OVERSEAS PRESENCE

State and USAID Should Adopt a Comprehensive Plan to Improve the Consolidation of Overseas Support Services

Why GAO Did This Study

The Department of State (State) has embassies in about 180 countries, and the U.S. Agency for International Development (USAID) maintains missions in about 90 of those countries. At many posts, State and USAID are located on separate compounds and maintain multiple support service operations, such as warehouses. However, the United States is in the process of building new embassy compounds that will collocate all agencies, creating opportunities for greater sharing of services. In September 2004, we recommended that State pursue the elimination of duplicative support structures at overseas facilities. We reviewed (1) the status of State and USAID's joint initiative to consolidate overseas services, and plans for advancing the initiative; and (2) the challenges State and USAID face in these efforts.

What GAO Recommends

We are recommending that the Secretary of State, in conjunction with the USAID Administrator, designate overseas service consolidation a priority; and develop a plan that details the desired end state, and defines timelines, performance and accountability measures, and criteria for success. We are also recommending that State and USAID set timelines for accomplishing the standardization of State and USAID policies, procedures, and systems. State and USAID agreed with the report and the recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-06-829.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Jess Ford at (202) 512-4268 or fordj@gao.gov.
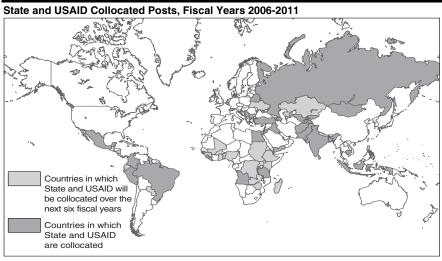
What GAO Found

State and USAID have demonstrated the feasibility of consolidating overseas support services and are seeking to expand their efforts. In June 2004, State and USAID initiated pilot projects at four posts to demonstrate the feasibility of consolidating support services. The four posts that participated in the pilot successfully consolidated 12 of the 16 support services, such as residential property maintenance, and reported operational efficiencies and costs avoided. For example, Dar es Salaam eliminated several positions and Phnom Penh improved motor pool and housing procedures. State and USAID learned valuable lessons from the pilot projects. They have directed posts to begin the process of identifying duplicative services and initiating consolidation efforts. As of July 2006, nine posts had responded, but only one had advanced beyond the planning stage.

The two agencies face several challenges in consolidating services at posts. The challenges include the need for State and USAID in Washington and at posts to address concerns that USAID's costs may increase if services are consolidated, develop better cost and performance data, reduce the number of locally employed staff and reduce or replace U.S. direct hires with locally employed staff, communicate better, and resolve technical differences. During our work, State and USAID took steps to address some of these challenges. For instance, in June 2006, the two agencies produced a draft strategy that defines broad goals and sets forth a common vision–to combine at collocating posts all State and USAID services into a single administrative structure and reduce the number of U.S. direct hire personnel. This is a positive step. However, our analysis of the draft strategy shows that it does not include a plan that details milestones, specific goals, timelines, and performance measures or accountability mechanisms to demonstrate results.

State and USAID Collocated Posts, Fiscal Years 2006-2011

Countries in which State and USAID will be collocated over the next six fiscal years

Countries in which State and USAID are collocated

Source: Department of State.

_____ **United States Government Accountability Office**