



November 2014

BUILDING PARTNER CAPACITY

State and DOD Need
to Define Time
Frames to Guide and
Track Global Security
Contingency Fund
Projects

GAO Highlights

Highlights of [GAO-15-75](#), a report to congressional committees

Why GAO Did This Study

As instability abroad threatens U.S. and foreign partners' interests, the United States has emphasized the importance of building partner capacity to address emerging threats. Congress established GSCF in fiscal year 2012, and this pilot authority allows State and DOD to pool funds and expertise to address near- to mid-term needs for training, equipping, and enhancing foreign security forces. State and DOD jointly administer GSCF and are required to notify Congress of their intent to transfer funds and initiate GSCF activities before starting project execution. GAO was mandated to review State and DOD's procedures for managing GSCF.

This report (1) describes processes State and DOD have developed to manage the program, (2) describes the status of GSCF projects, and (3) assesses the extent to which State and DOD have clearly defined time frames for GSCF projects. GAO analyzed State and DOD guidance and GSCF documents, and compared GSCF guidance to internal control standards. GAO also interviewed State and DOD officials about GSCF.

What GAO Recommends

GAO recommends that State and DOD (1) provide an overall range of time for near- to mid-term GSCF projects and (2) track projects against this time frame. State disagreed and DOD partially agreed with the first recommendation, citing the need for flexibility. GAO agreed and modified the recommendation to clarify its intent, as discussed in the report. Both departments agreed with the second recommendation to track GSCF projects.

View [GAO-15-75](#). For more information, contact Charles Michael Johnson, Jr., at (202) 512-7331 or johnsoncm@gao.gov or John H. Pendleton at (202) 512-3489 or pendletonj@gao.gov.

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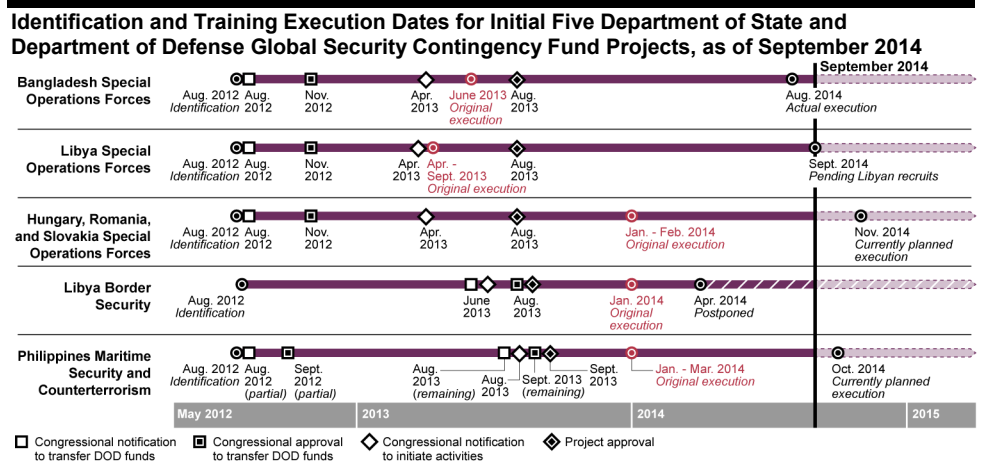
BUILDING PARTNER CAPACITY

State and DOD Need to Define Time Frames to Guide and Track Global Security Contingency Fund Projects

What GAO Found

The Department of State (State) and the Department of Defense (DOD) have developed processes to manage the Global Security Contingency Fund (GSCF) program. In March 2014, State and DOD officials used lessons learned from developing the initial GSCF projects to document a 14-step process to identify, develop, and execute GSCF projects. Additionally, State issued a separate document describing the process for congressional notification and internal State procedures for how to transfer and manage funds in the joint GSCF account.

State and DOD have submitted congressional notification packages for seven GSCF projects since fiscal year 2012. As of September 2014, State and DOD had not met the original dates contained in the congressional notifications for the initial five GSCF projects for beginning training and equipment delivery by an average of about 8 months. State and DOD officials stated that the dates were not met due to security concerns as well as additional details and supporting documentation required by Congress to obtain congressional approval. In July 2014, State and DOD also sent congressional notifications for two additional projects that have not begun execution. The figure below shows GAO's analysis of the identification, and original and currently planned or actual execution dates, of the initiation of training activities for the five initial GSCF projects.



Source: GAO analysis of Department of State and Department of Defense information. | GAO-15-75

State's March 2014 cable states that GSCF projects are to address near- to mid-term security concerns, but the cable does not clearly define what time frame constitutes near- or mid-term, and State and DOD do not track GSCF projects against established time frames. *Standards for Internal Control in the Federal Government* call for developing control activities to ensure management's directives are being met, such as defining a range of time for projects and tracking whether projects are meeting their goals. State officials said that GSCF is intended to address challenges outside of the normal budgeting and planning process; however, this approach does not define how long near- to mid-term GSCF projects should take. Without a range of time for GSCF projects, it is not clear how long projects should take, and State and DOD do not have time frames to track whether GSCF projects are addressing near- to mid-term needs.

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Abbreviations

| | |
|-------|----------------------------------|
| DOD | Department of Defense |
| GSCF | Global Security Contingency Fund |
| State | Department of State |

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November 20, 2014

Congressional Committees

As instability abroad increasingly threatens U.S. and foreign partners' interests, the United States has emphasized the importance of building and strengthening partnerships and alliances worldwide. To address this goal, the Department of State (State) and the Department of Defense (DOD) use a variety of statutory authorities to engage in activities that are intended to enhance the security capability of foreign partners as part of efforts to carry out U.S. foreign policy and advance U.S. national security interests. Congress established a new authority in the National Defense Authorization Act for Fiscal Year 2012 called the Global Security Contingency Fund (GSCF).¹ This pilot authority allows State and DOD to pool funds for the provision of training and other support to enhance the capabilities of foreign security forces.² State and DOD jointly administer GSCF; the departments work together to formulate GSCF projects that are approved by the Secretary of State, with the concurrence of the Secretary of Defense, before implementation. The departments are also required to notify Congress of their intent to transfer funds and initiate activities for GSCF projects before starting project execution, and DOD is required to seek approval to retransfer funds.

The Joint Explanatory Statement accompanying the National Defense Authorization Act for Fiscal Year 2014 required us to conduct a review of State and DOD procedures to administer and implement activities funded by GSCF.³ This report (1) describes processes State and DOD have developed to manage the program, (2) describes the status of GSCF

¹See Pub. L. No. 112-81, § 1207 (2011), as amended, and codified at 22 U.S.C. § 2151, note.

²Congress established this authority as a pilot program. See S. Rep. No. 112-26, at 203-204 (2011) to accompany S. 1253, a bill for the National Defense Authorization Act for Fiscal Year 2012. This authority ends on September 30, 2015; however, funds that have been transferred remain available for activities under projects that have started before that date.

³See 159 Cong. Rec. at H7783 (daily ed., Dec. 12, 2013).

projects, and (3) assesses the extent to which State and DOD have clearly defined time frames for GSCF projects.⁴

To conduct this review, we reviewed documentation and interviewed officials from State and DOD who manage the GSCF program and implement GSCF projects. To describe the processes developed to manage the GSCF program, we collected and analyzed State's guidance documents that it developed to manage the GSCF program. Specifically, we collected and analyzed the March 2014 cable titled *Utilizing the Global Security Contingency Fund* and the March 2014 document titled *Global Security Contingency Fund Program Execution Guidance* to summarize State and DOD's management processes.⁵ To describe the status of GSCF projects, we gathered information from congressional notification packages, funding transfer documents, and status updates provided by State and DOD since the initiation of the program. To assess the extent to which State and DOD have clearly defined time frames for GSCF projects, we obtained and analyzed State and DOD's congressional notification packages for GSCF projects, GSCF project updates to Congress, and State's GSCF guidance documents. We compared this information to the *Standards for Internal Control in the Federal Government*.⁶ We also interviewed State and DOD officials about their management of the GSCF projects, reasons for any delays in GSCF projects, and whether State and DOD have clearly defined time frames for GSCF projects. Specifically, we interviewed officials from the Office of the Under Secretary of Defense for Policy; Office of the Under Secretary of Defense (Comptroller); State Bureau of Political-Military Affairs; Defense Security Cooperation Agency; U.S. Special Operations

⁴For the purposes of this report, we use the term "project" to describe all of the GSCF activities that are to be conducted under one State and DOD approved GSCF program. For example, the GSCF program in the Philippines will be referred to as the Philippines Maritime Security and Counterterrorism project, and the GSCF program associated with special operations forces in Hungary, Romania, and Slovakia will be referred to as the Hungary, Romania, and Slovakia Special Operations Forces project. We use the term "program" to refer to the GSCF authority as a whole, which includes all GSCF projects collectively.

⁵Department of State, *Utilizing the Global Security Contingency Fund* (Washington, D.C.: Mar. 28, 2014) and *Global Security Contingency Fund Program Execution Guidance* (Washington, D.C.: Mar. 19, 2014).

⁶GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

Command; six geographic combatant commands;⁷ and the Security Cooperation Offices in Bangladesh and the Philippines, among others. More details on our objectives, scope, and methodology can be found in appendix I.

We conducted this performance audit from April 2014 to November 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

GSCF allows State and DOD to address emergent challenges and opportunities by pooling funds from existing departmental accounts and sharing expertise to provide equipment, supplies, and training to enhance a partner nation's security forces. State and DOD can use the GSCF authority to support partner nations' border and maritime security, internal defense, and counterterrorism operations, or to participate in or support military, stability, or peace support operations in partner nations. The GSCF authority also permits State and DOD to provide assistance to a partner nation's justice sector.

State and DOD fund the program primarily by transferring funds from other accounts, with at least 20 percent of the funding from State and the remainder from DOD. In fiscal year 2012, Congress authorized State to transfer up to \$50 million from certain foreign appropriation accounts and DOD to transfer up to \$200 million from its defense-wide accounts for operation and maintenance into the GSCF.⁸ State and DOD are authorized to transfer funds into GSCF until September 30, 2015; however, these funds remain available for activities under projects that

⁷DOD's six geographic commands are U.S. Africa Command, U.S. Central Command, U.S. European Command, U.S. Northern Command, U.S. Pacific Command, and U.S. Southern Command. Each geographic combatant command has a defined area of operation and a distinct regional military focus.

⁸See the Consolidated Appropriations Act, 2012, Pub. L. No. 112-74, §§ 8004, 8089 (2011).

have started before that date.⁹ In The Consolidated Appropriations Act, 2014, Congress authorized State to transfer up to \$25 million from specific State appropriations accounts and authorized DOD to transfer up to \$200 million into GSCF.¹⁰ According to State's March 2014 GSCF cable, because State is required to contribute at least 20 percent and DOD not more than 80 percent of the funding for an approved GSCF project, both departments are authorized to transfer up to a combined \$125 million in fiscal year 2014.

State and DOD jointly administer GSCF; the departments work together to formulate GSCF projects that are approved by the Secretary of State, with the concurrence of the Secretary of Defense, before implementation. The departments are also required to notify Congress of their intent to transfer funds and initiate activities for GSCF projects before starting project execution, and DOD is required to seek approval to retransfer funds.¹¹ Numerous State and DOD stakeholders are involved in the GSCF program from project identification to execution. Table 1 summarizes the roles and responsibilities of key stakeholders involved in the GSCF program.

⁹See Pub. L. No. 112-81, § 1207 (2011), as amended. As of September 2014, H.R. 4435, a House bill for the National Defense Authorization Act for Fiscal Year 2015, if enacted, would extend the availability of GSCF funds to September 30, 2016, and S. 2410, a Senate bill for the National Defense Authorization Act for Fiscal Year 2015, if enacted, would extend the availability of funds to September 30, 2017.

¹⁰Pub. L. No. 113-76, §§ 8003, 8068. In addition to the transfer authority, Congress also appropriated \$30 million to DOD for the GSCF in the joint explanatory statement accompanying the Consolidated Appropriations Act, 2014, at 160 Cong. Rec. at H600 (daily ed., Jan. 15, 2014).

¹¹See Pub. L. No. 112-81, § 1207 (2011), as amended, and codified at 22 U.S.C. § 2151, note.

Table 1: Roles and Responsibilities of Key Stakeholders Involved in the Global Security Contingency Fund (GSCF) Program

| Department of State (State) and Department of Defense (DOD) stakeholders | Roles and responsibilities |
|--|--|
| Secretaries of State and Defense | Designate partner nations eligible to receive assistance under the GSCF authority and approve project implementation plans. Determine whether conflict or instability challenges the existing capability of civilian providers to deliver justice sector assistance, rule of law programs, or stabilization efforts. |
| Deputy Assistant Secretary of State and Deputy Assistant Secretary of Defense Review and Selection Committee | Meets to review and select GSCF project proposals for further development. Reviews monitoring and evaluation reports for non-performing programs and proposals for significant program modifications, such as activities or execution timeline. Includes representatives from State and DOD regional and functional bureaus, and the Joint Staff. |
| Program Steering Group | Develops the detailed implementation plans for GSCF project proposals and oversees project implementation. Provides guidance on significant project modifications, as appropriate. Includes representatives from State and DOD functional bureaus, GSCF staff, the Joint Staff, the country team, the combatant command, and other U.S. government departments or agencies, as appropriate. |
| GSCF staff | Inform senior leadership of the status of GSCF projects, manage Review and Selection Committee consensus and decision-making process; guide the Program Steering Group on developing project implementation plans; facilitate Secretaries' approval and congressional notification and funds transfer processes; and perform other program-management responsibilities including supporting project oversight and monitoring and evaluation. Includes a small number of personnel from State and DOD. |
| Geographic combatant commands | Work closely with Program Steering Group, U.S. embassy, GSCF staff, and other relevant stakeholders to prepare GSCF project proposals, including implementation planning, plan endorsement, and execution. Participate in program assessment, to include monitoring and evaluation. Include personnel from DOD. |
| U.S. embassies | Work closely with Program Steering Group, GSCF staff, and geographic combatant commands to prepare GSCF project proposals, including implementation planning, plan endorsement, and execution. Also, secure host partner nation concurrence with overview of project plan, obtain chief of mission endorsement of project implementation plan, and manage GSCF projects in the partner nation. Participate in program assessment, to include monitoring and evaluation. Include personnel from State, DOD, and other U.S. government agencies. |

Source: GAO analysis of State documents. | GAO-15-75

State and DOD Have Developed Processes to Manage the GSCF Program

In March 2014, State and DOD developed processes to manage GSCF project proposal development, congressional notification, and the transfer of funds into a joint GSCF account. These processes are described in two documents: *Utilizing the Global Security Contingency Fund* and *Global Security Contingency Fund Program Execution Guidance*. State and DOD officials stated that they incorporated lessons learned from other capacity-building programs to develop the process described in *Utilizing the Global*

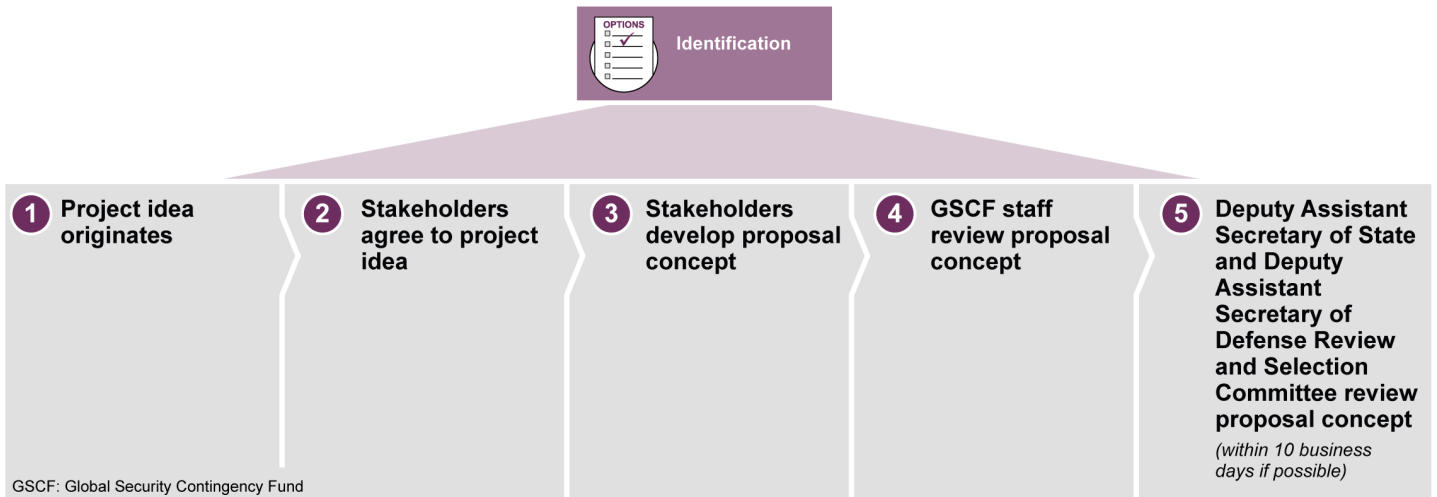
Security Contingency Fund. To develop the *Global Security Contingency Fund Execution Guidance*, State created intradepartmental accounting and reporting procedures for GSCF funds.

State and DOD Guidance Describes Process for GSCF Project Development

State and DOD officials developed a guidance document that was issued in March 2014 as a State cable titled *Utilizing the Global Security Contingency Fund*, which describes how State and DOD are to identify, develop, and execute GSCF projects. GSCF staff stated that they incorporated lessons learned from developing the GSCF fiscal year 2012 projects in preparing the March 2014 guidance as well as incorporating successful processes from other security assistance programs, such as Section 1206.¹² The March 2014 cable describes a process that can be divided into three phases, with a total of 14 steps, to identify, develop, and execute projects. The cable was sent to U.S. embassies, consulates, and combatant commands and it contains sections that can be grouped into the following phases: project identification, plan development, and execution. The project identification phase is shown in figure 1.

¹²Section 1206 is a security assistance program that is used to build the capacity of foreign military forces to conduct counterterrorist operations or participate in, or support, military and stabilization operations in which U.S. forces are participating through the provision of training, equipment, and small-scale military construction activities. See National Defense Authorization Act for Fiscal Year 2006, Pub. L. No. 109-163, §1206 (2006), as amended.

Figure 1: Global Security Contingency Fund (GSCF) Project Identification Phase



Source: GAO analysis of Department of State information. | GAO-15-75

The project identification phase consists of five steps, as described below.

1. **Project idea origination:** officials in Washington, D.C., geographic combatant commands, or U.S. embassies are to propose an idea for a project to address an emergent or impending threat or emergent opportunity that aligns with the areas of assistance that the GSCF authority can provide.¹³
2. **Stakeholders agree to idea:** key stakeholders from relevant State and DOD offices are to gather to discuss whether the project proposal addresses a high-priority national security interest without duplicating efforts, the partner nation’s receptivity to the project proposal, and whether existing State or DOD authorities are available to address the need.¹⁴

¹³According to State officials, GSCF proposals can originate from senior-level State or DOD officials, as well as from the Deputies Committee, which is an interagency committee consisting of the Deputy Secretary of State, Deputy Secretary of Defense, and several other deputy secretaries across the U.S. government.

¹⁴These key stakeholders include State and DOD regional and functional bureaus, the proposal originator, the GSCF staff, the Joint Staff, the country team, combatant command, and other U.S. government departments or agencies, as appropriate.

3. **Proposal development:** the proposal originator is to work with GSCF staff to initiate working-level meetings with key stakeholders to assess the proposal and discuss potential lines of effort. Additionally, the proposal originator is to complete a proposal worksheet that asks for a range of information, such as detailed assistance objectives, activities, cost estimate, and envisioned timeline. The proposal originator is to obtain endorsement of the proposal worksheet from the chief of mission and the combatant command before submitting it to the GSCF staff.
4. **GSCF staff review proposal:** GSCF staff is to review the proposal worksheet and confirm that it includes all required elements.
5. **Review and Selection Committee review proposal:** the proposal is to be reviewed by the Deputy Assistant Secretary of State and Deputy Assistant Secretary of Defense Review and Selection Committee. This senior-level committee is to meet to review the proposal within 10 business days of its receipt, when possible. During the review, the committee can ask the proposal originator to make refinements and resubmit the proposal. If there is no committee consensus to proceed, the committee is to refer the proposal to the Deputy Secretaries of State and DOD for a senior-leader decision on whether to proceed with the project. If there is consensus to proceed with the proposal, the committee is to task the proposal originator and key stakeholders to develop a detailed implementation plan, which begins the plan development phase, as shown in figure 2.

Figure 2: Global Security Contingency Fund (GSCF) Plan Development Phase



Source: GAO analysis of Department of State information. | GAO-15-75

The plan development phase consists of six steps as described below.

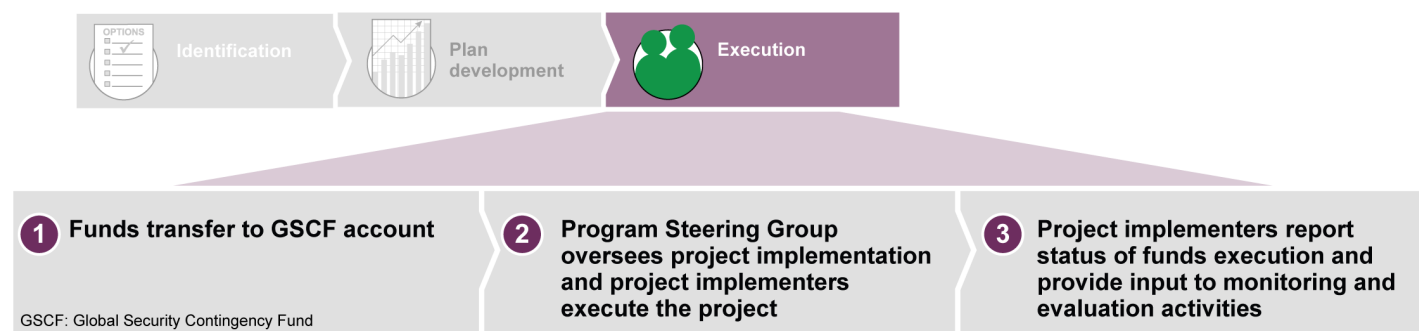
1. **Implementation plan development:** State and DOD are to establish a Program Steering Group—jointly led by the Deputy Assistant Secretary of State and Deputy Assistant Secretary of Defense from the relevant State and DOD regional bureaus—to provide policy guidance and oversight to the planning effort and to determine the lead organization responsible for drafting the detailed implementation plan. According to the March 2014 cable, the Program Steering Group should include all stakeholders, and they are expected to contribute to, review, and endorse the detailed implementation plan.¹⁵ The proposal originator is to develop a detailed implementation plan that includes—among other criteria, goals, and specific assistance objectives—a detailed work plan with a breakdown of costs per activity; related security assistance that has been implemented, is in progress, or is planned; and a proposal of outcome-oriented indicators for monitoring and evaluation. The detailed implementation plan is to be completed not more than 60 days after the Review and Selection Committee grants approval to pursue GSCF assistance.
2. **Implementation plan endorsement:** once the implementation plan is complete, the country team is expected to secure the endorsement of the implementation plan from the chief of mission within 7 business days, if possible.¹⁶
3. **Implementation plan approval:** after the chief of mission endorses the implementation plan, the Program Steering Group leadership is to convene to review and approve the plan within 5 business days of its receipt.
4. **Implementation plan review for completeness:** GSCF staff is to review the implementation plan to ensure its completeness. If the plan is incomplete, the Program Steering Group has 10 business days to provide additional information.

¹⁵These stakeholders include subject-matter experts from relevant State and DOD functional bureaus, the Joint Staff, the country team, the combatant command, and other departments or agencies as appropriate.

¹⁶The chief of mission is the principal officer (the ambassador) responsible for the direction, coordination, and supervision of all U.S. government executive-branch employees in that partner nation, except those under the command of a U.S. area military commander.

5. **Implementation plan approval and concurrence:** after the implementation plan is final, the GSCF staff is to prepare appropriate documentation for the Secretary of State's approval and the Secretary of Defense's concurrence, to include the funds approval and congressional notification packages within 10 business days.
6. **Congressional notification:** once the departments secure the required approvals, GSCF staff is to begin the congressional notification process. After congressional notification is complete, the project execution phase begins, as shown in figure 3.

Figure 3: Global Security Contingency Fund (GSCF) Project Execution Phase



Source: GAO analysis of Department of State information. | GAO-15-75

The project execution phase consists of three steps as described below.

1. **Funds transfer:** State and DOD are to transfer funds into the GSCF account.
2. **Project oversight and implementation:** project implementers are to execute the project, and the Program Steering Group is responsible for overseeing program execution.¹⁷
3. **Project reporting:** project implementers are to provide monthly and quarterly reporting on funds execution and provide information about project activities. Project implementers, the embassy, and the partner nation are also expected to support and provide input to facilitate monitoring and evaluation activities.

¹⁷We define project execution as the initiation of training activities and equipment delivery.

A contractor has developed a framework to conduct monitoring and evaluation on the GSCF program and individual GSCF projects. According to State officials, the program-results framework was developed with a broad set of GSCF goals and objectives. State officials also stated that the contractor is starting to develop the project-specific framework for three GSCF projects and one has been delayed due to partner nation security and project rescoping issues.¹⁸

State Guidance Describes the GSCF Congressional Notification and Funding Transfer Process

State issued a separate document in March 2014, titled *Global Security Contingency Fund Program Execution Guidance*, which describes a process for congressional notification and internal State procedures for transferring and managing funds in the joint GSCF account.¹⁹ The guidance states that State and DOD should complete all congressional notification requirements to secure approval to transfer funds. The congressional notification process is shown in figure 4.

Figure 4: Global Security Contingency Fund (GSCF) Congressional Notification Process



Source: GAO analysis of Department of State information. | GAO-15-75

The congressional notification process consists of four steps, and the guidance states that the departments should complete all congressional notification requirements simultaneously.

1. **DOD retransferring request:** while DOD is to seek written approval from defense committees and subcommittees to retransfer funds from

¹⁸According to State and DOD officials, the contractor hired to develop monitoring and evaluation frameworks for GSCF projects is limited to projects that are not related to special operations forces. The projects not related to special operations forces are the Philippines Maritime Security and Counterterrorism project, Libya Border Security project, Counter Boko Haram project, and the Ukraine National Guard project.

¹⁹This document includes the May 2013 Memorandum of Agreement between State and DOD for GSCF funds management.

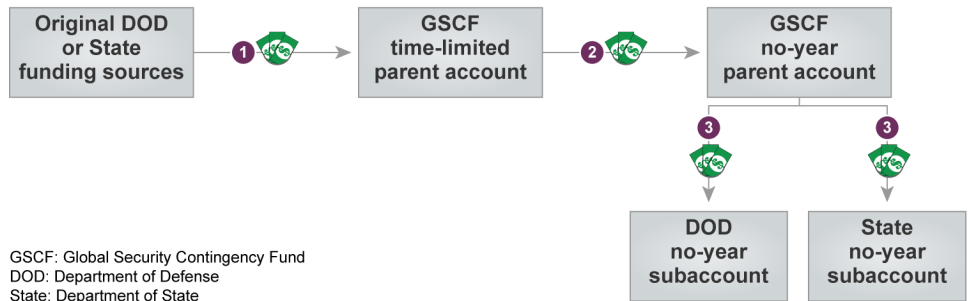
the defense-wide operation and maintenance accounts into the GSCF account, State is not required to submit a retransferring request to Congress to transfer its funds.²⁰

2. **Congressional notification:** both State and DOD are to notify Congress of their intent to transfer funds and intent to initiate activities. In their congressional notification packages, State and DOD are required to include original source of funds; a detailed project justification, including total anticipated costs and specific activities; budget; execution plan and timeline; anticipated completion date; list of other U.S. security-related assistance provided to the partner nation; and any other information related to the project that the departments consider appropriate.²¹
3. **Waiting period:** State and DOD are to wait 30 days during the congressional notification period before executing a GSCF project.
4. **Congressional approval:** GSCF projects may not begin execution until after the 30-day notification period expires and Congress approves DOD's retransferring of funds. However, there may be instances in which the departments transfer funds into the GSCF account for a specific project but subsequently determine these funds are no longer needed. In such cases, the departments are required to notify Congress of the intent to initiate a new project and may use these already transferred funds. Figure 5 shows the funds transfer process for GSCF.

²⁰The defense committees are the Senate Armed Services Committee and the House Armed Services Committee. The defense subcommittees are the Subcommittee on Defense for the Senate Appropriations Committee and the Subcommittee on Defense for the House Appropriations Committee.

²¹See 22 U.S.C. § 2151, note.

Figure 5: Global Security Contingency Fund (GSCF) Transfer Process



GSCF: Global Security Contingency Fund
DOD: Department of Defense
State: Department of State

Source: GAO analysis of Department of State information. | GAO-15-75

Note: A no-year account contains funds that remain available for obligation for an indefinite period of time.

State and DOD follow their respective departmental procedures to transfer funds from other accounts into GSCF.²² The three funding transfers for GSCF are identified below.

1. **First transfer:** the first transfer is into a time-limited U.S. Treasury–based account that GSCF staff call a parent account. State and DOD are able to transfer money into this parent account until September 30, 2015.²³
2. **Second transfer:** State created a second parent account without a time limitation since the authority also states that amounts already transferred to GSCF before September 30, 2015, shall remain available for GSCF projects that have started before this date. Once funds are transferred into the second parent account, State submits an internal transfer request to move funds a third time.

²²These accounts can include DOD’s defense-wide accounts for operation and maintenance and certain State foreign appropriation accounts.

²³See Pub. L. No. 112-81, § 1207 (2011), as amended. As of September 2014, H.R. 4435, a House bill for the National Defense Authorization Act for Fiscal Year 2015, if enacted, would extend the availability of GSCF funds to September 30, 2016, and S. 2410, a Senate bill for the National Defense Authorization Act for Fiscal Year 2015, if enacted, would extend the availability of funds to September 30, 2017.

-
3. **Third transfer:** the third transfer is from the GSCF no-year parent account into a State no-year subaccount and a DOD no-year subaccount.²⁴

According to State officials, funds are considered obligated once they are apportioned by the Office of Management and Budget, transferred into the respective subaccounts, and allotted to the implementing bureaus. From these accounts, State and DOD obligate funds to secure contracts or services for implementing entities. Funds are considered expended upon payment for those contracts or services.

State and DOD's GSCF Projects Have Not Met Originally Planned Execution Target Dates

State and DOD have submitted congressional notification packages for seven projects since fiscal year 2012. As of September 2014, State and DOD have not met the execution target dates contained in the congressional notifications for the five fiscal year 2012 GSCF projects by an average of about 8 months, assuming the projects meet the currently planned execution dates. State and DOD transferred all of the funds for the two fiscal year 2014 GSCF projects in September 2014 and expect to begin execution in 2015.

Seven GSCF Projects Have Been Submitted to Congress for Notification

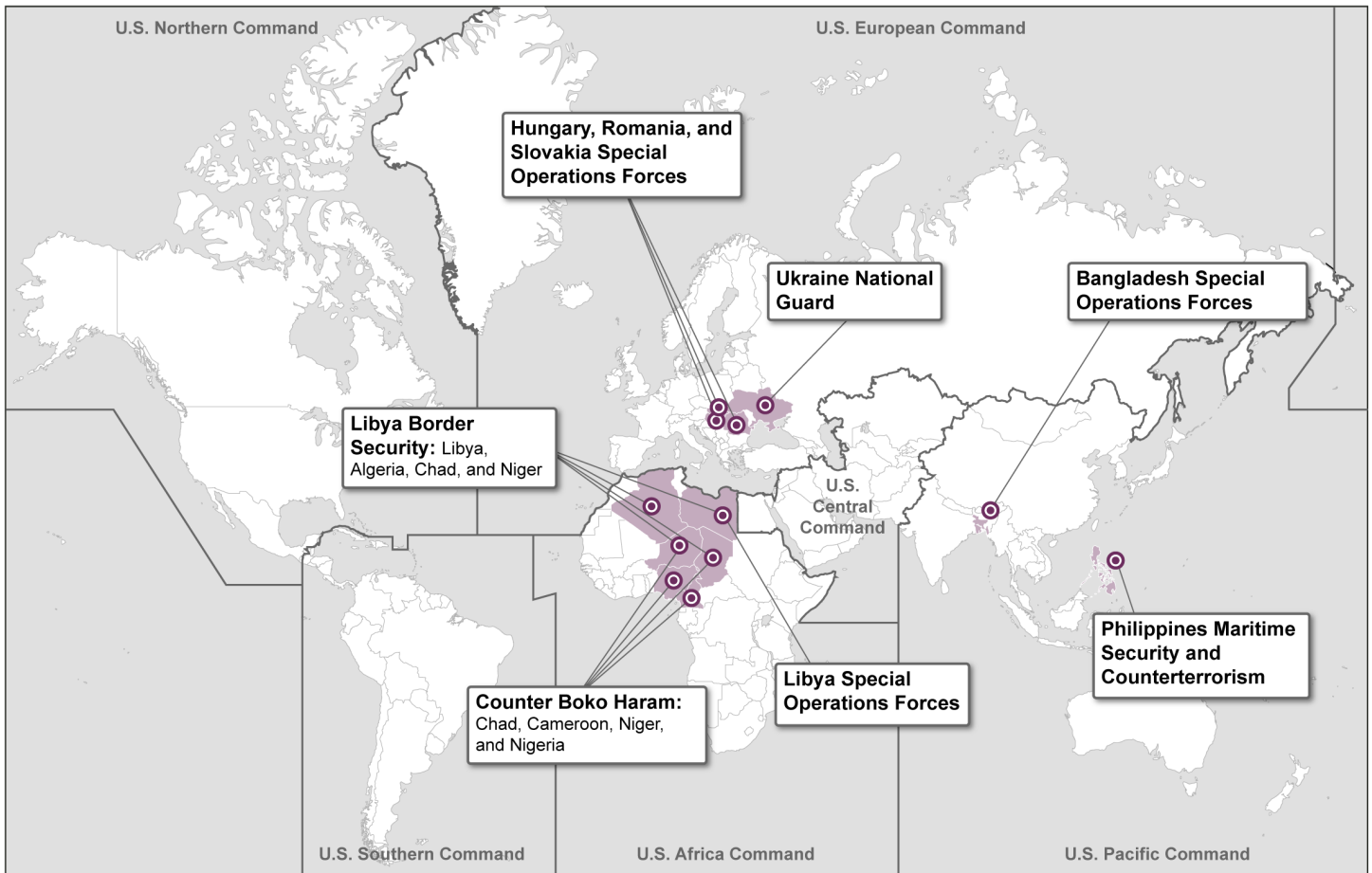
State and DOD have submitted congressional notification packages for seven projects since fiscal year 2012. The departments planned five of the seven projects in fiscal year 2012.²⁵ To provide funding, State transferred funds from the Pakistan Counterinsurgency Capability Fund, and DOD transferred funds from the Combatant Commanders Initiative Fund and Section 1206 into GSCF. In total, State and DOD transferred \$70.7 million into the GSCF account for the five projects: three special operations capacity-building projects (one in Bangladesh; another in Libya; and one in Hungary, Romania, and Slovakia), a border security capacity-building project in Libya, and a project in the Philippines to enhance maritime security and counterterrorism capabilities.

²⁴A no-year account contains funds that remain available for obligation for an indefinite period.

²⁵Since State and DOD identified and submitted congressional notifications for five GSCF projects in fiscal year 2012, we refer to these projects as being planned in fiscal year 2012, even if the detailed planning for some of the projects extended into fiscal year 2013.

In July 2014, State and DOD sent congressional notifications for two additional projects. Specifically, for one project—a national guard capacity-building project in Ukraine—State and DOD transferred \$19 million for the full cost of the project. For the other project—the Counter Boko Haram project—the departments initially transferred \$10 million in fiscal year 2012. Originally, this project was a counterterrorism and border security project in Nigeria but was put on hold because of evolving conditions on the ground. State and DOD subsequently rescoped the project to include Cameroon, Chad, and Niger for the purpose of improving cross-border security cooperation with Nigeria to counter Boko Haram. In September 2014, DOD transferred an additional \$30 million into the GSCF account to cover the total cost. As of September 2014, GSCF projects are located across three geographic combatant commands' areas of responsibility: U.S. Africa Command, U.S. European Command, and U.S. Pacific Command, as shown in figure 6.

Figure 6: Geographic Locations of Global Security Contingency Fund Projects, as of September 2014



Source: GAO analysis of Department of State and Department of Defense information. | GAO-15-75

State and DOD's Five Fiscal Year 2012 GSCF Projects Did Not Meet Originally Planned Execution Target Dates

The five State and DOD fiscal year 2012 GSCF projects have not met the execution target dates contained in the congressional notifications due to a variety of factors, including partner nation security concerns and the time it took to obtain congressional approval. As of September 2014, the projects' planned training activities and equipment delivery are an average of about 8 months late, assuming the projects meet the currently planned execution dates.²⁶ Figure 7 describes each project, total funds transferred, and the original and currently planned dates of execution for initiation of training activities and equipment delivery, as of September 2014.

²⁶All GSCF projects include multiple training activities and one or more deliveries of equipment. Because of this, the dates we use reflect when the first training was expected to start and when the first delivery of equipment was expected to occur.

Figure 7: Department of State (State) and Department of Defense (DOD) Global Security Contingency Fund Project Status, as of September 2014

| Projects | Description | Originally planned dates of execution | Currently planned dates of execution | Total funds transferred (dollars in millions) |
|--|--|--|---|---|
| Fiscal year 2012 projects | | | | |
| Bangladesh Special Operations Forces | Integrate forces into the Ministries of Defense and Home Affairs' counterterrorism planning and operations. | <ul style="list-style-type: none"> • Training: June 2013 • Equipment: Sept. 2013 | <ul style="list-style-type: none"> • Training: Aug. 2014 • Equipment: Mar.-May 2015 | \$3.5 |
| Libya Special Operations Forces | Build forces' capability to conduct special operations missions, including counterterrorism operations. | <ul style="list-style-type: none"> • Training: Apr.-Sept. 2013 • Equipment: Apr. 2013 | <ul style="list-style-type: none"> • Training: Pending • Equipment: May 2014 | 7.8 |
| Hungary, Romania, and Slovakia Special Operations Forces | Build and maintain a standard deployable special operations task group capability in support of the North Atlantic Treaty Organization and contingency operations. | <ul style="list-style-type: none"> • Training: Jan.-Feb. 2014 • Equipment: Jan.-Feb. 2014 | <ul style="list-style-type: none"> • Training: Nov. 2014 • Equipment: Aug. 2014 | 3.5 |
| Libya Border Security | Develop border security capacity and improve border management with Algeria, Chad, and Niger. | <ul style="list-style-type: none"> • Training: Jan. 2014 • Equipment: Apr. 2014 | <ul style="list-style-type: none"> • Training: Postponed • Equipment: Postponed | 15.9 |
| Philippines Maritime Security and Counterterrorism | Strengthen maritime domain awareness and operations and transition internal security in the south from the military to civilian law enforcement. | <ul style="list-style-type: none"> • Training: Jan.-Mar. 2014 • Equipment: Jan. 2014-June 2015 | <ul style="list-style-type: none"> • Training: Oct. 2014 • Equipment: Oct. 2014 | 40.0 |
| Subtotal | | | | \$70.7 |
| Fiscal year 2014 projects | | | | |
| Counter Boko Haram | Develop Cameroon, Chad, Niger, and Nigeria border security capabilities and increase cross-border cooperation to counter Boko Haram. | <ul style="list-style-type: none"> • Training: Jan.-Mar. 2015 • Equipment: Apr.-Sept. 2015 | Same as originally planned execution dates | 40.0 |
| Ukraine National Guard | Develop national guard capability to conduct internal defense operations. | <ul style="list-style-type: none"> • Training: Jan.-Mar. 2015 • Equipment: Jan.-Mar. 2015 | Same as originally planned execution dates | 19.0 |
| Subtotal | | | | \$59.0 |
| Total | | | | \$129.7 |

Source: GAO analysis of Department of State and Department of Defense information. | GAO-15-75

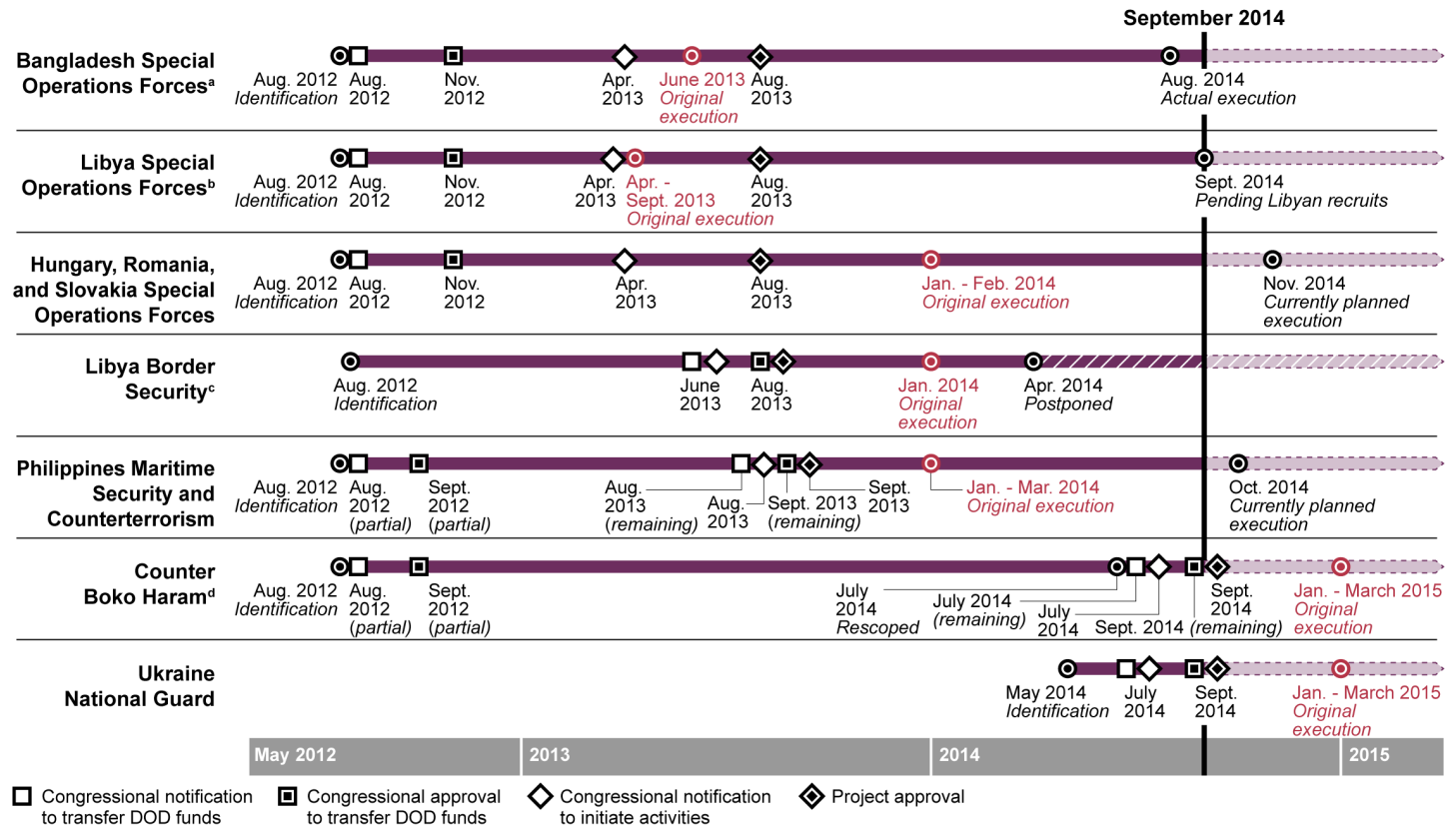
Notes: Dollar figures are rounded to the nearest hundred thousand. The currently planned dates of execution reflect when training and equipment delivery are expected to occur or when training and equipment delivery did occur.

In addition, the time from identification to execution for four of the five fiscal year 2012 GSCF projects averages about 2.1 years.²⁷ This calculation includes the currently planned or actual execution dates for initiation of training activities, as of September 2014.²⁸ Figure 8 illustrates our analysis of the time from identification through the beginning of execution for each GSCF project, to include original and currently planned or actual execution dates for initiation of training activities, as of September 2014.

²⁷We excluded the Libya Border Security project from this calculation because it has been postponed.

²⁸The calculation does not include the equipment delivery dates because training does not start until related equipment has been delivered.

Figure 8: Identification and Training Execution Dates for Department of State (State) and Department of Defense (DOD) Global Security Contingency Fund Projects, as of September 2014



Source: GAO analysis of Department of State and Department of Defense information. | GAO-15-75

Notes: Our analysis of project identification starts with the dates the Department of State (State) and Department of Defense (DOD) provided. Original and currently planned execution dates start with the dates found in the congressional notification packages and end with the updated dates provided by State and DOD officials. This analysis is assuming that State and DOD will meet their currently planned execution dates. We included DOD's notification of the transfer of funds because DOD is required to obtain approval of funds transfers from Congress.

^aAccording to State and DOD officials, the first training course started in August 2014; however, this training did not meet the original execution date of June 2013.

^bAccording to State and DOD officials, this project is pending the arrival of Libyan special operations forces recruits.

^cAccording to State and DOD officials, three iterations of a training were completed in January, April, and May 2014; however, the first training planned for January 2014 was not completed. The project has been postponed due to security and safety concerns in Libya.

^dThis project was identified in August 2012 as a counterterrorism and border security project in Nigeria, but was put on hold because of evolving conditions on the ground. State and DOD subsequently rescoped the project to include Cameroon, Chad, and Niger and notified Congress in July 2014.

The five fiscal year 2012 GSCF projects were planned before State issued the March 2014 project guidance. State and DOD officials stated that the target dates were not met due to partner nation security concerns as well as additional details and supporting documentation needed by Congress to obtain congressional approval. State and DOD officials said that the departments submitted separate congressional notification documents containing different levels of detail about the projects. As a result, Congress requested that State and DOD coordinate more closely and resubmit the congressional notifications. GSCF staff provided the following explanations for delays in the five fiscal year 2012 GSCF projects:

- **Bangladesh Special Operations Forces (delayed 17 months):** State and DOD originally planned to initiate training activities in June 2013 and equipment delivery in September 2013. DOD's congressional notification of intent to transfer funds for this project was submitted in August 2012, and Congress approved DOD's funds transfer in November 2012. State and DOD's congressional notification of intent to initiate activities was submitted in April 2013, and the project was approved in August 2013. GSCF staff said the project was delayed due to the timing of congressional approval. In addition, the risk of unrest from the elections in Bangladesh also delayed the project. The first training course started in August 2014, and the first delivery of equipment is planned to occur between March and May 2015.
- **Libya Special Operations Forces (delayed 12.5 months):** State and DOD originally planned to initiate training activities any time between April and September 2013 and equipment delivery in April 2013. DOD's congressional notification of intent to transfer funds for this project was submitted in August 2012, and Congress approved DOD's funds transfer in November 2012. State and DOD submitted the congressional notification of intent to initiate activities in April 2013, and the project was approved in August 2013. GSCF staff said the project was delayed due to the timing of congressional approval and the deteriorated security situation in Libya. Initiation of training activities is pending the arrival of Libyan recruits to the training location in Morocco and this date is unknown; however, equipment delivery began in May 2014.²⁹

²⁹Marine Special Operations Command trainers arrived in Morocco in May 2014.

-
- **Hungary, Romania, and Slovakia Special Operations Forces (delayed 7.5 months):** State and DOD originally planned to initiate training activities and equipment delivery any time between January and February 2014. DOD's congressional notification of intent to transfer funds for this project was submitted in August 2012, and Congress approved DOD's funds transfer in November 2012. State and DOD submitted the congressional notification of intent to initiate activities in April 2013, and the project was approved in August 2013. GSCF staff said the project was delayed due to the timing of congressional approval and challenges with equipment encryption; also, training could not start until equipment delivery. Initiation of training activities is planned for November 2014, but equipment delivery began in August 2014.
 - **Libya Border Security (delayed 1.5 months):** State and DOD planned to initiate training activities in January 2014 and equipment delivery in April 2014. DOD's congressional notification of intent to transfer funds and State and DOD's congressional notification of intent to initiate activities for this project were submitted in June 2013. DOD's transfer of funds and the project were approved in August 2013. GSCF staff said the project was delayed due to the timing of congressional approval and safety and security concerns in Libya. As of April 2014, the project is on hold and being rescoped; however, three iterations of a training activity were completed before the project was postponed.
 - **Philippines Maritime Security and Counterterrorism (delayed 3.5 months):** State and DOD planned to initiate training activities any time between January and March 2014 and equipment delivery any time between January 2014 and June 2015. DOD's congressional notification of intent to transfer part of the funds for this project was submitted in August 2012 and approved in September 2012. State and DOD's congressional notifications of intent to transfer the remaining funds and intent to initiate activities were submitted in August 2013, and the project was approved in September 2013. GSCF staff said the project was delayed due to the timing of congressional approval and a typhoon that hit the Philippines in November 2013. At the time of this report, initiation of training activities and equipment delivery was planned for October 2014.

State and DOD Have Not Defined Time Frames to Guide and Track GSCF Projects

State's March 2014 GSCF cable states that the GSCF program is to address near- to mid-term security concerns driven by emergent challenges or opportunities, but it does not clearly define what time frames constitute near- or mid-term. The cable outlines time frames for individual parts of the GSCF process, such as a goal to review project proposals within 10 business days. However, this does not provide stakeholders with information needed to know what meets the criteria for a near- or mid-term GSCF project. Moreover, State and DOD do not routinely track GSCF projects against established time frames. Our analysis shows that the five projects planned in fiscal year 2012 were an average of about 8 months late, assuming the projects meet the currently planned execution dates as of September 2014, as shown above in figure 8.

Key management practices call for developing control activities to ensure management's directives are being met, such as clearly defining the time frame associated with projects and tracking whether the projects are meeting their goals.³⁰ Specifically, *Standards for Internal Control in the Federal Government* state that control activities should be designed and implemented to ensure that management's directives are achieved and require tracking projects so that managers can determine whether they are meeting their goals. State's March 2014 GSCF cable states that the program is intended to be high impact, address near- to mid-term security concerns in partner nations, and be driven by emergent challenges or opportunities, but the guidance does not clearly define time frames for near- to mid-term GSCF projects. The guidance also outlines time frames for individual parts of the GSCF process, such as a goal to review project proposals within 10 business days, but this does not provide stakeholders with information needed to know what meets the criteria for a near- or mid-term GSCF project. Further enhancing the definition of the program by including a range of time for how long near- to mid-term GSCF projects should take and tracking the projects against these goals are examples of control activities that could ensure that management's directives are achieved.

State officials said that GSCF is intended to address emergent challenges that fall outside of the normal budgeting and planning process; however, while this approach allows for flexibility, it does not clarify how long near-

³⁰[GAO/AIMD-00-21.3.1.](#)

to mid-term GSCF projects should take. Officials from U.S. Africa Command, U.S. European Command, and U.S. Pacific Command stated that the uncertain time frames and onerous process associated with GSCF have inhibited the usefulness of the program to date. As a result, officials stated that they were reluctant to propose GSCF projects because of the lengthy time frames associated with the program.

Once projects begin execution, State and DOD officials said that they hold biweekly meetings with project implementers to discuss the status of projects; however, these meetings do not track the time frame from project proposal to the beginning of project execution. Without clearly defining a range of time for near- to mid-term GSCF projects, stakeholders, including those proposing and approving GSCF projects, will not know the criteria for how long a project should take. Furthermore, without clearly defined time frames, State and DOD do not have a goal to track GSCF projects against. Therefore, it may be difficult to assess whether the GSCF program is meeting its goal to provide timely assistance.

Conclusions

The timely provision of U.S. assistance to build partner nation capacity to address emerging threats has become vital to U.S. national security. Congress created GSCF as a pilot program to pool State's and DOD's funds and expertise on building partner capacity to address emergent challenges and opportunities. State and DOD have developed guidance for the GSCF program that notes that GSCF is to focus on near- to mid-term projects. While the departments have planned seven GSCF projects, the five GSCF projects planned in fiscal year 2012 have not met their original execution target dates contained in their congressional notification packages. State and DOD have not defined time frames for near- to mid-term GSCF projects and have not routinely tracked the projects against these goals. Clearly defined time frames will give State and DOD goals to track GSCF projects against and will allow stakeholders to assess whether the GSCF program is meeting its goal to provide timely assistance. Clearly defined time frames may also help Congress determine whether the pilot authority should be continued.

Recommendations for Executive Action

To enhance the definition of the GSCF program and assist stakeholders in assessing whether GSCF is meeting its goals, we recommend that the Secretary of State and the Secretary of Defense take the following two actions:

-
- Provide a range of time to clarify the time frames associated with near- to mid-term GSCF projects, and
 - track GSCF projects against established time frames.

Agency Comments and Our Evaluation

We provided a draft of this report to State and DOD for review and comment. State and DOD provided written comments, which are summarized below and reprinted in appendix II and III, respectively. State and DOD also provided technical comments, which we have incorporated, as appropriate. In the written comments, State did not agree and DOD partially agreed with the first recommendation, and both departments agreed with the second recommendation.

With respect to the report's first recommendation, State did not agree and DOD partially agreed that the departments should clearly define what time frames constitute "near- to mid-term" for GSCF projects. In their written comments, both departments reprinted portions of the GSCF guidance and stated that this guidance provides policy makers and planners flexibility in defining requirements and tailoring training and equipment assistance, consistent with the GSCF authority, needed to address emergent challenges or opportunities. For example, State noted that in many partner nations receiving GSCF assistance, the situation on the ground is fluid and frequently unpredictable; therefore, it is important that proposals are driven by requirements, not timelines. In addition, State and DOD said that the guidance allows proposal submissions to occur on a rolling basis. State's response also noted that this flexibility enables them to maximize their use of the authority, to include the ability to provide assistance across ministries in partner nations. In addition, DOD noted that GSCF guidance addresses general near- to mid-term conditions that would warrant submission of a project proposal, but that defining specific time frames would restrict the program's ability to develop detailed plans that address emergent needs.

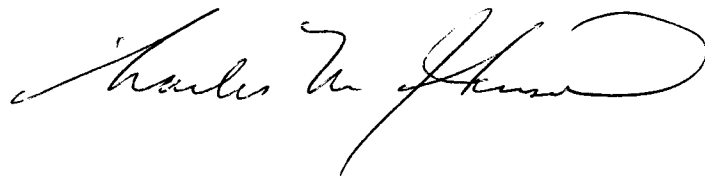
We understand and agree with the desire for flexibility in the GSCF program. We initially drafted the recommendation for State and DOD to clearly define the time frames associated with near- to mid-term GSCF projects. However, because we agree with State and DOD about the importance of flexibility, we modified our recommendation to clarify our intent and specify that State and DOD should define a range of time for GSCF projects. Defining a range of time for GSCF projects would not limit the departments' flexibility for developing detailed plans that address emergent needs, would still address the need for time frames for GSCF projects, and would give key stakeholders a clear expectation of how long

GSCF projects should take. As noted in the report, all of the GSCF projects planned in fiscal year 2012 have experienced delays, and it is difficult to independently assess the severity of these delays because the GSCF guidance does not set overall expectations about how long these projects should take. Moreover, the uncertainty around GSCF time frames has impacted key stakeholders trying to use the program. As noted in the report, officials from the three geographic combatant commands with GSCF projects told us that the uncertain time frames have inhibited the usefulness of GSCF to date and the lengthy time frames associated with the program caused them to be reluctant to propose GSCF projects in the future. Finally, the lack of time frames for GSCF projects creates financial risks because GSCF funds do not expire after Congress approves the transfer of funds and initiation of activities. As noted in the report, funds transferred into the GSCF account remain available indefinitely. Without defining a range of time for GSCF projects, State and DOD may lack reasonable assurance that GSCF activities are conducted and funds expended in a timely manner. Therefore, we believe that defining a range of time associated with near- to mid-term GSCF projects is needed so the departments and stakeholders can manage and assess the program and ensure accountability. Thus, we believe that State and DOD should fully implement our modified recommendation.

With respect to the report's second recommendation, State and DOD agreed that the departments should track GSCF projects against established time frames. State and DOD said that the departments plan to track the projects against the congressional notification timelines and plan to continue holding biweekly calls with project implementers to identify and address implementation considerations. However, as noted in the report, these biweekly calls discuss the status of projects and do not track the time frame from project proposal to the beginning of project execution. In its response, State also noted that it does not believe it would be appropriate to track projects according to the near- to mid-term time frame that we recommend. However, we continue to believe that tracking projects against established time frames, as discussed above, will be crucial for ensuring accountability. Until the departments track projects against established time frames, they are limited in assessing whether the program is meeting its goal of providing timely assistance.

We are sending copies of this report to the appropriate congressional committees, the Secretary of State, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff. In addition, this report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact Charles Michael Johnson, Jr., at (202) 512-7331 or johnsoncm@gao.gov, or John H. Pendleton at (202) 512-3489 or pendletonj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix IV.



Charles Michael Johnson, Jr.
Director
International Affairs and Trade



John H. Pendleton
Director
Defense Capabilities and Management

List of Committees

The Honorable Carl Levin
Chairman
The Honorable James Inhofe
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Robert Menendez
Chairman
The Honorable Bob Corker
Ranking Member
Committee on Foreign Relations
United States Senate

The Honorable Richard J. Durbin
Chairman
The Honorable Thad Cochran
Ranking Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

The Honorable Patrick J. Leahy
Chairman
The Honorable Lindsey Graham
Ranking Member
Subcommittee on State, Foreign Operations, and Related Programs
Committee on Appropriations
United States Senate

The Honorable Howard P. "Buck" McKeon
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

The Honorable Edward R. Royce
Chairman
The Honorable Eliot L. Engel
Ranking Member
Committee on Foreign Affairs
House of Representatives

The Honorable Rodney Frelinghuysen
Chairman
The Honorable Pete Visclosky
Ranking Member
Subcommittee on Defense
Committee on Appropriations
House of Representatives

The Honorable Kay Granger
Chairwoman
The Honorable Nita Lowey
Ranking Member
Subcommittee on State, Foreign Operations, and Related Programs
Committee on Appropriations
House of Representatives

Appendix I: Objectives, Scope, and Methodology

The Joint Explanatory Statement accompanying the National Defense Authorization Act for Fiscal Year 2014 required GAO to review the Department of State (State) and the Department of Defense (DOD) procedures to administer and implement activities funded by the Global Security Contingency Fund (GSCF). This report (1) describes the processes State and DOD have developed to manage the program, (2) describes the status of GSCF projects, and (3) assesses the extent to which State and DOD have clearly defined time frames for GSCF projects. To conduct this work and address our objectives, we identified sources of information within State and DOD that would provide information on the processes the departments developed to manage the GSCF program.

To describe the processes State and DOD developed to manage the GSCF program, we collected and analyzed guidance documents that the departments developed to manage the GSCF program. Specifically, we collected and analyzed the March 2014 diplomatic cable titled *Utilizing the Global Security Contingency Fund*, which provides step-by-step information on how State and DOD are to develop projects from proposal idea to project execution.¹ We also collected and analyzed State's March 2014 information memorandum titled *Global Security Contingency Fund Program Execution Guidance*, which provides step-by-step information on how State and DOD are to notify Congress of their intent to transfer funds and initiate GSCF projects as well as how the departments transfer funding into the joint GSCF account.²

To describe the status of GSCF projects, we gathered information from congressional notification packages, funding transfer documents, and status updates provided by State and DOD since the initiation of the program. Specifically, we analyzed the amounts transferred for each GSCF project from the information contained in the congressional notifications. We also compiled the planned execution time frames from congressional notification packages for each GSCF project, to include the initiation of training activities and equipment delivery, as well as the revised dates from State and DOD briefings on GSCF projects' status.

¹Department of State, *Utilizing the Global Security Contingency Fund* (Washington, D.C.: Mar. 28, 2014).

²Department of State, *Global Security Contingency Fund Program Execution Guidance* (Washington, D.C.: Mar. 19, 2014).

We also discussed the reasons for any project delays and obtained current information on the planned training and equipment delivery dates from State and DOD officials.

To assess the extent to which State and DOD have clearly defined time frames for GSCF projects, we obtained and analyzed State and DOD's congressional notification packages for GSCF projects, GSCF project updates to Congress, and State's GSCF guidance documents. We compared this information to criteria in the *Standards for Internal Control in the Federal Government*.³ We also interviewed State and DOD officials about their management of the GSCF projects, reasons for the delays in GSCF projects, and whether State and DOD clearly defined time frames or track GSCF projects.

We interviewed officials, or when appropriate obtained documentation, from the organizations listed below:

Department of State

- Bureau of Political-Military Affairs
 - Office of Congressional and Public Affairs
 - Office of Security Assistance
- Office of U.S. Foreign Assistance
- Bureau of African Affairs
- Bureau of East Asian and Pacific Affairs
- Bureau of European and Eurasian Affairs
- Bureau of Near Eastern Affairs

Department of Defense

- Office of the Under Secretary of Defense for Policy
- Office of the Under Secretary of Defense (Comptroller)
- Defense Security Cooperation Agency
- Joint Staff
- U.S. Africa Command
- U.S. Central Command
- U.S. European Command

³GAO, *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: November 1999).

- U.S. Northern Command
- U.S. Pacific Command
- Office of Defense Cooperation Bangladesh
- Joint U.S. Military Assistance Group Philippines
- U.S. Southern Command
- U.S. Special Operations Command

We conducted this performance audit from April 2014 to November 2014 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Comments from the Department of State



United States Department of State
Comptroller
P.O. Box 150008
Charleston, SC 29415-5008

NOV 04 2014

Dr. Loren Yager
Managing Director
International Affairs and Trade
Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20548-0001

Dear Dr. Yager:

We appreciate the opportunity to review your draft report, "BUILDING PARTNER CAPACITY: State and DOD Need to Define Time Frames to Guide and Track Global Security Contingency Fund Projects" GAO Job Code 100028.

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 Brooke Milton Vogel, Foreign Affairs Officer, Office of Security Assistance, Bureau of Political-Military Affairs at (202) 736-4019.

Sincerely,

A handwritten signature in blue ink that reads "Christopher H. Flagg".

Christopher H. Flagg, Acting

Enclosure:

As stated.

cc: GAO – Charles Michael Johnson, Jr.
PM– Puneet Talwar
State/OIG – Norman Brown

Department of State Comments on GAO Draft Report

BUILDING PARTNERSHIP CAPACITY: State and DOD Need to Define Time Frames to Guide and Track Global Security Contingency Fund Projects (GAO-15-75, GAO Code 100028)

The Department appreciates the opportunity to comment on the GAO draft report entitled “Building Partnership Capacity: State and DOD Need to Define Time Frames to Guide and Track Global Security Contingency Fund Projects.”

The Global Security Contingency Fund (GSCF) authority is a unique tool that provides the Department of State (State) and Department of Defense (DOD) the opportunity to pool funding and expertise to address emergent challenges to, and opportunities for, partners’ security. State and DOD have made a concerted effort, in consultation with Congress, to operationalize the GSCF program over the past two-plus years.

As described in GAO’s report, State and DOD developed a process and issued guidance for utilizing the GSCF authority in March 2014. Our intent in doing so was to provide clear guidance to Washington and the field about the GSCF program, proposal criteria, steps for pursuing a GSCF project, and stakeholders’ roles and responsibilities. The process and guidance reflect the Departments’ lessons learned with the GSCF program thus far; best practices for existing State-DOD programs; and feedback from State and DOD GSCF oversight committees’ and subcommittees’ staffers.

The GAO report states that “GSCF projects are to address near to mid-term security concerns, but State and DOD’s guidance and processes do not clearly define what timeframes constitute near- or mid-term. As such, GAO recommends that State and DOD clearly define time frames associated with “near to mid-term” GSCF projects, and track GSCF projects against established time frames.

The following is language from the State-DOD guidance and process document on “near to mid-term”:

“The GSCF provides a mechanism for near to mid-term, high-impact assistance. As the GSCF provides authorization for contingency programs, proposal submissions will occur on a rolling basis and should be driven by emergent challenges or opportunities, rather than long-standing funding requests (including those not funded due to prioritization vis-à-vis other

needs), or the absence of other appropriated funds. Examples include emerging or changing transnational asymmetric threats; instances in which the Departments could not fully anticipate host country needs that affect U.S. national security interests in the normal budgeting and planning process; and/or a change in the partner's willingness to work with the United States to address shared security concerns. Occasionally, the Departments may consider using GSCF assistance to address a long-standing requirement if the dynamic nature of the global security environment has elevated that requirement to a national priority. Program design should address sustainment of the assistance beyond the GSCF life cycle, whether through partner nation funds or transition to traditional bilateral security sector assistance programs."

State and DOD provided the aforementioned criteria, vice defining strict timeframes, to provide policy makers and planners *flexibility* in defining requirements and tailoring training and equipment assistance, consistent with the GSCF authority, needed to address the emergent challenges and/or opportunities. State notes that not all emergent challenges and opportunities are similar, nor are the "near- to mid-term" timeframes for providing the assistance necessarily the same. For example, the type of GSCF project the Departments are pursuing to counter Boko Haram is very different in size, scope, and range of activities than the Ukraine project. Moreover, in not limiting State and DOD's use of the authority to a specific timeframe, it enables the Departments to maximize their use of the authority including, for example, the ability to provide assistance across ministries.

State further notes that, in many of the countries and regions where we are providing assistance, the situation on the ground (political, security, and otherwise) is fluid and frequently unpredictable. There are also instances where factors outside the Departments' control extend timelines (e.g., contracting, manufacture, and delivery timelines, as well as the potential for significant host country security requirements, and international efforts to fulfill those requirements). On this latter point, in working to provide assistance under the GSCF, State and DOD consider assistance provided under other USG programs and other countries; and seek to ensure no duplication of effort. It is important that proposals are driven by requirements, not timelines. As such, State does not agree with identifying a strict timeline for initially identifying GSCF proposals, nor with having a standard overall timeline from proposal identification through project execution.

State does, however, agree with the need to identify and track timeframes for pursuing GSCF proposal approval, project planning, Secretary-level approval, and Congressional notification. The Ukraine GSCF project, notified to Congress by the Departments in July 2014, was the first GSCF project pursued according to the March 2014 guidance document; and the Departments purposefully monitored each step according to the timeframe identified in the guidance. State will continue to do so for future GSCF projects.

State also agrees with the need to track project implementation timeframes. State and DOD track GSCF project implementation, according to the estimated timeline notified to Congress, to ensure implementation remains consistent with GSCF authority requirements and the overall project scope. State, however, does not believe it would be appropriate to track projects according to the specific “near to mid-term timeframe” GAO recommends.

The Departments have developed GSCF monitoring processes to track the funding and performance of each country project. This is outlined, in part, in the March 2014 document section on stakeholders’ roles and responsibilities (e.g., tracking and reporting on implementation progress, review of non-performing projects, and consideration of significant modifications to projects), as well as in State’s intra-Departmental accounting and reporting procedures for executing GSCF funds and the joint State-DOD Memorandum of Agreement for funds management. For instance, the joint State and DOD GSCF staff review financial expenditures on a monthly basis, and implementers provide performance data against established indicators to GSCF staff quarterly. To augment these reporting requirements, the GSCF staff prepares project status tracker charts and hosts semi-monthly calls with implementers, relevant Combatant Commands, and Embassies to identify and address implementation considerations (e.g., timelines for contracting training and equipment; delivery schedules; engagements with host countries; and monitoring and evaluation (M&E) requirements). Once a GSCF project is complete, State and DOD return any un-liquidated funds to the Treasury.

State notes that there are instances in which the Departments cannot meet the estimated GSCF project timelines. This has not been due to the lack of a defined “near to mid-term” timeline, but rather to issues outside the Departments’ control (as described above), along with the Congressional requirement to notify a very specific level of project detail (e.g., specific training and equipment to be provided; the intended recipients thereof; and the timeline and cost for doing so) to address emergent challenges and opportunities.

4

Finally, as mentioned in the GAO report, State and DOD contracted a third-party to conduct M&E of the GSCF program writ large, as well as individual country projects. In addition to the aforementioned internal controls, this M&E effort will be important to evaluating the timeliness of the assistance provided by the GSCF program through its individual projects. The GSCF M&E Team will conduct quarterly reporting and annual evaluations with project implementers, beginning in Fiscal Year 2015 and continuing through the duration of GSCF program implementation, to evaluate the timeliness of deliveries compared with the notified intended timelines, as well as measuring whether intermediate GSCF assistance results have been effective.

State acknowledges that the GSCF is still a relatively new program, and that the Departments are still in the early stages of project planning and execution. State will continue to monitor and identify means, as appropriate, to improve the GSCF process. The Departments remain committed to fulfilling the vision for the GSCF authority as the premier tool for collaborative interagency capacity building to address emerging threats and opportunities. We appreciate the continued support of Congress in these efforts.

Appendix III: Comments from the Department of Defense

GAO received DOD's letter on October 31, 2014.



SPECIAL OPERATIONS /
LOW-INTENSITY CONFLICT

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
2500 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2500

Mr. John Pendleton
Director, Defense Capabilities Management
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Mr. Pendleton:

The Department of Defense (DoD) response to the GAO Draft Report, GAO-15-75, "Building Partner Capacity: State and DoD Need to Define Time Frames to Guide and Track Global Security Contingency Fund Projects" dated September 30, 2014 (GAO Code 100028), is attached.

The Department is providing official written comments for inclusion in the report.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Wechsler".

WILLIAM F. WECHSLER
Deputy Assistant Secretary of Defense,
Special Operations and Combating Terrorism

Attachment: As stated

GAO DRAFT REPORT DATED SEPTEMBER 30, 2014
GAO-15-75 (GAO CODE 100028)

**“BUILDING PARTNER CAPACITY: STATE AND DOD NEED TO DEFINE TIME
FRAMES TO GUIDE AND TRACK GLOBAL SECURITY CONTINGENCY FUND
PROJECTS”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATIONS**

RECOMMENDATION 1: The GAO recommends that the Secretary of State and the Secretary of Defense clearly define the time frames associated with near- to mid-term GSCF projects.

DoD RESPONSE: Partially concur. While GSCF governing documents address general near- to mid-term conditions that would warrant submission of a project proposal, defining specific time frames associated with near- to mid-term projects would restrict the program’s ability to develop detailed plans that address emergent needs. Those emergent needs can differ greatly based on individual country requirements, security concerns, training implementation, equipment delivery, involvement across ministries, and a variety of other factors.

On March 28, 2014, State and DoD issued an All Diplomatic and Consular Post (ALDAC) message that provides clear guidance to Washington and the field about the GSCF program, proposal criteria, steps for pursuing a GSCF project, and stakeholders’ roles and responsibilities throughout the project’s lifecycle. The following is language from the ALDAC on “near- to mid-term”:

“The GSCF provides a mechanism for near- to mid-term, high-impact assistance. As the GSCF provides authorization for contingency programs, proposal submissions will occur on a rolling basis and should be driven by emergent challenges or opportunities, rather than long-standing funding requests (including those not funded due to prioritization vis-à-vis other needs), or the absence of other appropriated funds. Examples include emerging or changing transnational asymmetric threats; instances in which the Departments could not fully anticipate host country needs that affect U.S. national security interests in the normal budgeting and planning process; and/or a change in the partner’s willingness to work with the United States to address shared security concerns. Occasionally, the Departments may consider using GSCF assistance to address a long-standing requirement if the dynamic nature of the global security environment has elevated that requirement to a national priority.”

That language provides policy makers and planners *flexibility* in defining requirements and tailoring training and equipment assistance, consistent with the GSCF authority, needed to address emergent challenges and/or opportunities. Not all emergent challenges and opportunities are similar, nor are the “near- to mid-term” timeframes for providing the assistance necessarily the same. For example, the type of GSCF project the Departments are pursuing to counter Boko Haram is very different in size, scope, and range of activities than is the Ukraine project.

RECOMMENDATION 2: The GAO recommends that the Secretary of State and the Secretary of Defense track GSCF projects against established time frames.

DoD RESPONSE: Concur. DoD agrees with the need to more closely track GSCF project implementation according to the estimated timeline notified to Congress, and to ensure implementation remains consistent with the overall project scope as notified to Congress. The DoD/State GSCF program office has implemented bi-weekly calls with project implementers for all ongoing GSCF projects in order to assess current implementation status, to identify and assist with resolution of issues leading to implementation delays, and to work towards project completion in accordance with timelines notified to Congress.

Early program office involvement with recently notified Ukraine and Counter Boko Haram projects will improve the likelihood of meeting notified timelines. However, it remains possible that implementation of training and delivery of equipment to current or future projects may still be delayed due to circumstances beyond the control of the GSCF program office. In those instances, the program office will work with project implementers to develop strategies that minimize delays while adhering to original project objectives.

Appendix IV: GAO Contacts and Staff Acknowledgments

GAO Contacts

Charles Michael Johnson, Jr., (202) 512-7331 or johnsoncm@gao.gov

John H. Pendleton, (202) 512-3489 or pendletonj@gao.gov

Staff Acknowledgments

In addition to the contacts named above, Judith McCloskey, Assistant Director; Tracy Barnes; Laurie Choi; Mary Pitts; Richard Powelson; Erika Prochaska; Michael Silver; Amie Steele; and Esther Toledo made key contributions to this report.

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