



FOREIGN ASSISTANCE

USAID Needs to Improve ITS Workforce Planning and Operating Expense Accounting

Highlights of [GAO-03-1171T](#), a report to Subcommittee on National Security, Emerging Threats, and International Relations, House Committee on Government Reform

Why GAO Did This Study

USAID oversees humanitarian and economic assistance—an integral part of the U.S. global security strategy—to more than 160 countries. GAO recommended in 1993 that USAID develop a comprehensive workforce plan; however, human capital management continues to be a high-risk area for the agency.

GAO was asked to testify on how changes in USAID’s workforce over the past 10 years have affected its ability to deliver foreign aid, the agency’s progress in implementing a strategic workforce planning system, and whether its reported operating expenses reflect the full costs of delivering foreign aid.

What GAO Recommends

To help USAID plan for changes in its workforce and continue operations in an uncertain environment, we recommended that the USAID Administrator institutionalize a strategic workforce planning and management system that takes advantage of strategic workforce planning principles.

USAID agreed with our findings and recommendation and noted it has recently undertaken some efforts to improve management of its workforce.

What GAO Found

USAID has evolved from an agency in which U.S. direct-hire staff directly implemented development projects to one in which U.S. direct-hire staff oversee the activities of contractors and grantees. Since 1992, the number of USAID U.S. direct-hire staff declined by 37 percent, but the number of countries with USAID programs doubled and, over the last 2 years, program funding increased more than 78 percent. As a result of these and other changes in its workforce and its mostly ad-hoc approach to workforce planning, USAID faces several human capital vulnerabilities. For example, attrition of experienced foreign service officers and inadequate training and mentoring have sometimes led to the deployment of staff who lack essential skills and experience. The agency also lacks a “surge capacity” to respond to evolving foreign policy priorities and emerging crises. With fewer and less experienced staff managing more programs in more countries, USAID’s ability to oversee the delivery of foreign assistance is becoming increasingly difficult. USAID has taken steps toward developing a workforce planning and human capital management system that should enable the agency to meet its challenges and achieve its mission, but it needs to do more, such as conducting a comprehensive skills assessment and including its civil service and contracted employees in its workforce planning efforts.

USAID’s reported that operating expenses do not always reflect the full costs of administering foreign assistance because the agency pays for some support and oversight activities done by contractors with program funds. As a result, the amount of program funds directly benefiting foreign recipients is likely overstated.

USAID U.S. Direct-Hire Presence, Fiscal Years 1992 and 2002

	Fiscal year 1992	Fiscal year 2002	Percentage change
USAID U.S. direct hires			
Total number	3,163	1,985	(37)
Number assigned overseas	1,082	631	(42)
Number of countries receiving USAID assistance with U.S. direct-hire presence	66	71	7
Number of countries receiving USAID assistance with no U.S. direct-hire presence	16	88	450

Source: GAO analysis of USAID data.

www.gao.gov/cgi-bin/getrpt?GAO-03-1171T.

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.