# DEPARTMENT OF STATE

## Human Capital Strategy Does Not Recognize Foreign Assistance Responsibilities

## Why GAO Did This Study

The Secretary of State has made foreign assistance a pillar of the department's Transformational Diplomacy Initiative and has sought better policy coordination, planning, and oversight by establishing a Director of Foreign Assistance (F Bureau). Even though the U.S. Agency for International Development has been the principal agency for development and humanitarian aid, State has had a significant role delivering this type of assistance. Thus, it is essential that State have the right staff, with the right skills, in the right places to carry out its foreign assistance management responsibilities and ensure that U.S. funds are well spent. As requested, this report (1) describes the size and scope of development and humanitarian foreign assistance programs managed by State, (2) describes State's approaches to managing and monitoring such programs, and (3) evaluates State's processes for determining its human capital requirements for managing these programs.

## What GAO Recommends

GAO recommends that State (1) define the skills and competencies it needs to manage its foreign assistance responsibilities and develop critical information on staff currently doing so, and (2) develop a strategy to address any gaps it identifies. State agreed with our recommendations and plans to take appropriate action.

To view the full product, including the scope and methodology, click on GAO-07-1153. For more information, contact Jess Ford at (202) 512-4128 or fordj@gao.gov.
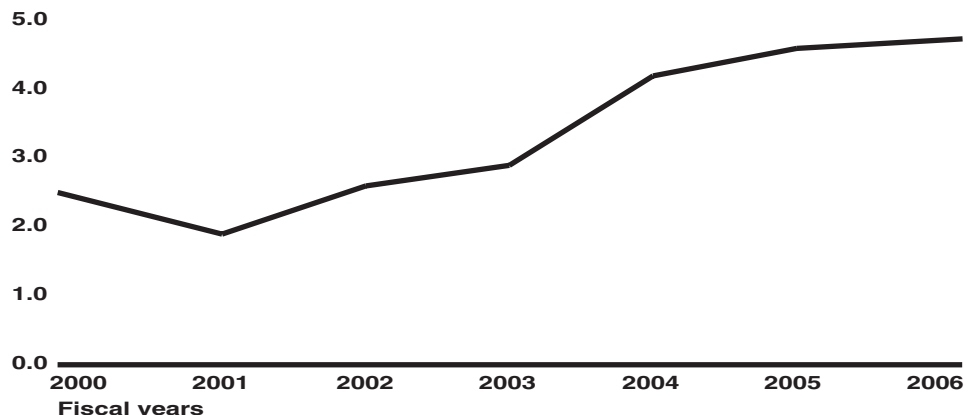
## What GAO Found

In fiscal year 2006, State had about $4.7 billion available for development and humanitarian assistance activities, nearly double the amount it was responsible for managing in 2000. This funding supported, for example, programs aimed at alleviating poverty and the suffering of refugees, as well as funding international drug interdiction efforts. State primarily uses grants and cooperative agreements to deliver this type of assistance.

State manages its development and humanitarian assistance programs centrally, obligating about 80 percent of the funds and making awards from headquarters. State uses a variety of oversight approaches. Grants officers and grants officer representatives have formal oversight responsibilities, but other staff also carry out functions informally. A mix of headquarters and overseas staff monitor program implementation.

State's strategic workforce planning does not reflect its foreign assistance activities. A key principle of strategic workforce planning is to define the critical skills and competencies that will be needed to achieve current and future programmatic goals. State has not defined its staff needs to manage and monitor its foreign assistance programs and has not collected critical information on current staff with these responsibilities. Moreover, GAO found inconsistent training and skills requirements for staff involved in foreign assistance oversight. For example, grants officers—who are responsible for the legal aspects of entering into, amending, and terminating awards—must meet educational and training requirements, while grants officer representatives—who are delegated some monitoring responsibilities—do not. Further, a recent State survey suggests that Foreign Service officers overseas recognize that there is a gap in their foreign assistance management skills. Various State officials have concerns about the department's ability to effectively manage its development and humanitarian assistance. Finally, State has not used strategic workforce planning to align F Bureau budget reforms with staffing and skill requirements.

**Funding Available to State for Development and Humanitarian Assistance**
**Dollars in billions**



Source: GAO analysis of U.S. budget and State allotment reports.

**United States Government Accountability Office**