

GAO Highlights

Highlights of [GAO-24-106232](#), a report to the Chairman, Committee on Foreign Affairs, House of Representatives

Why GAO Did This Study

Hundreds of thousands of Salvadoran, Guatemalan, and Honduran nationals are encountered at the southwest U.S. land border each year. In July 2021, the White House launched the Root Causes Strategy to address economic, governance, and security factors driving migration to the U.S. from Central America. In November 2021, USAID announced CL, a 5-year, \$300 million initiative. Through CL, USAID seeks to empower local organizations in El Salvador, Guatemala, and Honduras to address root causes of migration by, among other things, advancing economic growth, improving governance, and strengthening security.

GAO was asked to review USAID's implementation of CL. Although the initiative is too new for an evaluation of its effectiveness, this report examines, among other things, the extent to which USAID (1) integrated elements of the Root Causes Strategy and consulted local stakeholders in developing CL; (2) assessed and adjusted its staffing levels for grant management and program oversight; and (3) identified risks to CL, including fraud risks. GAO reviewed USAID documents, analyzed USAID data, and interviewed USAID officials in Central America and Washington, D.C. GAO also interviewed local stakeholders in El Salvador, Guatemala, and Honduras.

What GAO Recommends

GAO is making three recommendations to USAID to address staffing shortages at the selected missions and help improve USAID's fraud risk assessments and training. The agency concurred with these recommendations.

View [GAO-24-106232](#). For more information, contact Latesha Love-Grayer at (202) 512-4409 or lovegrayerl@gao.gov.

March 2024

CENTRAL AMERICA

USAID Should Strengthen Staffing and Fraud Risk Management for Initiative Addressing Migration to the U.S.

What GAO Found

In November 2021, the U.S. Agency for International Development (USAID) announced Centroamérica Local (CL), an initiative to empower local organizations in El Salvador, Guatemala, and Honduras to implement programs addressing root causes of migration to the U.S. GAO's review of all 18 CL grants and other awards from August 2021 through June 2023 found each included elements aligning with at least one of five pillars of the *U.S. Strategy for Addressing the Root Causes of Migration in Central America* (Root Causes Strategy). GAO also found USAID consulted with local stakeholders, including implementing partners and mission staff, in developing CL. Stakeholders told GAO that USAID's CL project development process—"co-creation"—is more collaborative than prior localization efforts and better addresses local needs.

U.S. Agency for International Development (USAID) Application and Co-Creation Process



Sources: GAO summary of USAID information (data); GAO (icons). | GAO-24-106232

The El Salvador, Guatemala, and Honduras missions assessed staffing levels and requested additional positions to support localization. However, their staffing to oversee CL and other localization efforts has gaps resulting from resource constraints, such as space limitations. For example, in Guatemala, the new embassy compound is too small to accommodate all USAID mission staff. USAID has taken short-term measures, such as allowing one mission to hire short-term contractors. However, mission officials said they will need to hire additional staff to oversee the growing number of smaller awards for CL. Identifying long-term solutions to the missions' staffing shortages would help ensure adequate oversight of CL.

The El Salvador, Guatemala, and Honduras missions have taken steps to identify and mitigate risks, including fiduciary, programmatic, reputational, and fraud risks that could affect CL. However, the missions have not followed GAO's leading practices for assessing fraud risk. The missions considered and documented some fraud risk through annual risk management processes but have not examined program-specific fraud risks. Also, missions and implementing partners have access to fraud awareness training, but attendance is not mandated or tracked because USAID does not require it agencywide. As a result, USAID lacks assurance that its missions and partners know how to identify and mitigate key fraud risks to CL-related programs.