

USA

1) QUANTITY OF AID

1.1. Current/Recent Quantity Performance:

Net ODA US\$m	26,008
% of GNI	0.18%

Source: OECD/DAC, preliminary 2008 data.

Between 2001 and 2005 US ODA more than doubled in absolute terms from US\$11,429m to US\$27,935m, but stayed constant as a proportion of GNI at 0.22%. However, it should be noted that a large proportion of these increases went to Iraq.

During 2006-07 US ODA fell by around 20%, but in 2008 has rebounded with a 16.8% increase in real terms. Nevertheless, its ODA/GNI ratio is only at 0.18%, well below the level of 0.22% in 2001 (DAC, 2009).

1.2. Future Quantity Intent

The USA has no commitment to meet the UN's 0.7% GNI target. If the USA meets the commitments it made at the G8 in 2005 to provide more ODA via the MCC, for Africa, for health initiatives and for humanitarian aid, the DAC predict that US ODA will reach US\$27.6bn in 2010 (0.20% GNI). The Obama administration has asked Congress for a 9.5% increase for 2009 which, if repeated in 2010, would increase US ODA to US\$31,184 million or 0.23% of GNI.

2) KEY AGENCIES/MECHANISMS

2.1 Agencies and Structures

The USA provides ODA via a wide range of agencies and departments. Five institutions (USAID, Defence, Agriculture, State, Treasury) accounted for over 90% of ODA in 2005 (DAC, 2006b, p13). There has been a proliferation of executing agencies under the Bush administration, with the creation of the Millennium Challenge Corporation (MCC), and the creation of what is effectively a bilateral "vertical fund" in the President's Emergency Plan For Aids Relief (PEPFAR).

In June 2006, a new Office of Director of Foreign Assistance was created in the State Department, with authority over all programs and funds managed by the State Department and USAID, and for providing policy guidance to the MCC and the Office of the Global AIDS Coordinator. The objective is to improve coordination efficiency of US assistance across multiple agencies and accounts, to increase transparency in the allocation and use of funds, and to improve performance and accountability for results. It also seeks to strengthen strategic alignment between US assistance and foreign policy goals (US Department of State, 2007).

There is currently very limited central reporting of US ODA, though this is intended to change as a result of enhanced coordination. So this brief focuses on that ODA provided via the Department of State, the US Agency for International Development (USAID) and the Millennium Challenge Corporation.

Department of State

The State Department accounts for about 20% of total US ODA. It also delivers a large volume of non-ODA financial support. It delivers some funds directly via US embassies, some via agencies including USAID, and some as global vertical programs including PEPFAR, a five year US\$15bn global initiative to combat HIV/AIDS. It jointly manages several funds with USAID including Economic Support Funds (ESF) which ‘*promote the economic and political foreign policy interests of the United States by providing assistance to allies and countries in transition to democracy, supporting the Middle East peace negotiations, and financing economic stabilization programs, frequently in a multi-donor context*’ (and are not all counted as ODA because they are non-concessional for middle-income countries). ESF funds are implemented by USAID under policy guidance from State (US Department of State, 2007).

United States Agency for International Development (USAID)

USAID, an independent federal government agency, is responsible for implementing bilateral foreign assistance programs totalling around 50% of US ODA. The Administrator of the agency (who answers to the Secretary of State) formulates and executes foreign economic and development assistance subject to the policy guidance of the President, the Secretary of State and the National Security Council. USAID maintains a field presence in 70 countries. USAID missions are delegated authorities, funded on the basis of a Washington-approved country or regional Strategy Paper. The Strategy Paper is a multi-year planning document (usually covering 5-7 years) that is built around a small number of strategic objectives. Although country offices have significant resources and discretion, they are often constrained by earmarking and other restrictions set in Washington (either by USAID/State headquarters or, more usually, Congress). The following accounts are directly managed by USAID (USAID, 2007a):

- Child Survival and Health programs (CSH), FY 2004 appropriation: \$1.82 billion
- Development Assistance (DA), FY 2004 appropriation: \$1.36 billion
- Transition Initiatives (TI), FY 2004 appropriation: \$55 million
- International Disaster and Famine Assistance (IDFA), FY 2004 appropriation: \$544 million
- PL 480 Title II (food aid), FY 2004 appropriation: \$1.2 billion

USAID also runs several specialised offices such as the Overseas Private Investment Corporation (which guarantees investments in developing countries – see www.opic.gov) and the Trade and Development Agency (which promotes developing country exports to the US by financing studies and training - see www.tda.gov).

Millennium Challenge Corporation (MCC)

The MCC administers the Millennium Challenge Account (MCA), established in 2002 to support economic growth and poverty reduction in the poorest countries in the world. It is intended to be a more efficient and streamlined body for disbursing results-based aid than USAID, using a private sector “corporation” model. The MCA provides assistance to only a select group of countries that are implementing policies

consistent with a strong commitment to economic growth and development. The MCC works a bit like a foundation, asking eligible countries to submit proposals based on national development priorities. When these proposals are approved, the country government enters into a “compact” with the MCC that includes program details and clear benchmarks for success. In fiscal year 2006-07, the MCA accounted for around 12% of US bilateral ODA, but this is expected to increase. For an excellent independent analysis of the performance of MCC, see Center for Global Development (2007).

2.2 Key Policies and Documents

Foreign Assistance Framework 2006 (US Department of State and USAID, 2007)

As of July 2006, all State Department and USAID ODA programs were brought under the auspices of a new Foreign Assistance Framework. This gives the goal of US aid as: “helping to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system”. It also sets out five objectives: peace and security, governing justly and democratically, investing in people, economic growth and humanitarian assistance. These objectives are then interpreted for five categories of country (US Department of State, 2006a):

- ‘Rebuilding Countries’ are those emerging from conflict, where the goal is to create a stable environment for good governance.
- ‘Developing Countries’ are those with low-middle income which do not yet meet MCC criteria (see below), where the goal is to promote democracy, strong institutions and policies which support growth.
- ‘Transforming Countries’ are those with low-middle incomes which meet MCC criteria, where the goal is to support institutions capable of sustaining progress.
- ‘Sustaining Partnership Countries’ are countries with upper middle incomes where the goal is the maintenance of strategic partnerships.
- ‘Restrictive Countries’ are those facing significant governance issues, where the goal is to empower civil society to demand more effective democracy and states.

Foreign Aid in the National Interest (US Department of State, 2006b)

This is a long term strategy document intended to ‘inform and focus international development assistance’ over 10-20 years. It emphasizes the goals of promoting democratic governance, fostering rapid economic growth, recognizing changing health needs in the context of aid. Within a security-centred framework, it also calls for greater rigor in the development assistance community to identify the motivations underlying conflicts and potential conflicts and to look at all development through a “conflict lens.”

3) RECIPIENT COUNTRIES AND ALLOCATION CRITERIA

3.1. Recipient Countries

Top ten countries	% of total ODA gross disbursements	% of bilateral ODA gross disbursements	US\$m
Iraq	30.0%	33.0%	8,005
Afghanistan	5.1%	5.6%	1,361
Sudan	2.8%	3.1%	749
Colombia	2.2%	2.4%	588

Top ten countries	% of total ODA gross disbursements	% of bilateral ODA gross disbursements	US\$m
Egypt	1.9%	2.1%	504
Ethiopia	1.9%	2.1%	498
Congo, Dem. Rep.	1.8%	2.0%	491
Nigeria	1.7%	1.9%	443
Pakistan	1.5%	1.7%	410
Jordan	1.3%	1.4%	346

Source: OECD/DAC, 2005-2006 data.

Note: Iraq received uncharacteristically high levels of ODA in 2005-06 due to debt cancellation.

The top ten recipients listed above received 55.3% of bilateral ODA in 2004-05. The USA gives ODA to over 120 countries. As of October 2008, 17 countries have signed compacts with the MCA: Armenia, Benin, Burkina Faso, Cape Verde, El Salvador, Georgia, Ghana, Honduras, Lesotho Madagascar, Mali, Mongolia, Morocco, Mozambique, Nicaragua, Tanzania and Vanuatu (see section 3.2 below for more details on how the MCC functions). For regular updates see www.mcc.gov or Centre for Global Development (2007).

Distribution among different groups of recipients (% country allocated / region specified gross ODA disbursements):

Least Developed Countries	26.7%
Other Low Income Countries	9.0%
Sub-Saharan Africa	24.1%
Middle East	45.2%

Source: OECD/DAC, 2005-2006 data.

3.2. Allocation Criteria

3.2.1. Pre-selection criteria

There are prohibitions on any US assistance to certain countries, such as those that support international terrorism or engage in gross violations of internationally recognized human rights; those that are in arrears on their loan repayments to the United States; or those whose elected head of government has been overthrown by a military coup (USAID, 2006, p14).

The MCA defines a pool of candidate countries based primarily on their annual per capita income level. As of FY2006, the MCA can select eligible countries from two distinct groups: a low-income country group (per capita income below \$1,575) and a lower middle-income country group (per capita income between \$1,575 and \$3,255). There are a complex set of criteria used to decide at a technical level on recommendations for eligibility (see section 3.2.2 below), after which political factors may modify somewhat the final list (for an analysis see e.g. Radelet (2004), updated regularly through Centre for Global Development, 2007). As of December 2006, 36 low-income and 5 middle-income countries are eligible for MCC assistance (of which 6 have become newly eligible for assistance in 2007).

PEPFAR funds are concentrated (\$10bn/\$15bn) in 15 named countries with high HIV infection rates. As of December 2006, these 15 countries are Botswana, Cote

D'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam, and Zambia (see PEPFAR, 2006).

3.2.2. Allocation criteria:

Different US agencies allocate aid funds on different grounds. These are, in most cases, informal. US strategic and economic interests, especially in the Middle East, are a key determinant of allocations from several agencies.

The MCA has formal allocation criteria. Once countries are defined as MCA candidate countries, the MCA uses seventeen indicators in three categories – ruling justly, economic freedom, and investing in people – to measure the candidate countries against each other and judge which are eligible for MCA funds. Countries must be above the median score on half of the indicators in each category, as well as in control of corruption, to be eligible for the MCA. To pass the inflation indicator, a country's inflation rate must be under 15%, rather than the median. Countries that do not qualify for the MCA but are judged by the MCC board to be making progress in the indicators they fail to pass, are included in the Threshold Program, which can receive up to 10% of MCA funds. As of July 2008, 26 countries are eligible for the MCA and 14 are eligible under the MCA's Threshold Program.

Countries eligible for full assistance in 2008 are: Armenia, Benin, Bolivia, Burkina Faso, Cape Verde, El Salvador, Georgia, Ghana, Honduras, Jordan, Lesotho, Madagascar, Malawi, Mali, Moldova, Mongolia, Morocco, Mozambique, Namibia, Nicaragua, Senegal, Tanzania, Timor-Leste, Ukraine and Vanuatu.

Threshold countries are Albania, Guyana, Indonesia, Kenya, Kyrgyz Republic, Malawi, Niger, Paraguay, Philippines, Rwanda, Sao Tome and Principe, Uganda, Yemen and Zambia.

The middle-income country is Peru (Millennium Challenge Corporation, 2007a). It is important to note again that the classification of countries following the initial technical work is ultimately subject to considerable political input in final decisions (See Centre for Global Development, 2007).

Countries can also be moved between the Threshold and full program (or vice versa) in any year, and have their program suspended entirely in the event of extreme circumstances.

4) AID POLICIES

4.1. Concessionalality

US aid to least developed countries is entirely in the form of grants, though other low- and middle-income countries receive a small amount of loan-based ODA.

Grant share of bilateral ODA commitments (excluding debt reorganisation)	99.3%
Grant element of bilateral ODA commitments to LDCs	100%

Source: OECD/DAC, 2005-2006 data.

Terms of ODA loan commitments:

Grant element	68.9%
Average maturity	30.0 years

Average grace period	5.0 years
Average interest rate	1.0%

Source: OECD/DAC, 2006 data.

4.2. Types of Assistance

Breakdown of different types of ODA:

	US\$m	% of gross bilateral ODA commitments
Projects and programmes (including some technical cooperation)	6,412	26.4%
- of which General budget support	380	1.6%
Stand-alone technical cooperation	10,958	45.1%
Action related to debt	1,585	6.5%
Developmental food aid	697	2.9%
Other commodity assistance	196	0.8%
Emergency and distress	2,777	11.4%
Other	1,864	7.7%

Source: OECD/DAC, 2006 data.

The table above indicates that technical assistance is the largest category in US assistance. US technical assistance has in fact grown every year since 2000, and between 2000 and 2006 it increased from US\$4.3b to US\$9.3b.

According to the Paris survey, there are 10 out of 48 countries in which the US Technical Co-operation is co-ordinated with country programmes including Nigeria, Ghana and the Philippines. According to the HIPC-CBP survey, the US gets the best score for the HIPC-CBP TC indicators in the Gambia (just below top score).

The next largest category is sectoral projects and programs. There is some overlap here as what many other donors would call projects, US agencies call programs, even though they are often sub-sectoral or individual issue programs and not part of a recipient government-led sectoral program. This is probably reflected in the results of the Paris survey (DAC, 2007a and 2007b). Ghana, Haiti, Jordan and Liberia get all their aid through programme-based approaches, followed by Egypt, Ethiopia and Morocco with 99% (Indicator 9). There are only 5 countries getting budget support with highest level of budget support recorded in Jordan (45% of total aid) according to the Paris Survey.

4.3. Channels of Assistance

In 2006 the USA allocated around 10% of its ODA via multilateral organisations, of which 27% went to UN agencies and 35% to the World Bank (DAC 2007). US assistance is in many cases not channelled via the recipient budget. Most of US aid is managed directly by in-country project implementation units or consultants (especially in the case of global vertical programs), and these are typically not reported 'on-budget'. On the other hand, much food aid and sector support is registered in the national budget. There is a lot of variability in the way US aid flows are captured through recipient country systems according to the HIPC-CBP evaluation. The countries in which the US scores best in this respect are Ethiopia and Mali, who give top scores.

4.4. Sectors and Projects

Sector	% of bilateral ODA (commitments)
Social and Administrative Infrastructure	44.1%
Of which: Education	2.0%
Health	5.6%
Population	11.7%
Water supply and sanitation	3.4%
Government and civil society	11.1%
Economic Infrastructure	13.4%
Of which: Transport and communications	3.8%
Energy	5.7%
Production	5.2%
Of which: Agriculture	2.6%
Industry, mining, construction	1.3%
Trade and tourism	1.3%
Multi-sector	6.7%
Programme Assistance	5.4%
Action relating to debt	6.9%
Emergency aid	11.4%
Administrative expenses	4.7%
Unspecified	2.1%

Source: OECD/DAC, 2006 data.

US assistance is concentrated in support to governance (especially anti-corruption and democratisation) and civil society (especially support for private sector development, entrepreneur voice and organisation). Despite the dominant use of the project aid modality, the US manages to align its aid with PRSPs and is found to be quite willing to fund different PRSP sectors/areas according to the most recently conducted HIPC-CBP evaluations (Gambia, Guyana and Mali giving top scores).

4.5. Flexibility

US aid funds are largely inflexible in terms of allocations between sectors. Congressional earmarks force USAID to spend minimum amounts in certain areas. In 2001 there were approximately 250 statutory and report-language earmarks and directives affecting development assistance. In addition, due in part to the lack of budget support, US assistance has no flexibility to fund assistance against economic shocks. According to the HIPC-CBP evaluation, the countries in which the US disburses its funds in the most flexible way are Guyana and to a lesser extent the Gambia.

4.6. Predictability

US aid budgets are allocated annually by Congress, limiting the ability of US agencies to make multi-year aid commitments. However, if political will can be mustered, more predictability is possible. Aid to Iraq for example is part of a package of USD 21bn “no-year funds” (i.e. available until fully disbursed) committed in 2003 for relief and reconstruction efforts (DAC, 2006b, p26). Congressional requirements also mean that US aid can take some time to deliver. For example, before USAID can fund specified activities or activities for specific countries, it must notify Congress in advance via USAID’s Annual Report. Indicator 7 of the Paris process looks at predictability. According to the 2008 baseline survey, disbursements recorded by Government are most closely linked to the amount of aid scheduled by the US in Zambia (99%), Cape Verde (98%), Egypt (83%) and Morocco (83%). Of the

recipient countries participating in the HIPC-CBP evaluation, Ethiopia, Guyana, Mali and Uganda gave top scores to the US for long-term commitments. As for disbursements matching pledges, we have Mali as best practice (=top score).

4.7. Conditionality

The US government tends in many countries to have macro-level conditionalities which are additional to those of the BWIs and other donors, and does not participate (except as an observer) in efforts to streamline conditionalities through multi-donor budget support. Again partly due to Congressional and wider foreign policy pressures, USAID puts particular stress on policies relating to multiparty democracy, human rights protection, measures to fight terrorism and money-laundering, and trade and investment liberalisation. According to recipient countries (HIPC-CBP methodology), conditionality is least strictly enforced in Guyana and Honduras. Delays linked to conditionality fulfilment are deemed smallest in Bolivia and Honduras.

4.8. Policy Dialogue

Similar concerns and its veto share of votes on the BWI Boards makes the US a major participant in the policy dialogue with the IMF and World Bank. The US has certain preoccupations it would like to see included in BWI programs (trade and investment agreements, privatisations, HIV/AIDS, girls' education, private sector promotion, anti-corruption, and measures to fight terrorism and money-laundering). However, its attitude to the dialogue is often more dependent on the closeness of its political and strategic relationships with the country.

The closeness of the US to the BWIs, can also be gauged by analyzing how recipient countries evaluate the US (HIPC-CBP methodology). Indeed, only in a few countries, notably Uganda and Guyana, does the US take independent decisions from the BWIs on its disbursements. In certain other countries, it defers completely to the BWIs leadership in conducting the policy dialogue with recipient country governments.

5) AID PROCEDURES

5.1 Conditions precedent

For USAID, a Country Strategic Plan must be submitted to Washington for approval. The objectives of the Strategic Plan are formalized in a Strategic Objectives Agreement (SOAg), which is a simplified form of framework agreement engaging the recipient country (mostly through its Ministry of Finance) and USAID. The activities and results packages are assessed on the basis of the approved Strategic Plan and the SOAg, and recorded in a Results Report & Resource Request R4. The approved Strategic Plan forms the basis of each R4. The R4 document covers a 3-year period. USAID does not impose any sort of particular conditions for the projects that it funds. It does not demand matching funds, apart from the provision of offices in a certain number of cases. This is largely borne out by the HIPC-CBP evaluation, with few exceptions.

The number of prior conditions can still be quite high in some countries, with best practice in Gambia and Malawi. However in most cases this does not lead to significant disbursement delays (HIPC-CBP evaluation). Project units are very

closely involved and separate bank accounts are maintained. In the 2008 Paris survey, Paris indicator 6 shows that more than half of the recipient countries have no PIUs at all.

In order to benefit from MCA assistance, countries must agree with the MCC on an MCA Compact. An initial contribution to this is drafted by the recipient country and civil society organisations, and this is then negotiated and turned into detailed programs and projects by MCC delegations. This process has proven lengthy, with the result that, as of July 2007, after 5.5 years of its existence, only 13 countries had signed Compacts (see section 3.1).

5.2 Disbursement Methods

USAID uses a variety of disbursement methods to implement its assistance programs. Different types of direct payment to suppliers (for projects and TA) and reimbursement (for sector programs going through the recipient budget) are the most common, as follows (though initial advances of fixed amounts are also sometimes allowed):

- Contracts purchase services, equipment, or commodities according to a specified scope of work (SOW). The SOW is a statement that spells out the exact nature of the purchase, when and where it is to be delivered, and other particulars as needed (e.g., cost, special supplier qualifications).
- Cooperative agreements are usually awarded to nonprofit organizations or educational institutions to accomplish a public purpose. Typically USAID is substantially involved in carrying out the program, at a level specified by the agreement.
- Grants are much the same as cooperative agreements, but allow the recipient more freedom to pursue its stated program without substantial involvement from USAID.
- Collaborative agreements (pioneered in FY 2005) as a flexible, streamlined alternative to traditional grants and contracts for work with nontraditional partners in the private sector.

As the US prefers to work with reimbursement claims and direct disbursement to suppliers, recipient countries (HIPC-CBP evaluation) do not score the US very high on ‘disbursement methods’. Best practice on this indicator can be found in Honduras, Nicaragua and Uganda. Interestingly, these methods do not seem to predict delays linked to disbursement methods. The smallest delays are in Ethiopia, Ghana, Guyana and Malawi, who give top scores.

The preferred form of payment for all MCC-funded contracts is ‘partial payment’. Millennium Challenge Corporation (2007b, p1) defines this as “*payment terms that provide for multiple payments, each upon acceptable partial performance of the contract*”. Advance payments may be granted under certain circumstances (e.g. “*to cover the initial mobilization expenses for large civil works or custom-made goods*”), but require prior approval of MCC. In general, MCC advises against cost-reimbursement contracts as these are difficult to administer.

5.3 Disbursement Procedures

Each of these different methods has different procedures:

- Direct reimbursement: reimbursement is generally made via a cheque issued by a financial office in the American administration, on the basis of very thorough proof of the expenses already undertaken.
- Fixed cost reimbursement: when the conditions for setting up a project have been met (such as the establishment of project units and the opening of bank accounts) the American institutions may reimburse a fixed amount or a percentage of the project costs by issuing a cheque.
- Direct payment: if the agreement dictates so, payment requests are submitted directly to the American agencies (sometimes via the project units) and the disbursements are made via the US offices directly to the suppliers' bank accounts. If requested by the beneficiary, USAID may also issue letters of undertaking directly to suppliers or contractors and make payments following receipt of invoices and vouchers. It may also issue a letter of undertaking to an American bank to authorise the latter to make payments to contractors or suppliers – this is the usual funding method for programs for importing capital equipment.
- Letter of credit: USAID issues a letter of credit in accordance with a contract based with an American NGO. This method is used for grants to NGOs that have had dealings with USAID for at least one year and for which annual payments amount to at least 50,000 dollars.

In general, the US does not use recipient country Public Financial Management systems. This can be seen from the Paris 2008 baseline survey which shows that US aid destined for the government sector was channelled through national PFM systems in only 8 countries including Haiti (100%), Honduras (28%) and Zambia (23%) (Indicator 5a). The HIPC-CBP indicator on the number of disbursement procedures a recipient country has to go through varies substantially across countries. Best practice here can be found in Gambia and Malawi.

Overall, the MCC does not make any specific mention of awareness of disbursement schedules being aligned to partner country budget cycles. On incurring costs via a Government partner, Millennium Challenge Corporation (2007c) states that to use the Recipient Country rules, procedures and regulations, “*there must be a mutual agreement between the Recipient Country and the MCC as to their application*” (Millennium Challenge Corporation, 2007c, p6). This implies that absent such an agreement, regulations of the MCC are to be followed. Hence, alignment through using partner country PFM and procurement systems is likely to be low. Cost issues for when the MCC enters into a partnership with a non-governmental or commercial entity are governed by Millennium Challenge Corporation (2007d)

5.4 Procurement Procedures

The US government does not report tying status of its aid to the OECD DAC. However, the Centre for Global Development, for the purposes of their Commitment to Development Index, estimates around 70% of US bilateral disbursements as formally tied (Roodman et al, 2006, p2). There is also a strong element of “informal tying” through insistence that suppliers use US services such as shipping and insurance, and through complex manuals insisting on goods with technical specifications matching those of only US companies or their subsidiaries.

USAID contracts are governed by the Federal Acquisition Regulations (FAR) and by internal directives such as USAID's Acquisition Regulations (AIDAR). The contracts

financed with funds reserved by USAID for programs (which account for most of the aid granted by USAID) are assigned geographical codes that determine which sources of supply are authorised. Code 935 is allocated for contracts open to all countries (except for those that are restricted from taking part due to foreign policy considerations) and generally applies only for programs under the direction of the Development Fund for Africa and for some aspects of emergency aid (although there may sometimes be waivers in the framework of other programs). The funds allocated to the programs implemented in the least developed countries and in newly-independent Nations may be used to finance supplies originating in these countries. For further details see USAID (2007b).

According to the 2008 Paris Survey, best practice for procurement procedures is found in Haiti, Kenya and the Philippines where all aid to the government sector made use of the country's procurement systems (Indicator 5b).

Regulations governing procurement: Various bodies may be responsible for contracts arising from bilateral activities funded by USAID: the USAID office in Washington, the mission, an organisation in the host country, or the host country may designate intermediaries. The mission director is responsible for certifying the validity of the procurement system of the contractor organisation. USAID policy is to require open invitations to tender for direct procurement, and in order to meet the new requirements laid down in the Contract Information Bulletins (CIB) – see USAID (2007c).

Around half of USAID's contracts and grants are negotiated and granted by the Office of Procurement which is located in Washington. The other half is administered by the personnel responsible for contracts and grants in the USAID missions or by host country organisations.

Millennium Challenge Corporation (2007e) clearly sets out the procurement guidelines governing MCC projects. These guidelines, both for goods & services and for consultants are based on World Bank procedures. Competitive bidding is the overarching principle governing all MCC procurement, with the exceptions of entities and persons blacklisted from participation in World Bank funded projects or barred from bidding because of aforementioned US policies.

5.5 Coordination

The US government participates actively in coordination meetings in countries, especially with other donors. However, because of its complex reporting procedures, it engages in joint missions and reports less often than other DAC members, and is not in a position either to delegate administration of its aid to other governments, or to participate in multi-donor budget support arrangements. It signed up to the agreement of the Paris Declaration and the targets therein in August 2005.

In many countries, the US manages to do joint country analytical work (Paris Indicator 10b), especially so in the DRC, Mali, Jordan, Dominican Republic, Tanzania, Sudan and Zambia where it conducts all of its analytical work together with other donors. The US does not show such a great record for joint missions and best practice is found in Burkina Faso (100%) (Indicator 10a). In Ethiopia, all missions and all analytical work were done jointly with other donors. The HIPC-CBP scores

reveal Guyana as a country where the US does well on similar harmonisation issues (just below top score).

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