USAID Talking Points in Response to the House Committee on Agriculture

July 10, 2015

General

- USAID has received the letter from House Agriculture Committee Chairman Conaway and Subcommittee Chairman Rouzer and is **actively working to respond to the letter.**
- **The Agency supports food aid reform** to provide more flexible humanitarian responses when appropriate, especially as the number of refugees and internally displaced persons (IDPs) rapidly increase around the world, to reach more people in need with the same amount of resources.
- USAID continues to work with and seek input from **all stakeholders**, including members of Congress, non-governmental organizations, the maritime and agriculture industries, to find a path forward to achieve food aid reform, while maintaining the right balance between U.S. commodities; local and regional purchase, and cash-based assistance.

On Cash-Based Assistance

- USAID has a proven track record of success in implementing cash-based food assistance programs in more than 35 countries since 2010. These programs have enabled USAID to reach additional beneficiaries with the same resources, respond more quickly in times of urgent need, help to stimulate local markets, and provide dignity and choice in the midst of tragic circumstances.
- USAID remains committed to **strong oversight and evaluation** of all projects, including cash-based food assistance.
- USAID has already made considerable progress addressing the GAO's recommendations and improving the effectiveness and efficiency of cash-based food assistance. Some of these steps include:
    - **Strengthening the process** of reviewing and approving modifications of cash-based food assistance grant awards, including new internal guidance for staff.
    - Partnering with the Cash and Learning Partnership to support shared learning and development of guidance for implementing partners on **adapting programming in response to changing market conditions.**
    - Strengthening the Annual Program Statement (APS) and related requirements for **risk assessment and mitigation plans** by requiring applicants to "provide an assessment of risk of fraud or diversion and controls in place to prevent any diversion of cash, counterfeiting of food vouchers, and diversion of food voucher reimbursement funds."
    - Working to **improve financial oversight** of cash-based food assistance projects, both through engagement with implementing partners and development of guidelines and reference materials for USAID staff and implementing partners.
    - Exploring expanding the use of **third party monitoring** contracts where security and access constraints may preclude in-person monitoring.