

GAO Highlights

Highlights of [GAO-18-357T](#), a testimony before the 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. The United States also provides voluntary contributions through the federal funding of assistance agreements to OAS, PAHO, and IICA.

This testimony is based on GAO's June and December 2017 reports that, among other things, (1) determined the amounts and percentages of U.S. assessed contributions to the four organizations, (2) assessed the extent to which U.S. agencies included and documented key monitoring provisions as part of their assistance agreements, and (3) assessed the extent to which the organizations' strategic goals align with those of U.S. agencies.

GAO analyzed documents and interviewed officials from State, HHS, USAID, USDA, and the four organizations. GAO analyzed the four organizations' audited financial reports and a nongeneralizable sample of 12 assistance agreements awarded by State, USAID, HHS, and USDA active in calendar years 2014 through 2016.

What GAO Recommends

In its December 2017 report, GAO recommended that (1) USDA ensure inclusion of all monitoring provisions as part of agreements and (2) USAID and USDA ensure full documentation of monitoring activities. USDA and USAID concurred with GAO's recommendations.

View [GAO-18-357T](#). For more information, contact Thomas Melito at (202) 512-9601 or melitot@gao.gov.

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INTER-AMERICAN ORGANIZATIONS

U.S. Share of Assessed Contributions and U.S. Agencies' Efforts to Monitor Assistance Agreements

What GAO Found

While 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, the U.S. share may be reduced in the near future (see table). In response to a statutory requirement, the U.S. Department of State (State) said it submitted to Congress a strategy that included working with the Organization of American States (OAS) member states toward ensuring that the OAS would not assess any single member state a contribution amounting to more than 50 percent of all OAS assessed contributions. At the OAS General Assembly in June 2017, OAS member states voted to draft a proposal to modify its system for determining member states' assessed contributions to potentially reduce the maximum assessed contribution to below 50 percent. The other three organizations use OAS's system for setting assessed contributions. Hence, any change in contributions at OAS should also be reflected at Pan American Health Organization (PAHO), Inter-American Institute for Cooperation on Agriculture (IICA), and the Pan-American Institute of Geography and History (PAIGH).

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-18-357T

State, the Department of Health and Human Services (HHS), the U.S. Agency for International Development (USAID), and the U.S. Department of Agriculture (USDA) provide voluntary contributions to OAS, PAHO, and IICA in the form of assistance agreements (e.g., grants and cooperative agreements). In December 2017, GAO reported that its review of 12 such agreements across the four agencies found that State and USDA did not include all key monitoring provisions in their agreements as called for by applicable guidance. State has since taken corrective action. GAO also found that all four U.S. agencies did not have full documentation of 18 of the 42 monitoring activities required by the 12 assistance agreements GAO reviewed. For example, USDA did not have full documentation, such as financial reports, of any of its 10 required monitoring activities, and USAID did not have full documentation of 2 of its 11 required activities. State and HHS said they initiated corrective action before our review. If an agency does not have full documentation of monitoring activities, it may lack information needed to make appropriate budgetary and programmatic decisions.

GAO found that the strategic goals of the OAS, PAHO, IICA, and PAIGH are predominantly aligned with the strategic goals of State, USAID, HHS, and USDA. According to agency officials, the agencies employ mechanisms to ensure that assistance agreements with these organizations align with U.S. goals.