

GAO Highlights

Highlights of [GAO-14-602](#), a report to the Ranking Member, Committee on Foreign Relations, U.S. Senate

Why GAO Did This Study

Since at least 2001, the United States has provided TCB assistance to developing countries to help them participate in and benefit from global trade. Multiple agencies provide this assistance, which may include support for World Trade Organization accession, customs procedures improvement, or development of infrastructure such as ports and roads. In this report, GAO focuses primarily on USAID because it provided the most funding for TCB in fiscal year 2012 and has a formal strategy focused entirely on TCB. GAO was asked to review the strategy, which is more than a decade old. GAO was also asked to examine USAID efforts to coordinate TCB activities to ensure that the United States is fulfilling its commitment in the most effective way.

In this report, GAO (1) determines the extent to which USAID's 2003 strategy guides USAID's TCB activities and (2) describes methods USAID uses to coordinate TCB efforts with other U.S. government agencies at home and abroad. GAO analyzed agency documents, interviewed relevant officials, and conducted fieldwork in six countries in Africa and Asia, selected for their diverse stages of development and geographic locations.

What GAO Recommends

GAO recommends that the Administrator of USAID update the 2003 TCB strategy to reflect the current TCB environment. USAID agreed with the recommendation.

View [GAO-14-602](#). For more information, contact Kimberly Gianopoulos at (202) 512-8612 or GianopoulosK@gao.gov.

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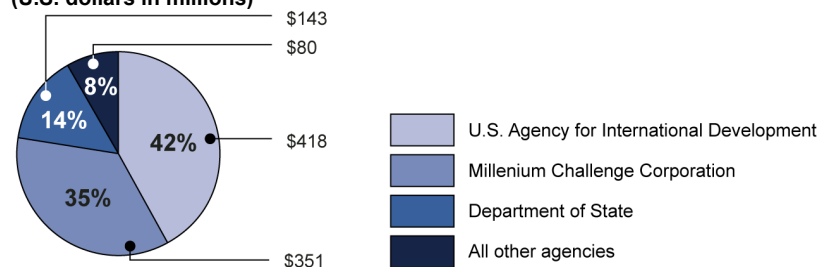
FOREIGN ASSISTANCE

USAID Should Update Its Trade Capacity Building Strategy

What GAO Found

The U.S. Agency for International Development's (USAID) 2003 trade capacity building (TCB) strategy does not directly guide TCB activities, and parts of the strategy no longer reflect the current TCB environment. USAID's TCB activities are primarily guided by country needs and many of these activities are elements of large development projects that have their own objectives. According to USAID, the strategy's priority areas—participation in trade negotiations, implementation of trade agreements, and economic responsiveness to opportunities for trade—remain relevant. However, some parts of the strategy are not current. For example, the strategy does not include discussion of how USAID should coordinate with the Millennium Challenge Corporation (MCC), which did not exist in 2003 and is a major TCB contributor (see figure). USAID officials told GAO that they had not updated the strategy because they questioned the costs and benefits of doing so given that trade resources were declining and they believed the priorities presented in the strategy were still relevant. However, USAID is still committing significant resources to TCB, and TCB contributes to goals outlined in USAID and the Department of State's joint strategic plan. USAID's TCB strategy may not be as useful as it could be for informing TCB activities because parts of it are no longer current. Moreover, directives, such as those in the Government Performance and Results Act Modernization Act of 2010, can serve as guidance for periodic updating of strategic plans.

U.S. Government Trade Capacity Building Related Obligations by Agency, Fiscal Year 2012 (U.S. dollars in millions)



Source: GAO analysis of U.S. government TCB database. | GAO-14-602

Notes: Dollar figures are rounded to the nearest million.

Other agencies include the Departments of Agriculture, Commerce, Defense, Health and Human Services, Homeland Security, Justice, Labor, and Treasury, among others.

The 2003 strategy calls for USAID to be the primary coordinator for U.S. government TCB efforts, and GAO found that USAID coordinates TCB activities at home and abroad using a range of methods, including structured and informal dialogue between stakeholders. Specifically, USAID staff report that they participate in interagency working groups and maintain ongoing discussions with counterparts from other agencies to coordinate TCB activities. For example, at headquarters USAID participates in the Trade Policy Staff Committee, an interagency working group that includes a range of stakeholders and has subcommittees on development and TCB. In the countries GAO visited, GAO found that USAID missions coordinate TCB through formal mechanisms, such as working groups, as well as informal communication.