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March 1995

# International Affairs Issue Area Plan

## Fiscal Years 1995-97





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# Foreword

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The International Affairs issue area is one of 35 issue areas for which GAO periodically develops multiyear strategic plans. Relying heavily on consultation with congressional committees, as well as with industry, academia, and agency officials, and other experts, GAO develops issue area plans to ensure that our resources are focused on the most important concerns of the Congress. For each issue area, GAO's strategic plan describes the significance of the issues, our objectives, and the focus of our work. GAO's goal is to serve as a source of timely, accurate information and unbiased analysis for decisionmakers in the Congress and executive agencies. Our work results in such products as reports, briefings, and testimonies.

The costs and effectiveness of foreign affairs activities are being closely scrutinized. We will assess how the government is adapting to post-Cold War budget realities, how functions and activities are meeting essential U.S. interests, and how these functions and activities can be managed at the least cost to the taxpayer. GAO's work in the International Affairs issue area focuses on

- the structure, functions, and budgets of the foreign affairs agencies;
- U.S. policies and programs designed to assist and influence the governments and people of other countries;
- U.S. arms control and nonproliferation strategies and programs designed to address the threats posed by the spread of dangerous weapons; and
- U.S. policies and programs in the former Soviet Union and Central Europe.

The International Affairs issue area covers the Department of State, the U.S. Agency for International Development, the U.S. Information Agency, the Arms Control and Disarmament Agency, and related programs; U.S. participation in international organizations; and certain international programs of the Department of Defense.

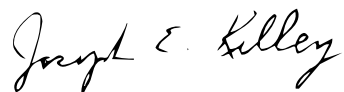
In the pages that follow, we describe our key ongoing and planned work on these issues.

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**Foreword**

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Because events may significantly affect even the best of plans, our planning process allows for updating the plan to respond quickly to emerging issues. If you have any questions or suggestions about this plan, please call me at (202) 512-4128.

A handwritten signature in black ink that reads "Joseph E. Kelley". The signature is written in a cursive style with a large initial 'J' and 'K'.

Joseph E. Kelley  
Director-in-Charge  
International Affairs Issues

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# Content

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Foreword	1
Table I: Key Issues	4
Table II: Major Ongoing and Planned Work	6
Table III: GAO Contacts	7

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# Table I: Key Issues

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Issue	Significance
<b>Foreign affairs functions and budgets:</b> Do agencies' structures/functions reflect fiscal realities and are resources well managed?	Broad-based reform, restructuring, better management, and elimination of non essential activities are needed to meet evolving U.S. overseas interests in an era of budget reductions. There is growing momentum for major downsizing and restructuring of the foreign affairs apparatus and reduction in the \$21-billion international affairs budget.
<b>Cost/impact of influence and assistance:</b> Are U.S. policies/programs affordable and are they achieving essential objectives?	The Cold War rationale for foreign aid and other tools of influence is no longer valid. Faced with budget reductions and skepticism on the need for, and impact of, overseas expenditures, the government needs to ensure that its strategies and tools effectively serve U.S. interests at acceptable costs. The administration plans to spend about \$13 billion in 1996 for bilateral and multilateral assistance.
<b>Arms control and nonproliferation:</b> Are U.S. strategies addressing threats posed by the spread of dangerous weapons?	Achieving the objectives of arms control and stemming the spread of dangerous weapons and technology remain cornerstones of U.S. national security policy, given the collapse of the Soviet bloc and ongoing concerns about potential troublespots such as Iran and North Korea. Results of U.S. strategies and programs, costing over \$2 billion each year, will have an immeasurable impact on future defense costs and U.S. security.
<b>Former Soviet Union and Central Europe:</b> Are U.S. policies and programs achieving the objectives?	The United States has a direct security stake in Russian and other former Soviet bloc reform efforts. It is important that the funding, credits, and other resources, amounting to about \$15 billion over several years, are directed and spent wisely.

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**Table I: Key Issues**

<b>Objectives</b>	<b>Focus of work</b>
—Determine the compatability of foreign affairs agencies' functions and roles with priorities, budget constraints, and capabilities.	•Foreign affairs functions with probable duplication or cost recovery options.
—Identify ways to improve management of agency resources and cut costs.	•Opportunities to cut costs with tighter management/reassessment of purpose.
—Assess progress of and savings from reform efforts at foreign affairs agencies and the advantages, disadvantages, and cost implications of proposals to reorganize the foreign affairs apparatus.	•Proposals to reorganize the foreign affairs apparatus and reform efforts announced by the Vice-President. •Resource management and control for areas of risk and material weakness.
—Determine whether tools/programs/ agreements serve current and essential political, economic, and security interests.	•Large, highly visible, and/or controversial country programs or initiatives.
Determine cost, impact, implementation status, and impediments to success of key initiatives.	•U.S. participation in peacekeeping and multilateral institutions.
—Assess progress and feasibility of achieving U.S. goals and objectives and identify the obstacles.	•Nonproliferation goals and programs in the former Soviet Union, especially the cooperative threat reduction programs.
—Identify ways to improve organization and management of U.S. programs and activities.	•Management and efficiency of key initiatives, agreements, and treaties. •International safeguards over weapons grade materials.
—Determine how well the United States has defined its objectives and devised a consistent strategy.	•Appropriateness and success of strategy in attaining U.S. goals.
—Assess results of U.S. programs in helping the region achieve economic restructuring and democracy and identify obstacles that impede progress.	•Impact, cost, status, and impediments to U.S. assistance.

# Table II: Major Ongoing and Planned Work

Issue	Major jobs
<b>Foreign affairs functions and budgets</b>	<ul style="list-style-type: none"> <li>•Proposals to consolidate the foreign affairs agencies<sup>a</sup></li> <li>•Implementation of the Vice President's reform plans at the foreign affairs agencies</li> <li>•How best to manage the delivery of foreign aid</li> <li>•Budget scrub of the international affairs (function 150) account</li> <li>•Disposal of State's excess overseas real property<sup>a</sup></li> <li>•Cutting/recovering costs in consular programs<sup>a</sup></li> <li>•State's role in the competitiveness arena</li> <li>•Need and affordability of diplomatic allowances/benefits</li> <li>•Affordability of overseas security requirements</li> <li>•How best to equitably share embassy costs</li> <li>•Allocating resources to foreign policy goals</li> </ul>
<b>Cost/impact of influence and assistance</b>	<ul style="list-style-type: none"> <li>•Stability and recovery in Haiti<sup>a</sup></li> <li>•Impact of democracy promotion overseas<sup>a</sup></li> <li>•Reforms at the World Bank<sup>a</sup></li> <li>•Peace operations effectiveness<sup>a</sup></li> <li>•Management/impact of international antidrug programs<sup>a</sup></li> <li>•Cost of peace and U.S commitments to the Middle East and Persian Gulf</li> <li>•NATO countries' support for new missions and costs of expanding the alliance</li> <li>•Cost and status of U.S. antiterrorism initiatives</li> </ul>
<b>Arms control and nonproliferation<sup>b</sup></b>	<ul style="list-style-type: none"> <li>•International accountability over plutonium materials</li> <li>•Management and cost of the Department of Defense's On-Site Inspection Agency</li> <li>•Impact of cooperative threat reduction programs<sup>a</sup></li> <li>•Progress in implementing nuclear agreements with North Korea</li> <li>•Impact of chemical weapons destruction programs in the former Soviet Union<sup>a</sup></li> </ul>
<b>Former Soviet Union and Central Europe<sup>b</sup></b>	<ul style="list-style-type: none"> <li>•Crime assistance package</li> <li>•Progress in privatization</li> <li>•Establishing a timetable for ending U.S. assistance</li> <li>•Management of exchange activities</li> <li>•Results from provision of enterprise funds</li> </ul>

<sup>a</sup>Ongoing assignments

<sup>b</sup>Work in the former Soviet Union is part of an integrated GAO-wide plan that will be implemented by several groups of the National Security and International Affairs; General Government; and Resources, Community, and Economic Development Divisions.



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# Table III: GAO Contacts

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Director-In-Charge	Joseph E. Kelley	(202) 512-4128
Director	Harold J. Johnson, Jr.	
Associate Director	Benjamin F. Nelson	
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