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**DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE**

Peer Review

Review of the development co-operation policies and programmes of the United States

A snapshot of the United States' development co-operation

29 September 2022

This snapshot of the United States' development co-operation has been prepared as part of the 2022 DAC peer review of the United States, complementing the [peer review report](#). It presents information on the United States' policies, processes and systems, using the indicators presented in the analytical framework for peer reviews as a reference [[DCD/DAC\(2020\)69/FINAL](#)]. Additional information, particularly on the United States' ODA allocations, is presented in the [United States' Development Co-operation Profile](#).

The snapshot has been fact-checked by the United States and was shared with delegates for information in advance of the DAC meeting on the United States peer review on 29 September 2022. It is now issued as final and has been unclassified.

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A snapshot of the United States' development co-operation system

Policy

Policy framework

1. The Biden administration has renewed the United States' commitment to global development and international co-operation as a key instrument of American foreign policy. Building on the Interim National Security Strategic Guidance (White House, 2021^[1]), a forthcoming National Security Strategy will set out US global development priorities and confirm how these contribute to national security and foreign policy. An integrated global development co-operation policy will articulate the contours of a US global development strategy.
2. The United States is focused on sustainable development outcomes and on how it partners and delivers assistance, including by enhancing localisation; increasing engagement with the private sector; expanding tools for digital development; deepening the emphasis on diversity, equity, inclusion and accessibility; preventing sexual exploitation and abuse; promoting human rights; and promoting coherence across the humanitarian-development-peace nexus.
3. US foreign policy and global development priorities are conveyed through cascading regional and country strategies and through a series of thematic strategies and cross-government development initiatives. The Joint Strategic Plan (JSP) of the US Department of State and the US Agency for International Development (USAID) for FY 2022-26 spells out goals for their development co-operation (US Department of State/USAID, 2022^[2]). [Joint Regional Strategies](#) articulate shared State Department and USAID priorities to guide US country offices. [Integrated Country Strategies](#) set out US priorities in each country and context and cover objectives for development co-operation and the full range of bilateral relations. USAID [Regional and Country Development Cooperation Strategies](#) include a high-level goal to be supported by development objectives.
4. A body of policies issued over the past few years reinforce new ways of working on conflict prevention, peace and stability. The 2018 Stabilization Assistance Review (US Department of State/USAID/US Department of Defense, 2018^[3]) prepared the ground for the Global Fragility Act (United States Congress, 2019^[4]) and the resulting Strategy to Prevent Conflict and Promote Stability (US Department of State, 2022^[5]). A forthcoming humanitarian strategy will reflect the coherence efforts undertaken through the creation of the Bureau for Humanitarian Assistance and the strong engagement of the United States in implementing the DAC Recommendation on the Humanitarian-Development-Peace Nexus [[OECD/LEGAL/5019](#)].

Guidance and basis for decision making

5. The National Security Council (NSC) co-ordinates policy-level decision making across the executive branch of the US government (USG) on development priorities. Its Directorate for Development, Global Health and Humanitarian Affairs convenes multiple processes on high-priority policy issues. The directorates of Democracy, Rights and Governance and of Climate Change as well as other functional and geographic directorates co-ordinate decision making on relevant topics. US development agencies participate actively in these processes. Through the NSC, the US interagency develops sectoral and regional strategies that guide development partnerships alongside other foreign policy efforts such as diplomacy, security co-operation and trade.

6. The Government Performance and Results Modernization Act of 2010 requires all federal agencies to establish strategic plans that set out performance goals and indicators and to adopt a regular reporting regimen (United States Congress, 2010^[6]), as the JSP does for the State Department and USAID. Each agency provides policies and strategies guiding decision making. USAID, for example, publishes development policies, strategies and vision statements in a public registry of its policy framework that are grouped around conflict, fragility and resilience; democracy, human rights and governance; development practice; economic growth and trade; education; global health; inclusive development; and natural resources. The registry also lists operational guidance documents for development policy.

7. Department of State Functional Bureau Strategies outline the vision and direction for functional bureaus, including how the department will implement foreign policy and development assistance for cross-cutting issues. The Foreign Assistance Bureau convenes annual strategic sector roundtable discussions with key sector decision makers across the State Department and USAID. Findings from these discussions help inform the Bureau's decision making on strategic planning, budget, policy and programmes and contribute to broader learning across the State Department and USAID.

Institutional arrangements

Leadership, responsibility, complementarity and accountability for whole-of-government development co-operation

8. The NSC facilitates interagency co-ordination among the more than 20 USG agencies that are responsible for foreign assistance that is reported as official development assistance (ODA) and other official flows (OOF). The agencies' roles and their share of total ODA disbursed in 2020 (OECD, 2022^[7]) are as follows:

- USAID manages the majority of the United States' gross ODA (61.9%). An independent USG agency, USAID works closely with the State Department and receives overall foreign policy guidance from the secretary of state.
- The Department of State (16.2%) is the lead US foreign affairs agency.
- The Department of Health and Human Services (HHS) and its Centers for Disease Control and Prevention (CDC), Health Resources and Services Administration, and National Institutes of Health (10.2%) provide global health technical assistance to development and emergency response initiatives.
- The Department of the Treasury (5.4%) has decision-making authority for multilateral development banks and key global funds as well as a modest technical assistance programme.
- The Department of Agriculture provides leadership on food, agriculture, natural resources, rural development, nutrition and related issues, and food aid. Its Foreign Agricultural Service links US agriculture to the world to enhance export opportunities and global food security.

- The Department of Defense supports emergency response, Afghanistan infrastructure, HIV/AIDS prevention, and humanitarian and disaster response.
- The Department of the Interior supports initiatives across the Fish and Wildlife Service and Office of Insular Affairs including the Compacts of Free Association with the Federated States of Micronesia and the Marshall Islands.
- The Bureau of International Labor Affairs in the Department of Labor funds programmes to strengthen labour rights, empower vulnerable workers, and combat child labour, forced labour and human trafficking globally.
- The Millennium Challenge Corporation (MCC) is an innovative US foreign assistance agency whose mission is to reduce poverty through economic growth.
- The International Development Finance Corporation (DFC), established in 2019, consolidated the Overseas Private Investment Corporation and USAID's Development Credit Authority, Office of Private Capital and Microenterprise, enterprise funds, and sovereign loan guarantees portfolio. The Better Utilization of Investments Leading to Development, or BUILD, Act of 2018 gave DFC broad authority. Its activities are reported as OOF.
- The Peace Corps promotes peace and friendship in the world by helping the people of interested countries meet their need for trained men and women, working to promote a better understanding of Americans on the part of the people served, and helping promote a better understanding of other peoples on the part of Americans.
- The Inter-American Foundation (IAF), an independent USG agency, invests in grassroots community-led development across Latin America and the Caribbean.
- The US Trade and Development Agency helps companies create US jobs through the export of US goods and services for priority development projects in emerging economies.
- The US African Development Foundation was established by Congress to invest in African grassroots organisations, entrepreneurs, and small and medium enterprises.
- The Department of Energy, the Environmental Protection Agency, the Department of Justice, the Department of Transportation, the Department of Commerce and the Department of Homeland Security are also involved in policy, regulatory and technical assistance.
- The International Trade Commission provides analysis of international trade issues to the president and Congress and provides a forum for the adjudication of intellectual property and trade disputes.

9. The United States works across different agencies and through a variety of initiatives and approaches to deliver outcomes on its policy priorities. Among these are the President's Emergency Plan for AIDS Relief, the President's Malaria Initiative, Feed the Future, Power Africa, Prosper Africa, and the Partnership for Global Infrastructure and Investment.

10. The Office of Management and Budget in the Executive Office of the President oversees the implementation of presidential priorities across the executive branch. It is responsible for co-ordinating budget development and execution and manages and provides oversight of agency performance, procurement, financial management and information technology.

11. The role of the US Congress is to develop and approve legislation that authorises programmes and appropriates funds and to provide oversight of development co-operation policy and programming on behalf of US taxpayers. Congress maintains broad interest and authority over the budget, operations and policies of the USG's development efforts, expressing congressional programme priorities in the form of funding mandates or recommended funding levels in appropriations legislation and committee report language. The Senate Committee on Foreign Relations and the House Foreign Affairs Committee have primary jurisdiction over development co-operation policy in authorising legislation. The annual development assistance appropriations originate under the jurisdiction of the House of Representatives and move to the Senate. Each chamber also has committees and subcommittees that oversee

appropriations for some of the primarily domestic agencies that have responsibility for certain programmes reported as ODA. The Senate Committee on Foreign Relations and the House Committee on Financial Services have jurisdiction over US contributions to international financial institutions.

12. The USAID [Office of Inspector General](#) (OIG) conducts independent and objective audits and investigations of USAID and four additional US foreign assistance agencies: MCC, US African Development Foundation, IAF and DFC. The OIG assesses and monitors foreign aid and development activities including the work of the evaluation departments and, where appropriate, recommends actions for improving agency programmes and operations and safeguarding taxpayer funds. Other USG departments and agencies have separate inspector generals.

13. The [Government Accountability Office](#) is part of the legislative branch and provides Congress, the heads of executive branch agencies and the public with timely, fact-based and non-partisan information that can be used to improve government and save taxpayers billions of dollars. Its work is either undertaken at the request of congressional committees or subcommittees or is statutorily required by public laws or congressional committee reports.

Stakeholder consultation and participation

14. The [Administrative Procedure Act](#) governs the process by which federal agencies develop and issue regulations. It requires that notices of proposed and final agency rules and regulations be published in the [Federal Register](#) and that the public have opportunities to comment on notices of proposed rulemaking. The Act further requires most rules to have a 30-day delayed effective date.

15. Collaboration and engagement with key stakeholders – domestically and internationally at global, regional, national and subnational levels – are a core value of USAID. The agency regularly seeks out and engages stakeholders to both solicit and respond to their priorities and perspectives, including those of partner country governments, beneficiaries, civil society (including faith-based organisations), the private sector, multilateral organisations, regional institutions and academia.

16. USAID regularly consults with civil society and external stakeholders when drafting strategies and policies and makes these available in draft for an open public comment period. USAID's Advisory Committee on Voluntary Foreign Aid was established by presidential directive after the Second World War and maintained under the 1972 Federal Advisory Committee Act to serve as a link between the US government and private voluntary organisations active in humanitarian assistance and development work overseas.

Human resources, capabilities and skills

17. USAID employs individuals with a wide variety of technical, managerial and operational skills to achieve its international development objectives. The USAID workforce is made up of direct hire and contract employees based in the United States as well as 97 other countries. In the course of FY 2021, the agency delivered on its mandate with the support of 4 135 US direct hire employees, of whom 1 863 are employed as foreign service, 395 as foreign service limited and 1 877 as civil service. Additional support came from 4 673 foreign service nationals, 1 150 US personal services contractors, 41 fellows and 92 staff under participating agency service agreements. Of these employees, 3 674 were working in Washington, DC and 6 417 were assigned overseas. These totals include all funding types and employees from the USAID OIG as well as political appointees on board at the time of the data pull.¹ Table 1 shows the location and number of USAID staff and staff of other agencies with responsibility for development co-operation.

Table 1. Breakdown by agency of staff working on US development co-operation

Institution	Total	Headquarters	US staff in embassies and country offices	Local staff ¹ in embassies and country offices
USAID	10 091	3 674	1 744	4 673
MCC	350	315	35	0 ¹
US African Development Foundation	30	30	0	0
State Department ²	n/a	n/a	n/a	n/a
HHS	1 854	411	171	1 272
Treasury	55	27	28	0
DFC	423	418	10	2 ³
Peace Corps	3 140	890	196	2 054

Note: 1 Local staff work for the local accountable entity and not for MCC directly.

2 The Department of State did not have a staffing breakdown at time of publication.

3 Not included are non-locally hired contractors.

Source: Submission of the government of the United States to the DAC Secretariat.

Financing for sustainable development

Official development assistance volume and allocations

18. In 2021, the United States continued to provide the largest volume of ODA of any DAC member country, with gross ODA of USD 42.3 billion (preliminary data), representing 0.18% of its gross national income (GNI). This total also is a 14.4% increase in real terms over 2020, reflecting an increase in US contributions to multilateral organisations and its purchase of COVID-19 vaccines to be donated to developing countries. The United States' [OECD Development Co-operation Profile](#) provides the latest available statistics on its ODA and analyses its approach to development finance in greater detail.

19. Most of the gross ODA of the United States (84.1%) was bilateral in 2020. Overall, the bilateral ODA allocations reflect that Africa and the Middle East are its geographic priorities. In 2020, least developed countries (LDCs) received 34.2% of US gross bilateral ODA (USD 10.4 billion), a share that is well above the DAC average but below the commitment in terms of the share of GNI going to LDCs, which was 0.06% in 2020.

20. In 2020, country programmable aid constituted 45.1% of the US gross bilateral ODA, compared to a DAC country average of 49.7%. The United States provided the majority (82.7%) of its country programmable aid disbursements as project-type interventions in 2020, while 7.8% was budget support and 7.2% went to pooled funds and programmes.

21. US development co-operation generally takes the form of grants. Most of these are funded through the annual Department of State, Foreign Operations and Related Programs (SFOPs) appropriations bill that is negotiated and approved by Congress. As the 2022 DAC Peer Review of the United States noted, more than 90% of appropriated SFOPs funds managed by the State Department and USAID are either congressionally earmarked or directed. Reconciling executive and legislative branch priorities and aligning with priorities of partner countries and other partners is complex and made more difficult by appropriation and post-appropriation process delays (OECD, 2022^[8]).

22. The United States' use of partner countries' public financial management systems remains low and significantly below the DAC average. According to monitoring data for the 2018 Global Partnership for Effective Development Co-operation, only 14% of US assistance disbursed to the public sector used

country systems in 2018 while 57% of ODA surveyed was channelled through national systems and 85% was recorded on national budgets. US funding to partner countries also became less predictable: annual predictability to partner countries was 72% in 2018, down from 92% in 2016. Medium-term predictability was only 41% in 2018, a decrease from 74% in 2016 (OECD/UNDP, 2019^[9]).

23. In 2020, approximately 22% of US gross bilateral ODA was implemented by international and United States-based non-governmental organisations that otherwise receive very little core support. Private sector entities implemented an additional 19% of gross bilateral ODA. ODA provided directly to other governments, including via MCC, accounted for 8% of gross bilateral ODA. The remainder was channelled through multilateral organisations, paid in-donor refugee costs and covered general administrative costs.

24. In 2020, 15.9% of the United States' gross ODA was multilateral, provided as core support, and mainly allocated to global or vertical funds. In addition, 20.1% of gross bilateral ODA was earmarked and channelled through the multilateral system.

25. The United States generally requests tax and customs duty exemptions on its ODA-funded goods and services in partner countries and territories (except income taxation on local staff) as set out in annual appropriations acts. The United States makes its information available on the OECD [Digital Transparency Hub on the Tax Treatment of ODA](#) portal to promote the transparency and accountability of tax exemptions.

26. The United States implements the DAC Recommendation on Terms and Conditions of Aid [[OECD/LEGAL/5006](#)]. It had a grant element of all bilateral commitments of 100% in 2019-20, well above the DAC average of 92.4%, and a 100% grant element of ODA to LDCs. Table 2 shows US performance against various targets and commitments in 2019 and 2020.

Table 2. US performance against commitments and DAC recommendations

	Target	2019	2020	2021
ODA as a share of GNI	0.7%	0.15%	0.17%	0.18%
Total ODA to LDCs as a share of GNI	0.15-0.20%	0.05%	0.06%	
Share of untied ODA covered by the DAC Recommendation	100%	55%	71.80%	
Grant element of total ODA	>86%	100%	100%	

Source: OECD (2022^[7]), *Development Co-operation Profiles - United States*, <https://www1.compareyourcountry.org/snaps/dev-coop-profiles-2022/en/4172/302>.

27. The United States has improved its performance in implementing the DAC Recommendation on Untying Official Development Assistance [[OECD/LEGAL/5015](#)]. In 2020, 28.2% of its bilateral ODA covered by the Recommendation was tied, which is a significant decrease from the preceding five years. Tied aid provided by the United States reflects the USG's sourcing policies, which generally require pharmaceuticals, agricultural commodities and products, and motor vehicles to be procured or manufactured in the United States.

28. USAID grantees are assigned a geographic code in their Cooperative Agreement or contracts that designate specific countries from which they are authorised to purchase goods and services. Three main geographic codes are typically used: 937, 935 and 110. Except for code 937, which excludes purchases from advanced developing countries, the geographic codes do not exclude sourcing the purchase of goods or services from developing countries.²

29. US tied aid, excluding food assistance,³ is mainly provided in the following sectors:

- government and civil society (30%) – for example through the Department of State's International Narcotics Control and Law Enforcement Program

- health (25%) – for example through the USAID global health supply chain programme or grants provided by the CDC
- education (15%) – for example through the Department of Agriculture's McGovern-Dole Food for Education Program to provide school lunches
- agriculture (10%) – for example through agricultural development projects financed by Feed the Future, the USG's global hunger and food security initiative (OECD DAC, 2021^[10]).

USAID is currently reviewing how it might provide more accurate reporting across the US government on the tying status of its ODA.

30. The quality of DAC and Creditor Reporting System (CRS) reporting by the United States in 2020 on 2019 flows was rated as good with a complete data submission. But the quality of some data (e.g. markers, aid types) requires some improvement. The CRS reporting was also resubmitted, causing delays in processing (OECD, 2021^[11]).

31. USAID and the Department of State report foreign assistance data via [ForeignAssistance.gov](https://www.foreignassistance.gov), the platform they launched in August 2021 to advance the transparency, accessibility and accountability of US foreign assistance data.

32. The US government also publishes its commitments under the International Aid Transparency Initiative and is looking into ways to utilise these data, including to populate partner country systems and fulfil transparency reporting as part of the US commitment to the Grand Bargain. The USG is also considering how to use the data for internal decision making, for example using the platform's [Development Cooperation Landscape tool](#) to base decisions on what other development actors are doing.

Financing across the humanitarian-development-peace nexus

33. In 2020, the United States allocated 67% of its country allocable ODA to fragile contexts. This is the lowest proportion since 2009. At the same time, the share of its gross bilateral ODA to fragile contexts is on an upward trend and reached 45% in 2020, suggesting increased use over the years of the multilateral channel in fragile contexts.

34. In fragile contexts, peace ODA has decreased in absolute terms since 2012, dipping to USD 1.4 billion in 2020.⁴ In all contexts (fragile and non-fragile), peace ODA decreased in percentage terms to 12.4% of gross bilateral ODA in 2020. The adoption of the Global Fragility Act was associated with USD 200 million for the Prevention and Stabilization Fund and USD 30 million for a Complex Crises Fund over the five years since its adoption in 2019.

35. In 2020, humanitarian assistance represented 37% of the United States' gross bilateral ODA disbursed in fragile contexts and 28% of its gross bilateral ODA overall. This was the biggest share of humanitarian ODA in gross bilateral ODA among DAC members and represents an 89% increase over its lowest share, of 15%, in 2011.

Incentivising additional development finance

36. USAID's published its first-ever [Private Sector Engagement Policy](#) in late 2018 to strategically engage the private sector in developing and deploying market-based approaches that address development and humanitarian challenges more sustainably and at scale.

37. Financial products issued by the US government to advance development, or development finance, are a component of US foreign assistance, though they account for a small proportion of its total development finance (Morgenstern and Brown, 2022^[12]). DFC provides loans, loan guarantees, political risk insurance, equity investments and technical co-operation. The revenue source for DFC, which has a

financing ceiling of up to USD 60 billion, is a grant allocation. The main areas of focus are climate change, global health, information and communications technology, and gender equity and equality.

- DFC can extend **debt financing** via direct loans and partial loan guarantees. These can range from smaller development credit (up to USD 49 million) to structured finance and projects in critical infrastructure or energy sectors (USD 50 million to USD 1 billion).
- **Equity investments** in development finance are a new financial product for the USG. Its much-anticipated equity investment programme will enable DFC to invest in early- and growth-stage companies that may not otherwise be ready to take on debt.
- Support to emerging market private equity **investment funds** is also available to bridge gaps in investment capital through sector-specific calls for proposals.
- **Feasibility studies** and **technical assistance** help identify and prepare projects to attract and support private investment in development.
- **Political risk insurance** offers up to USD 1 billion against losses due to currency inconvertibility, government interference and political violence including terrorism.

38. DFC's [Portfolio for Impact and Innovation](#) supports early-stage social enterprises with innovative solutions to challenges in developing countries. An example is the USD 5 million in DFC financing for the Twiga digital platform in Kenya, which helps reduce food wastage by connecting producers of fruits and vegetables in more rural parts of Kenya with vendors in Nairobi.

39. DFC has no need to maintain a credit rating, which should make it easier to prioritise investments in low-income and lower middle-income countries and in fragile contexts, where it aims to conduct 60% of its business. In 2021, DFC surpassed that goal, with two-thirds of newly approved projects focused in these contexts (US International Development Finance Corporation, 2022^[13]).

40. By using [Impact Quotient](#) (IQ) – an impact management tool – DFC is able to measure, manage and assess the development impact of its investments. IQ refers to three tiers: growth, inclusion and innovation. Investments in low-income and lower middle-income countries score more points, in recognition of the more difficult operating environment, for example.

41. In 2020, DFC, USAID, MCC and the State Department mobilised USD 5.8 billion from the private sector through guarantees, simple co-financing, direct investment in companies and special purpose vehicles, and, to a lesser extent, shares in collective investment vehicles.

42. MCC and DFC have launched a new blended finance mechanism called the [American Catalyst Facility for Development](#) (ACFD), which seeks to identify investments that have economic, environmental and/or social impact but are only marginally financially attractive. The ACFD would then turn these deals into commercially viable propositions through blended finance structures by leveraging the strengths of the two institutions.

Management systems

Table 3. The United States' management systems for development co-operation

	Comment
Systems are in place to assure the quality of development co-operation, including:	
<ul style="list-style-type: none"> Quality assurance 	<ul style="list-style-type: none"> ▲ There are strong quality assurance processes built into the system. The Federal Managers' Financial Integrity Act requires the head of each US government agency to conduct an annual evaluation in accordance with prescribed guidelines and to provide a Statement of Assurance to the president and Congress. Inspector General offices conduct independent and objective audits and investigations of USAID, MCC, US African Development Foundation, IAF and DFC and, where appropriate, recommend actions for improving programmes and operations and safeguarding taxpayer funds. ▲ USAID's Automated Directives System covers the organisation and functions of USAID along with the policies and procedures that guide the agency's programmes and operations. The information is continuously updated to align USAID's policies to the latest federal regulations, administrator policy statements and other overarching guidance.
<ul style="list-style-type: none"> Mainstreaming cross-cutting issues 	<ul style="list-style-type: none"> ▲ An integrated vision of poverty and inequality is grounded in a human rights-based approach and reflected in the strategy for cultural diversity. ▲ The National Strategy on Gender Equity and Equality provides strong, high-level political commitment that will be reflected in USAID's forthcoming update to its Gender Equality and Women's Empowerment Policy. A budget request for FY 2023 would more than double ODA to promote gender equity and equality worldwide. USAID has developed a Gender Integration Continuum training on how to integrate gender into programming. ● A significantly smaller percentage of activities are reported as having gender equality and women's empowerment as a principal or significant objective compared to the DAC country average. ● The United States has a smaller share of allocations with an environment and/or climate change focus than the DAC country averages for either of the two areas. It provides USD 2.6 billion in support of the environment and USD 897 million for climate change overall and focuses slightly more on adaptation than mitigation in its ODA allocations.
<ul style="list-style-type: none"> Procurement, contracting, agreement making 	<ul style="list-style-type: none"> ● USAID's 2018 Acquisition and Assistance Strategy sets out concrete approaches and tools to expand USAID's partner base. However, acquisitions and assistance remain concentrated with traditional partners. ● USAID launched www.workwithUSAID.org in 2021 to make procurement more accessible. The process remains cumbersome. ▲ All funding opportunities are posted publicly on SAM.gov and Grants.gov. USAID hosts quarterly webinars to give partners the opportunity to hear experts answer their questions on procurements.
Adequate and relevant systems and processes to assess and adapt to risks, including:	
<ul style="list-style-type: none"> Strategic, reputational, programming, security 	<ul style="list-style-type: none"> ▲ OMB Circular A-123, Management's Responsibility for Enterprise Risk Management and Internal Control, provides implementation guidance to federal managers on improving the accountability and effectiveness of federal programmes and operations by identifying and managing risks and establishing requirements to assess, correct and report on the effectiveness of internal controls. ▲ Managing risk is a fundamental part of USAID's core mission to support sustainable and locally led development. USAID has a Governance Charter for Enterprise Risk Management and Internal Control that is considered key to achieving USAID's goals and objectives, identifying and improving the effectiveness and efficiency of USAID operations, providing reliable reporting, and ensuring compliance with relevant laws and regulations.

	<p>▲ In 2018, USAID released a Risk Appetite Statement that provides USAID staff with broad-based guidance on the amount and type of risk the agency is willing to accept – based on an evaluation of opportunities and threats at a corporate level and in key risk categories – to achieve the agency’s mission and objectives. USAID is currently revising its Risk Appetite Statement.</p>
<ul style="list-style-type: none"> Corruption 	<p>▲ The Biden administration has made fighting corruption and reducing illicit financial flows a major priority, including by issuing a comprehensive United States Strategy on Countering Corruption. In particular, the strategy seeks to integrate an anti-corruption focus into regional, thematic, and sectoral priorities and work with partner countries to bolster anti-corruption enforcement and amplify the use of tools.</p> <p>▲ The recent creation of the USAID Anti-Corruption Task Force to strengthen, elevate and integrate anti-corruption across the entire USAID portfolio provides an opportunity to have a more focused approach to anti-corruption.</p> <p>● There are still challenges in implementation by USAID that are linked to building greater awareness with partners on whistleblowing policies and to ways to report allegations of fraud and corruption.</p>
<ul style="list-style-type: none"> Preventing sexual exploitation, abuse and harassment (PSEAH) 	<p>▲ USAID has developed a comprehensive policy on protection from sexual exploitation and abuse (PSEA) and released a partner toolkit with guidance and resources related to PSEA and other safeguarding areas (including child safeguarding); introduced a standard agreement provision on sexual exploitation, abuse and harassment (SEAH) prevention and response for international organisations and is developing a similar one for other partners; requires partners to adopt codes of conduct on PSEA; and has dedicated staff in place to co-ordinate protection from sexual exploitation and abuse work.</p> <p>▲ USAID has new draft standard operating procedures to help its staff respond to allegations of SEAH in a more streamlined, survivor-centred manner that are to be rolled out to the entire agency in 2022. USAID is implementing a new case management system for tracking and responding to allegations.</p> <p>▲ The State Department is developing standard agreement provisions on PSEA and requires funding recipients to adopt codes of conduct on PSEA. The Department of the Treasury reviews safeguard implementation and updates at multilateral development banks and monitors to ensure that SEAH protections are not weakened.</p> <p>● There are some challenges around co-ordinating with other parts of the government and mobilising cross-cutting efforts to end SEAH with other government entities such as the Department of Defense.</p>
Innovation and adaptation:	
<ul style="list-style-type: none"> Leadership, internal systems and capabilities are in place to introduce, encourage, measure and scale up innovation in development co-operation 	<p>▲ USAID is establishing a dedicated capability on behavioural insights that features several innovation teams, including the Center for Innovation and Impact; the Innovation, Technology, and Research Hub; and Development Innovation Ventures. Innovation programmes include Grand Challenges.</p> <p>▲ The Monitoring, Evaluation, Research and Learning Innovations Program (MERLIN) works to innovate on traditional approaches to monitoring, evaluation, research and learning. These approaches can also be better suited to evaluating an innovation effort. For example, Developmental Evaluation aims to provide ongoing feedback to managers on implementation through an embedded evaluator; Rapid Feedback allows implementers to test various methods to reach certain targeted results.</p>
Results, evaluation, knowledge management and learning	
<ul style="list-style-type: none"> Managing for sustainable development results 	<p>▲ All US agencies implementing foreign assistance funding are required to meet the reporting as well as monitoring and evaluation requirements of the Foreign Aid Transparency and Accountability Act of 2016. The Foundations for Evidence-Based Policymaking Act of 2018 emphasises data and evidence-building functions in the federal government by statutorily mandating federal evidence-building activities, open government data, and confidential information protection and statistical efficiency.</p> <p>▲ USAID has a solid policy framework and organisational set-up to deliver results, adapt and learn. Collaborating, Learning, and Adapting (CLA) is how USAID manages its programmes adaptively. CLA is a set of practices and tools that staff apply in the course of planning, managing and assessing strategies and programmes to ensure that they are co-ordinated, grounded in evidence, and responsive to emergent learning and changes in context.</p>

	<ul style="list-style-type: none"> ▲ USAID works with the State Department to develop and manage over 100 standard foreign assistance indicators that have common definitions and defined collection methods. USAID publishes illustrative indicator data on Dollars to Results once these are finalised. USAID's Learning Lab is a platform for generating and sharing information, tools and resources on how development practitioners can work together to integrate learning throughout the USAID programme cycle. ▲ Data and evidence from evaluation are incorporated into all phases of USAID's programme cycle, including strategic planning for Country Development Cooperation Strategies and activity planning and design. ● Accountability remains the strongest driver of results reporting and evidence management, and data could be shared more systematically with partners and designed to build up systems. ▼ There is limited use of the Sustainable Development Goals as an organising framework for results.
<ul style="list-style-type: none"> ● Evaluation 	<ul style="list-style-type: none"> ▲ Four US government agencies – the Department of State, USAID, DFC and MCC – manage and evaluate a significant share of US foreign assistance, and each has a dedicated service overseeing and supporting implementation. Details on the United States' evaluation system are available online, including for the US Department of State's Office of Foreign Assistance; USAID's Office of Learning, Evaluation and Research; DFC; and MCC's Department of Policy and Evaluation. The DAC Evaluation Resource Centre website presents evaluations of US development co-operation. ▲ USAID and the State Department have developed evidence-building plans (learning agendas) and annual evaluation plans that provide opportunities for both agencies to make policy decisions using the best available evidence. ▲ The USAID Evaluation Policy emphasises the principles of independence, transparency, relevance, rigour, local ownership and the integration of evaluation into design. ● USAID has created an internal Evaluations at USAID dashboard of completed evaluations with an interactive map. Using filters, completed evaluations can be searched by operating unit, sector, evaluation purpose, evaluation type and evaluation use, but this is not available to the public and it could put more effort into communicating the wealth of evaluation work. ● The Department of State's evaluation policy includes independence and integrity as one of its three standards for evaluation, but the policy could be more aligned to DAC evaluation criteria. ▼ Overall, there could be greater use of system evaluations and a clearer strategic approach to evaluations to ensure they are more joined up across agencies and build on USAID's robust evaluation policy. ▲ MCC contracts rigorous independent evaluations for every project. About 40% of these are impact evaluations employing experimental methods. MCC's Policy for Monitoring and Evaluation requires all programmes to develop and follow comprehensive monitoring and evaluation plans that adhere to MCC's standards. Evaluation Briefs distil key findings and lessons learned from MCC's independent evaluations. Sector Results and Learning pages promote learning and inform programme design by consolidating the latest monitoring data, independent evaluation results and lessons from the key sectors in which MCC invests. Principles into Practice reports cover MCC's research related to learning in the sectors of water, sanitation and hygiene; transportation; and education, among others.
<ul style="list-style-type: none"> ● Knowledge management and learning 	<ul style="list-style-type: none"> ▲ There is a strong culture of learning and knowledge management across USAID. USAID established an agency-level Knowledge Management and Organizational Learning Officer and function in 2019. ▲ USAID's Agency Learning Agenda articulates priorities, focuses resources on critical knowledge gaps related to policy priorities, and aligns with the FY 2022-26 Joint Strategic Plan. It also addresses key operational questions to support continuous improvement: 1) how USAID can better align systems, processes and resources with needs as well as ensure flexible and timely response to crises; 2) how USAID can better enable the use of data and evidence in furthering key policy priorities; and 3) how USAID programmes and operations can mitigate harm to underrepresented and marginalised populations while promoting equity and inclusion.

Note: ▲ Green triangles denote good practice; ● orange circles indicate that progress is being made but more could be done; ▼ red triangles flag areas where progress is needed.

Source: The table was developed by the OECD Secretariat following the OECD DAC peer review of United States and also draws on United States' self-assessment.

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Notes

¹ The data are as of 30 September 2021. Any arrival action after this date was dropped from the data. In regard to the foreign service national data, it should be noted that USAID in co-ordination with the State Department has transitioned from using the WebPASS system to the Overseas Personnel System. As part of that transition, USAID is in the process of validating the overseas data to ensure that all staff and countries are captured accurately. For more detail on the USAID organisational structure overseas and in Washington, DC, see www.usaid.gov/results-and-data/progress-data/agency-financial-report/fy-2021.

² Geographic code 937 authorises grantees to purchase goods and services from the United States, the recipient country or other developing countries but excludes “advanced developing countries” and prohibited source countries (of which there are currently none). Code 937 is typically assigned if the procurement element in the award is greater than USD 250 000. Geographic code 935 authorises grantees to purchase goods and services from any country except prohibited source countries. Code 935 is typically assigned if the procurement element in the award is less than USD 250 000, if a waiver has been authorised, or the award is funded from development assistance or similar programme funds. Geographic code 110 authorises grantees to purchase goods and services from the United States, the independent states of the former Soviet Union and developing countries, excluding prohibited source countries. Details are available at www.ngoconnect.net/sites/default/files/2021-11/SCS%20Global%20Implementation%20Tips%20for%20USAID%20Partners%20-%20Updated%202022.pdf.

³ Tied aid here excludes food aid (purpose codes 52010 and 72040), but includes school feeding (purpose code 11250).

⁴ In the OECD fragility framework, ODA to peace-related sectors is tracked using CRS codes 15110, 15111, 15112, 15113, 15130, 15150, 15152, 15153, 15160, 15170, 15210, 15220, 15230, 15240, 15250 and 15261. For more details, see page 149 of the 2018 States of Fragility report at <https://doi.org/10.1787/9789264302075-en>.