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International Relations and Trade Issue Area Plan

Fiscal Years 1997-99



Foreword

As the investigative arm of the Congress and the nation's auditor, the General Accounting Office is charged with following the federal dollar wherever it goes. Reflecting stringent standards of objectivity and independence, GAO's audits, evaluations, and investigations promote a more efficient and cost-effective government; expose waste, fraud, abuse, and mismanagement in federal programs; help the Congress target budget reductions; assess financial information management; and alert the Congress to developing trends that may have significant fiscal or budgetary consequences. In fulfilling its responsibilities, GAO performs original research and uses hundreds of databases or creates its own when information is unavailable elsewhere.

To ensure that GAO's resources are directed toward the most important issues facing the Congress, each of GAO's 32 issue areas develops a strategic plan that describes the significance of the issues it addresses, the objectives, and the focus of its work. Each issue area relies heavily on input from congressional committees, agency officials, and subject matter experts in developing its strategic plan.

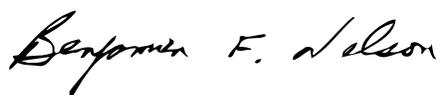
The International Relations and Trade issue area covers programs of the Department of State, the U.S. Agency for International Development, the U.S. Information Agency, the U.S. Arms Control and Disarmament Agency; international programs of the Department of Defense, the Department of Commerce, and the Department of Agriculture; the Export-Import Bank of the United States, the Office of the U.S. Trade Representative, the U.S. International Trade Commission; and various related government organizations. The issue area is also responsible for examining U.S. participation in multilateral organizations, including the United Nations, the World Bank, and the North Atlantic Treaty Organization.

Our work in this issue area seeks to assess the cost and effectiveness of foreign affairs and international trade activities in promoting and protecting U.S. international interests. Our work focuses on

- foreign affairs structures and management of functions and resources;
- U.S. bilateral programs to assist and influence other countries;
- U.S. participation in multilateral institutions;
- international agreements, arrangements, and programs to promote U.S. security interests;
- programs to promote and finance U.S. overseas business interests; and
- trade agreements and efforts to improve U.S. access to foreign markets.

Our key planned work on these important issues is described in the following pages.

Our planning process allows for updating and the flexibility to respond to emerging, significant events. If you have any questions or suggestions about this plan, please call me at (202) 512-4128.



Benjamin F. Nelson
Director, International Relations and
Trade Issues

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Table I: Key Issues

Issues	Significance
Foreign Affairs Management: Are the functions and resources of U.S. agencies structured and managed to reflect new foreign policy priorities and fiscal realities?	Opportunities for restructuring, reengineering functions, eliminating nonessential functions, and improving resource management need to be identified in order to ensure that resources are available to protect vital interests.
Bilateral Assistance and Influence: Are programs achieving objectives and effectively advancing U.S. interests overseas and are they managed efficiently?	Questions continue to be raised about how U.S. programs are managed, whether long-standing programs are achieving the intended results and helping advance current U.S. objectives, and if alternative programs could be more effective.
Participation in Multilateral Institutions: How can U.S. participation in multilateral institutions more effectively advance U.S. interests at reasonable cost?	Efficient management and more effective strategies for advancing U.S. interests through multilateral institutions such as the United Nations and World Bank are key congressional concerns. Objective analyses are needed to guide decisionmakers who often have differing views on U.S. participation in these institutions.
Promoting U.S. Security: How are international agreements, arrangements, and programs addressing security threats and are they affordable and efficiently managed?	The United States is relying more on multi-billion dollar international security arrangements and programs to (1) counter the spread of dangerous weapons/technologies and terrorism and (2) promote stability. Analyses are needed to answer questions on the efficacy, costs, and management of these arrangements and programs.
Trade Promotion and Finance: Are U.S. government international trade and finance programs and agencies efficiently managed and effective in promoting U.S. economic interests?	Fifteen U.S. agencies spend over \$2.5 billion and provide over \$25 billion in loans, guarantees, and insurance to support U.S. international trade. Decisionmakers need to ensure that these U.S. resources are achieving the intended results and are managed efficiently.
Trade Access and Policy: How are U.S. trade policies advancing economic interests and are trade agreements increasing U.S. access to foreign markets?	International trade agreements affect hundreds of billions of dollars in trade and millions of U.S. jobs. Critics have expressed concerns that the United States has not been sufficiently aggressive in negotiating agreements and that some agreements may not achieve intended benefits, may adversely affect certain economic sectors, and could compromise U.S. sovereignty. Objective analyses are needed to answer questions on how U.S. and other countries' trade policies are affecting U.S. interests.

Table I: Key Issues

Objectives	Focus of Work
<ul style="list-style-type: none">• Determine the compatibility of foreign affairs agencies' functions with new priorities, budgets, and capabilities.• Identify ways to cut costs and improve management of the foreign affairs apparatus and individual agencies.• Analyze justifications for funding requests.	<ul style="list-style-type: none">• Plans to restructure the foreign affairs agencies.• Agencies' reform and reengineering efforts.• Agencies' plans/budgets for essential functions.• Major cost drivers.
<ul style="list-style-type: none">• Identify the cost, impact, progress, obstacles, and/or policy options for specific initiatives and programs.• Identify management improvements and potential legislative and regulatory changes aimed at cost-effectiveness.	<ul style="list-style-type: none">• Large, highly visible, or controversial country assistance programs and initiatives.• International drug control programs.• Reauthorization of Foreign Assistance Act.
<ul style="list-style-type: none">• Assess the costs and benefits of U.S. participation in multilateral institutions.• Assess the effectiveness of selected institutions and programs.	<ul style="list-style-type: none">• U.N. costs and reforms.• Opportunities for more effective U.S. participation.• Refugee and humanitarian assistance.
<ul style="list-style-type: none">• Determine costs, progress, and obstacles to U.S. strategies and programs to counter emerging security threats.• Identify management improvements and cost-saving measures.• Identify programs that are not serving intended purposes.	<ul style="list-style-type: none">• Programs to contain the spread of weapons of mass destruction.• Peacekeeping missions.• Bilateral and multilateral security agreements/treaties.• U.S. export control regime.• Major international arms transfers.
<ul style="list-style-type: none">• Identify ways to improve the effectiveness and cut the costs of U.S. trade and finance programs.• Identify ways to improve governmentwide strategic planning, budgeting, and interagency coordination.	<ul style="list-style-type: none">• Organization of agencies (overseas and headquarters) that support U.S. international economic interests.• Agriculture's export programs.• Reauthorizations of Overseas Private Investment Cooperation (OPIC) and the Export-Import Bank (EXIM).
<ul style="list-style-type: none">• Evaluate whether participation in specific trade agreements advances U.S. interests.• Identify barriers to U.S. access to foreign markets.• Analyze how U.S. policies and programs impact on U.S. economic interests.	<ul style="list-style-type: none">• NAFTA, Uruguay Round, and other multilateral agreements.• Bilateral trade agreements with major trading partners.• U.S. efforts to reduce nontariff trade barriers.• Integration of non-market economies into World Trade Organization (WTO).

Table II: Planned Major Work

Issue	Planned Major Jobs Starts
Foreign Affairs Management	<ul style="list-style-type: none"> • Assessment of security requirements and costs at diplomatic posts. • Analysis of efforts to develop a modern/efficient foreign affairs information system^a (ongoing). • Effectiveness of cost-sharing arrangements at overseas posts. • Agencies' progress in implementing overseas staffing models. • Opportunities to reengineer major overseas support functions (ongoing).
Bilateral Assistance and Influence	<ul style="list-style-type: none"> • Effectiveness of enterprise funds in assisting countries' transition to market economies. • Options to seek economic development in sub-Saharan Africa. • Effectiveness of U.S. and international programs to combat HIV/AIDS (ongoing). • Impact of U.S. foreign aid programs.
Participation in Multilateral Institutions	<ul style="list-style-type: none"> • Effectiveness of the United Nations Office of Internal Oversight Services^a (ongoing). • Progress of reform at the United Nations. • U.N. pay and compensation.
Promoting U.S. Security	<ul style="list-style-type: none"> • Effectiveness of international nuclear controls and safeguards. • Costs to expand NATO (ongoing). • Rationale for current U.S. security assistance apparatus. • International cooperation in combatting terrorism. • China's proliferation performance. • Management of DOD's counterproliferation programs. • U.S. agreements and commitments in the Persian Gulf.
Trade Promotion and Finance	<ul style="list-style-type: none"> • Reauthorizations of EXIM and OPIC (ongoing). • Assessment of U.S. representation of overseas economic interests. • U.S. and competitors' promotion of business interests in Asia. • Options to reduce costs of Agriculture's export programs.
Trade Policy and Access	<ul style="list-style-type: none"> • Costs/impact of NAFTA (ongoing). • Efforts to gain access to financial services markets in Asia. • Analysis of OECD investment agreement and U.S. interests. • Implications of integrating countries with state trading enterprises into WTO.

^aTo be done in coordination with GAO's Accounting and Information Management Division.

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