



Highlights of [GAO-04-952](#), a report to the Chairman, Subcommittee on National Security, Emerging Threats, and International Relations, Committee on Government Reform, House of Representatives

Why GAO Did This Study

After the 1998 bombings of two U.S. embassies in Africa, the State Department embarked on a multibillion-dollar, multiyear program to build new, secure facilities on compounds at posts around the world. The Secure Embassy Construction and Counterterrorism Act of 1999 generally requires that all U.S. agencies, including the U.S. Agency for International Development (USAID), collocate offices within the newly constructed compounds. This report discusses how State is incorporating office space for USAID into the construction of new embassy compounds and the cost and security implications of its approach.

What GAO Recommends

GAO recommends that State (1) achieve concurrent construction of USAID facilities to the maximum extent possible; and (2) consider, in coordination with USAID, incorporating USAID space into single office buildings in future compounds, where appropriate. GAO also suggests that if the new Capital Security Cost-Sharing proposal is not implemented in fiscal year 2005, Congress may wish to consider alternative funding approaches to support concurrent construction. State and USAID agreed with our findings and supported our recommendations.

www.gao.gov/cgi-bin/gettrpt?GAO-04-952.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Jess T. Ford at (202) 512-4128, or fordj@gao.gov.

EMBASSY CONSTRUCTION

Achieving Concurrent Construction Would Help Reduce Costs and Meet Security Goals

What GAO Found

State has built new embassy compounds in separate stages—scheduling construction of the USAID annex after work has begun (or in many cases after work has been completed) on the rest of the compound. State and USAID attributed this practice to a lack of full simultaneous funding for construction at nine locations through fiscal year 2004. Concurrent construction of USAID annexes could help decrease overall costs to the government and help achieve security goals.

Concurrent construction would eliminate the second expensive mobilization of contractor staff and equipment and added supervision, security, and procurement support expenses that result from nonconcurrent construction. State has estimated that if nine future USAID annexes scheduled for nonconcurrent construction are built concurrently, it could save taxpayers \$35 million. Extrapolating from data provided by State, GAO estimated a total cost savings of around \$68 million to \$78 million if all 18 future USAID projects are built concurrently. GAO also found that designing additional space for USAID within the main office building, or chancery, may cost less than erecting a separate annex, depending on a number of factors, including the size and configuration of the planned buildings. In addition to cost considerations, concurrent construction could help State and USAID comply with the collocation requirement and decrease the security risks associated with staff remaining outside of the embassy compound. For example, USAID staff who remain in a temporary USAID facility after other U.S. government personnel move into a new embassy compound may be more vulnerable to terrorist attack because the temporary facility does not meet security standards for new buildings and may be perceived to be a “softer” target relative to the new, more secure embassy compound. State’s current plans call for continued nonconcurrent construction through fiscal year 2009.

State acknowledged that there are substantial advantages to concurrent construction and has indicated that it may revise its building schedule to allow for more concurrent construction if a new cost-sharing proposal to fund new embassies by allocating construction costs among all agencies having an overseas presence is implemented in fiscal year 2005. However, even if cost sharing is not implemented, there are still opportunities for building some USAID facilities concurrently with the overall construction of the embassy compound if State, with congressional consent, revised its plan and rescheduled some projects.