



December 2021

# ECONOMIC AND COMMERCIAL DIPLOMACY

## State and Commerce Implement a Range of Activities, but State Should Enhance Its Training Efforts

Accessible Version



A Century of Non-Partisan Fact-Based Work

## Why GAO Did This Study

Supporting U.S. global competitiveness is a longstanding area of U.S. government interest. Increased globalization and recent economic and financial crises have heightened concerns that U.S. businesses may be at a disadvantage in foreign markets. State and Commerce play key roles in the U.S. government's efforts to support U.S. businesses in foreign markets. The Championing American Business Through Diplomacy Act of 2019 includes provisions focused on improving the efforts of State and Commerce to support U.S. businesses abroad through economic and commercial diplomacy.

The act includes a provision for GAO to report on several issues related to these agencies' efforts in this area. This report describes State's and Commerce's activities in support of U.S. businesses abroad and staff resources provided for these efforts; and assesses State's economic and commercial diplomacy training against GAO criteria for effective federal training programs. GAO reviewed documentation, assessed the reliability of agency data on staff resources and training for fiscal years 2016 through 2020 (the most recently available), and interviewed agency officials.

## What GAO Recommends

GAO is making three recommendations to State, including that State should establish a mechanism to consult periodically with external stakeholders on whether its training is achieving the desired impact. State concurred with GAO's recommendations.

View [GAO-22-104181](#). For more information, contact Kimberly Gianopoulos at (202) 512-8612 or [gianopoulosk@gao.gov](mailto:gianopoulosk@gao.gov).

## ECONOMIC AND COMMERCIAL DIPLOMACY

### State and Commerce Implement a Range of Activities, but State Should Enhance Its Training Efforts

## What GAO Found

The Departments of State and Commerce implement a range of economic and commercial diplomacy activities domestically and overseas, to promote U.S. commercial interests and support U.S. business efforts to enter or expand in foreign markets. These activities range from engagement with foreign governments and policy advocacy, to information sharing, guidance, and individual services for businesses, and awards for overseas post activities, such as projects to raise intellectual property rights awareness. Over 3,600 State and Commerce personnel on average conducted these activities domestically and in a number of foreign countries in fiscal years 2016 to 2020. These personnel included an annual average of over 900 State and Commerce Foreign Service Officers overseas (see table).

**Average Annual Number of State and Commerce Foreign Service Officers Overseas with Economic and Commercial Diplomacy Responsibilities and Assignment Locations, Fiscal Years 2016 to 2020**

Region	State average number of staff	State number of countries	Commerce average number of staff	Commerce number of countries
East Asia and the Pacific	148	21	62	11
Europe and Eurasia	201	45	48	20
Near East (Middle East and North Africa)	87	16	17	9
South and Central Asia	70	11	11	3
Sub-Saharan Africa	107	41	12	8
Western Hemisphere	136	29	39	14
<b>Total</b>	<b>748</b>	<b>163</b>	<b>189</b>	<b>65</b>

Source: GAO analysis of Departments of State and Commerce data. | GAO-22-104181

Note: The regions in this table represent State's six overseas regions. Average numbers may not sum to totals because of rounding. For more details, see figure 2 and table 3 in GAO-22-104181.

State offers a range of economic and commercial diplomacy courses for relevant personnel, but GAO found weaknesses in State's training efforts. State's training addresses broader economic and commercial issues as well as specific topics, such as intellectual property rights. GAO found that State has incorporated aspects of the four components of an effective federal training program—planning, design, implementation, and evaluation—into its training efforts. For example, on evaluation, State generally obtains participant feedback for all of its courses. However, GAO found that State does not consult with external stakeholders, such as Commerce and private sector entities, on whether its training is achieving the desired impact. GAO has previously identified that incorporating a wide variety of stakeholder perspectives can help agencies to assess such impact. Although State officials noted that they have coordinated with Commerce to share information on training offerings and may obtain indirect input from the private sector on training, State has not established a mechanism to consult with external stakeholders regarding the impact of its training. As a result, State lacks reasonable assurance it is obtaining appropriate stakeholder perspectives and feedback on whether its personnel engaged in economic and

commercial diplomacy are adequately equipped to support U.S. businesses overseas.

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**Abbreviations**

BIDS	Business Information Database System
CABDA	Championing American Business through Diplomacy Act of 2019
CBA	Office of Commercial and Business Affairs
CLDP	Commercial Law Development Program
Commerce	Department of Commerce
EB	Bureau of Economic and Business Affairs
E&C	Enforcement and Compliance
FAH	Foreign Affairs Handbooks
FAM	Foreign Affairs Manual
FSI	Foreign Service Institute

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GM/CS	Global Markets and the U.S. and Foreign Commercial Service
GTM	Bureau of Global Talent Management
I&A	Industry and Analysis
ITA	International Trade Administration
MDCP	Market Development Cooperator Program
NTIA	National Telecommunications and Information Administration
POWER State	Providing Opportunities for Women's Economic Rise Department of State
TPCC	Trade Promotion Coordinating Committee
USEAC	U.S. Export Assistance Center
USPTO	U.S. Patent & Trademark Office

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December 13, 2021

The Honorable Robert Menendez  
Chairman  
The Honorable James E. Risch  
Ranking Member  
Committee on Foreign Relations  
United States Senate

The Honorable Gregory Meeks  
Chairman  
The Honorable Michael McCaul  
Ranking Member  
Committee on Foreign Affairs  
House of Representatives

Supporting U.S. global competitiveness as a tenet of U.S. foreign policy has been a longstanding area of interest for U.S. policymakers. Increased globalization and recent global economic and financial crises have heightened concerns that U.S. businesses may be at a disadvantage in foreign markets if they are not able to adapt quickly to fundamental and evolving changes in the global marketplace. The American Academy of Diplomacy released two reports in 2016–2017 that highlighted a range of opportunities to better support U.S. businesses through enhanced commercial diplomacy programs, and the January-February 2019 issue of the *Foreign Service Journal* focused on economic diplomacy and its importance for U.S. foreign policy.<sup>1</sup> The Departments of State and Commerce have key roles in the U.S. government’s efforts to support

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<sup>1</sup>The American Academy of Diplomacy is an independent, non-profit association of former U.S. ambassadors and senior government officials whose mission is to strengthen American diplomacy. See American Academy of Diplomacy and Una Chapman Cox Foundation, *Support for American Jobs, Part I: Requirements for Next-Generation Commercial Diplomacy Programs* (Washington, D.C.: March 2016), and *Support for American Jobs, Part II: A New Government-Business Partnership for Commercial Diplomacy* (Washington, D.C.: June 2017); and Shawn Dorman, ed. “Focus on Economic Diplomacy Works,” special issue, *Foreign Service Journal*, vol. 96, no. 1 (January-February 2019).

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U.S. businesses in foreign markets, including efforts carried out by State and Commerce personnel domestically as well as at overseas posts.<sup>2</sup>

The Championing American Business Through Diplomacy Act of 2019 (CABDA) includes provisions to enhance the efforts of State and Commerce, in cooperation with other U.S. agencies and the private sector, to support U.S. businesses abroad through economic and commercial diplomacy.<sup>3</sup> It codifies the promotion of U.S. economic and commercial interests as a principal duty of each State chief of mission overseas.<sup>4</sup> It also includes a provision for State to establish standard training on matters related to economic and commercial diplomacy for certain personnel.<sup>5</sup> In addition, CABDA includes a provision for us to report within 2 years of enactment of the Act (by December 20, 2021) on several issues, including the status and effectiveness of State and Commerce in advancing U.S. economic and business interests abroad and the effectiveness of training provided by the Secretary of State on matters relating to economic and commercial diplomacy.<sup>6</sup>

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<sup>2</sup>State and Commerce personnel include Civil Service, Foreign Service, and locally employed staff overseas. Overseas posts include U.S. embassies, consulates, and other posts that represent the United States in foreign countries.

<sup>3</sup>The Championing American Business Through Diplomacy Act of 2019, Div. J, Title VII of the Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94, 133 Stat. 3069-76 (Dec. 20, 2019) (CABDA).

<sup>4</sup>Sec. 704 of CABDA.

<sup>5</sup>Sec. 705(d) of CABDA, which directed the Secretary of State, with the assistance of other relevant officials and the private sector, to establish as part of the standard training for economic and commercial officers of the Foreign Service, chiefs of mission, and deputy chiefs of mission, training on matters related to economic and commercial diplomacy. It directed specific attention to areas such as market access, commercial advocacy, and U.S. foreign economic policy. According to our review of relevant legislation and agency guidance, and interviews with State and Commerce officials, there is no definition for “economic and commercial officers” or “commercial officers.” State and Commerce officials informed us that in their view, this section applies only to State Foreign Service Officers with economic and commercial diplomacy responsibilities, and not to Commerce’s Foreign Service Officers—generally referred to as Foreign Commercial Service Officers—within the International Trade Administration’s (ITA) Global Markets and the U.S. and Foreign Commercial Service (GM/CS). State and Commerce officials added that Commerce is responsible for training its personnel in this area.

<sup>6</sup>Section 711 of CABDA. In a companion report, we will address issues included in this provision related to coordination between State and Commerce on matters relating to economic and commercial diplomacy and the effectiveness of the agencies’ efforts in this area.



This report describes State and Commerce activities and staff resources for economic and commercial diplomacy, and assesses the economic and commercial diplomacy training that State provides<sup>7</sup> for relevant personnel against GAO criteria for effective federal training programs.<sup>8</sup>

To describe how State and Commerce support U.S. businesses overseas through economic and commercial diplomacy activities, we conducted interviews with agency officials and reviewed documents and officials' written responses on the economic and commercial diplomacy activities<sup>9</sup> that the agencies implemented in fiscal years 2016 through 2020. We obtained this information from State's Bureau of Economic and Business Affairs (EB), Bureau of Global Talent Management (GTM), and regional bureaus, and from Commerce's International Trade Administration (ITA), National Telecommunications and Information Administration, U.S. Patent and Trademark Office, and Commercial Law Development Program, among others. We focused on activities that State and Commerce identified as key to their efforts to support U.S. businesses seeking to enter or expand in overseas markets.

To describe the staff resources that State and Commerce provide for these efforts, we analyzed State and Commerce data on the number of Civil Service, Foreign Service, and locally employed staff overseas with full- or part-time roles and responsibilities in economic and commercial diplomacy in fiscal years 2016 through 2020, by region. To assess the reliability of the State and Commerce staff data, we reviewed the data and interviewed agency officials, including officials from GTM and from ITA's Global Markets and the U.S. and Foreign Commercial Service (GM/CS), to identify any missing or erroneous data and resolve any discrepancies. We determined that the data were sufficiently reliable to

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<sup>7</sup>This report does not address the economic and commercial diplomacy training that Commerce provides for its personnel.

<sup>8</sup>See GAO, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, [GAO-04-546G](#) (Washington, D.C.: March 2004).

<sup>9</sup>According to our review of relevant legislation, State and Commerce documents and interviews, and background research conducted for this review, there is no specific definition for "economic and commercial diplomacy." For the purposes of this report, we broadly refer to State and Commerce economic and commercial diplomacy activities as efforts to promote U.S. economic and commercial interests abroad and to create an enabling environment for U.S. businesses to enter or expand in an overseas market. Given the interrelated nature of activities and the lack of clear definitions, we do not divide the activities into separate categories (e.g., economic diplomacy v. commercial diplomacy). Rather, we generally refer to "economic and commercial diplomacy" activities.

provide approximate information on the number of State and Commerce staff with full- or part-time roles and responsibilities in this area.

To examine State's economic and commercial diplomacy training for relevant personnel, we reviewed provisions in CABDA related to training as well as information and data regarding relevant State economic and commercial diplomacy training policies, procedures, and practices for its Civil Service, Foreign Service, and locally employed staff in fiscal years 2016 through 2020.<sup>10</sup> We obtained documentary and testimonial information and data from State's Foreign Service Institute (FSI), State's primary training provider; as well as from EB, GTM, and regional bureaus. We analyzed FSI data to determine the frequency of economic and commercial diplomacy course offerings and the number of staff who participated in courses during this period. We also reviewed course participants' evaluation survey data from selected FSI courses on economic and commercial diplomacy offered in fiscal years 2016 through 2020. We determined that these data were sufficiently reliable to provide general information on personnel participation in relevant training, the frequency of course offerings during this period, and feedback regarding participant satisfaction and learning for selected courses. We compared State's training practices to GAO criteria for effective federal training programs to identify any gaps or areas for improvement.<sup>11</sup> For more information about our objectives, scope, and methodology, see appendix I.

We conducted this performance audit from April 2020 to December 2021 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 our findings provide a reasonable basis for our findings and conclusions based on our audit objectives.

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<sup>10</sup>For the purposes of this report, we generally refer to State's training on topics related to economic and commercial diplomacy, including courses that focus on or partially address these issues, as "economic and commercial diplomacy training."

<sup>11</sup>See [GAO-04-546G](#).

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## Background

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### State's Organization Related to Economic and Commercial Diplomacy

State's overall mission is to lead U.S. foreign policy through diplomacy, advocacy, and assistance by advancing the interests, safety, and economic prosperity of the American people. Within State, various functional bureaus generally manage and coordinate specific issues and activities for the department.

- Related to economic and commercial diplomacy, EB is State's functional bureau for economic and business issues, including efforts to create U.S. jobs and to boost economic opportunities overseas.
- FSI is the primary training provider for the department's Civil Service, Foreign Service, and locally employed staff worldwide. FSI has four schools that develop and present training: the School of Professional and Area Studies, the Leadership and Management School, the School of Applied Information Technology, and the School of Language Studies. FSI's School of Professional and Area Studies provides training intended to instill and improve professional and tradecraft<sup>12</sup> skills and knowledge, including economic and commercial training.<sup>13</sup>
- GTM manages the department's workforce recruitment, assignment, and career development processes.

In addition, State's six geographical regional bureaus help coordinate the conduct of U.S. foreign relationships concerning specific regions of the world. These are the Bureaus of African Affairs, East Asian and Pacific Affairs, European and Eurasian Affairs, Near Eastern Affairs, South and Central Asian Affairs, and Western Hemisphere Affairs. State also has

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<sup>12</sup>The Foreign Service Institute (FSI) refers to its training on issue areas or specific topics as tradecraft training.

<sup>13</sup>The School of Professional and Area Studies' Economic and Commercial Studies Division directs and designs training programs for State personnel who are involved in economic and commercial diplomacy. FSI's Leadership and Management School offers courses in management and executive development, including ambassadorial seminars. The School of Applied Information Technology handles programs related to the use of information technology. The School of Language Studies manages State's foreign language and culture training programs.

diplomatic missions at overseas posts in many countries around the world, including U.S. embassies, consulates, and other posts.

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## Commerce's Organization Related to Economic and Commercial Diplomacy

Commerce's overarching mission is to create conditions for U.S. economic growth and opportunity by ensuring fair trade, providing the data necessary to support commerce, and fostering innovation. Within Commerce, ITA works to strengthen the international competitiveness of U.S. industry, promote trade and investment, and ensure fair trade.

- ITA's GM/CS provides a range of export promotion and other services for U.S. businesses through its domestic offices nationwide as well as embassies and consulates overseas.<sup>14</sup>
- The Trade Promotion Coordinating Committee (TPCC), the Secretariat of which is also within ITA, was established under the Export Enhancement Act of 1992 to coordinate U.S. export and export financing activities and to develop a government-wide strategic plan for such activities.<sup>15</sup>

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<sup>14</sup>Foreign commercial services functions have shifted between State and Commerce since the Department of Labor and Commerce's formation in 1903, when the Department of State's Bureau of Foreign Commerce was transferred to the Department of Labor and Commerce. In 1912, the Bureau of Foreign and Domestic Commerce—the predecessor to GM/CS, according to ITA officials—was created within the Department of Labor and Commerce. In 1913, the Department of Labor was created, and the Department of Labor and Commerce became the Department of Commerce. The Foreign Commercial Service was first established within Commerce's Bureau of Foreign and Domestic Commerce in 1927. In 1939, the Foreign Commercial Service, including the functions of the Bureau of Foreign and Domestic Commerce, was transferred to State. In 1979, responsibility for overseas trade promotion and commercial functions was transferred from State to Commerce, after which the Foreign Commercial Service was re-established in 1980, according to ITA officials. In 1981, the Foreign Commercial Service's name was changed to the U.S. & Foreign Commercial Service to emphasize the linkage of domestic and overseas operations under a single organizational purpose. According to ITA officials, ITA changed the name of the organization to Global Markets and the U.S. and Foreign Commercial Service (GM/CS) during a reorganization in 2013, when it merged its Market Access and Compliance and U.S. and Foreign Commercial Service groups.

<sup>15</sup>Pub. L. No. 102-429, § 201, 106 Stat. 2199-201 (Oct. 21, 1992) (codified as amended at 15 U.S.C. § 4727). Members of the TPCC include the Departments of Agriculture, Commerce, Energy, Defense, Homeland Security, Interior, Labor, State, Treasury, and Transportation, as well as the U.S. Agency for International Development, U.S. Trade and Development Agency, Environmental Protection Agency, Small Business Administration, Export-Import Bank of the United States, and Office of the U.S. Trade Representative, according to Commerce officials.

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- ITA's Industry & Analysis (I&A) group conducts trade analysis and implements trade and investment strategies for Commerce in support of U.S. businesses overseas. In addition,
  - ITA's Enforcement and Compliance (E&C) Office of Trade Agreements Negotiations and Compliance promotes trade agreement rules that benefit U.S. industry, and foreign government compliance with existing trade agreements.

Other Commerce components that help carry out the department's economic and commercial diplomacy efforts include

- the National Telecommunications and Information Administration, which advises the President on telecommunications and information policy issues;
- the U.S. Patent and Trademark Office, which grants U.S. patents and registers trademarks, and provides U.S. government advice on intellectual property policy, protection, and enforcement; and
- the Commercial Law Development Program, which helps with Commerce's efforts to achieve U.S. foreign policy goals in developing and post-conflict countries through commercial legal reforms.

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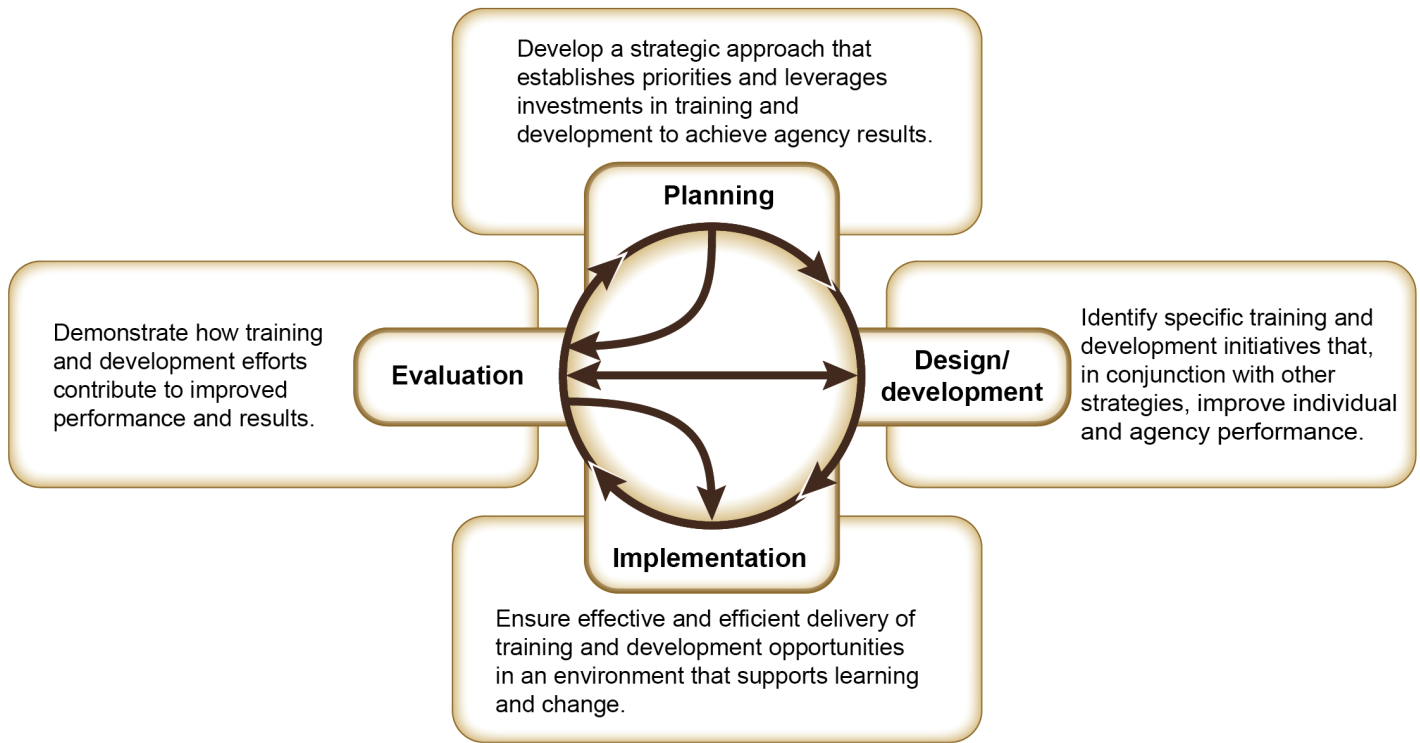
## Components of Effective Federal Training Programs

GAO's guide for assessing federal strategic training and development efforts identifies four broad, interrelated components of an effective training program: (1) planning, (2) design, (3) implementation, and (4) evaluation.<sup>16</sup> We developed this guide through consultations with government officials and experts in the private sector, academia, and nonprofit organizations; examinations of laws and regulations related to training and development in the federal government; and reviewing the sizeable body of literature on training and development issues, including previous GAO products on a range of human capital topics. Figure 1 depicts general relationships between these four interrelated components that help to produce a strategic approach to federal training and development efforts.

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<sup>16</sup>[GAO-04-546G](#).

**Figure 1: General Relationships between Components of Effective Federal Training Programs**



Source: GAO. | GAO-22-104181

The guide serves as a framework for assessing how well agencies plan, design, implement, and evaluate training and development programs that contribute to improved organizational performance and enhanced employee skills and competencies. For each of the four components of the training and development process, the guide identifies elements of effective training and development programs and presents related questions intended to help assess an agency’s training and development efforts. Because the guide is meant to serve as a flexible framework, an agency’s training and development efforts are not necessarily expected to address every element of these components. Additionally, the guide can be modified to fit an agency’s unique circumstances and conditions. However, the guide can be used to identify potential gaps or strategic weaknesses in an agency’s training program. The guide can also be used to review an agency’s overall training and development efforts as well as the training and development associated with a particular agency program or activity.

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## State and Commerce Implement a Range of Activities to Support U.S. Businesses in Foreign Markets

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### State Implements Economic and Commercial Diplomacy Activities, Primarily through Its Bureau of Economic and Business Affairs and Overseas Posts

The Department of State implements various economic and commercial diplomacy activities, primarily through its Bureau of Economic and Business Affairs (EB) and overseas posts. These activities range from foreign government engagement and policy advocacy on economic and trade issues, to Investment Climate Statements published on State's website on the business climate in over 170 economies worldwide, and project awards for overseas post efforts to support U.S. businesses in foreign markets (see table 1).

**Table 1: Overview of Key Department of State Economic and Commercial Diplomacy Activities, Fiscal Years 2016–2020**

Category	Activity overview	Agency component(s)
<b>Foreign government engagement and policy advocacy</b>	Foreign government engagement and policy advocacy on economic and trade issues ranging from anticorruption and fiscal transparency to promoting U.S. business standards	EB (lead), regional bureaus, and overseas posts
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	<i>Investment Climate Statements</i> published on State’s website with information on the business climate in over 170 economies worldwide	EB (lead), overseas posts
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Tracking of overseas business prospects for U.S. businesses through the interagency “Deal Team” initiative	EB (lead), regional bureaus, relevant functional bureaus, and overseas posts (joint with Commerce)
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Calls with U.S. ambassadors to share information with U.S. businesses on business opportunities at posts through the Direct Line program	Overseas posts (lead), EB
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Assistance for U.S. businesses with understanding foreign markets and navigating trade impediments and procedural issues, such as shipping and customs issues (particularly where GM/CS <sup>a</sup> is not present)	Overseas posts (lead), EB, regional bureaus
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Events to foster information-sharing and networking for U.S. businesses on topics such as emerging technologies and women’s economic opportunities	EB (lead), overseas posts
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Information on commercial diplomacy tools for business on State’s website, such as information on other U.S. government agency resources	EB
<b>Project awards</b>	Awards and funding for post projects and activities related to issues such as facilitating U.S. business overseas, promoting U.S. biotechnology crops, and raising awareness of intellectual property rights issues	EB (lead), overseas posts

Legend: EB = Bureau of Economic and Business Affairs; GM/CS = Global Markets and the U.S. and Foreign Commercial Service

Source: GAO analysis of State documents and testimonial information on activities that the department identified as key to its efforts to support U.S. businesses overseas through economic and commercial diplomacy. | GAO-22-104181

<sup>a</sup>GM/CS, within the Department of Commerce’s International Trade Administration, has the lead on commercial services at overseas posts where it is present. Commerce and State have a collaborative agreement that allows for State Economic sections at participating posts to provide U.S. government business support services, including GM/CS-branded services and other export assistance, in countries where GM/CS is not physically present.



- **EB.** EB's Office of Commercial and Business Affairs (CBA) leads the department's economic and commercial diplomacy efforts.<sup>17</sup> According to State officials, CBA and EB's other offices, ranging from International Communications and Information Policy to Trade Policy and Negotiations, work with State's regional bureaus and overseas posts in carrying out these efforts.<sup>18</sup>
- **Regional bureaus.** Regional bureaus in headquarters support EB and overseas posts in carrying out economic and commercial diplomacy activities, and may also conduct economic policy analysis and advocacy efforts that benefit U.S. businesses overseas. For example, officials from one regional bureau noted that they have an economic policy group that addresses regional economic policy issues such as energy, trade, health, macroeconomic, and procurement issues. Officials from another regional bureau noted that bureau officials participate in meetings with U.S. business groups, such as chambers of commerce, in the U.S. and overseas to help address trade and investment barriers and level the playing field for U.S. businesses overseas.
- **Overseas posts.** At overseas posts, State generally leads U.S. government efforts to address policy and business climate issues, such as anticorruption and intellectual property rights policies, to create an enabling environment for U.S. businesses, and helps U.S. businesses with issues related to newly investing in a country. State Foreign Service Officers, locally employed staff, chiefs of mission, and other staff at overseas posts may help U.S. businesses to understand foreign markets, work to address impediments to U.S. businesses overseas, engage with foreign governments to change policies and procedures on behalf of U.S. businesses, and provide assistance on shipping and customs issues.

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<sup>17</sup>Sec. 703 of CABDA authorized the establishment of an Assistant Secretary of State for Economic and Business Matters, responsible to the Secretary of State for matters pertaining to international economics and business matters in the conduct of foreign policy. According to State officials, EB's Assistant Secretary of State for Economic and Business Affairs is responsible for carrying out the duties listed in this section of CABDA. The Assistant Secretary of State for Economic and Business Affairs reports to the Under Secretary of State for Economic Growth, Energy, and the Environment. Department of State, *Foreign Affairs Manual (FAM) 042.2*, Under Secretary for Economic Growth, Energy, and the Environment (E).

<sup>18</sup>EB's seven offices include Commercial and Business Affairs, Economic Policy Analysis and Public Diplomacy, International Communications and Information Policy, International Finance and Development, Threat Finance Countermeasures and Economic Sanctions, Trade Policy and Negotiations, and Transportation Affairs.

State collaborates with Commerce and other agencies on some economic and commercial diplomacy activities.<sup>19</sup> For example:

- EB officials stated that State’s most significant economic and commercial diplomacy initiative in recent years, announced in a State cable in February 2020, is the interagency “Deal Team” initiative, jointly led by State and Commerce. Within State, the initiative is led by CBA, in collaboration with other EB offices, functional and regional bureaus, and overseas posts. The initiative aims to establish Deal Teams at overseas posts and in Washington, D.C., to better coordinate U.S. government programs implemented by agencies in support of U.S. commercial interests overseas.<sup>20</sup> Deal Teams track prospective deals in a “Deal Tracker,” which includes information on the country and company or companies involved, sector, and whether the prospective deal represents a U.S. export or investment opportunity. According to State officials, interagency Deal Teams supported 83 successfully concluded business deals for U.S. companies, valued at an estimated \$76.5 billion, from the initiative’s launch in February 2020 through December 2020.
- Commerce and State also collaborate under a “Partnership Post Program” agreement that allows State to provide U.S. businesses with certain commercial services and export assistance at participating posts where Commerce officials who would provide those services are not present.<sup>21</sup>

Appendix II provides additional information on activities that State officials identified as key to their efforts to support U.S. businesses overseas through economic and commercial diplomacy.

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## Commerce Implements Economic and Commercial Diplomacy Activities, Primarily through ITA

Commerce—primarily through ITA—also implements various economic and commercial diplomacy activities, ranging from offering webinars,

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<sup>19</sup>A companion GAO report will address issues related to coordination between State and Commerce on matters relating to economic and commercial diplomacy and the effectiveness of the agencies’ efforts in this area.

<sup>20</sup>According to State officials, 150 posts had established Deal Teams as of January 2021, and the number had increased to 179 posts in 179 countries as of May 2021.

<sup>21</sup>Specifically, as of June 2020, 64 posts were designated as Commerce-State Partnership Post locations.

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seminars, and conferences to share information and foster networking opportunities for U.S. businesses in foreign markets, to counseling U.S. businesses on exporting, and conducting market checks and research on business sector opportunities and market conditions at overseas posts (see table 2).

**Table 2: Overview of Key Department of Commerce Economic and Commercial Diplomacy Activities, Fiscal Years 2016–2020**

<b>Category</b>	<b>Activity overview</b>	<b>Agency components</b>
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Information-sharing and self-service on ITA's website on exporting, investing, regulations and agreements, market intelligence, and resolving trade problems for U.S. businesses	ITA (GM/CS, I&A, E&C)
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	<i>Country Commercial Guides</i> published on ITA's website with information for U.S. businesses on conditions and opportunities at more than 120 overseas posts	GM/CS
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Webinars, seminars, and conferences to share information and foster networking opportunities for U.S. businesses overseas	GM/CS, I&A
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Tracking of overseas business prospects for U.S. businesses through the interagency "Deal Team" initiative	ITA/TPCC Secretariat (lead), GM/CS, I&A (joint with State)
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Counseling for U.S. businesses on exporting	ITA (GM/CS [lead], I&A), the Office of the Secretary
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Trade missions <sup>a</sup> organized and led by Commerce for U.S. businesses (fee-based)	ITA (GM/CS [lead], I&A, TPCC Secretariat), the Office of the Secretary
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Market checks and research on business sector opportunities and market conditions at overseas posts (fee-based)	GM/CS
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	International company profiles to help determine the suitability of foreign companies as business partners (fee-based)	Overseas posts
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Customized support, including a range of services tailored to U.S. business needs (fee- or non-fee-based)	GM/CS
<b>Foreign government engagement and policy advocacy</b>	Government-to-government engagement and policy advocacy to break down market access barriers and support a "level playing field" for U.S. businesses	GM/CS, I&A, E&C
<b>Foreign government engagement and policy advocacy</b>	Telecommunications and information policy advocacy on issues related to the internet economy, such as online privacy and copyright issues	National Telecommunications and Information Administration, ITA
<b>Foreign government engagement and policy advocacy</b>	Advocacy, technical support, and capacity building for appropriate intellectual property protection and enforcement systems around the world	U.S. Patent & Trademark Office
<b>Foreign government engagement and policy advocacy</b>	Legal technical assistance and capacity building for foreign governments on commercial law areas including contract enforcement and intellectual property	Commercial Law Development Program
<b>Project awards</b>	Market Development Cooperator Program awards <sup>b</sup> of up to \$300,000 to non-profit industry groups for projects that help U.S. businesses to enter or expand in foreign markets	ITA, I&A

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Legend: ITA = International Trade Administration; GM/CS = Global Markets and the U.S. and Foreign Commercial Service; I&A = Industry & Analysis; E&C = Enforcement & Compliance; TPCC = Trade Promotion Coordinating Committee

Source: GAO analysis of Commerce documents and testimonial information on activities that the agency identified as key to its efforts to support U.S. businesses overseas through economic and commercial diplomacy. | GAO-22-104181

<sup>a</sup>Commerce also offers certified trade missions, which are hosted by GM/CS officials at overseas posts and planned, organized, recruited, and led by private and public sector export-oriented external groups. For a fee, GM/CS provides guidance and agreed-upon trade promotion services to the organizer and participating U.S. businesses.

<sup>b</sup>Because of funding constraints, ITA made no awards in fiscal years 2017 through 2019, but had 13 to 24 active projects in each of those years, according to ITA officials. ITA officials added that ITA made 10 awards totaling \$2.8 million in fiscal year 2020.

Commerce officials identified several ITA components as having key responsibilities for carrying out the department's domestic and overseas economic and commercial diplomacy activities, including GM/CS, the Trade Promotion Coordinating Committee (TPCC) Secretariat, Industry & Analysis (I&A), and Enforcement and Compliance's (E&C) Office of Trade Agreements Negotiations and Compliance.

- **GM/CS.** GM/CS officials told us that they support U.S. businesses through GM/CS's headquarters and its Advocacy Center, U.S. Export Assistance Centers (USEAC) throughout the United States, and overseas posts, all of which work closely together to provide economic and commercial diplomacy assistance.<sup>22</sup> Within headquarters, several regional offices and administrative offices provide overall direction and oversight and support GM/CS's domestic and overseas economic and commercial diplomacy activities.<sup>23</sup> In addition, GM/CS's Advocacy Center works to help U.S. companies

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<sup>22</sup>Some economic and commercial diplomacy-related services that GM/CS provides, such as trade missions, market checks and research, and business checks, involve fees. GM/CS publishes a full list of its user fees on its website, *U.S. Commercial Service User Fees*, accessed August 27, 2021, <https://www.trade.gov/us-commercial-service-user-fees>. According to GM/CS officials, GM/CS sets user fees in accordance with OMB's full cost recovery policy, Circular No. A-25, *User Charges* (July 8, 1993). GM/CS officials added that they seek an annual waiver from OMB so that small and medium-sized enterprises are not required to pay for the full cost of GM/CS's services.

<sup>23</sup>Specifically, GM/CS has six regional offices covering Asia, China, Europe, the Middle East and Africa, and the Western Hemisphere, as well domestic operations throughout the United States. GM/CS's administrative offices include the Offices of the Director General, Foreign Service Human Capital, Strategy & Engagement, Administrative Services, and Budget.

compete with foreign firms in major projects.<sup>24</sup> Commerce officials noted that USEACs typically conduct initial outreach with U.S. businesses domestically and provide counseling to help prepare businesses for expansion overseas. Overseas posts provide a range of assistance for U.S. businesses, including counseling companies on entering or expanding in a market, support for trade events, market intelligence and analysis, policy advocacy with foreign governments in support of a “level playing field” for U.S. businesses, and assistance for U.S. businesses with trade barriers or countering discriminatory practices by a foreign government. GM/CS has the lead on commercial services at overseas posts where it is present. Some GM/CS posts are designated as “sponsoring posts,” which provide training, guidance, oversight, and support to State officials at posts designated as Commerce-State Partnership Posts that allow State to provide GM/CS-branded assistance at those locations (where GM/CS is not present).

- **TPCC.** The TPCC Secretariat leads the interagency “Deal Team” initiative within Commerce.<sup>25</sup> According to TPCC Secretariat officials, the TPCC Secretariat also provides advocacy and support for free trade agreements; facilitates collaboration between federal, state, and local governments on trade; and provides training for federal and state personnel with responsibilities for supporting U.S. businesses overseas; among other economic and commercial diplomacy activities.
- **I&A.** According to ITA officials, analysts from I&A help carry out a range of ITA’s economic and commercial diplomacy activities, including deal team activities, commercial engagement, and efforts to address trade barriers. These analysts also provide economic modeling, policy expertise, and sector analysis for the negotiation of trade agreements.

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<sup>24</sup>U.S. businesses must apply and qualify to receive advocacy services from GM/CS’s Advocacy Center; in reviewing applications, the center conducts due diligence on a requesting company and project. ITA officials stated that all of the Advocacy Center’s activities fall under economic and commercial diplomacy. ITA data showed that the Advocacy Center opened or closed 851 advocacy cases representing projects in 72 countries in fiscal year 2019, and 1,392 advocacy cases representing projects in 70 countries in fiscal year 2020.

<sup>25</sup>We have an open priority recommendation for the Secretary of Commerce, as chair of the TPCC, to improve the consistency, comprehensiveness, and transparency of information provided in its National Export Strategies on how resources are allocated by agency and aligned with priorities. For additional details, see GAO, *Priority Open Recommendations: Department of Commerce*, [GAO-21-572PR](#) (Washington, D.C.: June 15, 2021).

- **E&C.** E&C's Office of Trade Agreements Negotiations and Compliance works with U.S. businesses to remove unfair foreign government-imposed trade barriers. According to ITA officials, the program executes Commerce's responsibility to monitor the operation of U.S. multilateral, regional, and bilateral trade agreements and seek compliance with their obligations for the benefit of U.S. companies. ITA officials added that compliance activities may involve efforts to convince foreign governments to voluntarily honor their obligations to the United States so that other enforcement actions are not needed.

Other Commerce components, including the National Telecommunications and Information Administration, the U.S. Patent & Trademark Office, and the Commercial Law Development Program, implement foreign government engagement and policy advocacy activities that Commerce officials also identified as key to the department's efforts to support U.S. businesses overseas through economic and commercial diplomacy.<sup>26</sup> Appendix II provides additional information on activities that Commerce officials identified as key to their efforts to support U.S. businesses overseas through economic and commercial diplomacy.

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## Numerous State and Commerce Personnel Conducted Economic and Commercial Diplomacy Activities Domestically and Overseas in Fiscal Years 2016 through 2020

Over 3,600 State and Commerce personnel, on average, conducted economic and commercial diplomacy activities domestically and in a number of foreign countries in fiscal years 2016 through 2020. Most of State's personnel with responsibilities in this area—over 1,900 in this period, on average—served overseas in 163 countries, with the greatest

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<sup>26</sup>In addition, Bureau of Industry & Security officials noted that export control officers may periodically participate in GM/CS trade missions or outreach to U.S. businesses to provide assistance on export controls. Census Bureau officials added that the bureau collects and produces trade data that indirectly supports the department's economic and commercial diplomacy efforts by helping U.S. businesses to understand domestic and overseas economic activity. Commerce officials added that other components may also support the department's economic and commercial diplomacy efforts. For example, the National Oceanic and Atmospheric Administration conducts activities to address trade issues related to fisheries, and the National Institute of Standards and Technology conducts international activities as part of its mission to promote U.S. innovation and industrial competitiveness, according to Commerce officials.

number of Foreign Service Officers in Europe and Eurasia. For Commerce's staff of over 1,700, on average, about half were located in headquarters and throughout the United States, with the remaining staff serving overseas in 75 countries. The greatest number of Foreign Commercial Service Officers had assignments in East Asia and the Pacific. Our analysis showed that the numbers for some groups of Commerce's staff declined in this period.

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### Over 1,900 State Personnel, on Average, Conducted Activities at Headquarters and in 163 Countries during This Period

Over 1,900 State Civil Service, Foreign Service, and locally employed staff, on average, conducted economic and commercial diplomacy activities at State's headquarters and overseas in fiscal years 2016 through 2020, with the majority of staff (roughly 90 percent) located overseas in 163 countries.

During these years,

- State had an annual average of about 180 staff at EB in headquarters. Specifically, the number of Civil Service and Foreign Service staff at EB declined from 203 to 176, or by about 13 percent, according to our analysis of EB data.<sup>27</sup> Civil Service officers and Foreign Service Officers filled roughly equally half of these EB positions. In addition, according to regional bureau officials, each of State's six regional bureaus generally has staff that support the department's economic and commercial diplomacy activities, including bureau leadership, country desk officers, and economic staff.
- State also had an annual average of 1,732 Foreign Service Officers and locally employed staff overseas. This number included an annual average of 759 Foreign Service Officers with economic and

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<sup>27</sup>EB data showed that the number of open positions increased from zero in fiscal year 2016 to 58 in fiscal year 2020. According to EB officials, the bureau experienced some staff turnover that resulted in the increase in open positions in fiscal year 2020. These data represent staff with full- or part-time roles and responsibilities in economic and commercial diplomacy in fiscal years 2016 through 2020. According to EB officials, all of the bureau's staff have responsibilities related to economic and commercial diplomacy, although they do not track the extent to which staff carry out activities in this area.



commercial responsibilities, according to our analysis of GTM data.<sup>28</sup> The number of Foreign Service Officers remained relatively stable.<sup>29</sup> These personnel served in 163 countries during this period. In addition, an annual average of 973 locally employed staff overseas had economic and commercial responsibilities.<sup>30</sup>

The greatest number of Foreign Service Officers—an annual average of about 200 per year in this period—were assigned to the Europe and Eurasia region. Figure 2 shows a regional map with a breakout of the average annual number of Foreign Service Officers overseas with economic and commercial diplomacy responsibilities by region in this period. It also provides the total number of countries where these staff assignments were located within each region.

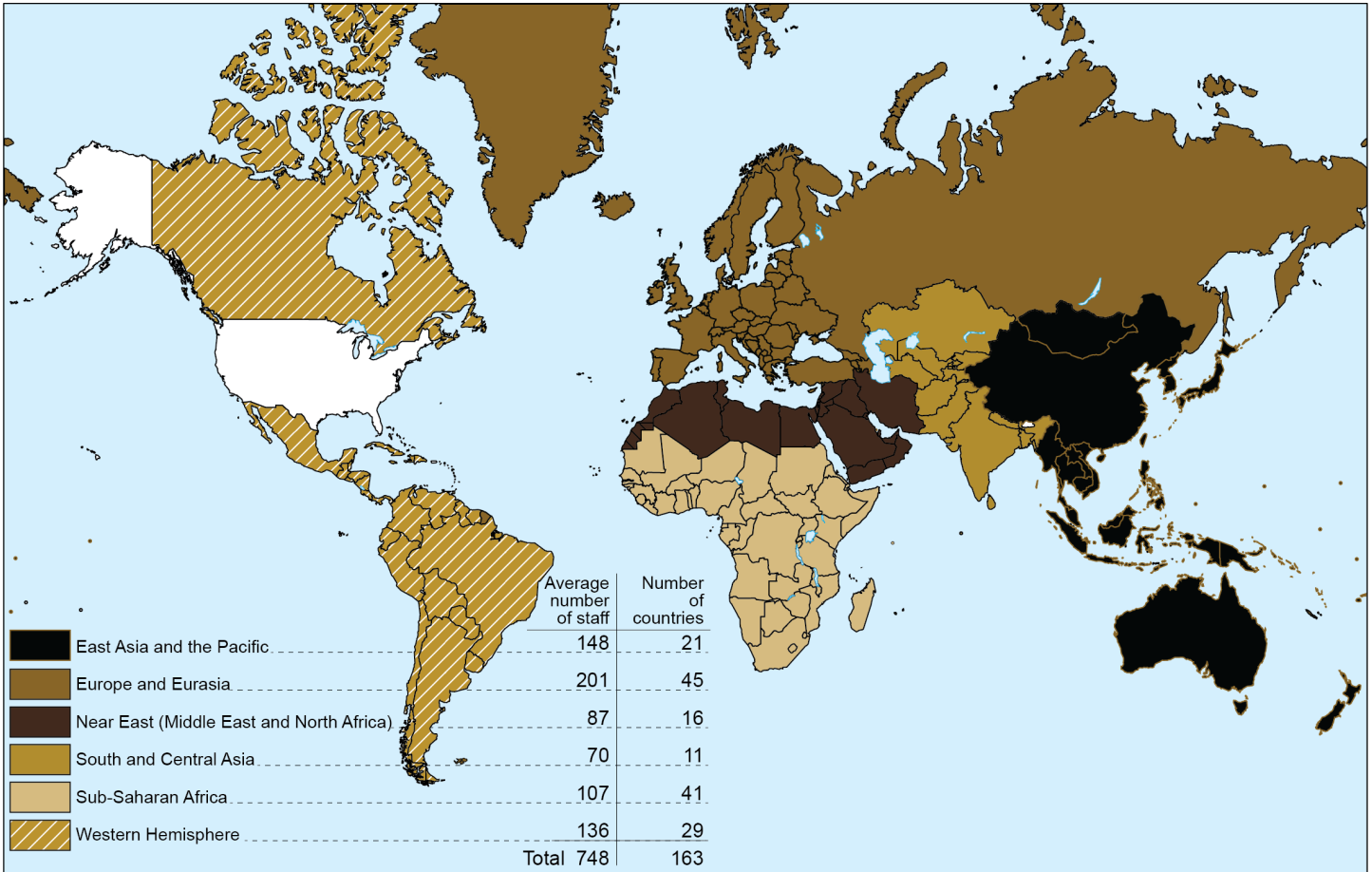
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<sup>28</sup>These Foreign Service Officers included 157 digital economy officers at 155 overseas posts as of fiscal year 2020, according to EB officials. In 2016, EB launched the digital economy officer program, which provides training and offers panel discussions on global digital economy issues, to strengthen posts' ability to address challenges and opportunities in this area. For example, a 2017 training event included a panel discussion on secure software development, cloud security, and data localization; the international trade concerns of the startup community; and international legal and policy opportunities and challenges in the digital industrial era.

<sup>29</sup>Specifically, the number of Foreign Service Officers in this period ranged from a low of 752 in fiscal year 2016 to a high of 767 in fiscal year 2017.

<sup>30</sup>GTM officials noted that at some overseas posts (where the data that State provided to us did not identify economic and commercial Foreign Service Officers), Foreign Service Officers assigned to other areas might also carry out economic and commercial duties. These posts may also have locally employed staff with economic and commercial responsibilities. In addition, a Foreign Service Officer at the embassy in some countries may have responsibility for economic and commercial work at other posts within the country or in the region. GTM officials also noted that State's locally employed staff data might include potential gaps or excess counts for some posts in fiscal years 2019 through 2020, because overseas posts began to migrate data to a new data system in 2018. For the purposes of this report, to account for the potential gaps or excess counts in the locally employed staff data, we reported the annual average by region in fiscal years 2016 to 2020. Appendix I includes additional information on our objectives, scope, and methodology.

**Figure 2: Average Annual Number of State Foreign Service Officers Overseas with Economic and Commercial Diplomacy Responsibilities and Number of Countries Where Assigned, by Region, Fiscal Years 2016–2020**



Sources: GAO analysis of Department of State data (data); Map Resources (map). | GAO-22-104181

**Accessible Data for Figure 2: Average Annual Number of State Foreign Service Officers Overseas with Economic and Commercial Diplomacy Responsibilities and Number of Countries Where Assigned, by Region, Fiscal Years 2016–2020**

<b>Category</b>	<b>Average number of staff</b>	<b>Number of countries</b>
East Asia and the Pacific	148	21
Europe and Eurasia	201	45
Near East (Middle East and North Africa)	87	16
South and Central Asia	70	11
Sub-Saharan Africa	107	41
Western Hemisphere	136	29
Total	748	163

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<b>Sub-Saharan Africa</b>	<b>East Asia and the Pacific</b>	<b>Europe and Eurasia</b>	<b>Near East (Middle East and North Africa)</b>	<b>South and Central Asia</b>	<b>Western Hemisphere</b>
Angola	Australia	Albania	Algeria	Afghanistan	Antigua And Barbuda
Benin	Brunei	Armenia	Bahrain	Bangladesh	Argentina
Botswana	Burma (Mynamar)	Austria	Egypt	India	Bahamas
Burkina Faso	China	Azerbaijan	Iraq	Kazakhstan	Barbados
Burundi	East Timor / Timor Leste	Belarus	Israel	Kyrgyzstan	Belize
Cameroon	Fiji	Belgium	Jordan	Maldives	Bolivia
Cape Verde	Indonesia	Bosnia	Kuwait	Nepal	Brazil
Central African Republic	Japan	Bulgaria	Lebanon	Pakistan	Canada
Chad	Khmer Republic /Cambodia	Croatia	Libya	Sri Lanka	Chile
Comoros	Kiribati	Cyprus	Morocco	Tajikistan	Colombia
Congo	(South) Korea	Czechoslovakia	Oman	Turkmenistan	Costa Rica
Congo Dem Rep	Laos	Denmark	Qatar	Uzbekistan	Cuba
Djibouti	Majuro (Marshall Islands)	Estonia	Saudiar (Saudi Arabia)		Dominica
Equatorial Guinea	Malaysia	Finland	Syria		Dominican Republic
Eritrea	Micronesia	France	Tunisia		Ecuador
Ethiopia	Nauru	Georgia	UAE (United Arab Emirates)		El Salvador
Gabon	(Papua) New Guinea	Germany	Yemen		Grenada
Gambia	New Zealand	Greece	Iran		Guatemala
Ghana	North Korea	Hungary			Guyana
Guinea	Palau	Iceland			Haiti
Guinea-Bissau	Philippines	Ireland			Honduras
Ivory Coast / Cote D'ivoire	Samoa	Italy			Jamaica
Juba (South Sudan)	Singapore	Kosovo			Mexico
Kenya	Solomon Islands	Latvia			Nicaragua
Lesotho	Taiwan	Lithuania			Panama
Liberia	Thailand	Luxemburg			Paraguay
Madagascar	Tonga	Macedonia			Peru
Malawi	Tuvalu	Malta			Saint Kitts And Nevis
Mali	Ulaanbaatar (Mongolia)	Moldova			Saint Lucia

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Sub-Saharan Africa	East Asia and the Pacific	Europe and Eurasia	Near East (Middle East and North Africa)	South and Central Asia	Western Hemisphere
Mauritania	Vanuatu	Montenegro			Saint Vincent And The Grenadine
Mauritius	Vietnam	Netherlands			Suriname
Mozambique		Norway			Trinidad
Namibia		Poland			Uruguay
Niger		Portugal			Venezuela
Nigeria		Romania			
Rwanda		Russia			
Sao Tome And Principe		Serbia and Montenegro			
Senegal		Slovak Republic			
Seychelles		Slovenia			
Sierra Leone		Spain			
Somalia		Sweden			
South Africa		Switzerland			
Sudan		Turkey			
Swaziland		Ukraine			
Tanzania		United Kingdom			
Togo					
Uganda					
Zambia					
Zimbabwe					

Notes: This figure shows data on State Foreign Service Officers with full- or part-time economic and commercial diplomacy responsibilities. Average number of staff does not sum to total because of rounding. In addition to the 748 staff listed in the figure, 11 Foreign Service Officers with relevant responsibilities were assigned to diplomatic missions in four countries that fall under State's Bureau of International Organization Affairs. Not all countries within each of the regions represented on the map had Foreign Service Officers assigned in this area.

### Over 1,700 Commerce Personnel, on Average, Conducted Activities throughout the United States and in 75 Countries during This Period, with Declines in Some Groups

Over 1,700 Commerce personnel, on average, conducted economic and commercial diplomacy activities domestically and in 75 countries in fiscal years 2016 through 2020, with about half of the staff assigned to headquarters or domestic locations throughout the United States, and the

other half serving overseas. This included Civil Service, Foreign Commercial Service, and locally employed staff in Global Markets and the U.S. and Foreign Commercial Service (GM/CS) in ITA, as well as staff from other ITA components and Commerce components outside of ITA.

The majority of Commerce's staff—roughly three-quarters—were in GM/CS, including those assigned to GM/CS's headquarters and at USEAC locations throughout the United States, as well as at overseas posts. Within GM/CS, the numbers of staff in some groups declined in this period.

- **GM/CS—headquarters.** GM/CS's headquarters had an annual average of 245 staff in fiscal years 2016 through 2020, with most of these staff in GM/CS's regional offices and administrative offices. The numbers of staff within the regional offices and administrative offices showed declines of 20 to 31 percent in this period. Specifically, the number of regional office staff declined from about 158 to about 127, or by 20 percent. In addition, the number of staff within GM/CS's administrative offices declined from about 110 to about 76, or by 31 percent.<sup>1</sup> The Advocacy Center, also within GM/CS's headquarters, had about 20 staff in each of these years. The majority—about 88 percent overall—of headquarters staff were Civil Service.
- **GM/CS—USEACs.** GM/CS had an annual average of 273 staff at 106 USEAC locations in 47 states and Puerto Rico<sup>2</sup> in fiscal years 2016

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<sup>1</sup>According to ITA officials, GM/CS staff numbers declined between fiscal years 2016 and 2020 because of cost increases, including for costs related to State's International Cooperative Administrative Support Services (shared costs for U.S. government administrative costs at overseas posts) and Capital Security Cost Sharing Program (for agency costs associated with building new diplomatic facilities at posts), as well as in ITA administrative overhead, while GM/CS's funding remained largely the same in fiscal years 2016 through 2019. As a result, GM/CS reduced its vacancy backfill rate and controllable non-payroll costs. ITA officials noted that, although GM/CS received an increase in its funding for fiscal year 2020, the resulting increase in hiring, as well as the pandemic, had caused delays in filling the vacancies.

<sup>2</sup>In addition, ITA officials stated that USEAC staff in Hawaii support other U.S. territories, including American Samoa and Guam.

through 2020.<sup>3</sup> The number of staff at USEACs declined from 295 to 262, or by 11 percent, during this time. The majority of USEAC staff were Civil Service, although about 10 to 20 Foreign Commercial Service Officers were assigned to USEACs in each of these years.

- GM/CS—overseas posts. GM/CS had an annual average of 189 Foreign Commercial Service Officers in 65 countries, as well as an annual average of 650 locally employed staff in 75 countries,<sup>4</sup> in fiscal years 2016 through 2020.<sup>5</sup> The number of Foreign Commercial

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<sup>3</sup>ITA data showed that three states (Delaware, New Mexico, and Wyoming) did not have staffed USEAC locations in fiscal years 2016 through 2020. In addition, the USEAC location in Iowa did not have any staff in fiscal years 2019 through 2020. The number of USEAC locations staffed in each fiscal year for 2016 through 2020 varied to some extent, ranging from a low of 95 in fiscal years 2018 through 2019, to a high of 101 in fiscal year 2016. According to ITA officials, staff at other USEAC locations are generally assigned to provide coverage for any locations without staff. They added that ITA was authorized to assign staff to a USEAC in New Mexico in fiscal years 2016 through 2020 but was unable to assign staff to that location because of budget constraints. As of October 2021, ITA was in the process of assigning staff to New Mexico.

<sup>4</sup>The number of foreign countries with assigned locally employed staff in each fiscal year in this period varied to a small extent. Specifically, our analysis showed that of the 75 foreign countries with assigned locally employed staff in fiscal years 2016 through 2020, two—Iraq and Libya—were assigned staff in two of those years (2016 and 2017).

<sup>5</sup>According to ITA officials, GM/CS also assigned four to five Foreign Commercial Service officers and 15 to 18 locally employed staff to the American Institute in Taiwan in fiscal years 2016 through 2020. ITA officials noted that the institute generally pays the salaries for these staff, under a memorandum of understanding. GM/CS data showed that eight countries had locally employed staff but no Foreign Commercial Service Officers in fiscal years 2016 through 2020: Croatia, Denmark, Ireland, Lebanon, the Netherlands, Norway, New Zealand, and Slovakia. In addition, GM/CS had locally employed staff only in Iraq and Libya in fiscal years 2016 through 2017. ITA officials told us they assign Foreign Commercial Service Officers from other locations to supervise any locally employed staff at these locations. They added that GM/CS recently approved Foreign Commercial Service Officer positions at several of these posts (planned for summer 2022, unless noted otherwise), as follows: Croatia, Denmark (Commercial Service Officer at post as of June 2021), Ireland, the Netherlands, New Zealand, and Norway.

Service Officers remained relatively stable during this period.<sup>6</sup> The number of locally employed staff during these years declined from 690 to about 612, or by 11 percent. The greatest number of Foreign Commercial Service Officers—an annual average of about 60 in this period—were assigned to the East Asia and Pacific region.

Table 3 shows the average annual number of Foreign Commercial Service Officers overseas by region in fiscal years 2016 through 2020, as well as the total number of countries where Commercial Service Officers were assigned within each region.

**Table 3: Average Annual Number of Commerce Foreign Commercial Service Officers Overseas and Number of Countries Where Assigned, by Region, Fiscal Years 2016–2020**

Region	Average number of staff	Number of countries
East Asia and the Pacific	62	11
Europe and Eurasia	48	20
Near East (Middle East and North Africa)	17	9
South and Central Asia	11	3
Sub-Saharan Africa	12	8
Western Hemisphere	39	14
<b>Total</b>	<b>189</b>	<b>65</b>

Source: GAO analysis of Department of Commerce data. | GAO-22-104181

Notes: The regions in this table represent the Department of State's six overseas regions. According to Commerce officials, all of its Commercial Service Officers have either full- or significant part-time responsibilities for economic and commercial diplomacy. Commerce also assigned four to five Foreign Commercial Service Officers annually to the American Institute in Taiwan in fiscal years 2016 through 2020 (not included in the table).

Our analysis showed that for fiscal year 2020, the most recent year available, of the 65 foreign countries where Commerce had Foreign

<sup>6</sup>Specifically, the number of Foreign Commercial Service Officers ranged from a low of 180 in fiscal years 2019 through 2020 to a high of 199 in fiscal year 2018. According to ITA officials, ITA designated 12 to 14 Foreign Commercial Service Officers as digital trade officers in fiscal years 2016 through 2020. GM/CS's Digital Attaché Program, supported by I&A and the private sector, provides topical training to these officers, to advance U.S. commercial interests on digital and standards issues. For example, the program has offered webinars on topics ranging from barriers to cross-border data flows to trade agreements and digital economy issues. ITA officials noted that officers as part of their training have had the opportunity to participate in conferences on topics such as cloud computing and cyber risk, as well as to visit the headquarters of various U.S. businesses. Officials added that these officers carry out digital trade officer functions in addition to other Commercial Service Officer responsibilities.



Commercial Service Officers, China had the most officers at 26, while most countries (44) had one to two officers.<sup>7</sup> Four countries had eight to nine officers, five countries had five to six, and 11 countries had three to four.<sup>8</sup> In addition, State personnel provide U.S. businesses with export assistance, including GM/CS-branded assistance, in 64 countries with Commerce-State Partnership Post agreements.<sup>9</sup> Figure 3 shows a map of the 65 countries where Foreign Commercial Service Officers were assigned, as well as the 64 Commerce-State Partnership Post countries, for fiscal year 2020 (the most recent available).

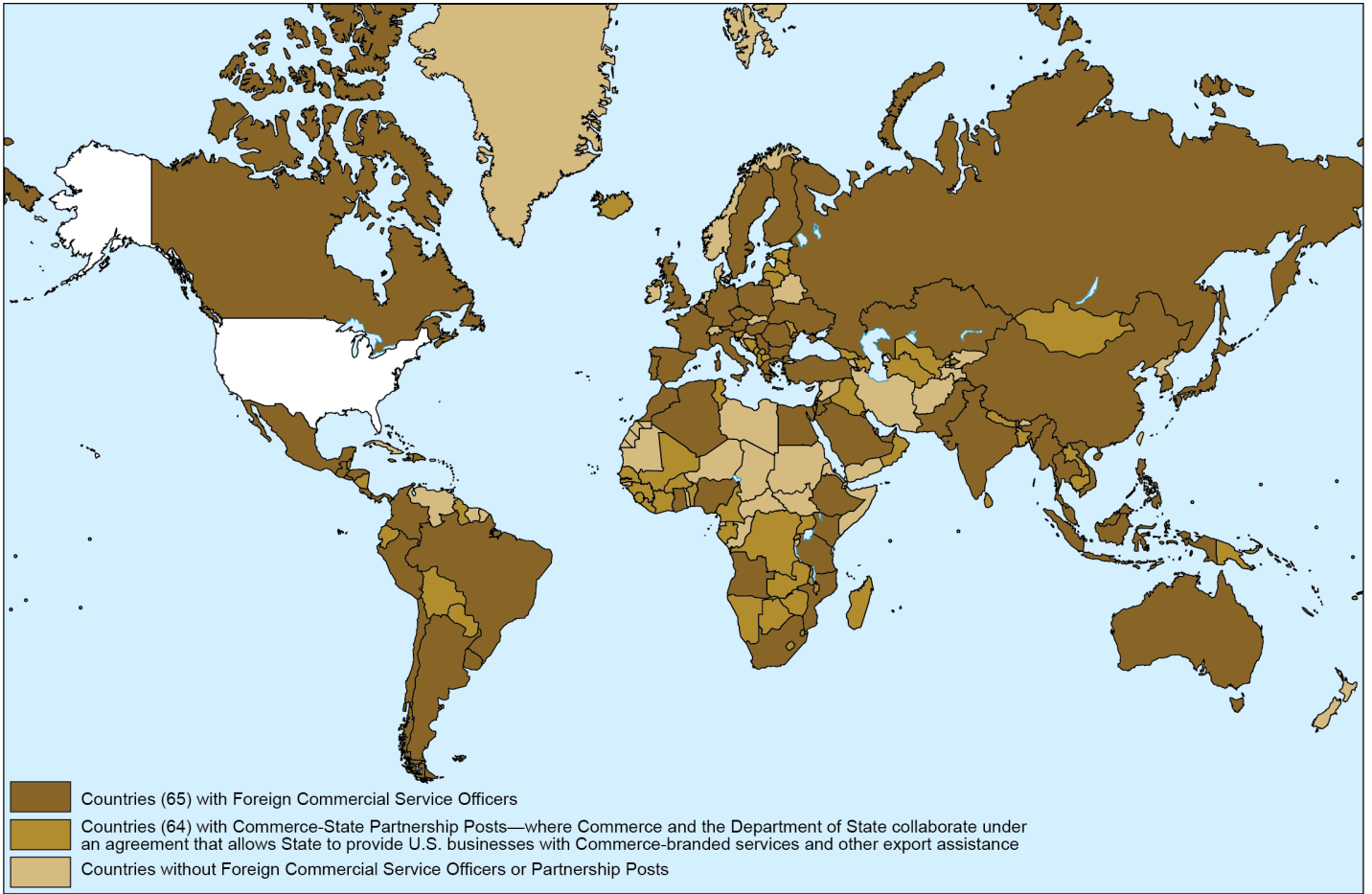
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<sup>7</sup>For the purposes of this analysis, the number of Foreign Commercial Service Officers assigned to China included officers assigned to Hong Kong.

<sup>8</sup>Brazil, India, Japan, and Mexico had eight to nine officers. Belgium, Canada, Germany, South Korea, and Turkey had five to six. France, Italy, Malaysia, Poland, Saudi Arabia, Singapore, South Africa, the United Kingdom, the United Arab Emirates, and Vietnam had three to four. ITA officials noted that a portion of their staff located in Belgium are assigned to support the management and coordination of activities related to the European Union market.

<sup>9</sup>Commerce-State Partnership Posts are posts where Commerce and State collaborate under an agreement that allows State to provide U.S. businesses with GM/CS-branded services and other export assistance, with GM/CS support and oversight. According to Commerce officials, the commercial services provided by Partnership Posts are generally at a smaller scale than those provided at GM/CS posts.

**Figure 3: Map of Foreign Countries with Department of Commerce Foreign Commercial Service Officers, and Commerce-State Partnership Post Countries, Fiscal Year 2020**



Sources: GAO analysis of Commerce data (data); Map Resources (map). | GAO-22-104181

**Accessible Data for Figure 3: Map of Foreign Countries with Department of Commerce Foreign Commercial Service Officers, and Commerce-State Partnership Post Countries, Fiscal Year 2020**

**Countries (64) with Commerce-State Partnership Posts— where Commerce and the Department of State collaborate under an agreement that allows State to provide U.S. businesses with Commerce-branded services and other export assistance**

**Countries (65) with Foreign Commercial Service Officers**

Albania	Algeria
Azerbaijan	Angola
Bahamas	Argentina
Bahrain	Australia
Bangladesh	Austria
Barbados	Belgium
Belize	Brazil
Benin	Bulgaria
Bolivia	Burma
Bosnia & Herzegovina	Canada
Botswana	Chile
Brunei	China
Burkina Faso	Colombia
Cambodia	Costa Rica
Cameroon	Czech Republic
Cote d'Ivoire	Dominican Republic
Cyprus	Egypt
DRC	El Salvador
Ecuador	Ethiopia
Estonia	Finland
Fiji	France
Gabon	Germany
Gambia	Ghana
Georgia	Greece
Guinea	Guatemala
Guyana	Honduras
Haiti	Hungary
Iceland	India
Iraq	Indonesia
Jamaica	Israel
Kosovo	Italy

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<b>Countries (64) with Commerce-State Partnership Posts— where Commerce and the Department of State collaborate under an agreement that allows State to provide U.S. businesses with Commerce-branded services and other export assistance</b>	<b>Countries (65) with Foreign Commercial Service Officers</b>
Laos	Japan
Latvia	Jordan
Lesotho	Kazakhstan
Liberia	Kenya
Lithuania	Korea, Republic Of
Macedonia	Kuwait
Madagascar	Malaysia
Malawi	Mexico
Mali	Morocco
Malta	Mozambique
Mauritius	Nigeria
Moldova	Pakistan
Mongolia	Panama
Montenegro	Peru
Namibia	Philippines
Nepal	Poland
Nicaragua	Portugal
Oman	Qatar
Papua New Guinea	Romania
Paraguay	Russia
Rwanda	Saudi Arabia
Senegal	Serbia
Sierra Leone	Singapore
Slovenia	South Africa
Sri Lanka	Spain
Swaziland	Sweden
Trinidad & Tobago	Tanzania
Tunisia	Thailand
Turkmenistan	Turkey
Uganda	Ukraine
Uzbekistan	United Arab Emirates
Zambia	United Kingdom
Zimbabwe	Uruguay
	Vietnam

Notes: This map shows the foreign countries where Commerce's Foreign Commercial Service Officers were assigned in fiscal year 2020. The map also shows the Commerce-State Partnership Post countries, as of June 2020.

The number of staff within other ITA components in headquarters included three staff in the TPCC Secretariat, as well as about 200 staff in I&A, and an annual average of 17 staff in E&C's Trade Agreements Negotiations and Compliance office. During fiscal years 2016 through 2020, ITA had an annual average of 208 staff in I&A, including industry, trade, and economic analysts supporting economic and commercial diplomacy activities for GM/CS, according to data from I&A.<sup>1</sup>

Outside of ITA, three other Commerce components had approximately 157 staff, on average, with economic and commercial diplomacy responsibilities at headquarters and overseas in fiscal years 2016 through 2020:

- The U.S. Patent & Trademark Office had an annual average of 52 staff with economic and commercial diplomacy responsibilities in its Office of International Affairs in headquarters, according to agency data. These staff included a patent attorney, attorney advisors, a chief economist, and training and program management staff. In addition, the U.S. Patent & Trademark Office's Intellectual Property Attaché program had an annual average of 38 staff, including Intellectual Property attachés and specialists at 13 overseas locations.<sup>2</sup>
- The Commercial Law Development Program in headquarters had several dozen staff with economic and commercial diplomacy responsibilities, including chief counsels, attorney advisors, international program specialists, other experts, and administrative staff. Specifically, data from the Commercial Law Development Program showed that its staff increased from 44 to 60.
- The National Telecommunications and Information Administration had approximately 15 to 25 telecommunications and information policy

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<sup>1</sup>Specifically, the number of I&A staff ranged from a low of 198 in fiscal year 2019 to a high of 215 in fiscal years 2016 and 2020.

<sup>2</sup>The following 13 locations had regional Intellectual Property Attaché offices in fiscal years 2016 through 2020: Rio de Janeiro, Brazil; Beijing, Guangzhou, and Shanghai, China; Brussels, Belgium; New Delhi, India; Kuwait City, Kuwait; Mexico City, Mexico; Lima, Peru; Moscow, Russia; Geneva, Switzerland; Bangkok, Thailand; and Kyiv, Ukraine. The Moscow location did not have staff in fiscal years 2019 and 2020. The Kyiv office only had staff in fiscal year 2020.

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staff at headquarters with economic and commercial diplomacy responsibilities, according to agency officials.

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## State Offers Economic and Commercial Diplomacy Courses, but Its Training Efforts Have Weaknesses

State offers a range of training courses in economic and commercial diplomacy, mainly through FSI. State's training approach incorporates elements of the four components of effective federal training programs—planning, design, implementation, and evaluation—but its efforts have several weaknesses. First, State has not conducted comprehensive, periodic assessments of its training needs in economic and commercial diplomacy. Second, it has not compiled career guidance on the competencies and training for State personnel with assignments in this area. Finally, State has not directly consulted with external stakeholders about whether the training is achieving desired results.

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### State Offers Economic and Commercial Diplomacy Training Mainly through FSI

We found that FSI, State's primary training provider, offers a range of courses related to economic and commercial diplomacy. These courses, shown in table 4, cover topics such as commercial advocacy skills and best practices for supporting U.S. exports, intellectual property rights, international digital economy policy, and international transportation policy.<sup>3</sup> The Economic and Commercial Studies division of the School of Professional and Area Studies offers most of these courses, although FSI's Leadership and Management School and School of Applied Information Technology also offer some courses that cover economic and commercial diplomacy topics. According to FSI data, 6,361 Civil Service,

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<sup>3</sup>Some courses cover economic and commercial diplomacy topics as well as other topics. We found that FSI's economic and commercial diplomacy training includes presenters from, or discussion topics covering, each of the U.S. government entities mentioned in CABDA regarding increased training in economic and commercial diplomacy. CABDA directed that State's training include information about the support that the U.S. government offers to U.S. businesses operating overseas, including assistance from the Departments of Agriculture, Commerce, and the Treasury; the Export-Import Bank of the United States; the Millennium Challenge Corporation; the Trade and Development Agency; the U.S. Agency for International Development; and the U.S. International Development Finance Corporation.

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Foreign Service, and locally employed staff participants from State and 380 participants from other agencies, including Commerce, completed the courses listed in table 4 from fiscal years 2016 through 2020.

**Table 4: Department of State Courses That Include Economic and Commercial Diplomacy Training, Average Annual Frequency and Attendance, Fiscal Years 2016–2020**

n/a	n/a	n/a	Average annual number of State attendees			
			Average annual frequency	Civil Service	Foreign Service	Locally Employed Staff
Category	Course title and identification number	Course length	Average annual frequency	Civil Service	Foreign Service	Locally Employed Staff
School of Professional and Area Studies	Commercial Tradecraft (PE125)	5 days	3.0	1.8	43.8	11.8
School of Professional and Area Studies	Petroleum and Gas Industry (PE127)	4 days	1.8	3.4	29.4	8.0
School of Professional and Area Studies	International Digital Economy Policy (PE131)	2 days	0.8	3.4	8.2	0.6
School of Professional and Area Studies	Energy: Power Generation (PE137)	5 days	0.8	1.8	9.0	3.2
School of Professional and Area Studies	Intellectual Property Rights (PE138)	2 days	1.0	4.0	8.8	1.4
School of Professional and Area Studies	Biotechnology and Global Challenges (PE150)	3 days	1.0	2.6	7.2	1.6
School of Professional and Area Studies	Tools and Strategies to Combat Corruption (PE160)	2 days	1.4	12.0	15.2	2.6
School of Professional and Area Studies	Locally Employed Staff Economic Training (PE220)	2 weeks	0.8	n/a	n/a	19.8
School of Professional and Area Studies	Trade Agreement Monitoring and Implementation (PE222)	5 days	1.8	1.8	18.8	5.6
School of Professional and Area Studies	Washington Energy Seminar (PE228)	3 days	1.6	3.4	16.8	3.2
School of Professional and Area Studies	U.S. Global Investment Policy (PE266)	2 days	1.0	2.8	10.0	1.6
School of Professional and Area Studies	Political/Economic Chief Seminar (PE300)	5 days	2.0	n/a	36.6	n/a
School of Professional and Area Studies	Environment, Science, Technology, and Health Tradecraft (PE305)	2 weeks	2.0	1.8	33.4	11.8
School of Professional and Area Studies	International Transportation Policy (PE330)	3 days	0.8	1.4	6.0	1.8
School of Professional and Area Studies	Intellectual Property Rights: Core Course (PE338)	3 hours	n/a	5.0	26.4	6.0
School of Professional and Area Studies	Foreign Service Economic Training (PE350)	26 weeks	1.8	n/a	15.4	n/a
School of Professional and Area Studies	Introduction to Commercial Tradecraft (PE424)	2 hours	n/a	5.4	40.0	9.8
School of Professional and Area Studies	Public-Private Partnerships (PE440)	5 hours	1.6	15.4	58.8	13.2



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n/a	n/a	n/a	n/a	Average annual number of State attendees		
				Civil Service	Foreign Service	Locally Employed Staff
Category	Course title and identification number	Course length	Average annual frequency	Civil Service	Foreign Service	Locally Employed Staff
School of Professional and Area Studies	Economic Practicum (PE450)	180 day maximum	1.0	n/a	15.8	n/a
School of Professional and Area Studies	Introduction to Bilateral Investment Treaties (PE460)	1.5 hours	n/a	3.8	33.0	8.0
School of Professional and Area Studies	Political-Military Affairs (PE505)	5 days	3.0	15.6	52.0	n/a
School of Professional and Area Studies	Political/Economic Tradecraft (PG140)	3 weeks	6.4	1.2	183.0	n/a
Leadership and Management School	Deputy Chief of Mission/Principal Officer Seminar (PT102)	3 weeks	2.8	0.2	64.4	n/a
Leadership and Management School	Ambassadorial Seminar (PT120)	3 weeks	3.2	0.6	32.8	n/a
School of Applied Information Technology	Data Analysis and Visualization (PS311)	5 days	23.0	108.2	90.0	41.6
School of Applied Information Technology	Data Literacy for Managers (PS313)	2 days	3.8	21.8	21.0	2.8
School of Applied Information Technology	Data Literacy for Executives (PS315)	1 day	3.0	9.8	13.8	1.0

Legend: n/a = not applicable

Source: GAO analysis of State economic and commercial diplomacy course offering information and course attendance and completion data. | GAO-22-104181

Note: State provided a list of courses that focus on or cover topics about economic and commercial diplomacy. Foreign Service Institute (FSI) officials noted that additional courses also address economic issues that may be relevant for personnel with economic and commercial diplomacy responsibilities, such as the Terrorism Finance and Sanctions (PE141) and International Development Finance (PE264) courses. FSI identified the Intellectual Property Rights, Introduction to Commercial Tradecraft, Introduction to Bilateral Treaties, and Public Private Partnerships courses as distance learning courses among those listed in this table. Distance learning courses present the information virtually and the course material is available on demand.

In addition, FSI officials said that FSI’s language training integrates economic and commercial topics.<sup>4</sup> For example, they noted that the basic Spanish language course includes foreign language material on economic topics such as trade agreements, industries, international

<sup>4</sup>The dean of FSI’s School of Language Studies is responsible for managing and maintaining a training program for foreign language and culture, and the School of Language Studies develops and delivers classroom and distance learning language programs for U.S. agencies and others involved in foreign affairs work, among other things. 1 FAM 297, “School of Language Studies.” According to FSI officials, the Portuguese, Spanish, Romanian, Italian, French, Albanian, Dutch, Polish, Ukrainian, Bulgarian, Czech, Bosnian, Croatian, Serbian, Slovak, Slovenian, Russian, and Chinese language programs integrate economic and commercial diplomacy-related topics in foreign language course material.

banking, and economic inequality. FSI officials also said that FSI offers courses on specific geographic regions, areas, or countries that may include economic content.

Most FSI courses in economic and commercial diplomacy are open to Civil Service and Foreign Service personnel within State, as well as to relevant locally employed staff. Interested staff from Commerce and other U.S. agencies may also enroll in FSI courses, as space permits and for a fee. FSI offers many of its courses in-person at its Arlington, Virginia campus, during normal operations. It offers some others at other locations in the United States or overseas, as well as virtually.<sup>5</sup> In addition, FSI offers some courses, such as Intellectual Property Rights, Introduction to Commercial Tradecraft, and Introduction to Bilateral Investment Treaties, virtually and on demand through its distance-learning platform.

FSI designed some of its economic and commercial diplomacy courses for a specific audience, such as ambassadors, Foreign Service Officers, or locally employed staff. For example, newly appointed ambassadors take the Ambassadorial Seminar, which includes training on such topics as the best practices in commercial advocacy and the commercial practices of competitor nations.<sup>6</sup> Foreign Service Officers take courses in Political/Economic Tradecraft and Commercial Tradecraft. These courses last from 5 to 15 days and cover such topics as the resources available to officers to support U.S. businesses overseas and how to conduct commercial advocacy with U.S. agency representatives, the private sector, and industry associations. Locally employed staff take the Locally Employed Staff Economic Training course, which includes such topics as trade agreement compliance and commercial advocacy.

Outside of FSI, State's EB and regional bureaus also provide some training in economic and commercial diplomacy to State personnel, according to State officials. In addition, Commerce provides some training for State personnel in this area. For example, EB, in coordination with Commerce, organizes training on the Commerce-State Partnership Post Program and the interagency Deal Team initiative. Regional bureaus also

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<sup>5</sup>FSI officials said that they prioritized moving courses to a virtual platform in response to the COVID-19 pandemic.

<sup>6</sup>According to FSI officials, FSI updated and expanded the economic and commercial diplomacy content of the Ambassadorial Seminar in February 2020 in response to CABDA. FSI officials said that this update included an added session on other nations' commercial practices, a case study and discussion, and a panel with former ambassadors on lessons learned and best practices in commercial advocacy.

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coordinate with EB and other agencies to organize periodic events that may incorporate economic and commercial training, including some related to the Deal Team initiative, as well as webinars and conferences. Finally, Commerce's Trade Promotion Coordinating Committee Secretariat contributes to FSI's Ambassadorial Seminar and conducts export promotion training for federal, state, and local government officials.

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## State's Economic and Commercial Diplomacy Training Reflects Elements of Effective Training Programs, but Its Approach Has Weaknesses

### State Has Taken Some Important Steps to Plan, Design, Implement, and Evaluate Economic and Commercial Diplomacy Training

State has taken some important steps to implement the four components of an effective federal training program—planning, design, implementation, and evaluation—into its economic and commercial diplomacy training. Below is a summary of steps State has taken related to each of these components.

#### **Planning.<sup>7</sup>**

- State has documented its overall policies and responsibilities for personnel training in the *Foreign Affairs Manual* (FAM) and *Foreign Affairs Handbooks* (FAH). For example, the FAM states that FSI has the responsibility for developing training policies and facilitating—to the extent that resources permit—necessary training for all State personnel and those of other foreign affairs agencies.<sup>8</sup> It also states that FSI's director is responsible for establishing, administering,

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<sup>7</sup>As part of the planning component for effective federal training programs, we previously identified that agencies should develop a strategic approach that establishes priorities in training to achieve agency results. The planning component of an effective training program could include establishing training goals consistent with the agency's overall mission and determining the skills and competencies its workforce needs to achieve current, emerging, and future agency goals, among other things. See [GAO-04-546G](#).

<sup>8</sup>13 FAM 101.1-1, "Policy."

evaluating, and maintaining training that meets State's needs and may provide such training to employees of other agencies.<sup>9</sup>

- FSI has also developed a *Functional Bureau Strategy*, dated August 2019, which outlines its strategic framework for training and broadly describes its plans for training and development across all of its schools and offerings. The strategy includes an objective to promote professional tradecraft skills in State's workforce. For this objective, the strategy states that FSI will identify core job-specific training for personnel over the course of a career. The strategy also contains milestones for this objective with target completion dates by the end of fiscal year 2022. Additionally, the strategy includes milestones to assess leadership and tradecraft training needs; identify areas to combine, consolidate, or modify existing training into a distance-learning format; and develop a matrix to identify core or elective courses to take during a career.
- FSI has documented its intent to analyze and document training needs, as its Policies and Standards state that each FSI school will analyze and document needs for every course and program.

#### **Design.<sup>10</sup>**

- FSI's Policies and Standards for training address the design and development of its training. For example, its Policies and Standards call for aligning course materials with learning objectives and for appropriately integrating educational technology in courses. FSI's Policies and Standards also address FSI school responsibilities for determining appropriate delivery mechanisms, deciding whether to design a course or program in-house or obtain external services, and periodically reviewing individual course materials. For example, according to FSI officials, FSI course managers conduct end-of-year

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<sup>9</sup>13 FAM 101.2-1(C), "Director of the Foreign Service Institute and the Director General of the Foreign Service and Director of Human Resources." See also 13 FAH-1 H-012, which states that FSI is responsible for establishing and administering procedures that implement departmental training policies, among other things.

<sup>10</sup>We previously identified that the design and development component of effective federal training programs involves identifying specific training initiatives that the agency will use to improve individual and agency performance. For example, an agency's design and development efforts could include ensuring training is connected to improving individual and agency performance, comparing different delivery mechanisms, and determining whether to design training programs inside the agency or obtain services from other sources, among other things. See [GAO-04-546G](#).

course reviews for each course to determine any necessary updates for individual courses.

- According to FSI officials, FSI's Economic and Commercial Studies division has seven officials involved in designing, developing, and delivering training in this area, including a division director, a deputy director, a course coordinator, three economists, and two program managers. According to FSI officials, these personnel work with stakeholders to determine course content and presentation for training on economic and commercial diplomacy.<sup>11</sup>
- Many of FSI's economic and commercial diplomacy courses have presenters or instructors who are subject matter experts from EB, Commerce, other government agencies, and the private sector, according to FSI officials. For example, Commerce provides instruction on its services as part of the Commercial Tradecraft course. In addition, some FSI courses include discussions with industry associations or representatives from the private sector.

#### **Implementation.<sup>12</sup>**

- State's FAM states that the department is fully committed to the career development of all of its employees, consistent with organizational needs, in order to improve service, increase efficiency and economy, and build and maintain a force of skilled and efficient employees.<sup>13</sup>
- To communicate information about training opportunities, FSI compiles a course catalogue published on its public website that includes information on economic and commercial diplomacy training. FSI also periodically disseminates cables advertising upcoming training.

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<sup>11</sup>For example, FSI officials said they adjusted the topics covered and added cases studies to the International Digital Economy Policy course in 2019, in consultation with subject matter experts in EB and in response to EB's launch of its Digital Economy Officers program.

<sup>12</sup>As part of the implementation component of an effective federal training program, we previously identified that agency leadership should communicate the importance of training, select personnel for training on a fair and non-discriminatory basis, and provide opportunities for personnel to self-select to participate in training programs. See [GAO-04-546G](#).

<sup>13</sup>13 FAM 101.1-1, "Policy."

- The FAM states that Civil Service and Foreign Service employees at all levels are responsible for considering training that will improve their performance and prepare them for work with more responsibilities.<sup>14</sup> State does not broadly require any tradecraft training, which includes economic and commercial diplomacy training.<sup>15</sup> Personnel generally self-enroll for non-mandatory training, in accordance with departmental policy, according to FSI officials. Employees are to apply for appropriate training based on discussions with their supervisor, career development and assignments officers, or bureau-training officer, according to FSI officials.

**Evaluation.<sup>16</sup>**

- FSI follows the Kirkpatrick New World training evaluation model in assessing its training and development programs and courses, which uses four progressive levels to evaluate training.<sup>17</sup> FSI's Policies and Standards state that its schools will evaluate all courses for participant reaction and learning (Levels 1 and 2). According to FSI officials, FSI's training evaluations (using participant surveys) conducted in fiscal years 2016 through 2019 for almost all of its courses in

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<sup>14</sup>13 FAM 101.2-2(G), "Employees."

<sup>15</sup>According to the FAM, mandatory training for State Civil Service and Foreign Service employees includes cybersecurity awareness, counterintelligence and insider threat, records management, protecting personally identifiable information, the "No FEAR" Act, new employee orientation, annual ethics, promoting international religious freedom, and preventing harassment at State. 13 FAM 301.1, "Mandatory Security Training for All Department Employees," and 13 FAM 301.2, "Mandatory Training for Direct-Hire Employees." Specific leadership and management training is also mandated for supervisors and personnel preparing to go abroad. 13 FAM 301.3, "Mandatory Supervisory Leadership and Management Training," and 13 FAM 301.4, "Mandatory Training Preparatory to Going Abroad."

<sup>16</sup>We previously identified that agencies should assess the extent to which training efforts contribute to improved performance and results, as part of the evaluation component of an effective federal training program. See [GAO-04-546G](#).

<sup>17</sup>In its January 2011 *Training Evaluation Field Guide*, the Office of Personnel Management identified the Kirkpatrick model as an industry standard to support implementation of its training evaluation regulations. This model uses the following four progressive levels of training evaluation to measure: (1) reaction, or how participants feel about various aspects of the training; (2) learning, or knowledge acquired from the training; (3) behavior, or the extent to which participants change on-the-job behavior as a result of training; and (4) results or impact, such as higher productivity, reduced cost, lower employee turnover, or improved quality of work.

economic and commercial diplomacy generally focused on participant reaction and learning levels (Levels 1 and 2).<sup>18</sup>

FSI's Policies and Standard state that its schools will develop evaluation plans using strategic criteria to determine which courses it will evaluate for changes in participant behavior and the overall impact of the training (Levels 3 and 4). FSI officials said that they generally use criteria such as potential impact of the training course on achieving the department's goals, the likelihood of access to former students for evaluation, and the availability of data to select courses for evaluation at the behavior and results levels (Levels 3 and 4). FSI evaluated one selected economic and commercial diplomacy course at the behavior level (Level 3) in fiscal years 2017 through 2019 by surveying the supervisors of some course participants.<sup>19</sup> As of September 2021, FSI officials said that FSI had not started or completed a results level evaluation (Level 4) for any of its economic or commercial diplomacy training courses. However, FSI officials also said they were working toward identifying an economic and commercial diplomacy training course for a results level evaluation (Level 4), but that it can be challenging to directly link training to impact or results.

#### State Has Not Conducted Periodic, Comprehensive Assessments of Economic and Commercial Diplomacy Training Needs

As part of the planning and design components of the training process, FSI has not conducted periodic, comprehensive assessments of economic and commercial diplomacy training needs for State's Civil Service, Foreign Service, and locally employed staff who have

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<sup>18</sup>We reviewed participant survey data from six of FSI's training courses for economic and commercial diplomacy from fiscal years 2016 through 2020, selected for having more offerings and higher attendance than other courses in this area. We found that participants generally agreed that the knowledge, skills, or attitudes they learned in the training courses would help them to be more effective. Further, participants generally agreed that they were confident they would be able to apply the content of the training courses in their work.

<sup>19</sup>The survey asked the supervisors whether the participants knew of or had used the knowledge, skills, and attitudes covered in the course. FSI officials noted that the Economic and Commercial Studies division planned to survey supervisors on course participants' behavior in fiscal year 2020 for all of the offerings of three courses, but was unable to do so because of the COVID-19 pandemic.

assignments in this area.<sup>20</sup> FSI could use such assessments to identify training gaps or areas for improvement in the content, frequency, or mode of training, as well as to prioritize types of training that it provides across the issue area, in accordance with the department's economic and commercial diplomacy training goals and objectives. It could also use the assessments to ensure that training offerings address any emerging issues affecting U.S. businesses in foreign markets. We previously identified that part of the planning process includes a front-end analysis that determines what skills and competencies staff need to meet current, emerging, and future challenges and assessing any gaps in the organization's current skills and competencies.<sup>21</sup>

In a 2011 report, we recommended that the Secretary of State direct FSI and other bureaus and offices, as appropriate, to develop and implement a plan for a systematic, comprehensive assessment process of the training needs for all State personnel.<sup>22</sup> In response to this recommendation, State in 2011 agreed that assessing training needs was a critical human resources function, and implemented an assessment process that included annual outreach to bureaus and posts and the development of action plans to respond to any training needs and priorities identified. However, FSI officials said that as of 2015, they no longer carry out this comprehensive training needs assessments process.

Although FSI officials noted that they take some steps to assess training needs, FSI has not conducted broader, comprehensive assessments of economic and commercial diplomacy training needs. Specifically, officials said that FSI generally relies on its course coordinators to review individual courses for any necessary updates as part of annual end-of-year course reviews. For economic and commercial diplomacy training, EB and FSI officials noted that FSI has also consulted periodically with

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<sup>20</sup>The scope and frequency of a comprehensive training needs assessment may vary, and agencies may determine the scope and frequency depending on factors such as available resources and time, and findings from training evaluations. See [GAO-04-546G](#).

<sup>21</sup>Front-end analysis can help agencies ensure that they have strategically focused training efforts on improving performance toward their goals. See [GAO-04-546G](#).

<sup>22</sup>GAO, *Department of State: Additional Steps Are Needed to Improve Strategic Planning and Evaluation of Training for State Personnel*, [GAO-11-241](#) (Washington, D.C.: January 2011).



EB on any necessary course-specific updates.<sup>23</sup> FSI officials added that they are in the process of consolidating several intellectual property rights distance learning courses into a single course, following discussions that they held with EB in 2016 and 2017 on FSI's course offerings in this area. Some regional bureau officials indicated that FSI officials have also reached out to them to discuss training needs regarding specific economic and commercial diplomacy topics, but not to assess broader training needs in this issue area. FSI officials said that they may consider additional training in new or emerging areas based on the priorities of the current administration or departmental priorities. For example, they noted that FSI is currently considering whether additional training may be needed on topics related to climate change. However, these efforts do not reflect a comprehensive assessment of training needs for the department's Foreign Service, civil service, and locally employed staff with responsibilities for the issue area.

According to FSI officials, FSI is using a grant to conduct a stand-alone assessment of commercial advocacy training needs for ambassadors, deputy chiefs of mission, and principal officers.<sup>24</sup> According to FSI officials, this assessment intends to evaluate the effectiveness of existing commercial advocacy training for ambassadors, deputy chiefs of mission, and principal officers; identify needed modifications; and suggest any needed additional training in this area. FSI officials noted that the assessment began in July 2021 and would take 6 to 9 months to complete. However, the assessment is only a stand-alone effort focused on assessing training needs for a portion of State's personnel who have economic and commercial diplomacy responsibilities.

FSI officials said they do not have plans to conduct any periodic, comprehensive assessments of economic and commercial diplomacy training needs beyond this stand-alone effort for department leadership. FSI officials stated that periodic, comprehensive assessments of economic and commercial diplomacy training needs are unnecessary because they already offer a range of courses in this area and that, in

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<sup>23</sup>According to EB officials, the Civil and Foreign Service Economic Career Board, established in 2014 to support State personnel working on economic issues, hosts quarterly meetings focused on economic policymaking and career development. EB officials said that previous board meetings had included discussion on FSI training issues, external fellowship and training opportunities, and development of multilateral negotiating expertise among staff working in economic and commercial diplomacy.

<sup>24</sup>According to FSI officials, FSI received a grant for \$106,000 from the Una Chapman Cox Foundation to hire a contractor to conduct this needs assessment.

their view, their current efforts focused on individual course updates are sufficient. Officials also added that comprehensive training needs assessments can require significant resources and time. However, without conducting periodic comprehensive training needs assessments, FSI cannot be assured that it is appropriately prioritizing its training resources or adequately addressing any needs in new or emerging issue areas, including any needs that may not relate directly to current administration or departmental priorities. For example, The American Academy of Diplomacy in a 2016 report stated that State needed to assess the most efficient and effective way to expand and deepen its economic and commercial diplomacy training programs, among other things. It also identified a particular need to customize this training on emerging, crosscutting issues. In addition, the Academy in a 2017 report identified potential economic and commercial diplomacy training needs for State in areas ranging from innovative financing mechanisms and franchising, to private sector perspectives on managing issues such as globalization and competition.<sup>25</sup> FSI officials indicated that their current offerings generally already address many of the topics suggested by the Academy. However, without conducting a comprehensive assessment of training needs, State lacks reasonable assurance that its strategic approach to training its personnel in this area is sufficient to address the department's goals and objectives for supporting U.S. businesses in foreign markets.

#### State Lacks Career Guidance on Competencies and Training for Economic and Commercial Diplomacy

As part of the design and implementation components of the training process, State has not developed clear and readily accessible career guidance for its Civil Service, Foreign Service, and locally employed staff in economic and commercial diplomacy assignments that identifies their required competencies and training. We previously identified that well-designed programs are linked to the employee skills and competencies an agency needs to perform effectively.<sup>26</sup> Moreover, federal internal control standards state that management should establish expectations of

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<sup>25</sup>See American Academy of Diplomacy and Una Chapman Cox Foundation, *Support for American Jobs, Part I: Requirements for Next-Generation Commercial Diplomacy Programs*, and *Support for American Jobs, Part II: A New Government-Business Partnership for Commercial Diplomacy*.

<sup>26</sup>[GAO-04-546G](#).

competence for key roles, and communicate quality information to enable personnel to perform those roles in achieving objectives.<sup>27</sup>

According to State's FAM, State bureau training officers are responsible for developing a bureau career guide outlining the profiles of major occupations within their respective bureau, including descriptions of the knowledge, skills, and abilities needed for each occupation and grade.<sup>28</sup> However, neither EB nor FSI has developed such guidance identifying the competencies and training needed for staff in economic and commercial diplomacy positions. According to EB officials, EB—the lead on economic and commercial diplomacy efforts—has three employees who perform the responsibilities of bureau training officer but has not developed any career guidance. FSI officials told us that FSI had once compiled guidance on training for some occupational categories, but no longer does so.

FSI and GTM have developed some career guidance, but it is not specific to economic and commercial diplomacy. In April 2021, FSI's Economic and Commercial Studies division updated a one-page document that lists relevant training for economic officers to consider completing throughout the course of a career and was in the process of posting it to its internal website as of September 2021. However, this document is not specific to economic and commercial diplomacy training and does not provide information on the knowledge, skills, and abilities that staff responsibilities in this area need by occupation and grade. GTM has developed such career guidance for other positions, such as Foreign Affairs Officers. We reviewed an example career guide that GTM compiled for Foreign Affairs Officers and found it included information on competencies, formal training, and general training ideas and resources for each occupation level within that position category.

Instead of written career guidance, State officials said they use other means to communicate the needed skills, knowledge, and abilities for positions in economic and commercial diplomacy. EB officials said that they generally rely on broader Office of Personnel Management and State

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<sup>27</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: September 2014).

<sup>28</sup>13 FAM 101.2-2(D)(1), "Bureau Training Officers." Bureau training officers are also responsible for identifying employee training needs and providing information on training opportunities, among other things. For the purposes of this report, we refer to the bureau career guides as career guidance.

guidance on training.<sup>29</sup> This guidance, however, is not specific to the competencies and training for economic and commercial diplomacy. EB and FSI officials also stated that State personnel generally receive information on training for economic and commercial diplomacy from FSI's course catalogue or from information sessions and training advertisements. FSI officials added that Foreign Service officers might also receive advice on such training in State's orientation training.<sup>30</sup> They noted that because State does not require tradecraft training, personnel are generally responsible for identifying the training they need for their positions. However, State's reliance on advice and information sessions and the course catalogue, which lists training offerings in economic and commercial diplomacy but provides no guidance on appropriate training by employee category, level, assignment, or location, may be insufficient to ensure that personnel with responsibilities in this area have clear and standard information on the competencies and training they need to perform effectively. Without clearly communicating such information, State risks that its personnel may not acquire or maintain the necessary knowledge, skills, and abilities to achieve results.

#### State Has Not Consulted with External Stakeholders on the Impact of Economic and Commercial Diplomacy Training

As part of the evaluation component of the training process, FSI has not directly consulted with external stakeholders, such as Commerce or the private sector, on whether State's economic and commercial diplomacy training is achieving the desired impact. The American Academy of Diplomacy in a 2017 report suggested that enhanced cooperation between State and Commerce and more input obtained directly from U.S. businesses on training would help bolster U.S. economic and commercial

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<sup>29</sup>For example, EB officials noted that Office of Personnel Management guidance on training and development can be found at the following website, accessed October 8, 2021, <https://www.opm.gov/policy-data-oversight/training-and-development/>. State also provides general guidance on various training-related issues, although it does not broadly require any tradecraft training, which includes economic and commercial diplomacy training, as discussed above.

<sup>30</sup>FSI also offers consultation sessions for Foreign Service Officers, upon request by the officer, with the Economic and Commercial Studies division director to assist the officers with determining which economic and commercial diplomacy courses they should complete for current and future assignments.

diplomacy efforts.<sup>31</sup> We previously identified that agencies need to ensure that they incorporate a wide variety of stakeholder perspectives in assessing the impact of training on employee and agency performance.<sup>32</sup> We also identified stakeholder involvement and partnerships with other agencies as core characteristics that can help agencies keep abreast of current practices and contribute to an effective training program.<sup>33</sup>

According to FSI and ITA officials, FSI has taken some steps to coordinate with Commerce on training by meeting to share information, but their discussions have not addressed economic and commercial diplomacy training strategy or impact. Specifically, officials from FSI met with Commerce officials from ITA in February 2021 to discuss training programs of mutual interest, such as their language and economic and commercial diplomacy training. FSI and ITA officials said they agreed to explore the possibility of more interaction as they complete their orientation programs. However, FSI's discussions with Commerce did not address broader training strategy or impact, and ITA officials stated that FSI and Commerce had not made further plans to meet as of November 2021.

FSI officials also said that they do not consult with private sector entities, such as U.S. businesses, business groups, or trade associations, regarding whether FSI's economic and commercial diplomacy training is achieving the desired impact. Officials from two overseas U.S. business councils told us that State could improve its training to help U.S. embassy officials better understand and operate in foreign business cultures. FSI officials said they rely on subject matter experts, primarily from EB, to obtain and share any information that they might gather indirectly from private sector contacts. The officials added that they had conducted outreach to solicit private sector input for specific courses and course updates. They said they had also obtained private sector entities' perspectives on courses when they had a role in delivering training. However, FSI has not established a mechanism to consult directly with external stakeholders—including private sector entities already involved

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<sup>31</sup>American Academy of Diplomacy and Una Chapman Cox Foundation, *Support for American Jobs, Part II: A New Government-Business Partnership for Commercial Diplomacy*.

<sup>32</sup>[GAO-04-546G](#).

<sup>33</sup>[GAO-04-546G](#). Federal internal control standards state that management should communicate with external parties so that they can help an agency achieve its objectives. See [GAO-14-704G](#).

in FSI courses and potential contacts identified through consultation with EB—as well as Commerce, on whether its broader economic and commercial diplomacy training is achieving the desired impact. Without such a mechanism, FSI lacks a reasonable assurance that it is obtaining appropriate perspectives and feedback from external stakeholders on whether the department is equipping staff with the necessary training and competencies to support U.S. businesses effectively in foreign markets.

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## Conclusions

State personnel, including Civil Service, Foreign Service, and locally employed staff overseas, conduct a range of activities at home and abroad to promote U.S. commercial interests and to create an environment for U.S. businesses to enter or expand in foreign markets. CABDA includes provisions for State, with assistance from Commerce, other U.S. agencies, and the private sector, to enhance economic and commercial diplomacy efforts, including training. State offers a variety of training for its employees involved in economic and commercial diplomacy, which incorporates some important elements of effective federal training programs. However, we have identified some weaknesses in State's training efforts. First, without conducting periodic, comprehensive training needs assessments, State lacks reasonable assurance that it has an adequate strategic approach for prioritizing training across the economic and commercial diplomacy issue area, as well as for determining the appropriate content, frequency, and method for its training offerings, to meet the current and future needs of its personnel and the department. Second, without developing career guidance on required competencies and training for these employees, State cannot ensure they have clear and readily accessible information on the necessary knowledge, skills, and abilities, as well as appropriate training, for their work. Third, without a mechanism to consult with external stakeholders about whether this training is achieving the desired impact, State lacks reasonable assurance that it is obtaining appropriate feedback from these entities on whether its personnel engaged in economic and commercial diplomacy are adequately equipped to support U.S. businesses in foreign markets.

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## Recommendations for Executive Action

We are making the following three recommendations to the Secretary of State:

The Secretary of State should ensure that the Foreign Service Institute develops and implements a process to conduct periodic, comprehensive assessments of training needs across the economic and commercial diplomacy issue area. (Recommendation 1)

The Secretary of State should ensure that the Bureau of Economic and Business Affairs, in collaboration with the Foreign Service Institute and other bureaus as appropriate, develops career guidance on competencies and training for the State Civil Service, Foreign Service, and locally employed staff with roles in economic and commercial diplomacy. (Recommendation 2)

The Secretary of State should ensure that the Foreign Service Institute establishes a mechanism to periodically consult with external stakeholders, including Commerce, private sector entities, and industry groups, about whether State's training programs in economic and commercial diplomacy are achieving the desired impact. (Recommendation 3)

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## Agency Comments

We provided a draft of this report for review and comment to State and Commerce. We received written comments from State, which are reprinted in appendix III and summarized below. In addition, State and Commerce provided technical comments, which we incorporated into the report as appropriate.

In State's written comments, the department concurred with the three recommendations directed at the Secretary of State. State said it recognized that the department should strengthen its economic and commercial diplomacy training efforts, including through continued assessments of training needs, additional career guidance for State personnel, and further consultations with external stakeholders. State added that it planned to take actions to implement the three recommendations, including developing career guidance on competencies and training for State personnel with roles in economic and commercial diplomacy. In addition, State said that it plans to engage with private sector and industry groups on training through a stakeholder advisory group that it is establishing as required by CABDA.

We are sending copies of this report to the appropriate congressional committees, the Secretaries of State and Commerce, and other interested

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parties. This report will also be available at no charge on our website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-8612 or [gianopoulosk@gao.gov](mailto:gianopoulosk@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 major contributions to this report are listed in appendix IV.

A handwritten signature in black ink that reads "Kimberly Gianopoulos". The signature is written in a cursive, flowing style.

Kimberly Gianopoulos  
Director, International Affairs and Trade



## Appendix I: Objectives, Scope, and Methodology

The Championing American Business Through Diplomacy Act of 2019 (CABDA) includes provisions focused on the efforts of the Department of State, together with the Department of Commerce, to support U.S. businesses abroad through economic and commercial diplomacy.<sup>1</sup> CABDA includes a provision for us to report on several issues related to State's and Commerce's efforts in this area. This report describes State and Commerce activities and staff resources for economic and commercial diplomacy, and assesses the economic and commercial diplomacy training that State<sup>2</sup> provides for relevant personnel against GAO criteria for effective federal training programs.<sup>3</sup>

To describe how State and Commerce support U.S. businesses overseas through economic and commercial diplomacy activities, we reviewed documentary and testimonial information on the economic and commercial diplomacy activities<sup>4</sup> that the agencies implemented in fiscal years 2016 through 2020. We obtained this information from State's Bureau of Economic and Business Affairs (EB), Bureau of Global Talent Management (GTM), and regional bureaus, and from Commerce's International Trade Administration (ITA), National Telecommunications and Information Administration, U.S. Patent and Trademark Office, and

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<sup>1</sup>The Championing American Business Through Diplomacy Act of 2019, Div. J, Title VII of the Further Consolidated Appropriations Act, 2020, Pub. L. No. 116-94, 133 Stat. 3069-76 (Dec. 20, 2019) (CABDA).

<sup>2</sup>This report does not address the economic and commercial diplomacy training that Commerce provides for its personnel.

<sup>3</sup>See GAO, *Human Capital: A Guide for Assessing Strategic Training and Development Efforts in the Federal Government*, [GAO-04-546G](#) (Washington, D.C.: March 2004).

<sup>4</sup>According to our review of relevant legislation, State and Commerce documents and interviews, and background research conducted for this report, there is no specific definition for "economic and commercial diplomacy." For the purposes of this report, we broadly refer to State and Commerce economic and commercial diplomacy activities as efforts to promote U.S. economic and commercial interests abroad and to create an enabling environment for U.S. businesses to enter or expand in an overseas market. Given the interrelated nature of activities and the lack of clear definitions, we do not divide the activities into separate categories (such as economic diplomacy versus commercial diplomacy). Rather, we generally refer to "economic and commercial diplomacy" activities.

Commercial Law Development Program, among others. We focused on activities that State and Commerce identified as key to their efforts to support U.S. businesses seeking to enter or expand in overseas markets.<sup>5</sup> We provided draft lists of activities to State and Commerce for review, and incorporated any suggested edits, as appropriate. We summarized the types of activities that the agencies carry out by organizing them into three broader categories: foreign government engagement and policy advocacy; information-sharing, guidance, and individual services for U.S. businesses; and project awards.

To describe the staff resources that State and Commerce provide for these efforts, we analyzed State and Commerce data on the number of Civil Service, Foreign Service, and locally employed staff overseas by region with full- or part-time roles and responsibilities in economic and commercial diplomacy in fiscal years 2016 through 2020.<sup>6</sup> Because of some differences between how Commerce and State organize overseas countries by region, we used State's organization in analyzing both sets of data. To assess the reliability of the State and Commerce staff data, we reviewed the data and interviewed agency officials, including officials from GTM and from ITA's Global Markets and the U.S. and Foreign Commercial Service (GM/CS), to identify any missing or erroneous data and resolve any discrepancies.

For data on State's headquarters-based staff within EB, we included data on all of EB's Civil Service and Foreign Service staff as having full- or part-time economic and commercial diplomacy responsibilities, since State officials told us that each of EB's seven offices had significant roles in this area. For State's overseas staff data, GTM provided data on overseas staff assigned to selected economic and commercial "skill

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<sup>5</sup>We did not assess potential fragmentation, duplication, or overlap in State and Commerce economic and commercial diplomacy activities, as those issues were not within the scope of our review.

<sup>6</sup>Data for State's Civil Service, Foreign Service, and locally employed staff are for the end of April in each fiscal year. According to State GTM officials, mid-year data generally provide information on the overseas Foreign Service workforce that is more accurate, since these personnel often rotate toward the end of the fiscal year, which could cause vacancies or fluctuations in the data. According to Commerce ITA officials, data for Global Markets and the U.S. and Foreign Commercial Service's (GM/CS) Civil Service and Foreign Service staff are also for the end of April in each fiscal year. Data for GM/CS's locally employed staff overseas are for the end of each fiscal year, because historical mid-year payroll data for their locally employed staff were not available.

codes.”<sup>7</sup> According to GTM officials, these personnel would generally spend a significant portion of their time on economic and commercial tasks relevant to our scope. State’s locally employed staff data may include potential gaps or excess counts for some posts in fiscal years 2019 through 2020, according to GTM officials, because overseas posts began to migrate data to a new system in 2018. Officials estimated that data by location for those years was 90 percent to 95 percent accurate. In March 2021, GTM officials noted that they were working to resolve the issues and expected to complete the migration to the new system in the next year or two. For the purposes of this report, to account for potential gaps or excess counts in the locally employed staff data, we reported the annual average by region in fiscal years 2016 through 2020. We determined that this approach was sufficient to provide approximate information on the number of State Civil Service, Foreign Service, and locally employed staff with full- or part-time roles and responsibilities in this area, by region, in this period.

For Commerce staff data, we reported data on staff that Commerce components identified as having significant full- or part-time roles in this area. For Commerce’s overseas staff data, according to ITA officials, ITA was not able to provide staff data by overseas post because its systems were not capable of readily tracking staff numbers by overseas post location until 2020. However, according to ITA officials, they were able to review and correct any errors in the overseas staff data by communicating with overseas posts, to provide us with reliable overseas staff data by country for fiscal years 2016 through 2020. We determined that the Commerce staff data were sufficiently reliable to provide information on the number of Commerce staff with full- or part-time roles and responsibilities in this area by country and region.

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<sup>7</sup>The “skill codes” that GTM selected for the purposes of our report were Economics; Finance and Economic Development; Economic Resources and Commodities; Political Affairs; Labor Affairs; Environment, Science, and Technology; Political and Economic Affairs; International Relations; and Rotational Officer.

To examine State’s economic and commercial diplomacy training for relevant personnel, we reviewed provisions in CABDA related to training<sup>8</sup> as well as information and data regarding relevant State economic and commercial diplomacy training policies, procedures, and practices for its Civil Service, Foreign Service, and locally employed staff in fiscal years 2016 through 2020.<sup>9</sup> We obtained documentary and testimonial information and data from State’s Foreign Service Institute (FSI), as well as from EB, GTM, and regional bureaus. These data and information included portions of the *Foreign Affairs Manual* and *Foreign Affairs Handbooks* that describe State’s general training policies, authorities, and responsibilities. We also reviewed training policies and standards from FSI. To determine whether FSI’s economic and commercial diplomacy training included elements required in CABDA, such as information on the services that various government agencies offer to U.S. businesses operating overseas, we reviewed FSI course schedules and syllabi as well as lists of course presenters. To identify any gaps or areas for improvement in State’s training in this area, we compared State’s training practices in economic and commercial diplomacy to the four components of an effective federal training process identified in GAO criteria: planning, design, implementation, and evaluation.<sup>10</sup> We provided State with a draft summary of the information gathered for each of the four components for review and technical comments.

We analyzed FSI data to determine the frequency of course offerings in economic and commercial diplomacy and the number of staff who participated in courses during this period. We focused on courses that

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<sup>8</sup>Sec. 705(d) of CABDA, which directed the Secretary of State, with the assistance of other relevant officials and the private sector, to establish as part of the standard training for economic and commercial officers of the Foreign Service, chiefs of mission, and deputy chiefs of mission, training on matters related to economic and commercial diplomacy. It directed specific attention on areas such as market access, commercial advocacy, and U.S. foreign economic policy. According to our review of relevant legislation and agency guidance, and according to State and Commerce officials, there is no definition for “economic and commercial officers” or “commercial officers.” State and Commerce officials informed us that in their view, this section applies only to State Foreign Service Officers with economic and commercial diplomacy responsibilities, and not to Commerce’s Foreign Service Officers—generally referred to as Foreign Commercial Service Officers—within the International Trade Administration’s (ITA) Global Markets and the U.S. and Foreign Commercial Service (GM/CS). State and Commerce officials added that Commerce is responsible for training its personnel in this area.

<sup>9</sup>For the purposes of this report, we generally refer to State’s training on topics related to economic and commercial diplomacy, including courses that focus on or partially address these issues, as “economic and commercial diplomacy training.”

<sup>10</sup>See [GAO-04-546G](#).

FSI identified as being relevant to economic and commercial diplomacy. Some of these courses address economic and commercial diplomacy as well as other training topics. We compared FSI's list of courses with the course descriptions in FSI's public course catalog to identify any other courses that might contain relevant training, and followed up with FSI to ensure that our list of relevant courses was complete and accurate. We also reviewed survey data from course participants' evaluations for selected FSI courses on economic and commercial diplomacy offered in fiscal years 2016 through 2020. Specifically, we requested the participant evaluation survey data for six courses, selected from ones that had State leadership as the intended audience, had multiple offerings, or had higher attendance numbers. We determined that these data were sufficiently reliable to provide general information on personnel participation in relevant training and the frequency of course offerings during this period, as well as general feedback regarding participant reaction and learning for selected courses. We also reviewed information from a survey of supervisors of course participants, from fiscal years 2016 through 2020, for the one course in economic and commercial diplomacy for which FSI conducted a survey. We determined that this information was sufficient evidence that FSI had conducted an evaluation of such a training course at the supervisory level.

We conducted this performance audit from April 2020 to December 2021 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 our findings provide a reasonable basis for our findings and conclusions based on our audit objectives.

## Appendix II: Departments of State and Commerce Economic and Commercial Diplomacy Activities

Table 5 provides a description of the activities that State officials identified as key to the department’s efforts to support U.S. businesses overseas through economic and commercial diplomacy. These activities range from foreign government engagement and policy advocacy on trade issues, to *Investment Climate Statements* published on State’s website with business climate information for more than 170 economies worldwide, and project awards for overseas post efforts to support U.S. businesses in foreign markets.

**Table 5: Description of Key Department of State Economic and Commercial Diplomacy Activities, Fiscal Years 2016–2020**

Category	Activity	Description	Agency component(s)
<b>Foreign government engagement and policy advocacy</b>	Foreign government engagement and policy advocacy on trade issues	State conducts policy analysis and engages with foreign governments on business climate issues ranging from anticorruption and fiscal transparency, to intellectual property enforcement, to promoting the adoption of U.S. investment and infrastructure quality standards, to women’s economic empowerment.	Bureau of Economic and Business Affairs (EB) (lead), regional bureaus, and overseas posts
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	<i>Investment Climate Statements</i>	<i>Investment Climate Statements</i> (ICS), published on State’s website, provide U.S. businesses with information on the business climate in over 170 economies worldwide. Foreign Service officers at posts draft the ICS, with guidance from EB’s Office of Investment Affairs.	EB (lead), overseas posts
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Interagency Deal Team tracking of overseas business prospects	Interagency “Deal Teams” at overseas posts and in Washington, D.C., track and compile information for U.S. businesses on overseas deal prospects. State and the Department of Commerce jointly lead the Deal Team initiative. Various other U.S. government agencies with roles in export promotion and financing participate in the effort.	EB (lead), regional bureaus, relevant functional bureaus, and overseas posts (joint with Commerce)
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Direct Line calls with U.S. Ambassadors	The Direct Line program holds webcasts or conference calls to provide an opportunity for U.S. ambassadors at overseas posts to share information with U.S. businesses on business opportunities at posts. State held 11 to 27 Direct Line events annually in fiscal years 2016 through 2020.	Overseas posts (lead), EB

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<b>Category</b>	<b>Activity</b>	<b>Description</b>	<b>Agency component(s)</b>
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Assistance for U.S. businesses on trade issues	Overseas posts may assist U.S. businesses with understanding and navigating trade procedural issues in foreign markets, such as customs or shipping issues, particularly where Global Markets and the U.S. and Foreign Commercial Service (GM/CS) is not present. Commerce and State have a collaborative agreement—the Commerce-State Partnership Post program—that allows for State Economic sections at participating posts to provide U.S. government business support services, including GM/CS-branded services and other export assistance, in countries where GM/CS is not physically present. <sup>a</sup>	Overseas posts (lead), EB, regional bureaus
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Innovation Roundtables	Innovation Roundtables provide an opportunity for U.S. government officials and the U.S. private sector to discuss emerging technologies and Information and Communication Technology issues, to foster the establishment of professional networks and promote U.S. global technology innovation. State held 11 roundtables from July 2018 through September 2020.	EB
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Providing Opportunities for Women’s Economic Rise (POWER) initiative events for women business leaders	POWER helps coordinate bilateral economic policy dialogues on topics related to women’s economic empowerment; the initiative supported six such dialogues in fiscal years 2019–2020. POWER also supports overseas post events such as workshops for U.S. and foreign women business leaders to develop partnerships and foster opportunities for trade and investment in emerging markets. Posts held nine such events from September 2019 through September 2020.	EB (lead), overseas posts
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Information on commercial diplomacy tools for business on State’s website	State publishes information on tools and resources that may be of interest to U.S. businesses entering or expanding in overseas markets, such as its Direct Line program, as well as information on other U.S. government agency resources available to U.S. businesses.	EB
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Business Information Database System (BIDS)	State provides information for U.S. businesses through its publicly available BIDS website on leads and commercial investment opportunities listed with multilateral development banks. Leads come from overseas posts and multilateral development banks.	EB (lead), overseas posts
<b>Project awards</b>	Business Facilitation Incentive Fund projects	State provided about \$440,000 to \$650,000 annually in calendar years 2016–2019 for about 80 to 140 projects implemented by posts to support U.S. trade promotion overseas, according to EB officials. <sup>b</sup> Funding has supported commercial and trade promotion activities to facilitate U.S. exports and improve the overseas business climate and regulatory environment. Such activities include support for trade missions and business exchange events, and training for overseas staff to build commercial tradecraft skills and expertise.	EB (lead), overseas posts

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<b>Category</b>	<b>Activity</b>	<b>Description</b>	<b>Agency component(s)</b>
<b>Project awards</b>	Agricultural Biotechnology Outreach Fund projects	State provided about \$400,000 to \$480,000 annually in fiscal years 2016–2019 to fund about 20 to 30 projects implemented by posts, such as workshops and roundtables related to promoting the development and expansion of regulations for U.S. biotechnology crops that support U.S. exports and food security, according to EB officials. <sup>c</sup>	EB (lead), overseas posts
<b>Project awards</b>	Intellectual Property Enforcement Public Diplomacy Program	State provided about \$10,000 to \$40,000 annually in fiscal years 2016–2019 for activities such as conferences or workshops implemented by one to eight posts, to bring awareness to intellectual property rights, generally in observance of World Intellectual Property Day, according to EB officials. <sup>d</sup>	EB (lead), overseas posts

Source: GAO analysis of State documents and testimonial information on activities that the agency identified as key to its efforts to support U.S. businesses overseas through economic and commercial diplomacy. | GAO-22-104181

<sup>a</sup>Global Markets and the U.S. and Foreign Commercial Service (GM/CS) within Commerce’s International Trade Administration has the lead on commercial services at overseas posts where it is present. As of June 2020, 64 posts were designated as Partnership Posts under the Commerce-State Partnership Post program, primarily in sub-Saharan Africa.

<sup>b</sup>State approved 66 Business Facilitation Incentive Fund projects for calendar year 2020, but most of them were canceled because of the COVID-19 pandemic, according to EB officials.

<sup>c</sup>EB officials noted that State provided about \$160,000 for nine Agricultural Biotechnology Outreach projects in fiscal year 2020. According to State officials, EB began providing funding to overseas posts for agricultural biotechnology outreach efforts in response to a report from the Senate Committee on Appropriations accompanying the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriation Bill, 2002. S. Rep. No. 107-42, at 127 (2001).

<sup>d</sup>State provided about \$2,200 for Intellectual Property Enforcement Public Diplomacy program activities implemented by two posts in fiscal year 2020, according to EB officials.

Table 6 provides a description of the activities that Commerce officials identified as key to the department’s efforts to support U.S. businesses overseas through economic and commercial diplomacy. These activities range from offering webinars, seminars, and conferences to share information and foster networking opportunities for U.S. businesses in foreign markets, to counseling U.S. businesses on exporting, and conducting market checks and research on business sector opportunities and market conditions at overseas posts.<sup>1</sup>

<sup>1</sup>According to ITA officials, ITA also made up to \$500,000 in funding available in fiscal year 2020 to support strategic projects implemented by officials across ITA related to increasing exports and market access, as well as advancing U.S. foreign and economic policy objectives, among other areas. ITA officials stated that some projects approved in fiscal year 2020 were delayed, canceled, or modified because of the COVID-19 pandemic, however, at least two projects had been completed and nine projects were in process as of September 2021.



**Appendix II: Departments of State and  
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**Table 6: Description of Key Department of Commerce Economic and Commercial Diplomacy Activities, Fiscal Years 2016–2020**

<b>Category</b>	<b>Activity</b>	<b>Description</b>	<b>Agency component(s)</b>
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Information-sharing and self-servicing for U.S. businesses on the International Trade Administration’s website	As of December 2020, U.S. businesses were able to self-serve on ITA’s website to learn how to export, obtain market intelligence, resolve trade problems, and determine what U.S. government assistance is available to them, including financing.	ITA (GM/CS, I&A, E&C)
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Country Commercial Guides	Country Commercial Guides, published on ITA’s website and generally updated annually, provide information for U.S. businesses on market conditions, industry sector opportunities, standards and regulations, intellectual property protection, and trade and project financing at more than 120 overseas posts. ITA oversees the compilation of guides for those overseas posts where GM/CS has a presence, as well as for the majority of Commerce-Department of State “Partnership Posts.” <sup>a</sup>	GM/CS
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Webinars, seminars, and conferences	ITA organizes a range of webinars, seminars, and national or international conferences to share information and foster networking opportunities for U.S. businesses overseas. Topics addressed range from export mechanics to foreign market opportunities and conditions. Some events are provided for a fee.	GM/CS, I&A
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Interagency Deal Team tracking of overseas business prospects	Interagency “Deal Teams” at overseas posts and in Washington, D.C., track and compile information for U.S. businesses on overseas deal prospects. State and Commerce jointly lead the Deal Team initiative. Various other U.S. government agencies with roles in export promotion and financing participate in the effort.	ITA/TPCC Secretariat (lead), GM/CS, I&A (joint with State)
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Counseling for U.S. businesses	U.S. businesses interested in entering a global market or expanding overseas may receive export counseling from GM/CS headquarters regional offices, trade specialists at domestic U.S. Export Assistance Centers, as well as from international staff located at overseas posts. Topics addressed may include business planning and strategy; legal and regulatory issues; trade problems, such as customs issues or trade barriers; and trade finance opportunities.	ITA (GM/CS [lead], I&A), the Office of the Secretary
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Trade missions organized and led by Commerce (fee-based)	Commerce organizes and leads overseas trade missions for U.S. businesses to pursue trade leads, partnering opportunities, and international sales. Activities may include one-on-one meetings with industry executives and foreign government officials, networking events with local industry groups overseas, briefings and roundtables with the legal and business community on local business practices and opportunities, and site visits. <sup>b</sup>	ITA (GM/CS [lead], I&A, TPCC Secretariat), the Office of the Secretary

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<b>Category</b>	<b>Activity</b>	<b>Description</b>	<b>Agency component(s)</b>
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Market checks and research (fee-based)	Posts provide market intelligence, analysis, and reports on best-prospect sectors, sector opportunities, business climate, and market conditions in support of U.S. businesses overseas.	GM/CS
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	International company profile (fee-based)	Posts can provide basic or in-depth background check information on a foreign company to help determine its suitability as a partner for a U.S. business. For example, posts can assist with an investigation that includes checks on the local company's background, ownership and management; legitimacy of finances, properties and leases; corporate social responsibilities; and any litigations and claims involving the company.	Overseas posts
<b>Information-sharing, guidance, and individual services for U.S. businesses</b>	Customized support (fee- or non-fee-based)	U.S. businesses may receive customized support, which may include a range of services relevant to commercial diplomacy, tailored to the needs of the business. For example, support may include export counseling, assistance with navigating customs and documentation issues, international market research, advocacy, business matchmaking, background research on prospective foreign partners, and trade mission support.	GM/CS
<b>Foreign government engagement and policy advocacy</b>	Government-to-government engagement and policy advocacy	ITA provides government-to-government engagement and policy advocacy to break down market access barriers, support a "level playing field," and assist U.S. businesses with trade barriers or countering foreign government discriminatory practices.	GM/CS, I&A, E&C
<b>Foreign government engagement and policy advocacy</b>	Telecommunications and information policy advocacy	The National Telecommunications and Information Administration (NTIA) develops telecommunications and information policy and advocates on behalf of U.S. commercial interests on issues related to the internet economy, including online privacy, copyright protection, cybersecurity, and the global free flow of information online.	NTIA, ITA
<b>Foreign government engagement and policy advocacy</b>	U.S. intellectual property (IP) protection and enforcement	The U.S. Patent & Trademark Office (USPTO) advocates for appropriate IP enforcement and protection systems around the world; helps U.S. stakeholders navigate IP landscapes in foreign markets; provides technical support on trade negotiations; and provides capacity building to help strengthen foreign IP protection and enforcement systems, to benefit U.S. businesses in those markets. USPTO also advocates for U.S. IP positions at the World Intellectual Property Organization.	USPTO
<b>Foreign government engagement and policy advocacy</b>	Legal technical assistance and capacity building for foreign governments	The Commercial Law Development Program (CLDP) provides legal technical assistance and capacity building for foreign governments on commercial law areas including energy, insolvency, contract enforcement, government procurement, trade remedies, and intellectual property. CLDP programs aim to help U.S. companies increase exports by reducing burdensome regulations and developing the purchasing power of host-country consumers.	CLDP

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<b>Category</b>	<b>Activity</b>	<b>Description</b>	<b>Agency component(s)</b>
<b>Project awards</b>	Market Development Cooperator Program (MDCP) financial & technical assistance	MDCP awards up to \$300,000 to trade associations and other non-profit industry groups to support multi-year projects that help U.S. businesses to export, according to ITA officials. Projects may include activities such as capacity building for U.S. businesses on market or industry intelligence, support for trade shows, and technical seminars targeted to international entities to build demand for U.S. goods and services. According to ITA officials, because of funding constraints, ITA made no awards in fiscal years 2017–2019 but had 13 to 24 active projects in each of those years. ITA made 10 awards totaling \$2.8 million in fiscal year 2020.	ITA, I&A

Legend: ITA = International Trade Administration; GM/CS = Global Markets and the U.S. and Foreign Commercial Service; I&A = Industry & Analysis; E&C = Enforcement & Compliance; TPCC = Trade Promotion Coordinating Committee

Source: GAO analysis of Commerce documents and testimonial information on activities that the agency identified as key to its efforts to support U.S. businesses overseas through economic and commercial diplomacy. | GAO-22-104181

<sup>a</sup>The Commerce-State Partnership Post program is a collaborative agreement that allows for State Economic sections at participating posts to provide U.S. government business support services, including GM/CS-branded services and other export assistance, in countries where GM/CS is not physically present. As of June 2020, 64 posts were designated as Partnership Posts, primarily in sub-Saharan Africa.

<sup>b</sup>Commerce also offers certified trade missions, which are hosted by GM/CS officials at overseas posts and planned, organized, recruited, and led by private and public sector export-oriented external groups. For a fee, GM/CS posts provide guidance and agreed-upon trade promotion services to the organizer and participating U.S. businesses.

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# Appendix III: Comments from the Department of State

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of State



United States Department of State  
*Comptroller*  
Washington, DC 20520

November 23, 2021

Thomas Melito  
Managing Director  
International Affairs and Trade  
Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20548-0001

Dear Mr. Melito:

We appreciate the opportunity to review your draft report, “ECONOMIC AND COMMERCIAL DIPLOMACY: State and Commerce Implement a Range of Activities, but State Should Enhance Its Training Efforts” GAO Job Code 104181.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

Sincerely,

A handwritten signature in blue ink that reads "Jeffrey C. Mounts".

Jeffrey C. Mounts

Enclosure:  
As stated

cc: GAO – Kimberly Gianapoulos  
OIG - Norman Brown

Department of State Response to GAO Draft Report

**ECONOMIC AND COMMERCIAL DIPLOMACY: State and Commerce**  
**Implement a Range of Activities, but State Should**  
**Enhance Its Training Efforts**  
(GAO-22-104181, GAO Code 104181)

Thank you for providing the Department of State the opportunity to comment on the draft report, “*Economic and Commercial Diplomacy: State and Commerce Implement a Range of Activities, but State Should Enhance Its Training Efforts.*” As the GAO has found, the Department of State implements a range of economic and commercial diplomacy activities and offers a range of economic and commercial diplomacy courses, which incorporate the required elements of effective federal training programs. The Department of State appreciates the GAO’s recognition that the Department has taken important steps in planning, design, implementation, and evaluation of its economic and commercial diplomacy training. We recognize, as does the GAO, that the Department should continue to strengthen its training efforts, including through continued assessments of training needs, additional career guidance for State personnel, and further consultations with external stakeholders. In this regard, the Department of State appreciates and concurs with the recommendations provided by the GAO.

**Recommendation 1:** The Secretary of State should ensure that the Foreign Service Institute develops and implements a process to conduct periodic, comprehensive assessments of training needs across the economic and commercial diplomacy issue area.

**Department Response:** The Foreign Service Institute (FSI) concurs with GAO’s recommendation and has already taken steps to re-establish its pre-existing regular assessment process of its economic and commercial diplomacy training needs with the Economic Bureau and other stakeholders to review the content, frequency, and mode of training, as well as prioritize types of and topics for training across this issue area. FSI will utilize the results from this regular assessment process with the Economic Bureau to determine if a more comprehensive needs assessments of specific courses or policy topics is advisable in order to retire, amend, and/or develop courses. In addition, FSI and the Economic Bureau have initiated discussions to jointly conduct a New World Kirkpatrick Level 3 & 4 evaluation to determine whether the FSI Economic and Commercial Studies Division’s course listing, as a whole, covers needed areas of expertise.

- 2 -

**Recommendation 2:** The Secretary of State should ensure that the Bureau of Economic and Business Affairs, in collaboration with the Foreign Service Institute and other bureaus as appropriate, develops career guidance on competencies and training for the State Civil Service, Foreign Service, and locally employed staff with roles in economic and commercial diplomacy.

**Department Response:** The Bureau of Economic and Business Affairs (EB) and FSI concur with GAO's recommendation and have outlined and initiated steps to develop additional career guidance on competencies and training for State employees with roles in economic and commercial diplomacy.

The objective of the EB Professional Development Program is to provide Civil Service and Foreign Service employees with the tools necessary for successful career development. This includes providing employees with an understanding of the culture of the bureau; learning the culture of the E family; enabling the bureau to retain employees; providing them with professional development opportunities to help strengthen their performance; and providing them with a support system outside of their supervisors. The program consists of two components – a mentoring program and a monthly speaker series. In the summer of 2021, EB convened a Professional Development Working Group to provide additional resources to support the Professional Development Program. The working group meets on a regular basis to brainstorm and implement programs of value to the professional growth of EB employees.

The Bureau of Global Talent Management (GTM) is developing a Civil Service Career Mapping tool that will align competencies and skillsets needed to advance in a civil service career, as well as identify trainings and development opportunities for Civil Service Officers. This Department-wide mapping tool will cover all Civil Service Officers, including those engaged in economic and commercial issues. FSI is in the process of developing a new knowledge portal that will present course offerings in thematic groupings and by employee skill codes to make it simpler for State Department employees to identify the full range of courses appropriate for their own career development.

**Recommendation 3:** The Secretary of State should ensure that the Foreign Service Institute establishes a mechanism to periodically consult with external stakeholders, including Commerce, private sector entities, and industry groups, about whether State's training programs in economic and commercial diplomacy are achieving the desired impact.

- 3 -

**Department Response:** FSI concurs with GAO's recommendation. FSI has contacted the Department of Commerce to initiate regular meetings to discuss State's training programs in economic and commercial diplomacy, including whether those programs are achieving the desired impact. As set forth in the Championing American Business through Diplomacy Act (CABDA), a Trade and Expansion Advisory Committee (TEAC) will be established to serve as stakeholder group focused on trade expansion and commercial diplomacy initiatives. FSI and EB envision the TEAC, once created, as facilitating FSI's direct engagement with private sector and industry groups. In addition, EB, in collaboration with FSI, is exploring the potential of incorporating an evaluation question on State's training program impact in its Direct Line survey, which is provided to business entities which have received Embassy support through the Direct Line program.



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## Accessible Text for Appendix III: Comments from the Department of State

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## Appendix IV: GAO Contacts and Staff Acknowledgments

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### GAO Contact

Kimberly Gianopoulos, (202) 512-8612 or [gianopoulosk@gao.gov](mailto:gianopoulosk@gao.gov)

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### Staff Acknowledgments

In addition to the contacts named above, Emil Friberg (Assistant Director), Elisabeth Helmer (Analyst-in-Charge), Ian Ferguson, Cody Knudsen, William Tedrick, Adam Cowles, Debbie Chung, Neil Doherty, Michael Clements, Cliff Douglas, Gina Hoover, David Moser, and Alex Welsh made key contributions to this report. Rachel Girshick and Maureen Luna-Long provided technical assistance.

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