

GAO

Report to the Chairman, Subcommittee
on National Security, Emerging
Threats, and International Relations,
Committee on Government Reform,
House of Representatives

April 2003

OVERSEAS PRESENCE

Rightsizing Framework Can Be Applied at U.S. Diplomatic Posts in Developing Countries




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Highlights

Highlights of [GAO-03-396](#), a report to the Chairman, Subcommittee on National Security, Emerging Threats, and International Relations, House Committee on Government Reform

Why GAO Did This Study

Since the mid-1990s, GAO has highlighted the need for the Department of State and other agencies to establish a systematic process for determining their overseas staffing levels. To support this long-standing need and in support of the *President's Management Agenda*, GAO developed a framework for assessing overseas workforce size and identified options for rightsizing. Because the framework was largely based on work at the U.S. embassy in Paris, GAO was asked to determine whether the rightsizing framework is applicable at U.S. embassies in developing countries. To accomplish this objective, we visited three U.S. embassies in West Africa—a medium-sized post in Dakar, Senegal; and two small embassies in Banjul, The Gambia; and Nouakchott, Mauritania—and applied the framework and its corresponding questions there.

What GAO Recommends

GAO recommends that

- the Director of OMB, in coordination with the Secretary of State, ensure that application of our framework be expanded as a basis for assessing staffing levels at embassies and consulates worldwide; and
- the Secretary of State adopt the framework as part of the Mission Performance Planning process.

www.gao.gov/cgi-bin/getrpt?GAO-03-396.

To view the full report, 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.

OVERSEAS PRESENCE

Rightsizing Framework Can Be Applied at U.S. Diplomatic Posts in Developing Countries

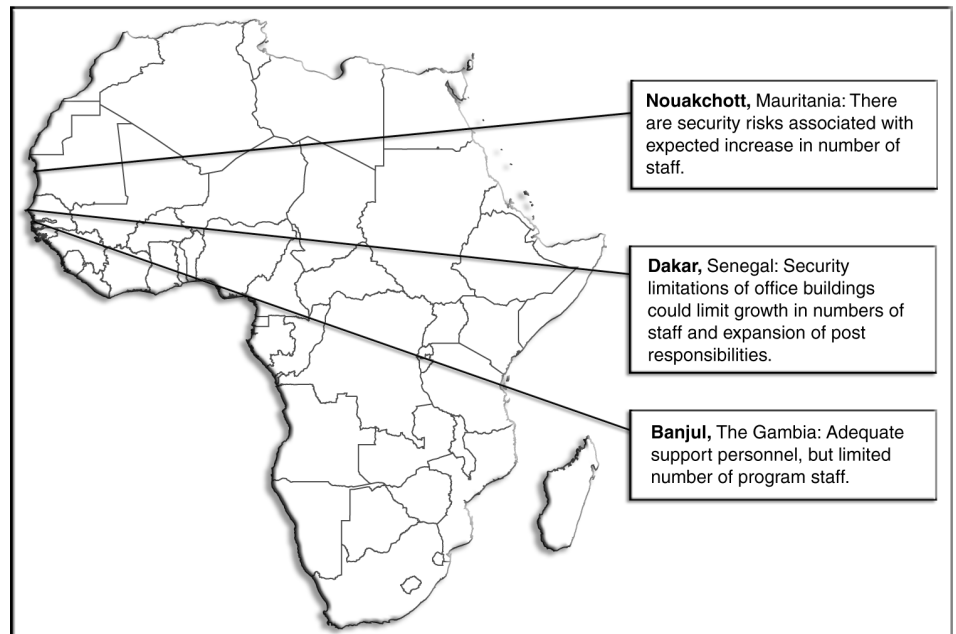
What GAO Found

GAO's rightsizing framework can be applied at U.S. embassies in developing countries. Officials from the Bureau of African Affairs, and U.S. embassy officials in Dakar, Senegal; Banjul, The Gambia; and Nouakchott, Mauritania, said that the framework's questions highlighted specific issues at each post that should be considered in determining staffing levels. Officials in other State bureaus also believed that the security, mission, cost, and option components of the framework provided a logical basis for planning and making rightsizing decisions.

At each of the posts GAO visited, application of the framework and corresponding questions generally highlighted

- **physical and technical security** deficiencies that needed to be weighed against proposed staff increases;
- **mission priorities and requirements** that are not fully documented or justified in the posts' Mission Performance Plans;
- **cost of operations** data that were unavailable, incomplete, or fragmented across funding sources; and
- **rightsizing actions and other options** that post managers should consider for adjusting the number of personnel.

Specific Rightsizing Issues Identified at Each West African Post



Source: www.worldatlas.com.

Contents

Letter		1
	Results in Brief	3
	Background	4
	Rightsizing Framework Can Be Applied and Used to Highlight Specific Issues at Each Embassy	5
	Conclusions	12
	Recommendations for Executive Action	12
	Agency Comments and Our Evaluation	12
	Scope and Methodology	13
Appendix I	Rightsizing Issues at West African Posts	15
	Dakar: Physical and Technical Security	15
	Dakar: Mission Priorities and Requirements	15
	Dakar: Cost of Operations	16
	Dakar: Consideration of Rightsizing Actions and Options	17
	Banjul: Physical and Technical Security	19
	Banjul: Mission Priorities and Requirements	19
	Banjul: Cost of Operations	20
	Nouakchott: Physical and Technical Security	21
	Nouakchott: Mission Priorities and Requirements	21
	Nouakchott: Cost of Operations	21
Appendix II	Rightsizing Framework and Corresponding Questions	23
Appendix III	Comments from the Office of Management and Budget	25
Appendix IV	Comments from the Department of State	26
	GAO's Comments	31
Figures		
	Figure 1: Applying the Rightsizing Framework in Dakar, Senegal	18
	Figure 2: Applying the Rightsizing Framework in Banjul, The Gambia	20

Figure 3: Applying the Rightsizing Framework in Nouakchott,
Mauritania

Abbreviations

ICASS	International Cooperative Administrative Support Services
MPP	Mission Performance Plan
NSDD-38	National Security Decision Directive-38
OMB	Office of Management and Budget
OPAP	Overseas Presence Advisory Panel
USAID	United States Agency for International Development

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United States General Accounting Office
Washington, DC 20548

April 7, 2003

The Honorable Christopher Shays
Chairman, Subcommittee on National Security,
Emerging Threats, and International Relations,
Committee on Government Reform
House of Representatives

Dear Mr. Chairman:

Since the mid-1990s, GAO has highlighted the need for the Department of State and other agencies to establish a systematic process for determining their overseas staffing levels.¹ Shortly after the 1998 bombings of two U.S. embassies in East Africa, two high level independent groups called for the reassessment of staffing levels at U.S. embassies and consulates. In August 2001, the *President's Management Agenda* directed all agencies to “rightsizing” their overseas presence to the minimum necessary to meet U.S. foreign policy goals. To support the long-standing need for a successful rightsizing initiative, in 2002 we developed a framework that identifies critical elements of embassy operations—physical security, mission priorities and requirements, and cost—and also includes rightsizing options for consideration.² Each element contains a set of corresponding questions for rightsizing the overseas workforce.³ The questions provide a basis for decision makers to systematically link the elements of security, mission, and cost to embassy staffing levels and requirements. The

¹U.S. General Accounting Office, *Overseas Staffing: U.S. Government Diplomatic Presence Abroad*, [GAO/T-NSIAD-95-136](#) (Washington, D.C.: Apr. 6, 1995). U.S. General Accounting Office, *State Department: Overseas Staffing Process Not Linked to Policy Priorities*, [GAO/NSIAD-94-228](#) (Washington, D.C.: Sept. 20, 1994), and U.S. General Accounting Office, *Overseas Presence: Staffing at U.S. Diplomatic Posts*, [GAO/NSIAD-95-50S](#) (Washington, D.C.: Dec. 28, 1994).

²We presented our framework in testimony in May 2002 and in a report issued in July 2002. U.S. General Accounting Office, *Overseas Presence: Observations on a Rightsizing Framework*, [GAO-02-659T](#) (Washington, D.C.: May 1, 2002), and *Overseas Presence: Framework for Assessing Embassy Staff Levels Can Support Rightsizing Initiatives*, [GAO-02-780](#) (Washington, D.C.: July 26, 2002).

³We defined rightsizing as aligning the number and location of staff assigned overseas with foreign policy priorities and security and other constraints. Rightsizing may result in the addition or reduction of staff, or a change in the mix of staff. The Department of State agreed with this definition.

framework also includes questions on rightsizing options, including relocating staff to the United States or to regional centers, and competitively sourcing⁴ certain functions.⁵ (See app. II for the rightsizing framework and corresponding questions.) After responding to the questions, decision makers should then be in a position to determine whether rightsizing actions are needed to add, reduce, or change the staff mix at an embassy, and to consider rightsizing options.

Our July 2002 report recommended that the Office of Management and Budget (OMB) use our framework to support the administration's rightsizing initiatives, starting with its assessments of staffing levels and rightsizing options at posts in Europe and Eurasia.⁶ OMB said the framework would serve as a valuable starting point for rightsizing embassies. However, because the questions were developed primarily based on our work at the U.S. embassy in Paris, OMB was not confident that the questions could be uniformly applied at all posts worldwide. In response to OMB's concerns, you requested that we determine whether the questions could be applied at U.S. embassies in developing countries.

This report presents the results of our work at three U.S. embassies we visited in West Africa—the medium-sized post in Dakar, Senegal; and two small embassies in Banjul, The Gambia; and Nouakchott, Mauritania. The objective of our work at these embassies was to determine whether our rightsizing framework is applicable at U.S. embassies in developing countries. To accomplish this objective, we applied the questions to each post in West Africa by reviewing embassy planning and requirements documents and by interviewing embassy managers and officials in the Department of State's Bureau of African Affairs regarding each embassy's security, mission, cost, and rightsizing options. We also discussed security issues at those posts with officials in State's Bureau of Diplomatic Security. In addition, we met with officials in State's Bureau of East Asian and Pacific Affairs and the Bureau of Near Eastern Affairs to discuss the potential applicability of the framework at posts in other developing countries.

⁴Competitive sourcing involves using competition to determine whether a commercial activity should be performed by government personnel or contractors.

⁵GAO encourages decision makers to also formulate additional questions to the framework as needed.

⁶[GAO-02-780](#).

Results in Brief

Our analysis of the three embassies we visited indicates that the rightsizing framework can be applied at U.S. embassies in developing countries. Officials at each embassy agreed that answering these questions could systematically help identify the trade-offs and options that should be considered in determining staffing levels. For example, responses to the questions highlighted deficiencies in physical security that need to be weighed against proposed staff increases; identified deficiencies in cost data needed to make sound staffing decisions; and identified potential rightsizing options, such as better defining regional responsibilities and related staffing requirements, streamlining support functions, and assessing the feasibility of competitively sourcing goods and services. Officials in State's Bureau of African Affairs and other regional bureaus agreed that a broad application of the framework and its corresponding questions would provide a logical and commonsense approach to systematically considering rightsizing issues in developed and developing countries and that it can be adjusted as necessary to address emerging rightsizing conditions. Currently, most agencies operating overseas do not systematically address rightsizing as a policy or management issue. The rightsizing issues related to security, mission, and cost, and options such as competitively sourcing or relocating staff, are addressed only in a fragmented manner, not specifically as part of the embassies' planning process.

As a result of our work, we are recommending that the Director of OMB, in coordination with the Secretary of State, expand the use of our framework in assessing staffing levels at all U.S. embassies and consulates. We are also recommending that the Secretary of State include the framework as part of the Department of State's mission performance planning process. OMB agreed with our findings and recommendations and stated that our framework may serve as a valuable base for the development of a broader methodology that can be applied worldwide. The Department of State generally agreed with our recommendations and said that they welcome our work on developing a rightsizing framework. The Department of State also said that the framework's questions provide a good foundation for it to proceed in working with OMB and other agencies to improve the process for determining overseas staffing levels. In addition, the Department of State said that it plans to incorporate elements of our rightsizing framework into future mission performance planning.

Background

In our reviews of embassy staffing issues during the 1990s, we found that the Department of State and some other agencies operating overseas lacked clear criteria for staffing overseas embassies.⁷ Other reviews reached similar conclusions. In early 1999, the Accountability Review Boards that investigated the bombings of two U.S. embassies in East Africa concluded that the United States should consider adjusting the size of its embassies and consulates to reduce security vulnerabilities.⁸ Later that year, the Overseas Presence Advisory Panel (OPAP) recommended that rightsizing be a key strategy to improve security and reduce operating costs.⁹ In August 2001, President Bush announced that achieving a rightsized overseas presence was one of his 14 management priorities. The September 2001 terrorist attacks on the United States added impetus for this initiative. In May 2002, we testified before the Subcommittee on National Security, Veterans Affairs, and International Relations, House Committee on Government Reform, on a proposed framework for determining the appropriate number of staff to be assigned to a U.S. embassy.

To further assess the applicability of GAO's rightsizing framework, we selected the embassies in Dakar, Senegal; Banjul, The Gambia; and Nouakchott, Mauritania. We selected these embassies based on OMB's questions about whether our framework can be uniformly applied at all posts, and because experts suggest that rightsizing in Africa is a significant challenge. The embassy in Dakar is a medium-sized post that provides regional support to several embassies including Cape Verde, Guinea, The Gambia, Mali, Mauritania, and Sierra Leone. Embassy Dakar has about 90 direct-hire Americans and 350 local hires working in seven U.S. agencies.

⁷[GAO/T-NSIAD-95-136](#), [GAO/NSIAD-95-50FS](#), and [GAO/NSIAD-94-228](#).

⁸Former Secretary of State Albright appointed the Accountability Review Boards to investigate the facts and circumstances surrounding the 1998 embassy bombings in East Africa. Department of State, *Report of the Accountability Review Boards on the Embassy Bombings in Nairobi and Dar Es Salaam* (Washington, D.C.: January 1999).

⁹Former Secretary of State Albright established the panel following the 1998 embassy bombings in Africa to consider the organization of U.S. embassies and consulates. Department of State, *America's Overseas Presence in the 21st Century, The Report of the Overseas Presence Advisory Panel* (Washington, D.C.: November 1999).

Embassy Banjul is a special embassy program¹⁰ post with 7 American direct hires and about 65 local hires. Embassy Nouakchott is also a special embassy program post with 14 American direct hires and about 42 local hires.

Rightsizing Framework Can Be Applied and Used to Highlight Specific Issues at Each Embassy

Our work at the three posts in West Africa further demonstrated that our framework and corresponding questions can provide a systematic approach for assessing overseas workforce size and identifying options for rightsizing in developing countries. We identified examples of the specific security, mission, and cost issues at each post, which, when considered collectively, highlighted staffing issues and rightsizing options to consider. (See app. I for more details on our findings at each of the embassies.)

Physical and Technical Security of Facilities and Employees

The ability to protect personnel should be a critical factor in determining embassy staffing levels. Recurring security threats to embassies and consulates further highlight the importance of rightsizing as a tool to minimize the number of embassy employees at risk. Our security questions address a broad range of issues, including the security of embassy buildings, the use of existing secure space, and the vulnerabilities of staff to terrorist attack. Officials at the embassies in Dakar, Banjul, and Nouakchott agreed that security vulnerability should be a key concern in determining the size and composition of staffing levels at the posts and should be addressed in conjunction with the other rightsizing elements of mission and cost.

Each post has undergone security upgrades since the 1998 embassy bombings to address deficiencies and ensure better security.¹¹ However,

¹⁰The Department of State implemented the special embassy program to preclude growth at posts abroad where U.S. interests are limited, to permit posts with limited resources to concentrate on essential objectives by relieving them of lower priority work and to simplify and streamline operations so that posts can operate more effectively and efficiently. Embassies are designated as special embassy programs if they have 30 or fewer U.S. citizen direct-hire positions or 15 or fewer direct-hire Department of State positions.

¹¹The Department of State assesses security requirements at each overseas post based on standards in such categories as perimeter walls and fences, facility setback, building material and blast protection, compound accessibility, defense barriers, and other key elements of security.

until facilities are replaced as part of the long-term construction plan, most will not meet security standards. For example, many buildings at overseas posts do not meet the security setback requirement.¹² At the Dakar post, responses to the framework's security questions identified significant limitations in facility security and office space that likely limit the number of additional staff that could be adequately protected in the embassy compound. This is a significant issue for the embassy in Dakar given its expanding regional role and projected increases in staffing to accommodate visa workload and increasing personnel at non-State agencies, as well as because planned construction of a new secure embassy compound will not be completed until at least 2007. In contrast, Embassy Banjul has unused office space that could accommodate additional staff within the embassy compound. Although U.S. interests are limited in The Gambia, a staff increase could be accommodated if decision makers determine that additional staff are needed as a result of answering the framework's questions. In Nouakchott, existing space is limited but adequate. However, officials raised concerns about the security risks associated with the expected increase in personnel on the compound.

Mission Priorities and Staff Requirements

The placement and composition of staff overseas must reflect the highest priority goals of U.S. foreign policy. Questions in this section of our framework include assessing the overall justification of agency staffing levels in relation to embassy priorities and the extent to which it is necessary for each agency to maintain or change its presence in a country, given the scope of its responsibilities and its mission. Related questions include asking if each agency's mission reinforces embassy priorities and if an agency's mission could be pursued in other ways. Responses to the questions showed that there are key management systems for controlling and planning staffing levels currently in use at overseas posts, but they are not designed or used to systematically address these staffing, priority, and mission issues.

One such management system is the National Security Decision Directive-38 (NSDD-38). NSDD-38 is a long-standing directive that requires non-State agencies to seek approval by chiefs of missions on any proposed changes

¹²Department of State's security requirement (12 FAH-6 H-111.4) states that existing chanceries or consulates must have a standoff distance of 100 feet between the protected side of the perimeter barrier and the building exterior.

in staff.¹³ NSDD-38 does not, however, direct the Chief of Mission to initiate an assessment of an agency's overall presence. The Overseas Presence Advisory Panel reported that the directive is not designed to enable ambassadors to make decisions on each new agency position in a coordinated, interagency plan for U.S. operations at a post.¹⁴ Post officials agreed that the NSDD-38 system has only limited usefulness for controlling staffing levels and achieving rightsizing objectives.

Another management system is the Department of State's Mission Performance Plan (MPP). The MPP is the primary planning document for each overseas post.¹⁵ State's MPP process has been strengthened significantly to require each embassy to set its top priorities and link staffing and workload requirements to those priorities. However, the MPP does not address rightsizing as a management issue or provide full guidance to posts for assessing overall staffing levels, by agency, in relation to a post's mission. At the three posts we visited, staffing requests were addressed in the MPPs in the context of each post's mission performance goals; however, these documents did not address the security and cost trade-offs associated with making such staffing changes. In addition, Embassy Dakar has an increasing regional role, which is not sufficiently addressed in the MPP.

Finally, the Department of State's Overseas Staffing Model provides guidance for State in assigning its full-time American direct hire staff to posts, but it does not include comprehensive guidance on linking staffing levels to security, workload requirements, cost, and other elements of rightsizing. It also does not provide guidance on staffing levels for foreign service nationals or for other agencies at a post.

Using various methods for addressing staffing and other key resource requirements is not effective in planning for or controlling growth. The

¹³The directive requires U.S. government agencies operating under the authority of Chiefs of Mission (usually an ambassador) to seek approval by the post's Chief of Mission on any proposed changes in the size, composition, or mandate of their staff.

¹⁴U.S. Department of State, *America's Overseas Presence in the 21st Century: The Report of the Overseas Presence Advisory Panel* (Washington, D.C.: November 1999).

¹⁵MPPs are authoritative U.S. government strategy documents prepared annually and covering all agencies at a post on the basis of the goals set forth in the Department of State Strategic Plan and the International Affairs Strategic Plan. The MPP sets priorities and makes requests for staff and other resources, and ensures consistency among agencies in country and with Washington headquarters.

Deputy Chief of Mission at Embassy Dakar agreed, as this has resulted in growth beyond the post's capacity. Specifically, The Department of State has added at least seven American direct-hire positions to the post, and non-State agencies operating in Dakar have added another six positions over the last year. In addition, post officials project more increases in personnel by fiscal year 2004 to accommodate other agencies interested in working out of Dakar. Post officials agreed that a more systematic and comprehensive approach might improve the post's ability to plan for and control growth.

Responses to the framework's questions by Banjul and Dakar consular officers also indicated that they could further explore processing all nonimmigrant visas from the Dakar post, particularly since Dakar has done so in the past on a temporary basis. Neither post's MPP discussed the possibility of covering these functions on a regional basis from Dakar, yet doing so would relieve Banjul's consular officer from processing nonimmigrant visas, thereby allowing more time for political and economic reporting. Thus, the post might not need to request a junior officer to handle such reporting. However, Banjul post officials said this arrangement would not be feasible for a variety of reasons. Nevertheless, their assessment illustrates the importance of weighing the benefits and trade-offs of exercising rightsizing options. Officials at both posts also agreed that applying the rightsizing questions, as part of the post's annual MPP process, would result in an improved and more systematic approach for addressing rightsizing issues.

Cost of Operations

The cost section of our framework includes questions that involve developing and consolidating cost information from all agencies at a particular embassy to permit cost-based decision-making. Without comprehensive cost data, decision makers cannot determine the correlation between costs and the work being performed, nor can they assess the short- and long-term costs associated with feasible business alternatives.

At all of the posts, we found there was no mechanism to provide the ambassador or other decision makers with comprehensive data on State's and other agencies' cost of operations. For example, complete budget data that reflect the cost of employee salaries and benefits and certain information management expenses for each agency at post were not

available. Further, we found that embassy profile reports maintained by State's Bureau of Administration contained incomplete and inaccurate information for each embassy's funding levels and sources.¹⁶ Officials at each post agreed that it is difficult to discern overall costs because data are incomplete and fragmented across funding sources, thereby making it difficult for decision makers to justify staffing levels in relation to overall post costs.¹⁷

In view of Embassy Dakar's plans to expand its regional responsibilities, embassy officials said it would be beneficial to document and justify the cost effectiveness of providing support to posts in the region. The type of support can be substantial and can have significant implications for planning future staffing and other resource requirements. For example, Embassy Nouakchott relies heavily on Embassy Dakar for budget and fiscal support, security engineering, public affairs, medical/medevac services, and procurement/purchasing, in addition to temporary warehousing for certain goods.

OMB and the Department of State recognize that lack of cost-based decision-making is a long-standing problem. As part of the President's Management Agenda, they are working to better identify the full operating costs at individual posts and improve cost accounting mechanisms for overseas presence.

Consideration of Rightsizing Actions and Other Options

Our work demonstrates that responses to our questions could be used to identify and exercise rightsizing actions and options, such as adjusting staffing requirements, competitively sourcing certain commercial goods and services, and streamlining warehousing operations. Examples of identifying and exercising rightsizing options include the following:

¹⁶Each post we visited generated a post profile report from State's intranet Web site. The reports contain staffing and other key data on posts, including Department of State funding and allotments. However, in all three cases, cost data were inaccurate or incomplete. The reports also lacked comprehensive cost data on State's operations and other agencies' programs.

¹⁷For the purposes of our work, comprehensive costs include salaries and benefits, travel, allowances, housing, International Cooperative Administrative Support Services, office furnishings and equipment, information management, transportation, diplomatic security, representation, other miscellaneous costs, and total costs of each agency operating at a post.

-
- Embassy space and security limitations in Dakar suggest that planned increases in staff levels may not be feasible. If Embassy Dakar used our framework to complete a full and comprehensive analysis of its regional capabilities, in conjunction with analyses of mission priorities and requirements of other embassies in West Africa, then staffing levels could be adjusted at some of the posts in the region. One rightsizing option includes having Embassy Banjul's visa services handled from Dakar.
 - The general services officers at the Dakar and Banjul posts agreed that our framework could be used to identify competitive sourcing opportunities in their locations. One rightsizing option includes assessing the feasibility of competitively sourcing the work of currently employed painters, upholsterers, electricians, and others to yield cost savings and reduce staff requirements. This could have a particularly significant impact at the Dakar post, which employs more than 70 staff who are working in these types of positions.¹⁸
 - The Dakar and Banjul embassies operate substantial warehousing and maintenance complexes. Post officials said that operations and staffing requirements at these government-owned facilities could be potentially streamlined in a number of areas. The Department of State and other agencies maintain separate nonexpendable properties, such as furniture and appliances in Dakar, while the Department of State and Peace Corps maintain their own warehouses in the same compound in Banjul. Department of State logistics managers and post general services personnel agree that pooling such items could potentially reduce overall inventories, costs, and staffing requirements.¹⁹

Relocating staff, competitively sourcing goods and services, and other rightsizing options should be based on a full feasibility and cost analysis, and thus we are not recommending them in this report. However, such rightsizing options deserve consideration, particularly in view of Embassy Dakar's concerns about how to manage anticipated increasing regionalization, the general security threats to embassies around the

¹⁸During our work at the embassy in Paris, we identified as many as 50 positions at the post that are commercial in nature and responsible for providing services or goods that have the potential to be competitively sourced to the private sector or performed at another location.

¹⁹We found similar conditions at the U.S. embassy in Paris, where household appliances and furniture were maintained separately by agency and consolidating inventories could potentially reduce staffing and other resource requirements.

world, and the *President's Management Agenda's* emphasis on reducing costs of overseas operations.

Framework's Questions Provide a Systematic Approach to Rightsizing

The need for a systematic approach to rightsizing the U.S. overseas presence has been a recurring theme in developing our framework. We have noted that the criteria for assigning staff to individual overseas posts vary significantly by agency and that agencies do not fully and collectively consider embassy security, mission priorities, and workload requirements. At the three embassies we visited in West Africa, we found that rightsizing issues have not been systematically assessed as part of the embassy management and planning process. However, The Department of State has taken several steps that help lay the groundwork for such a process by refining its overseas post MPP guidance. That guidance, applicable to posts in all countries, was recently strengthened and now directs each embassy to set five top priorities and link staffing and workload requirements to fulfilling those priorities. Chiefs of Mission also certify that the performance goals in their MPPs accurately reflect the highest priorities of their embassies. This is consistent with questions in our framework addressing program priorities. The guidance does not, however, identify rightsizing as a management goal or explicitly discuss how rightsizing issues of security, mission, cost, and options should be addressed. For example, it does not ask embassies to formally consider the extent to which it is necessary for each agency to maintain its current presence in country, or to consider relocation to the United States or regional centers, given the scope of each embassies' responsibilities and missions.

Officials at the posts in West Africa generally agreed that applying the framework and corresponding questions could result in an improved and more systematic approach to rightsizing. They agreed that the framework can be adjusted to consider emerging rightsizing issues and staffing conditions. For example, at Embassy Dakar, the regional security officer suggested including a question addressing the capacity of the host country police, military, and intelligence services as part of the physical and technical security section. Other officials suggested including a question regarding the extent to which health conditions in the host country might limit the number of employees that should be assigned to a post.

Officials in the Department of State's Bureau of African Affairs generally agreed that applying our questions provides a logical basis for systematically addressing rightsizing issues. They agreed it is important that the Department of State and other agencies consider staffing issues

based on a common set of criteria, for both existing embassies and future facilities. Officials in the Department of State's Bureau of East Asian and Pacific Affairs and the Bureau of Near Eastern Affairs also agreed that the security, mission, cost, and option elements of the framework provide a logical basis for planning and making rightsizing decisions. They also believed that rightsizing analyses would be most effective if the framework were adopted as a part of the Department of State's MPP process.

Conclusions

Our rightsizing framework and its corresponding questions can be applied to embassies in developing countries and help decision makers collectively focus on security, mission, and cost trade-offs associated with staffing levels and rightsizing options. The rightsizing questions systematically provide embassy and agency decision makers a common set of criteria and a logical approach for coordinating and determining staffing levels at U.S. diplomatic posts. We recognize that the framework and its questions are a starting point and that modification of the questions may be considered in future planning, as appropriate. The Department of State's MPP process has been strengthened and addresses some of the rightsizing questions in our framework. In particular, it better addresses embassy priorities, a key factor in our rightsizing framework. However, the mission planning process neither specifically addresses embassy rightsizing as a policy or critical management issue nor calls for assessments of related security and cost issues affecting all agencies operating at overseas posts.

Recommendations for Executive Action

In keeping with the administration's rightsizing initiative, we are recommending that

- the Director of OMB, in coordination with the Secretary of State, ensure that application of our framework be expanded as a basis for assessing staffing levels at embassies and consulates worldwide; and
- the Secretary of State adopt the framework as part of the embassy Mission Performance Planning process to ensure participation of all agencies at posts and the use of comparable criteria to address security, mission, cost issues, and rightsizing options.

Agency Comments and Our Evaluation

OMB and The Department of State provided written comments on a draft of this report (see apps. III and IV). OMB said that it agrees with our findings and recommendations and stated that our framework may serve

as a valuable base for the development of a broader methodology that can be applied worldwide. OMB agreed that security, mission, and cost are key elements to consider in making rightsizing decisions. In addition, OMB noted that workload requirements, options for information technology, regionalization possibilities, and competitive sourcing opportunities should be considered in order to adapt the methodology to fit each post.

The Department of State generally agreed with our recommendations and said that it welcomed GAO's work on developing a rightsizing framework. The Department of State said that the rightsizing questions provide a good foundation for it to proceed in working with OMB and other agencies to improve the process for determining overseas staffing levels. The Department of State noted that some elements of the framework are already being undertaken and that it plans to incorporate additional elements of our rightsizing questions into its future planning processes, including the MPP. Department of State comments are reprinted in appendix IV. The Department of State also provided technical comments, which we have incorporated into the report where appropriate.

Scope and Methodology

To determine the extent to which our framework's questions are applicable in developing regions, we visited three West African embassies—Dakar, Senegal; Banjul, The Gambia; and Nouakchott, Mauritania. At all posts, we spoke with regional security officers, in addition to ambassadors and other post officials, regarding the security status of their embassies and related security concerns. At all locations, we reviewed the applicability of the mission priorities and requirements section of the framework by asking the ambassadors, deputy chiefs of mission, administrative officers, consular officers, and general services officers to answer key questions in that section. To assess the usefulness of the cost section, we spoke with the same officers, in addition to Embassy Dakar's financial management officer who provides regional support to both Banjul and Nouakchott. We also discussed with key officials whether opportunities exist to exercise certain rightsizing options such as competitively sourcing post goods and services or streamlining embassy functions that are commercial in nature. In addition, we interviewed Bureau of African Affairs executive officers, officials in the Bureau of Diplomatic Security in Washington, D.C., and the heads of key agencies operating in each country. Specifically, in Dakar we interviewed the Director and Deputy Director of the U.S. Agency for International Development (USAID) and the U.S. Treasury representative. In Banjul and Nouakchott, we interviewed the Directors of Peace Corps. We also met with officials in the executive offices of the Department of State's Bureau

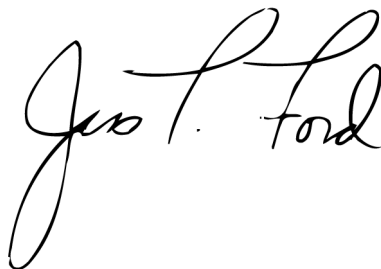
of East Asian and Pacific Affairs and the Bureau of Near Eastern Affairs to determine the applicability of the framework in those regions.

We conducted our work from October 2002 through January 2003 in accordance with generally accepted government auditing standards.

We are sending copies of this report to other interested members of Congress. We are also sending copies of this report to the Director of OMB and the Secretary of State. We also will make copies available to others upon request. In addition, the report will also be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me on (202) 512-4128 or John Brummet on (202) 512-5260. In addition to the persons named above, Janey Cohen, Lynn Moore, Ann M. Ulrich, and Joseph Zamoyta made key contributions to this report.

Sincerely yours,

A handwritten signature in black ink that reads "Jess T. Ford". The signature is written in a cursive style with a large, looping initial "J".

Jess T. Ford
Director, International Affairs and Trade

Appendix I: Rightsizing Issues at West African Posts

This appendix provides detailed information on the responses to the rightsizing questions in our framework at the embassies in Dakar, Senegal; Banjul, The Gambia; and Nouakchott, Mauritania. Specific rightsizing issues, actions, and options for consideration are highlighted.

Dakar: Physical and Technical Security

Prior to the 1998 embassy bombings in East Africa, U.S. diplomatic facilities in Dakar¹ had serious physical security vulnerabilities, including insufficient setbacks at most office buildings, including the chancery. Since 1998, many steps have been taken to ensure better security throughout the post. Important steps included (1) the relocation of the U.S. Agency for International Development (USAID) to a more secure location, (2) host-country cooperation for embassy-only traffic on the four streets surrounding the embassy's main building, (3) the renovation and expansion of a more secure "waiting facility" for the consular affairs section, and (4) an increase in surveillance and detection units for the entire compound and employee residences.

Although security at the Dakar post is now characterized as "good" for the current number of personnel, embassy officials cautioned that actions by Senegalese authorities to close off streets adjacent to the embassy are temporary measures that could be reversed at any time. In addition, the office space in the chancery can only accommodate a slight increase in personnel. Officials said that adding personnel to the post would aggravate certain security concerns.

Dakar: Mission Priorities and Requirements

Embassy Dakar increasingly has more regional responsibilities and there are significant pressures to assign more personnel to Dakar—a situation that has been exacerbated as a result of the recently ordered departure status at the U.S. embassy in Abidjan, Cote d'Ivoire.² The Dakar post now has about 90 American direct-hire personnel and 350 local hires. Staff projections over the next two fiscal years indicate an increase in staffing at

¹The Dakar post includes three main embassy office buildings, separate USAID and Peace Corps compounds, and a separate warehousing compound that includes a repair and maintenance facility. Two U.S. Department of Treasury personnel work in the Central Bank of West African States building.

²In October 2002, based on the fighting between rebel elements and Ivoirian government forces, the Department of State ordered U.S. government personnel in nonemergency positions and family members of all U.S. government personnel in Cote d'Ivoire to leave the country.

the embassy for additional agencies, such as the Centers for Disease Control and Prevention and the Departments of Agriculture and Homeland Security, and the possible transfer of Foreign Commercial Service employees from the embassy in Abidjan. In addition, the Dakar consular section will be increasing its consular officers for visa purposes from two to four and may need additional staff in the future. As a result of increasing regional responsibilities and more personnel, Embassy Dakar may require additional Department of State support personnel as well.

In spite of Dakar's increasing regional role and responsibilities, the post has difficulty attracting and retaining experienced foreign service officers. Embassy officials indicated that senior foreign service officers perceive the post as having a relatively high cost of living, a low pay differential, and no available consumables. Hence, many key positions are filled with inexperienced junior staff, placing constraints on some offices in carrying out their mission.³

Dakar: Cost of Operations

Comprehensive information was not available to identify the total annual operating costs for Embassy Dakar or for each agency at the post. Cost data were incomplete and fragmented. For example, embassy budget personnel estimated operating costs of at least \$7.7 million, not including American employee salaries or allowances. Available Bureau of African Affairs budget data for the post estimated fiscal year 2003 operating costs of at least \$6 million, including State's public diplomacy costs, post administered costs, and International Cooperative Administrative Support Services⁴ expenses, but these costs did not reflect the salaries and benefits of Department of State and other U.S. agency American employees and the State bureau allotments, such as for diplomatic security. If all costs were included in a comprehensive budget, the total annual operating costs at the post would be significantly higher than both estimates. Post and Bureau officials agreed that fragmented and incomplete cost data make it

³In June 2002, we reported that diplomatic programs and management controls at hardship posts could be vulnerable due to staffing shortfalls, and posts' ability to carry out U.S. foreign policy objectives effectively could be weakened. U.S. General Accounting Office, *Staffing Shortfalls and Ineffective Assignment System Compromise Diplomatic Readiness at Hardship Posts*, [GAO-02-626](#) (Washington, D.C.: June 2002).

⁴The International Cooperative Administrative Support Services system is the U.S. government's system for providing and sharing the cost of common administrative support at its diplomatic and consular posts.

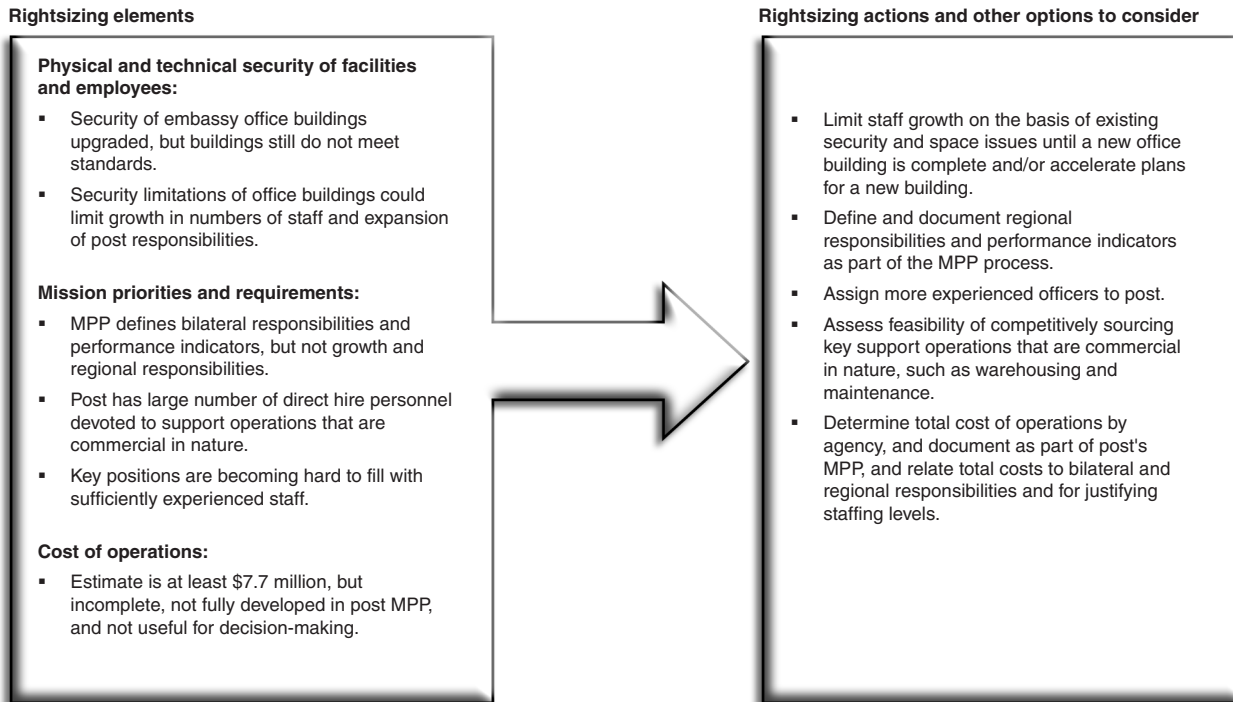
difficult for them to systematically and collectively approach rightsizing initiatives and consider the relative cost-effectiveness of rightsizing options.

Dakar: Consideration of Rightsizing Actions and Options

Responses to the framework's questions regarding rightsizing actions and other options at Embassy Dakar highlighted the impact of security conditions on anticipated staffing increases and the need to define and document the embassy's growing regional responsibilities as part of the MPP process. They also highlighted potential opportunities for competitively sourcing certain embassy services to the private sector, as well as opportunities for streamlining warehouse operations. Embassy officials are reluctant to purchase commercial goods and services from the local economy due to quality and reliability concerns, and thus they employ a large number of direct-hire personnel to maintain and provide all post goods and services. If goods and services were competitively sourced to the local economy, the number of direct hires and costs could possibly be reduced. Opportunities also exist for streamlining Embassy Dakar's warehousing operations, which could yield cost savings.

The left box of figure 1 summarizes the main rightsizing issues that were raised at Embassy Dakar in response to the framework's questions. The box on the right side identifies possible corresponding rightsizing actions and other options post decision makers could consider when collectively assessing their rightsizing issues.

Figure 1: Applying the Rightsizing Framework in Dakar, Senegal



Source: GAO.

Banjul: Physical and Technical Security

Officials at the post in Banjul characterized the compound as having good physical security and enough office space to accommodate additional staff. The post chancery compound is a “lock-and-leave” facility, as it does not have the 24-hour presence of U.S. government personnel. There are two leased vacant residential houses located directly behind the chancery building but separated from the chancery by a dividing wall. Embassy officials in Banjul have proposed buying the houses but explained that it is difficult to justify the cost because the purchase would put the embassy over its allotted number of homes (i.e., giving it nine homes for seven personnel). Some officials have suggested that the houses could be used for temporary duty personnel working at the post. During our work, visiting officials from the Immigration and Naturalization Service were using one of the houses to conduct political asylum visa interviews. Usually, however, the houses are vacant. According to the ambassador and the regional security officer, if the vacant houses were to be leased by nonembassy tenants, the chancery’s physical security would be seriously compromised.⁵ In addition, the regional security officer expressed concerns regarding the training and quality of the security contractor, particularly because the post does not have a Marine detachment to back up the security guards.

Banjul: Mission Priorities and Requirements

Much of Embassy Banjul’s resources are devoted to supporting internal post operations instead of focusing on external goals, such as political reporting and public diplomacy. For example, more than 60 local hires carry out facilities maintenance and other post support functions while only 3 of the 7 American direct-hire personnel address the post’s 3 main program goals in The Gambia—namely, reinforcing democracy, increasing economic prosperity, and improving the population’s health. Since the consular officer is also responsible for political and economic reporting, the post recently requested one junior officer rotational position to help balance the duties in all three areas. Over the past 2 years the number of nonimmigrant visa applications in Banjul more than doubled—from 1,712 applications in March 2000 to 4,635 applications in September 2002—while the percentage of refused applications decreased from a high of 65 percent in September 2000 to a low of 38 percent in September 2002. Post officials said that the lack of a full-time consular officer may impede the post’s

⁵The chancery has a 78-foot setback in front and a more than 100-foot setback on the side with the vacant houses. Without the buffer of the vacant houses, the chancery would have a less than 20-foot setback.

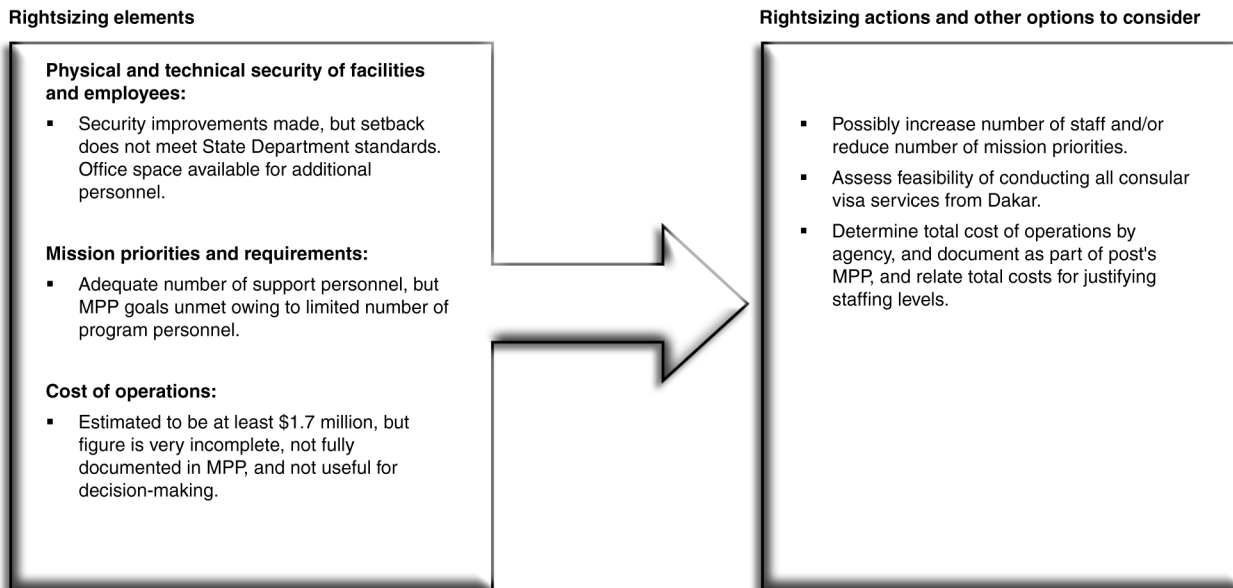
ability to focus on preventing fraudulent visa applications. The post has also requested one dual-purpose local employee to back up its growing public diplomacy and security assistance portfolios.

Banjul: Cost of Operations

Banjul's primary post planning document, the MPP, did not include comprehensive data on the total cost of operations. The Bureau of African Affairs' budget for the post estimated total costs of at least \$1.7 million for fiscal year 2003. However, these estimates did not include American salaries and other expenses, such as State Bureau allotments.

The left box of figure 2 summarizes the main rightsizing issues that were raised at Embassy Banjul in response to the framework's questions. The box on the right identifies corresponding rightsizing actions and other options post decision makers could consider when collectively assessing their rightsizing issues.

Figure 2: Applying the Rightsizing Framework in Banjul, The Gambia



Source: GAO.

Nouakchott: Physical and Technical Security

Embassy Nouakchott officials characterize the post compound as having good physical security, which has been upgraded since 1998. However, the chancery does not meet security setback requirements, and compound facilities have security deficiencies.⁶ Answering the framework's questions regarding physical security did not indicate a need to change the number of staff based on existing security conditions at the embassy office buildings. However, embassy officials said that the questions helped highlight the need to consider the security risks and trade-offs associated with expected increases in the number of personnel at post.

Nouakchott: Mission Priorities and Requirements

When asked specific questions regarding mission priorities and requirements, Embassy Nouakchott officials told us that the post has an adequate number of personnel to meet current mission requirements and priorities but that there are generally few bidders for positions at the post. The Ambassador and Deputy Chief of Mission emphasized that an increase or decrease of one employee greatly affects how the post accomplishes its mission—more so than at a larger post, such as Dakar. For example, the Regional Security Officer position is vacant and is being covered on a temporary duty basis by Dakar's Assistant Regional Security Officer. Also, the post currently has no positions for political and public diplomacy officers. One officer may be assigned to multiple positions owing to limited demand for certain services. For example, the Consular Officer at Embassy Nouakchott is also responsible for the duties of a commercial/economic officer. However, the post hopes to add one full-time officer for political and human rights reporting, according to the post's MPP.

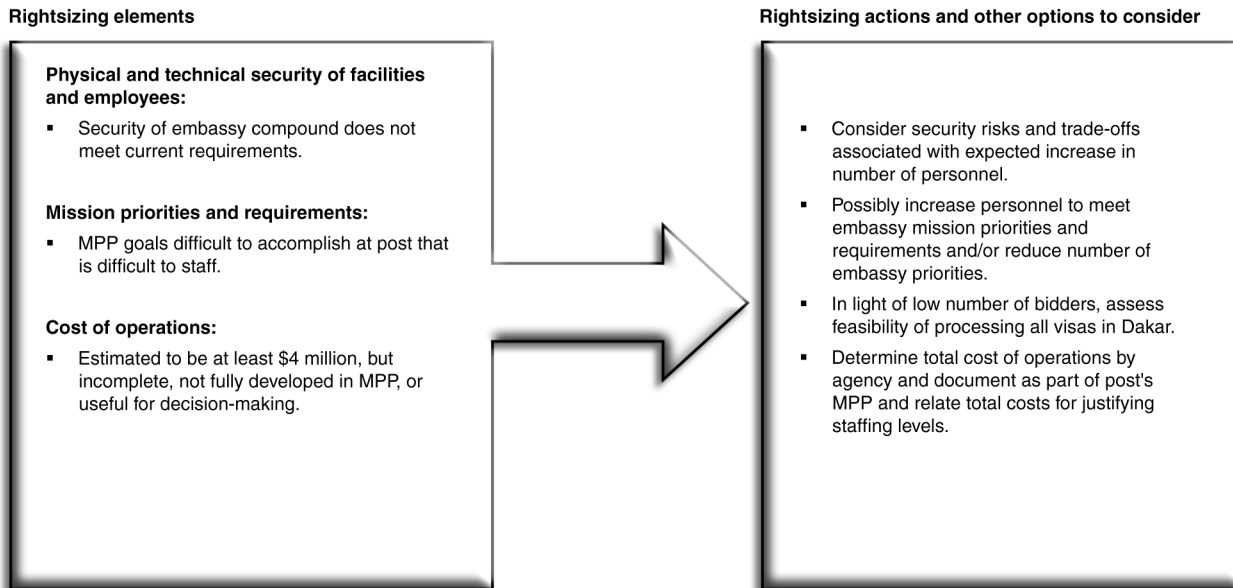
Nouakchott: Cost of Operations

Operating costs for the Nouakchott post are not fully documented in the MPP or used to justify staffing levels. Embassy Nouakchott officials roughly estimated total operating costs of about \$4 million for fiscal year 2003. The Bureau of African Affairs' budget for the post estimated partial operating costs of only \$2.1 million annually, but the estimate did not include American salaries, diplomatic security, and other costs.

⁶The Nouakchott post compound includes administrative buildings, residences, and the American school. The main security concerns for the Nouakchott post include older buildings and inadequate defense barriers. There are plans to assign a Marine detachment to the post for additional security.

The left box of figure 3 summarizes the main rightsizing issues that were raised at Embassy Nouakchott in response to the framework’s questions. The box on the right side identifies corresponding rightsizing actions and other options post decision makers could consider when collectively assessing their rightsizing issues.

Figure 3: Applying the Rightsizing Framework in Nouakchott, Mauritania



Source: GAO.

Appendix II: Rightsizing Framework and Corresponding Questions

Physical/technical security of facilities and employees

- What is the threat and security profile of the embassy?
- Has the ability to protect personnel been a factor in determining staffing levels at the embassy?
- To what extent are existing office buildings secure?
- Is existing space being optimally utilized?
- Have all practical options for improving the security of facilities been considered?
- Do issues involving facility security put the staff at an unacceptable level of risk or limit mission accomplishment?
- *What is the capacity level of the host country police, military, and intelligence services?*^a
- Do security vulnerabilities suggest the need to reduce or relocate staff?
- *Do health conditions in the host country pose personal security concerns that limit the number of employees that should be assigned to the post?*^b

Mission priorities and requirements

- What are the staffing levels and mission of each agency?
- How do agencies determine embassy staffing levels?
- Is there an adequate justification for the number of employees at each agency compared with the agency's mission?
- Is there adequate justification for the number of direct hire personnel devoted to support and administrative operations?
- What are the priorities of the embassy?^c
- Does each agency's mission reinforce embassy priorities?
- To what extent are mission priorities not being sufficiently addressed due to staffing limitations or other impediments?
- To what extent are workload requirements validated and prioritized and is the embassy able to balance them with core functions?
- Do the activities of any agencies overlap?
- Given embassy priorities and the staffing profile, are increases in the number of existing staff or additional agency representation needed?
- To what extent is it necessary for each agency to maintain its current presence in country, given the scope of its responsibilities and its mission?
 - Could an agency's mission be pursued in other ways?
 - Does an agency have regional responsibilities or is its mission entirely focused on the host country?

Cost of operations

- What is the embassy's total annual operating cost?
- What are the operating costs for each agency at the embassy?
- To what extent are agencies considering the full cost of operations in making staffing decisions?
- To what extent are costs commensurate with overall embassy strategic importance, with agency programs, and with specific products and services?

Consideration of rightsizing options

- What are the security, mission, and cost implications of relocating certain functions to the United States, regional centers, or to other locations, such as commercial space or host country counterpart agencies?
 - To what extent could agency program and/or routine administrative functions (procurement, logistics, and financial management functions) be handled from a regional center or other locations?
 - Do new technologies and transportation links offer greater opportunities for operational support from other locations?
 - Do the host country and regional environments suggest there are options for doing business differently, that is, are there adequate transportation and communications links and a vibrant private sector?
 - To what extent is it practical to purchase embassy services from the private sector?
 - Does the ratio of support staff to program staff at the embassy suggest opportunities for streamlining?
 - Can functions be reengineered to provide greater efficiencies and reduce requirements for personnel?
-

**Appendix II: Rightsizing Framework and
Corresponding Questions**

-
- Are there best practices of other bilateral embassies or private corporations that could be adapted by the U.S. embassy?
 - To what extent are there U.S. or host country legal, policy, or procedural obstacles that may impact the feasibility of rightsizing options?
-

Source: GAO.

^aWe added this question based on the suggestion of Embassy Dakar's regional security officer.

^bWe added this question based on the suggestion of officials at the Office of Management and Budget.

^cEmbassy priorities are the U.S. government priorities in that country.

Appendix III: Comments from the Office of Management and Budget



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 20, 2003

Ms. Susan Westin
Managing Director, International Affairs and Trade
United States General Accounting Office
Washington, D.C. 20548

Susan
Dear Ms. Westin:

The Office of Management and Budget appreciates the opportunity to provide comments on your draft report, "Overseas Presence: Rightsizing Framework Can Be Applied at Diplomatic Posts in Developing Countries." We fully support GAO's efforts to develop a rightsizing framework that can be applied to all posts worldwide. The framework developed in this and an earlier GAO report on the American Embassy in Paris is a valuable contribution to the rightsizing framework.

OMB agrees with the GAO that mission priorities, cost and security are key elements to the rightsizing framework. In addition, agencies should consider workload requirements, options for information technology, regionalization possibilities, and competitive sourcing opportunities at each post.

The Administration's interagency rightsizing initiative is making progress. In 2002, OMB compiled baseline worldwide staffing and cost data, analyzed specific posts in the State Department's European Bureau, and worked with the State Department to support the development of the regional center in Frankfurt, Germany. The FY 2004 budget proposes a capital surcharge as one incentive for agencies to review their overseas staffing patterns.

We intend to make further progress this year by focusing on full accounting for agency overseas costs and defining the parameters of a more formal rightsizing methodology. We will also examine overseas staffing procedures and authorities.

We greatly appreciate GAO's valuable contributions to this effort. If you have any questions concerning this response, please contact, Ms. Alexandra Gianinno of the International Affairs Division at (202) 395-1483.

Sincerely,
Robin Cleveland
Robin Cleveland
Associate Director
National Security Programs

Appendix IV: Comments from the Department of State

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



United States Department of State

Washington, D.C. 20520

FEB 25 2003

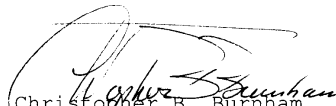
Dear Ms. Westin:

We appreciate the opportunity to review your draft report, "OVERSEAS PRESENCE: Rightsizing Framework Can Be Applied at Diplomatic Posts in Developing Countries," GAO-03-396, GAO Job Code 320125.

The enclosed Department of State comments are provided for incorporation with this letter as an appendix to the final report.

If you have any questions concerning this response, please contact Jay Anania, Office of Management Policy, at (202) 647-1363.

Sincerely,


Christopher B. Burnham
Assistant Secretary and
Chief Financial Officer

Enclosure:

As stated.

cc: GAO/IAT - John Brummet
State/OIG - Mr. Atkins
State/M/P - Mr. Jay Anania

Ms. Susan S. Westin,
Managing Director,
International Affairs and Trade,
U.S. General Accounting Office.

**Department of State Comments on GAO Draft Report
OVERSEAS PRESENCE: Rightsizing Framework Can Be Applied at Diplomatic
Posts in Developing Countries
(GAO 03-396, GAO Job Code 320125)**

This paper has two parts:

1. The Department of State's comments for insertion in "Agency Comments" on page 12 of the GAO report.
2. Requested changes to the report.

**Department of State Comments on GAO Draft Report
OVERSEAS PRESENCE: Rightsizing Framework Can Be Applied at Diplomatic
Posts in Developing Countries
(GAO 03-396, GAO Job Code 320125)**

These Department of State comments repeat and expand upon those the Department gave to GAO for the previous report OVERSEAS PRESENCE: Framework for Assessing Embassy Staff Levels Can Support Rightsizing Initiatives (GAO-02-780), July 2002.

The Department of State welcomes GAO's work on developing a rightsizing framework. GAO's questions lay out a common-sense approach that asks the kinds of questions Chiefs of Mission (COMs) and other decision-makers have always routinely addressed through formal and informal processes when considering staffing issues. In the FY 2005 Mission Performance Plan process, State has addressed many of the issues raised in the GAO rightsizing questions. These reflected MPP policy priorities and the management requirements to support them, including assessments and justifications for staffing and resource levels. The aim is to determine and plan for the necessary staffing and resources to support agency international affairs programs and strategic objectives, with State's overseas missions serving as the platform for numerous USG agencies with overseas presence.

The GAO rightsizing questions provide a good foundation for State to proceed to work with OMB and other agencies to improve the process for determining overseas staffing levels. A number of the points raised in the report, however, do not adequately reflect the current state of the Department's planning; some suggestions on assessing costs and priorities are already being undertaken.

We endorse GAO's definition of rightsizing:

Rightsizing [is] aligning the number and location of staff assigned overseas with foreign policy priorities and security and other constraints. Rightsizing may result in the addition or reduction of staff, or a change in the mix of staff at a given embassy or consulate.

GAO lists the three elements of its rightsizing framework in an unprioritized order of Security – Mission – Cost. We strongly believe that the first priority is without question Mission. The first question that must be answered before all others is whether the United States has a compelling reason to be in a particular location. If the answer is "Yes," then it may be necessary to place personnel there, even in the face of serious security concerns or excessive costs (e.g., the opening of the U.S. Embassy in Kabul, Afghanistan). If the answer is "No," the question of whether personnel can be securely or economically located there is irrelevant.

Rationalizing the U.S. Government's overseas presence – an objective of successive Administrations since the 1960s – is no easy task. Past efforts to develop an interagency staffing methodology have not succeeded. The 1999 Overseas Presence Advisory Panel

See comment 1.

(OPAP), for example, did not develop such a methodology, even though its original charter charged it with “preparing a report recommending the criteria by which [the USG] might determine the location, size, and composition of overseas posts in the coming decade.”

It has been a long-standing policy of successive Administrations to maintain lean overseas staffing for reasons of foreign policy, security, and economy. President Bush's letter of instruction to chiefs of mission (COMs) echoes those of his predecessors:

Every executive branch agency under your authority must obtain your approval before changing the size, composition, or mandate of its staff regardless of the employment category (or where located in your country of assignment). I ask that you review programs, personnel, and funding levels regularly, and ensure that all agencies attached to your Mission do likewise. Functions that can be performed by personnel based in the United States or at regional offices overseas should not be performed at post.

The Department of State's diplomatic and consular posts serve as the platform for many agencies. They are a critical factor in the success of other agencies' initiatives, both joint and non-joint with State. The emphasis on security enhancement measures and improvements (rather than a reduction in staff) may enable us to reduce security threats while at the same time effectively achieving our policy priorities.

GAO posits that there is “the need for the State Department and other agencies to establish a systematic process for determining their overseas staffing levels.” This implies that there is a problem of explosive growth in overseas staffing that needs to be reined in, and that agencies assign staffing overseas without carefully considering the elements of mission, security, and cost. In fact, the number of American direct hire positions under the authority of Chiefs of Mission at the end of FY 2002 stood at about 19,000, essentially the same level as it did in FY 1995, and smaller than at its 1966 peak of 42,000. (Since at least the 1950s, the Department of State has represented a third or less of all American staffing in U.S. diplomatic posts.) This level staffing is remarkable because it reflects ongoing rightsizing in the redirection of resources by traditional foreign affairs agencies (e.g., State, Defense, USAID, Commerce) to meet new challenges and a growing presence by traditionally domestic agencies (e.g., Justice and Treasury) to reflect national priorities such as combating terrorism.

The Department of State cannot speak for other agencies' processes for determining overseas staffing levels. We believe, however, that the GAO report would have benefited from a discussion of State's Overseas Staffing Model (OSM), which the Department has used for years to assess its own overseas staffing needs. The OSM was completed in 1996 and has been run three times since then. It provides an objective, flexible tool to measure what resources are needed to meet the President's and the Secretary's foreign policy priorities and objectives. The OSM provides Department management with an analytical tool to rationally allocate full-time permanent American personnel resources worldwide in line with the Administration's foreign policy objectives, the International

See comment 2.

See comment 3.

**Appendix IV: Comments from the Department
of State**

See comment 4.

Affairs Strategic Goals, and Department priorities. IT also allows the Department to assess resources needed to meet legislated mandates and to fulfill our responsibilities to support the full USG presence overseas. This model, made up of seven components, identifies the staffing requirements at overseas posts, based on specific categories and criteria, and provides a comparative assessment of posts. It evaluates each post rationally using key workload and host country environmental factors.

In addition, current procedures for implementing NSDD 38 require agencies proposing changes in the size, composition, or mandate of their staffs to consider the policy to maintain lean overseas staffing; Mission Performance Plan goals; alternative staffing arrangements; and security, cost, and administrative support implications. (The Department's standard NSDD 38 cable is attached for reference.)

See comment 5.

With respect to cost of operations, the interagency MPP teams link resources to desired service levels. Synchronization with the International Cooperative Administrative Services Support (ICASS) forward planning process also serves as an additional mechanism for assessing operating costs and their distribution for each agency. ICASS is the shared administrative support system through which more than 250 U.S. government entities at our overseas posts obtain essential services and share costs of operating facilities and services. ICASS's cost distribution system ensures that a more comprehensive estimate of the cost of each agency's presence overseas is reflected in that agency's budget.

State continues to work toward implementation of appropriate rightsizing measures and improved embassy security. State plans to incorporate additional elements of the GAO embassy rightsizing questions, currently being developed, for the future MPP and BPP processes. We look forward to continuing to work with GAO and the Office of Management and Budget on rightsizing.

The following are GAO's comments on the Department of State's letter dated February 25, 2003.

GAO's Comments

1. We did not set priorities for the elements in the framework that appear in this report. Moreover, we believe that decision makers need to consider security, mission, and cost collectively in order to weigh the trade-offs associated with staffing levels and rightsizing options.
2. We did not imply that there is a problem of exploding growth in overseas staffing levels that needs to be reined in. Our statement that there is a need for a systematic process to determine overseas staffing levels (i.e., rightsizing) was made on the basis that the elements of security, mission, cost, and other rightsizing options are not collectively addressed in a formal process to determine staffing levels at overseas posts. On page 1 of the report, we state that rightsizing may result in the addition, reduction, or change in the mix of staff.
3. We modified our report on page 7 to discuss the Overseas Staffing Model.
4. We modified our report on pages 6-7 to more accurately describe the National Security Decision Directive-38.
5. International Cooperative Administrative Support Services (ICASS) is only one component of a post's total overseas costs and include the costs of common administrative support, such as motor pool operations, vehicle maintenance, travel services, mail and messenger services, building operations, information management, and other administrative services. However, this component does not cover all employee salaries and benefits, all housing, office furnishings and equipment, diplomatic security, representation, miscellaneous expenses, and other costs for all agencies operating at a post. Total costs associated with each post need to be considered when overseas staffing decisions are made.

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