



Report to the Chairman, Subcommittee
on the Western Hemisphere, Committee
on Foreign Affairs, House of
Representatives

June 2017

INTER-AMERICAN ORGANIZATIONS

Efforts Ongoing for
Quota Reform at the
Organization of
American States, but
Reaching Agreement
Will Be Difficult

GAO Highlights

Highlights of [GAO-17-572](#), a report to the Chairman, Subcommittee on the Western Hemisphere, Committee on Foreign Affairs, House of Representatives

Why GAO Did This Study

The United States belongs to several inter-American organizations, including the OAS, PAHO, IICA, and PAIGH, which promote democracy, security, health care, agricultural development, and scientific exchange in the Western Hemisphere. The United States helps finance these organizations' operating expenses through assessed contributions (fees) that are based in part on the size of the U.S. economy relative to those of other members. The Reform Act required State to submit a strategy identifying, among other things, a path toward the adoption of reforms to the OAS's assessed quota structure to ensure that no member will pay more than 50 percent of OAS assessed contributions. In addition, the United States also provides the OAS, PAHO, and IICA with project-specific voluntary contributions.

GAO was asked to review U.S. financial contributions to these four organizations. In this report, GAO (1) determines the amounts and percentages of U.S. contributions assessed by these organizations and voluntary contributions paid to them in calendar years 2014 to 2016, and (2) describes State's efforts to comply with the Reform Act's requirements regarding a strategy for reform of the assessed quota structure of the OAS. GAO analyzed documents and interviewed officials from State, the Department of Health and Human Services, the U.S. Agency for International Development, the U.S. Department of Agriculture, and the four organizations. GAO also analyzed the four organizations' annual audited financial reports.

View [GAO-17-572](#). For more information, contact Thomas Melito at (202) 512-9601 or melitot@gao.gov

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INTER-AMERICAN ORGANIZATIONS

Efforts Ongoing for Quota Reform at the Organization of American States, but Reaching Agreement Will Be Difficult

What GAO Found

The United States' assessed contributions constituted over 57 percent of total assessed contributions by member states to four inter-American organizations from 2014 to 2016. These organizations are the Organization of American States (OAS), the Pan American Health Organization (PAHO), the Inter-American Institute for Cooperation on Agriculture (IICA), and the Pan-American Institute of Geography and History (PAIGH). During this time, the annual U.S. percentages (or quotas) of these organizations' assessed contributions have remained about the same. The United States also provided voluntary contributions to three of these organizations, as shown in the table.

U.S. Assessed and Voluntary Contributions Provided to Four Inter-American Organizations for 2016, as Dollar Amounts and as Percentages of Totals for All Member States

	Assessed contributions dollars (percentage)	Voluntary contributions dollars (percentage)
Organization of American States (OAS)	49 million (59.47)	17 million (61.78)
Pan American Health Organization (PAHO)	63.5 million (59.45)	13 million (57.60)
Inter-American Institute for Cooperation on Agriculture (IICA)	17.5 million (59.47)	2 million (2.23)
Pan-American Institute of Geography and History (PAIGH)	0.3 million (57.59)	None (0)

Sources: GAO analysis of data from the OAS, PAHO, IICA, and PAIGH. | GAO-17-572

In response to a requirement in the Organization of American States Revitalization and Reform Act of 2013 (Reform Act), the Department of State (State) submitted to Congress a strategy that included working with OAS member states toward ensuring that the OAS would not assess any single member state a quota of more than 50 percent of all OAS assessed contributions. State officials told GAO that reaching member state agreement on assessed quota reform by 2018 will be difficult, although not impossible. State officials informed GAO that State continues to implement a strategy that includes engaging with other OAS member states, such as Canada and Mexico, to explore assessed quota reform options. For example, State officials have consulted with their counterparts from Mexico to review the OAS's assessed quota structure and to consult on alternatives that would adjust all member states' quotas so that no member state's quota exceeds 50 percent of the OAS's assessed contributions. According to State and OAS officials, obstacles to assessed quota reform include tensions among member states. For example, State officials noted that Venezuela's contentious political relationship with the OAS has hindered progress on various reforms, including assessed quota reform. State officials explained that some member states' failure to fully pay assessed contributions from previous years and smaller member states' reluctance to increase their annual assessed contributions have also impeded assessed quota reform efforts.

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Abbreviations

IICA	Inter-American Institute for Cooperation on Agriculture
OAS	Organization of American States
OAS Charter	Charter of the Organization of American States
PAHO	Pan American Health Organization
PAIGH	Pan-American Institute of Geography and History
Reform Act	Organization of American States Revitalization and Reform Act of 2013
State	Department of State

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June 6, 2017

The Honorable Jeff Duncan
Chairman
Subcommittee on the Western Hemisphere
Committee on Foreign Affairs
House of Representatives

Dear Mr. Chairman:

The United States engages with other countries in the Western Hemisphere through its membership in inter-American organizations that, among other things, promote democracy, security, health care, agricultural development, and scientific exchange. These organizations include the Organization of American States (OAS), the Pan American Health Organization (PAHO), the Inter-American Institute for Cooperation on Agriculture (IICA), and the Pan-American Institute of Geography and History (PAIGH). The United States uses its membership in these organizations to promote U.S. interests in the Western Hemisphere. According to the Department of State (State), the OAS is the premier multilateral forum in the Western Hemisphere for regional dispute resolution and promotion of democratic governance. The United States also works with PAHO, IICA, and PAIGH to provide technical support and guidance in areas including public health, agriculture, and cartography.

The United States and other member states finance most of the regular budgets for these organizations through assessed contributions, which are used primarily to fund operating expenses. Each member state's percentage (or quota) of the organizations' assessed contribution is based, in part, on the size of its economy. Some member states also provide voluntary contributions for specific projects.

In October 2013, Congress passed the Organization of American States Revitalization and Reform Act of 2013 (Reform Act). The Reform Act required State to submit a multiyear strategy to Congress identifying, among other points, a path toward the adoption of reforms to the OAS's assessed quota structure—the percentages that determine the amount of each member state's assessed contribution—to ensure that no member state would pay more than 50 percent of the OAS's assessed annual

contributions.¹ According to State, a strong and effective OAS requires increasing regional ownership in the OAS's success by increasing the percentage of funding provided in assessed contributions by member states other than the United States.

You asked us to review several issues related to these four inter-American organizations.² In this report, we (1) determine the amounts and percentages of U.S. contributions assessed by these four organizations and voluntary contributions paid to them in calendar years 2014 through 2016, and (2) describe State's efforts to comply with the Reform Act's requirements regarding a strategy for reform of the OAS's assessed quota structure.

To determine the amounts and percentages of contributions assessed by the OAS, PAHO, IICA, and PAIGH to the United States and other member states, as well as the amounts and percentages of additional voluntary contributions provided to these organizations, we reviewed documentation from the four organizations for calendar years 2014 through 2016. For calendar years 2014 and 2015, we reviewed externally audited budget reports from the four organizations. For calendar year 2016, we reviewed budget documents from the four organizations and verified the accuracy of the data with the organizations and the U.S. agencies responsible for providing funds to these organizations. We found the data to be sufficiently reliable for the purposes of our report. We also interviewed officials from the four organizations, as well as officials from State, the U.S. Agency for International Development, the U.S. Department of Agriculture, and the Department of Health and Human Services which provide assessed contributions and project-specific voluntary contributions to the four organizations.

To describe State's efforts to comply with the Reform Act, we analyzed documents from State outlining its strategy in response to the Reform Act and its activities to implement the strategy. We also interviewed officials from the U.S. Mission to the Organization of American States, State's Bureau of International Organization Affairs, and the OAS Secretariat for

¹The Reform Act refers to the annual assessed contributions as "assessed fees." State officials told us that these terms are interchangeable.

²To fully respond to this request, we will address the management, oversight, and strategic alignment of the four organizations in a forthcoming report.

Administration and Finance. See appendix I for further details on our scope and methodology.

We conducted this performance audit from July 2016 to June 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

U.S. Contributions to Inter-American Organizations

According to State, the OAS is the primary inter-American political forum through which the United States engages with other countries in the Western Hemisphere to promote democracy, human rights, security, and development. While PAHO, IICA, and PAIGH are independent organizations, the Charter of the Organization of American States (OAS Charter) directs them to take into account the recommendations of the OAS General Assembly and Councils.³ PAHO, a specialized international health agency for the Americas, works with member countries throughout the region to improve and protect people's health and serves as the Regional Office for the Americas of the World Health Organization, the United Nations agency on health. IICA, among other things, supports its member states' efforts to achieve agricultural development and rural well-being through consultation and the administration of agricultural projects through agreements with the OAS and other entities.⁴ PAIGH specializes in regional cartography, geography, history, and geophysics and has facilitated the settlement of regional border disputes.⁵

Member states collectively finance these organizations by providing assessed contributions, in accordance with the organizations' regulations. The member states' assessed contributions are intended to finance the organizations' regular budgets, which generally cover the organizations'

³*Charter of the Organization of American States (A-41)*, Chapter XVIII, Art. 126.

⁴*Convention on the Inter-American Institute for Cooperation on Agriculture*, Chapter I, Art. 4, March 6, 1979.

⁵See app. II for a list of the member states of these organizations.

day-to-day operating expenses, such as facilities and salaries. Member states of each organization meet to review and approve the organizations' budgets. The exact dollar amount each member state is responsible for providing corresponds to its assessed percentage of the total approved assessment for any given year. The budgets are based on total approved quota assessment and other projected income.⁶

The OAS's system for determining member states' quotas is used to calculate member states' assessed contributions by the other three organizations. Thus, any change in the OAS's assessed quota structure should be reflected at PAHO, IICA, and PAIGH, according to their respective processes regarding the determination of assessed contributions.⁷

Member states also finance certain OAS, PAHO, and IICA activities through voluntary contributions. Member states generally target these contributions toward specific programs or issue areas. According to U.S. officials, the United States provides voluntary contributions to the OAS, IICA, and PAHO primarily through grants for specific projects from State, the U.S. Agency for International Development, the U.S. Department of Agriculture, and the Department of Health and Human Services.⁸ For example, according to OAS documentation, in 2015, State contributed slightly more than \$200,000 to the OAS to fund judicial training to combat money laundering. According to U.S. agency officials, the organizations' regional knowledge and technical expertise make them effective implementing partners for projects serving U.S. national interests and priorities throughout the hemisphere.

2013 Reform Act

The Reform Act directs the Secretary of State to submit "a multiyear strategy that...identifies a path toward the adoption of necessary reforms that would lead to an assessed fee structure in which no member state

⁶According to State officials, State pays the United States' assessed contributions from its International Organizations Program Account.

⁷For PAHO, see Provisional Agenda item 4.2, *New Scale of Assessed Contributions*, 54th Directing Council, September 2015. For IICA, see *Convention on the Inter-American Institute for Cooperation on Agriculture*, Chapter VIII, Art. 23. For PAIGH, see *PAIGH Organic Statutes, Rules of Procedure and Agreements 2013–2017*, Chapter XI, Art. 39.

⁸We worked with State and officials from the OAS, PAHO, and IICA to establish our definition of voluntary contributions as funds given from governments to the organizations for implementing specific projects outside their respective countries.

would pay more than 50 percent of the OAS’s assessed yearly fees.” According to the Reform Act, it is the sense of Congress that it is in the interest of the United States, OAS member states, and a modernized OAS that the OAS move toward an assessed quota structure that (1) assures the financial sustainability of the organization and (2) establishes, by October 2018, that no member state pays more than 50 percent of the organization’s assessed contributions.⁹

U.S. Assessed Contributions Constituted Over Half of Total Assessed Contributions to the Four Organizations, and the United States Also Made Voluntary Contributions to Three of Them

The United States’ assessed contributions constituted over 57 percent of total assessed contributions by member states to the OAS, PAHO, IICA, and PAIGH from 2014 through 2016, as shown in table 1. During this time, the United States’ assessed quota for these organizations did not change, and the total assessed contributions for all member states of these organizations remained about the same; thus, the actual amounts assessed to the United States generally remained the same.

Table 1: U.S. Assessed Contributions for Calendar Years 2014–2016, as Dollar Amounts and the Assessed Quota Percentages Used to Calculate the Amounts

	2014	2015	2016
	dollars (percentage)	dollars (percentage)	dollars (percentage)
Organization of American States (OAS)	48.5 million (59.47)	49 million (59.47)	49 million (59.47)
Pan American Health Organization (PAHO)	66.5 million (59.45 ^a)	66.5 million (59.45 ^a)	63.5 million (59.45 ^a)
Inter-American Institute for Cooperation on Agriculture (IICA)	16.5 million (59.47)	16.5 million (59.47)	17.5 million (59.47)
Pan-American Institute of Geography and History (PAIGH)	0.3 million (57.59 ^a)	0.3 million (57.59 ^a)	0.3 million (57.59 ^a)
Total	131.8 million	132.3 million	130.3 million

Sources: GAO analysis of information from the OAS, PAHO, IICA, and PAIGH. | GAO-17-572

Note: Each of the organizations establishes an assessed quota structure that sets each member state’s percentage of the organization’s total approved assessment for any given year. The data in the table reflect the quotas assessed to the United States and do not reflect total payments made by the U.S. government to the organizations’ regular budget, which may include other miscellaneous payments.

^aThe United States’ quota is slightly different at PAHO and PAIGH than at the OAS because of differences in membership that affect the assessed quota structures established by PAHO and PAIGH.

⁹Organization of American States Revitalization and Reform Act of 2013, Pub. L. No. 113-41, §§ 5(a)(1)(D)(i) and 4(15) (Oct. 2, 2013).

All four organizations apply a similar assessed quota structure that uses the relative size of member states' economies, among other things, to help determine each member state's assessed contributions. The OAS determines the assessed quota for each member state based on the United Nations' methodology, as adapted for the OAS, using criteria that include gross national income, debt burden, and per capita income.¹⁰ In addition, the OAS applies a minimum assessed quota of 0.022 percent and a maximum assessed quota of 59.470 percent.¹¹ According to State officials, the OAS last made a major revision to its assessed quota structure in 1990 when Canada joined the organization, and the United States' and other members' assessed quotas were reduced as a result. OAS officials said that while member states seek, as far as possible, to adjust the assessed quota structure through consensus, the OAS General Assembly may force a vote and adopt changes with a two-thirds majority.

The United States also provided voluntary contributions totaling about \$105 million to the OAS, PAHO, and IICA from calendar years 2014 through 2016, as shown in table 2. In 2014, the United States contributed \$37 million in voluntary contributions, or approximately 22 percent of the total of \$168 million in such contributions from all member states. In 2015, the United States contributed \$36 million, or approximately 29 percent of the total of \$123 million from all member states. In 2016, the United States contributed \$32 million, or approximately 22 percent of the total of \$143 million from all member states. According to U.S. officials, levels of U.S. voluntary contributions vary year-to-year due to factors that include the schedule of multiyear grant disbursements, member states' priorities, and sudden crises. For example, the U.S. Agency for International Development made a \$200,000 contribution to PAHO in 2016 for post-earthquake reconstruction and resilience-building in Ecuador.

¹⁰*Methodology for Calculating the Scale of Quota Assessments to Finance the Regular Fund of the Organization*, AG/RES. 1 (XXXIV-E/07) rev. 1, November 20, 2007. This was originally adopted at the OAS General Assembly plenary session, held on November 13, 2007.

¹¹According to State officials, if not for this upper limit on the assessed quota, the United States would be assessed a higher proportion than it is now, due primarily to the relative size of its economy compared with those of the other member states.

Table 2: U.S. Voluntary Contributions for Calendar Years 2014–2016, as Dollar Amounts and Percentages of All Member States’ Voluntary Contributions

	2014 dollars (percentage)	2015 dollars (percentage)	2016 dollars (percentage)
Organization of American States (OAS)	18.5 million (48.26)	19.5 million (74.74)	17 million (61.78)
Pan American Health Organization (PAHO)	16 million (56.44)	13 million (69.84)	13 million (57.60)
Inter-American Institute for Cooperation on Agriculture (IICA)	2.5 million (2.61)	3.5 million (4.49)	2 million (2.23)
Total	37 million (22)	36 million (29)	32 million (22)

Sources: GAO analysis of data from the OAS, PAHO, and IICA. | GAO-17-572

State Is Working toward Reforming the OAS Quota Structure for Assessed Contributions, but Reaching Agreement with OAS Member States Will Be Difficult

State is working with other member states toward reforming the OAS’s quota structure for assessed contributions so that no member state provides more than 50 percent of the organization’s annual assessed contributions, but State officials told us that reaching consensus among OAS member states will be difficult. In response to the Reform Act, State developed a strategy that identified a path toward the adoption of necessary reforms that would lead to an assessed quota structure in which no member state would pay more than 50 percent of the OAS’s annual assessed contributions. State officials told us that they submitted the strategy to Congress in April 2014. The strategy included efforts to engage member state governments to explore options for reforming the quota structure and to examine the extent to which the OAS’s quota-setting methodology reflects member states’ capacity to finance the organization’s activities. According to the OAS and State’s 2015 report to Congress, achieving quota structure reform will require one or more of the other major contributors to accept an increase in their quotas—the percentages of total annual assessed contributions that they agree to provide.¹²

State officials told us that they have been working to implement this strategy. For example, State officials told us they engaged with other

¹²According to the OAS’s 2015 financial reporting, the top four contributors to the organization—the United States, Brazil, Canada, and Mexico—provide approximately 90 percent of the OAS’s assessed contributions.

OAS member states, including Canada and Mexico, to explore options for quota structure reform. According to State officials, Canada led a modernization committee that produced a strategic plan that included quota structure reform. State officials added that they also reached out to member states from the Caribbean to discuss the importance of quota structure reform while highlighting OAS development programs that benefit Caribbean nations. In addition, officials at the U.S. Mission to the OAS worked with their counterparts from Mexico to review the OAS's assessed quota structure and to consult on alternatives that would adjust all member states' quotas so that no member pays more than 50 percent of the OAS's assessed contributions. According to State officials, the four largest contributing member states, including the United States, have agreed on the importance of quota structure reform. State officials added that quota structure reform efforts were bolstered by the selection of a reform-minded OAS Secretary General in 2015.

However, State officials told us that while it will be difficult, it is not impossible for OAS member states to reach consensus on reforming the organization's assessed quota structure by October of 2018.¹³ Several issues among the member states have impeded the progress of State's strategy, according to State and OAS officials. These issues include the following:

- State and OAS officials told us that regional political tensions have complicated OAS member states' ability to reach consensus on quota structure reform. According to State officials, Venezuela's contentious political relationship with the OAS has hindered progress on various efforts promoted by the United States, including quota structure reform. State officials added that Venezuela has actively worked against the OAS to undermine the normal procedures of the organization. State officials told us that some member states have at times supported Venezuela during committee votes. For example, according to State officials, some member states voted against bringing proceedings against Venezuela for violating the Inter-American Democratic Charter in 2016. In this context, State officials emphasized that it was important for member states other than the

¹³In 2016, PAIGH member states agreed to continue working together to adjust the assessed quota structure so that no member state contributes more than 50 percent of the annual regular budget. At that same time, member states agreed that, starting in 2017, the United States' quota would be reduced from 57.59 percent to 55.21 percent, according to a PAIGH official.

United States to officially propose resolutions on quota structure reform.

- State officials told us that certain member states' nonpayment of their assessed contributions also has impeded the quota structure reform effort, as well as contributing to financial difficulties at the OAS.¹⁴ Venezuela has expressed publically its unwillingness to pay its assessed contributions, according to State officials. Additionally, as of November 2016, the OAS projected that five member states would be more than \$17 million in arrears on their assessed contributions to the OAS by the end of 2016. Brazil—the OAS's second largest contributor—and Venezuela had not fully paid their assessed contributions for 2015 and 2016, which accounted for approximately 99 percent of the more than \$17 million in arrears that member states owed the OAS. State officials told us that the large amounts owed by a few member states had contributed to smaller OAS member states' reluctance to increase their annual assessed quotas to ensure that no member state provides more than 50 percent by 2018. According to State officials, the United States repeatedly urged the Brazilian government to pay its arrears and 2016 contribution as soon as possible. Brazil recently paid its arrears in full for 2015 and 2016 and its assessed contribution for 2017. Thus, as of April 5, 2017, the remaining arrears for all member states at the OAS were lowered to just over \$7 million. State officials told us that on April 28, 2017, Venezuela officially notified the OAS of its intent to withdraw from the organization. According to OAS officials, the OAS currently lacks a mechanism to penalize member states for not paying assessed contributions, unlike the other three organizations.¹⁵ OAS officials told us that OAS committees are discussing the potential for defining negative consequences for member states in arrears.

¹⁴According to the 2015 report from the OAS's external auditors, six countries had not fully paid their assessed contributions by the end of 2015, which totaled approximately \$20 million. The United States was not one of these countries.

¹⁵PAHO, IICA, and PAIGH can revoke member states' privileges, such as the right to vote, to penalize nonpayment of assessed contributions. If a member state remains in arrears for five or more full fiscal years, IICA may revoke all of its rights and privileges. Members of PAIGH which have not covered their contributions for more than five periods not only lose the right to vote, but also lose the right for their projects to be approved. For PAHO, see *Constitution of the Pan American Health Organization*, Chapter II, Article 6B. For IICA, see *Report on the Collection of Quotas*, Appendix I, Section V (April 22, 2016). For PAIGH, see *PAIGH Organic Statutes and Rules of Procedure and Agreements 2013–2017*, Financial Rules of Procedure of the Pan American Institute of Geography and History, Chapter V, Art. 29.

According to State officials, the OAS's next opportunity to discuss quota structure reform at the ministerial level will be at its General Assembly meeting in Mexico City in June 2017. The Mexican government announced that the main theme of the meeting will be strengthening dialogue and cooperation in the OAS. State officials said that high-level engagement between member states' officials will be needed to promote quota structure reform. They informed us that efforts to reform the assessed quota structure continue at the working level and that they are seeing some progress toward reform.

Agency Comments

We provided a draft of this report for comment to State, the Departments of Agriculture and Health and Human Services, the U.S. Agency for International Development, the OAS, PAHO, IICA, and PAIGH. The Departments of Agriculture, Health and Human Services, and the U.S. Agency for International Development stated that they did not have any comments on our report. State provided technical comments, which we incorporated as appropriate.

As agreed with your office, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the appropriate congressional committees, the Secretary of State, the Secretary of Agriculture, the Secretary of Health and Human Services, the Administrator of the U.S. Agency for International Development, the Secretary General of the Organization of American States, the Secretary General of the Pan American Health Organization, the Director General of the Inter-American Institute for Cooperation on Agriculture, the Secretary General of the Pan-American Institute of History and Geography, and other interested parties. In addition, the report will be available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have questions about this report, please contact me at (202) 512-9601, or melitot@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix III.

Sincerely yours,

A handwritten signature in black ink that reads "Thomas M" followed by a long horizontal flourish.

Thomas Melito
Director, International Affairs and Trade

Appendix I: Objectives, Scope, and Methodology

This report responds to a request for GAO to review several issues related to the Organization of American States (OAS), the Pan American Health Organization (PAHO), the Inter-American Institute for Cooperation on Agriculture (IICA), and the Pan-American Institute of Geography and History (PAIGH).¹ In this report, we (1) determine the amounts and percentages of U.S. contributions assessed by these organizations and voluntary contributions paid to them in calendar years 2014 to 2016, and (2) describe the Department of State's (State) efforts to comply with requirements in the Organization of American States Revitalization and Reform Act of 2013 (Reform Act) regarding a strategy for reform of the assessed quota structure of the OAS.

To determine the amounts and percentages of contributions assessed by the OAS, PAHO, IICA, and PAIGH to the United States and other member states, as well as the amounts and percentages of additional voluntary contributions paid to these organizations, we reviewed externally audited budget reports for calendar years 2014 and 2015. For calendar year 2016, we reviewed budget documents from the four organizations and corroborated the accuracy of the data with the organizations and the U.S. agencies that provide funds to these organizations. For assessed contributions, we reviewed the organizations' assessed quota structures. We report the quota structure percentage assessed to the United States over these 3 years and the corresponding United States' assessed contribution amounts for this same time period, based on our analysis of data provided by the organizations. We determined the 2014 and 2015 data to be sufficiently reliable for the purpose of reporting the United States' assessed contributions and quota percentages because these data had been externally audited. To determine the reliability of the 2016 data, we reviewed budget documents that have not yet been audited, discussed these data with knowledgeable officials at the organizations and U.S. agencies, and corroborated them with these officials and U.S. agencies. We determined the data were sufficiently reliable for the purpose of reporting the United States' assessed contributions and quota percentages in 2016. These data reflect the quotas assessed to the United States and do not reflect total payments made by the U.S. government to the organizations' regular budget, which include other miscellaneous payments. For voluntary contributions, we reviewed the same externally audited reports and data

¹To fully respond to this request, we will address the management, oversight, and strategic alignment of the four organizations in a follow-on review.

from the organizations to obtain the amounts contributed by member states and calculated the proportion of the United States' voluntary contributions compared with those of the other member states. The four organizations under review have different categories of voluntary funds, depending on their source and intended use. For consistency purposes, we worked with State and officials from the OAS, PAHO, and IICA to establish our definition of voluntary contributions as funds given from governments to the organizations for implementing specific projects outside their respective countries. In accordance with this definition, we considered the following categories of voluntary contributions: "specific funds" at the OAS, "government financing of voluntary contributions" at PAHO, and "external resources by financing source" for each member state at IICA.² We determined the 2014 and 2015 data to be sufficiently reliable for the purpose of reporting the United States' voluntary contributions as a percentage of all members' voluntary contributions because they had been externally audited. To determine the reliability of the 2016 data, we reviewed budget documents that have not yet been audited, discussed these data with knowledgeable officials at the organizations and U.S. agencies, and corroborated them with these officials and U.S. agencies. We determined that the data were sufficiently reliable for the purpose of reporting the United States' voluntary contributions as a percentage of all members' voluntary contributions in 2016.

To describe State's efforts to comply with the Reform Act, we analyzed documents from State regarding its strategy for reform of the assessed quota structure in response to the Reform Act. We also interviewed officials from the U.S. Mission to the Organization of American States, State's Bureau of International Organization Affairs, and the OAS Secretariat for Administration and Finance.

We conducted this performance audit from July 2016 to June 2017 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

²We did not include voluntary contributions made by member states for projects within their respective countries for PAHO because, according to PAHO officials, the United States did not make such contributions from 2014 through 2016.

Appendix II: Member States of Four Inter-American Multilateral Organizations

Table 3: Member States of the Organization of American States (OAS), the Pan American Health Organization (PAHO), the Inter-American Institute for Cooperation on Agriculture (IICA), and the Pan-American Institute of Geography and History (PAIGH)

Country	OAS	PAHO	IICA	PAIGH
Antigua and Barbuda	✓	✓	✓	
Argentina	✓	✓	✓	✓
Bahamas	✓	✓	✓	
Barbados	✓	✓	✓	
Belize	✓	✓	✓	✓
Bolivia	✓	✓	✓	✓
Brazil	✓	✓	✓	✓
Canada	✓	✓	✓	
Chile	✓	✓	✓	✓
Colombia	✓	✓	✓	✓
Costa Rica	✓	✓	✓	✓
Cuba	✓	✓		
Dominica	✓	✓	✓	
Dominican Republic	✓	✓	✓	✓
Ecuador	✓	✓	✓	✓
El Salvador	✓	✓	✓	✓
Grenada	✓	✓	✓	
Guatemala	✓	✓	✓	✓
Guyana	✓	✓	✓	
Haiti	✓	✓	✓	✓
Honduras	✓	✓	✓	✓
Jamaica	✓	✓	✓	
Mexico	✓	✓	✓	✓
Nicaragua	✓	✓	✓	✓
Panama	✓	✓	✓	✓
Paraguay	✓	✓	✓	✓
Peru	✓	✓	✓	✓
St. Kitts and Nevis	✓	✓	✓	
St. Lucia	✓	✓	✓	
St. Vincent and the Grenadines	✓	✓	✓	
Suriname	✓	✓	✓	
Trinidad and Tobago	✓	✓	✓	

Appendix II: Member States of Four Inter-American Multilateral Organizations

Country	OAS	PAHO	IICA	PAIGH
United States	✓	✓	✓	✓
Uruguay	✓	✓	✓	✓
Venezuela ^a	✓	✓	✓	✓

Sources: GAO analysis of data from the OAS, PAHO, IICA, and PAIGH. | GAO-17-572

Note: According to PAHO officials, the United Kingdom is a participating state in PAHO with the right to vote and provides an assessed contribution. Therefore, the United Kingdom is included in the tabulations for assessed contributions as well as voluntary contributions for PAHO.

^aAccording to State officials, Venezuela officially notified the OAS of its intent to withdraw from the organization on April 28, 2017.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

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Staff Acknowledgments

In addition to the contact named above, Pierre Toureille (Assistant Director), Julia Jebo Grant (Analyst-in-Charge), Paul Sturm, Leslie Stubbs, Kira Self, and Rhonda Horried made key contributions to this report. In addition, David Dayton, Martin de Alteriis, Neil Doherty, and Alex Welsh provided technical assistance.

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