



Report to the Ranking Member,
Subcommittee on State, Foreign
Operations, and Related Programs,
Committee on Appropriations,
House of Representatives

January 2025

CUBA DEMOCRACY ASSISTANCE

USAID Should
Improve Collection
of Security Risk
Information to Help
Awardee Mitigation
Efforts

GAO Highlights

Highlights of [GAO-25-107712](#), a report to the Ranking Member, Subcommittee on State, Foreign Operations, and Related Programs, Committee on Appropriations, House of Representatives

Why GAO Did This Study

Cuba remains a one-party authoritarian state that restricts basic rights. Beginning in fiscal year 1996, Congress has regularly made appropriations available for programs seeking to promote democratic values and human rights in Cuba. The U.S. provides Cuba democracy assistance through USAID, State, and grant funding to NED, which in turn make awards to implementing partners. However, the Cuban government has opposed U.S. democracy assistance, resulting in security risks for awardees.

GAO was asked to review USAID, State, and NED security and risk mitigation measures for Cuba democracy assistance. This report is a public version of a sensitive report GAO issued in July 2024, which included four objectives. However, State and USAID deemed information related to one objective to be sensitive and protected from public disclosure. Consequently, this report addresses (1) information USAID, State, and NED provide to awardees regarding security risks; (2) protections they provide to awardees; and (3) how their risk information, award processes, and provisions for Cuba compare with those in other restricted environments. GAO reviewed USAID, State, and NED procedures and award documentation, and interviewed officials and a nongeneralizable sample of awardees.

What GAO Recommends

GAO recommends that USAID develop a process to gather and document known security risks based on USAID's and implementers' experience in order to review and inform the actions of implementers. USAID concurred with the recommendation.

View [GAO-25-107712](#). For more information, contact Nagla'a El-Hodiri (202) 512-7279 or ElHodiriN@gao.gov.

January 2025

CUBA DEMOCRACY ASSISTANCE

USAID Should Improve Collection of Security Risk Information to Help Awardee Mitigation Efforts

What GAO Found

The U.S. Agency for International Development (USAID), the Department of State, and the National Endowment for Democracy (NED) provide general information on risks to Cuba democracy assistance awardees and take steps to help awardees mitigate risks at various points in the award process (see figure). For example, USAID and State award solicitations required applicants to analyze their risks and propose mitigation measures. USAID does not prepare security risk assessments for each award and does not have a documented process for collecting security risk information before implementation, limiting its ability to inform awardees' risk response.

General Cuba Democracy Assistance Award Processes



Source: GAO analysis of U.S. Agency for International Development, Department of State, and National Endowment for Democracy documents; GAO (icons). | GAO-25-107712

USAID, State, and NED address travel to Cuba and take steps to protect Cuba democracy assistance awardees or beneficiaries. USAID and State have worldwide protection programs that Cuba democracy assistance awardees can use to address security issues. In addition, USAID, State, and NED all refer awardees to protection programs available from the U.S. or other countries.

USAID, State's Bureau of Democracy, Human Rights, and Labor (DRL), and NED provide similar information about risks to Cuba democracy assistance awardees as they do to awardees in the two other restricted environments, but their award travel and liability provisions and procurement approaches differ. According to USAID and DRL officials, differences in the recent histories of the three countries have led them to take different approaches.

Throughout this publicly-released report, GAO has omitted specific details of USAID, State, and NED risk information, protection measures, and procedures that USAID and State considered sensitive.

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Abbreviations

DRL	Bureau of Democracy, Human Rights, and Labor
NED	National Endowment for Democracy
NGO	Nongovernmental organization
NOFO	Notice of Funding Opportunity
USAID	United States Agency for International Development
WHA	Bureau of Western Hemisphere Affairs

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January 2, 2025

The Honorable Barbara Lee
Ranking Member
Subcommittee on State, Foreign Operations, and Related Programs
Committee on Appropriations House of Representatives

Dear Ms. Lee:

Cuba remains a one-party authoritarian state that restricts citizens' rights to organize, express themselves freely, and participate in political life without fear of government harassment and repression. Beginning in fiscal year 1996, Congress has regularly made appropriations available for programs seeking to promote democratic values, human rights, and fundamental freedoms in Cuba (Cuba democracy assistance).¹

The U.S. provides Cuba democracy assistance through the U.S. Agency for International Development (USAID) and the Department of State. USAID, State's Bureau of Democracy, Human Rights, and Labor (DRL), and State's Bureau of Western Hemisphere Affairs (WHA) award funds to implementing partners, such as nongovernmental organizations (NGOs), to implement democracy assistance programs. State also provides pass-through grant funds to the National Endowment for Democracy (NED). NED, in turn, provides these funds as grants to NGOs proposing Cuba democracy assistance projects.² However, the Cuban government has opposed and restricted the implementation of U.S. democracy assistance programs. As a result, USAID, State, and NED program awardees face security risks. For example, in December 2009, Alan Gross, an American subcontractor working for one of USAID's awardees, was arrested in Cuba while delivering computer equipment to provide internet access to Jewish communities on the island.³

¹State Department Congressional Budget Justifications indicate as much as \$20 million has been made available for Cuba democracy assistance in recent years.

²NED is a nonprofit, nongovernmental organization that provides grants as a pass-through entity to nongovernmental organizations working to strengthen democracy.

³Gross was subsequently sentenced to 15 years in prison. Gross was released and returned to the U.S. in December 2014.

This report is a public version of a sensitive report that we issued on July 18, 2024.⁴ Our July report included four objectives, including one that addressed steps awardees have taken to address security risks. State and USAID deemed the information in that objective to be sensitive and thus protected from public disclosure. Consequently, this public version only includes information on three objectives: (1) the extent to which USAID, State, and NED provide information to democracy assistance awardees regarding the security risks of operating in Cuba; (2) the protections that USAID, State, and NED provide to awardees of Cuba democracy assistance; and (3) how USAID, State, and NED risk information, award processes, and award provisions for Cuba democracy assistance compare with those for selected other restricted environments. USAID and State deemed some of the information in our July report to be sensitive, which must be protected from public disclosure. Therefore, throughout this publicly-released report GAO has omitted specific details of USAID, State, and NED risk information, protection measures, and procedures. Although the information provided in this report is more limited, the report uses the same methodology as the sensitive report.

To address our objectives, we developed a data collection instrument to record information in award agreements and solicitations active in recent fiscal years—through fiscal year 2023 (the latest available information at the time of our review). We reviewed documentation of USAID, State, and NED procedures, and interviewed USAID, State, and NED officials and a nongeneralizable sample of their awardees with awards active in recent fiscal years.⁵ We compared the information on risk that we gathered to principles for risk management, risk response, and external communication in GAO's Standards for Internal Control in the Federal Government.⁶ We also reviewed documentation of any USAID, State, and NED programs available to provide protections for democracy and human rights activists in Cuba. We reviewed award solicitations and agreements for awards active in fiscal year 2022 or 2023 in two other selected restricted environments and interviewed USAID, State, and NED officials and a nongeneralizable sample of their awardees conducting democracy

⁴GAO, *Cuba Democracy Assistance: USAID Should Improve Collection of Security Risk Information to Help Awardee Mitigation Efforts*, GAO-24-106623SU (Washington, D.C.: Jul. 18, 2024).

⁵Throughout this public version of the report, details about the fiscal year of awards, the number of awards we analyzed, and the number of awardees we interviewed are omitted because the information is considered sensitive by USAID or State.

⁶GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#), (Washington, D.C., Sept. 2014).

assistance for Cuba as well as in the other selected restricted environments. Appendix I of our sensitive report contains complete information on our methodology.⁷

The performance audit upon which this report is based was conducted from February 2023 to July 2024 in accordance with generally accepted government auditing standards.⁸ Those standards require that we plan and perform the audit to obtain sufficient, appropriate, evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We subsequently worked with USAID and State from July to January 2025 to prepare this version of the original sensitive report for public release. This public version was also prepared in accordance with these standards.

Background

The U.S. Congress specifically authorized, and the President signed into law, Cuba democracy assistance in the Cuban Democracy Act of 1992 and the Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996.⁹ These acts authorize the U.S. government to provide assistance and other support for individuals and independent NGOs to promote peaceful, nonviolent democratic change in Cuba.

USAID, State, and NED take several steps to identify Cuba democracy assistance awardees and to implement awards. USAID and State issue solicitations for democracy assistance work and select awardees from among the applicants. NED accepts project proposals on a rolling basis, rather than issue award solicitations. After signing the award agreement, USAID, State, and NED each hold orientation meetings with their selected awardees before the awardee begins implementation (see fig. 1).

⁷GAO-24-106623SU.

⁸The agency comment and sensitivity review period was from March 2024 to July 2024.

⁹Cuban Democracy Act of 1992, Pub. L. No. 102-484, §§ 1701-1712, 106 Stat. 2575, 2576-2581 (Oct. 23, 1992), and Cuban Liberty and Democratic Solidarity (LIBERTAD) Act of 1996, Pub. L. No. 104-114, 110 Stat. 785 (Mar. 12, 1996) (commonly known as the Helms-Burton Act).

Figure 1: General Cuba Democracy Assistance Award Processes



Source: GAO analysis of U.S. Agency for International Development, Department of State, and National Endowment for Democracy documents; GAO (icons). | GAO-25-107712

Note: The solicitation phase also encompasses applications received on a rolling basis (i.e., for NED) and may be affected by confidentiality or other concerns that may warrant selection of a returning awardee or justify the extension of an existing award.

USAID, State, and NED Discuss Risks with Awardees, but USAID Does Not Prepare a Security Risk Assessment for Each Award

Current USAID and State Solicitations Require Applicants to Prepare Risk Analyses

USAID and State solicitation documents broadly describe the risks of implementing Cuba democracy assistance. USAID Notices of Funding Opportunity (NOFOs) also address limits to the liability of the agency for harm to awardees implementing Cuba democracy assistance. See text box below for text from USAID NOFOs addressing liability.

Sample U.S. Agency for International Development (USAID) Cuba Democracy Assistance Solicitation Information on Liability

To the extent not prohibited or contradicted elsewhere by Federal law, regulation, or policy, the Recipient shall not hold USAID liable for injury, death, detainment, incarceration, kidnapping, property loss, damages, or expenses incidental to those liabilities, suffered by, or attributable to the acts, omissions or negligence of, the Recipient, its agents, or its employees implementing programs in Cuba under this NOFO.

Source: USAID Notice of Funding Opportunity (NOFO). | GAO-25-107712

USAID, DRL, and WHA's most recent award solicitations require applicants to develop risk analyses and mitigation measures as part of their proposals in response to the solicitation. The award review panels then evaluate the risk analyses and mitigation measures as part of the award selection decision. See text box below with an excerpt from USAID solicitation language for Cuba democracy assistance awards.

Sample U.S. Agency for International Development (USAID) Risk Analysis Requirement in Applications

State the assumptions and address the inherent risks in implementing a program that promotes human rights in the Cuban context, based on prior experience working in closed societies or experience working in Cuba. Explain the possible challenges and how the Applicant plans to overcome these challenges.

Source: USAID July 2022 Cuba Democracy Assistance Notice of Funding Opportunity (NOFO) Technical Approach Requirement for Applications. | GAO-25-107712

USAID's Risk Assessments Do Not Encompass Security Risks

USAID's risk assessment framework for each award does not explicitly include the security risks of the award. Before finalizing the selection of the awardee and signing the award agreement, USAID may negotiate award conditions. As an agency policy, USAID conducts risk assessments of financial, procurement, and programmatic controls for each Cuba democracy assistance award. However, these assessments do not expressly factor in an evaluation of security risks. Implementing partners are responsible for assessing the security risks related to the specific activities under their program and for developing a risk mitigation strategy. According to USAID officials, in addition to expertise on a specific activity, selection criteria for implementing partners include experience operating in the relevant operating environment and managing security risks. However, USAID manages multiple awards and therefore has access to a broader perspective on risks than an individual awardee may have.

Standards for Internal Control in the Federal Government state that management should identify risks, analyze the significance of the risks, and respond to risks related to achieving defined objectives.¹⁰ Without a process to gather, document, and disseminate the known risks to awardees of Cuba democracy assistance implementers prior to implementation that is informed by the agency's prior experience, USAID limits its ability to help inform the selected awardees' risk responses and mitigation plans.

¹⁰GAO, *Standards for Internal Control in the Federal Government*.

Agreement Documents, Orientation Meetings, and Ongoing Communication

The USAID and State Cuba democracy assistance award agreements repeat information from the solicitation about liability or the security risks to the awardee of implementing the award. USAID, State, and NED have held orientation meetings with their awardees prior to beginning implementation of the award, which primarily focused on award management. USAID, State, and NED and their awardees all described ongoing two-way communication about risks once implementation of the award has begun. Awardees we spoke with described the security risk information they received as at least slightly useful, with a majority describing it as useful or very useful.

USAID, State, and NED Take Steps to Protect Awardees, Inform Them of Travel Risks, and Direct Them to Available Protection Resources

USAID, State, and NED Cuba democracy assistance awardees face both physical and digital threats from Cuban authorities opposed to their work. To reduce these threats, USAID, State, and NED each take steps to support and protect recipients of Cuba democracy assistance. USAID, State, and NED also address travel to Cuba as part of their awards.

USAID and DRL each manage worldwide programs that Cuba democracy assistance awardees can use to address security issues. USAID, State, and NED also all refer awardees to protection programs available from the U.S. or other countries. WHA and NED do not manage any protection programs of their own. WHA officials were aware of DRL's available protection programs. NED maintains a list of organizations to which it can refer awardees facing threats. Officials stated that NED may also redirect or supplement funds for an existing grant to address security issues.

Risk Information for Cuba Democracy Assistance Awards Is Similar to That for Other Selected Restricted Environments, but Award Provisions and Processes Differ

USAID, DRL, and NED provide similar information about risks to Cuba democracy assistance awardees as they do to awardees for projects associated with the two other selected restricted environments we reviewed, but their award travel and liability provisions and procurement approaches differ.¹¹ According to USAID and DRL officials, the differences in the recent histories of Cuba and the other countries have led them to take different approaches to making awards.

¹¹WHA does not have any currently active democracy assistance awards for the other countries.

Conclusions

The Cuban government has a long history of opposition to pro-democracy activism supported by the U.S. As a result, USAID, State, and NED awardees face threats from the Cuban government to their digital and physical security. USAID and State solicitations have required all applicants for Cuba democracy assistance awards to analyze risks and develop risk mitigation measures as part of their application proposals. USAID, State, and NED all provide feedback to prospective awardees about security risks, but USAID does not have a process to gather and document security risk information for each Cuba democracy assistance award prior to awardees beginning implementation. Consequently, USAID may not have sufficient information to share with Cuba democracy assistance awardees about relevant security risks. USAID relies on the expertise of individual awardees to identify the risks of their award. However, because USAID works with multiple awardees, it is well positioned to gather and disseminate risk information informed by the experience of other awardees.

Recommendation for Executive Action

The Administrator of USAID should ensure that the Office of Cuban Affairs works with USAID's Office of Security to develop a process to gather and document known Cuba democracy assistance security risks based on USAID's and implementers' experience prior to award implementation in order to review and, as appropriate, inform the actions of implementers. (Recommendation 1)

Agency Comments and Our Evaluation

We provided a draft of the sensitive version of this report to USAID and State for their review and comment. We also provided excerpts of the draft report to NED that contained information related to NED for its review and comment. State and NED did not provide formal comment letters. After their initial review of the sensitive version of the draft report, USAID officials expressed concerns in oral comments about their ability to implement the recommendation as it was originally drafted. Due to these comments, we revised our recommendation and directed it to USAID's Office of Security as well as its Office of Cuban Affairs. We maintained the original focus of the recommendation based on our findings regarding information sharing prior to awardees beginning implementation. USAID concurred with the recommendation. We amended the title of the report to better reflect the revised recommendation.

USAID provided a comment letter on the sensitive version of this report but indicated that the comment letter was sensitive. Accordingly, we have removed the comment letter from this public version of the report. USAID declined to provide a comment letter for the public version of the report.

USAID, State, and NED all provided technical comments, which we have incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Secretary of State, the Administrator of the U.S. Agency for International Development, the President and Chief Executive Officer of the National Endowment for Democracy, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-7279, or ElHodiriN@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix I.

Sincerely,



Nagla'a El-Hodiri
Director, International Affairs and Trade

Appendix I: GAO Contact and Staff Acknowledgments

GAO Contact

Nagla'a El-Hodiri at (202) 512-7279 or ElHodiriN@gao.gov.

Staff Acknowledgments

In addition to the contact named above, Michael Simon (Analyst-in-Charge), Ingrid Ang, Gergana Danailova-Trainor, Bahar Etemadian, Nick Jepson, Abby Marcus, Miranda Riemer, Aldo Salerno, Mike Silver, K. Nicole Willems, and Khristi Wilkins made key contributions to this report.

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