to appropriate authorities such as the OIG. Contractors and grantees implementing projects with U.S. funds must comply with mandatory disclosure requirements (pursuant to federal and agency-specific procurement and assistance rules), in reporting allegations of fraud and misconduct. Employees of such organizations may also submit complaints to a hotline directly. USAID takes its role as a financial steward seriously, and the information anybody within the organization provides can make all the difference.

There are several ways to report concerns about fraud, waste, abuse, or misconduct; one is the use of the USAID OIG General Hotline. The OIG Hotline receives complaints of fraud, waste, or abuse in our client agencies' programs and operations, including mismanagement or violations of law, rules, or regulations by employees or program participants. Individuals can confidentially report fraud, waste, abuse, and corruption related to programming or operations for which OIG provides oversight to the OIG at 1-800-230-6539, (202) 712-1023, or <https://oig.usaid.gov/report-fraud> (the OIG Hotline web-link).

The hotline staff is responsible for receiving and processing allegations in support of investigative activities. For each submission received, a hotline investigator conducts a review of the information provided in considering the most appropriate course of action. All submissions to the hotline are housed within a secure database to protect all Personally Identifiable Information (PII), in accordance with applicable U.S. legal authorities. Absent consent, the OIG will not disclose the name of any individual submitting a report to the hotline, unless the Inspector General determines that disclosure is unavoidable during the course of an investigation. Additionally, the OIG provides independent oversight that promotes the efficiency, effectiveness, and integrity of foreign assistance programs and operations under USAID OIG's jurisdiction.

As noted earlier, the protocol for fraud investigations involves notification, review, consultation, and investigations by the OIG. The next step is investigations by implementing partners as appropriate, with targeted referrals to the Agency's management, including the Compliance Division and the Office of Acquisition and Assistance within the Management Bureau, where USAID Contract and Agreement Officers reside. The OIG's role includes identifying cases of embezzlement, bribery, kickbacks, false claims, conflicts of interest, and other instances of program abuse.

The OIG's Special Agents have full law-enforcement authority and employ an array of investigative techniques, including interviews, surveillance, electronic monitoring, undercover operations, subpoenas, and the execution of 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.

GRANTS PROGRAMS

Pursuant to the Office of Management and Budget (OMB) Uniform Guidance in Section 200.343(b) of Part 2 of the Code of Federal Regulations (CFR), recipients of grants and cooperative agreements must liquidate all obligations incurred under their awards within 90 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.

Challenges that cause delays in closeout include the following:

- Submission by grant recipients of the statement of expenditures associated with the grant (*Federal Financial Reports* – Standard Form (SF)-425, which recipients of federal funds are required to use for reporting cumulative expenses quarterly) with unadjusted balances, which complicates reconciliation;
- Delays by grantees in making adjustments in the U.S. Department of Health and Human Services (HHS) payments-management system that interfaces with Phoenix, U.S. Agency for International Development’s (USAID) financial system;
- Missing and delayed final SF-425s;
- Problems with legacy data prior to migration to new systems;

- Reconciliation problems with manual reports;
- Grantees that have gone out of business;
- Delays in the resolution of audits by foreign grant recipients;
- Delays by grantees in returning funds from questioned costs or unspent advances;
- Delays by grantees in posting refunds in the payments-management system; and
- Interface issues between USAID’s systems and grantees’ payments-management system.

The table reflects that USAID had a total of 775 grants/cooperative agreements with an undisbursed balance of \$75,192,084.93 for which the period of performance elapsed by two years or more prior to September 30, 2022. This is a decrease of 87 awards from the 862 grants/cooperative awards, and an increase of \$9,566,999 from the \$65,625,086 reported in the Agency’s Financial Report in 2021.

The Agency is still reviewing unclosed awards and monitoring them for appropriate deobligation and/or closeout action. The Agency’s responsible officers continue to be proactive in ensuring that grantees comply with provisions of their grants/cooperative agreements and are communicating with grantees to provide better management of federal funds.

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	2	2	5
Number of Grants/Cooperative Agreements with Undisbursed Balances	242	326	207
Total Amount of Undisbursed Balances	\$26,256,302	\$27,223,873	\$21,711,910

CLIMATE-RELATED FINANCIAL RISK

The U.S. Agency for International Development (USAID) assesses, manages, and reduces climate-related risks, including climate-related financial risks, across its operations and programs as part of the Agency's climate change adaptation, resilience, and mitigation efforts. In fiscal year (FY) 2022, USAID began implementing its Climate Strategy 2022–2030 (<https://www.usaid.gov/climate/strategy>).

The Climate Strategy includes a Special Objective, “Do Our Part: Strengthen operations and approaches to programming to address climate change and further climate justice within USAID and our partner organizations.” 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#usaid>, and USAID's Sustainability Plan, which focuses on minimizing USAID's contributions to climate change.

USAID's Climate Readiness Plan includes a variety of actions to integrate climate adaptation and resilience more robustly across the Agency's business operations, including financial management, information technology (IT), procurement and supply chains, human resources (HR), 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>) by updating and expanding the Climate Risk Management (CRM) process (<https://www.climate-links.org/climate-risk-management>) detailed in existing Agency operational policy (<https://www.usaid.gov/ads/policy/200/201>). USAID published an annual report on its progress implementing its Climate Readiness Plan. The annual report is also available at https://www.usaid.gov/sites/default/files/documents/_USAID_2022_CRP_Progress_Report_-_Signed_and_Section_508_Compliant.pdf and <https://www.sustainability.gov/contributing-agencies.html#usaid>.



(Left) The cover of USAID's Climate Strategy, which will guide the Agency's humanitarian and development work through 2030.

(Right) 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 known climate threats and vulnerabilities.

USAID's Sustainability Plan includes a variety of actions to minimize the Agency's operational greenhouse gas (GHG) emissions equitably from procurement, facilities, motor vehicles, employee air travel, and more, as USAID strives to do its part to achieve the U.S. government's sustainability goals, which are summarized at <https://www.sustainability.gov>.

Please refer to the Other Management Information, Initiatives, and Issues section of this Agency Financial Report for more information about USAID's efforts to manage enterprise risk, including climate risk.

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APPENDIX





(Preceding page) Morocco sisters Najlae Lakchar, left, and Rajae, right, have always been interested in cars and dreamed of becoming mechanics, but they always thought that only men could work on cars. After learning that auto mechanic training was offered by USAID's FORSATY program, they jumped at the opportunity.
PHOTO: BOBBY NEPTUNE FOR USAID

(Above) A health worker performs a temperature check as a member of the community picks up supplies to help prevent the spread of COVID-19. PHOTO: USAID/EGYPT

APPENDIX A.

SUMMARY OF SIGNIFICANT LAWS

Laws that the Agency considers having a significant impact on the U.S. Agency for International Development's (USAID) operations and financial statements during fiscal year (FY) 2022 are the following:

- **Accountability of Tax Dollars Act of 2002 (ATDA)** – described on page *i* in *About This Report listing legislation containing reporting requirements satisfied in the Agency Financial Report (AFR)*.
- **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 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 the 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 of 2014 (DATA Act) 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 Computer Security Act** – a U.S. federal law enacted in 1987 to improve the security and privacy of sensitive information in federal computer systems and establish minimally acceptable security practices for such systems. Responsibilities and oversight for cybersecurity have shifted to the Federal Information Security Management Act (FISMA) of 2002. FISMA 2002 was superseded by the Federal Information Security Modernization Act of 2014.
- **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 the 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 the Office of Personnel Management (OPM) to enter into contracts with private insurance carriers to administer benefit plans.
- **Federal Employee Retirement System Act (FERSA) of 1986** – establishes the Federal Employees' Retirement System 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 the Office of Management and Budget (OMB) with respect to agency information security policies and practices, and (2) set forth authority for the Secretary of the U.S. Department of Homeland Security (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 Information Technology Acquisition Reform Act (FITARA)** – enacted December 19, 2014, requires the heads of agencies to ensure that their respective chief information officers (CIOs) have a significant role in information technology (IT) decisions, including annual and multiyear planning, programming, budgeting, execution, reporting, management, governance, and oversight functions. The intent of the law is to establish a long-term framework through which federal IT investments could be tracked, assessed, and managed to significantly reduce wasteful spending and improve project outcomes.

- **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 Executive Order 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 Corporation Control Act (GCCA) of 1945** – as amended, provides for the standardized budget, auditing, debt management, and depository practices for the government corporations listed in the act. Notwithstanding unusual provisions that may be present in their enabling statute, government corporations remain “agencies” of the United States and are therefore subject to all laws governing agencies, except where exempted from coverage by provisions of general management laws.
- **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	Asian American
AA	Assistant Administrator
AAFS	Agency Approach to Field Services
AC	Access Controls
AC	Agriculture Cooperative
ACFE	Association of Certified Fraud Examiners
ACI	Andean Counterdrug Initiative
ACTF	Anti-Corruption Task Force
AD	Administratively Determined
ADA	Antideficiency Act
AEECA	Assistance for Europe, Eurasia, and Central Asia
ADP	Automatic Data Processing
ADS	Automated Directives System
AFR	Africa Bureau
AFR	Agency Financial Report
AI	Artificial Intelligence
AICPA	American Institute of Certified Public Accountants

AIDAR	USAID Acquisition Regulation
ANC	Antenatal Care
ANSI	Alaska Native Serving Institution
AO	Authorizing Official
AOR	Agreement Officer Representative
APG	Agency Priority Goal
APP	Annual Performance Plan
APR	Annual Performance Report
ARP	Agency Risk Profile
ART	Antiretroviral Therapy
ASIA	Asia Bureau
ATDA	Accountability of Tax Dollars Act
AU	Assessable Unit

B

B/IO	Bureau and Independent Office
BHA	Humanitarian Assistance Bureau
BIC	Best-in-Class
BRM	Office of Budget and Resource Management

C

C3	Career Candidate Corps
CAE	Center for Audit Excellence
CAO	Chief Acquisition Officer
CAS	Cost Accounting Standards
CCN	Cooperating Country National
CDCS	Country Development Cooperation Strategy
CEAR	Certificate of Excellence in Accountability Reporting
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CIF	Capital Investment Fund
CIO	Chief Information Officer
CISO	Chief Information Security Officer
CLA	Collaborating, Learning, and Adapting
CLW	Cultivating the Leader Within
CM	Category Management
CMIA	Cash Management Improvement Act
CMKI	Countering Malign Kremlin Influence
COP	Conference of the Parties
COR	Contracting Officer Representative
COTS	Commercial Off-The-Shelf
COVID-19	Coronavirus Disease 2019

CPS	Conflict Prevention and Stabilization Bureau
CRM	Climate Risk Management
CSAM	Cyber Security Assessment and Management
CSO	Bureau of Conflict and Stabilization Operations (State)
CSRA	Civil Service Retirement Act
CSRS	Civil Service Retirement System
CSS	Customer Service Survey
CVE	Countering Violent Extremism
CX	Customer Experience
CYB	Current Year Budget

D

DA	Development Assistance
DAOR	Designated Authorizing Official Representative
DART	Disaster Assistance Response Team
DATA	Data Administration and Technical Advisory
DATA Act	Digital Accountability and Transparency Act
DCAA	Defense Contract Audit Agency
DCIA	Debt Collection Improvement Act
DDC	Development Data Commons
DDI	Development, Democracy, and Innovation Bureau

DDL	Development Data Library	EEl	Employee Engagement Index
DEC	Development Experience Clearinghouse	EEO	Equal Employment Opportunity
DEF	Disaster and Emergency Funding	EEOC	Equal Employment Opportunity Commission
DEIA	Diversity, Equity, Inclusion, and Accessibility	EG	Economic Growth
DFA	Development Fund for Africa	EMCRIC	Executive Management Council on Risk and Internal Control
DHS	U.S. Department of Homeland Security	E.O.	Executive Order
DIS	Development Information Solution	EPPR	Effective Partnering and Procurement Reform
DMF	Death Master File	ERM	Enterprise Risk Management
DNP	Do Not Pay	ERP	Enterprise Resource Planning
DOL	U.S. Department of Labor	ERW	Explosive Remnants of War
DoS	U.S. Department of State	ES	Education and Social Services
DPT	Diphtheria, Pertussis and Tetanus	ES	Office of the Executive Secretariat
DPV	Distributed Photovoltaic	ESI	Employee Satisfaction Index
DQA	Data-Quality Assessment	ESF	Economic Support Fund
DR	Democracy, Human Rights, and Governance	EU	European Union
DRG	Democracy, Human Rights, and Governance	Evidence Act	Evidence-Based Policymaking Act
DUNS	Dun and Bradstreet's Data Universal Numbering System	EXPAND	Expanding Health Partnerships
E		F	
E&E	Europe and Eurasia Bureau	F	Office of Foreign Assistance
EAP	Equity Action Plan	FA	Foreign Assistance Bureau
EAU	Emergency Use Authorization	FACTS Info	Foreign Assistance Coordination and Tracking System
		FAR	Federal Acquisition Regulation

FARA	Federal Acquisition Reform Act	FSN	Foreign Service National
FASAB	Federal Accounting Standards Advisory Board	FY	Fiscal Year
FATAA	Foreign Aid Transparency and Accountability Act	G	
FBWT	Fund Balance with Treasury	G2G	Government to Government
FCI	Facility Condition Indices	G2P	Getting to Post
FCRA	Federal Credit Reform Act	GAAP	Generally Accepted Accounting Principles
FECA	Federal Employees' Compensation Act	GAO	Government Accountability Office
FEHBA	Federal Employees Health Benefits Act	GAVI	Global Vaccine Alliance
FERS	Federal Employees Retirement System	GBV	Gender-Based Violence
FERSA	Federal Employee Retirement System Act	GC	Office of the General Counsel
FEVS	Federal Employee Viewpoint Survey	GCCA	Government Corporation Control Act
FFMIA	Federal Financial Management Improvement Act	GDPI	Global Development Partnership Initiative
FISMA	Federal Information Security Management Act	GFSS	Global Food Security Strategy
FISMA	Federal Information Security Modernization Act of 2014	GH	Global Health Bureau
FITARA	Federal Information Technology Acquisition Reform Act	GHG	Greenhouse Gas
FMFIA	Federal Managers' Financial Integrity Act	GLAAS	Global Acquisition and Assistance System
FR	Financial Report of the U.S. Government	Global VAX	Global Vaccine Access
FRDAA	Fraud Reduction and Data Analytics Act	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	ID	Inclusive Development
GTAS	Governmentwide Treasury Account Symbol Adjusted Trial Balance System	IEA	Information Exchange Agreement
H		IFAC	International Federation of Accountants
HA	Humanitarian Assistance	IFR4NPO	International Financial Reporting for Non-Profit Organizations
HBCU	Historically Black Colleges and Universities	INTOSAI	International Organization of Supreme Audit Institutions
HCTM	Office of Human Capital and Talent Management	IO	Independent Office
HHS	U.S. Department of Health and Human Services	IP	Improper Payment
HISP	High Impact Service Provider	IPERA	Improper Payments Elimination and Recovery Act
HIV/AIDS	Human Immune Deficiency Virus/ Acquired Immune Deficiency Syndrome	IPERIA	Improper Payments Elimination and Recovery Improvement Act
HL	Health	IPIA	Improper Payments Information Act
HR	Human Resources	ISA	Interconnection Security Agreement
HSI	Hispanic Serving Institution	ISIS	Islamic State of Iraq and Syria
I		ISSO	Information System Security Officer
IAA	Inter-Agency Agreement	IT	Information Technology
IATI	International Aid Transparency Initiative	ITN	Insecticide Treated Net
IC	Internal Control	J	
		JBVL	Jharkhand Bijli Vitran Nigam Limited
		JFMS	Joint Financial Management System
		JSP	Joint Strategic Plan

L

LAC	Latin America and the Caribbean Bureau
LCS	Local Capacity Strengthening
LEED	Leadership in Energy and Environmental Design
LEGA	Law Enforcement Government Alliance
LOE	Level of Effort
LPA	Legislative and Public Affairs Bureau
LPC	Local Peace Council

M

M	Bureau for Management
M/AA	Assistant Administrator
M/CIO/IA	Office of the Chief Information Officer, Information Assurance Division
M/MPBP	Office of Management Policy, Budget, and Performance
M/OCFO	Office of the Chief Financial Officer
MCC	Millennium Challenge Corporation
MCH	Maternal and Child Health
MD&A	Management's Discussion and Analysis
ME	Middle East Bureau

MENA	Middle East Northern Africa
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MSI	Minority Serving Institution
MW	Megawatts

N

N/A	Not Applicable
NABCEP	North American Board of Certified Energy Practitioners
NAP	National Adaptation Plan
NAPISI	Native American Pacific Islander Serving Institution
NASNTI	Native American Serving Non-Tribal Institution
NDC	Nationally Determined Contribution
NGO	Nongovernmental Organization
NHSI	Native Hawaiian Serving Institution
NIST	National Institute of Standards and Technology
NPI	New Partnerships Initiative
NSS	National Security Strategy
NTD	Neglected Tropical Disease
NUPAS	Non-U.S. Organization Pre-award Survey

O

OBO	Bureau of Overseas Buildings Operations (State)
OCFO	Office of the Chief Financial Officer
OCR	Office of Civil Rights
OE	Operating Expense
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
OPS	Overseas Personnel System
OR	Organizational Resilience
OSDBU	Office of Small and Disadvantaged Business Utilization
OTI	Office of Transition Initiatives
OU	Operating Unit

P

PAR	Performance and Accountability Report
PASA	Participating Agency Service Agreement
PB	Performance Budgeting
PBI	Predominantly Black Institution
PCV	Pneumococcal Vaccine

PEPFAR

PEPFAR	President's Emergency Plan for AIDS Relief
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
P.L.	Public Law
PMA	President's Management Agenda
PMP	Performance Management Plan
PO	Program Development and Oversight
POA&M	Plan of Actions and Milestone
PP&E	Property, Plant and Equipment
PPA	Prompt Payment Act
PPL	Policy, Planning, and Learning Bureau
PPR	Performance Plan and Report
PRC	People's Republic of China
PrEP	Pre-Exposure Prophylaxis
PREPARE	President's Emergency Plan for Adaptation and Resilience
PS	Peace and Security
PSE	Private-Sector Engagement

R

RAS	Risk Appetite Statement
RE(f)	Risk Executive (function)
RISE	Respectful, Inclusive, and Safe Environments
RFS	Resilience and Food Security Bureau
RMC	Risk Management Council
RMF	Risk Management Framework
RML	Risk Management Liaison
ROL	Rule of Law
RSI	Required Supplementary Information

S

SA&A	Security Assessment and Authorization
SAFE	Safe Access to Facilities Evaluation
SAI	Supreme Audit Institution
SAM	System for Award Management
SAT	Senior Assessment Team
SBG	Sovereign Bond Guarantee
SBR	Statement of Budgetary Resources
SCA	Security Control Assessment
SDG	Sustainable Development Goal

SEA	Sexual Exploitation and Abuse
SEC	Office of Security
SES	Senior Executive Service
SF	Standard Form
SLA	Service Level Agreement
SP	Special Publication
SPE	Senior Procurement Executive
SPSD	Standardized Program Structure and Definition
SO	System Owner
SSP	System Security Plan
State	U.S. Department of State
STEM	Science, Technology, Engineering, and Mathematics
SUM	Spend Under Management

T

TBD	To Be Determined
TCU	Tribal Colleges and Universities
TEP	Temporary Employment Program
TIP	Trafficking in Persons
Treasury	U.S. Department of the Treasury
TS	Technical Service

U

UEI	Unique Entity Identifier
UN	United Nations
UNICEF	United Nations International Children's Emergency Fund
UP	Unknown Payment
URICA	Uniform Risk and Internal Control Assessment
U.S.	United States
US\$	U.S. Dollar
USAID	U.S. Agency for International Development
U.S.C.	United States Code
USDA	U.S. Department of Agriculture
USDH	U.S. Direct-Hire
USPSC	U.S. Personal Services Contractor
USSGL	U.S. Standard General Ledger
UTRAMS	Unified Travel and Mission System

V

V-Dem	Varieties of Democracy
VMMC	Voluntary Medical Male Circumcision

W

WHO	World Health Organization
WMD	Weapons of Mass Destruction
WRES	Washington Real Estate Strategy

Z

ZTA	Zero Trust Architecture
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