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Office of Inspector General
United States Department of State

AUD-CGI-25-14

Office of Audits

March 2025

Audit of Department of State Administration of Public-Private Partnerships

CONTRACTS, GRANTS, AND INFRASTRUCTURE DIVISION

UNCLASSIFIED



HIGHLIGHTS

Office of Inspector General
United States Department of State

AUD-CGI-25-14

What OIG Audited

Public-private partnerships (PPP) are collaborative working relationships with nongovernmental partners in which the goals, structure, governance, roles, and responsibilities are mutually determined. According to the Department of State (Department), PPPs are important tools for leveraging private sector resources and expertise to advance the Department's foreign policy goals. The Department's Office of Global Partnerships (GP) builds PPPs to advance the Department's foreign policy priorities.

OIG performed this audit to determine whether the Department administered PPPs in accordance with applicable Department policy and guidance. To conduct this audit, OIG reviewed 10 PPPs that were managed by 5 bureaus and offices and covered 7 partnership sectors. In addition, 2 of the 10 PPPs reviewed included 8 associated short-term PPPs.

What OIG Recommends

OIG made 13 recommendations to improve the administration of PPPs. On the basis of GP's response to a draft of this report, OIG considers all 13 recommendations resolved, pending further action. A synopsis of management's comments to the recommendations offered and OIG's reply follow each recommendation in the Audit Results section of this report. GP's response to a draft of this report is reprinted in its entirety in Appendix B.

March 2025

OFFICE OF AUDITS

CONTRACTS, GRANTS, AND INFRASTRUCTURE DIVISION

Audit of Department of State Administration of Public-Private Partnerships

What OIG Found

For the 10 PPPs reviewed for this audit, OIG found that Department bureaus and offices generally adhered to applicable policies and procedures when evaluating the suitability and necessity of PPPs and conducting due diligence of the nongovernmental partners involved. However, OIG determined that 67 percent of action memoranda reviewed did not include all required elements and 26 percent of action memoranda reviewed were missing one or more required clearances. In addition, OIG found that 2 of 10 PPPs had not undergone the required reapproval process introduced during 2024. OIG also reviewed eight short-term PPPs associated with two PPPs that were not approved in accordance with the Department's process. Furthermore, OIG found that bureaus and offices did not consistently manage and monitor PPPs in accordance with Department policy and guidance. Lastly, OIG found GP's PPP database contained incomplete and inaccurate information.

These deficiencies occurred, in part, because Department policy did not provide guidance on the documentation bureaus or offices should maintain related to managing and monitoring PPPs. Additionally, the Department lacked guidance on maintaining comprehensive and structured PPP files. Moreover, most bureau personnel whom OIG interviewed for this audit had not taken available PPP-related training. Finally, the PPP database issues identified were primarily due to insufficient data entry standards.

Without improved PPP administration, the Department is not well-positioned to make informed decisions about its PPPs, nor can it ensure that the PPPs are effectively advancing shared objectives, enhancing impact by resource sharing, and achieving mutual goals. In addition, the database issues complicate the oversight of PPPs because incomplete and inaccurate records can obscure the extent to which PPPs are being used, the resources being leveraged from the private sector partnerships, and the full resources being committed to advance U.S. interests.

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OBJECTIVE

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) administered public-private partnerships (PPP) in accordance with applicable Department policy and guidance.

BACKGROUND

The Foreign Affairs Manual (FAM)¹ defines PPPs as collaborative working relationships with nongovernmental partners in which the goals, structure, governance, roles, and responsibilities are mutually determined.² The rationale for pursuing these partnerships centers on the expectation that the Department would be more effective when working through a partnership and that the resources committed, including staff time, serve the agency's statutory purposes. According to the FAM, there are four common reasons for pursuing partnerships:

- Advancing a shared objective.
- Enhancing impact through resource sharing.
- Boosting programmatic reputation/visibility.
- Achieving mutual programmatic goals.

Engaging with partners is central to the success and functionality of PPPs. As detailed in the FAM,³ partnerships inherently depend on the convergence of the interests of the U.S. government and those of nongovernmental entities. These partnerships are mutually beneficial relationships, with both parties bringing distinct expertise, resources, and perspectives to the table. Furthermore, these partnerships, by design, require shared risk, investment, and potential rewards for all involved parties. The overarching goal is to collaboratively achieve outcomes with a more significant impact than could be realized independently. Ensuring clarity in roles, responsibilities, and contributions is vital for the success of such collaborative engagements.

¹ In FY 2024, after the audit had been initiated, the Department updated PPP guidance in the FAM. According to the Department, the updates formalized and clarified procedures and processes. Key updates included new guidance on how to join existing multi-stakeholder partnerships, new requirements for hosting high-profile "short-term" PPP events, clarifications on drafting and approving memoranda of understanding, and new requirements for reporting information in the PPP database. For its testing, OIG used the FAM guidance that was in place during the scope period of the audit. However, OIG also considered the updated FAM language as appropriate. For clarity, OIG is including the effective date of each FAM citation in this report unless the FAM citation did not change over time.

² 2 FAM 971.1(a), "Policy" (effective January 30, 2013), and 2 FAM 971.1(a), "Policy" (effective December 1, 2014).

³ 2 FAM 971.1(a) (effective January 30, 2013), 2 FAM 971.1(a) (effective December 1, 2014), 2 FAM 972.1(a-d), "Evaluating the Suitability and Necessity of a Public-Private Partnership" (effective January 30, 2013), and 2 FAM 972.1(a-d), "Evaluating the Suitability and Necessity of a Public-Private Partnership" (effective May 3, 2013).

Partnerships may or may not require monetary resources. When funding is necessary, it can come from partners and from the U.S. government. Contributions can be either in-kind⁴ or financial or monetary.⁵ Partnerships can implement their goals by contracting services from third parties or by distributing grants to outside entities. Specifically, partnerships can transfer funds to outside organizations—typically nongovernmental organizations—through grants and contracts to leverage their expertise.

Types of Public-Private Partnerships

PPPs within the Department typically involve ongoing collaborations with private sector partners, addressing broader or multi-year objectives. In addition, short-term⁶ PPPs, also referred to as co-hosted events, are collaborations for specific, time-limited events, such as meeting or conferences.

Roles and Responsibilities

Office of Global Partnerships

The Office of Global Partnerships⁷ (GP) is led by the Special Representative for Global Partnerships,⁸ who serves to advance the Department's foreign policy priorities through building PPPs and engaging with U.S. civil society, the private sector, and local governments to advance U.S. national interests.⁹ GP's goals include:

- Strengthening and deepening U.S. diplomacy and development through partnerships.
- Leveraging the resources and capabilities of various partners for broader impact.
- Conducting private sector engagement to drive the Department's foreign policy priorities.¹⁰

To facilitate these goals, GP offers a range of services and training to the Department, aiming to enhance the understanding and effectiveness of partnerships. These services and training include:

⁴ In-kind contributions (consisting of services or goods provided by the partner instead of cash or cash-equivalents) are treated similarly to financial contributions and are subject to the same acceptance requirements.

⁵ The Department has multiple authorities to accept gifts that can be used in a partnership. Specifically, 2 FAM 960, "Solicitation and/or Acceptance of Gifts by the Department of State," details the authorities and necessary approvals.

⁶ 2 FAM 974(a), "'Short-term' Partnerships" (effective January 30, 2013), states that "[g]enerally, a short-term partnership would involve a reception, meeting or conference intended to last no more than a few days and created for the purpose of disseminating and receiving information useful to the Department."

⁷ GP reports to the Under Secretary for Economic Growth, Energy, and the Environment.

⁸ The current Special Representative was appointed on June 6, 2022.

⁹ 1 FAM 042.4(a), "Office of Global Partnerships (E/GP)."

¹⁰ Foreign Service Institute (FSI) training PP440, "Introduction to Public-Private Partnerships," Module 2, "Overview."

- Policy Guidance: GP, in consultation with the Under Secretary for Management and the Office of the Legal Adviser, oversees the development, maintenance, and application of the Department’s PPP policy. In addition, GP provides guidance, as requested, to bureaus and offices for their partnerships.¹¹
- Due Diligence Research: GP is responsible for conducting due diligence research of potential partners to ascertain conflicts of interest.¹²
- Advisory Role: GP is responsible for providing training and consultation to other bureaus and missions on private sector engagement and creating partnerships. Furthermore, GP advises senior Department leaders on integrating private sector engagement into strategic plans.¹³
- Promotion: GP is responsible for promoting innovative private sector engagement tools and mechanisms to progress the Department’s priorities through partnerships.¹⁴

PPP Database

GP collects data on the Department’s PPPs using its Foreign Assistance Coordination and Tracking Information System – PPP Module, herein referred to as the PPP database. According to the GP SharePoint site, the PPP database houses “all known” records of PPPs. Annually, GP performs a data call to update the PPP database. According to GP reporting guidance, the data call “provides quantitative and qualitative data on partnerships across the Department” and allows the Department “to tell a more complete story” about its private sector engagement.¹⁵

Specific Bureau and Office Roles

Department bureaus and offices play a critical role in PPP administration. For this audit, OIG considered “administration” to include the PPP approval process—which requires bureaus and offices to assess suitability and necessity, perform due diligence, and prepare action memoranda for Department stakeholders’ review and approval—as well as the management and monitoring and database reporting of PPP. According to the FAM and GP, the responsibilities of bureaus and offices include the following:

- Initiation of PPP: Bureaus and independent offices considering a partnership should ensure that the intended partnership meets the objectives defined in the FAM. This encompasses making sure that roles, responsibilities, and contributions of each party

¹¹ 1 FAM 042.4(a)(5), 2 FAM 971.1(g) (effective January 30, 2013), 2 FAM 971.1(g) (effective December 1, 2014), and FSI training PP440, Module 2.

¹² 1 FAM 042.4(a)(7), 2 FAM 972.2(d), “Due Diligence: Process for Identifying and Vetting Partners” (effective January 30, 2013), and 2 FAM 972.2(d), “Due Diligence: Process for Identifying and Vetting Partners” (effective December 1, 2014).

¹³ 1 FAM 042.4(a)(8-9).

¹⁴ 1 FAM 042.4(a)(6).

¹⁵ GP, “State Department PPP Data Call FY 2023 Reporting Guidance” (October 18, 2023).

are mutually determined and that the partnership advances shared objectives, enhances impact, and achieves mutual programmatic goals.¹⁶

- Identifying and Vetting Potential Partners: Once the bureau or office has confirmed a particular initiative is suitable for a partnership, it should familiarize itself with potential partners' goals and objectives, assess alignment with Department priorities, and ensure partners have the necessary resources or expertise to achieve partnership goals. Additionally, the office must obtain a due diligence memorandum from GP for all nonfederal entities under consideration. The office must carefully review this memorandum to determine whether entering into the partnership with the entity would cause embarrassment or harm to the Department or its reputation or create the appearance of a conflict of interest that could compromise the objectivity of Department officials.¹⁷
- Preparing the Action Memorandum and Drafting the Memorandum of Understanding (MOU): The bureau or office drafts an MOU that outlines the objectives and roles of all parties involved to include with the action memorandum to the Under Secretary for Management.¹⁸
- Implementation and Monitoring: After receiving necessary approvals,¹⁹ the bureau or office manages and monitors the PPP to ensure adherence to the MOU and to ensure that the partnership meets its objectives and stays within the scope initially approved. Bureaus are responsible for proper oversight, ensuring that the partnership's roles and responsibilities are being met and the results align with the Department's goals.²⁰

Under Secretary for Management

The Under Secretary for Management is the Department official responsible for the general direction and overall supervision of the Department's PPP program. The Under Secretary for Management is also responsible for the overall review and approval of partnerships.²¹ Under Secretary for Management approval is not required for "short-term" partnerships.²²

¹⁶ 2 FAM 971.1(a) (effective January 30, 2013), 2 FAM 971.1(a) (effective December 1, 2014), 2 FAM 972.1(a-d) (effective January 30, 2013), and 2 FAM 972.1(a-d) (effective May 3, 2013).

¹⁷ 2 FAM 972.2 (effective January 30, 2013) and 2 FAM 972.2 (effective December 1, 2014).

¹⁸ 2 FAM 972.3(a)(8), "Approval of the Partners" (effective January 30, 2013), and 2 FAM 972.3(a)(8), "Approval of the Partners" (effective December 1, 2014).

¹⁹ 2 FAM 972.3(a) (effective January 30, 2013), 2 FAM 972.3(a) (effective December 1, 2014), 2 FAM 973(a-b), "Approval of the Partnership and the Terms of the Memorandum of Understanding" (effective January 30, 2013), 2 FAM 973(a-b), "Approval of the Partnership and the Terms of the Memorandum of Understanding" (effective May 3, 2013), and 2 FAM 974(b-c) (effective January 30, 2013).

²⁰ 2 FAM 975, "Ongoing Implementation" (effective January 30, 2013), 2 FAM Exhibit 973, "Template of a Memorandum of Understanding Establishing a Public-Private Partnership" (effective January 30, 2013), 2 FAM Exhibit 973, "Template of a Memorandum of Understanding Establishing a Public-Private Partnership" (effective May 3, 2013), and FSI training PP440, Module 7, "Implementation and Management," and Module 8, "Review & Rewards."

²¹ 2 FAM 971.1(e) (effective January 30, 2013), 2 FAM 971.1(e) (effective December 1, 2014).

²² 2 FAM 974(b) (effective January 30, 2013).

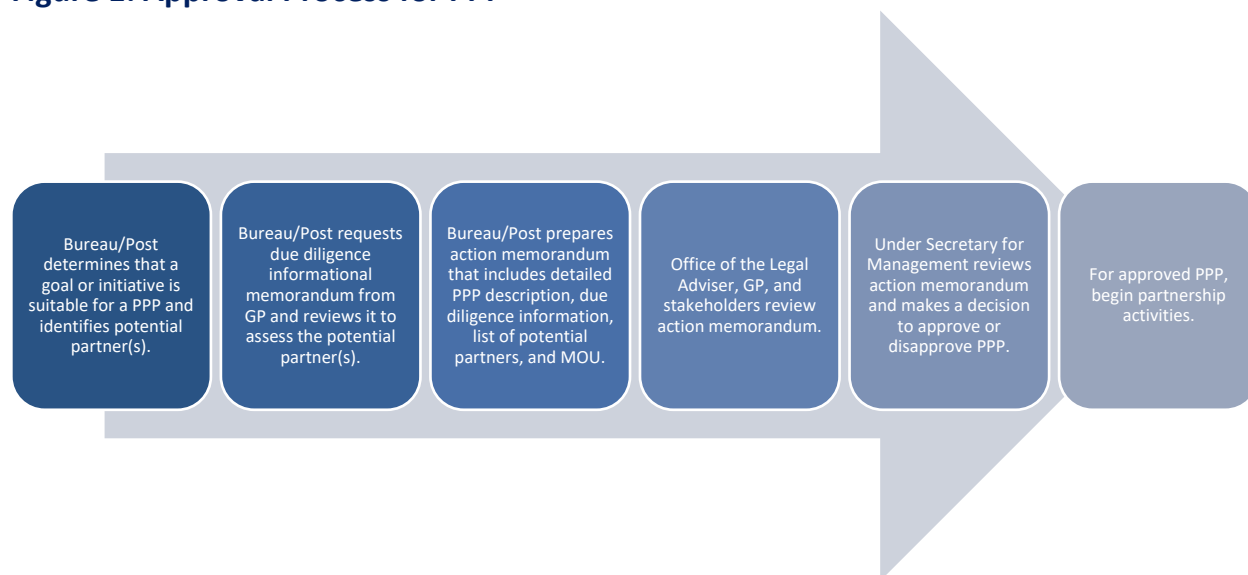
Office of the Legal Adviser

The Office of the Legal Adviser provides consultation to bureaus to determine if PPPs are appropriate.²³ The Office of the Legal Adviser also reviews and clears PPP approval action memoranda prepared by the requesting office.²⁴

PPP Approval Process

The FAM²⁵ outlines the PPP approval process, which necessitates a collaborative approach and generally involves the originating bureau, GP, legal counsel, and the Under Secretary for Management. The approval process includes obtaining necessary due diligence information from GP and a legal review from the Office of the Legal Adviser. The originating bureau receives final review and approval to proceed with the PPP from the Under Secretary for Management. Figure 1 shows an overview of the PPP approval process.

Figure 1: Approval Process for PPP



Source: Generated by OIG based on its review of versions of 2 FAM 970 effective from 2013 through 2019 and information provided by GP.

Active Partnerships From FY 2018 Through FY 2023

OIG determined that the Department had 93 partnerships that were active from FY 2018 through FY 2023, totaling \$2,852,780,558 in U.S. government funding and \$855,108,776 in

²³ 2 FAM 972.1(f) (effective January 30, 2013), 2 FAM 972.1(f) (effective May 3, 2013), 2 FAM 973(b) (effective January 30, 2013), and 2 FAM 973(b) (effective May 3, 2013).

²⁴ 2 FAM 972.3(a) (effective January 30, 2013) and 2 FAM 972.3(a) (effective December 1, 2014).

²⁵ 2 FAM 970, “Public-Private Partnerships” (effective January 30, 2013), 2 FAM 970, “Public-Private Partnerships” (effective May 3, 2013), 2 FAM 970, “Public-Private Partnerships” (effective December 1, 2014), and 2 FAM 970, “Public-Private Partnerships” (effective March 29, 2019).

resource partner funding, for a total of \$3,707,889,334 in combined funds.²⁶ Partnerships were for a variety of purposes, including global health initiatives (e.g., HIV prevention and cancer screenings), construction of power plants, study abroad opportunities for American students, technical skill training, entrepreneurship training and mentoring, and sports mentoring. As detailed in Table 1, OIG selected 10 PPPs for testing.²⁷ The PPPs originated from five bureaus and offices: GP, the Bureau of Global Health Security and Diplomacy (GHSD), the Bureau of Educational and Cultural Affairs (ECA), the Bureau of Oceans and International Environmental and Scientific Affairs (OES), and the Bureau of Western Hemisphere Affairs (WHA). The 10 selected PPPs totaled \$938,324,769 in U.S. government funding and \$645,008,850 in resource partner funding.

Table 1: PPPs Selected for Review

PPP Name	Sector	PPP Start and End Year
GP		
Women in Science ^a	Public Diplomacy, Humanitarian Assistance, Education and Social Services, Economic Growth: Other	2015–Present
Global Entrepreneurship Summit	Economic Growth: Other	2018–2019
Connecting Climate Entrepreneurs ^b	Economic Growth: Environment/Climate Change	2021–Present
GHSD		
MenStar Coalition	Health	2018–2022
Go Further	Health	2011–Present
Project Last Mile	Health	2019 – Present
ECA		
The Gilman - Airbnb Partnership	Education and Social Services	2016–2018
Global Sports Mentoring Program	Economic Growth: Other; Public Diplomacy; Democracy, Human Rights, and Governance	2012–Present
OES		
Global Innovation Through Science and Technology Initiative	Economic Growth: Environment/Climate Change; Health; Peace and Security; Democracy, Human Rights, and Governance; Education and Social Services	2012–Present
WHA		

²⁶ Based on OIG analysis of a PPP database report dated October 2023.

²⁷ Appendix A provides details of the sample selection methodology.

PPP Name	Sector	PPP Start and End Year
100,000 Strong in the Americas Innovation Fund	Education and Social Services, Public Diplomacy	2012–Present

^a The PPP included seven short-term PPPs for camps for girls held in various countries.

^b The PPP included a short-term PPP to hold a competition at the 28th annual United Nations Climate Conference to showcase entrepreneurial climate solutions.

Source: Generated by OIG using data obtained from the PPP database and PPP documentation provided by the bureaus.

Women in Science

This partnership was designed to encourage adolescent girls to increase their exposure to science, technology, engineering, art, and math fundamentals and careers; provide lessons in leadership and empowerment; motivate adolescent girls to pursue education and careers in these fields; and gain enhanced cross-cultural awareness and understanding.

Global Entrepreneurship Summit

This partnership sought to steer entrepreneurship efforts to drive inclusive and sustainable development, open new markets for U.S. products and services, and support U.S. economic prosperity objectives. This partnership centered around participation in the Global Entrepreneurship Summit in the Netherlands and associated and concurrent events.

Connecting Climate Entrepreneurs

This partnership aims to address the climate crisis and contribute to economic empowerment in developing countries by nurturing entrepreneurship focused on climate solutions. Partners promote and create opportunities for climate entrepreneurs through industry convenings, training programs, and investment opportunities. The Department amplifies these programs and connects climate entrepreneurs with U.S. incubators and accelerators to scale climate solutions.

MenStar Coalition

This global partnership aimed to deliver HIV treatment to 1 million men and achieve more than 90 percent viral suppression. Combining public sector HIV service delivery with private sector marketing, it aimed to effectively communicate with men and ensure availability of essential HIV-related commodities.

Go Further

This partnership aims to enhance cervical cancer awareness and address the human papillomavirus challenges in HIV-positive populations across sub-Saharan Africa. It also emphasizes convening government leaders for sustained political support and promoting understanding of these issues and affected individuals.

Project Last Mile

This cross-sector partnership aims to increase the availability of life-saving medicines and health services in remote African regions using the partner's distribution and marketing expertise. The initiative has mobilized around \$15 million in combined U.S. government and partner funds.

The Gilman – Airbnb Partnership

Aiming to boost American global competitiveness and engagement, this partnership offered scholarships to traditionally underrepresented U.S. undergraduates for study or internships abroad. The program also aimed to diversify the destinations where American students studied abroad. The collaboration with Airbnb allowed American students to study in China.

Global Sports Mentoring Program

This partnership seeks to empower women and girls internationally through sports participation and mentorship.

Global Innovation Through Science and Technology Initiative

This partnership seeks to provide science and technology entrepreneurs with resources and mentorship. The Department aims to expand this partnership by partnering with academic, private, and nongovernmental entities.

100,000 Strong in the Americas Innovation Fund

This partnership initiative is designed to increase student exchange opportunities between the United States and Latin America, including the Caribbean. It provides funding from the U.S. government and the private sector to expand study abroad and international education programs, fostering collaboration and exchange in the region.

AUDIT RESULTS

Finding A: PPP Administration Practices Need Improvement

For the 10 PPPs reviewed for this audit, OIG found that the Department bureaus or offices involved generally adhered to applicable policies and procedures when evaluating the suitability and necessity of PPPs and conducting due diligence of the nongovernmental partners involved. However, OIG determined that, of 27 action memoranda reviewed, 18 (67 percent) did not include all required elements and 7 (26 percent) were missing one or more required clearances. In addition, OIG identified 2 of 10 (20 percent) PPPs that had not undergone the required reapproval process introduced during 2024. OIG also reviewed eight short-term PPPs (associated with two PPPs) that were not approved in accordance with the process described in the FAM. Furthermore, OIG found that bureaus and offices were not consistently managing and

monitoring PPPs in accordance with Department policy and guidance. Lastly, OIG found GP's PPP database contained incomplete and inaccurate information.

Department officials generally adhered with policies and procedures for assessing the suitability and necessity of PPPs and conducting due diligence because the Department had established clear policies and procedures for these aspects of PPP approval. However, deficiencies in other PPP administration activities occurred, in part, because Department policy did not provide guidance on the documentation bureaus or offices should maintain related to managing and monitoring PPPs. Additionally, the Department lacked guidance for maintaining comprehensive and structured PPP files. Furthermore, five of six (83 percent) bureau personnel whom OIG interviewed for this audit had not taken available PPP training meant to improve their ability to manage and monitor PPPs effectively. Finally, the PPP database issues identified were primarily due to insufficient data entry standards such as considering some PPP data and information "optional," even when recording this data and information would be helpful in telling the complete story about the Department's PPP engagements.

Although OIG determined that adherence to policies and procedures that involve assessing the suitability and necessity of PPPs and conducting due diligence on partners helped protect the Department from conflicts of interest, harm, or embarrassment, it is likewise important to improve other aspects of PPP administration. Specifically, including all required elements of the action memoranda, consistently managing and monitoring the PPPs, and improving the PPP database would help ensure PPP stated goals are understood and realized. Until these administration aspects are improved, the Department will not be well-positioned to make informed decisions about PPPs, nor will it be able to ensure PPPs are effectively advancing shared objectives and enhancing impact by resource sharing. In addition, the PPP database issues complicate the oversight of PPPs because incomplete and inaccurate records can obscure the Department's understanding of the extent to which PPPs are being used, the resources being leveraged from the private sector partnerships, and the full resources being committed to advance U.S. interests.

Approving PPPs

OIG reviewed the approval process for 10 selected PPPs. Overall, OIG determined that bureaus and offices sufficiently described the suitability and necessity of the 10 PPPs. Additionally, bureaus and offices provided documentation demonstrating sufficient due diligence for 9 of 10 PPPs reviewed. However, OIG determined that 18 (67 percent) of 27 action memoranda reviewed did not include all required elements. Additionally, OIG found that 7 (26 percent) of 27 action memoranda were missing one or more required approvals. Furthermore, OIG determined that 2 of the 10 PPPs reviewed had not undergone the reapproval process introduced in the 2024 update to 2 FAM 970.

Suitability and Necessity of PPP

The FAM states that an "office interested in entering into a partnership should be able to articulate why it would be more effective and efficient to work with an outside organization

than alone or with other offices of the U.S. government.”²⁸ The FAM also states that when “deciding whether a [PPP] may be warranted in any particular situation, the requesting office should first consider whether the particular goal or initiative is suitable for a partnership.”²⁹

Although the FAM does not provide guidance on how a bureau or office should document its assessment of the suitability and necessity of a PPP, OIG found that the background information included in the action memoranda or MOUs for the 10 PPPs reviewed for this audit provided sufficient context to understand the purpose of each partnership and the benefits of collaborating with a private entity. Specifically, OIG found that the action memoranda or MOU reviewed for each of the 10 PPPs generally conveyed a rationale, including alignments with Department goals and the anticipated benefits of leveraging nonfederal resources. Additionally, OIG found that action memoranda requirements echoed these factors, including elements related to descriptions of the proposed partnership and the importance of the proposed project to the U.S. government.

By including suitability and necessity information in the action memoranda or MOU, bureaus and offices provided Department stakeholders with relevant context to evaluate the partnerships’ alignment with Department goals and potential impact, as well as to assess whether the collaborations were appropriate and beneficial.

Due Diligence

The FAM requires bureaus or offices to obtain a due diligence memorandum from GP for all nonfederal entities under consideration and carefully review it to determine whether entering into the partnership with the entity would cause embarrassment or harm to the Department or its reputation or could create the appearance of conflict of interest that could compromise the objectivity of Department officials.³⁰

OIG found that bureaus or offices for 9 (90 percent) of 10 PPPs reviewed during this audit obtained due diligence informational memoranda from GP and assessed the information provided, as required. These informational memoranda from GP provided key information on prospective partners, such as financial background, reputation, and potential conflicts of interest. Due diligence informational memoranda were also cited and discussed in approval action memoranda, demonstrating that the due diligence information was considered as part of the approval process. However, WHA was unable to provide a due diligence informational memorandum evidencing that it had vetted its partners for its 100,000 Strong in the Americas Innovation Fund PPP.³¹ This due diligence report was absent, in part, because the PPP was initiated prior to the establishment of 2 FAM 970.

²⁸ 2 FAM 972.1(a) (effective January 30, 2013) and 2 FAM 972.1(a) (effective May 3, 2013).

²⁹ 2 FAM 972.1(b) (effective January 30, 2013) and 2 FAM 972.1(b) (effective May 3, 2013).

³⁰ 2 FAM 972.2(d-f) (effective January 30, 2013) and 2 FAM 972.2(d-f) (effective December 1, 2014).

³¹ The 2012 approval action memorandum for 100,000 Strong in the Americas Innovation Fund PPP stated that WHA conducted due diligence, but WHA was unable to provide the associated due diligence report.

Bureaus generally adhered to the due diligence requirements because of the structured process facilitated by GP. Specifically, GP provides a centralized “Vetting Dashboard”³² that allows bureaus and offices to solicit due diligence reports on prospective partners. The dashboard centralizes the process, allowing bureaus to efficiently request and obtain the necessary information for assessing partners. Overall, OIG concluded that the structured and centralized due diligence process ensured that bureaus effectively assessed potential partners.

Action Memoranda – Required Elements

The FAM states that “the requesting official must prepare an action memorandum to the Under Secretary [for Management]” seeking approval of the proposed partner(s).³³ The FAM states that the action memorandum must include the following elements:³⁴

- A detailed description of the proposed partnership and its goals.
- A list of the potential partners to be approached and any relevant information from the due diligence information memorandum, including any potential conflicts or information that could cause harm or embarrassment to the Department.
- An explanation of any funding to be used in the partnership, including appropriated funds or alternative sources of funding, and an explanation of funding or personnel to be provided by the private sector partner.
- The importance to the U.S. government of the proposed project.
- The anticipated duration of the partnership.
- Background concerning how the partner(s) was or were chosen.
- Whether the partnership will involve any solicitations from outside entities and, if so, how the solicitations will be managed.
- A draft of the expected MOU reflecting the partnership arrangement and the responsibilities of each partner.

Although OIG found that 9 (33 percent) of 27 PPP action memoranda reviewed contained all required elements, 18 (67 percent) lacked one or more of the required elements. Most commonly, the incomplete action memoranda did not provide sufficient details on funding sources, anticipated duration of PPPs, or draft MOUs. OIG found a range of exceptions in the action memoranda reviewed. For instance, the MenStar action memorandum was missing key elements such as the importance of the PPP to the U.S. government, the anticipated duration of the partnership, background information on the partners, and the draft MOU. Table 2 summarizes the results of OIG’s review of action memoranda for the 10 PPPs reviewed for this audit.

³² The Vetting Dashboard is accessible through GP’s SharePoint site.

³³ 2 FAM 972.3(a) (effective January 30, 2013) and 2 FAM 972.3(a) (effective December 1, 2014).

³⁴ Ibid.

Table 2: Inclusion of Required Elements in Action Memoranda Reviewed for Selected PPP

PPP Name	Number of Action Memoranda Reviewed	Number (Percent) With Required Elements
GP		
Women in Science	3	2 (66)
Global Entrepreneurship Summit	1	1 (100)
Connecting Climate Entrepreneurs	9	0 (0)
GHSD		
MenStar Coalition	1	0 (0)
Go Further	1 ^a	0 (0)
Project Last Mile	1	1 (100)
ECA		
The Gilman - Airbnb Partnership	0 ^b	0 (0)
Global Sports Mentoring Program	- ^c	N/A
OES		
Global Innovation Through Science and Technology Initiative	11	5 (45)
WHA		
100,000 Strong in the Americas Innovation Fund	- ^c	N/A
Totals Action Memoranda Reviewed	27^d	9 (33)

^a The action memorandum provided by the bureau was a draft version dated April 13, 2021. The draft memorandum referenced a 2018 memorandum for the renewal of the partnership, which the bureau did not provide.

^b ECA did not provide an action memorandum for this PPP. ECA officials stated that an action memorandum was not required because it was not a PPP.

^c These PPPs had approval memoranda developed before the issuance of 2 FAM 970 in 2013. OIG did not include the results of its review of the memoranda developed prior to the issuance of 2 FAM 970 because the Department did not have requirements in place at that time.

^d Although OIG selected 10 PPPs to review, there were 27 related action memoranda because some PPPs had added partners or changes in scope for which bureaus obtained M approval.

Source: Generated by OIG using information obtained from documentation provided by selected bureaus and the results of audit testing.

The lack of complete action memoranda highlights the need for greater consistency in complying with FAM guidelines. Inconsistencies occurred, in part, because 2 FAM 970 does not provide a standardized template for action memoranda. Although GP provides a general action memorandum template on its SharePoint site, the template was not structured to ensure that all of the required elements were addressed. For instance, the template did not indicate that drafters must include the goals of the partnership or explicitly indicate that a draft of the expected MOU reflecting the partnership arrangement and the responsibilities of each partner

must be included. Instead, the template featured a broad “background” section, which did not prompt drafters to include all of the specific elements. Additionally, the template did not include fields for indicating when certain elements were not applicable, nor did it require an explanation when an element was excluded. A user would need to cross-reference the FAM to ensure that all required elements were included.

Furthermore, GP officials stated that MOUs were optional. However, the FAM states that bureaus must include a draft MOU with the action memoranda.³⁵ MOUs are critical to expanding the partnership framework. Specifically, MOUs outline specific roles and responsibilities, how activities will be managed by all parties involved, and expectations that help establish a baseline for monitoring and analyzing PPP effectiveness. In addition, inconsistent recordkeeping practices within bureaus contributed to the absence or incompleteness of action memoranda documentation, limiting transparency and accountability in the approval process.

Without a clear and comprehensive standardized template, GP cannot ensure that drafting bureaus and reviewing offices consistently assess all required elements to support informed decision-making. Additionally, operational practices that do not align with requirements will continue to lead to inconsistent documentation practices. Therefore, OIG is offering the following recommendations.

Recommendation 1: OIG recommends that the Office of Global Partnerships revise 2 Foreign Affairs Manual (FAM) 970, “Public-Private Partnerships,” to include a standardized action memorandum template for public-private partnerships. This template should outline all required elements from 2 FAM 970, which was updated in March 2024, to ensure completeness and consistency. The template should also include instructions for users to provide an explanation if any required element does not apply.

Management Response: GP concurred with the intent of the recommendation; however, GP stated that it did not believe that the FAM was the right “home” for a dynamic document. GP stated that it hosts an action memorandum template on its SharePoint page. GP stated that it intends to update that template to ensure that it has all required elements from 2 FAM 970 and will continue to host the document on its SharePoint intranet site.

OIG Reply: On the basis of GP’s concurrence with the intent of the recommendation and proposed acceptable alternative, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that GP has updated its action memorandum template for PPPs outlining all required elements from 2 FAM 970, which was updated in March 2024. The template should include instructions for users to provide an explanation if any required element does not apply.

³⁵ 2 FAM 972.3(a)(8) (effective January 30, 2013) and 2 FAM 972.3(a)(8) (effective December 1, 2014).

Recommendation 2: OIG recommends that the Office of Global Partnerships revise 2 Foreign Affairs Manual (FAM) 970, “Public-Private Partnerships,” to specify the conditions in which memoranda of understanding (MOU) are mandatory or optional for public-private partnerships. Given the critical role of MOUs in establishing clear partnership arrangements, responsibilities, and expectations, this revision should also clarify the specific information responsible officials must include in the action memorandum if an MOU is not prepared.

Management Response: GP concurred with the recommendation.

OIG Reply: On the basis of GP’s concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that GP has revised 2 FAM 970 to specify the conditions in which MOUs are mandatory or optional for PPPs.

Bureau Stated That One PPP Selected for Review Was Not a PPP

The Department did not provide an action memorandum for one PPP selected for review, the Gilman-Airbnb PPP. However, the Department provided an MOU between Airbnb, Inc., and the Institute of International Education, Inc. (IIE),³⁶ which administered the Department’s Benjamin A. Gilman International Scholarship Program. The MOU, dated 2016, indicated that Airbnb intended to provide a “grant” to be administered by IIE to assist U.S. undergraduate students study and intern in China through the Department’s Gilman program.³⁷ The MOU also outlined how the parties agreed to cooperate, including the timeline for Airbnb’s financial contributions, and expectations for continued support beyond the initial 2-year period. In 2016, the Secretary of State announced the partnership, emphasizing its significance in facilitating overseas study for U.S. students.³⁸

OIG determined that the initiative went through the due diligence process for PPPs. However, the partnership did not undergo the remaining required PPP steps. Although this partnership was included in the PPP database when OIG selected it for review, ECA officials stated that it

³⁶ IIE is a nonprofit organization whose mission is to advance and promote access to international education worldwide. IIE has administered the Gilman program for the Department since its inception in 2001.

³⁷ The Gilman Program enables a diverse group of students to study abroad.

³⁸ On September 12, 2016, Secretary Kerry announced the partnership with Airbnb at an event at the United States Institute for Peace in Washington, DC.

should not have been advertised³⁹ as a PPP or included in the PPP database.⁴⁰ ECA officials explained that the relationship between IIE and Airbnb was “contractual” in nature and that ECA should not have considered the Gilman-Airbnb collaboration a PPP.

However, the MOU between IIE and Airbnb outlines a collaborative arrangement leveraging private sector resources from Airbnb to support a Department program, which meets the definition of a PPP.⁴¹ Furthermore, the MOU specifies shared responsibilities and mutual benefits, as evidenced by the provisions that Airbnb, the Department, and IIE will collaborate on program branding, announcements, media engagement, or publications related to their contributions to the Gilman Scholarships and the recipients. Finally, an MOU is not a legally binding contract, but rather a formal expression of an intent to collaborate.⁴² Based on these factors, OIG determined that this effort aligns with the characteristics of a PPP and should have followed the required PPP approval process.

Differing interpretations of what constitutes a partnership requiring compliance with 2 FAM 970 led to the inconsistent application of the PPP approval requirements. A GP official acknowledged that determining whether a particular effort is a PPP can be challenging. However, the GP official noted that when there is a perceived collaboration with the Department, mutual benefits, and shared responsibility, an effort most likely should be considered a PPP.

Inconsistency in applying PPP approval requirements may lead to improperly vetted or unapproved partnerships, which could expose the Department to potential risks, such as embarrassment or harm to its reputation. The fact that this effort was publicly announced by senior Department officials and involved significant branding and media engagement reinforces the need for full compliance with PPP approval processes to mitigate risks. The absence of required clearances and formal approval from the Under Secretary for Management suggests the effort did not receive the proper level of scrutiny typically associated with PPPs. Therefore, OIG is offering the following recommendations.

³⁹ The PPP was advertised during the U.S.-China Consultation on People-to-People Exchange in Beijing, China, in June 2016, where the Secretary of State announced the collaboration with Airbnb. The PPP was also promoted at a reception at the U.S. Institute of Peace in September 2016, cohosted by the Secretary of State and the Airbnb Chief Executive Officer, who both emphasized its role in promoting cultural exchange and fostering people-to-people diplomacy.

⁴⁰ In the PPP database, the Gilman-Airbnb agreement was reported as a “collaboration between the State Department and Airbnb [that] allows for at least 10 additional Americans to study abroad in China each year. The support, a commitment of \$80,000 per year for [3] years beginning in 2016, will further the State Department’s objectives to increase scholarship support to an underserved population, advancing American global competitiveness and engagement across the world.”

⁴¹ According to the FAM, “A public-private partnership is a collaborative working relationship with nongovernmental partners” and common reasons for pursuing a PPP include advancing a shared objective, enhancing impact through resource sharing, and achieving mutual programmatic goals. 2 FAM 971.1(a), “Policy” (effective January 30, 2013), and 2 FAM 971.1(a), “Policy” (effective December 1, 2014).

⁴² PP440, “Introduction to Public-Private Partnerships,” Module 5, “Partner Preparations.”

Recommendation 3: OIG recommends that the Office of Global Partnerships update and clarify the criteria for what constitutes a partnership requiring approval under 2 Foreign Affairs Manual 970, “Public-Private Partnerships.”

Management Response: GP concurred with the recommendation, stating that it intends to update 2 FAM 970 to advise bureaus and missions to consult with GP on “initiatives where there may be perceived collaboration between the Department and a non-federal [entity].”

OIG Reply: On the basis of GP’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that GP has updated and clarified criteria for what constitutes a partnership requiring approval under 2 FAM 970.

Recommendation 4: OIG recommends that the Office of Global Partnerships enhance existing training related to public-private partnerships (PPP) to include specific examples of Department of State (Department) partnerships that model the differing structures and governance that partnerships can have. At a minimum, the training should clearly explain that the requirements included in 2 Foreign Affairs Manual (FAM) 970, “Public-Private Partnerships,” apply to all PPPs, including those for which a Department grantee is an intermediary or a grantee is acting on behalf of the Department in forming the partnership.

Management Response: GP concurred with the recommendation, stating that it will update existing PPP training.

OIG Reply: On the basis of GP’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that GP has enhanced existing training related to PPPs to include specific examples of Department partnerships that model the differing structures and governance that partnerships can have. At a minimum, the training should clearly explain that the requirements included in 2 FAM 970 apply to all PPPs, including those for which a Department grantee is an intermediary or a grantee is acting on behalf of the Department in forming the partnership.

Action Memoranda – Clearances

According to the FAM, the requesting bureau must prepare an action memorandum to the Under Secretary for Management seeking approval of the proposed PPP partner(s) and obtain clearances from the Office of the Legal Adviser, GP, and other relevant offices.⁴³ OIG found that 20 (74 percent) of 27 action memoranda reviewed during the audit included the clearances required by the FAM. These clearances were obtained as part of the standard approval process, demonstrating compliance with key FAM requirements. Conversely, OIG identified 7 (26 percent) action memoranda that did not contain all required clearances. For example, one

⁴³ 2 FAM 972.3(a) (effective January 30, 2013) and 2 FAM 972.3(a) (effective December 1, 2014).

action memorandum related to the Connecting Climate Entrepreneurs PPP did not contain required legal clearances despite containing clearance from the Under Secretary for Management. In addition, five action memoranda for the Global Innovation Through Science and Technology Initiative PPP did not contain clearance from the Undersecretary for Management, and one of the five did not have any clearances. Table 3 summarizes the results of OIG’s review of action memoranda for the 10 PPPs reviewed for this audit.

Table 3: Inclusion of Clearances in Action Memoranda Reviewed for Selected PPP

PPP Name	Number of Action Memoranda Reviewed	Number (Percent) With Required Clearances
GP		
Women in Science	3	3 (100)
Global Entrepreneurship Summit	1	1 (100)
Connecting Climate Entrepreneurs	9	8 (89)
GHSD		
MenStar Coalition	1	1 (100)
Go Further	1 ^a	0 (0)
Project Last Mile	1	1 (100)
ECA		
The Gilman-Airbnb Partnership	0 ^b	0 (0)
Global Sports Mentoring Program	- ^c	N/A
OES		
Global Innovation Through Science and Technology Initiative	11	6 (55)
WHA		
100,000 Strong in the Americas Innovation Fund	- ^c	N/A
Total Action Memoranda Reviewed	27^d	20 (74)

^a The action memorandum provided by the bureau was a draft version dated April 13, 2021. The draft memorandum referenced a 2018 memorandum for the renewal of the partnership, which the bureau did not provide.

^b ECA did not provide an action memorandum for this PPP. ECA officials stated that an action memorandum was not required because it was not a PPP. OIG disagreed with this assessment.

^c These PPPs had approval memoranda developed before the issuance of 2 FAM 970 in 2013. OIG did not include the results of its review of the memoranda developed prior to the issuance of 2 FAM 970 because the Department did not have requirements in place at that time.

^d Although OIG selected 10 PPPs to review, there were 27 related action memoranda because some PPPs had added partners or changes in scope for which bureaus obtained M approval.

Source: Generated by OIG using information obtained from documentation provided by selected bureaus and the results of audit testing.

The clearance-related deficiencies identified occurred primarily because 2 FAM 970 did not address requirements for maintaining comprehensive PPP files. Specifically, the bureaus involved relied on inconsistent file management practices, providing OIG with the versions or iterations they could locate instead of maintaining finalized and properly documented records. Additionally, required clearances were sometimes not obtained, likely by mistake. Nonetheless, the inability to verify approvals undermines confidence in the integrity of the decision-making process, limits accountability, and increases the risk of unauthorized or improperly vetted actions.

Reapproval of PPPs

During 2024, the Department updated the PPP requirements in the FAM. The updated FAM states:

When the initial duration of the partnership expires, as cited in the action memorandum to the Under Secretary and the MOU, and the bureau, office, or mission would like to renew the [PPP], the bureau, office, or mission should follow 2 FAM 972.3 to seek the Under Secretary's approval to continue the partnership. This includes seeking an updated due diligence memorandum from . . . GP on the current nonfederal partner(s) and on any additional proposed partners.⁴⁴

This policy update applies to all PPPs, including those established prior to the issuance of 2 FAM 970 in 2013.

OIG reviewed documentation for four PPPs—Go Further, Global Sports Mentoring Program, Global Innovation Through Science and Technology Initiative, and 100,000 Strong in the Americas Innovation Fund—that were approved prior to the establishment of 2 FAM 970 (dated in 2013). Two of the PPPs—Global Sports Mentoring Program and 100,000 Strong in the Americas Innovation Fund—had not gone through the 2 FAM 970 approval process since their initiation. Although there was no requirement for bureaus to go through the updated process prior to the 2024 FAM update, bureaus had done so for the other two PPPs that OIG reviewed when partners were added to the PPP or as the PPP was expanded or rebranded.

For the Global Sports Mentoring Program PPP, ECA could not provide evidence of a due diligence report from the PPP's 2012 initiation. However, there was a due diligence report from GP dated February 2024. ECA did not provide action memoranda documenting renewal or reapproval of the PPP.⁴⁵ Similarly, the WHA 100,000 Strong in the Americas Innovation Fund, which had an initial term of 10 years,⁴⁶ lacked evidence of due diligence conducted at its

⁴⁴ 2 FAM 975(d), "Ongoing Implementation" (effective February 14, 2024).

⁴⁵ The Global Sports Mentoring Program PPP had no specified duration, which means that there is no clear reapproval requirement under the new policy.

⁴⁶ According to the MOU, the 100,000 Strong in the Americas Innovation Fund had an initial duration of 10 years, which means that it would have ended on November 15, 2022.

initiation or in subsequent years, raising questions about the adequacy of oversight, given its intended duration.

The requirement for reapproval of PPPs was introduced in the 2024 update to 2 FAM 970. Because this update was issued during the course of the audit, these PPPs have not yet undergone the reapproval process outlined in the updated policy. Without documented reapproval, PPPs approved prior to the establishment of 2 FAM 970 would not comply with current Department requirements. Additionally, the Department cannot ensure that these partnerships continue to have an appropriate structure, involve suitable partners, and align with Department objectives. This gap increases the potential for reputational risks and highlights the importance of reapproval to maintain oversight and accountability. Therefore, OIG is offering the following recommendation.

Recommendation 5: OIG recommends that the Office of Global Partnerships (GP) develop and implement a process to ensure that organizations responsible for public-private partnerships (PPP) approved prior to the 2013 establishment of 2 Foreign Affairs Manual 970, "Public-Private Partnerships," update documentation to comply with current oversight requirements. Specifically, GP should coordinate with relevant bureaus and offices as appropriate to ensure these PPPs are updated to incorporate all required elements, including due diligence and legal clearances.

Management Response: GP concurred with the recommendation.

OIG Reply: On the basis of GP's concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that GP has developed and implemented a process to ensure that organizations responsible for PPPs approved prior to the 2013 establishment of 2 FAM 970 update documentation to comply with current oversight requirements. Specifically, GP should coordinate with relevant bureaus and offices as appropriate to ensure these PPPs are updated to incorporate all required elements, including due diligence and legal clearances.

Approving Short-Term PPPs

The FAM defines a short-term PPP, or "co-hosted event," as a "collaboration with an outside entity for the purposes of a short-term event intended for a defined, limited purpose."⁴⁷ The FAM also states that, generally, a short-term partnership involves a reception, meeting, or conference intended to last no more than a few days and created for the purpose of disseminating and receiving information useful to the Department. Additionally, according to the FAM, Chiefs of Mission, bureau heads, or their designees, may approve short-term partnerships without requiring prior authorization from the Under Secretary for Management. Officials approving short-term partnerships "must follow the guidelines set forth in 2 FAM 972.3

⁴⁷ 2 FAM 974 (effective January 30, 2013).

as if the official were the Under Secretary,”⁴⁸ including conducting due diligence and obtaining legal clearances.

OIG identified seven short-term PPPs related to the Women in Science PPP, which is one of the 10 PPPs reviewed for this audit. However, the Department did not demonstrate that it complied with the FAM for approving these seven short-term PPPs. Specifically, the Department did not obtain legal clearances for these short-term PPPs. Furthermore, one of the action memoranda did not include all of the required elements, such as an explanation of funding or background on how the partner was chosen. Similarly, GP did not obtain the required legal clearances for a short-term PPP initiated in December 2023 for the Connecting Climate Entrepreneurs PPP for an event in Dubai, United Arab Emirates.

According to GP officials, due diligence and legal reviews were not required for short-term PPPs. However, this opinion was not supported by the FAM language in effect at the time that these PPPs were implemented. During OIG’s fieldwork, the Department updated the FAM, clarifying the requirements for short-term PPPs. Specifically, the updated FAM⁴⁹ distinguishes between “short-term” PPPs and “high-profile short-term” PPPs. The updated FAM⁵⁰ also states that officials must comply with the PPP approval process for high-profile short-term partnerships. However, for short-term, non-high-profile PPPs officials must perform due diligence, but the clearances required for PPPs are not required.⁵¹

The inconsistent application of the FAM requirements that were in place prior to 2024 led to a gap in oversight. Specifically, some short-term partnerships may not have received the appropriate level of scrutiny and were approved without consideration of all factors. The 2024 FAM revisions clarified these requirements and aligned the formal policy with operational practices previously observed, providing clarity, ensuring due diligence efforts and legal oversight remains appropriate to PPP scale and scope, and easing the compliance burden for approving short-term PPPs.

Management and Monitoring PPPs

The FAM emphasizes the need for monitoring PPPs by urging bureaus to “take care to ensure that partnerships operate within the scope of the initial approval.”⁵² The FAM also provides an MOU template that includes an optional “management” section, for the bureau or office to outline (1) how PPP activities will be coordinated, (2) how they will be monitored by defining when the Department and partners will meet, and (3) how they will advance the PPP’s mission and activities, with the option to identify and include others interested in assisting in these

⁴⁸ 2 FAM 974(c) (effective January 30, 2013).

⁴⁹ 2 FAM 974(a) and (e) (effective March 5, 2024).

⁵⁰ 2 FAM 974(e) (effective March 5, 2024).

⁵¹ 2 FAM 974(c) (effective March 5, 2024).

⁵² 2 FAM 975 (effective January 30, 2013).

efforts.⁵³ Additionally, FSI's PPP training emphasizes the importance of—and provides guidance on—measuring and evaluating partnerships.

OIG found that bureaus and offices were not consistently managing and monitoring PPPs, leaving OIG with limited insight into how bureaus and offices were tracking the success and effectiveness of their partnerships. Although some bureaus and offices demonstrated their efforts to manage and monitor PPPs, others did not adequately document these activities. The extent and quality of monitoring efforts varied significantly between bureaus and offices. Specifically, for the 10 PPPs reviewed, OIG found that the bureaus and offices responsible for 8 of the PPPs lacked documentation to demonstrate ongoing management, monitoring, or evaluations had been performed. Furthermore, bureaus and offices were unable to provide sufficient evidence that they were systematically tracking the overall effectiveness of PPPs. For example, GHSD personnel were unable to provide records documenting ongoing management, monitoring, or evaluation activities once a PPP was established. In fact, GHSD personnel struggled to locate foundational documents, such as action memoranda, that predated their arrival.

In contrast, WHA personnel provided the cooperative agreement file for the 100,000 Strong in the Americas Innovation Fund PPP. The file included oversight documents such as grant evaluation performance progress reports, student post-program surveys, and third-party evaluations. Although WHA maintained some documentation related to PPP monitoring and oversight, many of the documents did not provide comprehensive information on the overall management, monitoring, and long-term effectiveness of the PPP.

In another example, GP conducted a formal evaluation in 2018 of the Women in Science PPP, exploring the impact on participants of girls' camps from three locations (Rwanda, Malawi, and Namibia) and the participant experiences and motivations of partners. The evaluation highlighted that the PPP was meeting its goals, and the findings informed GP's decision to leverage the results for strategic expansion and additional partner recruitment. The evaluation demonstrates why ongoing assessments are critical for determining whether PPPs are achieving their goals and what adjustments or improvements may be necessary. The Women in Science PPP was the only partnerships of the 10 reviewed for this audit that had been formally evaluated.

The primary reason for the deficiencies identified with management, monitoring, and evaluation is that the FAM did not offer detailed or explicit guidance on how to manage, monitor, and evaluate PPPs. The lack of detailed "post-approval" guidance regarding ongoing oversight and documentation means that bureaus and offices must interpret these responsibilities on their own. Although FSI's PPP training provided an understanding of PPPs

⁵³ 2 FAM Exhibit 973 (effective January 30, 2013) and 2 FAM Exhibit 973 (effective May 3, 2013).

and emphasized the importance of management, monitoring, and evaluation,⁵⁴ OIG found that participation in the training was limited across the bureaus and offices reviewed for this audit. Specifically, five of six (83 percent) bureau personnel whom OIG interviewed for this audit had not taken available PPP training. In OES, one official interviewed completed the course in 2018 and the other planned to take it in the future. ECA personnel reported that they had not taken it, but that they participated in alternative GP training and noted reliance on 2 FAM 970 and consultations with GP for best practices. GHSD and WHA personnel reported enrolling in but not completing the training. A GP official acknowledged that it became apparent to his office during the audit that GP should create standard guidelines for maintaining a partnership file for each PPP, similar to a grant or contract oversight file, that would include a list of key documentation and requirements to save documentation in a consistent and comprehensive manner.

The lack of comprehensive management, monitoring, and evaluation documentation for PPPs hinders the Department's ability to fully assess PPP effectiveness, including whether PPPs are advancing shared objectives, enhancing impact by resource sharing, and achieving mutual goals. Furthermore, until these deficiencies are addressed, the Department will not be well-positioned to make informed decisions about the continuation or modification of these partnerships. Therefore, OIG is offering the following recommendations.

Recommendation 6: OIG recommends that the Office of Global Partnerships update 2 Foreign Affairs Manual 970, "Public-Private Partnerships," to include specific requirements for the ongoing management, monitoring, and evaluation of public-private partnerships (PPP). The revision should clearly articulate that monitoring and assessing PPPs is required and outline minimum documentation expectations.

Management Response: GP concurred with the recommendation.

OIG Reply: On the basis of GP's concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that GP has updated 2 FAM 970 to include specific requirements for the ongoing management, monitoring, and evaluation of PPPs. The revision should clearly articulate that monitoring and assessing PPPs is required and outline minimum documentation expectations.

⁵⁴ FSI training PP440, Module 7, "Implementation and Management," included guidance on establishing governance structures—such as defining roles, responsibilities, and decision-making processes—and best practices to manage partnerships effectively by ensuring clear accountability and communication. Module 8, "Review & Rewards," included steps for evaluating partnerships, such as determining why, when, and how to conduct evaluations; identifying key performance measurements and indicators; and deciding whether to conclude, continue, or expand a partnership.

Recommendation 7: OIG recommends that the Office of Global Partnerships develop and implement a communication strategy to ensure that relevant bureau personnel are aware of the Foreign Service Institute training—PP440 – Public-Private Partnerships.

Management Response: GP concurred with the recommendation, stating that it would also apply the recommendation to PE441, the in-person version of the PPP training.

OIG Reply: On the basis of GP’s concurrence with the recommendation and planned actions, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that GP has developed and implemented a communication strategy to ensure that relevant bureau personnel are aware of the Foreign Service Institute PPP trainings—PE441 (classroom) and PP440 (distance learning).

Recommendation 8: OIG recommends that the Office of Global Partnerships require Foreign Service Institute training—PP440 - Public-Private Partnerships—for all personnel involved with public-private partnerships and update 2 Foreign Affairs Manual 970, “Public-Private Partnerships,” to include the requirement.

Management Response: GP concurred with the recommendation.

OIG Reply: On the basis of GP’s concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that GP required Foreign Service Institute training for all personnel involved with PPPs and updated 2 FAM 970 to include the requirement.

Data Reliability of the PPP Database

According to GP reporting guidance, the PPP database is designed to collect comprehensive quantitative and qualitative data on all PPPs across the Department so that GP can tell a more complete story about private sector engagements, enable the Department to learn from past experiences, apply lessons to improve current and future PPPs, share best practices, and ensure timely and accurate responses to inquiries from internal and external stakeholders.

GP conducts an annual data call to bureaus and offices to update and populate the PPP database. Specifically, GP asks bureaus and offices to report information for their PPPs including:

- Basic partnership information (e.g., name, start and end dates, and sector or program area).
- Information on each resource partner, such as type of organization (e.g., private business, private philanthropy, nongovernmental organization, or government), whether the partner is local or non-local, and contribution amount and type (i.e., cash or in-kind).

- Federal government financial contributions for each partnership.
- Indicators used, results, success stories, and lessons learned.⁵⁵

OIG identified issues with the reliability of information in the PPP database. Specifically, the PPP database contained multiple PPP entries that lacked required information or included inconsistent information. For example, 11 PPPs were missing start dates, and 6 PPPs were missing end dates. OIG also identified database entries that had start and end dates that did not coincide with the fiscal year in which the PPP was created. Furthermore, OIG identified 24 database entries that had no resource partners listed and 50 without indicators. For example, one Office to Monitor and Combat Trafficking in Persons PPP listed a start date of April 2013, but a different column listed the beginning fiscal year as 2017. Additionally, two PPPs had no description, limiting the context provided for these partnerships. The database also did not include separate entries for some short-term PPPs.

OIG also found instances in which PPP entries in the database contained inaccurate financial information compared with information in MOUs or other documentation. For example, the database entry for the 100,000 Strong in the Americas Innovation Fund PPP indicated that partner contributions were \$0; however, information in another column stated that the program secured \$14 million in contributions. Similarly, the entry for the Project Last Mile PPP showed no partner contributions, even though PPP documentation identified contributions of more than \$39 million. Similarly, the entry for the MenStar Coalition PPP did not identify any partner contributions, despite previously indicating \$619 million in contributions. Furthermore, OIG noted discrepancies between data recorded during the FY 2022 data call and the FY 2023 data call. For example, five PPPs that had been identified as completed during the FY 2022 data call were changed to ongoing during the FY 2023 data call.

Although GP implemented a process to verify and improve the accuracy and completeness of PPP data submitted by bureaus and offices, including contacting bureaus with questions or recommended revisions, the process did not always capture or correct errors or omissions. GP officials took steps to clean up the PPP information in the database. GP officials stated that they concentrated their efforts on PPPs created since FY 2016. In addition, GP officials stated that in FY 2024 they began monitoring, on a monthly basis, approved action memoranda and creating a record in the PPP database for each new PPP on behalf of other bureaus and offices, using details cited in the action memoranda. GP officials also stated that they planned to use the annual data call to fill in missing information and to collect updates on existing records. Furthermore, in February 2024, GP updated the FAM⁵⁶ to include the annual data call as a reporting requirement. These changes were positive steps towards addressing data reliability challenges.

⁵⁵ Department, Cable 23 STATE 112488, "Public-Private Partnership Reporting for FY 2023," October 18, 2023, and GP, "State Department PPP Data Call FY 2023 Reporting Guidance."

⁵⁶ 2 FAM 976, "Reporting" (effective February 14, 2024).

Another reason for the issues observed is that certain fields—such as indicators, expected results, actual results, lessons learned, and success stories—were optional and frequently left blank. GP officials stated that fields related to identifying countries, themes, and descriptions also were not required. According to GP officials, it was a challenge to obtain even basic reporting from bureaus for these categories.

Furthermore, GP’s reporting guidance excluded short-term PPPs.⁵⁷ If the Department aims to present a complete picture of its private sector engagement, including short-term PPPs in the database transparently and separately would enhance the accuracy and utility of the database. Such inclusion would provide a fuller account of how PPPs can evolve and expand, and of the role short-term PPPs play in the Department, which remains unclear due to their exclusion from reporting.

Without reliable and comprehensive data, the Department cannot ensure accurate documentation of its private sector engagement or provide timely and accurate responses to internal and external inquiries. This lack of complete and accurate data limits the utility of the PPP database for informed decision making. Specifically, the incomplete entries and data inconsistencies hinder Department leadership’s ability to assess the effectiveness and impact of PPPs and adjust as necessary. Additionally, excluding short-term PPPs from the dataset limits visibility into partnerships that, although temporary, may represent significant engagements with the private sector. Incomplete data also hinders the Department’s ability to leverage past experiences to improve future partnerships. Moreover, without comprehensive records of outcomes, success stories, and lessons learned, the Department cannot fully identify factors that contributed to successful PPPs or avoid repeating challenges encountered in previous efforts. As a result, the Department cannot tell a complete story about its private sector engagement. Therefore, OIG is offering the following recommendations.

Recommendation 9: OIG recommends that the Office of Global Partnerships assess its data entry practices for the Public-Private Partnerships (PPP) database to determine whether the existing processes ensure that all required fields—such as start date, end date, and key information—are consistently completed during data entry. At a minimum, this review should consider procedural and relevant technical aspects of the PPP database that may affect data completeness.

Management Response: GP concurred with the recommendation.

OIG Reply: On the basis of GP’s concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that GP has assessed its data entry practices for the PPP database to determine whether the existing processes ensure that all required fields—such as start date, end date, and key information—are consistently

⁵⁷ GP’s reporting guidance states that operating units are required to report on “new and existing [Under Secretary for Management]-approved” PPPs. Because short-term PPPs are approved by the heads of bureaus and not the Under Secretary for Management, they are excluded from being reported in the PPP database.

completed during data entry. At a minimum, this review should consider procedural and relevant technical aspects of the PPP database that may affect data completeness.

Recommendation 10: Following the implementation of Recommendation 9, OIG recommends that the Office of Global Partnerships enhance the Public-Private Partnerships database data entry practices as needed. Enhancements may include introducing additional checks or prompts during data entry to help prevent omissions, improving the overall quality and reliability of the data.

Management Response: GP concurred with the recommendation.

OIG Reply: On the basis of GP's concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that GP has enhanced the PPP database data entry practices as needed. Enhancements may include introducing additional checks or prompts during data entry to help prevent omissions, improving the overall quality and reliability of the data.

Recommendation 11: OIG recommends that the Office of Global Partnerships develop and implement procedures for creating initial records for public-private partnerships (PPP) in the PPP database based on approved action memoranda. This procedure should outline specific steps and responsibilities to ensure the consistent entry of new records to the PPP database.

Management Response: GP concurred with the recommendation, stating that it has already adopted this practice.

OIG Reply: On the basis of GP's concurrence with the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that GP has developed and implemented procedures for creating initial records for PPPs in the PPP database based on approved action memoranda. This procedure should outline specific steps and responsibilities to ensure the consistent entry of new records to the PPP database.

Recommendation 12: OIG recommends that the Office of Global Partnerships develop and implement guidance making all key fields in the Public-Private Partnerships database mandatory, including "Indicators," "Expected/Actual Results," and "Lessons Learned," to help ensure that critical information is consistently captured.

Management Response: GP concurred with the intent of the recommendation. However, GP stated that it did not believe that certain fields, such as "Lessons Learned" should be required because that data would not be available at the beginning of a partnership. GP also stated that it intends to revisit which fields should be required and explore additional prompts to encourage users to input critical information in fields that are not required.

OIG Reply: On the basis of GP's concurrence with the intent of the recommendation, OIG considers this recommendation resolved, pending further action. This recommendation will be closed when OIG receives documentation demonstrating that GP has developed and implemented guidance making all key fields in the PPP database mandatory to help ensure that critical information is consistently captured.

Recommendation 13: OIG recommends that the Office of Global Partnerships (GP) develop and implement guidance requiring the inclusion of short-term public-private partnerships (PPP) in the PPP database. At a minimum, GP should revise reporting guidance and update the PPP database to support accurate classification and tracking of these partnerships.

Management Response: GP did not concur with the recommendation, stating that it already treats high-profile short-term PPPs (i.e., those perceived to pose a higher reputational risk to the Department), which require due diligence and approval from the Under Secretary for Management in accordance with 2 FAM 974, as "normal" PPPs. This includes capturing them in the PPP database. GP believes that the number of short-term, non-high-profile PPPs is much larger than PPPs approved by the Under Secretary for Management, and GP does not have visibility into most of these. Efforts to capture them all in the PPP database would likely fall short, resulting in incomplete data with limited utility.

OIG Reply: Although GP did not concur with the recommendation, it stated that short-term, high-profile PPPs (now defined in 2 FAM 970) will be captured in the PPP database. For this reason, OIG's view is that the actions described by GP meet the intent of the recommendation. Specifically, GP stated that short-term, high-profile PPPs require approval from the Under Secretary for Management and will be captured in the PPP database. Therefore, OIG finds this action sufficient to consider the recommendation resolved, pending further action. However, OIG maintains that GP would benefit from obtaining relevant bureau data on short-term, non-high-profile PPPs and posting the information on GP's SharePoint site. This would facilitate knowledge-sharing by leveraging examples and lessons learned without formal integration into the PPP database. This recommendation will be closed when OIG receives documentation demonstrating that GP has developed and implemented guidance requiring the inclusion of short-term, high-profile PPPs in the PPP database and has revised reporting guidance and updated the PPP database to support accurate classification and tracking of these short-term, high-profile partnerships.

RECOMMENDATIONS

Recommendation 1: OIG recommends that the Office of Global Partnerships revise 2 Foreign Affairs Manual (FAM) 970, “Public-Private Partnerships,” to include a standardized action memorandum template for public-private partnerships. This template should outline all required elements from 2 FAM 970, which was updated in March 2024, to ensure completeness and consistency. The template should also include instructions for users to provide an explanation if any required element does not apply.

Recommendation 2: OIG recommends that the Office of Global Partnerships revise 2 Foreign Affairs Manual (FAM) 970, “Public-Private Partnerships,” to specify the conditions in which memoranda of understanding (MOU) are mandatory or optional for public-private partnerships. Given the critical role of MOUs in establishing clear partnership arrangements, responsibilities, and expectations, this revision should also clarify the specific information responsible officials must include in the action memorandum if an MOU is not prepared.

Recommendation 3: OIG recommends that the Office of Global Partnerships update and clarify the criteria for what constitutes a partnership requiring approval under 2 Foreign Affairs Manual 970, “Public-Private Partnerships.”

Recommendation 4: OIG recommends that the Office of Global Partnerships enhance existing training related to public-private partnerships (PPP) to include specific examples of Department of State (Department) partnerships that model the differing structures and governance that partnerships can have. At a minimum, the training should clearly explain that the requirements included in 2 Foreign Affairs Manual (FAM) 970, “Public-Private Partnerships,” apply to all PPPs, including those for which a Department grantee is an intermediary or a grantee is acting on behalf of the Department in forming the partnership.

Recommendation 5: OIG recommends that the Office of Global Partnerships (GP) develop and implement a process to ensure that organizations responsible for public-private partnerships (PPP) approved prior to the 2013 establishment of 2 Foreign Affairs Manual 970, “Public-Private Partnerships,” update documentation to comply with current oversight requirements. Specifically, GP should coordinate with relevant bureaus and offices as appropriate to ensure these PPPs are updated to incorporate all required elements, including due diligence and legal clearances.

Recommendation 6: OIG recommends that the Office of Global Partnerships update 2 Foreign Affairs Manual 970, “Public-Private Partnerships,” to include specific requirements for the ongoing management, monitoring, and evaluation of public-private partnerships (PPP). The revision should clearly articulate that monitoring and assessing PPPs is required and outline minimum documentation expectations.

Recommendation 7: OIG recommends that the Office of Global Partnerships develop and implement a communication strategy to ensure that relevant bureau personnel are aware of the Foreign Service Institute training—PP440 – Public-Private Partnerships.

Recommendation 8: OIG recommends that the Office of Global Partnerships require Foreign Service Institute training—PP440 - Public-Private Partnerships—for all personnel involved with public-private partnerships and update 2 Foreign Affairs Manual 970, “Public-Private Partnerships,” to include the requirement.

Recommendation 9: OIG recommends that the Office of Global Partnerships assess its data entry practices for the Public-Private Partnerships (PPP) database to determine whether the existing processes ensure that all required fields—such as start date, end date, and key information—are consistently completed during data entry. At a minimum, this review should consider procedural and relevant technical aspects of the PPP database that may affect data completeness.

Recommendation 10: Following the implementation of Recommendation 9, OIG recommends that the Office of Global Partnerships enhance the Public-Private Partnerships database data entry practices as needed. Enhancements may include introducing additional checks or prompts during data entry to help prevent omissions, improving the overall quality and reliability of the data.

Recommendation 11: OIG recommends that the Office of Global Partnerships develop and implement procedures for creating initial records for public-private partnerships (PPP) in the PPP database based on approved action memoranda. This procedure should outline specific steps and responsibilities to ensure the consistent entry of new records to the PPP database.

Recommendation 12: OIG recommends that the Office of Global Partnerships develop and implement guidance making all key fields in the Public-Private Partnerships database mandatory, including “Indicators,” “Expected/Actual Results,” and “Lessons Learned,” to help ensure that critical information is consistently captured.

Recommendation 13: OIG recommends that the Office of Global Partnerships (GP) develop and implement guidance requiring the inclusion of short-term public-private partnerships (PPP) in the PPP database. At a minimum, GP should revise reporting guidance and update the PPP database to support accurate classification and tracking of these partnerships.

APPENDIX A: PURPOSE, SCOPE, AND METHODOLOGY

The Office of Inspector General (OIG) conducted this audit to determine whether the Department of State (Department) administered public-private partnerships (PPP) in accordance with applicable Department policy and guidance.

OIG conducted this audit from January to December 2024 in the Washington, DC, metropolitan area. The scope of this audit was PPPs that were active from FY 2018 through FY 2023. OIG performed audit work at the Under Secretary of State for Economic Growth, Energy, and the Environment, Office of Global Partnerships (GP), Bureau of Global Health Security and Diplomacy (GHSD), Bureau of Educational and Cultural Affairs (ECA), Bureau of Oceans and International Environmental and Scientific Affairs (OES), and Bureau of Western Hemisphere Affairs (WHA). OIG conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that OIG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objective. OIG believes that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objective.

To obtain background information for this audit, OIG reviewed Department policies and procedures. Specifically, OIG reviewed the Foreign Affairs Manual (FAM),¹ the Foreign Affairs Handbook, Foreign Service Institute training course related to PPPs, and applicable GP and bureau guidance related to PPPs. OIG also conducted interviews with GP officials and bureau personnel involved with the selected PPPs to gain an understanding of the processes to initiate, vet, approve, and execute PPPs. For each of the selected partnerships, OIG obtained and analyzed relevant documentation, including vetting records, approval memoranda, and documentation related to managing and monitoring the partnership.

Data Reliability

To identify relevant PPPs, OIG used computer-processed data from the Department's Foreign Assistance Coordination and Tracking Information System – PPP Module, referred to as the PPP database in this report. According to the GP SharePoint site, this database includes all known records of PPPs managed by the Department. The database fields include PPP status, resource commitments, and monitoring outcomes. During OIG's review of the PPP database report provided by GP, OIG identified data reliability issues, such as incomplete or inaccurate entries and inconsistencies between data fields.² To ensure data reliability for selected PPPs, OIG

¹ In FY 2024, after the audit had been initiated, the Department updated PPP guidance in the FAM. According to the Department, the updates formalized and clarified procedures and processes. Key updates included new guidance on how to join existing multi-stakeholder partnerships, new requirements for hosting high-profile "short-term" PPP events, clarifications on drafting and approving memoranda of understanding, and new requirements for reporting information in the PPP database. For its testing, OIG used the FAM guidance that was in place during the scope period of the audit. However, OIG also considered the updated FAM language as appropriate.

² Examples include inconsistencies between the "FY Created" column and the "Start Date" column and instances where key data fields were blank.

reviewed supporting documentation such as memoranda of understanding and action memoranda to confirm that the data entries were supported by appropriate documentation. Additionally, OIG communicated with bureau and office personnel to understand the processes involved in recording data in the PPP database.

Although OIG identified deficiencies in the completeness and accuracy of data in the PPP database, overall, OIG concluded that the adjusted and validated data were sufficient for the purpose of meeting the audit objective. Data reliability issues related to the PPP database are detailed in Finding A of this report.

Work Related to Internal Control

During the audit, OIG considered a number of factors, including the subject matter of the project, to determine whether internal control was significant to the audit objective. Based on its consideration, OIG determined that internal control was significant for this audit. OIG then considered the components of internal control and the underlying principles included in the *Standards for Internal Control in the Federal Government*³ to identify internal controls that were significant to the audit objective. Considering internal control in the context of a comprehensive internal control framework can help auditors to determine whether underlying internal control deficiencies exist.

For this audit, OIG concluded that three of five internal control components from the *Standards for Internal Control in the Federal Government*—Control Environment, Control Activities, and Monitoring—were significant to the audit objective. The Control Environment component is the foundation for an internal control system. It provides the discipline and structure to help an entity achieve its objectives. The Control Activities component includes the actions management establishes through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes the entity’s information system. The Monitoring component relates to activities management establishes and operates to assess the quality of performance over time and promptly resolve the findings of audits and other review. OIG also concluded that five of the principles related to the selected components were significant to the audit objective, as described in Table A.1.

Table A.1: Internal Control Components and Principles Identified as Significant

Components	Principles
Control Environment	Principle 3: Management should establish an organizational structure, assign responsibility, and delegate authority to achieve the entity’s objectives.
Control Activities	Principle 10: Management should design control activities to achieve objectives and respond to risks.
Control Activities	Principle 12: Management should implement control activities through policies.

³ Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

Components	Principles
Monitoring	Principle 16: Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
Monitoring	Principle 17: Management should remediate identified internal control deficiencies on a timely basis.

Source: Generated by OIG from an analysis of internal control components and principles from the Government Accountability Office, *Standards for Internal Control in the Federal Government* (GAO-14-704G, September 2014).

OIG then reviewed criteria, interviewed Department officials, and reviewed documents to obtain an understanding of the internal controls related to the components and principles identified as significant for this audit. OIG assessed the design, implementation, and operating effectiveness of key internal controls where applicable. Specifically, OIG:

- Reviewed the FAM and other guidance to evaluate the design of GP’s organizational structure, including roles, responsibilities, and authority over PPP administration. OIG ensured that the organizational structure was clearly defined and aligned with objectives. OIG also conducted interviews with GP personnel to evaluate the implementation of roles and responsibilities and determine whether they were operationalized as outlined in criteria.
- Examined policies, procedures, guidance, and tools, such as templates related to PPP administration, to evaluate the design of controls established by the Department for ensuring compliance with requirements and mitigating risks, such as unsuitable partnerships.
- Interviewed GP and bureau personnel to evaluate the implementation of controls for PPP administration, including approvals, monitoring, and reporting.
- Determined whether all available action memoranda for each selected PPP included required elements and clearances to document and finalize partner approval to assess whether controls were consistently applied.
- Reviewed reporting guidance to determine whether controls over data entry and completeness were designed to ensure accurate and complete database records.
- Reviewed PPP database reports to evaluate the implementation of controls over data entry.
- Reviewed the annual data call process to evaluate the design of monitoring controls for identifying and addressing gaps in database completeness and accuracy.
- Determined whether management’s corrective actions addressed gaps in documentation and reporting.

Internal control deficiencies identified during the audit that are significant within the context of the audit objective are presented in the Audit Results section of this report.

Sampling Methodology

OIG’s sampling objective was to select a sample of PPPs that were active at any point from FY 2018 to FY 2023 to determine whether the Department administered PPPs in accordance with applicable requirements. Based on data provided by GP from the PPP database, OIG identified 93 partnerships that were active within the scope period, totaling \$2,852,780,558 in U.S. government funding and \$855,108,776 in resource partner funding, for a total of \$3,707,889,334 in combined funds.

Initially, OIG judgmentally selected 10 partnerships, totaling \$1,147,004,714 in U.S. government funding and \$648,998,637 in resource partner funding, for a total of \$1,796,003,351 in combined funding. One criterion for selecting PPPs was large dollar value of government funding. OIG also considered the responsible bureau or office (to ensure that OIG selected a mix of bureaus and offices) and the sector (to ensure that OIG selected a mix of PPP sectors). The initial sample of PPPs related to five bureaus and two embassies and covered six partnership sectors.

In January 2024, OIG communicated its initial selection to GP. GP officials indicated that for one of the selected PPPs, it was unlikely anyone that was involved was still at the embassy (i.e., Department officials at posts rotate regularly). For another, the status was identified in the PPP database as “dropped,” indicating that it had not come to fruition. After obtaining this additional information and an updated report from the PPP database in January 2024, OIG elected to select replacements for these two PPPs. OIG provided GP with a list of potential replacements, inviting feedback. GP officials suggested various PPPs from which OIG selected two sample replacements for review. Specifically, OIG selected two GP-managed PPPs as replacements to allow for comparison with other bureaus, given GP’s role as the Department’s policy-setting bureau for PPPs. The two GP-managed PPP replacements had lower funding values than initial selections. Consequently, the total combined funding for the final sample of 10 partnerships decreased to \$1,583,333,619, comprising \$938,324,769 in U.S. government funding and \$645,008,850 in resource partner funding. These partnerships involved the efforts of five bureaus or offices and covered seven PPP sectors. Table A.2 provides details of the final 10 PPPs selected for review, including the operating unit or bureau involved.

Table A.2: Partnerships Selected for Review

PPP Name	Fiscal Year Created	Sector	Government Funding	Partner Funding
GP				
Women in Science	2014	Public Diplomacy, Humanitarian Assistance, Education and Social Services, Economic Growth: Other	\$3,320,055	\$1,269,603
Global Entrepreneurship Summit	2019	Economic Growth: Other	\$2,725,000	\$11,132,000

PPP Name	Fiscal Year Created	Sector	Government Funding	Partner Funding
Connecting Climate Entrepreneurs	2022	Economic Growth: Environment/Climate Change	\$0	\$1,930,581
GHSD				
MenStar Coalition	2019	Health	\$800,000,000	\$619,000,000
Go Further	2019	Health	\$93,268,835	\$0
Project Last Mile	2017	Health	\$6,750,000	\$8,246,000
ECA				
The Gilman-Airbnb Partnership	2017	Education and Social Services	\$26,290,000	\$240,000
Global Sports Mentoring Program	2017	Economic Growth: Other; Public Diplomacy; Democracy, Human Rights, and Governance	\$1,140,000	\$170,000
OES				
Global Innovation Through Science and Technology Initiative	2017	Economic Growth: Environment/Climate Change; Health; Peace and Security; Democracy, Human Rights, and Governance; Education and Social Services	\$3,330,879	\$3,020,666
WHA				
100,000 Strong in the Americas Innovation Fund	2020	Education and Social Services, Public Diplomacy	\$1,500,000	\$0
Total			\$938,324,769	\$645,008,850
Combined U.S. government and partner funding				\$1,583,333,619

Source: OIG-generated using PPP database reports, dated October 13, 2023, and January 12, 2024, obtained from GP.

APPENDIX B: OFFICE OF GLOBAL PARTNERSHIPS RESPONSE



United States Department of State

Washington, DC 20520

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February 28, 2025

Read by _____

Memorandum for Principal

TO: OIG/AUD – Norman P. Brown

FROM: E/GP – Thomas Debass *Thomas Debass*

SUBJECT: Draft Report on Audit of Department of State Administration
of Public-Private Partnerships

Thank you for sharing a copy of the draft report and for an opportunity to submit written comments regarding the draft recommendations.

Recommendation 1: OIG recommends that the Office of Global Partnerships revise 2 Foreign Affairs Manual (FAM) 970, “Public-Private Partnerships,” to include a standardized action memorandum template for public-private partnerships. This template should outline all required elements from 2 FAM 970, which was updated in March 2024, to ensure completeness and consistency. The template should also include instructions for users to provide an explanation if any required element does not apply.

Management Response to the Draft Report: E/GP concurs with the intent of the recommendation, however, the FAM isn’t the right home for a dynamic document. E/GP already hosts an Action Memo template on its SharePoint page, where colleagues already have to go to request due diligence reports. E/GP intends to update that template to ensure it has all required elements from 2 FAM 970 and continue to host it on E/GP’s SharePoint intranet site.

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Recommendation 2: OIG recommends that the Office of Global Partnerships revise 2 Foreign Affairs Manual (FAM) 970, "Public-Private Partnerships," to specify the conditions in which memoranda of understanding (MOU) are mandatory or optional for public-private partnerships. Given the critical role of MOUs in establishing clear partnership arrangements, responsibilities, and expectations, this revision should also clarify the specific information responsible officials must include in the action memorandum if an MOU is not prepared.

Management Response to the Draft Report: E/GP concurs with the recommendation.

Recommendation 3: OIG recommends that the Office of Global Partnerships update and clarify the criteria for what constitutes a partnership requiring approval under 2 Foreign Affairs Manual 970, "Public-Private Partnerships."

Management Response to the Draft Report: E/GP concurs with the recommendation. While E/GP contends that the criteria of what constitutes a partnership is already clear, the office intends to update 2 FAM 970 to advise that bureaus and missions consult with E/GP on initiatives where there may be perceived collaboration between the Department and a non-federal entity(ies).

Recommendation 4: OIG recommends that Office of Global Partnerships enhance existing training related to public-private partnerships (PPP) to include specific examples of Department of State (Department) partnerships that model the differing structures and governance that partnerships can have. At a minimum, the training should clearly explain that the requirements included in 2 Foreign Affairs Manual (FAM) 970, "Public-Private Partnerships," apply to all PPPs, including those for which a Department grantee is an intermediary or a grantee is acting on behalf of the Department in forming the partnership.

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Management Response to the Draft Report: E/GP concurs with the recommendation. Will update PE441 accordingly and will work with FSI to update PP440, the condensed, distance learning version of PE441.

Recommendation 5: OIG recommends that the Office of Global Partnerships (GP) develop and implement a process to ensure that organizations responsible for public-private partnerships (PPP) approved prior to the 2013 establishment of 2 Foreign Affairs Manual 970, "Public-Private Partnerships," update documentation to comply with current oversight requirements. Specifically, GP should coordinate with relevant bureaus and offices as appropriate to ensure these PPPs are updated to incorporate all required elements, including due diligence and legal clearances.

Management Response to the Draft Report: E/GP concurs with the recommendation.

Recommendation 6: OIG recommends that the Office of Global Partnerships update 2 Foreign Affairs Manual 970, "Public-Private Partnerships," to include specific requirements for the ongoing management, monitoring, and evaluation of public-private partnerships (PPP). The revision should clearly articulate that monitoring and assessing PPPs is required and outline minimum documentation expectations.

Management Response to the Draft Report: E/GP concurs with the recommendation.

Recommendation 7: OIG recommends that the Office of Global Partnerships develop and implement a communication strategy to ensure that relevant bureau personnel are aware of the Foreign Service Institute training—PP440 – Public-Private Partnerships.

Management Response to the Draft Report: E/GP concurs with the recommendation and will also apply it to PE441, the in-person version of the public-private partnership training.

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Recommendation 8: OIG recommends that the Office of Global Partnerships require Foreign Service Institute training—PP440 - Public-Private Partnerships—for all personnel involved with public-private partnerships and update 2 Foreign Affairs Manual 970, “Public-Private Partnerships,” to include the requirement.

Management Response to the Draft Report: E/GP concurs with the recommendation.

Recommendation 9: OIG recommends that the Office of Global Partnerships assess its data entry practices for the Public-Private Partnerships (PPP) database to determine whether the existing processes ensure that all required fields—such as start date, end date, and key information—are consistently completed during data entry. At a minimum, this review should consider procedural and relevant technical aspects of the PPP database that may affect data completeness.

Management Response to the Draft Report: E/GP concurs with the recommendation.

Recommendation 10: Following the implementation of Recommendation 9, OIG recommends that the Office of Global Partnerships enhance the Public-Private Partnerships database data entry practices as needed. Enhancements may include introducing additional checks or prompts during data entry to help prevent omissions, improving the overall quality and reliability of the data.

Management Response to the Draft Report: E/GP concurs with the recommendation.

Recommendation 11: OIG recommends that the Office of Global Partnerships develop and implement procedures for creating initial records for public-private partnerships (PPP) in the PPP database based on approved action memoranda. This procedure should outline specific steps and

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responsibilities to ensure the consistent entry of new records to the PPP database.

Management Response to the Draft Report: E/GP concurs with the recommendation and has already adopted this practice.

Recommendation 12: OIG recommends that the Office of Global Partnerships develop and implement guidance making all key fields in the Public-Private Partnerships database mandatory, including “Indicators,” “Expected/Actual Results,” and “Lessons Learned,” to help ensure that critical information is consistently captured.

Management Response to the Draft Report: E/GP concurs with the intent of the recommendation. However, certain fields, such as “Lessons Learned,” should not be required. If they were, then users would be forced to input made-up data in order to save the record when it is initially created at the onset of the partnership, as there would not have been any lessons learned yet if the partnership has only just been created. E/GP intends to revisit which fields are required and explore adding additional prompts to encourage users to input critical information in fields that technically should not be made to be required.

Recommendation 13: OIG recommends that the Office of Global Partnerships (GP) develop and implement guidance requiring the inclusion of short-term public-private partnerships (PPP) in the PPP database. At a minimum, GP should revise reporting guidance and update the PPP database to support accurate classification and tracking of these partnerships.

Management Response to the Draft Report: E/GP does not concur. Short-term PPPs that are assessed to be “high-profile” (i.e. be perceived to pose a higher reputational risk to the Department) and require due diligence and approval from the Under Secretary of Management (M), in accordance with 2 FAM 974, are already treated as “normal” public-private partnerships in every sense, including being captured in the PPP database. The number of

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non-high-profile short-term PPPs is understood to dwarf the number of M-approved, longer duration PPPs, and E/GP does not have visibility into most of these. Efforts to capture them all in the PPP database, would likely fall short, resulting in incomplete data with limited utility for the Department.

Attachment

Draft Report Audit of Department of State Administration of Public-Private Partnerships

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ABBREVIATIONS

ECA	Bureau of Educational and Cultural Affairs
FAM	Foreign Affairs Manual
FSI	Foreign Service Institute
GHSD	Bureau of Global Health Security and Diplomacy
GP	Office of Global Partnerships
IIE	Institute of International Education, Inc.
MOU	memorandum of understanding
OES	Bureau of Oceans and International Environmental and Scientific Affairs
OIG	Office of Inspector General
PPP	public-private partnership
WHA	Bureau of Western Hemisphere Affairs

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