State and Commerce Could Build on Efforts to Improve Coordination and Effectiveness

What GAO Found

The Departments of State and Commerce coordinate on economic and commercial diplomacy efforts to support the work of U.S. businesses to enter or expand in foreign markets through various programs. Through these programs, State provides Commerce services to U.S. businesses abroad in countries where Commerce’s Global Markets and U.S. and Foreign Commercial Service does not have a presence and both agencies work together to help U.S. companies secure business deals overseas.

State and Commerce signed a memorandum of understanding (MOU) and issued joint cables to formalize and facilitate their collaboration. As shown below, they incorporated some, but not all, of the leading collaboration practices into the MOU and cables. For example, the MOU indicates a broad agreement on shared roles and responsibilities, but does not clarify how the agencies will sustain leadership over the long term, which can weaken the effectiveness of the MOU. The cables document decisions at a broad level regarding leadership, resources, and roles and responsibilities, but do not establish a method for routinely monitoring and updating the cables. Without regular updating, the guidance in the cables may become outdated. More fully incorporating these and other leading practices could help State and Commerce build on their existing efforts to support the sale of goods and services of U.S. businesses overseas.

State and Commerce have established performance measures to assess the effectiveness of their economic and commercial diplomacy efforts. However, State did not collect sufficient data to determine how well it performed. State did not consistently record two pieces of information relevant to assessing its effectiveness of their economic and commercial diplomacy efforts. However, State and Commerce have established performance measures to assess the effectiveness of their economic and commercial diplomacy efforts. However, State did not collect sufficient data to determine how well it performed. State did not consistently record two pieces of information relevant to assessing its performance—a target performance level and an actual performance level. For example, State’s scorecard did not include any target data for 10 of the 16 performance measures. Consequently, GAO could not evaluate State’s performance for those aspects of its economic and commercial diplomacy efforts. Commerce uses nine performance measures to assess the effectiveness of its economic and commercial diplomacy and met most of its performance targets for fiscal years 2016 to 2020. For example, Commerce met its target for the percentage of U.S. exporter clients that achieved their export objectives for the last 5 years.

What GAO Recommends

GAO is making 11 recommendations to State and Commerce to more fully incorporate leading collaboration practices into their MOU and joint cables, and one recommendation to State to consistently collect and record performance data. State and Commerce concurred with the recommendations.

View GAO-22-105860. For more information, contact Kimberly Gianopoulos at (202) 512-8612 or GianopoulosK@gao.gov.