



Highlights of [GAO-11-419T](#), a testimony before the Subcommittee on State, Foreign Operations, and Related Programs, Committee on Appropriations, House of Representatives

Why GAO Did This Study

The Department of State (State) and the U.S. Agency for International Development (USAID) implement a broad range of U.S. government activities and programs overseas, including the conduct of diplomacy, development and security assistance, and efforts to combat terrorism and narcotics trafficking, among others. The President has requested approximately \$55.7 billion for State and USAID in fiscal year 2012, an increase of nearly 8 percent over fiscal year 2010 funding levels.

This testimony discusses four cross-cutting areas of U.S. foreign policy as implemented by State and USAID:

(1) investments in key partner nations, (2) building the capacity of U.S. agencies to advance foreign policy priorities, (3) contractor oversight and accountability, and (4) strategic planning and performance measurement. This statement is based on GAO's extensive body of work on foreign operations issues, including fieldwork in Iraq, Afghanistan, Pakistan, Mexico, and numerous other locations.

What GAO Recommends

GAO has made a variety of recommendations to State and USAID to help improve their foreign operations programs. In particular, GAO has recommended that agencies improve planning and performance measurement of their programs and take steps to enhance accountability of U.S. aid. State and USAID have efforts under way to implement some of these recommendations.

View [GAO-11-419T](#) or key components. For more information, contact Jacquelyn Williams-Bridgers at (202) 512-3101 or williamsbridgersj@gao.gov.

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FOREIGN OPERATIONS

Key Issues for Congressional Oversight

What GAO Found

Since 2002, the United States has invested over \$130 billion in security, economic, and governance assistance to Iraq, Afghanistan, and Pakistan. Although the administration has requested additional funding in fiscal year 2012 to assist Iraq's security forces, opportunities exist for cost-sharing given the Iraqi government's continuing budget surpluses and unexpended security budgets. Regarding Afghanistan and Pakistan, the United States has placed an increased focus on providing funding directly to the Afghan government and Pakistani organizations. This course of action involves considerable risk given the limited capacity of some prospective recipients—particularly the Afghan government—to manage and implement U.S.-funded programs, thereby highlighting the need for agency controls and safeguards over these funds.

According to the 2010 Quadrennial Diplomacy and Development Review, State and USAID are engaged in efforts to build and support a workforce that is well-matched to the foreign affairs challenges of the twenty-first century. Accomplishing this objective is critical given that GAO's work has consistently found limitations in the ability of State and USAID to ensure that they are deploying the right people to the right places at the right time. For example, State has faced persistent staffing and foreign language gaps that put the department's diplomatic readiness at risk. Similarly, GAO found that State has experienced difficulties hiring and training staff to operate and maintain its new, more sophisticated embassy compounds. State has taken some actions in response to GAO's findings. For example, in 2010, the department introduced a new pilot program to expand its cadre of Chinese speakers. State also noted in 2010 that it planned to hire additional facilities managers at embassies and consulates.

State and USAID rely extensively on contractors in Iraq and Afghanistan to support their direct-hire personnel, implement reconstruction efforts, and address workforce shortfalls such as insufficient numbers of trained agency personnel and the frequent rotations of staff posted to these countries. Robust management and oversight of contractor operations are essential in these challenging environments. However, GAO has found oversight to be inadequate at times, thus raising questions about the agencies' ability to ensure accountability for multibillion-dollar investments.

GAO's reviews of international affairs programs have repeatedly found weaknesses in agencies' strategic planning and performance measurement efforts. For example, GAO reported that State significantly expanded its Bureau of Diplomatic Security without the benefit of strategic planning to ensure that the bureau's missions and activities address the department's priority needs. Such a review is vital given that the bureau will assume full responsibility for securing all diplomatic personnel and facilities in Iraq starting in October 2011 as the U.S. military completes its drawdown. GAO also reported that State generally lacked outcome-based measures for the Mérida Initiative—a \$1.5 billion effort to provide law enforcement support to Mexico—thereby making it difficult to determine the initiative's effectiveness.