

GAO Highlights

Highlights of [GAO-18-669](#), a report to congressional requesters

Why GAO Did This Study

Since 2012, the United States has provided approximately \$36 billion in humanitarian assistance to save lives and alleviate human suffering. Much of this assistance is provided in areas plagued by conflict or other issues that increase the risk of financial crimes. The World Bank and others have reported that humanitarian assistance organizations face challenges in accessing banking services that could affect project implementation.

GAO was asked to review the possible effects of decreased banking access for nonprofit organizations on the delivery of U.S. humanitarian assistance. In this report, GAO examines (1) the extent to which State and USAID partners experienced banking access challenges, (2) USAID partners' reporting on such challenges, and (3) actions U.S. agencies have taken to help address such challenges. GAO selected four high-risk countries—Syria, Somalia, Haiti, and Kenya—based on factors such as their inclusion in multiple financial risk-related indices, and selected a non-generalizable sample of 18 projects in those countries. GAO reviewed documentation and interviewed U.S. officials and the 18 partners for the selected projects.

What GAO Recommends

GAO recommends that USAID should take steps to (1) collect information on banking access challenges experienced by USAID's partners and (2) communicate that information both within USAID and with external entities, such as other U.S. agencies and partners. USAID concurred with our recommendations.

View [GAO-18-669](#). For more information, contact Thomas Melito at (202) 512-9601 or mellitot@gao.gov.

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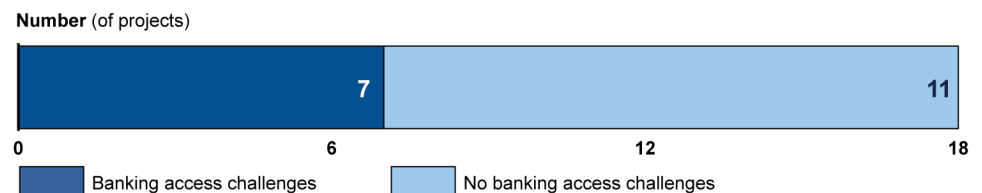
HUMANITARIAN ASSISTANCE

USAID Should Improve Information Collection and Communication to Help Mitigate Implementers' Banking Challenges

What GAO Found

Implementing partners (partners) for 7 of 18 Department of State (State) and U.S. Agency for International Development (USAID) humanitarian assistance projects that GAO selected noted encountering banking access challenges, such as delays or denials in transferring funds overseas. Of those 7 projects, 1 partner told us that banking access challenges adversely affected its project and 2 additional partners told us that the challenges had the potential for adverse effects. Moreover, the majority of partners (15 out of 18) for the 18 projects noted experiencing banking access challenges on their global portfolio of projects over the previous 5 years.

Number of Selected U.S. Government Humanitarian Assistance Projects That Experienced Banking Access Challenges



Source: GAO. | GAO-18-669

USAID's partners' written reports do not capture potential risks posed by banking access challenges because USAID generally does not require most partners to report in writing any challenges that do not affect implementation. Six of the 7 projects that encountered challenges were USAID-funded. Of those 6 USAID projects, 5 partners told us that these challenges did not rise to the threshold of affecting project implementation that would necessitate reporting, and 1 did not report challenges although its project was adversely affected. Additionally, GAO's review of about 1,300 USAID partner reports found that the few instances where challenges were mentioned lacked sufficient detail for GAO to determine their type, severity, or origin. Without information on banking access challenges that pose potential risks to project implementation, USAID is not aware of the full extent of risks to achieving its objectives.

The Department of the Treasury (Treasury) and State have taken various actions to help address banking access challenges encountered by nonprofit organizations (NPO), but USAID's efforts have been limited. Treasury's efforts have focused on engagement between NPOs and U.S. agencies, while State has issued guidance on the topic to its embassies and designated an office to focus on these issues. In contrast, USAID lacks a comparable office, and NPOs stated that it is difficult to find USAID staff to engage with on this topic. Further, GAO found that awareness of specific challenges was generally limited to USAID staff directly overseeing the project. Without communicating these challenges to relevant parties, USAID may not be aware of all risks to agency objectives and may not be able to effectively engage with external entities on efforts to address these challenges.