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Committee on Government Operations,
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STATE DEPARTMENT

Overseas Staffing Process Not Linked to Policy Priorities

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**National Security and
International Affairs Division**

B-257742

September 20, 1994

The Honorable John Conyers, Jr.
Chairman, Legislation and National
Security Subcommittee
Committee on Government Operations
House of Representatives

Dear Mr. Chairman:

In response to your request, we are reviewing the Department of State's staffing of its overseas posts. As agreed with your office, this report discusses our evaluation of (1) the process used by State to determine how many of its U.S. diplomatic personnel are needed at each location, (2) State's efforts to improve this process, and (3) the process State used to identify the 17 posts to close in 1993 and 1994. We are reporting separately on the costs and numbers of personnel from all agencies at overseas diplomatic posts and the overall management weaknesses associated with overseas staffing.

Background

State has approximately 7,200 U.S. diplomatic personnel overseas, which is about 38 percent of U.S. diplomatic presence overseas.¹ In fiscal year 1993, State's cost of overseas operations was estimated at \$1.5 billion for salaries and associated overseas costs. The number of State's U.S. direct hire personnel at each post can range from 1 or 2 in small posts such as Apia, Western Samoa, and Belfast, United Kingdom, to over 100 in large posts such as Paris, France; Tokyo, Japan; and Bangkok, Thailand. Staffing levels are determined through annual budgeting and program planning processes that are heavily influenced by geographic bureau priorities, with input from the embassies. State stations personnel in almost every country with which the United States has diplomatic relations. In 1992, to help finance the opening of 16 posts in the former Soviet Union, State embarked on a process to identify some posts that could be closed.

Results in Brief

State does not use an objective, quantifiable methodology that ranks posts based on U.S. foreign policy priorities for determining the number of personnel needed at overseas posts. Several internal State Department studies since 1988 have indicated concerns that personnel resources were

¹This report discusses only U.S. direct hire staff overseas who come under Chief of Mission authority. These figures do not include foreign service national and contract personnel.

not being allocated on the basis of policy priorities. In October 1993, State's Office of the Inspector General reported that "personnel and resources are sometimes assigned to areas of little or no importance to U.S. policy, while posts in countries critical to U.S. interests go begging." Using a rank ordering of posts based on an assessment of U.S. foreign policy objectives could ensure that lower ranked posts do not have more staff than posts that rank higher, unless there is reasonable justification.

Senior State officials have acknowledged that the current personnel resources planning and allocation processes fail to adequately link personnel resources with policy priorities. In mid-1994 the Under Secretary for Management began conducting periodic meetings with all the under secretaries, acting as a "corporate board," to develop a resource management strategy to meet the highest priority goals for State operations. According to State officials, these meetings are being held in an effort to better link resources to policy priorities. However, no time frames for implementing the strategy have been established.

Since 1991, State has been developing a methodology to establish staffing level benchmarks in a country based on that country's importance to U.S. interests. Although the methodology would need to be revised to reflect current policy priorities, including consideration for administrative support provided to non-State agencies, it would provide a reasonable basis for staffing decisions. However, State has no plans to incorporate such a methodology into its personnel resource management process.

To identify the posts to be closed in 1993 and 1994, State did not base its decisions on agencywide policy priorities, but rather on geographic bureau objectives and priorities. The Under Secretary for Management provided general and informal guidance to bureaus and asked for recommendations as to which posts could be closed. Then each geographic bureau used different criteria to identify posts that it considered to be a lower priority in its region. However, State did not systematically compare on a worldwide basis the relative importance of posts to U.S. interests overseas.

Prior Studies Recommend Linking Personnel Resources to Policy Priorities

Several studies since 1988 have indicated that State did not have an effective system for deciding how many diplomatic personnel are needed at overseas locations. While State officials have, at some level, acknowledged the need to improve the way the agency matches personnel

resources with policy priorities, it has not implemented a system to accomplish this.

In 1988, a report prepared for the Deputy Secretary's Steering Group, known as the Grove Report,² identified the lack of an effective mechanism to link foreign policy priorities to resources. The report recommended that top management set explicit policy and management objectives and ensure that managers at all levels link the allocation of resources to those objectives.

A legislatively mandated study, conducted by a panel known as the Thomas Commission, also stressed the need for a mechanism to link the agency's missions to personnel resources as a key element in effective human resources management.³ Then in 1991, the Under Secretary for Management tasked the Director General of the Foreign Service with reviewing the civil service personnel component of State's work force. To implement the directive, the Director General established a commission that subsequently concluded State needed to strengthen its long-range workforce planning.⁴ In 1992, State established a task force to analyze the future foreign affairs policy and operating environment and propose appropriate changes to the agency's organization and management. The task force identified the need for an integrated policy and resource allocation process to facilitate the shift of resources to the highest priorities.⁵ In addition, the Commission on State Department Personnel recommended in its 1992 report⁶ that State establish a comprehensive, strategic planning system that emphasizes human resource requirements. The report noted State's lack of progress in implementing the Thomas Commission recommendation for long-range workforce planning.

In 1993, the State Team for Reinventing Government, in response to the National Performance Review (Vice President's Task Force) initiative, examined ways to improve work force planning and management in State and integrate foreign policy, program, and resource management

¹U.S. Department of State, *Administrative Functions for the 1990's*, June 1988.

²U.S. Department of State, *Report of the Commission on the Foreign Service Personnel System*, June 1989.

³U.S. Department of State, *Report of the Director General's Commission on Civil Service Improvements*, December 1991.

⁴U.S. Department of State, *State 2000: A New Model for Managing Foreign Affairs*. Report of the U.S. Department of State Management Task Force, December 1992.

⁵U.S. Department of State, *The "State Team" for the Future*. Report of the Commission on State Department Personnel, October 1992.

processes.⁷ It recommended establishing an integrated strategic management system that (1) ensures State's limited personnel resources are allocated in a way that addresses the U.S. government's most important foreign policy objectives, (2) establishes accountability for results, and (3) provides flexibility to make mid-course corrections as required to address the full spectrum of State's foreign policy responsibilities.

State Lacks an Objective, Quantifiable Methodology for Determining Appropriate Staffing Levels

In spite of various studies calling for a better match of personnel resources to mission and policy priorities, State's personnel resource planning and allocation processes have not changed significantly. Historically, State has not determined the types and number of personnel to deploy to each location based on an objective, quantifiable methodology. In response to budgetary constraints, personnel reductions overseas have been accomplished largely by across-the-board cuts.

In response to reports criticizing State's personnel system, the Director General of the Foreign Service initiated a baseline staffing study in 1990 with the objective of developing a methodology for determining the optimal number of staff positions necessary to sustain operations at posts of comparable working environments and importance. The methodology includes ranking each country on the basis of its importance to U.S. foreign policy objectives and the degree to which a host country is considered a world leader and therefore in a position of importance to U.S. interests overseas. The study also recorded and compared staffing levels in the political section of posts that were generally thought to be staffed adequately to support U.S. interests in order to approximate an optimal staffing or benchmark level.

The study is not yet complete, and has experienced a number of delays. As of July 1994, State estimates that over \$500,000 was spent in staff and contractor costs over the last 4 years, but according to the Director General, sufficient resources were not allocated to have done the study more quickly. Some progress has been reported in identifying the optimal staffing levels for political/economic/labor/science positions and work is ongoing on the administrative and consular positions. State has not established time frames for completion of the methodology. But more importantly, as of July 1994, State had not decided if it would ever use the methodology to guide its personnel allocation decisions.

⁷U.S. Department of State, "Reinventing Government" Change at State, September 1993.

The Director General and the Director of Management Planning^a told us they believed such a methodology could be useful as a management tool. However, these officials indicated that while some of the methodology's results may be used informally by agency managers, State had no plans to incorporate the study's methodology into the personnel resource allocation process.

There is some resistance to making resource allocation decisions based on a rank ordering of posts because of the difficulties and political sensitivities associated with explicitly identifying one country as more important than another. Furthermore, being held to a ranking methodology premised on policy-based criteria was viewed by some State officials as too rigid and unrealistic. We noted, however, that three of State's geographic bureaus have already developed explicit country ranking systems, which they said they have found useful in dealing with budget constraints. (However, these bureaus did not apply criteria that considers overall agency policy priorities in developing these rankings.)

It is important to note that as currently structured, State's baseline methodology is based on policy priorities established in 1992, which have changed somewhat. Further, it does not include State's mission of providing administrative support to other agencies as a consideration in a post's ranking, even though this support is a primary activity of many posts. Therefore, State would have to assess posts based on the new policy priorities and incorporate administrative activities into the ranking before implementing the methodology.

Problems in Staffing Allocations

The Inspector General has reported numerous examples that demonstrate allocation disparities. In October 1993, the Inspector General reported that staffing levels at some posts may be higher or lower than appropriate and not commensurate with U.S. interests. For example, the U.S. Embassy in Malabo, Equatorial Guinea, and the consulate in Shenyang, China, were staffed with approximately the same number of personnel, yet U.S. interests and objectives in Equatorial Guinea are much less than in the region served by U.S. Consulate, Shenyang. The embassy in Malabo, staffed with 5 U.S. direct hires, serves a country with less than 400,000 people, fewer than 50 resident Americans and very limited strategic, political, and economic interests. In contrast, the consulate in Shenyang, China, with 7 U.S. direct hires, serves a region with more than 100 million

^aThis office, in the Office of the Under Secretary for Management, is responsible for overseeing implementation of State's program planning process.

people and offers a vast and growing market for U.S. exports in addition to other U.S. strategic and political interests.

Between 1991 and 1994, the Inspector General criticized staffing levels in many individual locations.⁹ For example, the Inspector General reported that:

- The embassy in Antigua and Barbuda was roughly twice what was appropriate considering its mission. (State decided to close the embassy in June 1994.)
- The embassy in Cairo, Egypt—one of the largest posts in the world—had generous staffing and resources, and a review of staffing and resources was needed to “bring services in line with the reality of government-wide budget limitations.”
- The seven U.S. posts in Germany had generous staffing levels and a zero-based staffing review was needed.
- At the embassy in Zaire, staff complained that U.S. presence was too large and obtrusive, but the embassy had not determined how many personnel were needed to attain U.S. objectives.
- At the embassy in Peru, there were too many staff considering the high security threat.
- The embassy in Botswana had not implemented staffing reductions, although U.S. interests had diminished.
- The embassy in the Seychelles was overstaffed given its limited mission.

Congressional committees have also expressed concern regarding staffing levels overseas. For example, during fiscal year 1994 budget hearings, the Chairman, Senate Committee on Appropriations, Subcommittee on Commerce, Justice, State, and the Judiciary identified posts in countries such as Germany and the Philippines, where U.S. interests had dramatically changed, as candidates for reduction. Echoing this sentiment, the Senate Committee on Appropriations, in its fiscal year 1994 appropriations report, cited generous staffing levels in Germany and recommended that State reduce staffing levels there. Moreover, the House Committee on Appropriations recently registered concern that the staffing of the U.S. mission to China was insufficient to monitor human rights issues. The Committee recommended that State consider reallocating funds and personnel to the U.S. mission in China in order to address this matter.

⁹Since the time of inspection, State may have adjusted staffing levels in response to Inspector General recommendations.

Chiefs of Mission Lack Tools and Criteria to Make Staffing Decisions

Most Chiefs of Mission that we contacted said they did not periodically review staffing levels in relationship to U.S. interests. They lacked criteria to determine what levels would be considered adequate or appropriate given U.S. interests in that country. Some relied upon inspections conducted by the Inspector General to determine whether staffing levels should be changed to better reflect mission objectives.

Other Agencies Use Ranking Systems

Compared with State, several other federal agencies with significant numbers of personnel overseas have more systematic processes for allocating personnel. The majority of agencies reviewed—the U.S. Agency for International Development, Defense Intelligence Agency, Foreign Agricultural Service, U.S. and Foreign Commercial Service, and U.S. Information Agency—provided evidence that they rank their posts by policy priorities and allocate personnel resources accordingly.¹⁰ Some also take workload, cost, and performance factors into consideration when staffing their overseas offices. According to agency officials, budget constraints were a primary motivating factor for ranking overseas locations based on their value in meeting stated agency mission and policy objectives.

Officials from these agencies stressed the importance of applying an objective, quantifiable methodology for allocating personnel resources. They said this is particularly important when resources are constrained because it introduces discipline to the process and minimizes subjective judgments. These officials acknowledged that such a methodology can be difficult to develop. However, once established, we believe it has been a more effective way of allocating scarce resources.

Following are examples of other agencies' staffing processes:

- The U.S. and Foreign Commercial Service bases staffing decisions in large measure on a ranking of countries' market potential for U.S. exports and other factors of importance to U.S. business. Ranking is determined by a mathematical model that uses weighted criteria, including microeconomic, macroeconomic, and workload factors.
- The U.S. Agency for International Development, in making staffing decisions, uses a model that divides countries into four categories: (1) development programs, (2) political and security programs, (3) advanced developing country programs, and (4) emergency relief

¹⁰As explained in the Scope and Methodology, we did not independently validate the staffing decisions made using these processes.

programs. The agency also considers assistance levels and the availability/competence of foreign national staff. The agency recently used a similar model to help identify 21 missions to close.

- The Defense Intelligence Agency identifies posts where staff reductions could be made using a ranking methodology that places each country into one of four categories. The agency ranks a country's relative importance for (1) reporting of military information, (2) representational activities, (3) advising the Chief of Mission on military matters, and (4) administration of a security assistance program.

None of these agencies rely entirely upon these systematic processes to determine the number of personnel needed worldwide and where to post them. For example, the Foreign Agricultural Service proposed closing its post in London due to the high operating costs, even though this post ranks as 1 of the top 10 posts. Service officials explained that the activities handled by this post can be effectively managed through another European post. The U.S. and Foreign Commercial Service has higher staffing levels in the Philippines and Cote d'Ivoire than justified by its staffing model because of activities associated with multilateral banks in these countries.

Nevertheless, agency officials told us that having a systematic, quantifiable process helps provide an objective basis for allocating personnel resources and making tough decisions in a resource constrained environment. When deviations from the optimal staffing levels occur, they had to be justified. The objective basis imposes discipline on the budgeting and staffing process thereby minimizing subjective judgments that may otherwise result in staffing decisions that are not commensurate with U.S. foreign policy objectives.

At these agencies, we found the positive attributes of an objective, quantifiable process included (1) prioritizing or ranking of countries based on agency mission/U.S. foreign policy objectives; (2) an ability to obtain and use accurate operating costs; and (3) an analysis of workload to determine the optimal staffing level needed to accomplish specific activities. For example, the U.S. Agency for International Development, the U.S. and Foreign Commercial Service, and the Defense Intelligence Agency employ staffing methodologies that include all three factors. The U.S. Information Agency ranks countries and considers operating costs but does not apply workload factors.

State Is Not Positioned to Shift Resources in Response to Changing Priorities and Budget Constraints

State faces constrained budgets and shifting objectives in the post-Cold War era. State officials recognize that emerging foreign policy objectives, competing priorities, and diminishing resources may force reductions in staff or even the closure of some overseas posts in the future. The process the Department used in 1992 demonstrates the difficulties State has had in shifting resources due to changing policy priorities.

According to senior State officials, in 1992, the Secretary of State, under the previous administration, directed that the costs of opening posts in the former Soviet Union be covered without seeking supplemental appropriations. State decided to help finance the new posts by closing posts in other geographic regions. To select posts for closure, the Under Secretary for Management directed the geographic bureaus to identify lower priority posts, which he defined as posts where reporting is less critical and where U.S. citizens can be served from a nearby post. The Under Secretary did not, however, provide criteria that would permit the bureaus to consider an assessment of agencywide priorities in their decision-making.

Because State did not have an objective, quantifiable methodology that ranked overseas posts based on policy priorities or establish policy-based criteria on which to base staffing decisions, each geographic bureau used a different method for identifying posts to close. For example, State officials told us:

- The Bureau of South Asian Affairs was reluctant to close posts, arguing that State recently created the Bureau in response to congressional interest in the region and closing posts would run contrary to congressional intent.
- Initially, the Bureau of African Affairs refused to propose that posts be closed because it wanted to retain at least some presence in all countries. The Bureau did not want to close embassies and argued that it had few consulates to close. The Under Secretary for Management rejected this proposal and identified four African posts to close.
- The Bureau of Inter-American Affairs used mission program plans, prepared by the posts, to analyze staffing requirements. On the basis of this analysis, the Bureau ranked posts according to its priorities and identified several for closure.
- The Bureau of European and Canadian Affairs (recently renamed the Bureau of European and European Community Affairs) also identified several posts for closure. Bureau officials could not provide documentation of the decision criteria. However, they said they had used a

matrix that ranked its posts based on several factors, including trade and commercial interests, political interest and strategic significance, military presence, and other factors.

In January 1993, the State Department proposed closing 20 posts in fiscal years 1993 and 1994. When the new administration took office, State officials held consultations with Congress on these proposed closures. In May 1993, State announced that 19 of the 20 posts would close. However, as of August 1994, State had decided to retain several of these posts, and is now planning to close a total of 17 posts by the end of fiscal year 1994. (App. I provides information on the status of these closures.)

State Has Acknowledged Need to Improve Resource Allocation

Senior State officials have acknowledged that the Department needs to do a better job of aligning its personnel resources with policy priorities. The Secretary of State, in presenting the Department's fiscal year 1995 budget to Congress, noted that the Department is "redeploying resources and personnel to meet the challenges of the post-Cold War world." The Deputy Secretary of State, in a March 1994 meeting with senior policy and resource managers at the State Department, said he was "increasingly worried about the mismatch between what we want to do and the resources available to work with." He discussed the need to better link personnel resources to policy priorities and measure performance against agency goals. He also noted that "the inadequacy of concentrating only, or primarily, on . . . the policy process is so self-evident as to be a truism, one unfortunately, that all too often is ignored in this building."

State has taken recent actions associated with its resource allocation process. According to the Under Secretary for Management, State has changed its resource allocation in two main ways—it has revised its program planning process and established the Office of Resources, Plans, and Policy in February 1994. The program planning process is State's vehicle for setting priorities and allocating resources used in preparing for the annual budget and financial plans. As part of this process, in mid-1994, the Under Secretary established a "corporate board" forum in which the under secretaries meet periodically to discuss resource allocation issues on a program basis and develop a resource management strategy. According to State officials, bringing senior policymakers together to make corporate decisions regarding policy and resources represents the Secretary's commitment to better linking resources to policy priorities. However, no time frames have been established for implementing the strategy. The Office of Resources, Plans, and Policy was created and

tasked with ensuring that all foreign affairs programs and resources are better matched to meet U.S. foreign policy objectives.¹¹ Recently, the Office of Resources, Plans, and Policy began to work with senior agency officials in assessing the relative priority of each of the administration's six foreign policy objectives.

State has articulated changes to its program planning process that if properly implemented could better link resource decisions to policy priorities. It appears that leadership for this reform is coming from the highest levels of the Department. Furthermore, State has begun to develop key tools—the baseline staffing methodology and assessing the relative priority of foreign policy objectives—which we believe would help improve the staffing allocation process. It is too early to determine, however, whether State's actions will result in actual improvements. The Director General of the Foreign Service likewise noted that because State has traditionally emphasized policy, not management, these proposals represent a cultural shift for the Department and it may be difficult for policymakers to implement the proposals effectively.

We have also identified several specific weaknesses in the proposed changes that may limit the actual improvements to the process. Specifically, State had not decided to use an objective, quantifiable methodology, like the baseline staffing methodology, to make staffing decisions and reallocate personnel resources among the geographic bureaus. As other agencies have indicated, using such a methodology provides a more disciplined process for reallocating resources in relationship to U.S. interests overseas.

In May 1994, the Under Secretary for Management, charged with responsibility for overall resource allocation decisions, established reduction targets for every substantive functional and geographic bureau to be implemented by 1998. However, it is unclear whether the Under Secretary has sufficient authority to exercise control over personnel allocations, in particular, reallocations among substantive and geographic bureaus based on overall agency priorities. According to the Director of the Management Planning Office, State currently envisages reallocation decisions being made jointly by the Under Secretary for Management and the under secretaries for each of the bureaus.

¹¹In addition, this office is responsible for ensuring the International Affairs budget, which includes U.S. foreign affairs programs and resources, is consistent with the administration's six foreign policy objectives. These objectives include (1) promoting U.S. prosperity through trade, investment, and employment; (2) building democracy; (3) promoting sustainable development; (4) promoting peace; (5) providing humanitarian assistance; and (6) advancing diplomacy.

State's ability to measure progress toward goals and objectives is limited because no performance or workload measures have been incorporated into the process. State is taking initial action to develop such measures, but recognizes that this will be difficult. Many agencies are struggling with developing workload and performance measures as a means of evaluating whether resources are achieving stated goals. Most of the agencies we reviewed had not yet incorporated workload or performance measurements into their staffing systems. However, the Government Performance and Results Act of 1993 requires agencies to establish performance measures by 1997.

An Updated Baseline Staffing Methodology Could Be a Reasonable Basis for Staffing Decisions

Having an objective, quantifiable methodology, such as an updated version of State's baseline staffing methodology, could provide a basic structure for allocating staffing resources based on policy priorities. Such a methodology could minimize subjective judgments that may otherwise result in staffing decisions that do not provide optimal support of U.S. interests overseas. Furthermore, according to the Assistant Inspector General for Inspections, the methodology could provide criteria, based on an overall assessment of foreign policy objectives, for workforce planning and staffing decisions. The availability of this methodology could enhance the effectiveness of Inspector General inspections of overseas posts.

Because of the serious fiscal constraints it faces, State may have to reduce the number and size of overseas posts. This methodology would also provide State with an objective, policy-based rationale for identifying those posts where personnel reductions or post closure would have the least adverse impact on U.S. interests overseas. State officials need not rely exclusively on this methodology to determine the number of personnel at each overseas post. In some cases, political considerations and other factors will have to be incorporated into staffing decisions.

The following is the logical flow of how an objective, quantifiable methodology could be implemented.

- (1) State would complete its analyses to establish benchmark staffing levels that prescribe the optimal number of officers needed at an average post of varying degrees of importance for each section of the post (i.e., consular, economic, political, and administrative).
- (2) State would update its analyses to determine the relative importance of each of its overseas posts in supporting U.S. interests as expressed in the

administration's six policy objectives. Factors to be considered in making this determination could include the country's regional significance, population, and strategic/economic importance.

(3) The Office of Resources, Plans, and Policy would finalize its assessment of the relative importance of the six overall foreign policy objectives. For example, how does the importance of promoting democratic institutions compare to the importance of advancing diplomacy—which includes State's mission of providing administrative support to other agencies overseas. The importance of the administrative support mission has increased over the past 10 years as the size and scope of non-State agencies overseas has significantly increased.

(4) Using the information developed in steps 2 and 3, State would calculate the relative importance of each post in addressing U.S. interests overseas.

(5) For each State section of the post, State would calculate the optimal number of officers needed based on the benchmark staffing levels developed in step 1 and the relative importance of each post as developed in step 4.

(6) After considering specific working environment conditions, State would then make adjustments to the optimal number of officers for each section at each post. Factors to be considered could include workload data, quality of foreign national staff, staffing levels of other agencies performing related functions at post, and hardship conditions. For example, an administrative section in a country with poor infrastructure (i.e., roads, communication systems) and a local workforce with limited capability would probably be allocated more U.S. officers than a post of similar importance in a country with a good infrastructure and a capable workforce.

(7) State would then compare the actual staffing levels of its posts to the target levels to identify any discrepancies and make adjustments as necessary.

Recommendations

We recommend that the Secretary of State fully integrate an objective, quantifiable staffing methodology into State's overseas personnel resource planning and allocation processes to help ensure a sound basis for allocating personnel resources in line with U.S. interests overseas. A

revised version of the baseline staffing methodology, which State has been developing for the past 4 years, could be used.

Agency Comments

As requested, we did not obtain written agency comments. We discussed a draft of the report with senior representatives from the Office of the Under Secretary for Management, the Office of the Director General of the Foreign Service, and the Bureau of Finance and Management Policy. These officials generally agreed that the Department needs to better link personnel resources with policy priorities, and believe recent actions to improve the program planning process represent significant progress in achieving this objective. However, several officials expressed apprehension in implementing the baseline staffing methodology until after the under secretaries have developed a resource management strategy, as they believe this strategy may include changes to the number and types of positions needed overseas. At this time, however, State officials cannot provide details on the resource management strategy or a timetable for its implementation.

The Director, Office of Resource Management and Organization Analysis told us the baseline staffing methodology provides a conceptual framework for workforce planning and as such, can be adjusted to reflect changes to (1) the U.S. foreign policy objectives, (2) the relative priority of these objectives, and (3) the composition and classification of the overseas workforce. Therefore, the methodology can be adjusted to incorporate any changes that may result from ongoing management initiatives.

Scope and Methodology

To obtain information on State's current staffing allocation process and its baseline staffing study, we interviewed officials and reviewed documents from the Bureau of Personnel, Office of Resource Management and Organization Analysis. We also discussed the study and other personnel resource management issues with the Director General of the Foreign Service and the Deputy Assistant Secretary for Personnel. We also interviewed the Director, Management Planning Office, who is responsible for overseeing implementation of the proposed changes to the program planning process; the Director, Office of Resources, Plans, and Policy; and officials from the Bureau of Finance and Management Policy.

To obtain information on the process used by State to identify posts to close, we interviewed State officials from the European and European

Community Affairs, African Affairs, East Asian and Pacific Affairs, Inter-American Affairs, Near Eastern Affairs, and South Asian Affairs bureaus, as well as the former Executive Assistant to the Under Secretary for Management who in 1992 played a major role in determining what posts to close.

To obtain information on agencies' staffing allocation systems, we performed work at a number of agency headquarters in Washington, D.C., including the Department of State (including geographic bureaus); the Defense Security Assistance Agency; the Defense Intelligence Agency; U.S. and Foreign Commercial Service; U.S. Information Agency; U.S. Agency for International Development; Foreign Agricultural Service; Drug Enforcement Agency; Federal Bureau of Investigation; and Immigration and Naturalization Service.

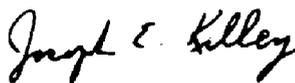
We also conducted work at diplomatic posts in Benin, Costa Rica, Cote d'Ivoire, Denmark, Guyana, France, Morocco, Nepal, the Philippines, Spain, Sweden, Switzerland, Thailand, and Tunisia. Based on our analysis of the data collected overseas and at headquarters, we compared agency staffing processes to identify the common elements that agencies used to allocate personnel resources overseas, and in many cases open and close activities in different locations. We did not assess and validate agencies' final staffing allocation decisions. Our work was limited to compiling and analyzing information about agencies staffing processes to identify those elements that most agencies said were necessary to ensure that resources were allocated in a rational manner, in support of important U.S. interests overseas.

We conducted our work between May 1993 and August 1994 in accordance with generally accepted government auditing standards.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after its issue date. At that time, we will send copies to appropriate congressional committees, the Secretary of State, and other interested parties.

I can be reached on (202) 512-4128 if you or your staff have any questions on this report. The major contributors to this report were John Brummet, Assistant Director; Suzanne Nagy, Evaluator-in-Charge; Janine Cantin, Evaluator; and Luisa Joy Labez, Evaluator.

Sincerely yours,



Joseph E. Kelley
Director-in-Charge
International Affairs Issues

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Status of Post Closings

As of August 1994, 16 of the 20 posts that State originally proposed for closing had been closed. (In March 1994, State proposed closing the U.S. Embassy in Grenada but, in view of congressional concerns, the Department decided to keep the post open.) An additional post is expected to close shortly—thus bringing the number of closings, between 1993 and 1994, to a total of 17 posts. Three of the 20 posts will remain open. According to geographic bureau officials, the following is a summary of the status of State's post closing plans:

**Appendix I
Status of Post Closings**

Table I.1: Status of State Department Post Closing Plans

Type of post/location	Status
Embassy in Moroni, Comoros	Closed in September 1993, 8 years after it was opened. The embassy in Mauritius has assumed post duties.
Embassy in St. Johns, Antigua and Barbuda	Closed in June 1994. The embassy in Barbados has assumed post duties.
Embassy in Honiara, Solomon Islands	Converted from a consulate to an embassy in 1988, this post was closed in July 1993. The embassy in Papua New Guinea has assumed post duties.
Embassy in Apia, Western Samoa	Based on congressional concerns, this embassy will remain open.
Embassy in St. George's, Grenada	Based on congressional concerns, this embassy will remain open.
Consulate in Douala, Cameroon	Closed in September 1993. The embassy in Yaounde has assumed post duties.
Consulate in Mombasa, Kenya	Closed in June 1993. The embassy in Nairobi has assumed post duties.
Consulate in Kaduna, Nigeria	Scheduled to close in September 1994. The Branch Office in Abuja, Nigeria, will assume post duties.
Consulate in Fort-de-France, Martinique	Closed in July 1993. The embassy in Barbados and a locally hired consular agent have assumed post duties.
Consulate in Mazatlan, Mexico	Closed in June 1993. The consulate general in Guadalajara has assumed post duties.
Consulate in Curacao, Netherlands Antilles	State decided to retain this post, staffed by one officer.
Consulate in Maracaibo, Venezuela	Closed in December 1993. The embassy in Caracas has assumed post duties.
Liaison Office in Koror, Palau	State decided to retain the post and plans to upgrade it to an embassy in October 1994. However, there will be no resident ambassador.
Consulate in Songkhla, Thailand	Closed in July 1993. The embassy in Bangkok has assumed post duties.
Consulate in Salzburg, Austria	Closed in September 1993, after being considered for closing for years. The embassy in Vienna has assumed post duties.
Consulate in Genoa, Italy	Closed in June 1993. The embassy in Rome and locally hired consular agents have assumed post duties.
Consulate in Palermo, Italy	Closed in January 1994, after being considered for closing for years. The consulate general in Naples and locally hired consular agents have assumed post duties.
Branch Office in Geneva, Switzerland	Closed in July 1993.
Consulate in Izmir, Turkey	Closed in June 1993. The embassy in Ankara and the consulate general in Istanbul have assumed post duties.
Consulate in Oran, Algeria	All U.S. staff left the post in 1992, and the post was officially closed in June 1993. The embassy in Algiers has assumed post duties.
Consulate in Alexandria, Egypt	Post closed in September 1993, but at least three other agencies continue to maintain presence. State has retained about 15 locally hired staff to provide essential administrative and maintenance services. The embassy in Cairo has assumed post duties.

Ordering Information

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