

GAO Highlights

Highlights of [GAO-16-442](#), a report to congressional committees

Why GAO Did This Study

Since 1993, the U.S. government has committed more than \$5 billion in bilateral assistance to the Palestinians in the West Bank and Gaza. Program assistance for development is a key part of the United States' commitment to a negotiated two-state solution to promote peace in the Middle East, and program funding is primarily administered by USAID.

Congress included a provision in the law for GAO to conduct an audit of all funds provided for programs in the West Bank and Gaza, including the extent to which programs comply with certain antiterrorism requirements. This report examines the extent to which (1) USAID has established antiterrorism policies and procedures for program assistance for the West Bank and Gaza and (2) USAID complied with requirements for vetting, antiterrorism certification, and mandatory provisions for program assistance for fiscal years 2012–2014.

GAO reviewed antiterrorism laws, policies, procedures, and USAID documents that pertain to assistance programs and interviewed USAID and State officials. GAO also assessed a random generalizable sample of 158 awards to USAID's implementing partners using funds provided in fiscal years 2012–2014 from the Economic Support Fund account to determine the extent to which the awards were granted in compliance with antiterrorism policies and procedures.

What GAO Recommends

GAO is not making any recommendations in this report.

View [GAO-16-442](#). For more information, contact David B. Gootnick at (202) 512-3149 or gootnickd@gao.gov.

April 2016

FOREIGN AID

USAID Generally Complied with Its Antiterrorism Policies and Procedures for Program Assistance for West Bank and Gaza

What GAO Found

In 2006, the U.S. Agency for International Development (USAID) issued key antiterrorism policies and procedures—known as Mission Order 21 (the order)—to help ensure that program assistance for the West Bank and Gaza would not inadvertently provide support to entities or individuals associated with terrorism. The order, updated in 2007, outlines requirements and procedures for (1) vetting, or investigating a person or entity for links to terrorism; (2) obtaining an antiterrorism certification from awardees; and (3) including in awards two mandatory provisions that prohibit support for terrorism and restrict funding to facilities named after terrorists. In 2008, USAID West Bank and Gaza established a post-award compliance review process to identify weaknesses in compliance with applicable requirements in the order, which USAID works to resolve. This process is a key function that allows USAID to provide reasonable assurance that all prime awards and subawards are in compliance with the order. The compliance review process is described in notices issued by the mission from 2008 to 2012. For the purposes of this report, a prime awardee is an organization that directly receives USAID funding to implement projects, while a subawardee is an organization that receives funding from prime awardees.

Timeline of Mission Order 21 and Selected Compliance Review Process Documents Issued by USAID West Bank and Gaza



Source: GAO analysis of information from U.S. Agency for International Development (USAID). | GAO-16-442

USAID's compliance reviews and GAO's examination of prime awards and subawards for fiscal years 2012–2014 found that USAID generally complied with requirements for vetting and inclusion of antiterrorism certification and mandatory provisions in awards. Regarding vetting, the compliance review reports—which covered more than 14,000 subawards—found, for example, one subawardee and 18 trainees for which no vetting was conducted. According to USAID, the subawardee and trainees were subsequently vetted and found eligible for program assistance. GAO's review of a random generalizable sample of 158 subawards found that 157 had applicable vetting conducted before the award. Regarding antiterrorism certification requirements, the compliance reviews identified one instance where a prime awardee failed to obtain an antiterrorism certification from a subawardee. GAO's review found that both prime awards and subawards were in compliance with antiterrorism certification requirements. Regarding mandatory provisions, the compliance reviews identified nine prime awardees that made a total of 449 subawards without including the two provisions. GAO's review found that 155 subawards (98 percent) had included the provisions in the award documentation. USAID required noncompliant awardees to provide antiterrorism certification and mandatory provisions for active awards, according to USAID.