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Description of document:	United States Agency for International Development (USAID) Agency briefing materials related to the Presidential transition for the Agency Review Teams or Agency Landing Teams, 2016
Requested date:	06-December-2016
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Source of document:	FOIA Request USAID FOIA Office Bureau for Management Office of Management Services Information and Records Division Room 2.07C - RRB Washington, DC 20523-2701

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USAID
FROM THE AMERICAN PEOPLE

TRANSMITTED VIA EMAIL

MAY 10 2018

Re: FOIA Request No. F-00047-17
Final Response

The United States Agency for International Development (USAID) regrets the delay in responding to your Freedom of Information Act (FOIA) request. Unfortunately, USAID is experiencing a backlog of FOIA requests. Please know that USAID management is very committed to providing responses to FOIA requests and remedying the FOIA backlog.

This is the final response to your December 6, 2016 FOIA request to the USAID. You requested a copy of USAID Agency briefing materials related to the Presidential transition for the Agency Review Teams or Agency Landing Teams.

For your information, Congress excluded three (3) discrete categories of law enforcement and national security records from the FOIA. See 5 U.S.C§ 552(c) (2006 & Supp. IV (2010)). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all of our requesters and should not be construed as an indication that excluded records do, or do not, exist.

USAID conducted a comprehensive search of the Office of the Executive Secretariat (OES). The search produced a total of 319 pages. Of those pages, we have determined that all 319 pages are releasable in their entirety.

If you require any further assistance or would like to discuss any aspect of your request, you may contact Pamela Campbell, the assigned FOIA Specialist by phone on (202) 712-4476 or at parringtoncampbell@usaid.gov. You may also contact USAID's FOIA Public Liaison, Lynn P. Winston, at foia@usaid.gov.

Additionally, you may contact the Office of Government Information Services (OGIS) at the National Archives and Records Administration to inquire about the FOIA mediation services offered:

Office of Government Information Services
National Records and Archives Administration
8601 Adelphi Road-OGIS
College Park, Maryland 20740-6001
Email: ogis@nara.gov
Telephone: (202) 741-5770; toll free at 1-877-684-6448
Fax (202) 741-5769

You have the right to appeal this final response. Your appeal must be received by USAID no later than 90 days from the date of this letter. In order for it to be considered an official appeal, please address and send directly to the FOIA Appeal Officer:

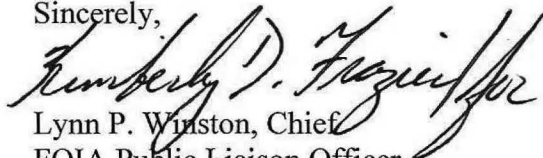
Director, Office of Management Services
U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Ronald Reagan Building, Room 2.12-010
Washington, D.C. 20523

If you wish to fax your appeal, the fax number is (202) 216-3369. Both the appeal and the envelope should be plainly marked "**FOIA Appeal**." Please include your tracking number F-00047-17, in your letter.

There is no charge for this FOIA request. As this concluded the processing of your request, it will be closed.

Thank you for your interest in USAID.

Sincerely,



Lynn P. Winston, Chief
FOIA Public Liaison Officer
FOIA Officer/Agency Records Officer
Bureau for Management
Office of Management Services
Information and Records Division

Enclosure: Responsive Document (319 pages)



USAID
FROM THE AMERICAN PEOPLE

AGENCY REVIEW TEAM TRANSITION BINDER 2016



PHOTO BY BOBBY NEPTUNE FOR USAID



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**AGENCY REVIEW TEAM
TRANSITION BINDER
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November 9, 2016

On behalf of the Transition Support Team, Administrator Smith, Deputy Administrator Lenhardt, Associate Administrator Postel, and the entire staff, welcome to the United States Agency for International Development.

Over the coming weeks, we look forward to telling you about USAID's important work, including the opportunities before us and the primary challenges we face.

In anticipation of your arrival, we've prepared the enclosed materials, which include a set of "Corporate Papers" that discuss overarching issues confronting the Agency, Bureau Briefs that provide summaries of our main Washington operating units and their key concerns, Supporting Documents that examine individual topics in more detail, and a range of other papers, including Bureau Profiles, budgets, look-ahead calendars, reference sheets on initiatives, coordinators, and directives, and documents about the Agency's history, foundational legislation, and organizational structure.

We recommend that you start by reviewing the six Corporate Papers, which together paint a thorough and nuanced picture of the Agency and the increasingly complicated environments in which we operate. Next, consider tackling the 25 two-page Bureau Briefs, which present a rich portrait of the work of our bureaus and independent offices. Finally, we encourage you to browse as you like, exploring specific topics that pique your interest. In the electronic versions of the documents, you'll note hyperlinks that connect papers on related subjects.

We've also prepared a series of Recommended and Optional Briefings that we hope to deliver to you in the coming weeks. The Recommended Briefings mirror the six Corporate Papers:

- USAID Today
- New Normal: Development Programming
- New Normal: Global Crises
- New Normal: Financial Resources
- New Normal: Comprehensive Workforce
- Building a More Nimble USAID Through Continuous Process Improvements

The Recommended Briefings also address USAID's relationships with the Department of State, the National Security Council, and Congress. The Optional Briefings mirror the Bureau Briefs and cover regional, sectoral, programmatic, and management issues. Should you want to discuss a topic not included on the Briefing Menu, please let us know, and we will happily facilitate.

[RETURN TO TOC](#)

The Agency is eager to tell you its story. It's a story of development partnerships that have dramatically reduced poverty, malnutrition, and child and maternal mortality; it's a story of entrepreneurship and economic growth; it's a story of building more stable, accountable, and inclusive societies. It's a story that we hope will make you as proud as it makes us.

Wade Warren
Chief Transition Officer



BRIEFING MENU

RECOMMENDED AND OPTIONAL

RECOMMENDED (Days 1 - 3)

- USAID Today
- New Normal: Development Programming
- New Normal: Global Crises
- New Normal: Financial Resources
- New Normal: Comprehensive Workforce
- Building a More Nimble USAID Through Continuous Process Improvements
- USAID and the Congress
- USAID and the Department of State
- USAID and the National Security Council
- Senior Management Meeting Meet-and-Greet

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Functional Bureaus

- Bureau for Democracy, Conflict, and Humanitarian Affairs
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 - B. Democracy, Human Rights and Governance (DRG): The Backbone of Sustainable Development and Crisis Prevention**
 - C. The Strategic Imperative of Youth**
 - D. Anti-Trafficking in Persons
- Bureau for Economic Growth, Environment, and Education
 - A. Bureau Brief
 - B. Climate Change and Development**
 - C. Education: A Foundational Driver of Development**
 - D. Financing for Development – Mobilizing Resources for Achieving the Sustainable Development Goals
 - E. Scaling Up Clean Energy
 - F. Water and Sanitation at USAID
 - G. Wildlife Trafficking
- Bureau for Food Security
 - A. Bureau Brief**
 - B. Resilience: Addressing Complex Risk, Safeguarding Development Gains, and Minimizing Humanitarian Response

- Bureau for Global Health
 - A. Bureau Brief**
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 - C. Opportunities and Challenges of the Interagency Process: The Global Health Perspective

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 - D. Ending Extreme Poverty: Effective and Accountable Governance and Inclusive Economic Growth
 - E. The International 2030 Agenda: Financing the Sustainable Development Goals**
 - F. Learning and Development Results**
 - G. USAID, the Changing Development Cooperation Landscape, and Global Policy Leadership
- **The Global Development Lab**
 - A. Bureau Brief
 - B. Digital Technology and Data-driven Approaches Can Radically Accelerate the Fight Against Extreme Poverty
 - C. The Lab's Center for Transformational Partnerships: Engaging and Leveraging the Private Sector for Development Impact**
 - D. Operational Innovation: Making the Agency more Efficient, Effective, and Productive
 - E. Transforming Development Impacts Through Innovation
 - F. Transforming Development Impacts Through Science & Research

Geographic Bureaus

- **Bureau for Africa**
 - A. Bureau Profile**
 - B. Africa Bureau Budget
 - C. Countries in Transition: Major Investments at Risk
 - D. Ebola Lessons Learned - USAID led the way!
 - E. Fragile States in Africa
 - F. South Sudan
 - G. Trade and Investment Engagement in Africa
 - H. Power Africa**
- **Bureau for Asia**
 - A. East Asia and the Pacific
 - B. South and Central Asia

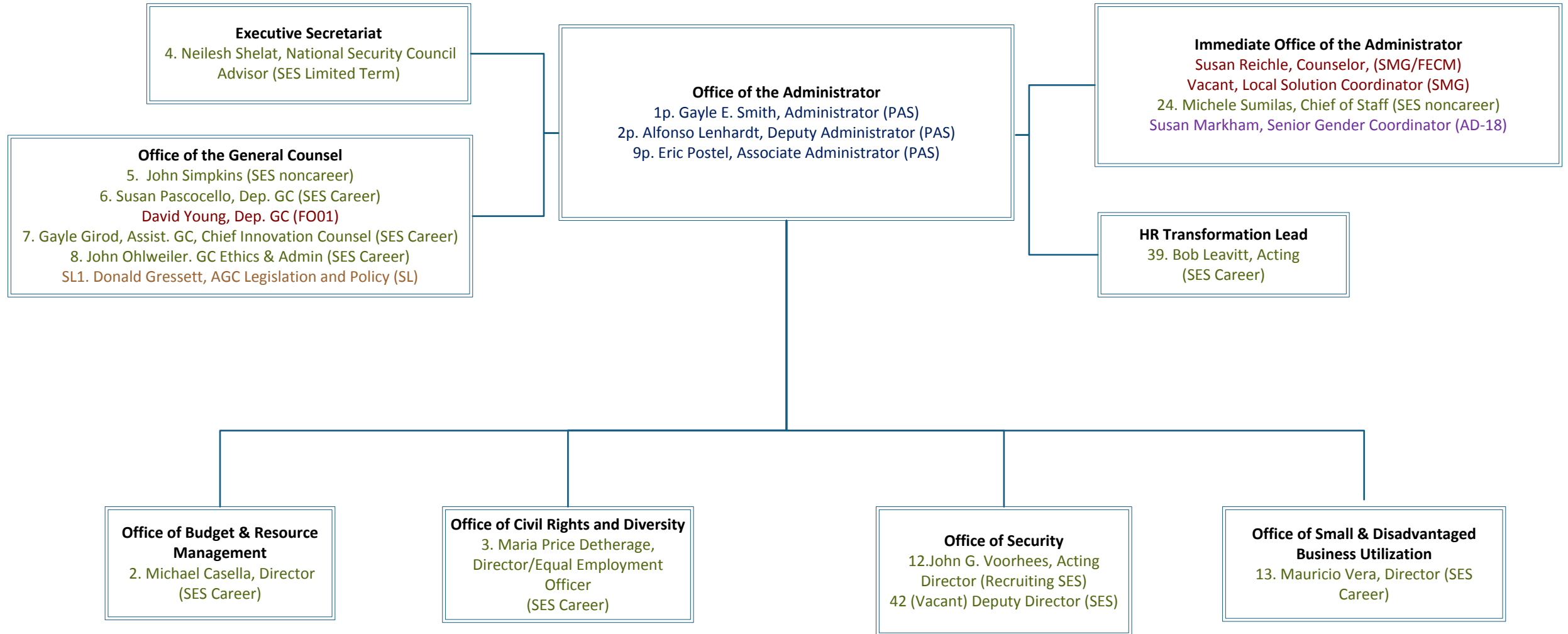
- **Bureau for Europe and Eurasia**
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- **Bureau for Latin America and the Caribbean**
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- **Office of Afghanistan and Pakistan Affairs**
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Independent Offices

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- **LGBTI office**
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 - B. What You Need to Know Now About USAID's Program Budget for FY 2017 and 2018
- **Office of Civil Rights and Diversity**
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- **Office of the Senior Gender Coordinator**
 - A. Bureau Brief
- **Office of Small and Disadvantaged Business Utilization**
 - A. Bureau Brief

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- AFSA Transition Support Team - Here to Protect and Serve
- AFGE: The USAID GS Employees in a Foreign Service Environment
- Leveraging the Role of Country Desk Officers – USAID's Link to the Field and Interagency
- USAID Boards, Committees, and Councils
- Mission Director Panel

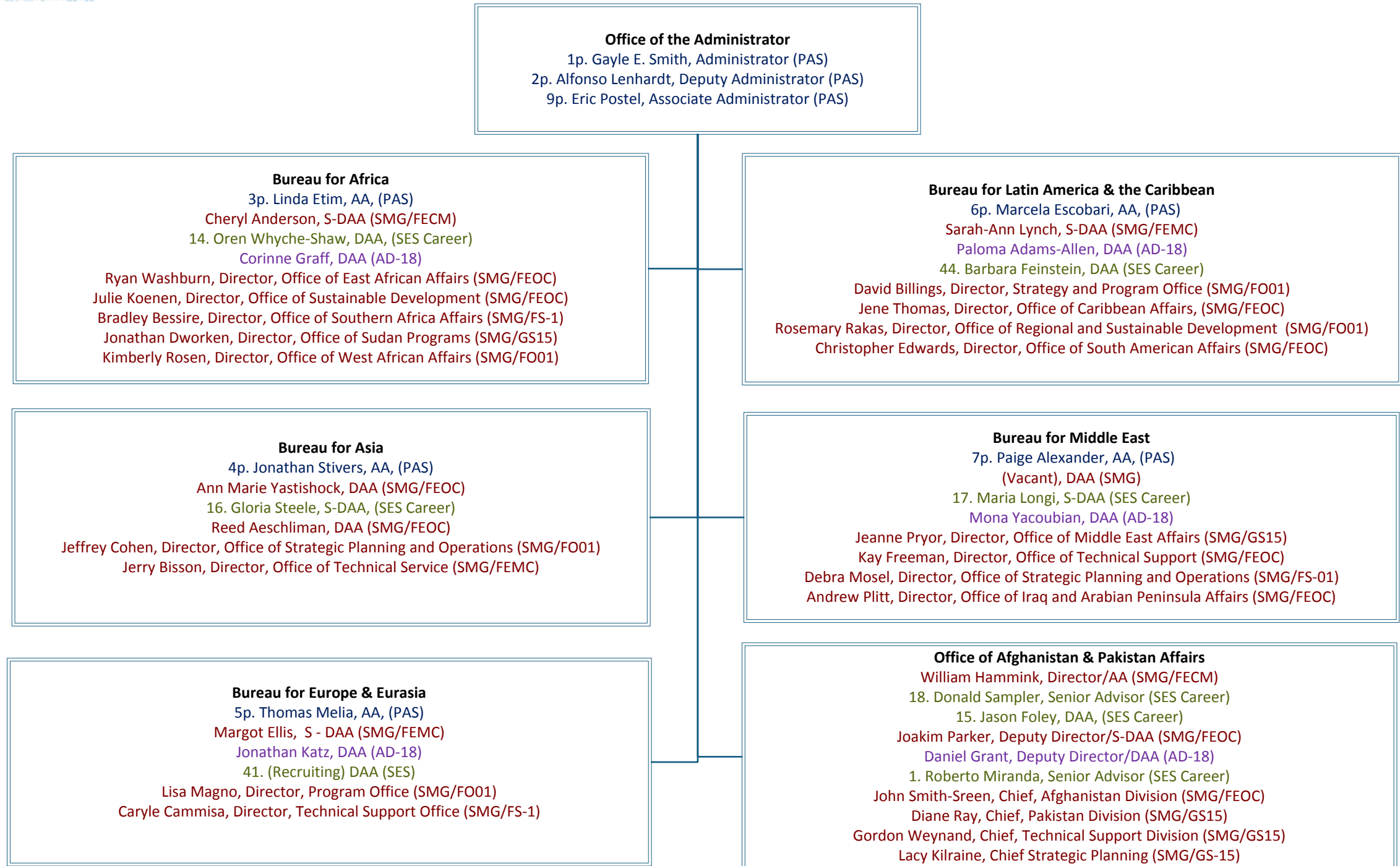


This chart lists PAS, PA, SMG, STG, SES, ST, SL and AD-18 positions and reflects Senior Leadership positions by Bureau and Independent Office. It does not reflect the organization structure within each Bureau and Independent Office.

Color Key
Blue-PAS/PA
Green-SES
Maroon-SMG
Brown-SL/ST
Purple-AD-18

HQ SENIOR LEADERSHIP POSITIONS and INCUMBENT CHART

GEOGRAPHIC BUREAUS



Office of the Administrator
1p. Gayle E. Smith, Administrator (PAS)
2p. Alfonso Lenhardt, Deputy Administrator (PAS)
9p. Eric Postel, Associate Administrator (PAS)

Bureau for Democracy, Conflict & Humanitarian Assistance

8p. David Harden, AA, (PAS)
37. Greg Gottlieb, S-DAA (SES Career)
19. Robert Jenkins, DAA (SES Career)
20. Bob Leavitt, DAA (SES Career)
Thomas Staal, NDU War College Faculty (SMG/FECM)
David Yang, DAA (AD-18)
Jeremy Konyndyk, Director, Office of U.S. Foreign Disaster Assistance (AD-18)
21. Carol Chan, Deputy Director, Foreign Disaster Assistance (SES Career)
Neil Levine, Director, Democracy and Governance (AD-18)
Dina Esposito, Director, Office of Food for Peace (AD-18)
John Acree, Director, Office of Civilian Military Cooperation (AD-18)
43. (Recruiting), Director Office of Transition Initiatives (SES)
Todd Larson, Senior Coordinator (AD-18)
Melissa Brown, Director, Office of Conflict Management and Mitigation (SMG/GS15)
Vacant, Director, Office of Program, Policy and Management (SMG)
Vacant, Director, Office of American Schools and Hospitals Aboard (SMG)

Bureau for Food Security

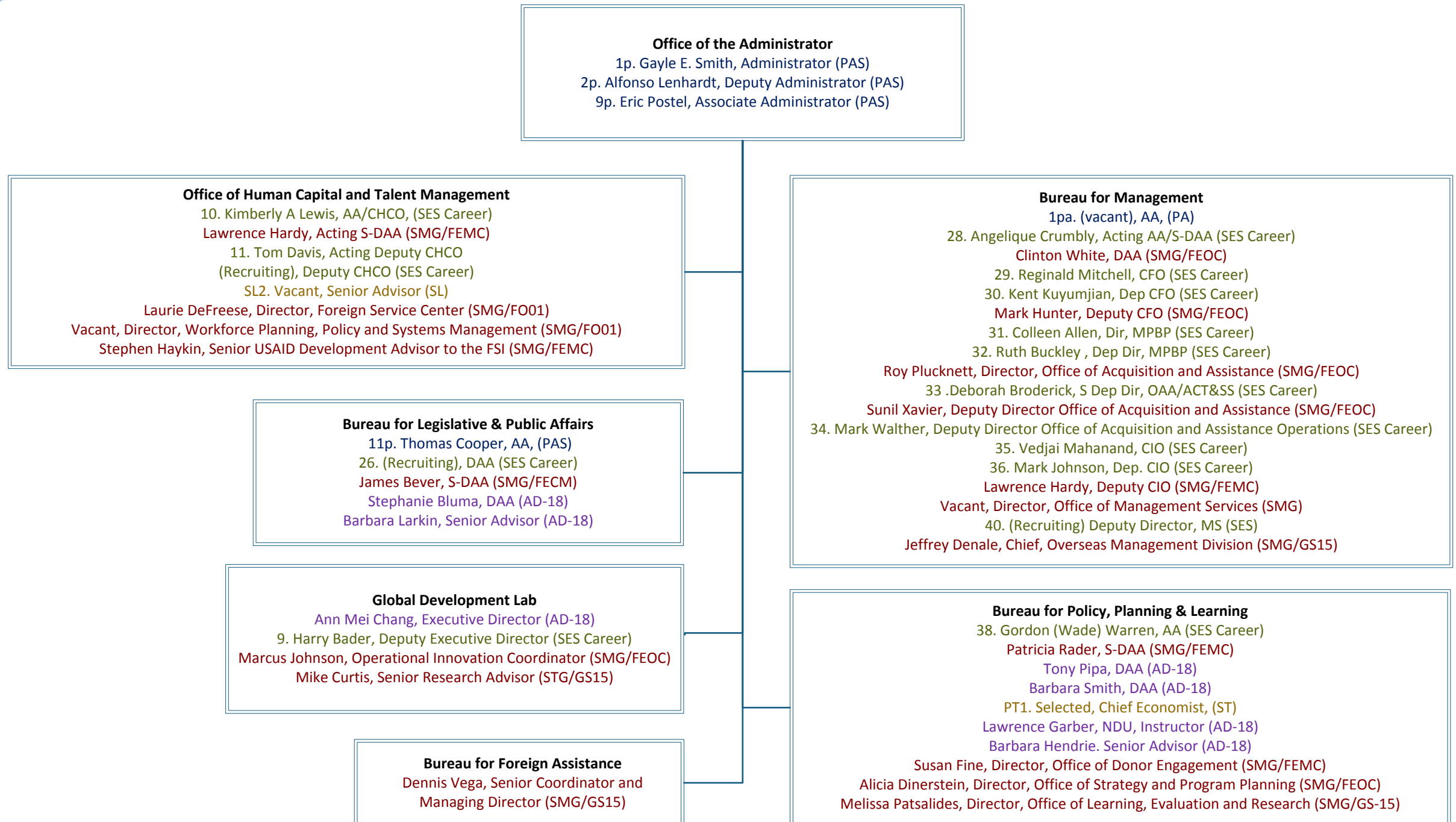
Beth Dunford, AA, (SMG/FO01)
Justin Finnegan, S-DAA (AD-18)
23. Saharah Moon Chapotin, DAA, (SES Career)
ST2. Robert Bertram, Chief Scientist (ST)
Shelia Roquette, Director, Agriculture, Research and Policy (SMG/FS-1)
Pamela Fessenden, Director, Office of Markets, Partnerships & Innovation (SMG/FO01)
Gary Linden, Director, Office of Country Strategy & Implementation (SMG/FE0C)

Bureau for Economic Growth, Education & Environment

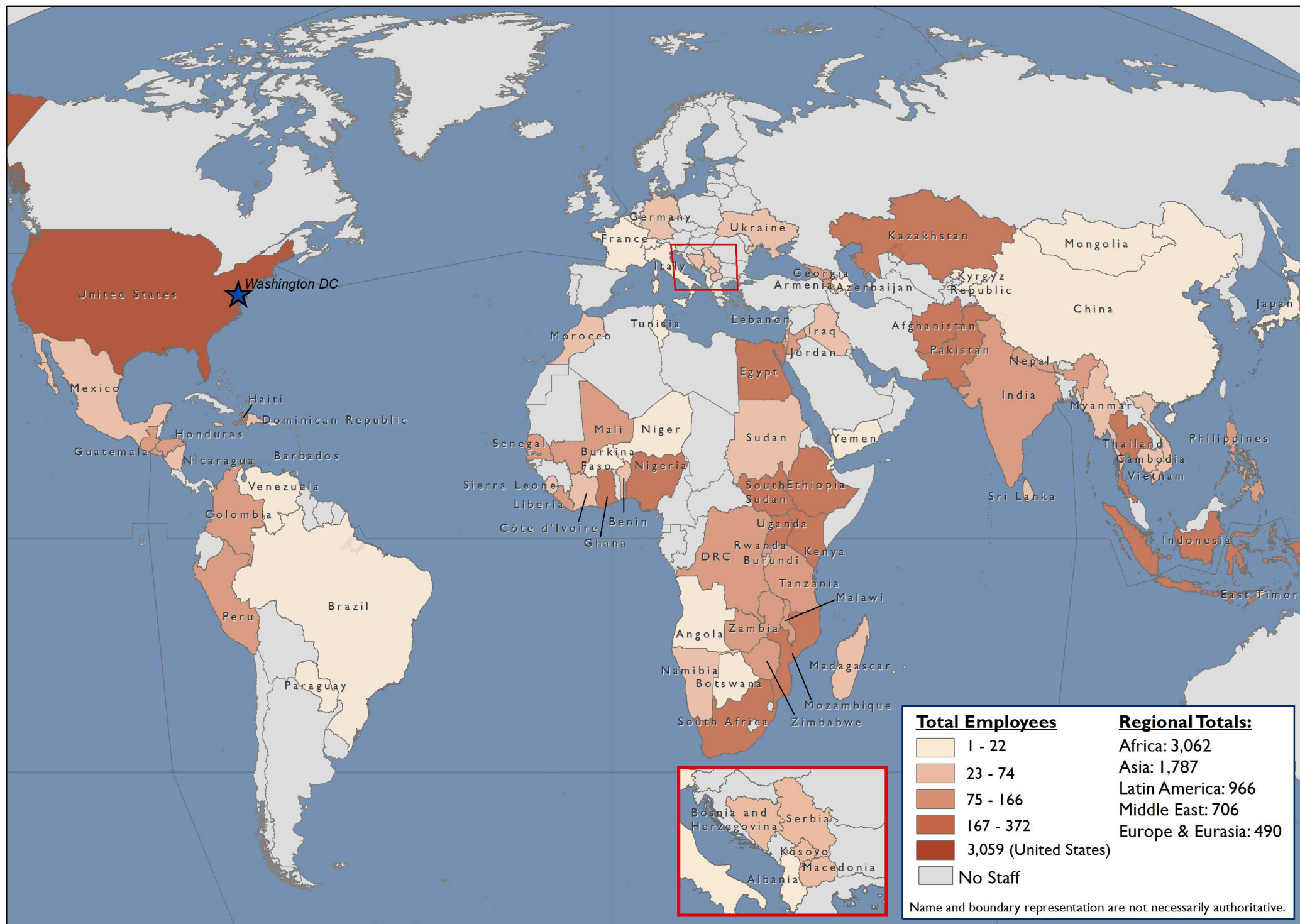
9p. Eric Postel, AA, (PAS)
Charles North, S-DAA (SMG/FECM)
Carrie Thompson, DAA (SMG/FE0C)
Melissa Williams, DAA (SMG/FE01)
Christian Holmes, DAA (AD-18)
22. (Vacant), Director (SES)
Barbara Schneeman, Higher Education Coordinator (AD-18)
Ann Christine Vilsack, Senior Advisor (AD-18)
John Carihfield, Director, Office of Economic Growth (SMG/FS-1)
Evelyn Rodriguez-Perez, Director, Office of Education (SMG/FE0C)
Michael Zeilinger, Director, Office of Policy, Information, Communication and Outreach (SMG/FE0C)
Vacant, Senior Technical Advisor in Social Science (STG)

Bureau for Global Health

10p. Ariel Pablos-Mendez, AA, (PAS)
25. Irene Koek, DAA (SES Career)
Jennifer Adams, S-DAA (STG/FEMC)
ST3. Matthew Barnhart, Medical Officer (ST)
Robert Ziemer, Malaria Coordinator (AD-18)
Wendy Taylor, Senior Advisor (AD-18)
Barbara Hughes, Director, Office of Infectious Disease (SMG/FE0C)
Douglas Arbuckle, Director, Office of HIV/AIDS (SMG/FO01)
Elise Jensen, Director, Office of Country Support (SMG/FE0C)
Aye Aye Thwin, Senior Health Technical Advisor to Officer of Health Systems (STG/FE0C)



USAID STAFF BY COUNTRY



A BRIEF HISTORY OF USAID

When the United States Agency for International Development (USAID) was created, it brought together several existing foreign assistance organizations and programs. Until then, there had never been a single agency charged with foreign economic development, so with the passage of the Foreign Assistance Act of 1961 by Congress, U.S. foreign assistance activities underwent a major transformation.

Leading this transformation was President John F. Kennedy. President Kennedy recognized the need to unite development into a single agency responsible for administering aid to foreign countries to promote social and economic development. On November 3, 1961, USAID was born and with it a spirit of progress and innovation. On December 13, 2016, USAID will celebrate completion of our 55th year of providing U.S. foreign development assistance “From the American People.” Our workforce and USAID's culture continues to serve as a reflection of core American values.

Early International Development Efforts: The modern-day concept of international development assistance took shape after World War II ended in 1945. George C. Marshall, the Secretary of State from 1947 to 1949 and a five star general in WWII, provided significant financial and technical assistance to Europe after the war. Famously known as the Marshall Plan, this was a successful effort that allowed Europe to rebuild its infrastructure, strengthen its economy, and stabilize the region.

International Aid Becomes Foreign Policy: Building on the success of the Marshall Plan, President Harry S. Truman proposed an international development assistance program in 1949. The 1950 Point Four Program focused on two goals:

- Create markets for the United States by reducing poverty and increasing production in developing countries;
- Diminish the threat of communism by helping countries prosper under capitalism.

From 1952 to 1961, programs supporting technical assistance and capital projects continued as the primary form of U.S. aid, and were a key component of U.S. foreign policy. During this time, government leaders established various precursor organizations to USAID, including the Mutual Security Agency, Foreign Operations Administration, and International Cooperation Administration.

International Aid in the 1960s: Birth of an Agency: In 1961, President Kennedy signed the Foreign Assistance Act into law and created USAID by executive order. Once USAID got to work, international development assistance opportunities grew tremendously. The time during the Kennedy and Johnson administrations became known as the “decade of development.”

International Aid in the 1970s: A Shift to Basic Human Needs: In the 1970s, the USAID began to shift its focus away from technical and capital assistance programs. Instead, U.S. development assistance stressed a “basic human needs” approach, which focused on: food and nutrition; population planning; health; education; and human resources development.

International Aid in the 1980s: A Turn to Free Markets: In the 1980s, foreign assistance sought to stabilize currencies and financial systems. It also promoted market-based principles to restructure developing countries' policies and institutions. During this decade, USAID reaffirmed its commitment to broad-based economic growth, emphasizing employment and income opportunities through a revitalization of agriculture and expansion of domestic markets. In this decade, development

activities were increasingly channeled through private voluntary organizations (PVOs), and aid shifted from individual projects to large programs.

International Aid in the 1990s: Sustainability and Democracy: In the 1990s, USAID's top priority became sustainable development, or helping countries improve their own quality of life. During this decade, USAID tailored development assistance programs to a country's economic condition, which meant that:

- Developing countries received an integrated package of assistance;
- Transitional countries received help in times of crisis; and
- Countries with limited USAID presence received support through nongovernmental organizations (NGOs).

USAID played a lead role in planning and implementing programs following the fall of the Berlin Wall in 1989. USAID programs helped establish functioning democracies with open, market-oriented economic systems, and responsive social safety nets.

International Aid in the 2000s: War and Rebuilding: The 2000s, brought more evolution for USAID and foreign assistance with government officials once again calling for reform of how the agency conducts business. With the Afghanistan and Iraq wars ongoing, USAID was called on to help those two countries rebuild government, infrastructure, civil society, and basic services such as health care and education. The Agency began rebuilding with an eye to getting the most bang out of its funding allocations. It also began an aggressive campaign to reach out to new partner organizations—including the private sector and foundations—to extend the reach of foreign assistance.

International Aid since 2010: International Development as National Security: In 2010, President signed a Presidential Policy Directive on Global Development, the first of its kind by a U.S. administration. The directive recognizes that development is vital to U.S. national security and is a strategic, economic, and moral imperative for the United States. It calls for the elevation of development as a core pillar of American power and charts a course for development, diplomacy, and defense to mutually reinforce and complement one another in an integrated comprehensive approach to national security. Recent bills such as the Global Food Security Act (July 2016) and the Electrify Africa Act (February 2016) reflect this emphasis on development as national security.

Today, USAID staff work in more than 100 countries around the world with the same overarching goals that President Kennedy outlined over 50 years ago – furthering America's foreign policy interests in expanding democracy and free markets while also extending a helping hand to people struggling to make a better life, recover from a disaster, or striving to live in a free and democratic country.

LEGISLATIVE FRAMEWORK AND DELEGATIONS OF AUTHORITY

Basic Structure of Legislation

The basic statute, the Foreign Assistance Act (FAA), dates from 1961 and has not been amended in any comprehensive fashion since 1985. As a result, it contains a number of anachronistic provisions, but it remains a technically workable legislative framework. Because the FAA has been amended piecemeal since 1985, it lacks a coherent overall policy focus and rationale for foreign assistance programs. Appropriations laws have come to take on greater prominence and the appropriations committees of Congress have attained greater influence. In this context, the dialogue with Congress tends to focus on the level of funding for individual accounts, and the number of earmarks and directives on the use of funds in those accounts, rather than on an integrated approach to economic development or the broader implications of how USAID programs and activities relate to U.S. national interests, policies and objectives in a changing world.

Authority to Provide Assistance

The Foreign Assistance Act authorizes the President to provide foreign economic and military assistance. Economic programs include:

- Development assistance (agriculture, family planning, child survival, health, education, environmental and energy programs, democracy, economic growth);
- Assistance to combat HIV/AIDS;
- Credit assistance programs;
- Assistance for Eastern and Central Europe for which funds are available under authority of the FAA or the Support for East European Democracy (SEED) Act;
- Assistance for the New Independent States of the Former Soviet Union (sometimes called FREEDOM Support Act (FSA) funds);
- Economic Support Fund (ESF) aid to countries where U.S. political interests warrant funding additional to what could be justified on development grounds;
- Assistance for complex crises;
- International disaster assistance; and
- Assistance for transition initiatives.

Statutory Restrictions and Flexibility

The allocation of funds to specific accounts by Congress has a major impact in setting priorities and shaping the content of U.S. assistance. In addition, the FAA and USAID's annual appropriations acts contain a number of limitations on the provision of assistance. Basically, these fall within two categories: (1) prohibitions regarding the eligibility of countries to receive all or some assistance; and (2) prohibitions regarding the kind of assistance that can be provided.

In the first category are, for example, prohibitions on aid to certain named countries, e.g., Cuba, Iran, Syria, countries designated as terrorist states, countries that have severed diplomatic relations with the United States, etc. Depending on the language of the prohibition, they bar aid to the country, government (all governmental units), or central government of the country.

In the second category, specified types of assistance are prohibited, such as some assistance to police, assistance to pay for abortions with Federal funds, and assistance where Federal funds are provided directly to recipient governments.

The FAA and appropriations acts contain authority for the President or Secretary of State to waive most of these prohibitions. In addition, certain kinds of assistance, e.g., child survival and disease programs, democracy programs, and Assistance for Europe, Eurasia and Central Asia, can be provided notwithstanding provisions of law that would otherwise restrict that assistance.

Delegations of Presidential Functions and Responsibilities of the Secretary of State

After passage of the Foreign Affairs Reform and Restructuring Act of 1998 (Reform Act), the adoption of major amendments to the Executive order (E.O. 12163) relating to the administration of foreign assistance programs, and amendments to State Department delegations of authority, established the formal basis for the relationship with the Department of State. The Reform Act established USAID as an independent agency whose Administrator reports to and is under the direct authority and policy guidance of the Secretary of State.

Most authorities contained in the FAA and foreign assistance appropriations acts are vested in the President. The President delegates the responsibility to exercise them to the heads of agencies. Executive Order 12163, as amended, is the primary vehicle by which FAA authorities are delegated.

On March 31, 1999, the President signed an order amending E.O. 12163. On the same date, the Secretary of State signed a delegation of authority amending State Department Delegation of Authority 145 (the “DOA”), re-delegating functions to the USAID Administrator. State Department DOA 145 was rescinded in 2006 with the creation of the Director of U.S. Foreign Assistance (the “DFA”) and was replaced with State Department DOA 293. However, while the re-delegations from the Secretary to the USAID Administrator remained largely unchanged, DOA 293 delegated very broad authorities to the DFA to design foreign assistance strategy and budget approaches, determine whether there shall be a program for a country and the amount thereof, and to approve the programming of foreign assistance.

E.O. 12163, as amended, delegates to the Secretary of State all Presidential functions and authorities under the FAA, except for those delegated elsewhere or reserved to the President. The DOA, in turn, delegates to the USAID Administrator:

- Authority to administer, and provide policy for, Development Assistance, International Disaster Assistance and Transition Initiatives programs; and
- Authority to administer ESF assistance and, subject to other Executive Orders, assistance for the former Soviet Union and Eastern Europe.

The Delegation of Authority, consistent with the Reform Act, states that USAID is a distinct agency and the Administrator reports to and is under the foreign policy guidance and direct authority of the Secretary of State.

Orders of Succession

On December 9, 2008, President Bush published a Memorandum for the Administrator of the United States Agency for International Development in which he Designated the Order of Succession for Officers of USAID to Act as the Administrator during any period in which the Administrator and the Deputy Administrator have died, resigned, or otherwise become unable to perform the functions and duties of the office of the Administrator. President Obama has not changed this Order of Succession.

The Order of Succession runs through the Assistant Administrators for specific named Bureaus in the order in which they were appointed. The named Bureaus are: Africa; Asia; Democracy, Conflict and Humanitarian Assistance; Economic Growth, Education, and Environment; Europe and Eurasia; Global

Health; Latin America and the Caribbean; Legislative and Public Affairs; Management; and Middle East. No one who is serving as an Acting Assistant Administrator in any of these Bureaus is eligible to serve as the Acting Administrator.

Nothing in this Memorandum prevents the President from designating an Acting Administrator at any time, to the extent permitted by law.

Other Legislation of Major Importance to USAID

Appropriations Acts

Funds for most of USAID's economic assistance programs are appropriated in the annual Department of State, Foreign Operations, Export Financing, and Related Programs Appropriations Act. That Act also contains funding for State Department operations, multilateral assistance through the Multilateral Development Banks, funding for the Peace Corps, OPIC, the Export-Import Bank, and military assistance programs. Funds for food aid programs authorized by the Food for Peace Act are included in the annual appropriations act for the Department of Agriculture. Since 1985, the annual foreign aid appropriations act has served as the primary legislative vehicle for congressional earmarking, directives, and statements of policy.

Food for Peace Act

Titles II and III of the Food for Peace Act authorize USAID to administer grant food aid programs. Title II authorizes the provision of agricultural commodities through governmental and nongovernmental organizations (NGOs) to meet emergency food needs, notwithstanding any other provision of law. Title II also authorizes provision of nonemergency food assistance through NGOs. Title III, which is currently an unfunded program, authorizes the use of food aid to encourage policy reform in the poorer developing countries. (Title I of the Food for Peace Act, administered by the Department of Agriculture, provides credit for the export of U.S. agricultural commodities to more advanced developing countries.)

Government Performance and Results Act (GPRA)

The GPRA is government-wide legislation requiring each agency to prepare a strategic plan and annual performance plans for its programs. The strategic plan, submitted to OMB and Congress, is to be updated every three years. The annual performance plans establish performance goals and indicators, and provide a basis for comparing results with performance goals. Each agency must also submit program performance reports reviewing, among other things, the success in achieving performance goals during the previous year and, as appropriate, why such goals were not met. GPRA was expanded and modified in 2011 by the Government Performance and Results Modernization Act (GPRAMA). In addition to amendments relating to such matters as progress reviews and transparency, GPRAMA mandates that each agency designate a Chief Operating Officer and Performance Improvement Officer, and to identify Goal Leaders for Agency Priority Goals.

Government-Wide Legislation

There are of course many additional statutes which apply to USAID as well as to the rest of government. One category deserves special mention: Congressional attempts over the past quarter-century to hold the Executive more accountable, especially in the financial area. Examples include the Inspector General Act (1978), the Chief Financial Officer Act (1990), the Federal Managers Financial Integrity Act (1992), GPRAMA (2011), and the Federal Information Security Modernization Act (2014). Their operational effect can be to dictate operational modes and record keeping and reporting requirements, sometimes in fine-grained detail. This necessitates a considerable measure of centralization and mandating of requirements from outside.

USAID TODAY

USAID is not the same Agency it was even five years ago, much less ten. After a decade of reforms, it is more evidence-driven and results-oriented, and it brings an increasingly influential and important voice to discussions on U.S. foreign policy and national security. The Agency's expertise and professionalism is in high demand by partners in developing countries and by partner agencies across the U.S. Government focused on foreign policy and national security. Despite a climate of fiscal austerity, Congressional support for the Agency and its budgets has grown in recent years, providing a solid foundation of bipartisan support upon which to build.

USAID's value, as an implementer and at the policy table, stems from its knowledge and experience as a technical and field-based organization working around the world to:

- **Foster and sustain development progress.** USAID promotes inclusive economic growth underpinned by effective governance and accountable institutions. The Agency's key efforts to improve food security, bolster health, advance education, modernize energy and water infrastructure, mitigate conflict, and advance democracy all serve as examples of this work.
- **Prevent, mitigate and respond to global crises.** As a global leader in humanitarian response, USAID provides medicine, emergency food aid, and other assistance in places where it is desperately needed. But responding to crises after the fact is not enough. USAID also works to mitigate conflict and the impact of disasters by working with communities and governments to build resilience. The Agency increases the capacity of countries to withstand crises, including those caused by climate change. USAID's programming and budgets are increasingly addressing crises, and the Agency's work is increasingly concentrated in fragile states. Going forward, USAID will need to further adapt its approaches and systems to this new reality.
- **Mitigate threats to national security and global stability.** In places of strategic national security importance, USAID applies its know-how side-by-side with its counterparts in the U.S. military and the Department of State's diplomatic corps to confront emerging threats and other global security challenges. The Agency helps counter Russian aggression, for example, by strengthening market economies, democratic institutions, anti-corruption efforts, and energy independence in Eastern Europe and Central Asia. A key challenge is for USAID to consistently deliver a development perspective to shape policy deliberations on some of the U.S. Government's highest national security priorities in a way that provides more balance, preventing poor decisions and ineffective use of assistance funding.

A Stronger Agency with a Rising Role at the Policy Table

With 69 Missions around the world, an official presence in 87 countries, and a \$22.9 billion annual budget, USAID is an operational agency that delivers results. Even as the Agency continues to hone its abilities in programming and procurement, however, USAID's growing role as an agency with a seat at the policy table may be the most significant yet quiet change underway. This role is underpinned by the Agency's strength, depth, and reach. USAID's ability to couple evidence with practical know-how intensifies its voice in national security deliberations.

In addition to understanding USAID's work from a poverty alleviation and development perspective, U.S. political and foreign policy leaders have increasingly focused on the linkages between foreign assistance and U.S. national security and economic interests. Transnational threats posed by conflict, climate

change, corruption, and fragility challenge U.S. foreign policy aims and America's standing in the world. It is within this context that development has been elevated in recent years as a core pillar of U.S. foreign policy. USAID has been renewed in its mandates, resources, and capacities, and the Administrator has been regularly included in National Security Council meetings. As the U.S. Government's lead development agency, USAID has strengthened operational and strategic compatibility with the State Department as well as with the Departments of Defense, Treasury, and Agriculture, the Millennium Challenge Corporation, the Centers for Disease Control and Prevention, and the Overseas Private Investment Corporation, among others.

Within the Agency, this elevation and commitment to rebuild corresponded with a suite of reforms, including the 2010 re-instatement of the Agency's central policy and planning functions and key budget responsibilities. These steps remedied some of the weakening aspects of reforms four years earlier that dismantled the longstanding Policy and Program Coordination Bureau. The Agency has also renewed its ability to promote agricultural development and to harness science, technology, innovation, and partnerships for development. The reforms of recent years have additionally included significant increases in the Agency's Foreign and Civil Service staff in many key technical areas.

One result of these strengthening efforts has been an Agency that is significantly more a part of international and U.S. Government leadership and decision-making than in the past. The USAID Administrator leads U.S. Government delegations with increased frequency and regularly meets with Fortune 500 CEOs. USAID has also experienced a dramatic uptick in participation in high-level interagency policy discussions within the U.S. Government. Since 2014, USAID's Administrator, Deputy Administrator, and Associate Administrator have been invited to participate in almost 600 high level meetings of the National Security Council.

U.S. foreign policy benefits from a stronger USAID at the table to discuss topics ranging from specific crises to regional strategies and global strategic planning. The Agency led, for example, a recent U.S.-China development agreement that created space for greater cooperation on non-development policy issues of interest to both countries. USAID also played a central role in U.S. technical and diplomatic efforts that led to agreement last year on the 2030 Agenda for Sustainable Development by the U.N. General Assembly. The Agency is now well-placed to advance U.S. Government interests and mobilize action as the global community focuses its efforts on implementing this 15-year plan. Additionally, together with the U.S. intelligence community, USAID has been at the forefront of efforts within the U.S. Government to more deeply incorporate expert analysis on fragility and conflict into policy deliberations and programs. Flagship U.S. Government initiatives, like those focused on global food security or on energy in Africa, have also benefited from USAID leadership and its ability to work collaboratively with relevant departments and agencies across the government.

Today USAID is a programming Agency that also shapes U.S. foreign policy, but to more fully deliver on its leadership and policy roles, it will have to continue to develop capacity to translate field-based and technical expertise in development into timely, compelling, evidence-based policy inputs.

Continuing Adaptation

As an Agency that focused in recent years on rebuilding itself and adapting to a changing world, USAID has gained the confidence to acknowledge what it is good at doing, but also where further

modernization is needed. The Agency must continue to grapple with the “new normal” across a range of issues:

- **Development Programming:** To capitalize on global progress and to help developing countries achieve ambitious goals, USAID will have to continue to lead by adapting to new norms of effective development practice. The Agency will need to push itself further to put strategic partnerships at the core of its model, catalyze game-changing innovations, and build countries’ capacities to finance their own development (see [New Normal: Development Programming](#)).
- **Global Crises:** The magnitude and complexity of global crises threaten the significant development progress underway. Facing the effects of conflict and climate change, USAID’s world-class response capacity is severely strained. The Agency will need to deepen its focus on prevention and mitigation through efforts aimed at resilience and at addressing weak institutions and the factors that drive violent conflicts (see [New Normal: Global Crises](#)).
- **Financial Resources:** USAID’s budget has grown but it is also more complex and less flexible than ever before. The Agency is grappling with the implications of a shift over recent years towards more centrally driven strategy and budget decisions and a corresponding loss of budget influence in the field (see [New Normal: Financial Resources](#)).
- **Internal System and Process Improvements:** USAID continuously focuses on improving its efficiency and effectiveness to get the best results for the American taxpayer. It has done so in recent years by, for example, revitalizing the Agency’s approaches to evaluation and procurement, but further progress is needed to keep pace with changing requirements and dynamic operating environments. Critical internal systems are in need of major improvements. USAID has just embarked on a priority HR Transformation effort to begin repairing its human capital systems. Other priority areas for further process improvements include information technology modernization and data management, procurement, and knowledge management (see [New Normal: Comprehensive Workforce](#) and [Building a More Nimble USAID through Process Improvements](#)).

NEW NORMAL: DEVELOPMENT PROGRAMMING

Headlines:

- Development programming has advanced considerably in the last ten years based on evidence of what works. Local ownership, accountability, transparency, inclusion, and integrated programming are now norms of good development practice.
 - Expectations regarding these norms are enshrined in two major global agreements that will frame the development agenda for the next 15 years: a set of Sustainable Development Goals (SDGs), and a new agenda for development financing (Financing for Development).
 - USAID is modernizing accordingly – catalyzing investment from the private sector and other donors, promoting innovation, and encouraging responsible use of countries' domestic resources for development outcomes.
 - Achieving U.S. goals on global development will increasingly require USAID to operate in risky environments, including crisis and conflict-affected countries.
-

Pursuing Effective Development

To pursue development gains that are broadly shared and lasting, USAID promotes inclusive economic growth and effective, accountable governance. The Agency does this through programs focused on improved food security, better health, enhanced education, and many other areas.

Globally, there are many encouraging signs of development progress. The world has cut the percentage of people living in extreme poverty by more than half since 1990, and poverty rates have declined in all regions. The number of children who die from preventable deaths has been cut in half over the same time period. Boys and girls are enrolling in primary school at nearly equal rates, and half as many children are out of school today as there were just 15 years ago. Countries are increasingly using their own domestic resources to finance development needs, and the private sector has become a larger partner in leveraging smart, effective development investments.

Another aspect of global progress is captured by the fact that 29 countries considered low-income in 2000 have today achieved middle-income status. Given U.S. interests in addressing ongoing development challenges in middle-income countries, USAID continues in many instances to work in these countries. The Agency does so by recognizing that dynamic partnerships transition over time – by sector or across the entire development strategy – from a relationship based on funding to one focused on technical support. This recognition leads to a nuanced but important shift away from conversations with middle income countries about “graduation,” which implies USAID leaving a country.

Norms and expectations on how to carry out development work are changing. This evolution is based on evidence showing that development investments produce better results if certain principles and practices are followed, including local ownership, inclusion, more integrated programming, accountability, and transparency. These principles are now widely understood and shared, both by developing countries themselves and stakeholders such as Congress and development NGOs.

As a global leader in development, USAID plays a key role in U.S. policy-making and diplomatic efforts to shape the global debate on development. The Agency was pivotal in ensuring that U.S. priorities and approaches to global development were reflected in the new 2030 Agenda, a 15-year normative framework that includes the SDGs and Financing for Development. The 2030 Agenda also recognizes the

increasing importance of the private sector and of the mobilization of developing countries' own domestic resources.

USAID programming is shifting to reflect the new standards of global development practice to take on board the following issues:

Local Ownership. Local ownership means working through local partners and helping build their capacity. Evidence shows that alignment with stakeholders in the countries and communities where development programming takes place ensures development investments are appropriate to local conditions and sustainable over time. USAID is pursuing local ownership approaches in all development environments. The Agency has demonstrated a commitment to increased partnerships with local entities, tripling our obligations to local governments, civil society, and private sector, from 9 percent of program funds in FY 2010 to 27 percent in FY 2015. Where feasible, the Agency is providing finance directly to responsible partner governments and local organizations to help build local capacity and stimulate additional investment from within the country. Efforts to program funds through local organizations must be carefully balanced, however, with requirements for maintaining high levels of accountability for resources provided by U.S. taxpayers.

Inclusion. Attention to marginalized or vulnerable groups is key to ensuring that development gains are broadly shared. Evidence shows inclusion can also have a positive impact on economic growth. In recent years, USAID successfully stepped up efforts on inclusion by creating senior positions to drive this agenda, developing new policies and guidance for staff, and increasing the focus of inclusive programming, particularly with regard to gender, LGBTI, and youth. These efforts are sometimes complicated by policy positions in partner countries that undermine inclusive approaches. In addition, USAID provides leadership on inclusion within the U.S. Government, for example, through its corporate nondiscrimination policies. The Agency's various approaches to social inclusion could benefit from greater coherence and will need sustained commitment from Agency leadership to maximize impact.

Integrated Programming. USAID is building on successful efforts to integrate programming to achieve greater results. Despite the challenges and limitations exacerbated by Presidential initiatives or Congressional directives aimed at generating global results in specific sectors, the Agency, wherever possible, adjusts programs to target needs in an integrated manner. For example, USAID/Tanzania is reducing rates of chronic undernutrition and maternal anemia through stronger integrated nutrition, health, and agriculture programs and services at the district and community levels. Increasingly, the Agency is recognizing that integrated programming delivers more bang for the buck and sees it as a key consideration for future efforts.

Transparency and Accountability within USAID. USAID's efforts in recent years to be transparent and accountable – through support of the Foreign Assistance Transparency and Accountability Act, joining the International Aid Transparency Initiative, and positively engaging the Office of the Inspector General – enable the Agency and its many partners to achieve better development results. A focus on transparency and accountability also helps build bipartisan support from Congress and credibility with American taxpayers and recipients of American aid. Continued commitment is required to institutionalize efforts to be more consultative, to open up data sets, and to acknowledge and learn from failures as well as from successes.

USAID is often best positioned and also expected – by Congress, other Agencies, and partners – to meet short timeframes that pose a challenge to achieving longer-term development goals. Development

programs frequently take years to achieve intended outcomes and require careful planning and adapting as well as multi-year commitments that reduce volatility. The Agency provides analysis on what can be achieved under various timeframes and is pursuing ways to be even more precise with analysis to better inform policy. At the same time, achieving development results often requires a certain amount of “strategic patience.”

Working in Partnership and as a Catalyst

To achieve larger scale progress and sustain it, USAID is increasingly using its resources as a catalyst to mobilize other resources and promote innovation. These approaches constitute a growing proportion of the Agency’s work and reflect an important trajectory.

Domestic resources are the fastest growing category of development finance in many partner countries, with tax and revenues mobilized by developing countries estimated at \$1.5 trillion in 2000 and \$5.3 trillion in 2014. USAID has been exploring ways to enable partner countries to responsibly boost resources mobilized through domestic tax systems and improve public financial management and transparency.

With regard to the private sector, in FY 2016, the Agency mobilized \$896 million in private capital through loan guarantees and leveraged more than \$4.98 billion through more than 360 individual public-private partnerships. The nature of USAID’s private sector partnerships has been evolving, from “one-off” projects to more strategic, multi-stakeholder coalitions generating major investments. These new partnerships have the potential to produce larger scale impacts in areas including health, agriculture, and energy.

USAID also stepped up collaborative efforts to harness key technologies and innovations for development goals and to invest in those proven to work. These new methods proved their worth, for example, in helping to stop the spread of the Ebola outbreak in West Africa by giving responders better suits to protect themselves from infection.

Underlying these efforts is the beginning of a shift in focus for USAID – from being an aid provider and program implementer, to acting as a strategic partner and catalyst for country-led and country-owned development processes. This evolution also means shifting from a focus primarily on managing resources to a growing focus on managing partnerships that are often complex and labor-intensive.

Managing Risk

In a volatile world, the trend is toward more risk rather than less. USAID is constantly navigating a risk-filled operating environment. USAID’s challenge is not so much eliminating risk as balancing the interplay and trade-offs among different kinds of risk.

As a field-based organization, USAID is attuned to many threats facing programs, staff, and partners. This reality is particularly acute in the crisis-affected and “non-permissive” environments where the Agency increasingly operates. USAID’s emphasis on resilience stems from the understanding that climate change, conflict, and other shocks and stresses can wipe out development gains and pose significant programmatic risks. Additionally, as the world makes progress against poverty, USAID’s efforts are likely to have an even greater focus on countries affected by protracted conflict and fragility, where the poorest are increasingly concentrated.

USAID also encounters other forms of risk. Building accountability and transparency into programming that works within developing country government systems often threatens networks of organized crime and corruption. Consequently, this approach carries legal, fiduciary, and reputational risks alongside programmatic and security concerns. Governments around the world are increasingly repressing civil society and the rights of citizens through formal and informal methods, including high-tech censorship. These “closing spaces” threaten development partners and investments across all sectors, restricting opportunities for participation, advocacy, and oversight.

Given the risky environments in which the Agency works, it is important that expectations of what USAID can deliver are balanced by a clear assessment of the risks. It is essential for the Agency to identify the full array of risks it faces – including programmatic, security, reputational, legal, and fiduciary – and to recognize that there are trade-offs when balancing these different types of risk. As stewards of taxpayer funds accountable to the President and to Congress, getting that balance right is a critical issue for the Agency and for U.S. national security and economic interests. U.S. policy is better-informed when USAID is at the table for strategic decisions on what level and types of risk the U.S. Government is willing to take in developing countries.

NEW NORMAL: GLOBAL CRISES

Headlines:

- Despite significant gains against poverty, a swath of the world is straining from the effects of conflict, climate change, fragility, and food insecurity. Conflicts last longer, crises are more complex and recurring, and a greater number of people are displaced than ever before, hindering progress towards development gains.
 - USAID is the world leader in international emergency response and is increasingly focused on global crises. This emphasis both reflects American values and addresses national security concerns. The effort ranges from combatting deadly viruses originating in far-off countries to addressing extreme local unrest that can threaten American lives and U.S. foreign policy objectives.
 - USAID brings flexible resources, technical expertise, and policy leadership to the national and international arena. The existing international structures and rules, however, are no longer sufficient to address current challenges and are in urgent need of reform.
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Today's crises are proliferating, complex, prolonged, and recurring, causing widespread instability and suffering. Refugees and internally displaced people now number a record 65.3 million and are displaced for 17 years on average. As a result, USAID's programming and budgets increasingly focus on crises. From 2009 to 2015, humanitarian assistance increased from 14 to 20 percent of the Agency's budget. And, since August 2014, USAID has deployed up to five simultaneous Disaster Assistance Response Teams (DARTs) to respond to major humanitarian crises (six for a short time) – the Agency's largest sustained staffing surge in 50 years. In addition, operating environments have become increasingly risky in the face of a growing disregard for International Humanitarian Law. The targeted attacks on hospitals in Syria and aid workers in South Sudan, where local humanitarians were killed, are recent examples. Globally, the average number of attacks on humanitarian relief workers from 2011-2015 increased 36 percent over the previous five year average.

Outside of the most acute crises, USAID's overall footprint is also increasingly concentrated in fragile states. Today, more than 70 percent of USAID programs are implemented in conflict-vulnerable or otherwise fragile countries. Some of these countries are at risk of becoming tomorrow's acute crises, while the underlying dysfunction that feeds their fragility hinders development. Syria, for example, lost 35 years of development gains between 2011 and 2013 as a result of the conflict, according to a UNRWA study. This drain on development progress, and the risks of backsliding, undermine U.S. development objectives and weaken our economic and strategic partnerships.

USAID is recognized as the world leader in humanitarian response, and its deep knowledge of fragile countries and long-standing experience in humanitarian operations is unique within the U.S. Government (USG). USAID led the USG effort to contain the Ebola outbreak, successfully bringing the number of cases to zero within 18 months, and continues as one of the core agencies promoting the Global Health Security Agenda. USAID's analysis of fragile and volatile environments is increasingly used to inform U.S. policy, and the Agency's investments in famine early-warning and disaster-risk reduction have become instrumental to mitigating disaster impacts. USAID has also played a leadership role in efforts to build the resilience of communities and local and national governments to future crises, including through efforts to accelerate inclusive agricultural growth.

USAID's continued leadership requires adjusting to this "new normal" in which the better part of our operational presence is in fragile settings. USAID has proven adaptable; for example, USAID piloted flexible contracts in Ethiopia, Kenya and Pakistan to facilitate more rapid, targeted responses to cyclical humanitarian needs, saving lives and assets for less money. Since 2010, USAID has programmed cash transfers, food vouchers, and locally and regionally procured food, finding that in some situations these approaches improved food security, beneficiary satisfaction, and savings of up to 20 to 30 percent over traditional approaches. USAID has also redesigned existing programs to address increased conflict and violence around the world, such as countering Boko Haram messaging in the Lake Chad basin, and, in Somalia, working closely with U.S. Special Operations Command forces to restore local governance structures in areas retaken from Al-Shabaab.

To continue to achieve humanitarian and development outcomes, as it has since 1961, USAID will need to significantly increase its own abilities and the abilities of its implementing partners and its partner countries to prevent, mitigate, and respond to crises. And it will need to operate in increasingly dangerous and high-risk environments. While USAID has institutionalized major development reforms – for example, around finance, monitoring and evaluation, inclusion, and local systems – comparable steps have not been taken to prepare the Agency as a whole to better respond to crises and mitigate fragility.

While USAID's crisis-response capability remains impressive and the staff have stepped up to the challenge, the Agency is under increasing pressure and cannot sustain its current level of effort without change. USAID has adopted myriad staffing and programming mechanisms to keep pace with the world's crises and increasingly fragile operating environments, but they remain piecemeal and not fully institutionalized.

Moreover, the administrative and operational divide between relief and development needs to be examined. USAID will need to continue its work with and leadership in the United Nations, international finance institutions, and the Organization for Economic Cooperation and Development's Development Assistance Committee with respect to integrating relief and development, building resilience, and better responding to fragility. Finally, integrating fragility analysis into program planning and design will require additional investment in analytic tools and expertise, and the flexibility and authority in the field to adapt programs to complex challenges and dynamic environments.

NEW NORMAL: FINANCIAL RESOURCES

Headlines:

- The Financing for Development (FFD) agenda, adopted globally in July 2015, underlines the importance of mobilizing three types of resources for development: Official Development Assistance (ODA) from donor countries, private investment, and developing countries' own domestic revenues.
 - USAID's budget has grown over time, but it has also become increasingly complicated and inflexible.
 - Key issues include a disconnect between budget oversight authority at the State Department and decision-making at USAID, the effects of Congressional directives and Presidential initiatives, and the potential need to reset aspects of the budget process with Capitol Hill.
 - The Agency's system for funding administrative expenses leads to complicated operational challenges and inefficiencies. One critical ongoing concern is to maintain an appropriate balance between the Operating Expense account and the program budget.
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A New Agenda for Development Financing

In July 2015, the U.N. General Assembly agreed on a new framework for financing global development goals known as the Financing for Development (FFD) agenda. This agenda recognizes that Official Development Assistance (ODA) is only one source of development financing. In fact, the dollar value of non-ODA capital flows has grown considerably in recent years. In 1960, combined ODA from developed countries accounted for 71 percent of financial flows to developing countries. Today, it accounts for only 9 percent. Domestic revenue mobilization and private investment now make up the vast majority of total development finance for many countries. ODA remains critical, however, for low income and fragile or conflict-affected countries where it continues to make up the bulk of financing for development. The “new normal” for financing points increasingly towards using ODA as a catalyst to mobilize developing countries' domestic resources and spur investments from the private sector. The FFD agenda also acknowledges the growing contribution of non-traditional donors, including major emerging economies, such as China, India, Mexico, Brazil, and the Gulf States. These countries are injecting new funding into the pool of resources for relief and development and gaining increased voice and influence in the governance of major multilateral development institutions.

The landscape for development financing is thus more comprehensive but also more complex than in the past. This reality presents opportunities but also new challenges for USAID.

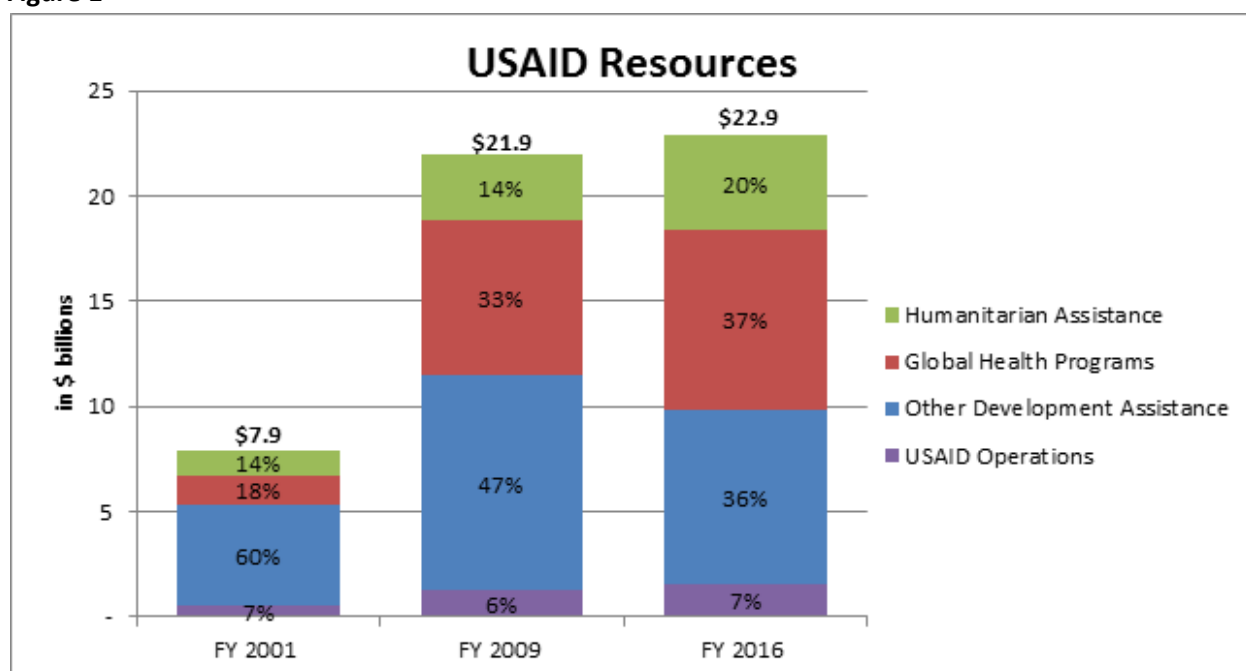
USAID's Financing

The United States has more than doubled ODA to low income countries since 2005. In 2015, the United States committed more than \$31 billion in ODA, a significantly greater total than provided by any other bilateral donor. Alongside USAID, the Departments of State, Treasury, and Agriculture, the Millennium Challenge Corporation, the Centers for Disease Control and Prevention, and the Overseas Private Investment Corporation now play an important role in U.S. foreign assistance. As the lead U.S. development agency – and in recognition that each partner institution in government brings additional expertise and operational levers to the overall development table – USAID devotes significant resources toward effective coordination with other government agencies. In accordance with budget oversight arrangements established 10 years ago, USAID invests in particularly time-intensive coordination with

multiple parts of the State Department, including the Office of Foreign Assistance Resources and various coordinators (see [Reference Sheet: Coordinators](#)). USAID's budget relationship with the State Department remains an important issue in understanding the Agency's resource picture, and it complicates USAID's ability to efficiently fund programs that optimize development results.

USAID's total foreign assistance budget grew by 180 percent between FY 2001 and FY 2009, from \$7.9 billion to \$21.9 billion. In recent years this growth has slowed, increasing only 4.4 percent since FY 2009 to \$22.9 billion. Much of the budget growth has been concentrated in a few key areas. The Global Health portfolio – nearly two-thirds of which is for HIV/AIDS – has increased from 18 percent of the budget in FY 2001 to 37 percent in FY 2016. Humanitarian assistance has also been growing significantly in response to global crises, and now represents 20 percent of the budget. Figure 1 provides an overview of USAID resources.

Figure 1



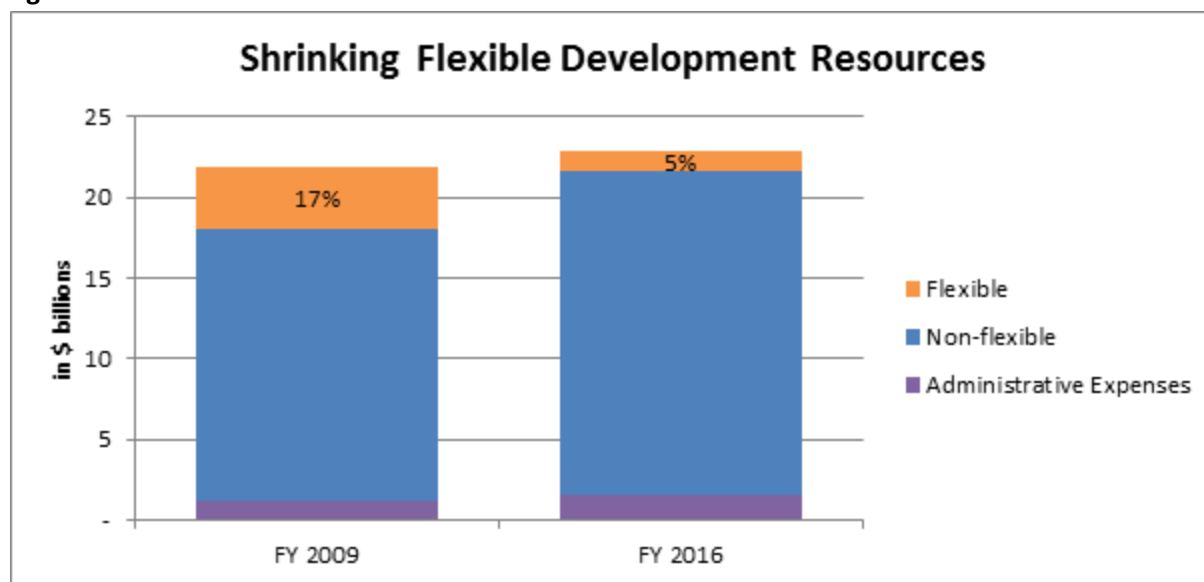
The concentration of resources in key sectors reflects a shift towards more centrally driven strategy and budget decision-making and a corresponding loss of budget influence in the field. In FY 2009, field Missions had decision-making authority over 73 percent of all funding, while Washington-based leadership undertook decisions for the remaining funds. By comparison, in FY 2016, Missions were allocated only 49 percent of the budget for programming. Even funds allocated to Missions often include portions tied to Washington-directed mandates and requirements. USAID's program budget also reflects a high degree of concentration by country, with the majority of resources going to (in order) Jordan, Afghanistan, Kenya, Tanzania, Nigeria, and Ukraine. In FY 2016, the 10 USAID Missions with the most resources received more funding than the rest of the Agency's field operating units (89) combined.

Congressional directives and Presidential initiatives are key factors in determining USAID's program budgets (see: [Reference Sheet: Directives](#) and [Reference Sheet: Initiatives](#)). They have been instrumental in generating political support, visibility, and progress against key development challenges. Initiatives and directives help ensure that the President and Members of Congress feel vested in

particular development goals and supportive of the Agency’s efforts. Initiatives and directives also facilitate the attribution of finance to specific results and to the aggregation of results globally, which can be clearly communicated. The President’s Emergency Plan for AIDS Relief (PEPFAR) is a good example of such an initiative.

At the same time, a proliferation of initiatives and directives has significantly complicated USAID’s budget process (see Figure 2). In fact, to meet all stipulated priorities each year, USAID must double- and even triple-count some programs to satisfy Congressional and Administration requirements. As the budget is increasingly “spoken for,” the room for new initiatives has narrowed considerably. The growth in directives and initiatives has also intensified pressure on remaining parts of the budget, reducing flexibility to respond to emerging challenges or needs in the field. In some cases, there is a mismatch between budget allocation decisions and field-based assessments and strategic planning. In Nigeria, for example, the Agency’s country-based strategic planning process led the USAID mission to identify poor governance and corruption as central factors fueling insurgency and undermining stability and prosperity. However, due to constraints on the use of funds, less than 1 percent of USAID’s FY 2016 budget in Nigeria is spent on these issues. The rest is allotted to health programs (94 percent), economic growth (4 percent), and education (less than 2 percent).

Figure 2



Another set of challenges for the Agency relates to the process of consulting with Congress on budget allocations. Congressionally appropriated funds are not available to be obligated each year until after USAID and the State Department have completed an additional set of consultations with Congress (known as the “653(a) process” after the provision in appropriations law that requires the consultation). These consultations are then followed by a review process requiring the State Department’s Director of Foreign Assistance Resources to approve both State and USAID plans for the funding. The start of a new Administration could present opportunities for the consulting parties to establish a much-needed “reset” for this process, building better trust and reducing delays in available funding. Also of note, more than a fifth of the Agency’s budget – 22 percent in FY 2016 – is appropriated through the Overseas Contingency Operations (OCO) account, a funding category that was designed to be temporary and to respond to immediate crises. The potential expiration of the OCO account could have significant implications for

USAID's budget depending on how Congressional appropriators and the White House Office of Management and Budget choose to support programs currently funded through OCO.

Finally, USAID's system for funding operational expenses sets it apart from many other federal agencies. In FY 2016, the Agency's administrative expenses included \$1.28 billion through the Operating Expense (OE) account and \$168.3 million in the Capital Investment Fund (CIF) account. Together with an additional \$600 million drawn from program funding and used to support operational costs, this amounts to about \$2 billion or 9 percent of USAID's total budget. The CIF account is used for major investments, including overseas facilities construction, IT, and real-property maintenance.

For decades Congress has mandated that USAID use OE funds for certain operational costs, including the salaries, benefits, travel, training, and information technology costs for U.S. direct-hire (USDH) employees. Since the OE account funds USAID's Foreign Service and Civil Service Officers, it supports the Agency's more permanent workforce that provides expertise in policy and programmatic effectiveness, including program and contract oversight. Since OE is more limited than program funds, the Agency also uses program funds for operational costs and to hire staff through numerous different mechanisms. This approach helps USAID to meet its responsibilities flexibly, but it leads to a complex and inefficient system to fund, manage, and control.

At times in the past, the Agency faced such insufficient levels of OE funding that USDH employees were unable to effectively administer the Agency's growing budget for programs. In recent years, Congress has appropriated more funds for OE, leading to significant growth in USDH staffing levels and a better balance for managing USAID's resources. Maintaining this balance with appropriate OE funding is critical, especially as USAID faces pressures to meet new management standards for personnel and cyber security, or new demands for better programmatic oversight and protection of Agency resources in insecure and volatile environments.

NEW NORMAL: COMPREHENSIVE WORKFORCE

Headlines

- USAID is in the first year of a major Human Resource (HR) Transformation process.
 - Establishing the capability for comprehensive workforce planning – which the Agency currently lacks – is a vital part of this transformation. Such planning, covering all employment categories, will strengthen recruitment and promote the retention of talented, motivated staff in USAID.
 - Sustaining the Agency’s leadership in responding to global crises and advancing development outcomes requires flexibility in hiring and agility in workforce management. It also requires reducing the current administrative complexity, costs, and risks associated with numerous hiring categories.
 - Having a variety of employment categories and hiring mechanisms has provided flexibility, which is critical to deliver results. The accretion of numerous mechanisms, however, makes comprehensive workforce planning difficult and poses challenges for business planning, supervision, and budgeting.
-

People are the Agency’s greatest asset. USAID’s dynamic operating environment requires an agile human resource and workforce planning system that efficiently recruits, trains, deploys, and retains talented staff who can succeed in challenging contexts. The current workforce system was built for a different era. Updates to this system have been ad hoc and short term. Until recently, there has been no comprehensive reform aimed at ensuring USAID has a workforce and HR system fit for purpose in the 21st century. The HR Transformation process, now in its first year, is the start of such an effort. To succeed, the process will require a long-term commitment and support beyond the tenure of an individual Administration.

Workforce Composition and Hiring Categories

USAID’s global workforce totals approximately 11,800 staff. Sixty-one percent are overseas, with an official USAID presence in 87 countries and support programs in 19 others. Thirty-nine percent of staff are in Washington, D.C. Approximately 4,900 Foreign Service Nationals, who are non-U.S. citizens, work in USAID Missions overseas, accounting for 42 percent of USAID’s overall workforce. Direct hire employees (both Civil Service and Foreign Service) comprise 33 percent, the second largest category with over 3,900 staff. The balance, comprising 25 percent, includes staff hired under other mechanisms. USAID funds approximately 57 percent of the entire workforce through Operating Expense (OE) funds and 43 percent through program funds.

As it has adapted to a changing world, and in the absence of a comprehensive system for workforce planning and management, USAID has relied on a variety of hiring mechanisms to bring in people with the right skills at the right time. The flexibility to hire in this way has been absolutely essential to USAID’s operations and success. At the same time, there are limitations and costs associated with these hiring categories, including the aggregate impact of managing many different hiring mechanisms. The main employment categories often have multiple sub-categories and different authorities. Some do not provide career or permanent direct hire status. Some have limitations, such as restrictions on what work can be performed (for example, whether it is “inherently governmental” work, supervising employees, or managing funds). These different hiring mechanisms can lead to an imbalance in employment categories in operating units. For example, less than one third of the Global Health Bureau’s staff are career U.S.

direct hires. The complexity in hiring can also lead to shortages in certain skill areas – for example, cyber security.

For many of these employment categories, USAID relies on program funds as the only available option for obtaining staff in response to operational requirements. Some Congressional oversight committees have been critical of USAID's use of program funding to pay for operational costs, including staffing. There is some danger of a Congressional cap on amounts that can be used to pay for staffing, which – under the current workforce system – would result in a loss of flexibility with direct impact on USAID's operations.

Strategic Workforce Issues

Going forward, a number of issues will need attention:

Comprehensive workforce planning. Establishing and maintaining a corporate workforce planning and management system is essential for sustaining USAID's leadership. Comprehensive workforce planning will enable USAID to align recruitment and staffing decisions with strategic priorities in a dynamic operating environment. The development of this system is a central plank of the HR Transformation program. Effective workforce planning requires sustained support from senior management spanning successive Administrations, as well as employees and other stakeholders, who together can develop, communicate and implement the plan. The system will enable USAID to determine its skills and competencies at any given time, and those needed to achieve program results, and to develop strategies to address gaps in critical skills and competencies.

Strategic use of hiring mechanisms. Alongside comprehensive workforce planning, simplifying and centralizing USAID's many different hiring processes would allow the Agency to better track staff and skills, deploy people efficiently, and develop regular assessments of whether skills and priorities are aligned. This reform could be achieved by reviewing current hiring approaches to potentially streamline the number of mechanisms used and – if possible – increasing, where appropriate, the number of permanent U.S. Direct Hire staff to manage programs and other staff. Any such review must be undertaken in an accountable, transparent, and participatory way that involves key stakeholders, including Congress and others outside the Agency.

Challenges and opportunities overseas. Foreign Service Nationals (FSNs) – the Agency's largest employee category – provide expertise on local conditions and institutional continuity overseas. FSN employees also help meet the Agency's staffing priorities by serving in other countries, which expands their professional opportunities while providing their expertise where it is most needed. Going forward it will be important for USAID to continue to strengthen FSN empowerment and talent management, communications, collaboration between FSN employees and Foreign Service Officers, and Local Compensation Plans.

Agency demand for Foreign Service Officers (FSOs) outpaces supply at times in key technical areas (such as contracting officers). In addition, USAID faces challenges filling field positions due to the changing demographics of the Foreign Service, difficult overseas environments, post restrictions, and bureaucratic hurdles (such as challenges associated with the Foreign Service Assignments system). USAID may increasingly need to factor the challenges of the operating environment into recruitment strategies and incentive structures. Addressing some of USAID's staffing constraints will require continued coordination with the Department of State.

Many of the challenges set out above can be addressed through the five-year HR Transformation Strategy and Action Plan, now in its first phase. As indicated, however, successful implementation of this plan will require sustained support from senior management.

Attachments:

[Tab 1 - Workforce Profile](#)


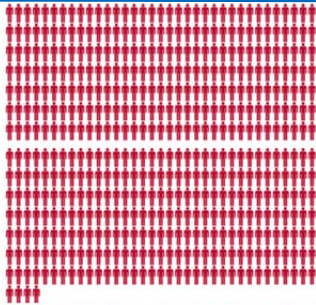



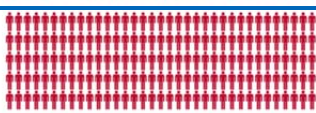













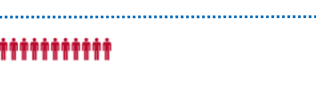
[Tab 2 - Global Footprint](#)



WORKFORCE PROFILE 2016

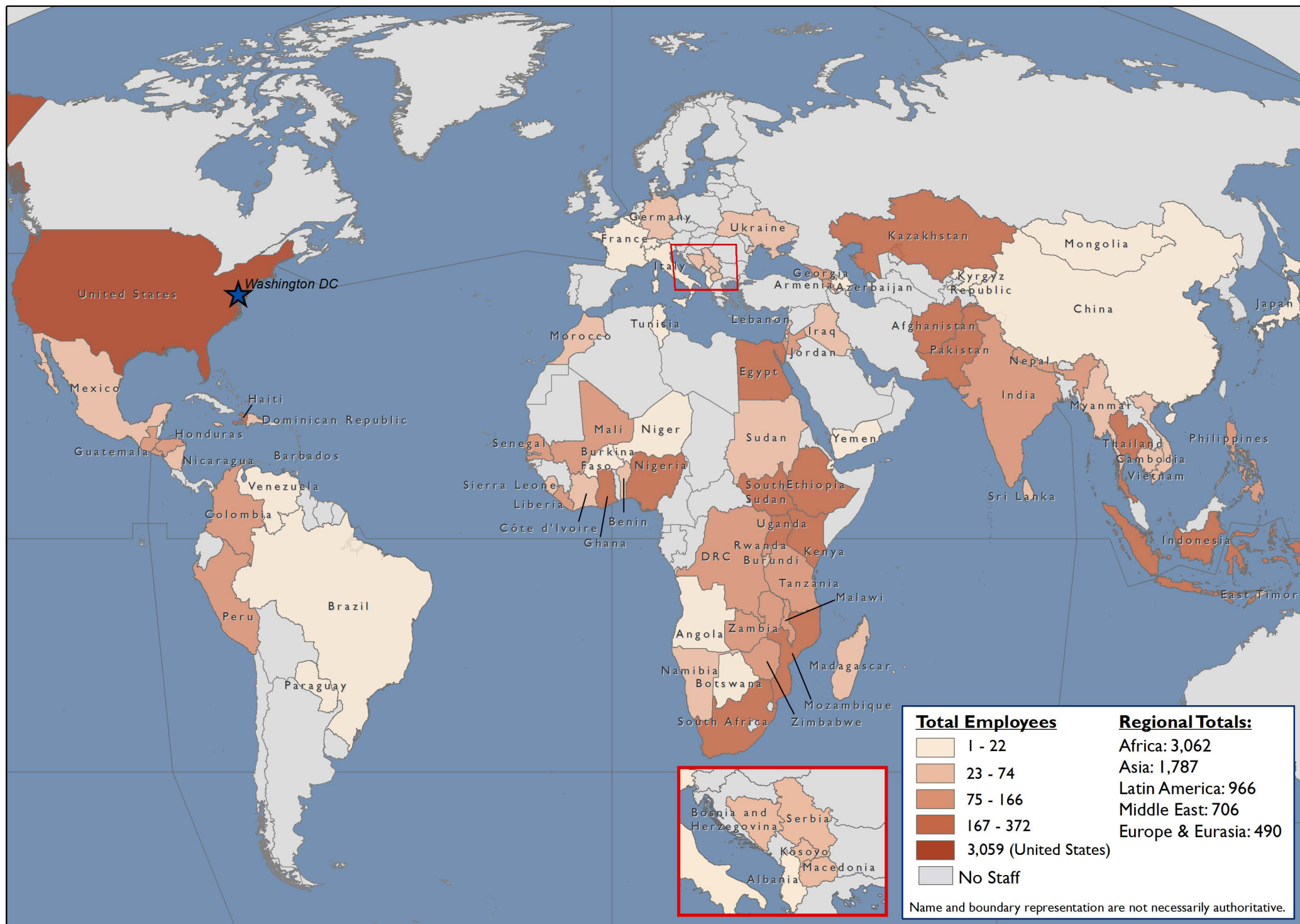
EMPLOYMENT CATEGORIES

11,840 

4,935			Foreign Service National	Foreign Service Nationals (FSN) are non-U.S. citizens locally hired by USAID missions. FSN employees may be either direct hires or FSN Personal Services Contractors (PSC), but the overwhelming majority are PSCs. 56% of FSN staff are program-funded.
1,850			Foreign Service	Direct-hire U.S. citizen Foreign Service employees generally serve at overseas missions with limited periods in Washington, D.C.
1,698			Civil Service	Direct-hire U.S. citizen Civil Service employees serve in Washington, D.C., performing core administrative, management, and technical and strategic program design.
1,605			Institutional Support Contractors	Non-direct hire institutional support contractors perform a range of services in support of the Agency's programs, augmenting direct-hire and other non-direct-hire staff.
759			U.S. Personal Services Contractor	Non-direct-hire U.S. citizens hired on contract with USAID to fulfill specific tasks and responsibilities for a time period stated in their contract.
305			Foreign Service Limited	Direct-hire U.S. citizen hired on time-bound, non-career appointments.
263			Participating Agency Service Agreement	Direct-hire U.S. citizen hired by other Federal agencies and funded by USAID for specific services or support of USAID programs.
178			Fellows	Generally institutional support contractors who bring specialized scientific, academic, or technical expertise.
137			Third Country National	Non-direct-hire third country personal services contractors-individuals on contract with USAID for the specific services of that individual.
110			Administratively Determined	An appointment action under which personnel may be appointed, compensated, and removed by the Administrator.

[RETURN TO TOC](#)

USAID STAFF BY COUNTRY



BUILDING A MORE NIMBLE USAID THROUGH CONTINUOUS PROCESS IMPROVEMENTS

Headlines:

- USAID's ability to deliver results depends in part on continually improving the Agency's management and business processes.
 - Among these processes, enhancing performance accountability and data-driven decision-making are central to maintaining credibility and support from Congress.
 - As development requirements change and USAID's operating environment evolves, rapid adaptation and foresight remain a priority.
-

USAID must become more nimble and flexible as its operating environments become more complex. For years, the private sector – and, increasingly, the public sector – have emphasized the importance of an organizational culture that seeks continual improvement. In line with this management precept, USAID has sought in recent years to continuously improve its management and business processes. The aim is to deliver high-quality, evidence-based programs more rapidly, efficiently, and effectively. In seeking improvements, the Agency faces challenges; it undertakes these efforts in the face of constraints imposed by legacy systems, Federal regulation, extensive reporting requirements, and Congressional constraints on funding.

USAID needs to improve four key management and business processes in the near term: Human Capital, Information Technology and Data, Design to Delivery of Assistance, and Knowledge Management.

Human Capital. People are the Agency's greatest asset. Getting the best available people and keeping them is critical to USAID's future effectiveness. USAID's workforce management processes require regular updating to efficiently provide the right mix of people and skills to meet new challenges in a dynamic world. Improving the way the Agency attracts and retains talent is critical, yet recent surveys indicate that USAID's human resources processes are not serving the Agency's needs. In response, USAID launched an HR Transformation program, which will require sustained attention to achieve its objectives and avoid the pitfalls of prior reform efforts.

Information Technology (IT) and Data. Better IT and data management is essential to maximizing results and protecting sensitive information. At the same time, ensuring that data on USAID's development programs is available and accessible is an important principle of good development practice as well as an international commitment. The Agency's efforts to improve IT and data management reflect the need to balance these factors. For example, USAID's open data initiative was recognized as a "model of best practices" by the Office of Management and Budget, while improvements in IT system security have also been made. Further efforts are needed to protect sensitive data and to build the Agency's capacity to integrate information from a variety of databases. Ensuring the interoperability of management information systems is also a priority and will be accomplished to a large extent by completing work on the Development Information Solution (DIS), a new suite of IT tools. When completed, the DIS will integrate operational and program data to provide Agency-wide information for analysis and reporting. The first DIS module on performance management is scheduled for roll-out in 2017. Sustained Agency leadership will be needed to realize the full capability of the DIS.

Design to Delivery of Assistance. USAID moves large amounts of finance and goods – some \$16 billion are programmed, and 20,000 procurement actions are taken annually through grants and contracts. Ensuring a timely and efficient process from concept development to transfer of finance and goods is

thus critical to Agency effectiveness. There has been good progress on this front in recent years. USAID has: streamlined reporting requirements, increased flexibility in the design of programs, instituted an end-to-end paperless procurement system, opened a partner portal, eliminated barriers for small businesses to bid for contracts, and developed a new procurement planning system that improves data quality for business forecasting. In FY 2015, these efforts generated a 25 percent reduction from a 2009 baseline in the time required between a scope of work being agreed and an award being made for the Global Health Supply Chain program. In addition, since 2010, USAID has tripled the percentage of funding obligated through local governments, civil society partners, and local private sector. Going forward, further efforts to streamline business processes will be critical.

Knowledge Management. USAID aims to be a genuine learning organization. Despite technological advances and efforts to rationalize systems and processes, USAID is still at risk of losing significant amounts of institutional knowledge. USAID has tools for knowledge management, including MyUSAID (an internal collaboration and communication tool) and user-driven dashboards that are easily shared with Agency staff, but these have not been widely adopted across the Agency. Moreover, individual operating units and sector groups develop and maintain separate knowledge management portals and platforms. These parallel systems duplicate effort and result in a fragmented knowledge management system. At the same time, there has been progress. To advance knowledge management and further develop the evidence base for decision making, USAID issued a widely praised evaluation policy in 2011. The number of evaluations increased from an annual average of about 130 the five years prior to 2011 to about 230 per year over the last five years. The findings from these evaluations are increasingly used to inform project design, make mid-course corrections, increase knowledge and learning in specific sectors. More needs to be done, however, to harness learning across sectors and to aggregate learning more systematically to a strategic, corporate level. Going forward, USAID needs to prioritize knowledge management as a corporate priority to maximize the efficient use of taxpayer funds and build a robust evidence base to underpin development programming in rapidly changing environments.

REFERENCE SHEETS

USAID's work is affected by a range of internal and external forces, players, and policy decisions. Among the most impactful are U.S. Government-designated assistance or program coordinators, executive or legislative branch initiatives, and Congressional directives. The enclosed Reference Sheets are intended to serve as a comprehensive resource on these topics.

COORDINATORS

- Operate throughout USAID with varying mandates, financial and staff resources, and reporting structures.
- Are created by different means and authorities.
- Have establishment dates but no expiration dates.
- Include those internal to USAID as well as those at the Department of State that have significant influence over USAID resource allocations and programmatic decisions.

INITIATIVES

- Vary widely in resource levels.
- Can be led by USAID, co-led with interagency partners, or led elsewhere in the interagency with a significant role for USAID.

DIRECTIVES

- Represent most of USAID's FY 2016 program-funded development budget.
- Have increased over time, leading to a corresponding reduction in discretionary funds. There are additional country-level directives not included in this document.
- Have shifted focus more to sectors (e.g. water, education) and less on country/region levels.

REFERENCE SHEET: INITIATIVES

Initiative Name and Description	Year Created	FY16 Budget (in thousands)	USAID Role (lead, support)	Interagency Partners
Global Health Initiative: With a special focus on improving the health of women, newborns and children, to save the greatest number of lives by supporting countries as they work to improve the health of their own people.	2009	\$8,841,000	Co-led	Department of State
<ul style="list-style-type: none"> The U.S. President's Emergency Plan for AIDS Relief (PEPFAR): To create an AIDS-free Generation by advancing process towards sustainable control of the HIV epidemic using a programmatically and geographically focused approach in countries with the greatest need. 	2003	\$5,670,000	Support	Department of State, Department of Health and Human Services, the Department of Defense, Department of Agriculture, and others
<ul style="list-style-type: none"> The U.S. President's Malaria Initiative (PMI): To work with PMI-supported countries and partners to further reduce malaria deaths and substantially decrease malaria morbidity, towards the long-term goal of elimination. The USG PMI Strategy 2015 - 2020 has three objectives: <ul style="list-style-type: none"> Reduce malaria mortality by one-third from 2015 levels in PMI-supported countries, achieving a greater than 80 percent reduction from PMI's original 2000 baseline levels. Reduce malaria morbidity in PMI-supported countries by 40 percent from 2015 levels. Assist at least five PMI-supported countries to meet the WHO criteria for national or sub-national pre-elimination. 	2005	\$674,000	Lead	US Centers for Disease Control (primary interagency partner), US Peace Corps, US Department of Defense
<ul style="list-style-type: none"> Global Health Security Agenda: To prevent, detect, and respond to future infectious disease outbreaks, report outbreaks when they occur while developing an interconnected global network that can respond effectively to limit the spread of infectious disease outbreaks in human and in animals, mitigate human suffering and the loss of human life, and reduce economic impact. 	2014	\$72,500 and \$312,000 of Ebola Emergency Funds	Support	Department of State, Department of Health and Human Services, the Department of Defense, Department of Agriculture, and others

<ul style="list-style-type: none"> ● Ending Preventable Child and Maternal Deaths: To focus on ending preventable child and maternal deaths by using data-driven decisions and targeted investments to save 15 million children and 600,000 women by 2020. 	2012	\$2,417,000	Lead	Department of State, Department of Health and Human Services, the Department of Defense, Department of Agriculture, and others
Feed the Future: U.S. Government's Global Food Security Initiative.	2010	\$895,600	Lead	Department of State, Department of Agriculture, Department of Commerce, Department of Treasury, MCC, OPIC, Peace Corps, USTR, U.S. African Development Foundation
Global Climate Change Initiative (GCCII): To integrate climate change considerations into U.S. foreign assistance, foster low-carbon economic growth, and reduce greenhouse gas emissions from deforestation and land degradation.	2010	\$303,750	Support	Department of State, Treasury
Power Africa: To support economic growth and development through increased access to reliable, affordable, and sustainable power in Africa.	2013	\$76,700	Lead	Department of Energy, Department of State, USTR, U.S. Africa Development Foundation, OPIC, MCC.
Let Girls Learn: To ensure adolescent girls across the world improve their lives and attain a quality education that empowers them to reach their full potential.	2015	\$70,000	NSC Coordinates	Department of State, Peace Corps, MCC
Trade Africa: To increase internal and regional trade, and expand trade and economic ties among Africa, the United States, and other global markets. (note: includes attributions and double counts)	2013	\$14,000	Co-coordinator with USTR as designated by NSC	Department of State, Department of Agriculture, Department of Commerce, Department of Transportation, Department of Energy, Department of Health and Human Services, Treasury, ExIm Bank, African Development Foundation, USTR, OPIC, MCC, USDA, Council of Economic Advisors
Trade and Investment Capacity Building (TICB): To support trade capacity building activities in sub-Saharan Africa. (note: includes attributions and double counts)	2014	\$34,000	Steering Committee chaired by NSC	Department of State, Department of Agriculture, Department of Commerce, Department of Transportation, Department of Energy, Department of Health and Human Services, Treasury, ExIm Bank, African Development Foundation, USTR, OPIC, MCC, USDA, Council of Economic Advisors

Partnership for Growth (PFG): To accelerate and sustain broad-based economic growth by putting into practice the principles of the 2010 Presidential Policy Directive on Global Development.	2010	\$14,000 (Phil)	Joint	Departments of State, Justice, and Labor, MCC, Treasury, USTR
Young African Leaders Initiative (YALI): A network of 250,000 that brings African civic, business and community leaders aged 25–35 for six weeks of academic coursework, leadership training and networking at U.S. universities and supports their work back home through regional centers.	2010	\$10,000	Lead	Department of State, Peace Corps
Stand with Civil Society: President Obama’s global call to action to support, defend, and sustain civil society amid a rising tide of restrictions on its operations globally, including through identifying innovative ways of providing technical, financial, and logistical support to promote a transparent and vibrant civil society.	2013	\$3,500	Lead	Department of State, Treasury
U.S. National Action Plan on Women, Peace, and Security: To advance women’s participation peacebuilding and conflict prevention; to protect women and girls from gender-based violence; and to ensure safe, equitable access to relief and recovery assistance in situations of crisis, conflict, and insecurity.	2011	\$2,000	Co-Lead	Department of State, Department of Defense
Open Government Partnership (OGP): A partnership with 70 countries which focuses on making governments more open, accountable, and responsive to citizens.	2011	\$500	Support	Department of State
Security Governance Initiative (SGI): A joint endeavor between the United States and six African partners that offers a comprehensive approach to improving security sector governance and capacity to address threats.	2014	\$0	Support	Department of State
Young Southeast Asian Leaders Initiative (YSEALI): A network of 90,000 ASEAN young leaders that promotes cross-border cooperation to solve regional and global challenges.	2013	FY 2016 level TBC	Support	Department of State, Peace Corps

REFERENCE SHEET: DIRECTIVES

<i>\$ in thousands</i>	FY 2016 653(a)	Branch: Legislative, Executive, Both	Legal/Policy Basis (Statute, Appropriations, Exec. Order, Pres. Memo, etc.)	Date Originally Established	Managing Bureau
Reconciliation Fund	26,000,000	Legislative	FAA (1961) and Section 7060(g) of (P.L. 114-113, Division K)(FY16 Act)	2004	DCHA
Global Health (PEPFAR portion)	5,670,000	Executive	White House Announcement and Annual Appropriations	May 2009	Department of State
Global Health (USAID portion). Includes: Maternal and Child Health, Polio and GAVI; Family Planning and Reproductive Health; Nutrition; Vulnerable children; HIV/AIDS, Malaria, TB, Neglected Tropical Diseases, Global Health Security)	2,833,450	Executive	White House Announcement and Annual Appropriations	May 2009	GH
Governing Justly and Democratically. Includes: House Democracy Partnership; Victims of Torture; Wheelchairs; Forensic Anthropology; Disability Programs; Extractive Industries; Leahy War Victims Funds.	2,284,147	Legislative	Annual Appropriations	December 2015	DCHA
Feed the Future (FTF-GFSI)	895,600	Both	Annual appropriations, Global Food Security Act (P.L. 114-195)	FY 2010	BFS
Basic Education	750,000	Legislative	Annual Appropriations	FY 2003	E3
Trafficking in Persons	750,000	Both	USG earmark to achieve	2003	DCHA/DRG
Global Climate Change (less \$500M for Green Climate Fund). Includes: Clean Energy, Sustainable Landscapes and Adaptation	478,000	Executive	Presidential Policy Directive on Global Development	9/22/2010	E3
Water	401,000	Both	Water for the Poor 2005; Water for the World 2014	FY 2005	E3

Biodiversity. Includes: Andean Amazon; Brazilian Amazon; CARPE; Lacey Act; Mayan Biosphere; USFWS.	294,746	Both	Appropriations--\$265 million	FY 2000	E3
Microenterprise	270,540	Legislative	Annual Appropriations. Agency authorization under the Microenterprise Results and Accountability Act of 2004, Public Law 108-484—Dec. 23, 2004	December 2004	E3
Higher Education	225,000	Legislative	Annual Appropriations	FY 2009	E3
Gender-Based Violence	150,000	Legislative	Appropriations	Sometime before 2015	E3
Central America Regional Security Initiative (CARSI)	126,500	Both	The Appropriations Bill includes CARSI in the Statement of Managers	FY 2010	LAC
Combatting Wildlife Trafficking	80,000	Both	Appropriation. Executive Order (2014) and Wildlife Law (anticipated 2016)	FY 2014 for EO and earmark	E3
Power Africa	76,700	Both	White House Announcements (2013,2014) and aligned with the Electrify Africa Act of 2015; EO pending	June 30, 2013	AFR
Let Girls Learn	70,000	Executive	2015 POTUS Announcement (shared among Agencies. In FY 2016, USAID expects to receive \$25 million)	FY 2016	E3
Polio	59,000	Legislative	Annual Appropriations	1999	GH
Women's Leadership Funds	50,000	Legislative	Annual Appropriations (usually shared among USG Agencies)	At least FY 2009	E3; DCHA (Women, Peace, and Security portion)

Small Grants Program	45,000	Legislative	PL 114-113	2014	E3
Countering Violent Extremism	40,165	Executive		F Attributions	DCHA
Trans Sahara Counter-Terrorism Partnership (TSCTP)	26,081	Executive	Sahel Maghreb Strategy approved at U/S Level	2005	AFR
Internet Freedom	25,500	Legislative	The Appropriations Bill	FY 2015	DCHA
Caribbean Basin Security Initiative (CBSI)	25,000	Both	The Appropriations Bill includes CBSI in the Statement of Managers	FY 2010	LAC
Trafficking in Persons	20,000	Both	Trafficking Victims Protection Act 2000;2016 Foreign Operations Bill.	2003	DCHA/DRG
Philippines Office for the Pacific	16,500	Executive	Announcement at 2009 U.N. General Assembly.	Oct 2011	Asia (Philippines)
Global Crop Diversity Trust	15,000	Legislative	Annual Appropriations		BFS
Fistula	13,500	Legislative	Annual Appropriations	2002	GH
Cooperative Development Program	11,000	Legislative	PL 114-113	2000	E3
Young African Leaders Initiative (YALI)	10,000	Executive	POTUS Announcement	FY 2010	Africa
Child, Early and Forced Marriage	10,000	Legislative	FY 16 Annual Appropriations bill, a (Statement of Managers)	Sometime before 2015	E3
Protection of Religious Minorities	10,000	Legislative	Annual Appropriations		FBCI

Trade Capacity Building	10,000	Both	Annual Appropriations		E3
Indigenous People Grants	1,500	Legislative	Annual Appropriations	FY 2015	DCHA
Female Genital Mutilation/Cutting	TBC	Legislative	Annual Appropriations	FY 2016	E3

REFERENCE SHEET: COORDINATORS

Coordinator Title/Function	Incumbent	Date	Creation Authority	Authorizing Language	Organizational Structure (under 10 employees, up to 50, 50 or more)
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT					
Children in Adversity: To lead a coordinated, comprehensive and effective USG response to the world's most vulnerable children. And implementation of the National Action Plan on Children in Adversity.	Rob Horvath (GS)	2005	Congress	2005 Foreign Assistance Act, Section 135(e)	Oversees three staff and oversees \$19.5m (DCOF funds).
Climate Change: To coordinate implementation of the Agency's climate change and development strategy, including through technical leadership and coordinating GCCI budgets, program guidance and reporting across the Agency.	Carrie Thompson, Acting Coordinator (FS)	2010	White House	Presidential Policy Directive on Global Development	Over 50 employees - 40+ staff in Washington and numerous Mission staff.
Countering Violent Extremism: To coordinate with the inter-agency on CVE policy and serve as support and resource for USAID Missions and bureaus.	Russell Porter (FSL)	2016	USAID	2015 QDDR, and 2016 joint State-USAID CVE Strategy	Less than 10 (TBD).
Disabilities: To ensure that disability rights are addressed, where appropriate,, in United States policies and programs. Coordinates policies and programs to support activities that improve access to services and empower people with disabilities.	Currently Vacant (Candidate has been identified)	2005	USAID	Section 579(b) of the FY2005 P.L. 108-447, (Division D)	No employees and does not oversee funds.
Education: To support Education Strategy goals to improve children's reading skills, strengthen workforce development, and provide access to education in crisis and conflict settings. Elevates education portfolio through strategic engagement with Congress, InterAgency, NGOs, private sector, faith-based and community organizations, and university partners.	Christie Vilsack (AD)	2008	Congress	FY2008 SFOAA (P.L. 100-161, Division J), Section 644(b). ¹	Staff includes one Special Assistant.

¹ Note: Transferred to USAID by section 7034(q)(2) of the FY 2012 SFOAA (P.L. 112-74, Division I). H.R. 4481/S.3256, the Education for All Act of 2016 has passed in the House, and will likely be codified later this year. This has implications for the Senior Coordinator position.

Environment: To coordinate the effective implementation of 22 CFR 216: Agency Environmental Procedures	Victor Bullen (GS)	1975	USAID	22 CFR 216	Less than 10 employees.
Faith: To engage faith-based organizations and community initiatives leadership, to further the mission of USAID.	J. Mark Brinkmoeller (AD)	2002	White House	Executive Order 13199 (2001):	Less than 10 employees.
Feed the Future: To coordinate the U.S. Government's global hunger and food security initiative, and to implement the Global Food Security Act of 2016. ²	USAID Administrator (AD)	2010	White House	White House Delegation of Authority (2016)	More than 100 employees.
Gender: To ensure sufficient resources are available to carry out the functions of the Gender Policy, as well as coordinate outreach to governments, civil society and Congress to explain and stress the importance of gender. Represents the Agency in key USG inter-agency and policy forums.	Susan Markham (AD)	2012	White House	Presidential Memorandum (2013) Agency Gender and Female Empowerment Policy (2012)	Less than 10 employees.
Higher Education: To coordinate higher education in program planning and to connect the Agency with the U.S. higher education community.	Barbara Schneeman (AD)	2015	USAID	None	One employee.
Indigenous: To ensure that implementation of U.S. development assistance is informed by the rights of the world's indigenous peoples and includes their voice in the design, implementation and evaluation of programs.	Brian Keane (GS)	2008	Congress	FY 2008 SFOAA) (P.L. 100-161, Division J), Section 699B	No employees. Directs \$1.5m earmark from Congress.
Lesbian, gay, bisexual, transgender and intersex (LGBTI): To coordinate the Agency's implementation of the President's 2011 memorandum on "International Initiatives to Advance the Human Rights of LGBT Persons."	Todd Larson (AD) Anthony Cotton (GS)	2011	USAID	2011 Presidential Memorandum	Less than 10 employees. NB: USAID's LGBTI Community of Practice features over 90 LGBTI Focal Points - at least one in each bureau, independent office, and Mission

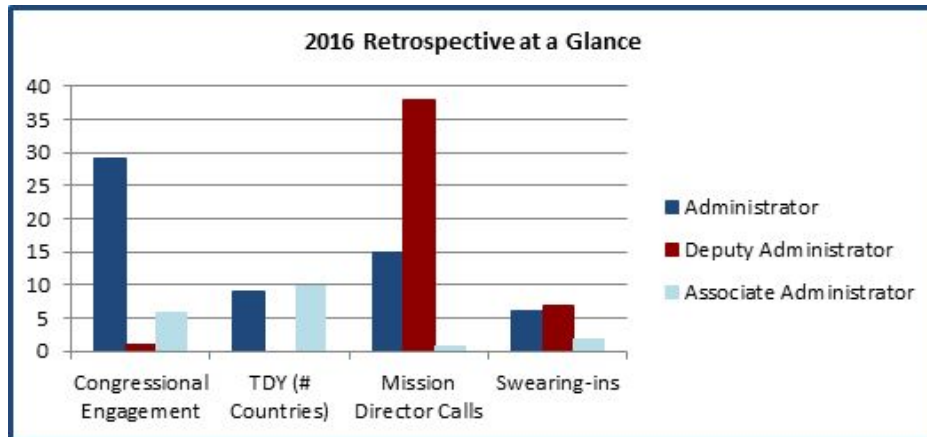
² The White House delegated authority to the USAID Administrator to coordinate the development and implementation of the strategy across the 11 federal agencies and departments, as well as monitoring, reporting, and stakeholder consultation.

Malaria: To lead the U.S. President’s Malaria Initiative (PMI). Primary responsibility for the oversight and coordination of all resources and international activities of the United States Government relating to efforts to combat malaria.	Rear Admiral R. Timothy Ziemer (AD)	2006	White House 2006 Congress 2008	P.L. 113-289 of 2008, Section 304	More than 50 employees. PMI staff are based at USAID/Washington, CDC/Atlanta and in 23 USAID missions in sub Saharan Africa and three in the Greater Mekong Region of Southeast Asia.
Maternal and Child Health Coordinator: To coordinate activities to end preventable child and maternal deaths.	Ariel Pablos-Mendez Coordinator (AD)	2012	USAID	None	More than 50 employees in Washington and coordination with more than 45 missions.
Minority Serving: To coordinate the Agency’s Minority Serving Institutions (MSI) Program, to facilitate an environment where U.S. MSIs become successful USAID partners.	John Watson (GS)	2010	White House	Executive Order 13532	Less than 10 employees.
Power Africa: To coordinate the inter-Agency, and work closely with development partners and private sector partners to add more than 30,000 megawatts (MW) of cleaner, more efficient electricity generation capacity as well as increase electricity access by adding 60 million new home and business connections in sub Saharan Africa.	Andy Herscowitz (FS)	2013	White House	Presidential announcement (2013, 2014) ; Electrify Africa Act of 2015; EO pending	More than 50 employees.
Resilience: To lead the Agency’s Center for Resilience, and provide thought and practice leadership (in and beyond USAID) on the broader relevance of resilience to the Global Food Security Strategy.	Gregory Collins (FSL)	2015	USAID	A/AID authorizing memo (2014).	Less than 10 employees.
Trade Africa: To coordinate a partnership between the United States and sub-Saharan Africa to increase internal and regional trade within Africa, and expand trade.	Oren Whyche-Shaw (GS)	2013	White House	Presidential announcement	50 employees.
USAID Forward: To coordinate USAID’s efforts to partner directly with local governments, the private sector, civil society, and academia to ensure that local systems own, resource, and sustain the development results in which the Agency invests.	Currently Vacant	2013	USAID	None	Under 10 employees

Water: To guide, oversee and direct the Agency's global water portfolio, including the implementation of USAID's Water and Development Strategy.	Christian Holmes (AD)	2011 (USAID) ; 2014 (Congress)	Congress	Water for the World Act of 2014 (P.L. 110-293), Section 4 (e)	Guides all water POCs (64 Washington staff; 158 Mission staff). Responsible for implementation of the Water Directive Funds (\$401 million).
Youth: To coordinate and oversee implementation of USAID's Youth policy.	Michael McCabe (GS)	2012	USAID	USAID <i>Youth In Development Policy</i>	No employees.
DEPARTMENT OF STATE					
U.S Assistance to Europe and Eurasia (EURACE): To oversee all U.S. Government assistance to thirty countries in Europe and Eurasia.	Alina Romanowski	1989	Congress	SEED Act (1989); FREEDOM Support Act (1992)	Under 50 employees.
Office of Global Women's Issues (GIWI): To ensure that women's issues are fully integrated in the formulation and conduct of U.S. foreign policy.	Amb. Catherine Russell	2009	Dept. of State	2013 Presidential Memorandum	Under 50 employees.
Near Eastern Affairs Coordinator of Foreign Assistance (NEA/ACC): To oversee the coordination of U.S. foreign assistance to the Middle East and North Africa.	Richard Albright	2013	Dept. of State	None	Approximately 100 employees.
The U.S. Global AIDS Coordinator (OGAC): To lead implementation of the U.S. President's Emergency Plan for AIDS Relief (PEPFAR).	Amb. Deborah Bix	2003	White House and Congress	US Leadership Against AIDS, Tuberculosis, and Malaria Act of 2003 (PL 108-25)	Oversight and coordination of all USG international resources for HIV/AIDS, in more than 40 countries.
Special Advisor for International Disability Rights (SADR): To lead the U.S. comprehensive strategy to promote and protect the rights of persons with disabilities internationally.	Judith Heumann	2013	Dept. of State	Convention on the Rights of People with Disabilities	Less than 10 employees.
Special Envoy for Climate Change: To advance U.S. climate change policy priorities.	Dr. Jonathan Pershing	2009	White House	None	Less than 50 employees.

Special Representative for Afghanistan and Pakistan (S/RAP): To coordinate policies that support U.S. national security interests, stability, and prosperity in Afghanistan and Pakistan.	Amb. Richard Olson	2009	Dept. of State	None	Approximately 50 employees.
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2016 RETROSPECTIVE January-October 2016



In 2016, the Administrator, Deputy Administrator, and Associate Administrator of USAID participated in hundreds of meetings and events. In addition to traveling to 16 countries and 8 American cities, they spoke 30 times with congressional members and staffers and testified 6 times before congressional committees. Internally, they participated in 54 calls with mission directors, and 15 ceremonies swearing in new mission directors.

Highlights: Administrator Gayle Smith

29 Congressional Engagements

•Testimony at 4 hearings:

- House Foreign Affairs Committee Hearing: “Review of the FY 2017 Foreign Assistance Budget: Aligning Interests, Ensuring Effectiveness and Transparency”;
- Senate Appropriations Subcommittee on State, Foreign Operations, and Related Programs Hearing: “Hearing to Review FY17 USAID Budget Request”;
- House Appropriations Subcommittee on State, Foreign Operations, and Related Programs (HACFO) Hearing: “Budget Hearing – United States Agency for International Development”;
- Senate Foreign Relations Committee (SFRC) Hearing: “Corruption: Violent Extremism, Kleptocracy, and the Dangers of Failing Governance”

•25 meetings and calls with Members of Congress and staff:

- Rep. Collin Peterson (D-MN); Majority and Minority Clerks of Appropriations Committees; HACFO Roundtable; Zika Senate Leadership Briefing; Sen. Chris Coons (D-DE); Sen. John Boozman (R-AR); Sen. David Perdue (R-GA); Sen. Bob Corker (R-TN); Chairman Ted Poe (R-TX); Chairman Ed Royce (R-CA); Zika House Leadership Briefing; Sen. Patrick Leahy (D-VT); Sen. Tammy Baldwin (D-WI); Chairman Chris Smith (R-NJ); Sen. Lindsey Graham (R-SC); Sen. Johnny Isakson (R-GA); Rep. Karen Bass (D-CA); Rep. Jeff Fortenberry (R-NE); Rep. Barbara Lee (D-CA); HACFO Members; Sen. Ben Cardin (D-MD); Rep. Adam Smith (D-WA)

TDY to 9 Countries

- Switzerland (WEF in Davos); Addis (AU Summit); Addis (Inhofe CODEL); China (MOFCOM); Burma; Bangladesh (Mission); Istanbul (WHS); Palo Alto (GES); Kigali (Sudan talks); Nairobi (AGRA); New York (UNGA); Brussels (Afghanistan Ministerial)

15 Mission Director Calls

Swearing-in Ceremonies for 6 MDs

Highlights: Associate Administrator Eric Postel

6 Congressional Engagements

- Testimony at 2 hearings:**

- HACFO Hearing: "Assistance to Combat Wildlife Trafficking";
- SFRC Testimony: "Public-Private Partnerships in Foreign Aid: Leveraging U.S. Assistance for Greater Impact and Sustainability"

- 4 meetings and calls with Members of Congress and staff:**

- DRM Hill Briefing; Trade Capacity Building - Briefing for House staff; SFRC Briefing on DRM; HFAC Briefing on DRM

TDY to 10 Countries

- Switzerland (Davos); Berlin (Partners for Change: Religions and the 2030 Agenda for Sustainable Development); Paris (OECD High Level DAC Meeting); Sweden & Norway (5th Global Meeting of the Int'l Dialogue on Peace and Statebuilding to USAID); Philadelphia; Madison, WI; London (EBRD Meetings on SDIP); Atlanta; Brussels (US-EU Development Dialogue); Cairo (Mission/meet with gov't); New York; Minnesota; Colorado; Paris (OECD DAC Peer Review of USG Development Efforts); Marrakech (COP22); Nairobi (2nd HLM of GPEDC)

1 Mission Director Call

Swearing-in Ceremonies for 2 MDs

2017 PROSPECTIVE

ADMINISTRATOR, DEPUTY ADMINISTRATOR, AND ASSOCIATE ADMINISTRATOR

November 1 to 3 - [USAID African Missions Small Business Conference](#): Johannesburg, S. Africa

November 15 - [MFAN Roundtable](#): Washington, D.C.

November (Date TBD) - [Monthly Mission Calls](#): Washington, DC

December 1 - [World AIDS Day](#): Washington, DC

December 1 to 2 - [2016 Financial Inclusion Forum](#): Washington, DC

December 5 - [Speech at the Center for Global Development](#): Washington, DC

December 7 to 10 - [Open Government Partnership Global Summit](#): Paris, France

December 14 - [Council for Global Equality Biannual Meeting](#): Washington, DC

December (Date TBD) - [UN Resolution 46/182 Anniversary Event](#): New York, New York

December (Date TBD) - [Monthly Mission Calls](#): Washington, DC

January 20 to 23 - [World Economic Forum](#): Davos-Klosters, Switzerland

January (Date TBD) - [International Conservation Caucus Foundation Gala](#): Washington, DC

January (Date TBD) - [PSC-CIDC Annual Conference](#): Washington, DC

January (Date TBD) - [MD@Lunch Series Events on Demand](#): Washington, DC

January (Date TBD) - [Monthly Mission Calls](#): Washington, DC

January (Date TBD) - [SAMMIES Support](#): Washington, DC

January (Date TBD) - [Center for Global Development Event](#): Washington, DC

February 2 - [National Prayer Breakfast](#): Washington, DC

February 28 - [Zika Preparedness and Response Report to Congress](#): Washington, DC

February (Date TBD) - [FY 2018 Budget Rollout](#): Washington, DC

February (Date TBD) - [Roundtable with MFAN](#): Washington, DC

February (Date TBD) - [Meeting with Former USAID Administrators](#): Washington, DC

February (Date TBD) - [ACVFA Quarterly Meeting](#): Washington, DC

February (Date TBD) - [Quarterly Town Halls](#): Washington, DC

February (Date TBD) - [Foreign Service Nationals Advocacy Council Quarterly](#): Washington, DC

February (Date TBD) - [Monthly Mission Calls](#): Washington, DC

February (Date TBD) - [Minority Serving Institutions Summit](#): Washington, DC

March 3 to 6 (Likely) - [Global Partnership Week Kick Off Event](#): Washington, DC

March 8 - [International Women's Day](#): Washington, DC

March 13 to 24 - [Commission on the Status of Women](#): New York, New York

March 29 to 30 - [Chicago Council Global Agriculture and Food Security Event](#): Washington, DC

March 30 - [Ebola Obligations Report to Congress](#): Washington, DC

March (Date TBD) - [FY 2018 Budget Hearings](#): Washington, DC

March (Date TBD) - [ONE Power Summit](#): Washington, DC

March (Date TBD) - [Monthly Mission Calls](#): Washington, DC

March (Date TBD) - [STIP Evidence Summit](#): Washington, DC

March (Date TBD) - [Events around St. Patrick's Day](#): Ireland

March (Date TBD) - [Council for Global Equality Biannual Meeting](#): Washington, DC

April 1 - [International Food Aid Report](#): Washington, DC

April 11 (Tentative) - [Management Control Review Committee Meeting](#): Washington, DC

April 21 to 23 - [World Bank and IMF Annual Spring Meetings](#): Washington, DC

April 25 - [One Year Anniversary of the Death of USAID/Bangladesh Employee Xulhaz Mannan](#)

April 27 - [Take Your Child to Work Day](#): Washington, DC

April 29 - [Zika Preparedness and Response Report to Congress](#): Washington, DC

April (Date TBD) - [InterAction Forum](#): Washington, DC

April (Date TBD) - [Launch of NAS Report on Future of Global Health](#): Washington, DC

April (Date TBD) - [Monthly Mission Calls](#): Washington, DC

April (Date TBD) - [Digital Development at USAID Event](#): Washington, DC

April (Date TBD) - [EBRD Donor Coordination Meetings](#): Washington, DC

May 1 to 5 - [WEF Africa Summit and Grow Africa Investment Forum](#): Washington, DC

May 26 to 27 - [G7 Summit](#): Taormina, Italy

May 31 - [Semiannual Inspector General Report to Congress](#): Washington, DC

May 31 - [2017 Foreign Service Performance Board Kickoff](#): Washington, DC

May (Date TBD) - [Save the Children Summit](#): Washington, DC

May (Date TBD) - [Society for International Development Event](#): Washington, DC

May (Date TBD) - [Quarterly Agency Town Hall](#): Washington, DC

May (Date TBD) - [FSN Advocacy Council Quarterly](#): Washington, DC

May (Date TBD) - [Monthly Mission Calls](#): Washington, DC

May (Date TBD) - [European Development Days](#): Brussels, Belgium

May (Date TBD) - [Central America Regional Governing Board Quarterly Meeting](#): Washington, DC

May (Date TBD) - [USAID's Ninth Annual Small Business Conference](#): Washington, DC

June 20 to 22 - [2017 InterAction Forum](#): Washington, DC

June 29 - [Zika Preparedness and Response Report to Congress](#): Washington, DC

June (Date TBD) - [2017 DRG Officer's Workshop](#): Washington, DC

June (Date TBD) - [Feed the Future Global Forum](#): Washington, DC

June (Date TBD) - [World Food Prize Laureate Announcement](#): Washington, DC

June (Date TBD) - [HOA Resilience Summit](#): Location TBD

June (Date TBD) - [US Global Leadership Coalition Conference](#): Washington, DC

June (Date TBD) - [Monthly Mission Calls](#): Washington, DC

June (Date TBD) - [US-EU Security and Development Dialogue](#): Brussels, Belgium

June (Date TBD) - [US-China Strategic and Economic Dialogue](#): Washington, DC

June (Date TBD) - [White House LGBTI Pride Event](#): Washington, DC

June (Date TBD) - [USAID LGBTI Pride Event](#): Washington, DC

July 7 to 8 - [G20 Summit](#): Hamburg, Germany

July 10 to 19 - [UN High Level Political Forum](#): New York, New York

July (Date TBD) - [Monthly Mission Calls](#): Washington, DC

August 29 - [Zika Preparedness and Response Report to Congress](#): Washington, DC
August (Date TBD) - [Brookings Blum Roundtable](#): Aspen, Colorado
August (Date TBD) - [Monthly Mission Calls](#): Washington, DC
August (Date TBD) - [Tidewater Meetings of Development Ministers](#): Location TBD
August (Date TBD) - [Central America Regional Governing Board Meeting](#): Washington, DC

September 1 - [Annual BIFAD Report Due to Congress](#): Washington, DC
September 18 to 24 - [UN General Assembly](#)
September (Date TBD) - [GODAN Summit at UNGA](#): New York, New York
September (Date TBD) - [USAID Signature Event at UNGA](#): New York, New York
September (Date TBD) - [Ebola Obligations Report to Congress](#): Washington, DC
September (Date TBD) - [Feed the Future Week](#): Washington, DC
September (Date TBD) - [Quarterly Town Hall](#): Washington, DC
September (Date TBD) - [FSN Advocacy Council Quarterly](#): Washington, DC
September (Date TBD) - [Monthly Mission Calls](#): Washington, DC

October 1 - [GFS Strategy Implementation Plan Report to Congress](#): Washington, DC
October 1 to 4 - [Plenary Remarks at the 2017 Gates Grand Challenges Meeting](#): Washington, DC
October 3 - [Management Control Review Committee Meeting](#): Washington, DC
October 13 to 15 - [World Bank and IMF Annual Fall Meetings](#): Washington, DC
October 28 - [Zika Preparedness and Response Report to Congress](#): Washington, DC
October (Date TBD) - [Gender Evidence Summit](#): Washington, DC
October (Date TBD) - [Committee on World Food Security](#): Rome, Italy
October (Date TBD) - [Announcement of the World Food Prize](#): Des Moines, Iowa
October (Date TBD) - [Monthly Mission Calls](#): Washington, DC
October (Date TBD) - [DAC Senior Level Meetings](#): Paris, France
October (Date TBD) - [Diasporas in Development 2017](#): Washington, DC
October (Date TBD) - [Global STIP Summit](#): Location TBD
October (Date TBD) - [Meeting with President of EBRD](#): Washington, DC
October (Date TBD) - [International Day of the Girl Child](#): Washington, DC

November 8 - [Approval of the FY 2017 Agency Financial Report](#): Washington, DC
November 10 - [OIG Semiannual Report to Congress](#): Washington, DC
November (Date TBD) - [Monthly Mission Calls](#): Washington, DC
November (Date TBD) - [Private Sector Engagement Forum](#): Washington, DC
November (Date TBD) - [Central American Regional Governing Board Meeting](#): Washington, DC
November (Date TBD) - [Council for Global Equality Biannual Meeting](#): Washington, DC
November (Date TBD) - [Sixteen Days of Activism Against Gender Based Violence](#): Global

December 1 - [World AIDS Day](#): Global
December (Date TBD) - [Semiannual Inspector General Report to Congress](#): Washington, DC
December (Date TBD) - [Quarterly Town Hall](#): Washington, DC
December (Date TBD) - [FSN Advocacy Council Quarterly](#): Washington, DC
December (Date TBD) - [Monthly Mission Calls](#): Washington, DC

ASSISTANT ADMINISTRATOR AND DIRECTOR

DCHA - November 10 to 11 - [Food Assistance Convention](#): London, United Kingdom

DCHA - November 14 to 18 - [WFP Regular Session of the Executive Board](#): Rome, Italy

DCHA - November 28 to 30 - [UN Global Food Security Cluster Meeting](#): Rome, Italy

LAB - November 10 to 12 - [TechCon](#): Boston, Massachusetts

LAB - November 30 - [PEER 5 Year Partner Reception](#): Washington, DC

OCRD - November (Date Unknown) - [ERGLC Meeting](#): Washington, DC

OCRD - November (Date TBD) - [Native American Heritage Month Event](#): Washington, DC

E&E - December (Date TBD) - [Belarus Trade and Business Delegation Visit](#): Washington, DC

OCRD - December (Date TBD) - [ERGLC Meeting](#): Washington, DC

BFS - January 17 to 20 - [World Economic Forum](#): Switzerland

LPA - January (Date TBD) - [MD@Lunch Event](#): Washington, DC

LPA - January (Date TBD) - [Executive Leadership Series](#): Washington, DC

LPA - January (Date TBD) - [Annual Internal Communications Survey](#): Washington, DC

AFR - January (Date TBD) - [African Union Summit](#): Addis Ababa, Ethiopia

OCRD - January (Date TBD) - [ERGLC Meeting](#): Washington, DC

OCRD - January (Date TBD) - [Annual Equal Opportunity Program Status Report](#): Washington, DC

DCHA - February (Date TBD) - [WFP Regular Session of the Executive Board](#): Rome, Italy

BFS - February (Date TBD) - [Feed the Future Super Bowl Campaign](#): Washington, DC

LPA - February (Date TBD) - [FY 2018 Regional Budget Briefings](#): Washington, DC

LPA - February (Date TBD) - [MD@Lunch Series Event](#): Washington, DC

AFR - February (Date TBD) - [South Sudan Donor Meeting](#): Location TBD

LAC - February (Date TBD) - [Northern Triangle High Level Dialogue](#): Location TBD

OAPA - February (Date TBD) - [U.S.-Pakistan Strategic Dialogue Ministerial](#): Islamabad, Pakistan

OCRD - February (Date TBD) - [ERGLC Meeting](#): Washington, DC

OCRD - February (Date TBD) - [Black/African American History Month Event](#): Washington, DC

DCHA - March (Date TBD) - [DRG Impact Evaluation Clinic IV](#): Frankfurt, Germany

E3 - March 15 to 17 - [ADEA Triennial](#): Marrakech, Morocco

BFS - March (Date TBD) - [BIFAD Public Meeting](#): Washington, DC

GH - March 7 - [Release of CSIS Report on Women and Family Health](#): Washington, DC

GH - March 24 - [World Tuberculosis Day](#): Washington, DC

LPA - March 15 - [Emergency Food Security Program Report to Congress](#): Washington, DC

LPA - March (Date TBD) - [FY 2018 Regional Budget Hearings](#): Washington, DC

LPA - March (Date TBD) - [MD@Lunch Event](#): Washington, DC

OCRD - March (Date TBD) - [ERGLC Meeting](#): Washington, DC

OCRD - March (Date TBD) - [Women's History Month Event](#): Washington, DC

DCHA - April (Date TBD) - [ECHO-USAID Strategic Dialogue](#): Washington, DC

BFS - April (Date TBD) - [CAADP Partnership Platform Meeting](#): Location TBD

GH - April 20 to 21 - [Health Financing Forum](#): Washington, DC

GH - April 25 - [World Malaria Day](#): Washington, DC
GH - April (Date TBD) - [Acting on the Call](#): Addis Ababa, Ethiopia
LPA - April (Date TBD) - [Children in Adversity Report to Congress](#): Washington, DC
LPA - April (Date TBD) - [MD@Lunch Event](#): Washington, DC
PPL - April 5 to 7 - [World Economic Forum](#): Buenos Aires, Argentina
LAB - April 4 to 7 - [Skoll World Forum](#): Oxford, United Kingdom
LAB - April 18 to 20 - [Global Philanthropy Forum](#): Washington, DC
LAB - April 24 to 25 - [Gates Learning and Evaluation Grand Challenges Meeting](#): Toronto, Canada
ASIA - April 25 - [Anniversary of 2015 Nepal Earthquakes](#): Global
E&E - April 21 to 23 - [High Level Ministerial Meeting](#): Washington, DC
LAC - April (Date TBD) - [Colombia Human Rights Dialogue](#): Location TBD
OCD - April (Date TBD) - [ERGLC Meeting](#): Washington, DC
OCD - April (Date TBD) - [Days of Remembrance Commemorative Program](#): Washington, DC

DCHA - May (Date TBD) - [UN Global Food Security Cluster Meeting](#): Rome, Italy
E3 - May (Date TBD) - [NASP Investor Conference](#): Johannesburg, South Africa
BFS - May 22 to 26 - [African Development Bank Meetings](#): India
BFS - May (Date TBD) - [New Alliance Leadership Meeting](#): Location TBD
GH - May 22 to 26 - [World Health Assembly](#): Geneva, Switzerland
LPA - May (Date TBD) - [MD@Lunch Series](#): Washington, DC
M - May (Date TBD) - [Chief Accountants and Financial Analyst Conference](#): Washington, DC
PPL - May 3 to 5 - [World Economic Forum on Africa](#): Durban, South Africa
PPL - May 10 to 12 - [World Economic Forum ASEAN](#): Phnom Penh, Cambodia
PPL - May 19 to 21 - [World Economic Forum Middle East and North Africa](#): Dead Sea, Jordan
PPL - May 22 to 25 - [UN FFD Forum](#): New York, New York
PPL - May 22 to 26 - [African Development Bank Annual Meeting](#): Ahmedabad, India
PPL - May 26 to 27 - [G7 Summit](#): Sicily, Italy
LAB - May (Date TBD) - [ICT4D 2017 Conference](#): Location TBD
ASIA - May 26 to 27 - [FY 2018 Asia and Pacific Islands Budget Hearings](#): Washington, DC
OCD - May (Date TBD) - [ERGLC](#): Washington, DC
OCD - May (Date TBD) - [Public Service Recognition Week](#): Washington, DC
OCD - May (Date TBD) - [Asian American and Pacific Islander Heritage Month Event](#): Washington, DC
OCD - May (Date TBD) - [Employee Resource Group Open House](#): Washington, DC

DCHA - June 19 to 20 - [Food Assistance Convention](#): London, United Kingdom
DCHA - June (Date TBD) - [2016 DRG Learning Agenda Review](#): Washington, DC
DCHA - June (Date TBD) - [ODSG High Level Meeting](#): Location TBD
LPA - June 30 - [Microenterprise Results and Reporting to Congress](#): Washington, DC
LPA - June (Date TBD) - [MD@Lunch Event](#): Washington, DC
LAB - June (Date TBD) - [Annual MERLIN Convening](#): Location TBD
LAB - June (Date TBD) - [Global Entrepreneurship Summit](#): Location TBD
LAC - June (Date TBD) - [7th Annual U.S.-Caribbean Security Cooperation Dialogue](#): Dominican Republic
OCD - June (Date TBD) - [ERGLC Meeting](#): Washington, DC
OCD - June (Date TBD) - [LGBTI Pride Month Event](#): Washington, DC

E3 - July 11 to 13 - [WTO Global Review on Aid for Trade](#): Geneva, Switzerland

LPA - July (Date TBD) - [MD@Lunch Event](#): Washington, DC

LAB - July 10 to 19 - [UN High Level Political Forum](#): New York, New York

OCRD - July (Date TBD) - [ERGLC Meeting](#): Washington, DC

LPA - August (Date TBD) - [MD@Lunch Event](#): Washington, DC

LAB - August (Date TBD) - [Brookings Blum Roundtable](#): Aspen, Colorado

LAC - August (Date TBD) - [Colombia High-Level Policy and Security Dialogues](#): Bogota, Colombia

OCRD - August (Date TBD) - [ERGLC Meeting](#): Washington, DC

Gender - August (Date TBD) - [World Assembly of Women](#): Japan

E3 - September 8 - [International Literacy Day](#): Global

E3 - September 12 to 19 - [UNGA 17 Education Financing Commission Meeting](#): New York, New York

E3 - September 12 to 19 - [UNGA 17 Education Cannot Wait Steering Group](#): New York, New York

BFS - September (Date TBD) - [New Alliance Leadership Council Meeting](#): New York, New York

BFS - September (Date TBD) - [African Green Revolution Forum](#): New York, New York

BFS - September (Date TBD) - [Innovation Lab Director's Meeting](#): Washington, DC

LPA - September (Date TBD) - [Congressional Black Caucus Foundation Conference](#): Washington, DC

LPA - September (Date TBD) - [Opportunity Africa Conference](#): Wilmington, Delaware

LPA - September (Date TBD) - [MD@Lunch Event](#): Washington, DC

AFR - September (Date TBD) - [Tokyo International Conference on African Development](#): Location TBD

AFR - September (Date TBD) - [African Green Revolution Forum](#): New York, New York

OCRD - September (Date TBD) - [ERGLC Meeting](#): Washington, DC

OCRD - September (Date TBD) - [Hispanic Heritage Month Event](#): Washington, DC

DCHA - October (Date TBD) - [International Food Assistance and Security Conference](#): Des Moines, Iowa

BFS - October (Date TBD) - [BIFAD Public Meeting](#): Washington, DC

GH - October (Date TBD) - [Global Tuberculosis Report Launch](#): Location TBD

LPA - October (Date TBD) - [MD@Lunch Event](#): Washington, DC

M - October (Date TBD) - [INTOSAI Donor Cooperation Steering Committee Meeting](#): Washington, DC

LAB - October (Date TBD) - [SOCAP17](#): San Francisco, California

LAC - October (Date TBD) - [Colombian Human Rights Dialogue](#): Location TBD

OCRD - October (Date TBD) - [ERGLC Meeting](#): Washington, DC

OCRD - October (Date TBD) - [Disability Employment Awareness Month Event](#): Washington, DC

DCHA - November 9 to 10 - [Food Assistance Convention](#): London, United Kingdom

DCHA - November (Date TBD) - [World Food Programme Second Session of the Board](#): Rome, Italy

E3 - November (Date TBD) - [COP 23 Climate Talks](#): Location TBD

LPA - October (Date TBD) - [MD@Lunch Event](#): Washington, DC

LAC - November (Date TBD) - [Central American Regional Governing Board Meeting](#): Washington, DC

LAC - November (Date TBD) - [Caribbean Mission Directors Meeting](#): Santo Domingo, Dominican Republic

OCRD - November (Date TBD) - [ERGLC Meeting](#): Washington, DC

OCRD - November (Date TBD) - [Veterans Day Event](#): Washington, DC

[RETURN TO TOC](#)

OCRD - November (Date TBD) - Native American Heritage Event: Washington, DC

DCHA - December (Date TBD) - UNHCR Excomms: Geneva, Switzerland

DCHA - December (Date TBD) - GHD High Level Meeting: Location TBD

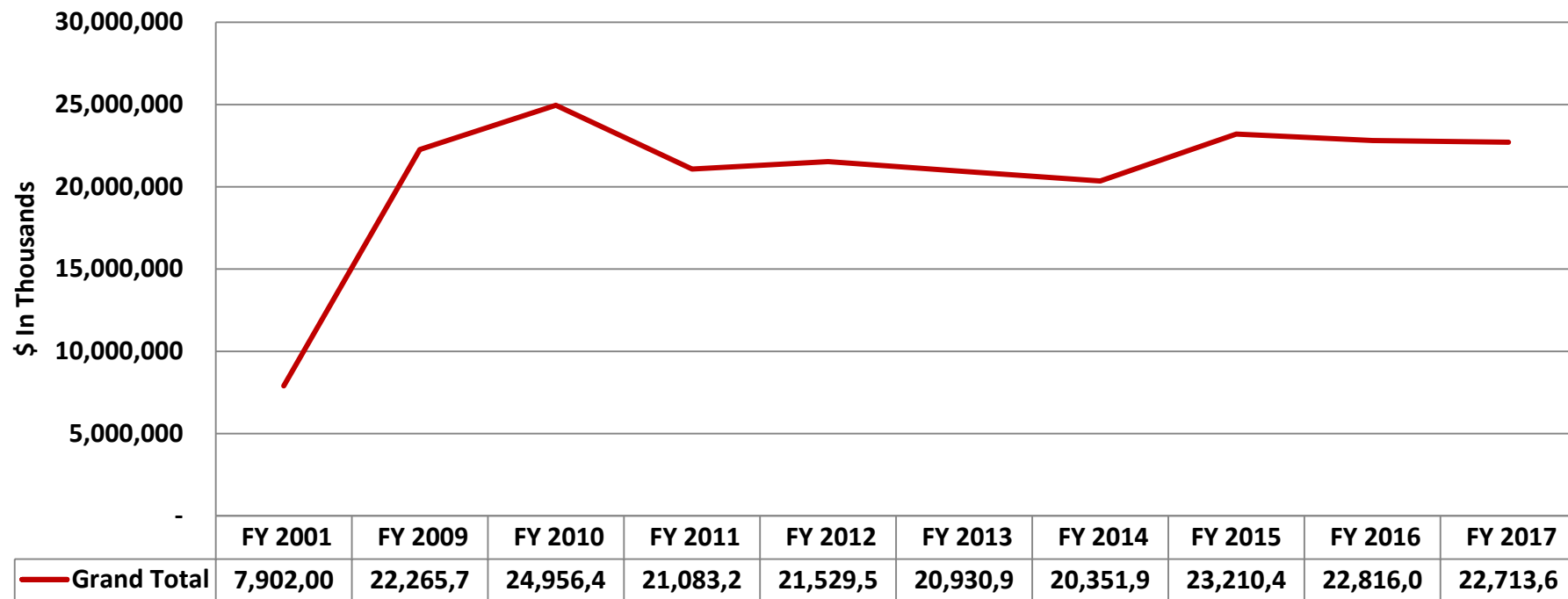
E3 - December (Date TBD) - Global Partnership for Education Replenishment Event: Location TBD

LPA - December (Date TBD) - MD@Lunch Event: Washington, DC

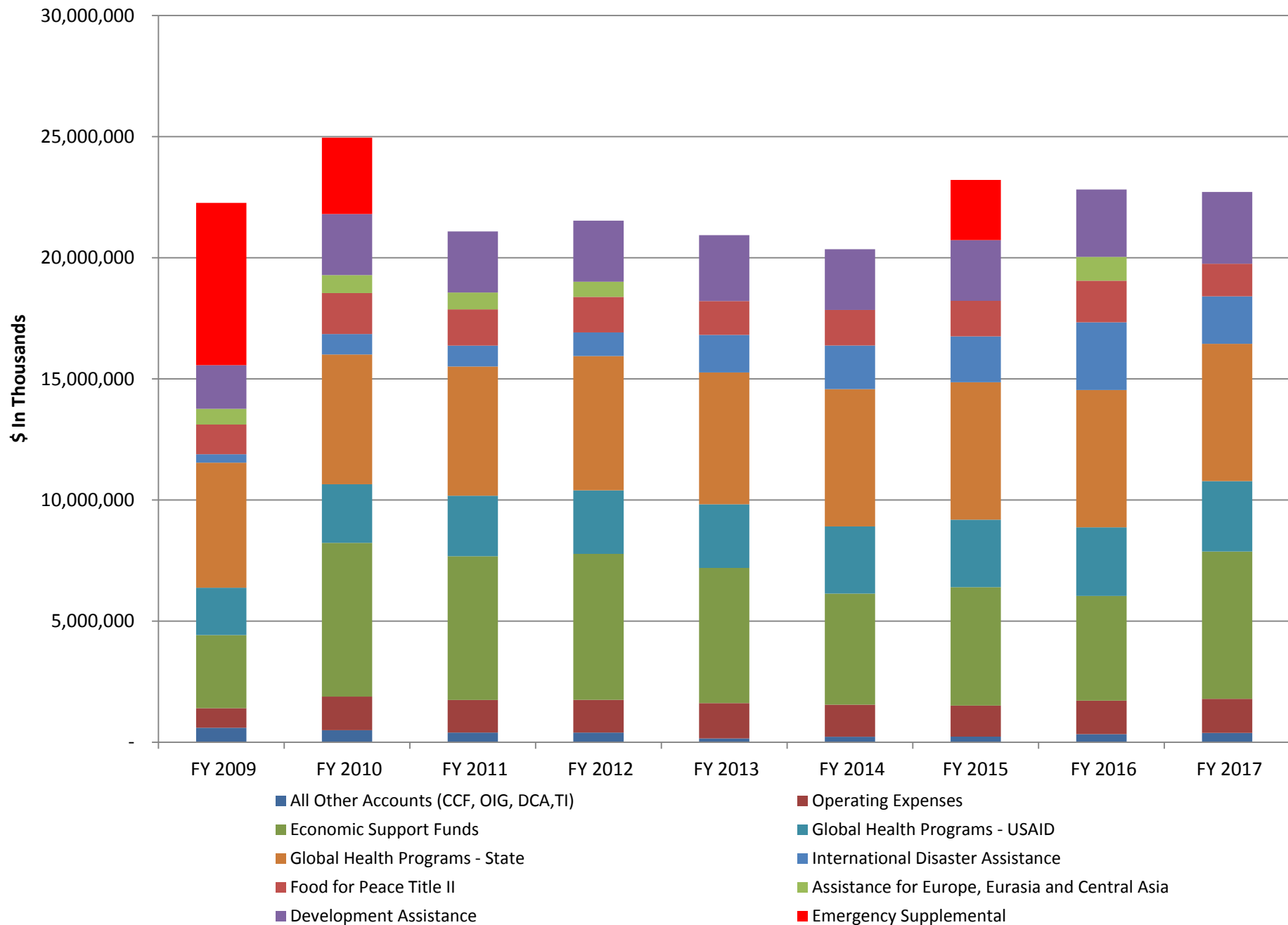
ME - December (Date TBD) - SRTF SB Meeting: Location TBD

OCRD - December (Date TBD) - ERGLC Meeting: Washington, DC

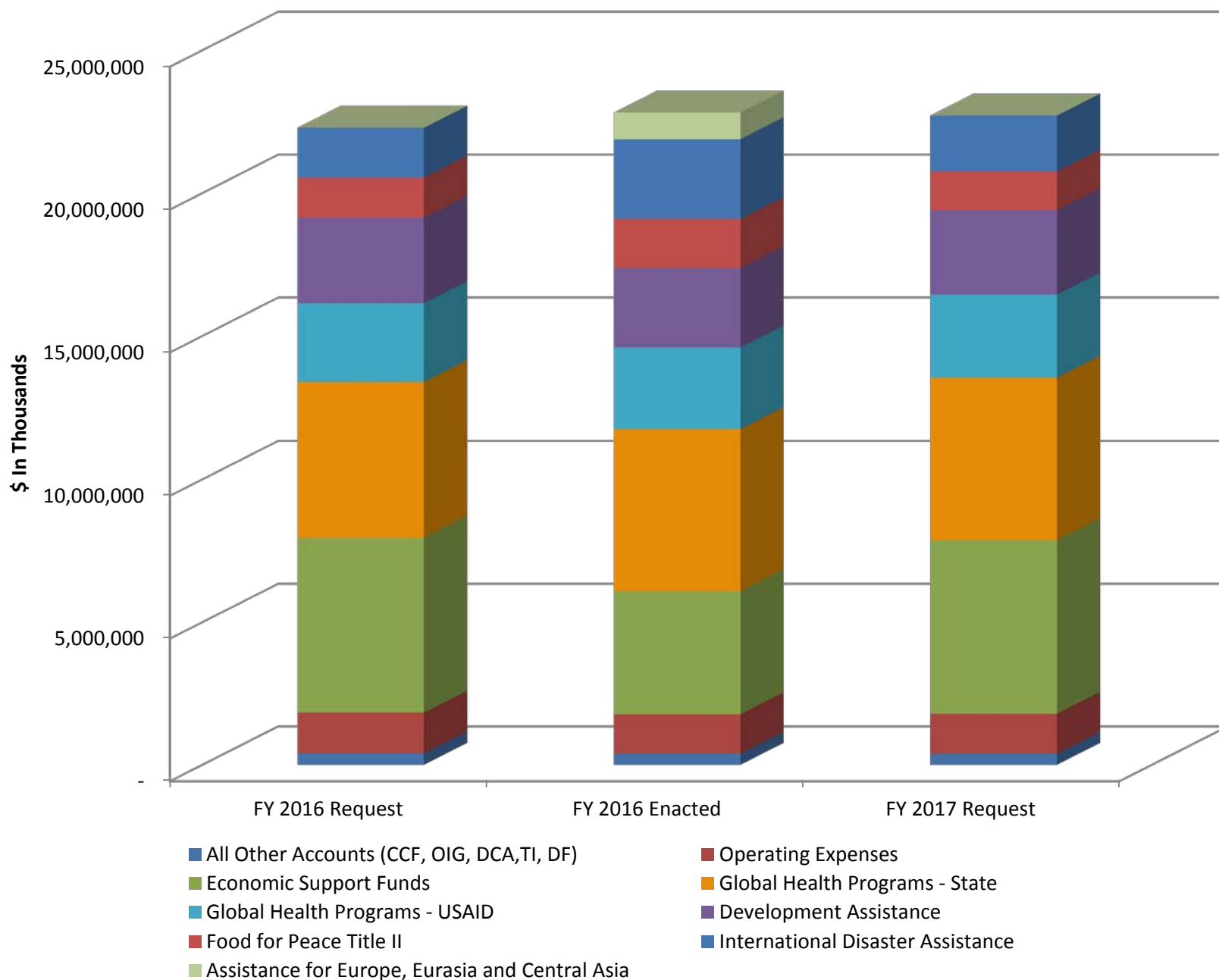
USAID Managed and Partially Managed Accounts (FY 2001, FY 2009 - FY 2017)



USAID Managed and Partially Managed Accounts (FY 2009 - 2017)



USAID Managed and Partially-Managed Accounts (FY 2016 - 2017)



BUDGET EXECUTION PROCESS¹

The dates and timeframes for the budget execution process depend on the date of enactment of the actual appropriation, as well as on the specific requirements included in the appropriations act. The dates used below are those effective for the FY 2016 appropriation and are employed here for illustrative purposes.

653(a) Allocation Process – ² *(November thru March)* – Complying with Section 7023 of P.L. 114-113 and the Foreign Assistance Act of 1961, independent of the Office of Management and Budget's (OMB) Annual Passback, BRM and State/F begin the earmark/directive allocation process with USAID and State functional and regional bureaus after Thanksgiving. In December, BRM coordinates roundtable discussions with directive owners, and functional and regional technical experts to discuss programmatic and implementation updates since the submission of the fiscal year's budget. In January, key issue sectors/initiatives submit allocations for BRM and State for consolidation.

After funding control levels are established and consultations with the USAID and State front offices and OMB/NSC occur, the 653(a) report is typically submitted to Congress in April. USAID/LPA and State/H work closely with the Committees to schedule Hill consultations on the 653(a) allocations.

Note: These dates and events run parallel with the Congressional Budget Justification process.

- Dec. 1 - Dec. 15, 2015: USAID/State Technical Round table allocations
- Dec. 18, 2015: Initial Allocation of Earmarks/Directives/ Initiatives from Round tables shared with State colleagues
- Dec. 18, 2015: Omnibus/Appropriations signed into law
- Dec. 22, 2015: USAID begins allocations of DA resources
- Jan. 29, 2016: State/USAID review initial DA/ESF allocations with State/F
- Feb. 29, 2016: Brief USAID Administrator on allocation challenges and potential issues
- Mar. 11, 2016: Share allocation with Bureaus, who have one-week to review and appeal levels
- Mar. 22, 2016: Share allocations with OMB/NSC
- Mar. 25, 2016: State/USAID adjudicate reclamas and flags issues for discussion with senior officials
- Apr. 6, 2016: 653(a) tables/report delivered to House and Senate Committees
- Apr. 27, 2016: 653(a) Congressional Hearing

Operational Plans (OPs) – *(May 18 through end of FY)* Once Bureaus/Offices see their initial program budget control levels, they will use FACTS Info NextGen to build and submit their OPs for each of their operating units (OUs), illustrating how they intend to use the New Obligating Authority resources to meet congressional earmarks, directives, legislative floors and ceilings, Administration directives, and Agency priorities. OUs have four weeks to complete their OPs and aim to have all OPs reviewed and cleared within 20-30 days of receipt.³

Country/Bureau Narratives (CBNs) - *(May through end of FY)*: The purpose of the CBN is to provide Congress with a more detailed picture for each OU of planned activities to be undertaken with current

¹ Several steps can be done concurrently or at different stages of this process

² 653(a) allocation process does not include country-level allocations for Administrative Expenses (OE, CIF,DCA, OIG) and the Humanitarian Assistance Accounts (CCF, TI, FFP and IDA); these accounts are allocated to bureaus.

³ Please refer to the Pre-Obligation Checklist for a complete list of budget steps prior to the commitment and obligation of funds.

year resources and respective differences and legal requirements from the CBJ. CBNs cannot be forwarded to Congress until the OP is approved.

Spend Plans – (April). The appropriations act requires a number of Spend Plans that are obligation requirements. Many of them are country, region, or program specific. F and BRM tracks the cross-cutting sectoral Spend Plans required for Democracy Programs, Education (both Basic and Higher), Environment (including Biodiversity and Combatting Wildlife Trafficking), Food Security and Agriculture Programs, Microenterprise and Microfinance, Trafficking in Persons, Water and Sanitation, and Internet Freedom.

Quarterly Reviews – (January, April, July, and October) The quarterly review process was initiated in FY 2012 in an effort to ensure that expiring unobligated program funds are obligated in a timely manner before the end of the fiscal year. The process also includes review of pipelines and un-subobligated bilaterally obligated funds in accordance with Agency metrics.

Reprogramming – (*as needed during the FY*) USAID has the authority to reprogram funds at the program area level and below, including most earmarked/protected fund levels, without State/F approval or clearance. Bureaus and OUs are permitted to approve non-earmarked/directed reprogramming actions at the program area level and below. For protected items, BRM is the approving official for changes at the program area level and below. Re-programmings allow bureaus/offices to address unmet needs and/or changes in planning.

Allocation of Reserve/Recoveries for Unfunded Requirements - (*as needed during the FY*) In coordination with State/F and USAID's Office of the Chief Financial Officer (CFO), BRM maintains a rack-up of available Development Assistance (DA) and Global Health Programs (GHP)-USAID recoveries for allocation during the fiscal year to meet unanticipated needs/shortfalls.

BUDGET PRE-OBLIGATION CHECKLIST¹

- Appropriation is signed (e.g. individual enactment, omnibus, minibuss, etc).
- State/F, State/L, State/H with USAID/BRM, USAID/GC, and USAID/LPA analyze the appropriation language. State/F prepares a rack-up of the topline account funding levels, earmarks, and directives to inform the allocation process.
- Initial draft allocations (653a) for the operating year budget are prepared by State/F and USAID/BRM and distributed to the regional and pillar bureaus.
- The regional and pillar bureaus and independent offices review the draft budget levels. The regional bureaus coordinate with their State counterparts. Concerns over political, programmatic, managerial, and financial gaps are shared with pillar/technical bureaus. Bureaus submit joint proposals to USAID/BRM and State/F.
- State/F and USAID/BRM make final determinations, ensuring all earmarks, directives, and Presidential and Administration priorities are met.
- Bureaus begin submitting required spend plans for certain sector/directives.
- An initial 653(a) Country Allocation Report is prepared jointly by State F and BRM, shared with the regional and pillar bureaus, and then submitted to the Congress.
- After the initial 653(a) Report has been submitted to Congress, F staff can set the control levels by country and attribution, and then allot current year funds to the bureaus and independent offices.
- Operating units prepare Operational Plans (OPs) at the Program Sub-Element and Implementing Mechanism (e.g. unilateral awards, bilateral/interagency grant agreements, field support, etc.) level based on initial 653(a) levels. OPs are then reviewed by State/USAID and approved by State/F Director.
- Operating units and missions prepare annual Country/Bureau Narratives (CBN) that are submitted to their bureaus with the OP. CBNs are a re-notification of the Congressional Budget Justification (CBJ), notifying changes from the CBJ, necessary legal requirements, and further programmatic specifics.
- Country/Bureau Narratives are reviewed and cleared by bureaus, State/F, USAID/BRM, USAID/GC, OMB, and USAID/LPA. Once submitted to the Congress there is a minimum 15 calendar day waiting period prior to obligating any funds notified in the CBN; however, funding within CBNs for which notification is not required may be obligated immediately upon Operational Plan approval and if all other pre-obligation requirements have been met.
- Operating units and missions submit a request (depending on the bureau, this can be a set form) to bureaus to allow funds based on the Foreign Assistance hierarchy with details down to the element level on bilateral/field support split; parking fines; and various taxes.
- Missions develop and confirm approved Risk Assessments in response to the Negroponte Directive on Terrorist Financing.
- Statutory Checklists are prepared and approved prior to obligation of funds. This includes a review of all relevant legal restrictions including loan repayment status (e.g. 620a and Brooke), as well as other restrictions associated with Trafficking in Persons, child soldiers, etc.
- Once all the pre-obligation requirements have been met, commitment and obligation of funds may occur.

¹ There are several steps that can be done concurrently or at different stages of this process, so this is not meant to be a purely linear progression from one step to the next.

CONGRESSIONAL COMMITTEES WITH USAID OVERSIGHT

THE “CORE FOUR”

Senate Foreign Relations Committee (SFRC)

SFRC has been active on issues ranging from democracy promotion programming and work in closed societies (in particular, Cuba), to global food security, transparency in foreign assistance, women’s empowerment, and counter-wildlife trafficking. Several members have an interest in the Western Hemisphere.

Chairman - Bob Corker (R-TN)

Majority staff: Staff Director - Chris Tuttle; Sr. Professional Staff Member for Oversight of Foreign Assistance - Trey Hicks; additional staff with regional or sectoral portfolios as relevant.

USAID Priorities: counter-trafficking in persons, food aid reform, global food security, trade capacity building. Corker frequently criticizes foreign assistance broadly as using Cold War-era model and argues that trade assistance must be delivered in a more strategic and responsible manner.

Ranking Member - Benjamin Cardin (D-MD)

Minority staff: Staff Director - Jessica Lewis; Policy Director - Algene Sajery; additional staff with regional or sectoral portfolios as relevant.

USAID Priorities: anti-corruption efforts, democratic governance, human rights, global food security, health systems strengthening, the Global Development Lab. Cardin takes particular interest in issues that concern Baltimore-based Catholic Relief Services and has a constituent-driven interest in procurement reform, grants v. contracts, vetting, etc.

House Foreign Affairs Committee (HFAC)

HFAC has been engaged on issues relevant to USAID including electrification of Africa, global food security, food aid reform, religious freedom and support to religious minorities, branding, waste, fraud and abuse, neglected tropical diseases, combatting human trafficking, USAID’s civil society programming in Cuba, technology/the Global Development Lab, transparency, monitoring and evaluation in foreign assistance, countering Russian aggression, LGBT equality, Ukraine, why we give money to China or the Palestinians, and how we promote human rights and democracy. Family planning and climate change programming are two flashpoints over which committee Members disagree strongly.

Chairman - Ed Royce (R-CA)

Majority staff: Staff Director - Tom Sheehy; Senior Professional Staff Member - Joan Condon; additional staff with regional or sectoral portfolios as relevant.

USAID Priorities: food aid reform, global economic competitiveness, Africa, Asia, Syria, nonproliferation, containing Iran, and countering Russian aggression. Royce has a constituent-driven interest in Philippines land reform.

Ranking Member - Eliot Engel (D-NY)

Minority staff: Staff Director - Jason Steinbaum; Counsel - Janice Kaguyutan; additional staff with regional or sectoral portfolios as relevant.

USAID Priorities: the Middle East, Israel, Kosovo, Ukraine, the Western Hemisphere, and global health, particularly tuberculosis.

Senate Appropriations Subcommittee on State, Foreign Operations, and Related Programs (SACFO)

Senators Graham and Leahy work closely and generally accommodate each other’s priorities. Issues of bipartisan interest include: efforts to improve transparency, monitoring and evaluation; procurement reform; anti-corruption; branding; Asia (particularly Cambodia, Vietnam, and Burma), sustainability;

interagency and donor coordination to avoid duplication. Interests of other subcommittee members include: children in adversity; public-private partnerships; global food security; global health, particularly maternal and child health and malaria; partner vetting; humanitarian assistance for Syrian refugees; child marriage prevention; water, sanitation and hygiene (WASH); Power Africa; food aid reform; women's issues; wildlife trafficking; and climate change.

Chairman - Lindsey Graham (R-SC)

Majority staff: Clerk - Paul Grove; Professional Staff - Adam Yezerski.

USAID Priorities: USAID's contribution to national security and countering violent extremism; public-private partnerships. Majority Clerk Paul Grove has reservations about USAID's capacity in the DRG sector and favors centralized coordinators for assistance, such as the ACE coordinator for Europe.

Ranking Member - Patrick Leahy (D-VT)

Minority staff: Clerk - Tim Rieser; Professional Staff - Alex Carnes, Janet Stormes.

USAID Priorities: global health, human rights, climate change, and country ownership. Leahy is a leader on human rights and authored the "Leahy Law," which prohibits U.S. aid to foreign military and police forces that violate human rights, and encourages foreign governments to hold those who violate human rights accountable. He is critical of USAID's over-reliance on contractors, and has also expressed concern about the NGO development business. Leahy and Minority Clerk Tim Rieser led the effort to normalize relations with Cuba and have criticized USAID's work in Cuba and other closed societies in the past. Rieser has also been an advocate of indigenous people and improving USAID's ability to work with small entities, including through the small grants program and in response to unsolicited proposals.

House Appropriations Subcommittee on State, Foreign Operations, and Related Programs (HACFO)

Issues of bipartisan interest include: USAID's contribution to national security, transparency, monitoring and evaluation, anti-corruption, branding (ensuring that countries are cognizant and appreciative of U.S. taxpayer-funded investments), sustainability, interagency and donor coordination/ avoidance of duplication, leveraging of public-private partnerships, and funding for global health, particularly maternal and child health, nutrition, and malaria. Notable partisan differences exist with respect to climate change, support for multilateral institutions, family planning, and government-to-government assistance. In addition, there is a broad difference of opinion on the issue of U.S.-Cuba foreign policy and democracy assistance, which cuts across party lines.

Chairman - Kay Granger (R-TX)

Majority staff: Clerk - Craig Higgins; Professional Staff - Alice Hogans, David Bortnick, Susan Adams.

USAID Priorities: Central America, wildlife trafficking, children in adversity, aid to Jordan and Israel. Granger's concerns with respect to USAID include: the size of the Agency and perceived lack of selectivity and focus; multi-year funding commitments; the safeguarding of taxpayer funds programmed through foreign governments and local partners; and the use of multilateral institutions as partners.

Ranking Member - Nita Lowey (D-NY)

Minority staff: Clerk, Steve Marchese; Professional Staff, Erin Kolodjeski.

USAID Priorities: basic education, global health, in particular HIV/AIDS, USAID OE, gender equality and women's empowerment, and Haiti. She frequently highlights the importance of strong interagency coordination and the avoidance of duplication across the USG and donors. She supports opportunities for small, minority, and women-owned enterprises and historically black colleges and universities.

SENATE CONFIRMATION PROCESS

USAID has 11 presidentially-appointed, Senate-confirmed (PAS) positions (currently A/AID, D/AID, AA/Africa, AA/ASIA, AA/DCHA, AA/E&E, AA/E3, AA/GH, AA/LAC, AA/LPA, and AA/ME), plus the IG, whose confirmation is handled independently. The Senate Foreign Relations Committee (SFRC), currently led by Chairman Bob Corker (R-TN) and Ranking Member Ben Cardin (D-MD), oversees the confirmation process for all USAID PAS nominees and nominations for commissioning and promotion of USAID's foreign service officers. Over the course of the Obama administration, the timeframe for Senate confirmation of USAID PAS nominees has ranged from 44 to 344 days. However, the initial nominations of these eleven positions took an average of 790 days, with the first nomination (A/AID) coming 294 days after inauguration, and the last nomination 1,442 days after inauguration. Once nominees were put forward, average confirmation times were much quicker. See Figure 1 for greater detail on Obama Administration nominees.

The Bureau for Legislative and Public Affairs (LPA) works with SFRC and Senate leadership to confirm nominees. LPA leads a "Confirmation Team" comprised of policy, press, legal, and legislative affairs representatives and (where appropriate) White House staff, which provides nominees with information about any concerns and issues regarding their particular assignment that may exist among Senators or their staffs. While a variety of delays and obstacles may arise during the confirmation process - objections to the qualifications of a nominee, unresolved issues with the Administration's policy related to a particular nominee, or for reasons completely unrelated to the nominee (including the Senate calendar, partisan gridlock, or deprioritization among Administration nominees) - below is a basic outline of the confirmation process.

Steps Toward Confirmation

1. **Completion, Clearance, and Submission of Nomination Paperwork to SFRC.** Following the announcement of a nominee by the President, LPA reviews SFRC nomination paperwork (committee questionnaire; biographic sketch; statement of functions and responsibilities; predecessors list; publications and speech transcripts), reconciles nominee's SF-86 (FBI Security Clearance Questionnaire) and OGE-278 (Public Financial Disclosure Report), and facilitates clearances from USAID's General Counsel and the White House. When the paperwork is finalized, LPA submits the package to SFRC for review. SFRC will not consider a nomination, or schedule a confirmation hearing, until all paperwork has been submitted in full, reserving the right to delay the nominee staff interview until paperwork is complete.
2. **SFRC Staff Review of Paperwork.** SFRC staff will review paperwork and send any questions to LPA. The nominee and their Confirmation Team will work to answer satisfactorily any questions SFRC may have about the paperwork before a confirmation hearing can be scheduled.
3. **Internal Substantive USAID Briefings/Preparation for Confirmation Hearing.** The Confirmation Team will coordinate internal briefings, as well as meetings with senior staff within USAID and the Administration. These briefings should be done in advance of any Hill meetings. Simultaneously, LPA will work with a nominee to prepare written and oral testimony and organize a mock hearing.
4. **Nominee Interview with SFRC Majority Staff and Minority Staff.** A nominee will meet separately with SFRC majority and SFRC minority staff, scheduled by LPA. These meetings are considered "interviews," upon which the staff will make a recommendation to the Chairman and Ranking Member regarding the nomination.

5. **Consultations/Courtesy Meetings.** LPA offers meetings with certain SFRC Senators and staff, Senate leadership aides, and possibly selected additional Senators (e.g., home-state Senators, recognized leaders on specific issues).
6. **Confirmation Hearing.** LPA works with SFRC to schedule a nominee's confirmation hearing as soon as possible. Staff interviews must be completed before a hearing can be scheduled. As a matter of practice, SFRC typically waits until a sufficient number of nominees in a particular regional or functional category is available before scheduling a hearing. In advance of a hearing, LPA will offer courtesy visits with members of the Senate Foreign Relations Committee and/or their staff, including the Chair and Ranking Member of the Subcommittee who will chair the confirmation hearing. In advance of a hearing, LPA will make calls to all SFRC Member offices to gain insight on likely questions that will be posed at the hearing, and ensure these are incorporated in the hearing preparation materials and mock hearing.
7. **Questions for the Record.** Senators have a certain amount of time (traditionally one week) following the hearing to submit any written questions for a nominee's response. These are called "Questions for the Record" (QFRs). The nominee, relevant Bureau(s), and LPA work on any QFRs with the goal of turning them around as quickly as possible. All QFRs are cleared by the White House prior to transmission to SFRC. SFRC will not add a nominee to the agenda for a business meeting until all QFRs have been transmitted to the Committee and the Senators have had sufficient time to review the answers. As such, it is imperative that the QFRs be submitted as quickly as possible.
8. **Business Committee Meeting Vote on Nomination.** SFRC schedules a "business meeting" to review and vote out nominees as well as pending legislation. The nominee does not attend this session. LPA attends and notifies the nominee and Confirmation Team immediately of the result of the Committee's proceedings.
9. **Floor Consideration.** When voted out of Committee, a nomination will be added to the "Executive Calendar" for floor consideration. LPA will facilitate additional meetings with key Senators who will be in a position to influence Leadership's decision to prioritize the Senate's consideration of the nomination. In coordination with the White House, LPA will work to flush out any insight regarding the nomination, including concerns from Senators who may wish to put a hold on the nomination. Should any issues arise, LPA, in close coordination with the White House, will craft and execute a strategy to overcome objections.
10. **Full Senate Vote.** After being placed on the Executive Calendar for consideration by the full Senate, Leadership polls Senators to determine whether there are any objections to the confirmation. (This is referred to as the "hotline" process.) Senators may place holds on nominations because of objections to the qualifications of a nominee, a Senator's unresolved issue with the Administration's policy related to a particular nominee, or for reasons completely unrelated to the nominee. LPA and the Confirmation Team, in concert with the White House, work to be aware of any issues prior to this stage of the process, and keep the nominee informed. LPA and the Confirmation Team also work to lift any holds and press for a vote if needed. Confirmation through voice vote or unanimous consent is preferred, but recorded votes are sometimes necessary.
11. **Presidential Attestation and Swearing In.**

Figure. 1 Timeframes for Nomination and Confirmation of Initial USAID PAS Nominees Post-2008 Transition

Position	Acting/Functional (immediately preceding)	Initial Administration Nominee	Inauguration to Nomination	Nomination Date	Confirmation Date	Nomination to Confirmation	Inauguration to Confirmation
A/AID	Alonzo Fulgham	Dr. Rajiv Shah	294	11/10/2009	12/24/2009	44	338
AA/LAC	Janet Ballantyne	Mark Feierstein	478	05/13/2010	09/16/2010	108	586
AA/ASIA	Frank Young	Nisha Biswal	538	07/12/2010	09/16/2010	66	604
DA/AID	James Michel	Donald Steinberg	562	08/05/2010	09/29/2010	55	617
AA/ DCHA	Dirk Dijkerman	Nancy Lindborg	562	08/05/2010	09/29/2010	55	617
AA/E&E	Roberta Mahoney	Paige Alexander	615	09/27/2010	12/22/2010	86	701
AA/E3	Michael Yates	Eric Postel	664	11/15/2010*	03/03/2011	108	772
AA/ME	George Laudato	Mara Rudman	758	02/17/2011	09/13/2011	207	965
AA/GH	Susan Brems	Ariel Pablos-Mendez	783	03/14/2011	06/30/2011	108	891
AA/AFR	Sharon Cromer	Earl Gast	986	10/03/2011	3/29/2012	169	1155
AA/LPA	Vacant	T. Charles Cooper	1330	09/11/2012	01/01/2013	112	1442
		Average	688		Average	102	790

* Withdrawn for the end of the 111th Congress, resubmitted at the start of the 112th Congress

BUREAU BRIEF: OFFICE OF INSPECTOR GENERAL

INTRODUCTION

The USAID Office of Inspector General (OIG) provides independent oversight that promotes efficiency, effectiveness, and integrity in U.S. foreign assistance programs. Like all federal OIGs, USAID OIG derives authority from the [Inspector General Act of 1978](#), as amended, to work across all agency programs and operations. OIG recommends program improvements through its audit work and issues investigative reports that, in some cases, provide the basis for criminal, civil, and administrative action against government employees, contractors, or grantees. OIG works from 11 offices around the world and its headquarters in Washington, DC. Since its establishment in 1980, OIG has received authority to provide [oversight for four additional agencies](#) that deliver foreign assistance—the Millennium Challenge Corporation, the U.S. African Development Foundation, the Inter-American Foundation, and the Overseas Private Investment Corporation—enabling OIG to assess different approaches to international development across the U.S. Government. OIG’s annual reports on [top management challenges](#) highlight areas in which USAID must address significant or persistent vulnerabilities.

LOOKING BACK

Over the last decade, USAID OIG has moved to produce work with increasing impact; established a solid track record for oversight in crisis and conflict settings; and emerged through an extended period of leadership transition with a new IG with a vision for more strategically significant oversight.

Incremental Growth in OIG’s Audit and Investigative Impact. In past years, OIG’s audits focused on activity-level outputs and later came to consider underlying causes of programs’ shortfalls to address program performance and compliance. Despite the increased potential impact at the individual activity, program, and country levels, OIG’s audits still did not fully account for USAID’s broader goals and priorities. OIG’s approach to investigations has also become more strategic and proactive over time. OIG has coordinated intensively with oversight offices across the international donor community and provided fraud awareness briefings around the world for agency, contractor, and grantee staff to help them identify and report fraud, waste, and abuse.

Increasing Oversight in Response to Crises and Conflicts. OIG intensified oversight of U.S. aid programs in priority countries. By 2010, OIG had established offices in both Afghanistan and Pakistan, where significant stabilization, reconstruction, and aid programs were underway. With a presence in both countries, OIG produced audits on the effectiveness of development and relief work and completed investigations that have improved program integrity and deterred and halted fraud and other misconduct. In Pakistan, the establishment of an anti-fraud hotline enabled aid recipients to report problems and led to improvements in U.S. and other donors’ programs. OIG offices in Iraq and Haiti also reflected major U.S. efforts to provide reconstruction and relief. OIG’s Iraq office closed in 2012; its Haiti office is still open.

In 2012, OIG helped develop legislation for a [“Lead Inspector General” framework](#) for oversight of certain U.S. responses to conflicts and crises. Under the law, the USAID, State, and Defense Department OIGs coordinate their oversight work, eliminating the need for a “Special Inspector General.” The United States launched two such responses in recent years: one related to the ongoing conflict in Syria and Iraq, and another addressing the West African Ebola outbreak in 2014.

Prolonged Inspector General (IG) Vacancy and Working Toward New IG’s Vision. In the past decade, OIG experienced a prolonged vacancy in the IG position, after the presidentially-appointed,

Senate-confirmed IG retired in 2011. Acting officers managed the office for 4 years, and OIG faced challenges from public reports in 2014 questioning the integrity of the office's audit processes and its leadership.

A new IG assumed the post in November 2015 after Senate confirmation and assessed the office's capacity to effectively fulfill its mission. The IG identified several key priorities to help OIG play a more meaningful role in informing policy- and decision-making. In 2016, the IG announced and began to implement initiatives to undertake more work that addresses strategic-level decisions and meaningfully informs planning and implementation of U.S. foreign assistance programs, strengthen office-wide quality assurance, and improve staff capabilities through hiring, training, and development.

LOOKING FORWARD

The scope of U.S. foreign assistance, in terms of geography, program type, and the number of public, private, and nonprofit actors, ranks as a continuing challenge. OIG's oversight responsibilities demand hard choices about staff assignments, allocating limited funds, and reassessing plans as U.S. foreign assistance agencies respond to new initiatives, changing country conditions, and sudden crises. With this in mind, in 2017, OIG will work toward consolidating its presence overseas in key locations, enabling greater flexibility and an improved capacity to confront sudden and unexpected requirements.

Also in 2017, OIG will continue to execute the new IG's vision, [undertaking more work](#) to assess broader strategic and operational decisions in foreign assistance programs. It will reassess its own strategic plan and consider how its oversight and support functions should align to meet long-term goals. To that end, OIG will address skills and training gaps that have posed a challenge for OIG in the past, affording it the technical expertise necessary to evaluate complex assistance programs, make informed and actionable recommendations, and more effectively identify and pursue cases of fraud and other types of misconduct.

As OIG evaluates agency programs of high dollar value and strategic significance, it often follows agency and implementer personnel into areas suffering from conflict and instability, which further challenge OIG's ability to operate and sometimes risk the safety of its staff. These settings, however, also present opportunities to continue and expand partnerships with OIG's counterparts overseas to help protect U.S. foreign assistance dollars. Past collaboration has increased accountability in aid programs where corruption and risk of fraud are extremely high. Continuing to work with international partners will help mitigate the exposure of U.S. programs to potential fraud, waste, and abuse.

As OIG targets key risks and priority program areas in conducting independent oversight, it will reach out to engage stakeholder and solicit their views on agency challenges. This approach reflects OIG's commitment to effective enterprise risk management practice. OIG will also build on existing stakeholder support and seek reaffirmation of the current USAID Administrator's request that agency personnel fully cooperate with OIG audits and investigations. OIG will consider agency leaders' views on perceived risks, management weaknesses, and program vulnerabilities as part of its oversight plans, and will weigh stakeholder input against its own knowledge and expertise. When appropriate, OIG will notify agency leadership of significant threats to the effectiveness and integrity of foreign assistance programs. OIG will similarly reach out to Congress, approaching Committees, Members, and staff to gain their perspectives on oversight requirements and pressing challenges across U.S. foreign assistance programs. OIG will continuously solicit input from all stakeholders on the value of its work and ways in which it can best foster continuous improvement in its own operations and effectively serve the American public.

SUPPORTING DOCUMENT: OFFICE OF THE INSPECTOR GENERAL USAID OIG AND THE INSPECTOR GENERAL ACT OF 1978, AS AMENDED

Federal Inspectors General (IG) hold non-partisan leadership positions in over 70 U.S. Government agencies. They provide independent, objective oversight over agency programs and operations to combat waste, fraud, and abuse. Like other federal Offices of Inspector General (OIGs), USAID OIG derives authority from the Inspector General Act of 1978, as amended, to:

- Conduct audits and investigations;
- Recommend policies to promote economy, efficiency, and effectiveness in agency programs;
- Prevent and detect fraud and abuse in agency operations; and
- Inform agency leadership and Congress about problems, deficiencies, and the necessity for, and progress of, corrective action.

Many IGs, including USAID's, are nominated by the President and appointed with the advice and consent of the Senate. IG appointments take place on the basis of integrity and demonstrated ability and without regard to political affiliation. USAID's current IG received Senate confirmation on November 19, 2015, following decades of experience in federal oversight.

Reporting is an integral part of IG work. Under the IG Act, IGs report to:

- **Head of the agency**—IGs report recommendations and findings to their agency heads.
- **Congress**—IGs report the results of their work, and any challenges, directly to Congress.
- **Attorney General (AG)**—IGs must report suspected violations of Federal criminal law to the AG.

IGs are also responsible for publicly reporting on their work. They do so by issuing audits and other reports, semiannual reports to Congress on the previous period's accomplishments, and annual reports on top management challenges facing the agencies they oversee.

The IG Act imbues USAID OIG with broad authority with respect to:

- **Access**—OIG staff can access all agency records, communications, and other materials that relate to the scope of the IG's work. IG staff may administer oaths and interview agency employees in connection with audits and investigations.
- **Law enforcement**—OIG Special Agents are authorized by the Attorney General to carry firearms, make arrests, and execute warrants. The IG can also issue subpoenas for production of all information and documentary evidence necessary to perform the duties assigned by the IG Act.
- **Management**—Most OIGs manage their own personnel, budget, and information technology systems to safeguard their independence. OIGs have their own legal counsel and communicate directly with Congress.

Some sections of the IG Act apply to individual IGs. Section 8A of the Act pertains solely to USAID OIG and establishes the basis for USAID OIG to employ members of the Foreign Service, which facilitates the performance of audits and investigations overseas.¹

To enable effective oversight, IGs often seek to affirm their relationships with the agencies they oversee and to the agency's workforce in specific, agency-wide memoranda. In 2016, the USAID Administrator issued such a memorandum, requiring agency employees' cooperation with the OIG.

¹ Some aspects of Section 8A have been overtaken by developments in subsequent legislation and contain outdated references to positions and systems that no longer exist.

SUPPORTING DOCUMENT: OFFICE OF THE INSPECTOR GENERAL USAID OIG OVERSIGHT OF MCC, USADF, IAF, AND OPIC

USAID's Office of Inspector General (OIG) oversees four USG foreign assistance agencies beyond USAID:

- Millennium Challenge Corporation (MCC)
- U.S. African Development Foundation (USADF)
- Inter-American Foundation (IAF)
- Overseas Private Investment Corporation (OPIC)

Compared to USAID, these agencies' missions are more targeted, with either a region-specific focus (USADF, IAF) or objectives aimed at promoting economic growth and investment to spur development (MCC, OPIC). These agencies operate with less funding than USAID and occupy a smaller percentage of OIG's oversight portfolio.

Oversight of the Millennium Challenge Corporation

The Millennium Challenge Act of 2003, P.L. 108-199 (Div. D), created MCC to foster economic growth in developing countries meeting specific criteria and made USAID OIG responsible for MCC oversight. In 2004, OIG established a dedicated audit division to conduct and oversee MCC-related performance and financial audits, including information technology (IT) and financial statement audits. OIG's Office of Investigations also receives and investigates allegations of misconduct relating to MCC and has dedicated personnel responsible for these activities. An agency-specific hotline allows individuals to report complaints directly to OIG. The Inspector General (IG) raises significant concerns directly to MCC's President and CEO, and to its board of directors, which includes the USAID Administrator. OIG meets semi-annually with the board's audit committee.

Oversight of U.S. African Development Foundation and the Inter-American Foundation

In 1999, Congress directed OIG to oversee both USADF and IAF,¹ which award grants to promote local growth and development in Africa and Latin America and the Caribbean, respectively. Given the agencies' relatively small size, most of OIG's oversight work seeks to affirm the integrity of their IT and financial systems. However, OIG also conducts periodic performance audits that identify areas for improvement in each agency's programs. As with MCC, OIG investigates misconduct allegations related to USADF and IAF, maintains a hotline to receive such complaints, and the IG has a direct relationship with each agency's president and CEO.

Oversight of the Overseas Private Investment Corporation

The Foreign Assistance Act of 1961, as amended, authorizes OIG to conduct certain types of oversight with respect to OPIC, which finances development through private sector support, namely loans and loan guarantees, political risk insurance, and support for private equity funds. In recent years, reports accompanying congressional appropriations measures have directed OPIC and OIG to agree on a broader set of oversight services than already established in law. Under these annual agreements, OIG has increased the scope of its oversight of OPIC through performance and information technology audits. It has also established an OPIC-specific hotline and conducts investigations as necessary.

As with MCC, USADF, and IAF, USAID's IG engages directly with OPIC's President and CEO, and has access to OPIC's board of directors.

¹ Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act (P.L. 106-113, App. G).

SUPPORTING DOCUMENT: OFFICE OF THE INSPECTOR GENERAL TOP MANAGEMENT CHALLENGES

As part of its mandate to provide independent oversight, the Office of Inspector General (OIG) prepares an annual statement summarizing USAID's most serious challenges and the agency's progress in addressing them. OIG issues this statement pursuant to the Reports Consolidation Act of 2000 (Public Law 106–531), which also requires each federal agency to include the statement in its performance and accountability report. In practice, OIG also posts the statement on management challenges to its public web site, and notifies the Office of Management and Budget and congressional committees with jurisdiction over U.S. foreign assistance programs and the federal oversight community.

Based on recent audits and investigations, OIG identified five top management challenges for USAID and one for the Millennium Challenge Corporation (MCC)¹ in fiscal year 2017:

- ***Developing strategies to work effectively in nonpermissive and contingency environments.*** Working in regions characterized by conflict, political instability, or cataclysmic natural events creates significant barriers to monitoring programs and projects, finding qualified contractors and grantees, and employing foreign national employees to work under U.S. auspices.
- ***Strengthening local capacity and sustainability while ensuring adequate oversight of USAID funds.*** USAID seeks to invest in development projects that can be supported locally and have a lasting impact in the recipient country, but OIG continues to report concerns about the level of assurance USAID has in achieving sustainability of these projects.
- ***Reconciling interagency priorities to advance international development.*** Often required to coordinate with other U.S. agencies, USAID employees are sometimes unclear as to how to manage additional layers of review and balance short-term and long-term objectives.
- ***Improving program design and contractor and grantee monitoring.*** Shortcomings in program design and monitoring have weakened USAID's ability to ensure programs have the resources needed to achieve objectives, and identify and address fraud and other program risks.
- ***Meeting governmentwide financial and information management requirements.*** USAID continues to work to meet critical financial management and information technology requirements to better ensure it is an effective steward of Federal Government resources.
- ***Achieving effective development and implementation of MCC programs and proper stewardship of corporation resources.*** MCC does not always accurately assess country capacity and develop sound compacts to help ensure project sustainability, and lacks sufficient internal controls to ensure compliance with U.S. financial management requirements.

Some of these challenges are long-standing, and OIG remains committed to conducting thorough and timely audits and investigations to enable the USAID Administrator and MCC Chief Executive Officer overcome the challenges they face.

¹ While OIG oversees the U.S. African Development Foundation, the Inter-American Foundation, and the Overseas Private Investment Corporation, it does not issue a statement on management challenges for these agencies, in part due to ambiguity in aspects of OIG's oversight mandates.

SUPPORTING DOCUMENT: OFFICE OF INSPECTOR GENERAL LEAD IG FRAMEWORK AND OVERSIGHT IN OVERSEAS CONTINGENCY OPERATIONS

The Lead Inspector General Framework

In 2013, Congress amended the Inspector General Act of 1978 (IG Act) to provide for a Lead Inspector General (IG) for oversight of certain U.S. responses to conflicts and crises, known as *overseas contingency operations (OCO)*.¹ Under the law, the Department of Defense (DoD) IG, Department of State (State) IG, and USAID IG are to coordinate oversight of such operations based on their respective agencies' responsibilities (defense, diplomacy, and development). For each OCO, the Council of Inspectors General on Integrity and Efficiency (an independent federal entity composed of IGs) selects a Lead IG from among the three to direct joint planning and reporting activities and to ensure effective, comprehensive oversight of the operation.

Congress crafted the Lead IG framework in legislation as an alternative to the "Special IG." Special IGs were constituted in the past to provide additional oversight in Iraq and Afghanistan, but questions emerged about the efficiency and effectiveness of establishing a new oversight organization in these types of circumstances. The Lead IG framework capitalizes on certain advantage that agency IGs have for OCO oversight, including their standing skill and expertise in related disciplines, extensive knowledge of agency operations and programs, and independent, established support functions in areas like information technology and human capital systems that can be easily leveraged when needed.

Advantages and Authorities of the Lead IG Framework

Under this framework, the USAID, DoD, and State IGs can tap special authorities in the IG Act to apply their existing experience, knowledge, and capabilities to the oversight challenges at hand.

- Authority to establish principal jurisdiction among the participating IGs helps the Lead IG guard against overlap and duplication, while ensuring oversight of cross-cutting activities by affirming an individual IG's oversight authority in such cases.
- Lead IG personnel authorities, which can be delegated to the other participating IGs, provide for surge capacity in which each office uses and builds upon existing audit, investigative, and reporting capacity. These authorities enable OIGs to engage more intensively at the start of an OCO and scale back on staffing as an operation winds down.
- Comprehensive reports draw upon each IG's contributions based on their oversight work, as well as information from participating agencies, resulting in the issuance of regular reports that cover agency programs, funding, and the results of audits and investigations.

USAID OIG and the Lead IG Framework in Practice

Two recent major crises have triggered the Lead IG framework: the rise of the Islamic State of Iraq and the Levant (ISIL), which the U.S. Government (USG) seeks to counter through Operation Inherent Resolve, and the Ebola outbreak in West Africa.²

- Operation Inherent Resolve primarily involves U.S. military action to roll back ISIL's territorial gains in Iraq and Syria, but also accounts for humanitarian assistance activities as well as governance and stabilization efforts in which USAID has a significant part. The DoD IG serves as

¹ A military operation becomes an overseas contingency operation when it is either designated as such by the U.S. defense secretary or when military personnel are called up or retained on active duty under certain statutes.

² The USG declared a third "overseas contingency operation" in Afghanistan, however the scope of this operation (counterterrorism operations and training Afghan security forces) does not include USAID.

the Lead IG for the operation and works with the State and USAID IGs to issue a joint strategic oversight plan and quarterly and biannual reports, while each IG performs audits and investigations of his or her respective agency's programs and activities in the region.

Under Operation Inherent Resolve, USAID OIG has contributed foremost to the oversight effort through its Office of Investigations, which identified significant fraud in USAID's cross-border aid programs in Syria. OIG found evidence of collusion among vendors, bid-rigging, kickbacks, and product substitution affecting a number of Syria aid programs. As a result, USAID instituted six program suspensions, took suspension or debarment action against 15 individuals and companies involved in the fraud schemes, and realized more than \$11.5 million in savings. OIG also established the Syria Investigative Working Group, a coordinative body that enables information sharing among the other OIGs as well as oversight offices from other countries' foreign aid agencies and agencies delivering aid through United Nations systems.

OIG also has provided periodic fraud awareness briefings and conducted audits of USAID programs under the Office of Foreign Disaster Assistance, Office of Food for Peace, and Office of Transition Initiatives.

- The Ebola outbreak in West Africa prompted an international response that also included multiple U.S. agencies. The U.S. response, designated Operation United Assistance, also relied on programs under the U.S. Department of Health and Human Services (HHS) and involved oversight work by the HHS OIG. While DoD became Lead IG, it delegated reporting and other responsibilities to the USAID IG, which it designated Associate Lead IG. Together, USAID and HHS OIGs took key roles in reporting on the crisis and initiated a number of audits of U.S. programs to address the crisis. The OIGs extended their reporting past the end of the official OCO, issuing the final comprehensive report earlier this year.

Additional USAID OIG audit work in this area is due to be completed in early 2017. These audits focus on procurement practices, program implementation, and overall strategy in responding to international health emergencies. Of particular focus are USAID's awards to implementers that carried out the Ebola response, preparedness for international public health emergencies, and emergency response activities.

In crisis settings, and especially OCOs, USAID programs face higher risks from potential poor planning and monitoring, fraud, and disruption due to outright conflict. To address the increased risks USAID faces in these settings, OIG engagement becomes more intense. It devotes more staff and other resources to undertake audits and investigations, and to support those activities from Washington or regional platforms around the world. In particular, OIG focuses on ensuring the integrity of USAID's procurement processes and financial management activities during an OCO. Congress also amended the IG Act to require more comprehensive and frequent reporting for each operation under the Lead IG framework. In these cases, USAID receives regular and recurring requests from OIG for information on its programs and related funding.

SUPPORTING DOCUMENT: OFFICE OF INSPECTOR GENERAL SIGNIFICANT PUBLIC REPORTS ANTICIPATED IN CY 2017

The Office of Inspector General (OIG) communicates many of its findings, conclusions, and recommendations in publicly-issued written products. Among these, OIG's performance audits identify lapses in program design and planning, underlying causes of a program not achieving its goals, and instances in which inadequate coordination or monitoring have hampered achievement. OIG's public semiannual reports to the Congress (SARC) provide summaries of the office's audit and investigative work and OIG also identifies major management challenges annually.

Anticipated Issuance: January—June 2017

Audit of Selected USAID/OFDA-funded Training of Healthcare Workers in Ebola Affected Countries

- Did USAID train and prepare healthcare workers to prevent the spread of Ebola in West Africa through proper healthcare practices?

Audit of USAID's Awards for the Ebola Response

- Did USAID select suitable types of awards for responding to the Ebola outbreak in West Africa, and did it make and modify the awards appropriately?

Audit of USAID/Afghanistan's Use of the Afghanistan Reconstruction Trust Fund (ARTF)

- Has USAID adopted effective and consistent practices to provide reasonable assurance that activities implemented through the ARTF contribute to USAID's objectives in Afghanistan?

Audit of USAID's Use of U.S. Personal Service Contractors (PSC) in Asia

- Were missions in Asia procuring and using PSCs according to applicable policies and procedures?

Audit of the Power Africa Initiative

- Is Power Africa on track to add 30,000 megawatts of cleaner, efficient electricity generation capacity and expand access to electricity by at least 60 million new households and commercial entities with on-grid, mini-grid, and off-grid solutions?

Audit of USAID's Local Solutions Initiative

- Is USAID's Local Solutions Initiative strengthening local capacity, enhancing and promoting country ownership, and increasing sustainability?
- Is USAID mitigating risks when selecting and vetting local implementers under the initiative?

Audit of USAID/OFDA's Provision of Medical Commodities in Response to the Ebola Outbreak

- Did USAID effectively assess medical commodity needs, including Ebola Treatment Units (ETUs) and Community Care Centers (CCCs), to respond to the Ebola outbreak in West Africa?
- Did USAID provide adequate oversight?

Audit of USAID/Afghanistan's New Development Partnership (NDP)

- Has USAID adopted internal policies and procedures to adequately verify the Government of Afghanistan's achievements under the NDP?
- Has USAID adequately verified those achievements prior to reimbursing the Government for its expenses?

Semiannual Report to the Congress (SARC)

- Presents summaries of reports and investigative results from October 2016 through March 2017.

Anticipated Issuance: July—December 2017

Audit of USAID's Response to the Zika Virus Outbreak in the Western Hemisphere

- What steps has USAID taken to respond to the Zika outbreak?
- Have USAID's Zika activities been designed to provide an efficient and targeted response?
- Has USAID provided sufficient guidance and management to implementing partners and stakeholders in countries with Zika activities?
- What other factors have affected USAID's ability to effectively respond to the Zika outbreak?

Audit of USAID's Preparedness for Responding to International Public Health Emergencies

- How has USAID's response to the Ebola outbreak in West Africa prepared it for future international public health emergencies?
- Has USAID established processes for effectively managing and coordinating responses to international public health emergencies?
- What other factors may influence USAID's response to international public health emergencies?

Audit of USAID's Health Systems Strengthening (HSS) Programs in Selected Missions

- Have selected USAID missions defined and designed HSS programs to address USAID's Vision for Health Strengthening?
- Has USAID's Office of Health Systems provided relevant missions with the necessary resources, direction, and technical assistance?
- Are missions' programs coordinated with other donors and host country government strategies?

Audit of USAID's Financial Statement

- Did USAID's principal financial statements present fairly the assets, liabilities, net position, net costs, changes in net position, and budgetary resources for FYs 2016 and 2015?

Audit of USAID's Funding Decisions and Oversight to Public International Organizations (PIOs) for Humanitarian Assistance Related to Syria

- What risk assessments are conducted before awarding funds to PIOs?
- How are those risks mitigated?
- How does USAID oversee PIO programs and funds?
- What other vulnerabilities exist?

OIG Statement on Top Management Challenges

- Identifies management challenges facing USAID and the Millennium Challenge Corporation

OIG's Semiannual Report to the Congress (SARC)

- Presents summaries of reports and investigative results from October 2016 through March 2017

While OIG does not regularly publish reports on its investigations outside of the SARC, it anticipates continuing to prioritize investigative efforts related to USG humanitarian assistance in the Middle East and work that reinforces integrity in the global supply chain for pharmaceuticals.

STAKEHOLDER GROUP OVERVIEW

U.S. Global Leadership Coalition: The U.S. Global Leadership Coalition (USGLC) is a broad-based network of over 500 businesses and NGOs; national security and foreign policy experts; and business, faith-based, academic, military, and community leaders in all 50 states who support strategic investments to elevate development and diplomacy alongside defense in order to build a better, safer world. The USGLC works to educate and inspire support from the American public and policymakers on the importance of America's civilian-led tools of diplomacy and development.

- USAID regularly interacts with USGLC members and staff through PPL's partner meeting series and most recently at the ACVFA Public Meeting on October 19, 2016 to discuss transition efforts.

The Modernizing Foreign Assistance Network: The Modernizing Foreign Assistance Network (MFAN) is a reform coalition composed of international development and foreign policy practitioners, policy advocates and experts, concerned citizens and private sector organizations. MFAN was created to build upon the bipartisan consensus that has emerged over the last decade that the U.S. should play a leadership role in achieving economic growth and reducing poverty and suffering around the world, and that we can play this role more effectively, efficiently, and transparently.

- PPL regularly participates, along with the Administrator and Associate Administrator, in meetings and events with MFAN that focus on progress made on USAID's reform agenda. MFAN has been a strong supporter of USAID's reform agenda, particularly advocating for and collaborating on our efforts related to transparency, evaluation, and local solutions, and has also been supportive of the Administration's push to restore policy expertise to USAID. In addition, other bureaus, such as Global Health (GH) and the Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA), meet with MFAN to discuss issues around aid effectiveness, learning, and local solutions

Center for Global Development: The Center for Global Development (CGD) promotes changes in policies and practices of donor countries and institutions to reduce global poverty and inequality. As a center for development policy, CGD uses independent, rigorous research to develop new knowledge and practical solutions and then through creative communications engages with policymakers, practitioners, thought leaders, media and citizens to turn ideas into action.

- PPL acts as USAID's central touch point for CGD researchers and analysis and facilitates connections between CGD and other bureaus and issue such as Feed the Future, domestic resource mobilization, and health finance. PPL's Office of Development Cooperation (DC) currently hosts the inaugural CGD Policy Fellow at USAID who joined the office for a 12 month fellowship starting in September 2016. Lastly, PPL/P engaged continually with CGD on the ending extreme poverty agenda, including, for example, co-hosting a public event at CGD on the behavioral economics of extreme poverty, and privately convening a group of CGD experts to review the conceptual framework and other early thinking at the core of what became USAID's Vision for Ending Extreme Poverty.

InterAction: InterAction is an alliance organization of over 180 nongovernmental organizations (NGOs) working around the world. InterAction serves as a convener and thought leader to mobilize its members to think and act collectively

- The Center for Democracy, Human Rights, and Governance (DRG) in DCHA has an on-going dialogue with InterAction's DRG Initiative on the development of the Amplifying Guidance for the selection of acquisition and assistance in the DRG sector. DCHA expects to continue this dialogue to review the final draft of the guidance prior to its publication, and afterwards, as USAID continues to monitor the use of grants, contracts and cooperative agreements in the DRG sector at USAID.
- The Office of Foreign Disaster Assistance (OFDA) in DCHA engages InterAction on operational, policy and technical issues. OFDA funds 80-90% of InterAction's Humanitarian Policy and Practice Group, including specific funding for their leadership on humanitarian policy and system issues, sectoral issues coordinating country issues with their NGO membership, among other things.
- DCHA/DRG supported InterAction and the National Security Council (NSC) in organizing an event on closing civic space in Washington DC, on the margins of the UN General Assembly. The meeting provided an opportunity for the NSC to share information on how USG agencies have responded to President Obama's Stand with Civil Society initiative and for policy makers, civil society activists, academia and others in the development community to talk about what more can be done to support civil society in difficult political environments. InterAction has indicated an interest in continuing to collaborate with DCHA/DRG on the topic of closing civic space, though specific next steps have yet to be identified.
- PPL frequently meets with different leaders and bodies of InterAction on issues of policy development, international cooperation and the program cycle.

BOARDS, COUNCILS, AND COMMITTEES

As of November 2009, USAID has two advisory boards and committees – the **Advisory Committee and Voluntary Foreign Aid (ACVFA)** and the **Board for International Food and Agricultural Development (BIFAD)** – and houses the Executive Secretariat for a third White House advisory council – the **President's Global Development Council (GDC)**. All three advisory groups are governed by the Federal Advisory Committee Act of 1972 (FACA), which emphasizes transparency and public engagement through open meetings and reporting requirements. This paper provides an overview of the three bodies and is supplemented by profiles of each.

BOARD PROFILES

ACVFA is USAID's main general advisory council, providing advice and counsel on a range of development and humanitarian issues to the USAID Administrator since 1946 (see profile on pg. 2).

BIFAD is a presidentially appointed federal advisory committee to USAID established in 1975 under Title XII of the Foreign Assistance Act to advise USAID on agriculture and higher education issues pertinent to food insecurity in developing countries (see profile pg. 4).

The **GDC** is the first-ever Presidential advisory council on development, established in 2013 in response to the Presidential Policy Directive (PPD) on Global Development to inform and provide advice to the President and other senior U.S. officials on U.S. global development policies and practices (see profile pg. X).

AGENCY STRUCTURE

ACVFA, BIFAD and the GDC are each led by a dedicated Executive Director who draws on support from various parts of the Agency for compliance, substantive input and logistical support.

The Agency **Committee Management Officer (CMO)** is responsible for ensuring compliance and providing guidance to all of the Agency's advisory groups on various aspects of the FACA regulation, including charter and membership documentation, annual review and reporting, and meeting determinations. Prior to 2013, the CMO position was unfilled but the Agency's **Designated Agency Ethics Officer (DAEO)** in the Office of the General Counsel provided legal guidance and diffuse support to the function. With the establishment of the GDC in 2013, the Agency was required to establish a dedicated CMO. The position currently resides in the Bureau for Management and the support function is being shifted to this position. The Agency DEO still provides legal and ethical guidance.

Each advisory group is led by a **Designated Federal Officer** (also referred to as **Executive Director**) who manages all aspects of the day-to-day operations of the group and ensures FACA compliance in reporting and meetings. Per their charters, ACVFA and the GDC are both staffed by Executive Directors in the Office of the Administrator. Since the departure of the last full time ACVFA Executive Director in 2013, the President's Global Development Council and ACVFA Executive Directors have been dual-hatted. Whether or not it makes sense to continue to combine these roles will depend on the future of both committees and the extent to which the Administration wants to actively use them. BIFAD is staffed by an Executive Director in the Bureau for Food Security.

Finally, each advisory group draws on support from **relevant bureaus** as necessary. For BIFAD, this is mainly the Bureau for Food Security, which houses and supports BIFAD. ACVFA draws on almost every part of USAID given its Agency-wide mandate and the scope of issues covered. On the substantive side, the ACVFA Executive Director co-leads topical working group and subcommittees together with the relevant bureau or independent office. On the logistical side, the Bureau for Legislative and Public Affairs (LPA) provides support to organize and manage committee meetings. Finally, the Global Development Council Executive Director collaborates with an NSC Council lead and, together, they coordinate input from the interagency, including via PPL for USAID.

ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID (ACVFA)

BASIC INFORMATION

Enabling Statute: Established by Presidential Directive on May 14, 1946 by President Harry S. Truman in a letter to the Secretary of State. Governed by a renewing charter which stipulates most of the details below.

Mission/Purpose

- To serve as a focal point for relations between the U.S. Government and private and voluntary organizations active in the fields of relief, rehabilitation and development overseas;
- To assure that the voluntary sector plays a vital and dynamic role in the formulation and execution of foreign assistance programs.

Scope/Duties

- To consult with, provide information to and advise the USAID, and other U.S. Government agencies, as appropriate, on matters and issues needing attention across a wide spectrum of development issues related to foreign assistance in which the U.S. Government and private and voluntary organizations interact.
- To provide information and counsel to the community of private and voluntary organizations working abroad in relief, rehabilitation, and development on issues of concern regarding their relations with USAID and other U.S. Government agencies.
- To foster public interest in the field of voluntary foreign aid and the activities of private and voluntary organizations.

Meetings: Per its charter, ACVFA is expected to hold two public meetings annually. However, over the course of the last decade, they have usually held three public meetings a year. Current practice is to aim for quarterly business and public meetings in an effort to demonstrate a commitment to greater engagement.

Duration/Termination: ACVFA serves indefinitely, on a continuing basis, subject to biennial renewal as required under the Federal Advisory Committee Act of 19712. The current charter terminates January 10, 2017 and will require renewal prior to that date.

Reports/Recommendations: Over the last seven years, ACVFA has produced roughly seven reports and sets of recommendations on topics ranging from Monitoring and Evaluation, Local Capacity Building, Feed the Future Collaboration with Civil Society, Awards Cost Efficiency and Ending Preventable Child and Maternal Deaths. All reports and meeting transcripts dating back to 2001 can be found on the ACVFA website (see bibliography – add links).

COMPOSITION

Requirements: According to its charter, the Advisory Committee is comprised of no fewer than fifteen and no more than thirty members appointed by the Administrator as representatives of a balanced cross section of non-governmental entities including private and voluntary organizations, cooperatives, foundations, private firms, professional societies, universities and other sources as he/she sees fit. Members serve in a representative, not an individual, capacity and therefore are not subject to the conflict of interest statutes. They serve two year terms and may be renewed for up to a maximum of three terms. ACVFA members are almost always the CEOs and/or Presidents of their organizations with rare exceptions, providing senior level input and engagement with the Administrator.

Leadership: The ACVFA Chair is designated by the Administrator. A Vice-Chair may also be designated by the Administrator if desired. The current Chair is Jack Leslie who is serving his third and final term.

Membership: As of November 2009, 24 out of 30 possible slots are filled. Of those, nine are serving their third and final term which will expire in March 2018. Three are serving a second term that will end in January 2017. The remaining 12 are on their first term expiring in May 2018. Current members represent a diverse group with over half coming from non-profits and the remainder from foundations, for-profits, academia and the private sector.

Subcommittees: ACVFA or the USAID Administrator may appoint subcommittees or working groups as necessary. Towards the end of the Bush Administration, the Agency began to establish formalized structured working groups to develop working papers on specific issues for submission to the full Committee and the Administrator. ACVFA members shared that this was a better way to share advice than simply meeting with the Administrator. This practice has been continued throughout the Obama Administration and has by and large proven to be an effective way to focus member expertise on particular topical areas. Recent working groups have included a Global Development Lab Advisory Group, Ending Preventable Child and Maternal Death Panel, and working groups on Feed the Future and USAID Forward and Location Solutions. All subcommittees have completed their work and disbanded as of November 2016.

SUPPORT

Reporting: Per its charter, the Committee reports to the USAID Administrator and is supported by staff in the Office of the Administrator.

Staffing: The Committee is managed by the ACVFA Executive Director who serves as the Designated Federal Officer (DFO) of the Committee and is responsible for all aspects of the committee's and subcommittees' meetings. Per its charter and historically, the committee has required 1.5 staff persons, though it is currently supported by one dual-hatted person. The current Executive Director position is an AD (Administratively Determined) position.

From the mid-1970s through the 1992, ACVFA was backstopped out of the DCHA bureau, which at the time was the predominate interface for PVOs in the Agency, in line with ACVFA's original narrower focus. During the transition from Bush to Clinton, a USAID/InterAction Task Force made a set of recommendations, among which was to elevate ACVFA to a Secretariat in the Office of the Administrator. This move was a reflection of the broader shift in USAID and partner relations – from limited scope in one bureau, to whole of Agency interactions; from implementers to equal partners; and from a narrow PVO community to a broader and more diverse stakeholder community. The Committee has remained in the Office of the Administrator to ensure higher visibility, closer interaction with the Administrator, and a more representative advisory role to the Agency as a whole.

Resources: Committee members are entitled to reimbursement for expenses incurred in the performance of their duties, including travel costs. In addition to costs associated with member travel, costs include meeting costs (venue, AV, etc.) and the costs required for staff support. The annual operating costs in dollars and persons years is \$250,000.

BOARD FOR INTERNATIONAL FOOD AND AGRICULTURAL DEVELOPMENT (BIFAD)

BASIC INFORMATION

Enabling Statute: Authorized in 1975 under Title XII – Famine Prevention and Freedom from Hunger (P.L. 94-161) – of the Foreign Assistance Act of 1961, as amended. Specifically, Sec.298 of the Act instructs the President to establish a permanent Board for International Food and Agricultural Development.

Mission/Purpose: The Board's mission is to assist the U.S. Agency for International Development in the administration of programs authorized by Section 297 of Title XII of the Foreign Assistance Act of 1961, as amended (Public Law 87-195). Its general areas of responsibilities include participating in the planning, development, and implementation of, initiating recommendations for, and monitoring Title XII activities as described in Section 297.

Scope/Duties

The Board's duties include but are not limited to:

- Participating in the formulation of basic policy, procedures , and criteria for proposed project review, selection, and monitoring;
- Recommending which developing nations could benefit from programs carried out under Title XII, and identifying those nations which have an interest in establishing or developing agricultural institutions ;
- Assessing the impact of programs carried out under Title XII in solving agricultural problems and natural resource issues in developing nations;
- Developing information exchanges and consulting regularly with NGOs, consumer groups, agribusinesses and associations, agricultural cooperatives and commodity groups, state departments of agriculture, state agricultural research and extension agencies, and academic institutions;
- Investigating and resolving issues concerning the implementation of Title XII as requested by universities (and universities may also choose to consult with APLU or directly with USAID for this purpose);
- Advising the Administrator on any and all issues as requested.

Note that the charter does not specifically list all BIFAD duties that are enumerated in the Title XII legislation and excludes Title XII-legislated duties that pertain to preaward review, as these are procurement sensitive.

Meetings: The Board estimates meeting in public session at least two times per year (1st and 3rd quarters of the fiscal year). The Board may meet in executive session for planning sessions to discuss Title XII program activities and issues during the year. In FY2016, the Board held three public sessions.

Duration/Termination: The Board is authorized by statute as a permanent Board and hence, is continuing in its duration. Section 298 of Title XII provides for a permanent Board. The current charter terminates in February 2017 and will require renewal prior to that date.

Reports/Recommendations: Per BIFAD's authorizing legislation, the President transmits an annual report to Congress by September 1 each year detailing pertinent activities carried out during the preceding fiscal year and a projection of programs and activities for next five fiscal years. This report

contains a summary of BIFAD's activities and may include the separate views of the Board with respect to any aspect of the programs under this title.

Other BIFAD work products during the current Administration (eight in total) have included reports on Title XII, the role of higher education in international agricultural development, rebuilding food security and agroindustries in Haiti, minority-serving institutions, the Collaborative Research Support Program (CRSP) model, human and institutional capacity development, HICD studies and consultations, and a report on BIFAD's site visits in Tanzania. All reports can be found on the BIFAD web site (see bibliography, add link).

COMPOSITION

Requirements: As specified by the Title XII legislation, BIFAD is composed of seven members; not fewer than four of which are to be from universities. "Universities" are defined as state colleges and universities that are receiving benefits and known as land-grants (1862s, 1890s & 1994s), sea-grants and other colleges and universities that have demonstrable capacity in teaching, research, and extension in the agricultural sciences.

Membership: The Board consists of seven members appointed by the President, no less than four of which are to be from the universities as defined above. The Board Chairperson is also presidentially appointed. Members selected from the universities serve in a representative, not an individual, capacity. Terms are established by the President at the time of appointment. As of November 2009, all seven membership positions are filled with four from universities and the remaining three from agricultural non-profits and the private sector.

SUPPORT

Reporting: The Board reports to the USAID Administrator.

Staffing: A senior member of the Bureau for Food Security (BFS) serves full time as Executive Director of BIFAD (BFS/HICD-BIFAD) and is also the Designated Federal Officer. The Board is managed by the BIFAD Executive Director who serves as the Designated Federal Officer (DFO) of the Board and is responsible for all aspects of the committee's meetings. Per its charter and historically, the committee has required 2.5 FTEs, including a full-time GS civil servant position.

In 2011, the Administration of BIFAD was housed in The Office of Development Partners, an adjunct to the Office of the Administrator of the U.S. Agency for International Development. In 2012, the administration was moved to the Bureau for Food Security to be closer to implementation of the Feed the Future Initiative.

Resources: Board members are entitled to reimbursement for expenses incurred in the performance of their duties; including travel costs and per diem in lieu of subsistence while away from their regular place of business. The estimated annual operating and administrative support cost (subject to the availability of funds pending Congressional budget approval) for BIFAD is approximately \$733,000, which currently includes 2.5 FTEs and program support for meetings and studies conducted by the board by an external grantee.

PRESIDENT'S GLOBAL DEVELOPMENT COUNCIL (GDC)

BASIC INFORMATION

Enabling Statute: Established by Executive Order 13600 (Establishing the President's Global Development Council) in February 2012 and continued for an additional two years in September 2013 (EO 13652) and again in September 2015 (EO 13708). Governed by a renewing charter which stipulates most of the details below.

Mission/Purpose: To advise and support the President, through the National Security Staff and National Economic Council staff, in furtherance of the policy set forth in the Executive Order establishing the GDC and the President's Policy Directive on Global Development.

Scope/Duties

- To inform the policy and practice of U.S. global development policy and programs by providing advice to the President and other senior officials;
- To support new and existing public-private partnerships; and to
- Increase awareness and action in support of development by soliciting public input on current and emerging issues.

Meetings: Per its charter, the GDC is expected to hold two public meetings annually. They held one public meeting in 2014, two in 2015 and one in 2016.

Duration/Termination: Per its charter, the need for the advisory council is continuing, however the charter and the Executive Order are both subject to renewal every two years. The current charter is slated for renewal in February 2017 and the Executive Order in September 2018.

Reports/Recommendations: Since 2013, the GDC has produced five reports on a range of cross-cutting issues, including a capstone report detailing the status of all of their prior recommendations along with recommendations for the next Administration. All of these recommendations and meeting transcripts can be found on the GDC's website (see bibliography, insert link).

COMPOSITION

Requirements: The Council is composed of no more than 12 public members appointed by the President and representing a variety of sectors, including academia, non-profit, philanthropy, civil society and the private sector. To help facilitate close collaboration with the U.S. government, the heads of departments and agencies involved in global development are also included as ex-officio, non-voting members, namely the Secretaries of State, Treasury and Defense, USAID Administrator, MCC CEO, USTR, and OPIC CEO.

Leadership: The GDC Chair, and Vice-Chair if desired, is designated by the President through the National Security Staff. The current Chair is Mohamed El-Erian and the Vice-Chair is James Manyika, both of whom are serving their second terms.

Membership: As of November 2009, 11 out of 12 possible slots are filled. All are on their second term and serving on a continuing basis at the pleasure of the President (check). Current members represent a diverse group of non-profits (X%), foundations (%), for-profits, academia and private sector.

SUPPORT

Reporting: The Council reports to the President through the National Security Staff and the National Economic Council.

Staffing: Per its charter, support to the Council is provided by an Executive Director in the Office of the Administrator at USAID. The Executive Director position is an AD (Administratively Determined) position. The Executive Director works closely with a designated staff person on the National Security Staff who provides guidance on behalf of the White House.

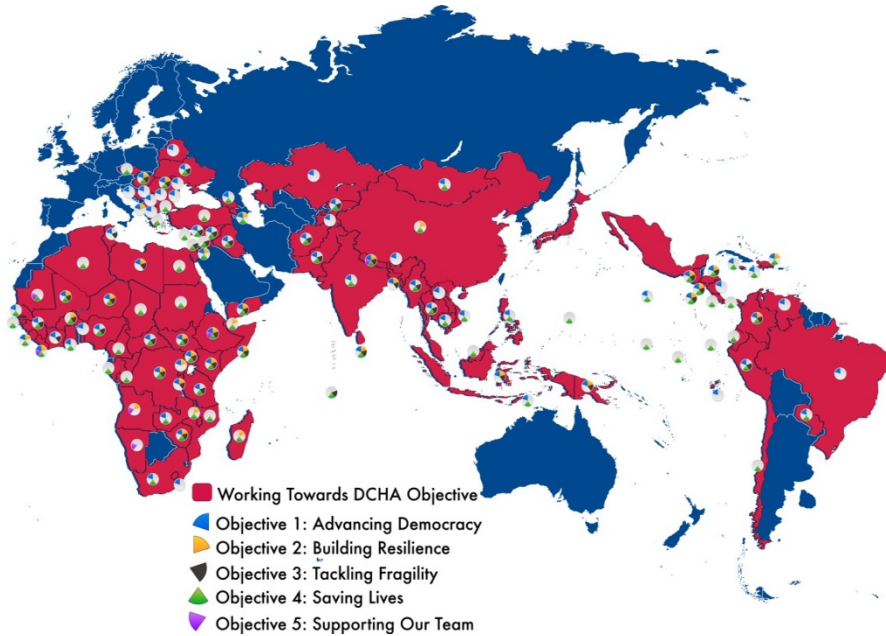
Resources: Resources covered by USAID for the Council include costs associated with hosting business and public meetings, including travel and accommodation for members, venue and event costs; and the costs required for staff support. The annual operating costs in dollars and persons years is approximately \$250,000. With one exception, current members did not ask for their travel costs to be covered despite it being available. However, this option was kept as part of the charter to ensure that members who were not able to self-fund their involvement in the Council were not precluded from consideration.

PRESENCE

BUREAU PROFILE: BUREAU FOR DEMOCRACY, CONFLICT AND HUMANITARIAN ASSISTANCE

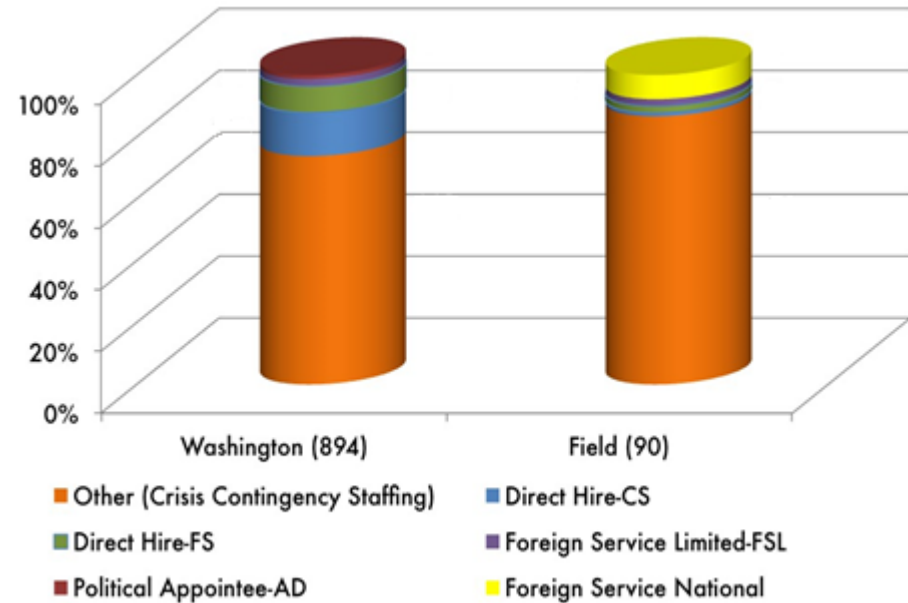
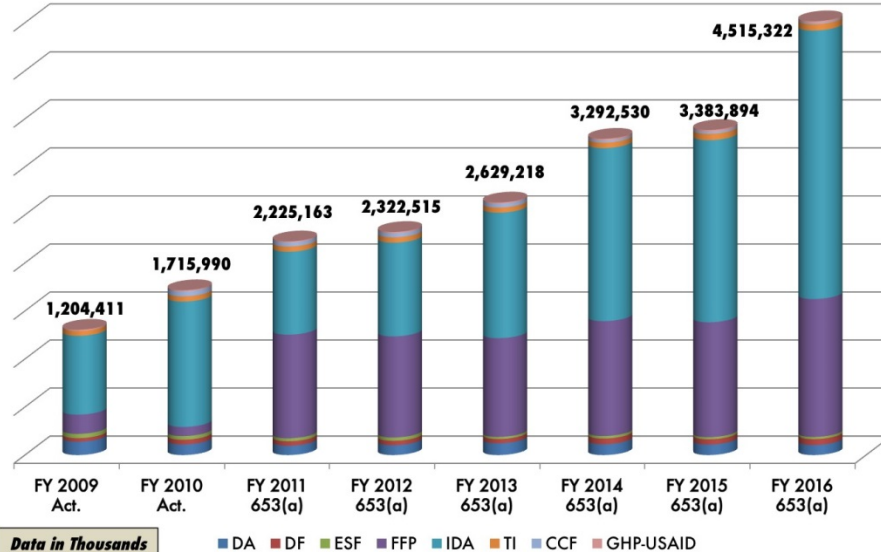
STAFFING

Fill Rate = 90%

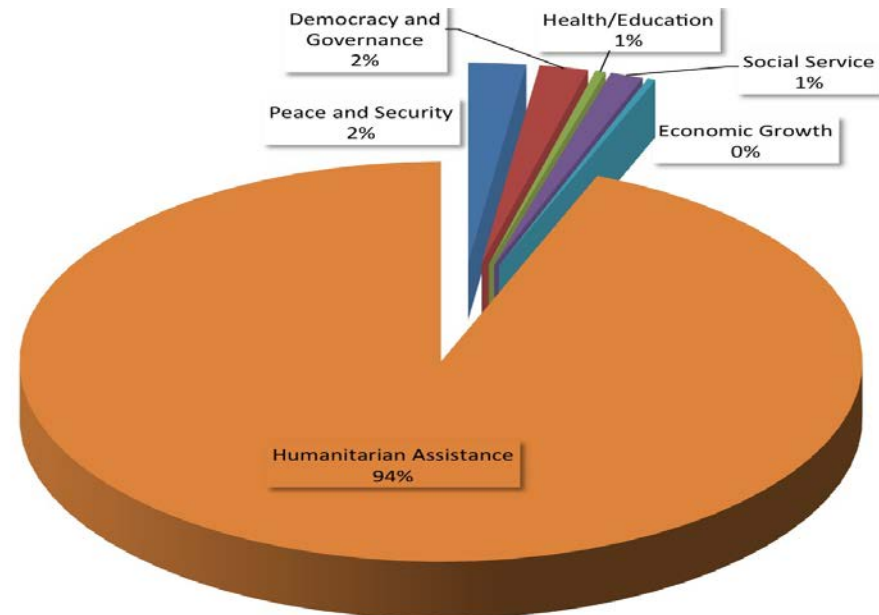


BUDGET: FY 2009 – FY 2017

Percent Change Fiscal Year 2009 to Fiscal Year 2016: 375 percent



BUDGET: FY 2015 BY SECTOR



BUREAU BRIEF: BUREAU FOR DEMOCRACY, CONFLICT, AND HUMANITARIAN ASSISTANCE

INTRODUCTION

The DCHA Bureau is at the forefront of U.S. efforts to prevent, mitigate, and respond to complex crises and humanitarian disasters with nearly 1,000 staff and more than 20 percent of the USAID budget. Its role and global presence have expanded significantly given the scale and duration of conflicts in Syria, Iraq, South Sudan, and Yemen, the first ever Ebola epidemic, and a spate of natural disasters (including most recently Hurricane Matthew in Haiti and the 2015 Nepal earthquake). DCHA also plays a major role in interagency policy deliberations and implementation. In addition, DCHA houses significant components of USAID's tools for prevention, the management of transitions, resilience, and democracy and governance.

DCHA is the Agency's focal point for coordination with the Department of Defense (DoD) and civilian-military activities through the [Office of Civilian-Military Coordination \(CMC\)](#). This office is driving a more cohesive cross-Agency approach to engagement with DoD, which today directly consults USAID for strategic and technical guidance before conducting development-like activities, including in Syria, Armenia and Bangladesh.

LOOKING BACK

An increased number of complex crises of long duration have generated demand for USAID's capabilities and expertise, and in particular for the Disaster Assistance Response Teams (DARTs) that spearhead U.S. humanitarian operations. While USAID continues to bring unique capabilities and U.S. leadership across multiple crises, the scale and scope of the demand has placed significant pressure on USAID's capacity, structures, [staffing, and budget](#).

Over the past two decades, demand for USAID's disaster response capacities for both rapid onset and protracted complex emergencies has grown exponentially. Since August 2013, DCHA has deployed up to five simultaneous DARTs in the longest and largest sustained surge of staffing in the Agency's history (in early November, DCHA will have six DART teams deployed for a short period as Nigeria's DART team ramps up and the Ethiopia DART begins to close). DCHA's ability to meet these demands is under increasing strain given that, while DCHA's Humanitarian Assistance budget has increased 57 percent since 2010, direct hire staffing numbers have not increased. Further, the flexibility and levels of resources do not sufficiently reflect needs nor trends. In particular, the demand for USAID engagement through DCHA's Complex Crises Fund and Office of Transition Initiatives is increasing; as are the requests from missions and other agencies to increase our investments in democracy and governance.

In FY 2016, Congress created a \$2.3 billion democracy and governance earmark on the Department of State and USAID in a demonstration of support for the sector. Despite this earmark, the Agency was unable to reverse the downward trend in democracy and governance funding in some key regions due to countervailing restrictions and directives on spending.

LOOKING FORWARD

One of our major challenges going forward is also an opportunity – to maximize the use, reach and effectiveness of proven analytical, program and operational capabilities. DCHA's Office of Transition Initiatives (OTI), for example, delivers tangible support during critical periods of socio-political transitions with sufficient impact to generate demand from missions, embassies, and the interagency that is only constrained by budget.

We can better operationalize our approach to [fragility](#). Two thirds of USAID missions are in fragile or conflict-affected states. While Agency leadership and the interagency value the analytical products generated by USAID, the analysis is not sufficiently integrated into decision making or project design. [Countering violent extremism \(CVE\)](#) is an expanding area of work. USAID is a leader in CVE analysis and programming. In 2011, USAID issued its first in-depth study of the drivers of violent extremism and established a formal agency policy. In 2014, as U.S. Government interest in CVE heightened, USAID developed a joint CVE strategy and draft implementation plan with State, and participates in regular interagency meetings at the staff and executive levels. A critical challenge is to protect the Agency's mission and personnel by delivering development analyses and programs that can counter extremism without crossing the line into what might be considered counter-terrorism.

USAID has made progress in recent years to generate rigorous evidence to inform [Democracy, Rights and Governance \(DRG\)](#) approaches, including through randomized control trials and other high-quality evaluations, but gaps persist in evidence and much work remains to be done. The way to position the Agency to lead in this area, yield better and broader impact on the ground, better justify budget requests, and forestall the need for Congressional directives, is to double down on rigorous analytics and on more quickly moving people and resources to problem areas. This can be done through more evaluation support to USAID missions, and prioritizing learning and research efforts in partnerships with U.S. academic institutions and more comprehensive and systematic research efforts worldwide.

The Agency should do more to rationalize a confusing array of terms and coordinating efforts around fragility, countering violent extremism, non-permissive environments, transitions and other DCHA areas of expertise. In particular, fragility in both analytical and programmatic terms, could be a more valuable frame used within the interagency and USAID. It may also be worth considering an internal USAID coordinating body that brings together fragility and these other issues in a more coherent fashion so that USAID's analytical tools are neither siloed nor underutilized.

[Resources](#) will continue to pose a challenge and two issues will be critical in budget deliberations. First, the "Overseas Contingency Operations" (OCO) account, created in 2011, is not subject to Congressional budgetary limits and has become a key source of funding for DCHA activities. OCO was designed to replace ad hoc supplementals, as OCO-designated funds do not count towards discretionary budget allocations, or towards sequestration-imposed budget caps. In FY 2016, OCO made up 68 percent of humanitarian and transition assistance funding, excluding in-kind food assistance. If future budget requests do not include OCO or Congress stops appropriating OCO, without reverting to full funding for Humanitarian Assistance and transition accounts under regular budget procedures, USAID's crisis-related funding will be jeopardized overnight. Second, in 2010, a key provision under the National Defense Authorization Act expired, limiting DoD's authority to transfer funds to other U.S. Government agencies in support of CVE, stabilization, and transition activities. In 2016, USAID and DoD held high-level discussions exploring this issue and in particular the transfer of DoD resources to USAID. In tandem with other agencies and OMB, this option is worth review, including because it could further deepen civilian-military cooperation and impact.

SUPPORTING DOCUMENT: BUREAU FOR DEMOCRACY, CONFLICT AND HUMANITARIAN ASSISTANCE BUDGET AND STAFF REFORM

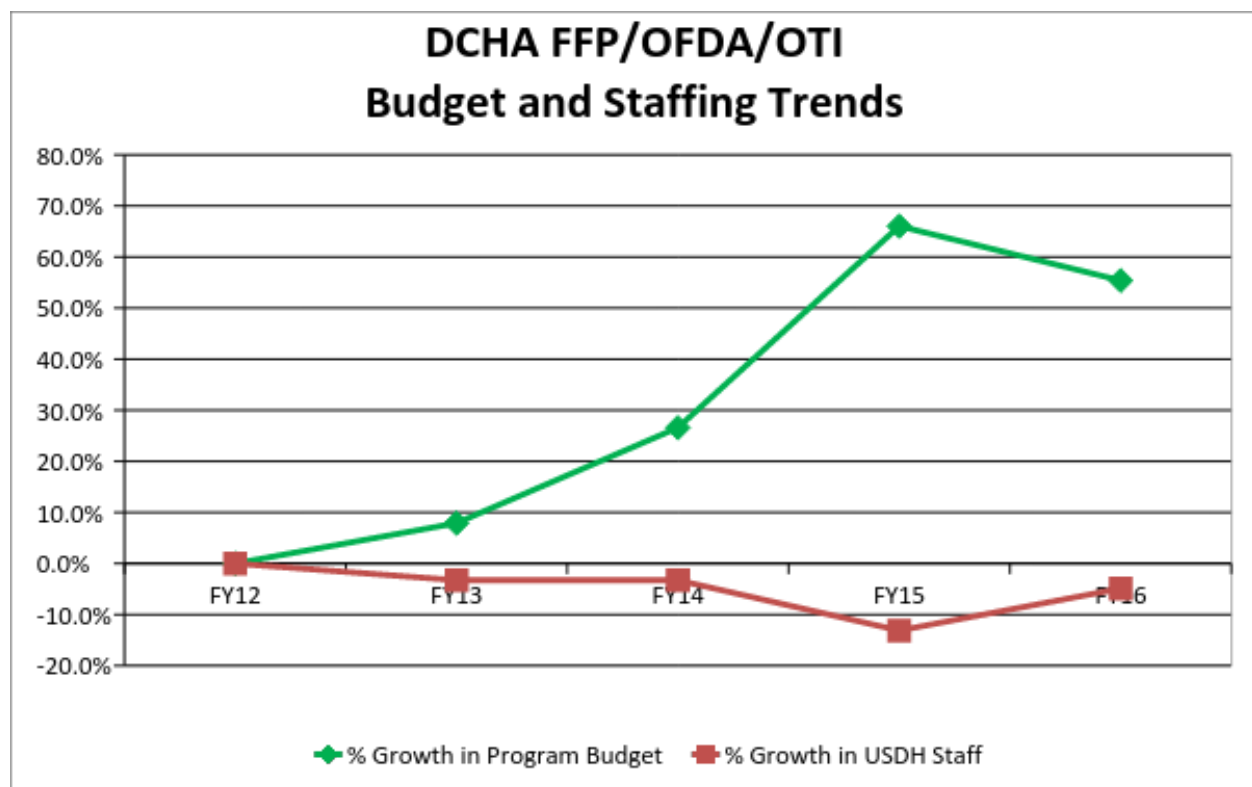
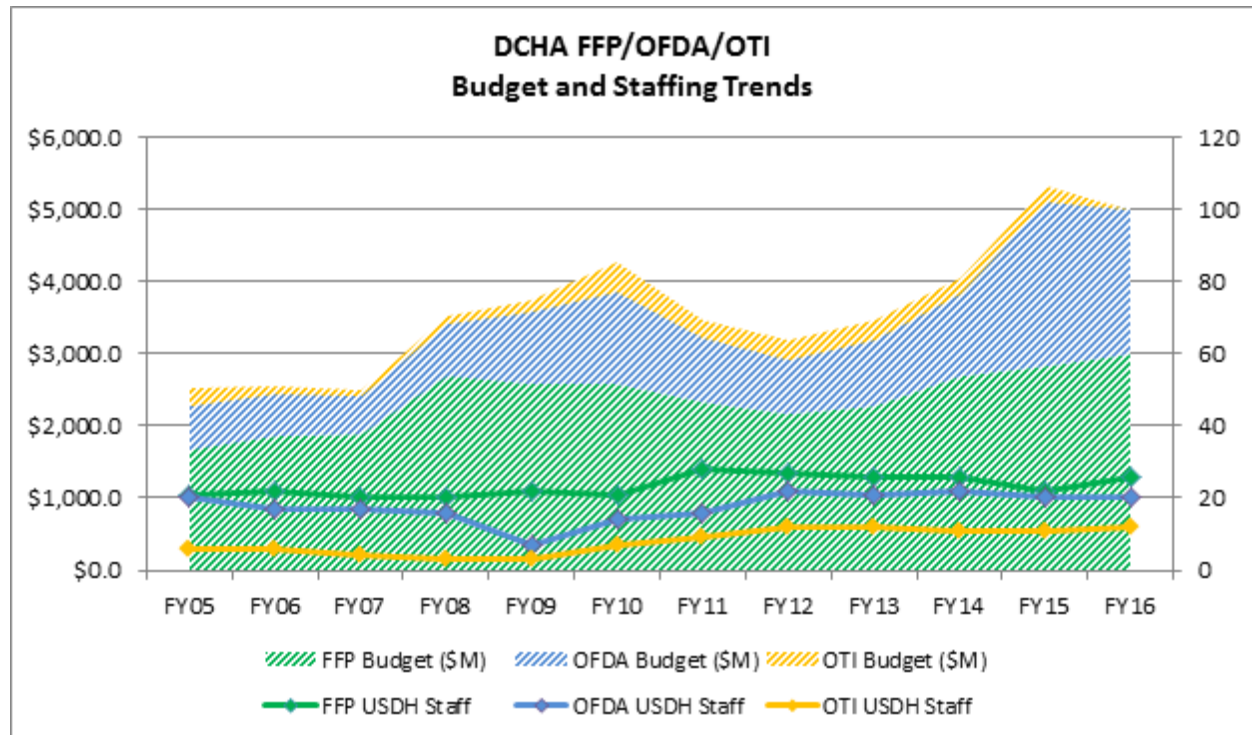
The Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA) faces a serious operational crisis as it aims to sustain multiple, concurrent, large-scale responses while also managing a growing humanitarian assistance budget (more than doubling in the last decade, and constituting 22 percent of the Agency's total resources in FY 2016) with little or no increase in official staffing levels. Failure to address this staffing crisis obstructs the Agency's ability to deliver life-saving humanitarian assistance and to support political transitions on behalf of the American people.

Discussion: DCHA's operational offices—Food for Peace (FFP), the Office of Transition Initiatives (OTI), and the Office of U.S. Foreign Disaster Assistance (OFDA)—require the ability to quickly hire and retain the right number and caliber of staff and to flexibly move staff in response to disasters and crises. However, the available hiring mechanisms have a number of drawbacks.

- The US Personal Services Contract (USPSC), DCHA's most heavily used staffing mechanism, is onerous to implement, requiring on average six months or more to hire. Its benefits package is not competitive, offering significantly less than what is provided to direct hires or what is available in the non-governmental job market. This gap prevents DCHA from recruiting and retaining top talent, leaving many critical and highly visible positions unfilled for long periods of time.
- The Foreign Service Limited (FSL) mechanism, provided by Congress to address unique DCHA staffing needs, allows for immediate appointments of staff and provides a competitive benefits package equivalent to direct hires. However, recent policy decisions have resulted in a more cautious and constrained Agency application of this authority. Institutional Support Contracts (ISCs) provide DCHA with critical services in support of its response mandate. However, legally, there are limitations on the use of ISCs. Specifically, institutional support contractor staff cannot perform inherently governmental functions, which limits their utility in solving this staffing crisis.

The current PSC and FSL staffing mechanisms need to be fixed to address impediments to their effectiveness, or a new DCHA mechanism/authority be created. DCHA believes the former would be the fastest and simplest solution. Otherwise, DCHA recommends seeking a new Congressional authority very similar to FSLs that could be managed internally by DCHA.

In addition, DCHA seeks to increase its direct-hire staffing in order to strengthen the base of its career Civil Service (CS) and Foreign Service (FS) staff both in Washington and in the field. To achieve this, DCHA requires additional CS slots be assigned to these offices and allocate OE budgeting commensurate with program budget responsibilities. In addition, DCHA seeks implementation of the FS flexibilities previously negotiated and agreed to with HCTM which would allow increased use of FS positions overseas. Combined, these recommendations would allow DCHA to considerably augment its direct-hire staffing levels, which have remained stagnant for over a decade despite significant increases in program budgets and fiduciary oversight responsibilities.



SUPPORTING DOCUMENT: BUREAU FOR DEMOCRACY, CONFLICT AND HUMANITARIAN ASSISTANCE COUNTERING VIOLENT EXTREMISM

USAID has extensive experience in Countering Violent Extremism (CVE) programming, and much to contribute in the CVE policy arena, but is constrained by limited leadership, staffing, and funding. Recommendations include establishing official CVE leadership through a CVE Secretariat and a new DAA-level CVE Committee; dedicating additional technical and regional personnel; and securing additional resources.

Violent extremism has a direct and deleterious effect on development. It undermines efforts to prevent and resolve conflicts, foster sustainable development, protect human rights, promote the rule of law and expand prosperity. For more than a decade, USAID has engaged in analytic and programmatic efforts to prevent and counter violent extremism. Key milestones include the Agency's own 2011 policy, *The Development Response to Violent Extremism and Insurgency*; the 2015 White House Summit on Countering Violent Extremism; the 2015 *Quadrennial Diplomacy and Development Review* (QDDR); and the 2016 *Department of State-USAID Joint Strategy on Countering Violent Extremism*. Each of these documents reinforced the vital role that development plays in preventing and countering violent extremism. They also proposed new mechanisms for the Department of State and USAID to focus and guide CVE efforts, including a Senior Coordinator and CVE Secretariat to be housed in the Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA). In October 2015, the Department of State operationalized the guidance by expanding its Counterterrorism Bureau to include CVE, including a Deputy Assistant Secretary with new offices and staff, and by seeking new funding streams, notably the Counterterrorism Partnerships Fund (CTPF). USAID has been slower to mobilize. The result has been missed funding and programming opportunities, with State Department filling the gap with programming directed out of Washington with little coordination in the field. Furthermore, it has diminished our ability to advocate for USAID interests, which is compounded by *ad hoc* staffing approaches in Washington.

However, USAID has ongoing CVE-related programs in Africa, the Middle East, Asia, Europe, and Eurasia, and has established itself as a leader in CVE analysis and programming within the U.S. Government and internationally. Both unilaterally and in partnership with others, including the Departments of State and Defense, USAID initiates assessments, programs and evaluations designed to identify, prevent and mitigate the factors driving violent extremism. USAID excels at identifying the factors that push or pull individuals and groups toward ideologically-driven violence and adapting development tools to address them. USAID has also led in the creation of a "Community of Practice" of other leading donor institutions, including the World Bank, the UK, European Union, Norway, Australia, among others, to coordinate policy and programs. What USAID lacks, however, is the ability to meet rapidly expanding demand from the field, to ensure sufficient program funding availability, and to manage the demand for USAID participation in multiplying interagency processes.

The Agency has extensive experience in CVE programming over the past decade, but the inability to establish a Secretariat and to increase its technical staff has allowed others in the inter-agency to take on what has been USAID's role in the field. To remedy this situation, the Agency should : (1) Establish and fund the Senior CVE Coordinator and five Secretariat staff positions; (2) Secure increased flexible funding resources for development programs; (3) and increase the number of personnel devoted to CVE on a full time basis in Missions and Regional Bureaus.

SUPPORTING DOCUMENT: BUREAU FOR DEMOCRACY, CONFLICT AND HUMANITARIAN ASSISTANCE COMPREHENSIVE APPROACH TO FRAGILITY

Over 70 percent of USAID's programs are implemented in fragile or conflict-vulnerable countries. USAID defines fragility as state-society dysfunction whereby a government's policies and programs fail to achieve outcomes viewed by citizens as legitimate and effective. As such, the failure to appropriately and systematically consider fragile contexts in our development strategies and activities can: 1) produce serious deficiencies in a country's security, political, economic, and social sectors; 2) increase the risk of violence and conflict; and 3) obstruct progress across all the Sustainable Development Goals-17 global goals endorsed by 193 countries at the UN General Assembly in 2015. Roughly 80 percent of current humanitarian assistance is aiding people affected by violence and conflict, with the vast majority of this aid spent on protracted crises. Although USAID has operated under a ten year old Fragile States Strategy and Conflict Policy, **efforts to operationalize fragility in the Agency's "DNA" are relatively new and will require an updated strategy on fragility, conflict and violence, new tools to aid programming, and greater human and financial resources to succeed.**

Discussion: USAID has played a major role in setting the agenda on fragility. For the past five years, USAID led international discussions on elevating peacebuilding and statebuilding, both essential to addressing fragility. This leadership has included the establishment of an international partnership for "The New Deal for Engagement with Fragile States" (and its principles of political inclusion, security, justice, jobs, and domestic resource mobilization), and pressing for mutual accountability on New Deal commitments among donors, governments, and civil society. In December 2015, USAID led the drafting of the National Security Council's terms of reference for a new inter-agency Fragile States Task Force, and we continue to elevate the underlying drivers of fragility in country-based policy discussions at the NSC. In January 2016, the Administrator's Leadership Council adopted a new corporate goal that seeks to strengthen USAID's capacity to reduce fragility, and prevent and respond to crises and disasters. Subsequently, a Fragility Working Group was established and every regional bureau has committed to specific actions to address fragility and conflict within country assessments, strategic plans or portfolio reviews, and to collect lessons learned about addressing fragility across programs. A major challenge for implementing the Agency goal is that funding for democracy, human rights and governance and peacebuilding programs is typically dwarfed by other sectoral allocations and that agency processes do not flexibly adapt to fragile contexts.

Currently, USAID staffing and resources require greater flexibility and level of resources for response to fragile states while needing parallel changes in design and procurement processes to aid innovation and rapid response. A more effective operational posture will require a new strategic approach for USAID engagement in countries impacted by fragility, conflict and violence—including the design of a new Fragility Assessment and better integration of New Deal principles (drawing upon the expertise of self-identified fragile states). Greater DA, CCF, TI, OE, and ESF funds are absolutely necessary in order to ensure that we have the resources to respond and adapt to emerging needs and that the many facets of fragility are addressed simultaneously. We must ensure that staff posted to fragile and conflict states are provided better support in: Staff Care; technical training; surge support; interagency collaboration; and performance evaluation that rewards creativity, innovation and risk-taking. While implementing the Agency's "HR Transformation" initiative, USAID must further reform its hiring practices to allow more flexibility and attract talent.

SUPPORTING DOCUMENT: BUREAU FOR DEMOCRACY, CONFLICT AND HUMANITARIAN ASSISTANCE PROMOTING DEMOCRACY, HUMAN RIGHTS, AND GOVERNANCE

Assistance for democracy, human rights and governance (DRG) not only supports fundamental U.S. values, it also advances our core national interests in global security and prosperity. For decades, USAID has managed and implemented DRG projects as a key part of our development strategy. USAID has successfully phased out DRG programs in dozens of countries that are now consolidated democracies, but new challenges have emerged, including the following:

Closing Political Space. USAID has been instrumental in the design and implementation of innovative programs and policy responses to this trend of closing political space. However, in 2016, Freedom House reported the 10th consecutive year of global decline in civil liberties and political rights, with backsliding in 72 countries. Authoritarian governments share strategies and tools to stifle independent voices, and have grown adept at using communications technologies to monitor and censor their citizens. Because NGOs make so many contributions to poverty reduction and environmental protection, losing political space is not just a DRG problem; it undermines our investments in all development sectors.

Disillusionment with Democracy. The evidence is clear that over time democracies out-perform autocracies on a broad range of development indicators, so promoting country strategies that integrate DRG into all development sectors is important to achieving sustainable and equitable development outcomes. However, the long-term evidence faces challenges as citizens look for immediate results. Diminished citizen confidence in democratic institutions and processes makes existing democracies more vulnerable to backsliding and degradation, and public hostility or cynicism toward democracy complicates efforts to open up authoritarian and hybrid regimes. In countries that have experienced political transitions, the persistence of corruption, rising income inequality and failed democratic reforms enable populist and authoritarian leaders to exploit frustrations and reverse democratic gains.

Violent Extremism. DRG tools are employed for countering insurgencies in Iraq and Afghanistan and countering violent extremism (VE) in Africa, the Middle East and Asia because violent extremism poses security challenges, hampers our ability to operate on the ground, fuels intolerance, and provides justifications for governments to impose undue restrictions on basic freedoms. While adapting to operating in a changing security environment, USAID's distinct role is employing development programming to address VE drivers and designing more strategic interventions at early stages to help build community resilience to VE threats and reduce the need for security responses, but there is a need to learn which DRG tools are most effective in which environments.

Digital Revolution. Despite, or perhaps because of, the success of the digital revolution, Internet freedom globally is under assault by governments and non-state actors. Authoritarian governments are using the Internet as a tool of political control and are sharing their best practices to repress political freedoms with new laws, technologies and tactics. These actions undermine democratic development, and pose grave security risks to our partners and the communities we support. Internet freedom is not only a human right but also increasingly a core development issue. As use of the Internet continues to grow, new technologies will continue to pose opportunities and challenges for how we work in the DRG sector. USAID needs more tools and expertise to maximize the benefits of the digital revolution in development while protecting our partners and beneficiaries.

LOOKING AHEAD

USAID can address these challenges in the following ways:

Delivering Successful DRG Programs amidst Challenges. The USG is facing direct challenges to our ability to successfully implement DRG assistance, and the lack of democratic governance is linked to other trends that undermine sustainable development and U.S. national security, such as violent extremism and hyper-nationalism. Ensuring that the USG's DRG assistance adapts to and overcomes these challenges will benefit from robust policy and programmatic leadership from USAID.

Making Aid More Sustainable by Integrating DRG. Evidence shows that aid programs that integrate core DRG principles of participation, inclusion, accountability and transparency are more effective than programs that rely solely on the building of technical capacity. Sustainable improvements in food security, health, education, economic growth and other sectors must consider political-economic factors; address corruption; and make improvements in rule of law, policy formulation, public financial management and citizen oversight. Improving our ability to integrate DRG principles and approaches across USAID's entire development portfolio will be essential to ensuring sustainable development.

Building the Evidence Base for DRG. USAID launched a bold new learning initiative that has set new standards for evaluation of DRG programs among donors and partners, and begun to establish an evidence base of program impact to inform future DRG programming. This initiative has pioneered the use of randomized control trials within our Missions' DRG programs; supported independent academic research; and transformed the way USAID, our partners and other donors set expectations for evaluating DRG assistance. As a result, our Center on Democracy, Human Rights and Excellence has been recognized by leading external experts for vision and leadership in the advancement of DRG programming. Yet much more needs to be done before sufficient evidence is gathered to draw truly generalizable conclusions.

Maintaining USAID's International Leadership Role in DRG Assistance. USAID implements a portion of the USG's \$2.3 billion annual DRG budget, and has unique capabilities through its strategic planning, project design, and monitoring and evaluation; on-the-ground program management by hundreds of DRG field officers; expertise in the full range of DRG sub-sectors; and the ability to leverage results by linking DRG programs with other development sectors. USAID is the largest donor in the DRG sphere, and one of the few to address the toughest DRG challenges in difficult country contexts. Donors, policy-makers, academics, human rights activists around the world, and other governments—all these actors view USAID's leadership in the DRG sector an important part of international support for human rights and democratic governance. USAID leadership within the international development community remains critical to achieving development goals.

SUPPORTING DOCUMENT: BUREAU FOR DEMOCRACY, CONFLICT AND HUMANITARIAN ASSISTANCE INSTITUTIONALIZATION OF CIVILIAN-MILITARY COOPERATION

There is a growing imperative to further institutionalize the relationship between USAID and the Department of Defense (DoD) to deal with the rising transnational threats and increasing instability that impair development efforts worldwide. Increased support for the Office of Civilian-Military Cooperation (CMC) by the Agency strengthened USAID's position within the national security apparatus as a viable partner, and improved the Agency's relationship with DoD. Challenges remain, however, and certain policy and authority issues must be addressed.

DISCUSSION

The 2015 National Security Strategy emphasizes development's critical contribution to advancing national security objectives. We find ourselves working with DoD in failed, fragile, or unstable environments. We must have a stronger understanding of the value of the civ-mil relationship within both agencies to set forth clear objectives, align capabilities, and identify gaps. The Agency's ability to partner with DoD requires continuous efforts to institutionalize policies, doctrine, authorities, and joint planning efforts. Counterparts within DoD do not always fully understand USAID practices, such as humanitarian assistance, political transitions, stabilization, and sustainable development. There has been a recent increase of discussions about "stabilization" across the highest levels of our government and an accompanying recognition of its strategic significance to national security. The lack of consensus in this area, internal, and external to the Agency, inhibits our ability to engage and leverage DoD effectively in shared space.

Resource availability and technical capacity between the two agencies are often mismatched. We need a mechanism to allow the USG to flexibly fund national security initiatives. Providing the Agency additional and flexible resources to respond to emerging threats when we are the organization best suited to do so helps secure the nation. For example, if DoD had resources and a requirement but not the expertise, and USAID had the technical capacity and well-positioned implementing partners but no available funding, flexible funding could resolve the issue.

An Agency policy on stabilization that clearly defines the concept, its strategic significance to development, and the Agency's role in the implementation of stabilization-related activities would alleviate some of the ambiguity around stabilization. This would allow us to more effectively engage and leverage DoD, and bolster our position in the national security apparatus. An interagency approach would be the most effective way to accomplish this.

The absence of a responsive, comprehensive, and agile authority across the interagency hampers efforts to adequately respond to growing global threats, particularly related to violent extremism.

Engagement in legislative efforts to provide a national security flexible funding mechanism to enhance collaboration among defense, diplomatic, and development capabilities, drawing from existing appropriations would address this shortfall. The Office of the Secretary of Defense (Policy) is similarly supportive of such a mechanism.

AT A GLANCE

BUREAU PROFILE: BUREAU FOR ECONOMIC GROWTH, EDUCATION AND ENVIRONMENT

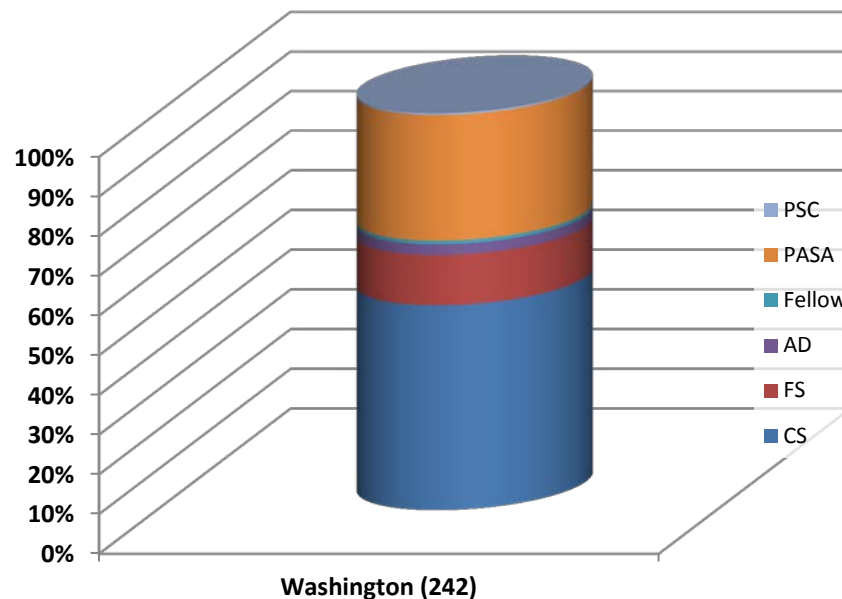
STAFFING

Fill Rate = 71%

We partner to end extreme poverty and to promote resilient, democratic societies while advancing our security and prosperity.

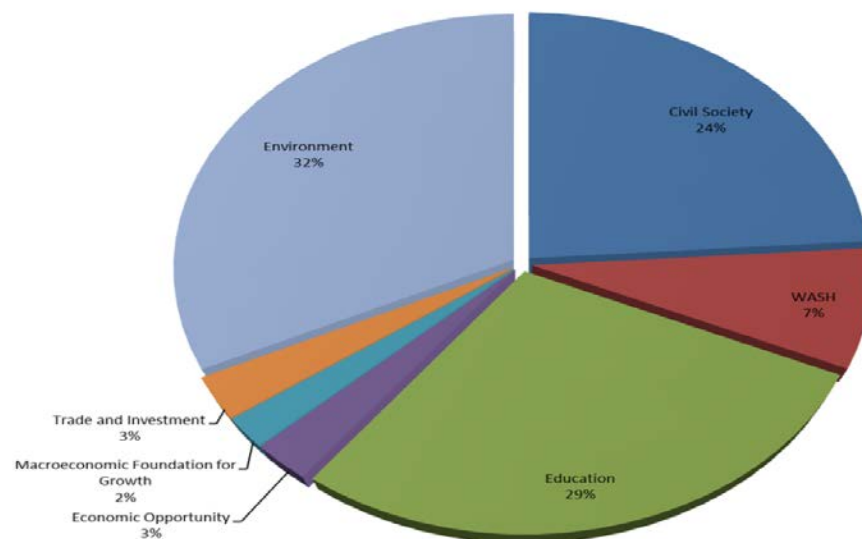
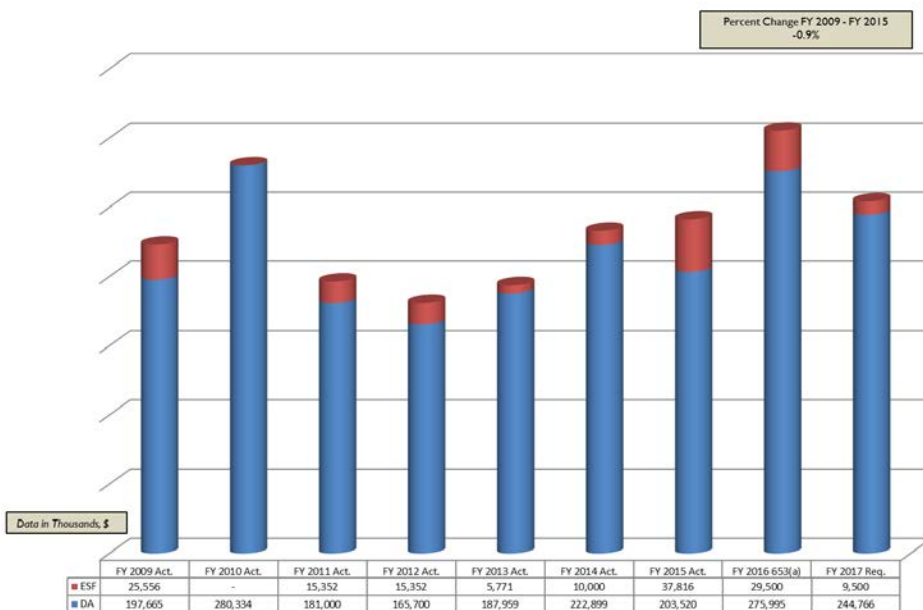
E3 provides a global perspective, evidence-based expertise, and sustainable solutions in our sectors to accelerate the Agency's collective impact on development outcomes.

- E3 is the Agency's technical leadership and field support hub for 14 of the 17 Sustainable Development Goals, the framework that will inform and drive the global development agenda for the next 15 years.
- The Bureau's areas of expertise are: private capital and microenterprise, development loan guarantees, trade and regulatory reform, economic policy, education, global climate change, energy and infrastructure, water, forestry and biodiversity, land and urban, local sustainability, gender equality and women's empowerment, and conducting environmental reviews of multilateral development bank projects.



BUDGET: FY 2009 – FY 2017

BUDGET: FY 2015 BY SECTOR



BUREAU BRIEF: BUREAU FOR ECONOMIC GROWTH, EDUCATION, AND ENVIRONMENT

INTRODUCTION

The Bureau for Economic Growth, Education and Environment (E3) is the Agency's technical leadership and field support hub for 14 of the 17 Sustainable Development Goals, the framework that will inform and drive the global development agenda for the next 15 years. E3 leads the Agency in: how to leverage private capital and microenterprise, development loan guarantees, trade and regulatory reform, economic policy, education, global climate change, energy and infrastructure, water, forestry and biodiversity, land tenure and urban services, and monitoring multilateral development bank implementation of environmental and social safeguards. In support of Agency-wide implementation of women's empowerment activities, E3 leads efforts on gender integration and policy. The Bureau also implements a set of Congressionally mandated programs that advance the Agency's focus on local sustainability.

LOOKING BACK

Policy and Strategy: Over the past eight years, E3 led and implemented landmark, Agency-wide strategies in education, water and climate change and policies in gender, biodiversity and urban services. E3 also collaborated with other agencies and departments, often taking a leading role, to shape and implement U.S. government strategies and policies in climate change, wildlife trafficking, gender-based violence, and resettlement. E3 used its expert knowledge and international standing to shape global development policy. In one instance, E3 used an evidence-based approach to shift the focus of education policy from outputs towards outcomes, and increase access to education in conflict-affected areas. In the area of sustainable water delivery, E3 works with partners to acknowledge the importance of local systems, and the linkages between sanitation and other development priorities, including education and nutrition.

Partnership Leveraging and Innovation: E3 expanded its partnerships with the private sector, other donors, and other USG agencies to leverage significant resources in multiple ways. For example, E3 leads the Agency in mobilizing domestic resources and private capital for all development objectives, including through structuring renewable energy auctions with partner countries. In addition, the Agency's loan guarantees, which only have a 2.5 percent default rate, have leveraged \$4.8 billion in private financing in 76 countries with 381 institutions since 1999.

Measurable Impact on the Ground: E3's "bench strength" is the cost-effective approach it uses to maintain high levels of demand-driven, high-caliber, and innovative technical support in the face of cost, space, and staffing challenges. E3 deployed its expertise—including nearly 3,000 days of in-country technical support to USAID missions in 2015—to help the Agency achieve development impact. Illustrative results from E3-led programs include:

- Between 2011-2015, 14 countries added 52,000 megawatts of renewable energy capacity—enough to power 13 million homes in the United States—and many more in developing countries. USAID support is enabling more than 300 prospective clean energy investments, with a projected value of more than \$12.5 billion;
- Nearly 38 million girls and boys benefitted from reading programs from 2011-2015;
- Improved drinking water supplies were provided to more than 26.3 million people and improved sanitation to more than 12.6 million since 2009;
- 5.3 million people in more than 40 countries are using climate information and technology to respond to threatening climate and weather conditions; and

- \$5.6 billion in construction activities provided critical infrastructure services across USAID's global portfolio from 2011-2013.

LOOKING FORWARD

Drive for results through current and new strategies: E3 will intensify its support to developing countries to implement their climate change commitments and prioritize the integration of gender and women's empowerment throughout Agency initiatives. In water, E3 will continue to forge new partnerships and will convene a Global Water Summit in early 2017 that will provide critical inputs to inform a new, Congressionally mandated, USG global water strategy for roll-out next year. With the end of our existing Agency strategies in education and global climate change, E3 is prepared to launch new Agency strategies in these important areas. E3 will also continue to amplify work in economic growth, a sector that underpins sustainable development, but one that has been under-resourced due to scant discretionary funds.

Lead on emerging development trends: E3 will closely track and capitalize on opportunities, and potential threats to development progress, presented by “emerging trends” in areas such as urbanization, combatting wildlife trafficking, education in conflict and crisis settings, workforce development, and local resource mobilization. Leadership on these new issues will require E3 to identify cross-sectoral, integrated approaches across the Bureau and with other parts of the Agency (e.g., amplifying the linkages between illicit global trade, wildlife trafficking, and governance).

Prioritize data collection and learning around impact and sustainability of development results, and sharing best practices and lessons learned across its technical sectors: E3 will continue to strengthen the Agency's technical capacity, sharpen the impact of investments through cost benefit analyses and growth diagnostics, leverage funding, expand and improve environmental reviews, improve oversight of infrastructure programs, and continue to guide Agency staff to conduct Climate Risk Assessments of development programs.

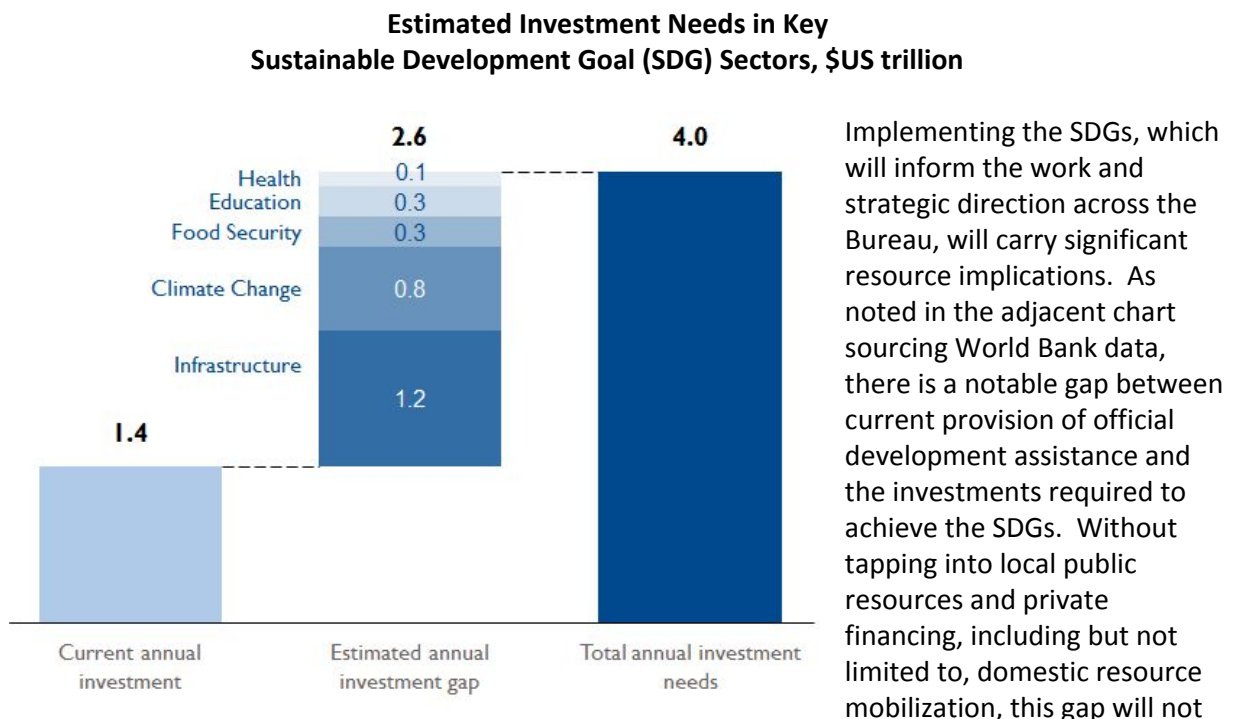
Resource Constraints and Challenges: Budget constraints in some areas will likely limit E3's ability to address development priorities and support core Agency systems. Flexible funding is especially important to expand the Agency's leadership and potential across the economic growth spectrum, renewable energy initiatives, workforce development, and fundamental land and resource issues.

SUPPORTING DOCUMENT: BUREAU FOR ECONOMIC GROWTH, EDUCATION AND ENVIRONMENT POLICY AND STRATEGY

E3 leads the development and implementation of landmark, Agency-wide strategies and policies in **Education, Water, Climate Change, Gender Equity and Female Empowerment, Biodiversity, Urban Services, and Trade**. Agency-wide Grand Challenges on Development, in education, energy for agriculture, water, and combatting wildlife crime. E3 also co-led with PPL the Agency's seminal framework on ending extreme poverty. Collectively, these strategies and policies affect all sectors and missions and were heavily shaped by E3's technical input and leadership, and informed by an ongoing, deliberate consultative process across USAID and the interagency and the global development community.

E3 leveraged technical expertise across its 12 sectors to help develop and shape these strategies to ensure that USAID's investment in these development issues has global—not just local—impact. Also critical was the process of strategy and policy development, premised on deliberate and thoughtful engagement with agency, interagency, and outside stakeholders. These relationships and engagements continue to be important in the implementation phase as well, especially when considering the shared, global commitments around the Sustainable Development Goals (SDGs).

E3 also provided expertise and guidance to shape U.S. Government positions in the negotiation of the SDGs, and will serve as the technical implementation lead for 13 of the 17 SDGs.



be filled. E3 is helping to leverage these other sources of funding to advance strategy and policy and will continue to do so moving forward.

The Bureau also plays a significant role in designing U.S. government strategies that affect international development, such as leading on the U.S. Strategy to Prevent Gender-based Violence and interagency priority setting and inputs on policies such as the U.S. Trade Policy. E3 is the channel

for strategic and technical leadership to the MCC board, the interagency Trade Policy Staff Committee, and the Overseas Private Investment Corporation.

Impact, Lessons Learned, and Moving Forward

The Bureau provides global advisory services to missions to help them to implement these strategies. To track and assess E3's implementation of strategies and policies, the Bureau developed systems to track progress and has achieved important results.

The Agency has achieved notable impact in the field under the USAID Education Strategy 2011-2015, including the launch of 116 new basic education activities in 43 countries. In the five years following the launch of the strategy, USAID reading programs reached nearly 38 million unique learners, around 19 million girls and 19 million boys. There are now more than 40 countries with USAID-supported reading projects. USAID education programs in conflict and crisis-affected environments improved or established quality education in safe learning environments for nearly 12 million unique children and youth - around 6 million girls and young women, and 6 million boys and young men.

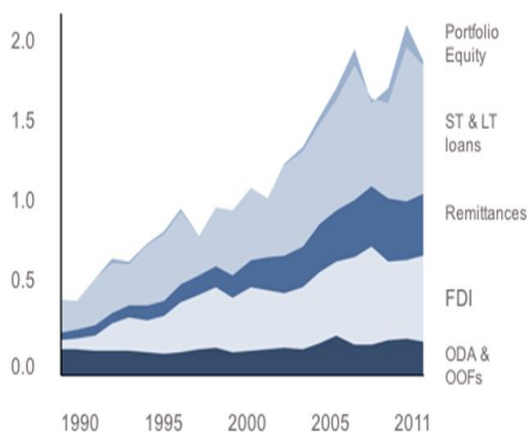
Despite these achievements, USAID's education programs fell far short of the target of 100 million children with improved reading fluency. These results are compelling the Bureau to make significant changes to the Strategy, to better comport with implementation realities. An important lesson learned is the need to be clear about the time and effort that it takes to pivot Agency programs to a new strategy, and that adjusting field programming to align with a new central strategy requires a sustained, multi-year effort. This includes building and sharing evidence of good practices, developing and communicating operational and implementation guidance, and at the mission-level pivoting portfolios through extensive policy dialogue with host country partners, new procurements or modifications to existing programs, and start-up of new activities. A final lesson is understanding the tension between effective policy development and its rollout, absent supporting resources, both financial and human, technology, partnerships, clear theories of change, and stronger data and accountability at the country level.

Now is an important time for reflection and continued E3 technical leadership in the development of strategy and policy, in ways that are informed by new evidence and evaluation results. The Climate Change and Development Strategy published in 2012 has been extended to 2018. A future strategy will draw on lessons learned during implementation of the current strategy and reflect changes in the external environment. E3, with the State Department and other agencies, will jointly develop a congressionally mandated U.S. Global Water Strategy by October 2017. A new, near-final USAID Education Strategy, incorporating lessons from the last strategy, will be ready to be finalized now. E3's Gender Office is updating the Gender-Based Violence Implementation Plan for the Agency, to be ready by early 2017.

SUPPORTING DOCUMENT: BUREAU FOR ECONOMIC GROWTH, EDUCATION AND ENVIRONMENT PARTNERSHIP AND LEVERAGING

Partnerships and cross-sectoral collaboration are a central pillar of E3's strategic approach, given the intrinsic relationships between economic growth, education, and the environment. Partnerships leverage expertise and coordinate efforts with outside stakeholders. E3 works on complex development challenges that cannot be solved by one player, and leverages its technical expertise and influence to play a leadership role in the United States Government and globally across many different development sectors. In light of the shrinking share of Official Development Assistance (ODA) in total capital flows to developing countries, as outlined below, E3's private capital mobilization efforts (e.g., Development Credit Authority guarantees and the Office of Private Capital and Microenterprises support for blended financial instruments) are successfully leveraging non-ODA resources to help reach the promise of the Sustainable Development Goals.

Global Financial Flows to Developing Countries \$US trillion (all sectors)



E3 has developed and shared innovative procurement mechanisms (e.g., Broad Agency Announcements) and opportunities (e.g., prizes and tech challenges) to expand partnerships. E3 brings historical context and experience around partnerships and has the depth and mandate to quickly take projects to scale. E3 collaborates closely with the Global Development Lab and other operating units and initiatives to move development outcomes from testing to on-the-ground results.

Within the interagency, E3 brings significant technical expertise and a long-term outlook focused on sustainable development outcomes. E3 offers

technical value in interagency discussions on education, environment, economic growth and other issues, and partners on a global scale with the World Bank, other donors and aid agencies, and the United Nations, and the private sector. For example, E3 staff time and engagement has influenced the design of the Green Climate Fund's (GCF) performance measurement framework that may ultimately leverage billions of dollars of annual climate spending and improve the measurement of GCF investment impacts and better adaptation to climate risks.

E3 utilizes a variety of approaches to partnerships and leveraging:

- Partners with private sector actors to identify problems, co-create solutions, and assist with implementation. Engagement goes beyond corporate social responsibility to include identifying shared value with firms in areas that both promote our development objectives and advance their business strategies.
- Leads efforts on domestic resource mobilization (DMR) and piloting activities to enable countries to leverage their own resources to advance development objectives.
- Develops tools and approaches to bring efforts to scale, from urban to energy innovation to workforce development.
- Collaborates with “non-traditional” development partners, including investment funds (e.g. insurance and pension funds) and financial institutional investors.

Examples of E3 Partnership and Leveraging Efforts

Global Efforts

- Through the Tropical Forest Alliance 2020 (TFA 2020), E3 is working with governments and major corporations to identify and address barriers to deforestation-free production of key commodities, such as palm oil, soy, beef, and pulp & paper.
- USAID's Women and Water Global Development Alliance with Gap Inc. will provide one million women and girls with personal and career advancement life skills training by 2020.
- E3 manages the Global Alliance for Trade Facilitation, which has garnered pledges totaling almost \$70 million for activities to reduce trade costs to spur economic growth.
- The All Children Reading Grand Challenge for Development is a \$25 million partnership that employs innovation and technology to leapfrog traditional ways of countering illiteracy.
- Through the Development Credit Authority and the Office of Private Capital and Microenterprise, E3 leverages limited funding for significant private sector financing, through innovative deals in climate finance, household technologies, and sustainable fisheries. E3 and BFS are also working to develop new approaches to innovative finance vehicles that will unlock private capital flows for agriculture and SMEs.
- E3 recently assisted the Government of Mexico with two clean energy auctions that raised over \$3 billion in private investment for clean energy auctions. Similarly, E3 assisted the national power company of Afghanistan, DABS, to successfully tender the country's first solar photovoltaic plant with private investors.

Partnering and Leveraging across the United States Government

- Through interagency agreements, E3 is working with the National Renewable Energy Laboratory (NREL) on "Greening the Grid" and the Enhancing Capacity-Low Emissions Development Strategy program; and with the Forest Service on sustainable landscapes and biodiversity programs.
- E3 partners with and offers technical leadership to the US Army Corps of Engineers, Customs and Border Control, the Federal Trade Commission, Commercial Law Development Program.

Partnering across USAID

- On DRM, E3 works with the Bureaus for Food Security and Global Health to roll out cost-benefit analyses, and with the Democracy Rights and Governance Center to advance capacity development of partner governments.
- On Climate Smart Agriculture, E3 and the Bureau for Food Security work together to assist smallholder farmers and small businesses adapt to climate and weather impacts.
- On advancing the urban strategy, E3 is building partnerships across E3 and the Agency.

SUPPORTING DOCUMENT: BUREAU FOR ECONOMIC GROWTH, EDUCATION AND ENVIRONMENT ON-THE-GROUND IMPACT

The Bureau for Economic Growth, Education, and Environment (E3) facilitates significant development achievements across the Agency. It serves as a clearinghouse for resources and information across its 12 technical areas and strengthens overall Agency capacity to deliver and measure program impact, and to incorporate results and learning into future program designs. To complement E3 bureau-specific sector evaluations, the Bureau plays a lead role Agency-wide in developing procedures for measuring impact, conducting evaluations, and consolidating and disseminating results and lessons learned.

Illustrative E3 Program Results

- Through an E3 partnership with NASA, 37 countries are receiving satellite data, geospatial information, and tailored decision-support tools to forecast floods, manage land use, detect fires, and monitor droughts and other climate-linked risks. This number is set to increase to 49 with a recent expansion in scope of this partnership.
- Since the 2011 launch of the USAID Education Strategy 2011-2015, Agency reading programs have reached nearly 38 million individual learners around the world - around 19 million girls and 19 million boys. Further, USAID education programs in conflict and crisis-affected environments have improved or established quality education in safe learning environments for nearly 12 million children and youth, and created learning opportunities for 2.4 million children and youth who would otherwise be out of school.
- Seventy-two percent of USAID projects with a trade and private sector development focus supported new or expanded contracts for the export of developing country goods.

Utilizing Evaluations and Results to Shape E3 Programs

Following a three-year evaluation of USAID's flagship science and technology program with NASA, the program has adopted a "services" approach that better responds to users' evolving needs and goes beyond simple provision of tools or products that may soon become obsolete. As a result, the program is more nimble and responsive, and can add users and products as technical capabilities and data sources evolve.

E3's leadership on the USAID Education Strategy 2011-2015 resulted in the development of a standard approach to measuring educational outcomes and project contributions to strategic goals, as well as aggregation of project data to allow for monitoring and communication of results at the Agency-level. The attention and focus on measurable progress and highly visible targets served as a valuable catalyst, shifting the focus from counting inputs and outputs to measuring student-level outcomes and prioritizing results at scale. At the same time, the targets were problematic because they exceeded what could be achieved by USAID and partners in a short timeframe, as the Strategy's five-year timeframe drastically underestimated the amount of time required build evidence of best practices, develop and communicate implementation guidance, and to pivot Mission portfolios. It is clear that policy, institutional, and social constraints must be addressed in order for programs to be fully effective. Even the strongest evidence-based designs will falter if the policy environment is not supportive and the institutional capacity does not exist to implement with fidelity.

USAID launched a major programmatic focus on combating wildlife trafficking under the Executive Order, National Strategy and Implementation plan for the USG to address the wildlife crime crisis. Under this framework, USAID increased programming by more than five times the 2012 levels, and provided leadership in many countries at the front of the crisis. The Agency also completed a wildlife crime tech

challenge, and provided technical leadership in many aspects of combating the crisis. From 2011-2015, E3 completed 34 evaluations (24 performance and 10 impact). Each E3 office is involved in monitoring and evaluation, and the Bureau conducts an annual sectoral synthesis of evaluations with the goal of extracting knowledge and promoting utilization of findings and lessons learned broadly across the Agency. Additionally, E3 uses evaluation results in the following ways:

- To support knowledge management objectives. For example, Climatelinks captures climate change and development results and learning and shares with USAID, implementers, and the public.
- To advance professional development and knowledge sharing in the education sector through E3-supported communities of practice (e.g. Global Reading Network; Education in Crisis and Conflict Network; Workforce Connections).
- To create new economic growth standard outcome indicators such as “beneficiary firms’ sales and employment” and “time to export along assisted trade corridors.”
- To review findings of the Gender Policy assessment to determine the best ways to integrate gender into all Agency programming.
- To develop a risk management screening tool and revise the Agency’s construction policy.

E3 Tools

Analytic Capacity

- To ensure the soundness of development efforts Agency-wide, E3 has conducted more than 60 Cost Benefit Analyses (CBA) and Cost Effectiveness Analyses (CEA) of USAID activities, and performed Inclusive Growth Diagnostics (IGD) in 23 partner countries. Findings from these analyses have been used to reprogram foreign assistance to better meet the needs of the people USAID serves and to identify strategic interventions that will advance inclusive growth and reduce extreme poverty. Use of CBA and CEA analyses have supported USAID Mission’s decisions to cancel projects worth more than \$220 million because the cost-benefit analysis measured low rates of return on USAID assistance.
- E3 supports Evaluating Systems and Systemic Change for Inclusive Market Development, an evaluation framework that focuses on the capacity and resilience of local systems, leveraging incentives and private sector resources, ensuring inclusion of the very poor.
- Building on lessons learned and in an effort to better capture the impacts of development interventions, E3 developed a second generation of climate change and development indicators and reporting templates informed by its own and other donors’ experiences, as well as measurement tools to facilitate reporting of GHG emissions reductions and institutional development gains. This second generation of climate change and development indicators either seek to 1) capture more tangible impacts, or 2) broaden what is measured to include a wider universe of indirect beneficiaries and projected, ex-ante results; or 3) capture people-level results.

Delivery Capacity

- E3 played a pivotal role in shifting the entire education sector's focus beyond access to actual learning outcomes. E3 invested in the development of the Early Grade Reading Assessment, an open source learning assessment tool, which has now been used in more than 65 countries and adapted to more than 100 languages.
- E3 leads Agency efforts to develop and implement tools that measure the impact of Domestic Resource Mobilization and Public Financial Management assistance, focused on the institutional performance of partner country governments.

SUPPORTING DOCUMENT: BUREAU FOR ECONOMIC GROWTH, EDUCATION AND ENVIRONMENT EMERGING ISSUES

The Bureau for Economic Growth, Education, and Environment's (E3's) technical depth facilitates and accelerates USAID's engagement on "**emerging issues**" that shape and inform the global development agenda, helps to advance the Sustainable Development Goals (SDGs) and U.S National Security objectives, and firmly establishes USAID's global leadership. Emerging issues such as the links between urbanization and youth displacement and disenfranchisement, and the centrality of government accountability to climate change mitigation, point to the synergies between USAID's development objectives and U.S. national security interests.

Examples of Emerging Issues

Among emerging technical issues that are high on USAID's radar screen are:

- Illicit global trade in goods and services, including illegal, unreported, and unregulated (IUU) fishing; wildlife trafficking; artisanal gold mining; and illicit international financial flows.
- Youth bulge challenges, including the need for more and better education and job opportunities, high youth expectations in the face of a resource-constrained world, and frustrated opportunities leading to security risks, especially in fragile states. Increasing the employability of young people and facilitating structural change to create jobs can transform the youth bulge into a demographic dividend for growth.
- Growing impacts of urbanization, including lack of access to energy, transportation, water and sanitation and telecommunications infrastructure, and growing carbon emissions.
- Increasing number of conflict-afflicted and disaster prone environments.
- Growing internally displaced and refugee populations as a result of migration due to conflicts and disasters.
- Expanding awareness of the need to look beyond official development assistance to private sector and domestically-mobilized resources to fund the estimated \$3-4 trillion in investments needed annually in low-income and middle-income countries to achieve the SDGs.
- Increasing international consensus around the urgency of addressing climate change, manifest recently through the signing of the Paris Agreement and coordinated discussions among donors and developing countries on the need to move swiftly to implement Nationally Determined Contributions to global greenhouse gas reduction.
- The need to mobilize financing for critical infrastructure to support business growth and development across all USAID sectors, including through: blended finance models, i.e., convening financial, development, and public sector partners around opportunities for private finance; and support to intermediaries linking capital supply and demand.

Illustrative E3 tools to respond to "Emerging Issues"

Emerging issues represent an opportunity to leverage local resources - including through tax system reforms, community philanthropy and other means - on behalf of development objectives.

Innovative Procurement Approaches

- Utilizing innovative procurements approaches (e.g. the Broad Agency Announcement) and other collaborative co-design processes.

Financing Tools

- Leveraging the USAID's development credit guarantees (DCA), a tool that can engage across sectors and offices.

- Expanding opportunities for Localworks small grants funding, across sectors.

Technical Tools and Scaling Innovations

- Supporting cell phone providers to conduct mass surveys and provide real time reporting on natural disasters.
- Partnering with NASA and utilizing SERVIR - ISS space station - photographic images to help people prepare for natural disasters and related climate change adaptations.
- Supporting engineering surge task orders to respond to disasters.

Technical Guidance and Expertise

E3 leveraged USAID technical talent to influence how others allocate resources in support of emerging development issues.

- E3 helped the World Bank create the Trade Facilitation Support Fund seeding \$1 million that has now leveraged \$32 million from other donors and is serving as the world's go-to fund for technical assistance to a binding World Trade Organization agreement.
- E3 was instrumental in the creation of the widely used World Bank Doing Business indicators.
- Through a small E3 investment that has grown into a global response, Microlinks, and Climatelinks are becoming a space for the development community to learn about private enterprise support and climate change responses respectively.
- E3 staff are working across sectors to identify emerging issues through a non-programmatic perspective; for example, leveraging knowledge about illegal fishing to work with colleagues to counter human trafficking.
- E3 programs help provide a USG response to crises and disasters, from creating new energy infrastructure in Afghanistan to improving the climate resilience of development programs globally.

Looking Forward

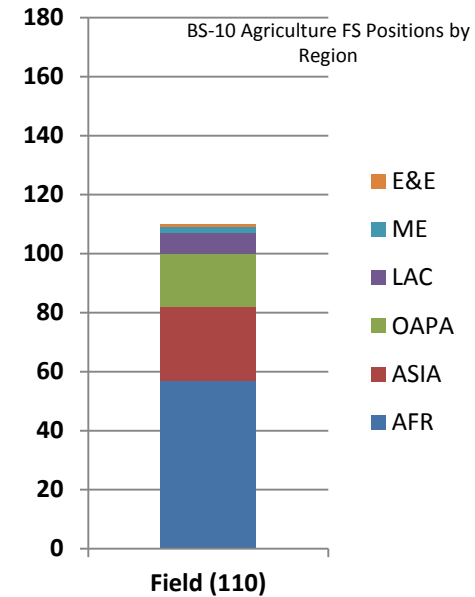
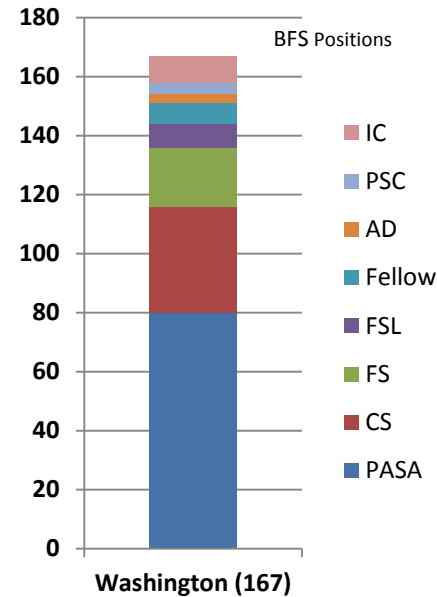
Within the broader context of the SDGs, E3 will continue to identify emerging issues to further inform the development agenda. Effective engagement around emerging issues with an integrated approach will require further breakdown of stovepipes across USAID and flexibility around funding and procurement, both of which can inhibit the ability to respond and pivot to emerging issues.

PRESENCE

BUREAU PROFILE: BUREAU FOR FOOD SECURITY

STAFFING

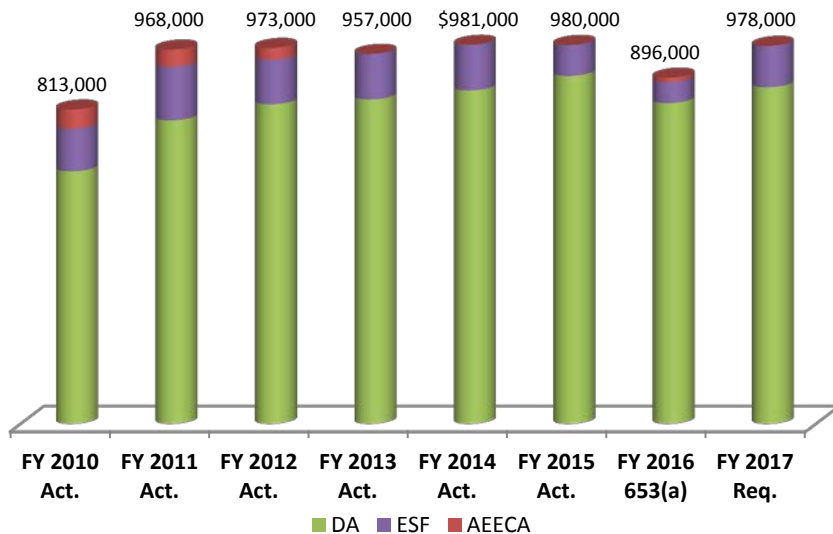
Fill Rate = 81%



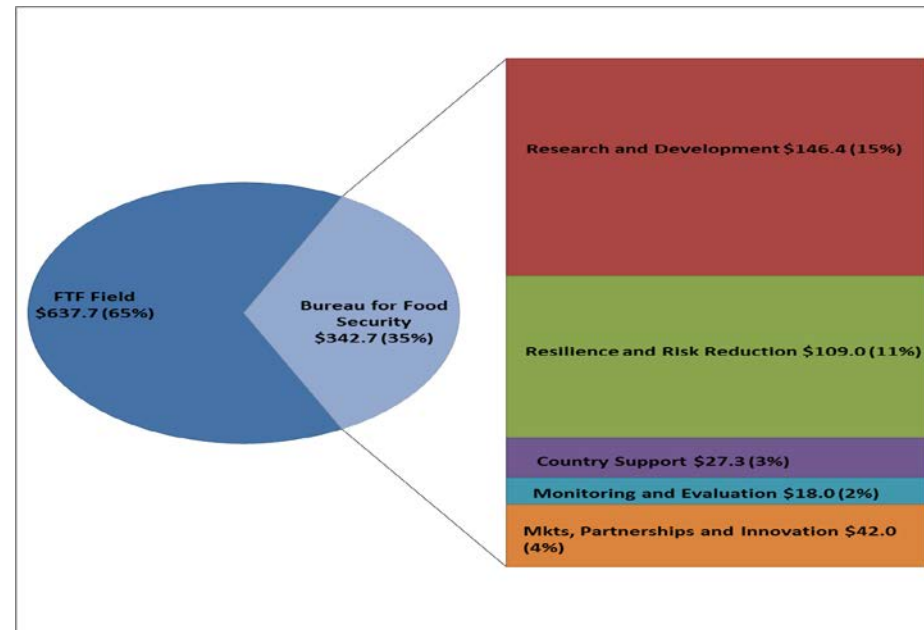
BUDGET: FY 2009 – FY 2017

Data in Thousands

Percent Change FY 2010- FY 2015 = 20.6%



BUDGET: FY 2015 BY SECTOR



BUREAU BRIEF: USAID BUREAU FOR FOOD SECURITY

INTRODUCTION

The Bureau for Food Security (BFS) leads the whole-of-government Feed the Future initiative to reduce hunger, malnutrition, and poverty, and increase sustained and inclusive economic growth. BFS works to advance the new model of development based on strong country leadership and [private sector investment](#). In addition, BFS supports critical investments in [science and technology](#) to address long-term food security challenges, provides technical leadership as the Agency's pillar bureau for agriculture, guides Feed the Future implementation by USAID Missions in-country, and coordinates across U.S. Government agencies' efforts on all aspects of Feed the Future, both in Washington and in the field.

LOOKING BACK

Food security currently enjoys strong bipartisan support and is broadly recognized as critical to U.S. national security. After falling to historic lows in the 1990s and early to mid-2000s, funding and political interest in agricultural development has risen to the top of the development and foreign policy agendas over the past eight years. This dramatic change followed the devastating food price shocks of 2007 and 2008, which resulted in public protests in more than a dozen countries, including Burkina Faso, Mauritania, Egypt, and Morocco, and widespread geopolitical instability. The critical linkage between food security and U.S. national security interests gained strong support from Congress, the Bush Administration, and the attention and advocacy of key development leaders, including USAID Administrators. These events, coupled with research showing that investments in agriculture are more than twice as effective at helping people in poor countries emerge from poverty than investments in other sectors, gave further urgency to a growing focus on food security. In response, the Obama Administration helped spur commitments from other donors at the 2009 G8 Summit in L'Aquila, Italy, leveraging more than \$22 billion in food security investments. This led to the launch of the USG's global hunger and food security initiative, Feed the Future, which has delivered significant [results](#) on malnutrition, stunting, and poverty and is poised for the next phase of implementation.

USAID established BFS on an accelerated timeline in 2010 to implement the Feed the Future initiative, requiring the consolidation of relevant staff from E3 and Regional Bureaus. As BFS formulated new programs, Agency leadership pulled financial resources from across the Agency to execute the ambitious Feed the Future agenda. To ensure alignment across this whole-of-government initiative involving 11 independent government agencies and departments, BFS carefully negotiated agreements among interagency partners to align resources and harmonize programming and performance reporting processes. From its inception, BFS has also cultivated close, collaborative relationships across USAID's Regional and Pillar Bureaus, particularly with Global Health, DCHA, and E3. In July 2016, Feed the Future entered a new phase following passage into law of the bipartisan Global Food Security Act (GFSA), which represents the largest development authorization since the President's Emergency Plan for AIDS Relief. The legislation builds on the success of Feed the Future and institutionalizes food security as a USG priority.

LOOKING FORWARD

Key opportunities to continue progress towards the topline goal of sustainably reducing global hunger, malnutrition, and poverty:

1. [Global Food Security Act Strategy](#): Through USAID's strong interagency leadership, the whole-of-government strategy builds on the lessons learned from the first phase of Feed the

Future by focusing on efficient and effective agriculture and food systems, resilience, nutrition, gender, and improved collaboration with USAID's Food for Peace development activities and Global Health and E3's Water, Sanitation and Hygiene programs. To better leverage the full scope of the U.S. Government's work, the Strategy emphasizes the integration of humanitarian food aid and five complementary work streams: economic growth in complementary sectors; health ecosystems and biodiversity; democracy, human rights and governance; reduced burden of diseases; and well-educated populations. The strategy outlines new country selection criteria and emphasizes interagency engagement.

2. **Resilience:** The evidence is clear that by working to strengthen resilience, including of the most vulnerable, USAID can better ensure that its investments are inclusive and achieve lasting results. BFS continues to be a leader in this area and houses the [Center for Resilience](#), which is charged with coordinating resilience efforts across the Agency. By both elevating resilience as a key objective under the GFSA Strategy and ensuring it is integrated across food security activities, BFS will continue to make progress toward ending hunger while advancing the Agency's mission to end extreme poverty.
3. **Global Engagement on Food Security:** In September 2016, the USG launched [A Food-Secure 2030](#), which casts a vision for how the world can achieve the Sustainable Development Goals, particularly the targets on poverty, hunger and malnutrition, and calls upon the global development community to mobilize the resources and partnerships required for success. The paper calls for continued, strong country leadership and more catalytic development assistance to increase agriculture-led economic growth, resilience, and nutrition. To achieve this vision, country leaders, development partners, donors, civil society, and the private sector must commit to investing strategically more public and private capital and enable them with effective policy systems and strong institutions. The 2017 G7 and G20 international summits are shaping up to be opportune moments to promote this shared vision and potentially deliver on this collective call to action. G7 and G20 host countries have identified food security as a priority for the summits and are looking towards the United States to help launch something tangible and to bolster current and future international commitment to leadership on food security.

Challenges in implementing the GFSA Strategy and maintaining USAID leadership for Food Security:

1. **Interagency Leadership:** The President recently delegated interagency leadership of over USG global food security efforts directly to USAID. The successful implementation of the strategy will require strong leadership within BFS and across the interagency. Some believe that a Senate-confirmed AA position would ensure BFS has access to internal and external decision-makers to maintain USG leadership on food security. A protracted confirmation process for this essential role, however, could delay critical decisions and slow the Bureau's programmatic momentum.
2. **Feed the Future Brand:** The USG built a world-recognized Feed the Future brand over the last six years. Determining how best to capitalize on this valuable asset is important for the implementation of the Global Food Security Strategy. Despite the fact that Feed the Future is a whole-of-government effort, some agencies identify the brand with USAID. Replacement of the FTF brand may raise doubts among partners (donors, governments, private sector and civil society) as to the USG's long-term investments and commitment to food security.

SUPPORTING DOCUMENT: BUREAU FOR FOOD SECURITY THE GLOBAL FOOD SECURITY ACT, STRATEGY, AND IMPLEMENTATION

The Global Food Security Act of 2016 institutionalizes Feed the Future's approach and authorizes funding for global food security. The recently completed Global Food Security Strategy lays out the U.S. Government (USG) approach to global food security. The President recently delegated interagency leadership over the U.S. Government's global food security efforts directly to USAID.

Global Food Security Act of 2016

On July 6, 2016, Congress passed the Global Food Security Act of 2016 (GFSA) with strong bipartisan support, and on July 20, President Obama signed it into law. This law reinforces the USG's commitment to promoting global food security. For each of FY 2017 and FY 2018, the law **authorizes \$1 billion for USAID and State** to implement global food security development programming¹.

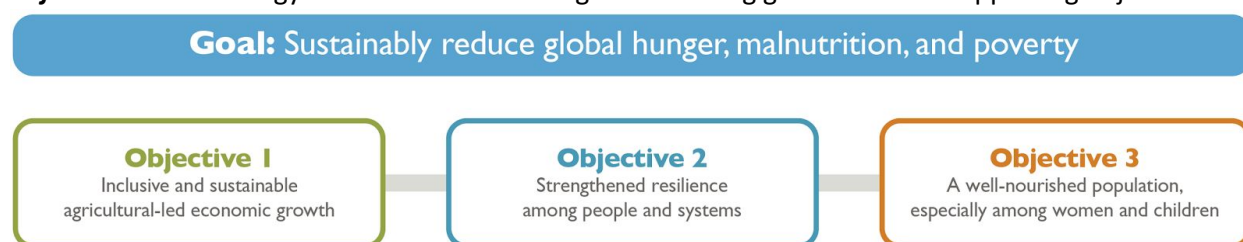
The key requirements of the law include:

- **Whole-of-government strategy:** Due and submitted on October 1, 2016, includes 11 agency-specific implementation plans outlining anticipated contributions to the strategy
- **Implementation reports:** Due one and two years after strategy submission
- **Budget crosscut report:** A one-time detailed budget accounting report submitted by the Office of Management and Budget 120 days after submission of the President's budget

Global Food Security Strategy

USAID led an interagency working group to develop the 5-year Global Food Security Strategy on a compressed 10-week timeline to meet the October 1st deadline to deliver the strategy to Congress. As part of the process, the working group held external stakeholder meetings and drew on the draft Feed the Future Global Performance Evaluation and a series of expert roundtables on emerging issues. The strategy presents an integrated framework to apply the diverse set of USG tools, resources, and programs to address food insecurity.

Objectives: The strategy is focused on achieving the following goal and three supporting objectives:



Technical focus and approach: The strategy draws heavily from the existing Feed the Future approach, including the USAID Multi-Sectoral Nutrition Strategy, 2014-2025. This approach focuses on reducing poverty and stunting through nutrition and agriculture, focusing on smallholder producers, especially women. The initiative focuses on high-impact interventions in a limited set of focus countries in order to have transformative impact at scale.

¹ The GFSA also authorizes \$2.79 billion for the International Disaster Assistance account, of which **\$1.26 billion may be used for the Emergency Food Security Program**, implemented by USAID/Food for Peace.

Based on lessons learned and the evolving development context, the strategy includes a few new emphases and changes: elevation of resilience and climate as key components of the strategy; inclusion of water and hygiene as part of a holistic nutrition approach; explicit focus on gender equality and women's empowerment; inclusion of youth and job creation; emphasis of rural-urban linkages; attention to finance and financial inclusion; and a focus on long-term systems-level change.

The strategy also articulates elements of the USG's approach to ensure investments will have maximum long-term impact, including: targeting; sustainability; country ownership; partnership, particularly with the private sector; science, technology, and innovation; whole-of-government coordination; and adaptive management through rigorous monitoring, evaluation, and learning.

USAID leadership: The President recently signed a memo delegating authority for coordination of the strategy's development, implementation, monitoring, and reporting from the President directly to the USAID Administrator, cementing USAID leadership over USG global food security efforts. This memo required high-level negotiation and was supported by many agencies.

Implementation Next Steps

Due to the compressed timeline between GFSA's passage and the deadline to submit the strategy, several key issues will require immediate resolution and ongoing interagency engagement, including:

- **Country selection & graduation:** A process to identify and apply indicators for the target country selection (to replace or continue current set of Feed the Future countries), based on criteria outlined in the strategy; and determine an approach to regularly evaluate graduation readiness.
- **Country, region, global strategies:** Under USAID leadership, the USG will develop and issue guidance to Posts to produce new or update existing country-specific strategic plans. Current Feed the Future focus countries have multi-year strategies that expire in September 2017. In addition, strategies will be needed for regional and global investments, including a refresh of the research strategy.
- **Monitoring, evaluation, and learning (MEL) plan:** An interagency MEL working group is developing a plan to finalize indicators, set targets for goal-level indicators, assess women's and youth's engagement and empowerment, and develop guidance on collecting country-level baseline data and setting country-specific targets.
- **Implementation guidance:** BFS will lead the development of best practice guides and other implementation guidance to help Posts target their resources, especially in areas that reflect new focus or expansion (e.g., nutrition integration, rural-urban linkages, youth, resilience).
- **Stakeholder collaboration platforms:** The GFSA requires the development of platforms for regular consultation and collaboration with key stakeholders and Congress.
- **Whole-of-government coordination:** BFS is forming a new team dedicated to coordinating regular interagency efforts, including developing or strengthening a number of working groups that will advance key elements of the strategy, including monitoring and evaluation.

Future Opportunities

- **Targeting:** BFS will need the new Administration to concur with the recommended set of target countries for the initiative (or identify an alternative process) in order to prevent disruptions in programming.
- **Branding:** The Global Food Security Strategy was not branded Feed the Future due to some interagency misunderstanding about the broad and inclusive scope of the Feed the Future initiative. However, moving forward, the new Administration would benefit by continuing and strengthening the Feed the Future brand for all U.S. Government global food security efforts.

SUPPORTING DOCUMENT: BUREAU FOR FOOD SECURITY FEED THE FUTURE IMPACTS

Since its inception, Feed the Future has spurred remarkable progress in food security, agricultural-led economic growth, and improved nutrition, contributing to significant reductions in poverty and stunting (elaborated on below) in the targeted geographic areas where the initiative works. Feed the Future measures population level impacts through its rigorous monitoring, evaluation, and learning system that both reflects and generates best practices for accountability.

Feed the Future contributes to impressive results in reducing hunger and poverty. Since its inception, the initiative has worked with millions of farmers, families, businesses, and organizations to generate lasting economic change through agricultural transformation and bring about improved nutrition through better nutrition services, behaviors, and availability and access to quality foods. Last year alone, Feed the Future helped **more than 9 million** agricultural producers apply improved production practices and reached **nearly 18 million children** with vital nutrition interventions. Since the start of the initiative, Feed the Future-supported farmers have increased sales of agricultural products by **over \$1.67 billion**.

These types of results, combined with host-country and other development efforts, are contributing to early impacts. Interim impact data collected in 2014 through 2016 show tremendous gains toward targets of reducing poverty and stunting by an average of 20 percent in targeted areas by 2017. Eleven focus countries show statistically significant **reductions in poverty**, and eight countries exhibit statistically significant **reductions in stunting**.

COUNTRY	POVERTY			STUNTING		
	Baseline Result	Interim Result	Difference	Baseline Result	Interim Result	Difference
Bangladesh	40.50%	34.01%	-16.02%	36.90%	32.30%	-12.47%
Cambodia	11.70%	8.68%	-25.81%	43.95%	33.70%	-23.32%
Ethiopia	39.90%	35.00%	-12.28%	49.20%	47.10%	-4.27%
Ghana	22.20%	19.60%	-11.71%	36.10%	29.90%	-17.17%
Guatemala	5.90%	4.28%	-27.46%	67.40%	63.32%	-6.05%
Honduras	45.80%	45.80%	0.00%	38.30%	26.10%	-31.85%
Kenya (HR/SA)	44.70%	46.92%	4.97%	35.10%	20.93%	-40.37%
Kenya (northern)	61.90%	58.50%	-5.49%	27.60%	26.30%	-4.71%
Liberia	49.40%	39.80%	-19.43%	43.10%	34.30%	-20.42%
Malawi	66.70%	54.50%	-18.29%	49.20%	42.30%	-14.02%
Mozambique	62.00%	66.50%	7.26%	51.60%	51.80%	0.39%
Nepal	32.50%	20.90%	-35.69%	45.20%	47.00%	3.98%
Rwanda	67.00%	62.00%	-7.46%	46.30%	39.70%	-14.25%
Senegal	34.30%	40.50%	18.08%	23.10%	25.80%	11.69%
Tajikistan	8.80%	10.40%	18.18%	30.70%	29.30%	-4.56%
Tanzania	37.20%	28.20%	-24.19%	34.70%	37.70%	8.65%
Uganda	32.90%	32.10%	-2.43%	33.00%	29.20%	-11.52%
Zambia	88.00%	80.90%	-8.07%	45.50%	38.40%	-15.60%

*Shaded and bolded cells demonstrate changes that are statistically significant

Monitoring Evaluation and Learning

To attain and track results, Feed the Future is committed to rigorous monitoring, evaluation, and learning (MEL) that measures progress, facilitates performance-based and adaptive management, provides accountability, and fosters learning. Feed the Future uses MEL approaches that reflect international best practices and has provided intellectual leadership within the broader food security community, such as with the development of the Women's Empowerment in Agriculture Index (WEAI) and indicators for nutrition-sensitive agriculture. To the degree possible, Feed the Future employs proven, cost-effective, and real time digital or mobile tools to collect and analyze data for standard indicators and through evaluations.

Development Model for Success

Feed the Future enjoys strong bipartisan support and is a whole-of-government approach that leverages the skills and resources of 11 U.S. federal departments and agencies. Feed the Future's development model—which is driven by partnership, country leadership, and a focus on results—has improved the way the U.S. Government (USG) does business, facilitating effective, transparent, evidence-based, multi-stakeholder efforts to achieve lasting success.

Future Opportunities:

- **Impact data:** Feed the Future will collect the next round of impact level data in 2017. This will be an opportunity to assess progress against the initiative's original stunting and poverty targets and also to obtain baseline data against which to set high-level targets for the Global Food Security Strategy.
- **Indicators:** Working across USG agencies, BFS will streamline and enhance the Feed the Future indicators, introducing better metrics to assess system-level progress.

BFS Evidence-Based Programming

The WEAI collects data across five domains, allowing users to assess the greatest constraints to women's empowerment and gender equality and make strategic choices about what constraints to target to generate the greatest impact. In Bangladesh, the main constraints to empowerment identified at baseline were group membership, speaking in public, and control over income. In response to those findings, USAID/Bangladesh modified interventions and designed new programming to specifically address those constraints.

SUPPORTING DOCUMENT: BUREAU FOR FOOD SECURITY A FOOD-SECURE 2030

What is A Food-Secure 2030?

A Food-Secure 2030 is a paper that presents a shared U.S. Government (USG) vision to achieve the Sustainable Development Goals (SDGs), specifically the goals for poverty, nutrition, resilience, and hunger, with a focus on higher incomes and agriculture-led economic growth. Launched by USAID's Administrator in September 2016 at the African Green Revolution Forum, the paper is a global call to action to mobilize resources and partnerships to sustain momentum on global food security. USAID developed this paper through an inclusive interagency process and will further amplify this call to action through various platforms for global engagement.

Why is this important?

Effective, efficient, inclusive, and sustainable food systems drive poverty reduction and economic growth and will be critical to the achievement of the SDGs. This global vision is informed by our collective progress and lessons learned over the past decade of historic commitment to, and momentum toward, improving global food security and nutrition. The call to action reenergized American and global actors to engage, and key aspect of this paper informed the development of the USG's Global Food Security Strategy.

What is the development community called to do?

The paper calls upon the public and private sectors to invest, based on two key organizing principles:

1. **Strong country leadership:** the vision cannot be achieved without steadfast country leadership, political will and a continued commitment to results, evidence-based action, and accountability. This requires transparent policy agendas, mobilizing resources strategically and efficiently, and building more capable, responsive, and accountable institutions. The Alliance for a Green Revolution in Africa's *Seize the Moment* Campaign is an example of this catalytic approach to elevate and rejuvenate African agriculture. USAID has identified a number of "champion" countries in Africa based on these criteria and recognizes Bangladesh and Honduras as strong food security champions.
2. **Catalytic development assistance:** the vision calls for more targeted investments from donors to drive catalytic impact across sectors to address root causes of protracted and recurrent food crises. Key activities include: strengthening public and private institutions; incentivizing investment from the private sector; and strengthening the integration and synergy between humanitarian and development investments.

Future Opportunities

USAID will work with other agencies to amplify this call to action through platforms for global engagement, including the G7 and G20:

- USAID will work with agencies such as State and Treasury to propose and advance USG priorities, through shared commitments and focused actions, in food security and nutrition, and to support and drive those priorities within and outside of food security and development working group processes throughout the year.
- USAID external engagement, including bilateral and multilateral processes, will prioritize the 2030 vision, the need for more innovative and effective financing, increased resilience, and support for strong country leadership.

SUPPORTING DOCUMENT: BUREAU FOR FOOD SECURITY INCENTIVIZING PRIVATE INVESTMENT IN FOOD SECURITY

Feed the Future's private sector partnerships advance the impact of sustainable development and foster private sector-led growth in emerging markets, a critical step in reducing poverty, fighting hunger, and improving nutrition. BFS makes investments in agricultural market systems—financial tools, insurance, policy and the business enabling environment, capacity building, and food safety and quality standards—that help to attract companies and de-risk investment. Private sector companies demonstrate growing interest to invest in emerging markets; these commercial interests are increasingly aligned with USAID's development goals.

INCENTIVIZING PRIVATE INVESTMENT IN FOOD SECURITY

While domestic and international private entities are eager to invest in developing country food systems, they often view agriculture and related investments as risky due to weak policy environments and uncertainties posed by climate change and other risks. Development actors can help mitigate both real and perceived risk in various ways: participating in “blended finance” instruments that provide financing with favorable terms; issuing products that mitigate investment risk such as credit guarantees; and helping to identify and support investment opportunities (e.g., funding feasibility studies, capacity building to increase a company's investment readiness).

KEY ACHIEVEMENTS

Partnerships: A core tenet of the U.S. Government's Feed the Future initiative is working through partnerships to advance food security and nutrition. BFS works with companies in the pre-competitive space to make global supply chains more inclusive and sustainable. Since 2011, Feed the Future has leveraged more than \$600 million globally in new private sector investment in agriculture to catalyze solutions that build markets and help rural communities reduce poverty, hunger, and malnutrition.

Finance: BFS has used the Development Credit Authority (DCA)—a flexible tool that allows USAID to mobilize private financing by encouraging financial institutions to expand their lending to new sectors and regions, or to improve loan terms using partial credit guarantees—to make available over \$140 million in credit for the agricultural sector at a cost to USAID of \$7.6 million.

Commercialization of Technologies: BFS encourages private companies to invest in bringing new technologies into markets for farmers' access by using prizes and challenges. These grants help to lower the barriers to market entry. For example, through Feed the Future's Partnering for Innovation project, more than 400,000 smallholder farmers are now using innovative technologies through 31 partnerships in 14 countries.

Market Analytics: BFS invested in generating information on the ease of doing business in the agriculture sector in developing countries. The Enabling the Business of Agriculture Index, a multi-donor effort, compares 60 countries against a set of agribusiness indicators to inform enabling environment changes. To address supply constraints in the early generation seed (EGS) value chain, BFS developed an analytical framework in partnership with the Gates Foundation that identifies potential business models to commercialize EGS and inform government policies and investment priorities in 12 sub-Saharan African countries.

Risk Management: BFS has been a leader in developing and promoting the use of risk management tools, such as weather-based index insurance to build farmers' resilience to climate and other types of shocks.

FUTURE OPPORTUNITIES

1. **Finance:** Current financial inclusion and intermediation activities are not sufficient to meet small-scale producer and small and medium enterprise (SME) demand--\$200 billion in unmet financing. Through expanded collaboration and greater access to information and technology, BFS is working with increasingly diverse actors to help meet this need—financial service providers, funders, market and research platforms, and technical assistance providers. BFS and other Bureaus see new opportunities to use modest amounts of public funds in highly catalytic ways to unlock much larger flows of private capital. Innovative tools and "smart subsidies" now exist to buy down risk for investment capital, expand long-term financing, and support critical SME growth, including producer associations.
2. **Food Safety:** Adoption of food safety standards and practices ensures safe food for in-country consumption and facilitates trade in regional and international markets. BFS plans to increase investments in post-harvest loss reduction, cool/cold chain, and strengthening food safety systems, and will do this by increased private sector engagement/partnerships and USG interagency collaboration.
3. **Global Supply Chains:** Threats to small-scale producers' cash crop productivity and incomes negatively impact farmers and sustainable global supply chains. Supply chain efficiencies can be increased through agribusiness, technology, and services development. BFS will increase engagement within industry groups. We will also engage more companies that have sustainability goals as well as climate-smart agriculture and youth employment opportunities with the private sector. Additionally, BFS will focus more on supply chain finance models that integrate with SMEs and small scale producers.
4. **Digital Services:** The rapid growth in the availability of mobile services and digital tools means opportunities to dramatically reduce transaction costs, harness "big data" to add precision to agriculture even for smallholder farmers, leverage first world digital platforms for agriculture, and tighten links across supply chains from inputs to postharvest storage and transport. Partnerships with digital service providers can reduce their up-front risks and attract private capital and expertise.

SUPPORTING DOCUMENT: BUREAU FOR FOOD SECURITY INNOVATION IN SCIENCE AND TECHNOLOGY (S&T) FOR FOOD SECURITY

The Bureau for Food Security (BFS) leads U.S. Government efforts on agricultural research and capacity development for global food security under the U.S. Government's (USG) Feed the Future initiative and promotes the application of the latest technology and approaches. Harnessing scientific innovation and technology in agriculture and nutrition is key to reaching Feed the Future's goal to sustainably reduce global hunger, poverty, and malnutrition.

SCIENCE & TECHNOLOGY UNDER FEED THE FUTURE

- **Rationale:** Investments in agricultural research and development offer high economic rates of return on public spending, and generate greater improvements in agricultural productivity than other investments. The application of advances in science and technology (S&T) is crucial to transforming food and agriculture systems to address new and dynamic challenges such as a shifting climate, demographic transformation, and evolving pest and disease pressures. Sustained investment is vital to ensure continued generation, delivery, and adoption of innovations that will protect and accelerate development gains.
- **Process:** In 2010, BFS led a broad consultative process to develop and implement the Feed the Future Research Strategy, which outlines how scientific and technological innovations and new knowledge will make food systems more productive and sustainable and improve nutrition.
- **Investments:** S&T is a key area of investment for Feed the Future. Investment in research has more than doubled under the Feed the Future initiative.
- **Outputs:** S&T delivers a spectrum of innovations including international public goods, technologies, policies, and improved natural resource management, information and communication technology (ICT), and financial products to manage risk. These innovations accelerate progress, improve the efficacy of our interventions, and leapfrog existing approaches to save time and money.
- **Impact:** BFS research investments have resulted in significant achievements, including the generation and scaling of transformative innovations with accompanying publically-available datasets, enhanced capacity of local institutions for sustainable global innovation system gains, and development of strategic partnerships to leverage our investments.

ACHIEVEMENTS

S&T investments under Feed the Future are yielding significant development impacts.

- **Partnership:** BFS invests in 24 U.S. university-led Feed the Future Innovation Labs that draw on the expertise of over 60 U.S. colleges and universities, the Consultative Group on International Agricultural Research (CGIAR), the private sector, and others. Through partnerships like this, we ensure complementarity of our research investments and multilaterally fund efforts, leveraging global donor investment in food security research.
- **Innovation:** USAID agricultural research investments have led to 926 new innovations currently available for uptake and more than 50,000 in development. This pipeline is critical to address dynamic and sometimes unforeseen changes that impact food security. Through a collaboration with USAID's U.S. Global Development Lab, BFS is: (1) driving greater financial inclusion among farmers and their families through more efficient and cheaper payment and savings tools; (2) delivering mobile-enabled agricultural extension information to actors throughout the value chain; and (3) facilitating greater precision agriculture through real time

mobile data collection and analysis, in order to accelerate reductions in global hunger, malnutrition and poverty.

- **Technology Scaling:** To ensure promising new technologies achieve development impact, BFS pioneered approaches that bring together public and private entities to promote adoption of innovations beyond the direct beneficiaries of USAID activities. In 2015, nearly 9 million farmers adopted new technologies or management practices as a result of Feed the Future efforts, contributing to more than \$800 million in new sales of agricultural commodities.
- **Partner Capacity:** In FY 2015 alone, Feed the Future Innovation Labs trained 409 graduate students from 42 countries. These investments serve as a platform for host country scientists to more effectively collaborate with the international scientific community and strengthen linkages with U.S. universities.
- **Open Data:** BFS supports the Open Government Initiative by making data from our activities publicly available and encouraging our partners to do the same. Data on program results, climate, poverty, demographics, and health, among others inform our programming.

FUTURE OPPORTUNITIES & CHALLENGES

The Global Food Security Act of 2016 (GFSA) will enable the Agency to build on this progress, presenting opportunities to harness the full capacity of U.S. advanced S&T, amplify and quantify impact, and continuously adapt to dynamic challenges. Under the GFSA, continued BFS leadership on applying S&T to food security challenges will allow USAID to:

1. **Leverage U.S. S&T investments:** Through increased coordination with other USG scientific funding agencies, USAID can leverage funding and technical capacity of U.S. organizations, including at colleges and universities, to achieve global food security goals. The intellectual leadership USAID provides through programs guides the broader global food security research and policy agenda, ensuring it is rooted in a strong evidence base.
2. **Quantify development impacts of research investments:** As initial S&T investments under Feed the Future mature from product development to technology transfer, BFS will measure the impacts of innovations made available to smallholder farmers. This will further demonstrate the strategic value of sustained agricultural research investment to promote global food security and help USAID to better prioritize and target R&D investments.
3. **Guide global S&T investments to deliver food security and nutrition impacts at scale:** USAID will lead USG agencies, donors, host-country governments, and the private sector to make the transformational, system-level investments that will improve productivity, efficiency and profitability of the food and agriculture system.
4. **Generate innovations for a changing climate:** USAID will continue to focus on climate-smart agriculture to improve the resilience of smallholder farmers and protect development gains. Data-driven agriculture is linking big-data crop models, targeted weather forecasting, and specific variability in soils to provide localized information on farm inputs and practices. Systems such as ICT-enabled extension over phones, radio, and video are helping to turn analytics into good practices on farms and in value chains.

SUPPORTING DOCUMENT: BUREAU FOR FOOD SECURITY RESILIENCE

Building resilience emerged as a priority in 2011-2012 and has fundamentally changed USAID's approach to addressing chronic vulnerability and recurrent crises. USAID's resilience efforts are part of broader, country-led efforts that are transforming the way recurrent crises and complex risk are managed. USAID's 'proof of concept' resilience portfolio in the Horn of Africa, Sahel and Nepal remain works in progress, but are already showing impressive results. There is a growing recognition of the broader relevance of resilience to ending extreme poverty and achieving other development goals, from southern Africa in the wake of El Nino to engaging in fragile state contexts, where risk has not been sufficiently addressed.

Resilience: USAID defines resilience as *“the ability of people, households, communities, countries and systems to mitigate, adapt to and recover from shocks and stresses in a manner that reduces chronic vulnerability and facilitates inclusive growth.”* In less technical terms, it is the ability to manage adversity and change without compromising future well-being. The range of shocks and stresses that poor and vulnerable households and communities experience underscore the complex and compound nature of the risks they face. These factors range from climate change and weather variability resulting in the increasing frequency and intensity of droughts and floods, to price shocks, health shocks, environmental degradation, population pressure and movements, political turmoil, fragility and outright conflict.

Impetus and Rationale: Building resilience to recurrent crises emerged as a USAID and USG priority following the large-scale, drought emergencies in the Horn of Africa and Sahelian West Africa in 2011-2012. The shift in approach of the international response reflects the collective recognition by the USG, host governments and a broad array of development partners that treating recurrent crises as anomalies is extremely costly. These costs include lost lives and livelihoods, losses to national and regional economies, and the burden of recurrent humanitarian spending. Since then, resilience has provided the analytic, programmatic and organizing concept and framework for addressing chronic vulnerability and recurrent crises as development priorities, instead of perpetual humanitarian risks.

Resilience Portfolio and Early Results: USAID's concentrated resilience portfolio targets chronically vulnerable areas of Kenya, Ethiopia, Uganda, Somalia, Mali, Niger, Burkina Faso and Nepal, where recurrent shocks have resulted in repeat, large-scale humanitarian emergencies. The early results of these efforts are impressive. In the northern drylands of Kenya, for example, we have already seen significant reductions in poverty, improvements in dietary diversity among women and an increase in the proportion of households that report they will be able to cope with and successfully manage future droughts. USAID's investments in resilience align with and support country-led resilience efforts.

Proof of Concept: USAID's \$300 million per year resilience portfolio is serving as a proof of concept for addressing complex risk and the underlying causes of recurrent crises. This approach involves a comprehensive set of investments to reduce and manage risk, build adaptive capacity, and facilitate inclusive growth that cut across three broad programmatic pillars: 1) expanding economic opportunities, 2) improving health and human capital, and 3) strengthening natural resource, conflict, and disaster risk management. USAID uses joint analyses, planning and implementation across an array of offices, bureaus, and humanitarian and development funding streams for resilience programs.

Broader Relevance: Resilience is critical to achieving all of USAID’s development objectives and, more broadly, the Sustainable Development Goals given the increasingly complex, interconnected, and compound nature of risk in the places USAID works. This broader relevance is evident in recent USAID-funded research examining the alarming rates at which a significant portion of households that escape poverty fall back into poverty in the face of shocks and stresses. By understanding why other, more resilient, households sustainably escape poverty, similar capacities can be promoted throughout USAID’s development investments. The Global Food Security Act and Strategy puts building resilience front and center as a means of achieving the goal of a food secure world in the face of climate change and variability, weather events like El Nino, population dynamics, environmental degradation, local and global price shocks, health shocks, political instability, fragility, and outright conflict.

Future Directions, Opportunities and Priorities: An increasing number of USAID missions in Asia and Africa are now proactively incorporating resilience (policy, programming and measurement) into their Country Development and Cooperation Strategies. This is particularly true in southern Africa where the impact of *El Nino* is exposing and expanding the rationale for investing in resilience in the same way as in the Horn of Africa and Sahel in 2011-2012. It is also true in places like Bangladesh and Cambodia where the evidence on resilience and sustainable poverty escapes is providing a compelling rationale for investing in resilience to achieve poverty reduction and other development aims.

Challenges: Continued, cross-bureau progress on resilience is constrained by the siloed nature of funding streams in the Agency. Each sector-specific national and sub-national targeting criteria inhibits the ability to bring together the integrated humanitarian and development investments needed to effectively build resilience on a larger scale in areas subject to recurrent crises. USAID’s ability to do so in the eight cases within the resilience portfolio described above is an exception, not the rule. Progress is also constrained in some instances by a lack of country ownership and capacity.

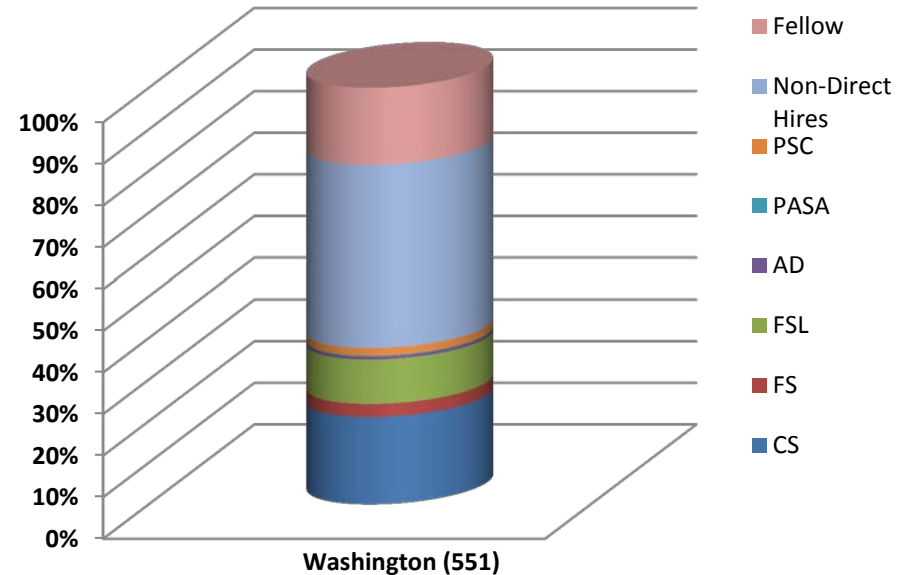
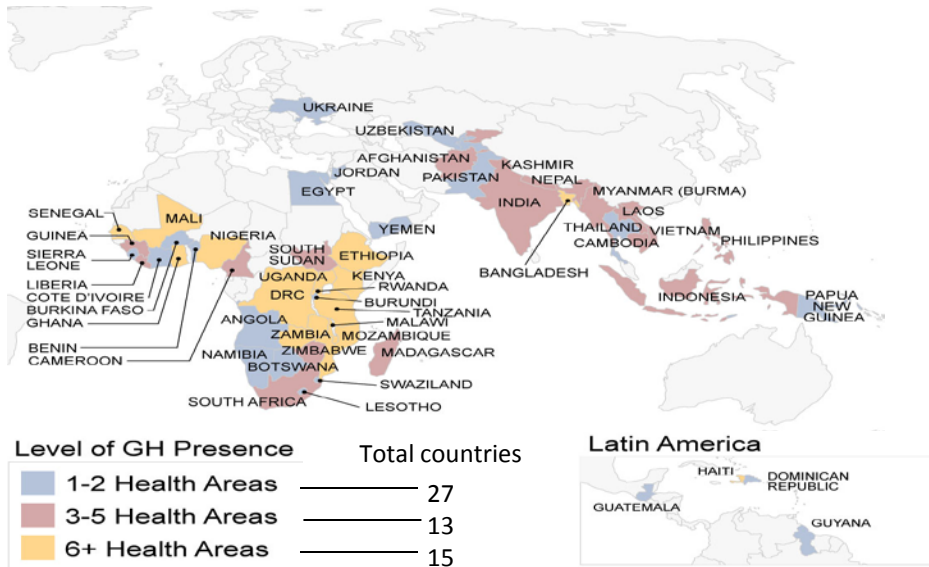
Institutional Structures and Partnerships: The Agency established the Center for Resilience, Resilience Coordinator, and cross-bureau Resilience Leadership Council co-chaired by BFS and DCHA in 2015 to provide thought and practice leadership on resilience in and beyond USAID. These structures represent the initial steps toward institutionalizing resilience in USAID and build on informal structures that have been in place since early 2012. In addition, there is a mounting, interagency effort to explore the intersection of resilience and fragility, beginning in resilience focus countries such as Mali and Somalia.

PRESENCE

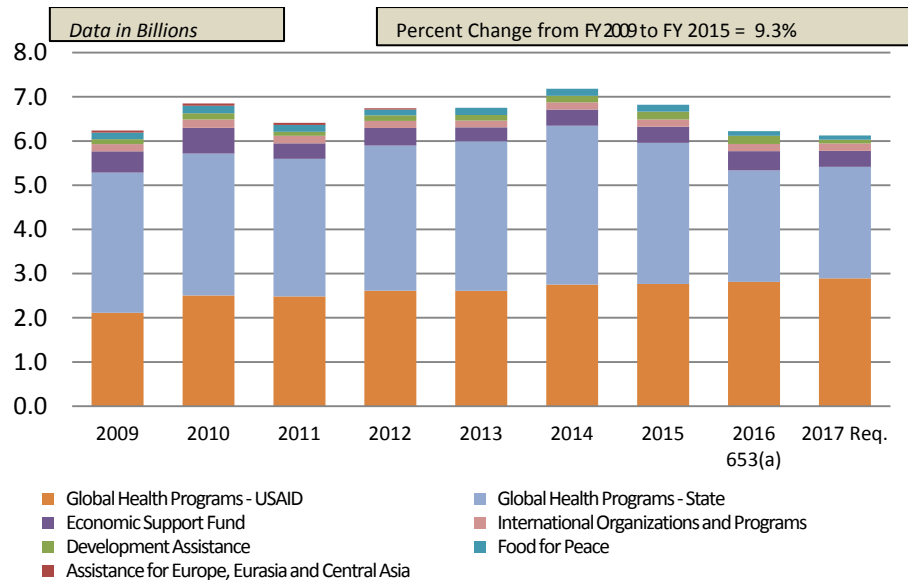
BUREAU PROFILE: BUREAU FOR GLOBAL HEALTH

STAFFING

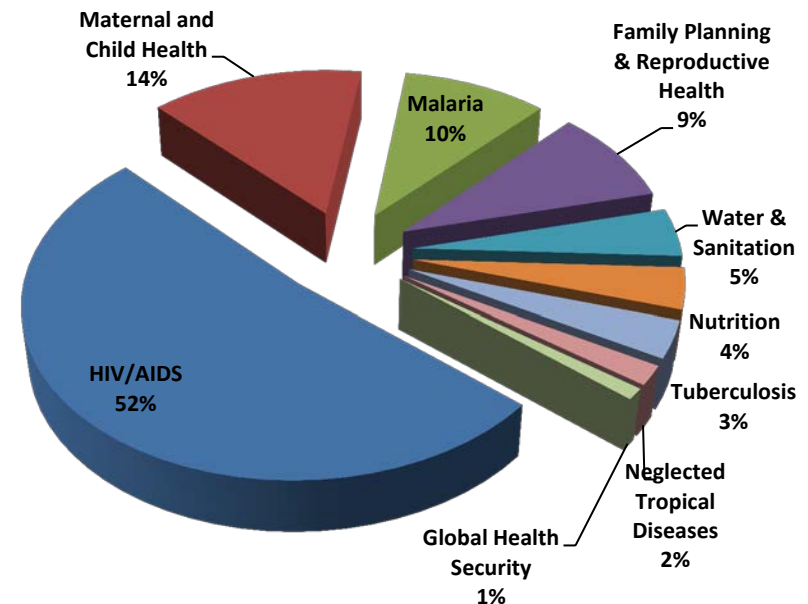
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BUDGET: FY 2009 – FY 2017



BUDGET: FY 2015 BY SECTOR



The GH Bureau directly manages 47% of USAID's health funding (not including contributions to the Global Fund).

BUREAU BRIEF: THE BUREAU FOR GLOBAL HEALTH

INTRODUCTION

The Bureau for Global Health's (GH) more than 500 public health specialists provide essential technical assistance to USAID missions on health issues, provide thought leadership on global health policy, and manage a range of contracts and grants used by USAID missions to support implementation of health programs. GH also **strengthens health systems** by addressing the health worker shortage, improving local supply chains, and helping countries find and manage more of their own money for the health sector. GH's three strategic goals are:

1. **To end preventable child and maternal deaths;**
2. To create an **AIDS-free generation;** and
3. To **protect communities from infectious diseases,** including TB, malaria, neglected tropical diseases (NTDs), and pandemic threats such as influenza, Ebola, and Zika.

LOOKING BACK

Saved lives and improved health. Outcomes in the countries receiving USAID health assistance have improved dramatically over the last 40 years and particularly in the last decade. While USAID cannot claim sole credit, it has played a critical role as the world's largest donor and technical partner in global health. USAID health programs helped save the lives of 100 million children since 1990, significantly increased access to modern contraception, and significantly decreased deaths from TB and malaria.

Shaped the global agenda. The global health sector has grown more complex over the last decade, with an increasing number of U.S. agencies, other donors, NGOs, and other stakeholders operating at global level. USAID successfully engages with, and leverages the resources of, these groups in all health areas where it works. For example, GH leveraged more than \$11 billion of drug donations from pharmaceutical companies for NTDs since 2006. GH also initiated a paradigm shift with the launch of the 2012 *Child Survival Call to Action*, which challenged donors and developing countries to achieve within a generation health outcomes comparable to those of industrialized countries. Many of these ambitious goals are included in the Sustainable Development Goals (SDGs) for health.

Fostered and applied innovation. Investments in research and innovation are critical to the achievement of health objectives. GH provides significant support in late-stage product development. For example, investments in TB diagnostics, malaria drugs, and antiseptics have resulted in better diagnoses, improved treatment, and lower infection rates. New diaphragms and injectables are expanding contraceptive options for women. The Center for Accelerating Innovation and Impact (CII), a center of excellence within GH, has also pioneered new approaches to globally crowdsource game-changing innovations from individuals and the private sector, from a reimagined suit to protect health workers from Ebola to research on mosquitoes that can no longer transmit disease. Finally, as many partner countries experience significant economic growth, GH helped develop and use innovative financing methods to encourage host countries mobilize more of their own resources for health.

LOOKING FORWARD

Save lives and improve health: GH has clear and ambitious targets that it expects to meet over the next 15 years in alignment with the Sustainable Development Goals, and will continue to help Missions adapt to evolving host country conditions through flexible programming, quality technical assistance, deepening relationships with host governments, and attention to health systems and health financing, including domestic resource mobilization.

Shape the global agenda: GH shapes the global agenda through its engagement of other governments and donors, including at global forums such as the World Health Organization, the G7 and G20, and in global alliances and initiatives such as the Global Fund, Gavi, Roll Back Malaria, and the Global Virome Project, an innovative project to identify and inventory viruses globally, in order to anticipate the next outbreak.

Innovation: GH innovates by using our country presence to evaluate new tools and implementation approaches in our growing health finance work, through the design of projects that build on past experiences, and through our research portfolio, work in CII, and ongoing “grand challenges.”

Workforce: Achieving these goals is complicated by serious [staffing and management challenges](#). The size of GH’s budget, the complexity of its portfolio, and the prominence of the initiatives it manages have increased significantly over the past decade. GH has been severely constrained in its ability to directly hire new Civil and Foreign Service staff. The solution has been to hire staff through numerous contracts with third parties. Negative consequences of this include: (1) creating unreasonable levels of supervisory, financial, and contract management responsibilities for the small number of direct hire staff; (2) making it difficult to perform basic HR functions like succession planning and budgeting; and (3) making GH extremely reliant on several large institutional support contracts for core business processes that carry high overhead costs and significant administrative burden, and are highly vulnerable to contracting delays and other procurement complications.

Interagency: USAID is one of several U.S. agencies working in global health. The structure - where the State Department oversees the President’s Emergency Plan for AIDS Relief and allocates funds primarily to USAID and the Centers for Disease Control and Prevention - has resulted in challenges in the field to coordinate work and has required significant staff and leadership time to address. The [President’s Malaria Initiative](#) is our preferred model, avoiding these issues by using an operational model that relies on interagency technical expertise and a single implementation platform managed by USAID.

Host-Country Partnership: As developing countries advance, they can and will provide more of their own resources to address their evolving health needs. Development agencies will be called on to provide advice on how to structure national health insurance schemes, find host country resources for health, and address non-communicable diseases, while also completing the unfinished business of securing sustainable, equitable primary health care.

SUPPORTING DOCUMENT: BUREAU FOR GLOBAL HEALTH IMPROVING THE PERFORMANCE OF HEALTH SYSTEMS

Health Systems Strengthening (HSS) is an essential component of all health programs, accelerating and sustaining a country's progress to ensure healthy lives and promote well-being for all. For over 20 years, targeted investments in HSS have enabled USAID programs to improve health outcomes and protect citizens from impoverishment due to illness. The first *USAID Vision for Health Systems Strengthening, 2015-2019*, is being implemented to support countries in their efforts to build health systems that ensure equitable access to quality, essential health services. Investments in HSS are integral to achieving and sustaining USAID's priority health goals: Ending Preventable Child and Maternal Deaths, creating an AIDS-Free Generation, and Protecting Communities from Infectious Diseases. The Senate Foreign Relations Committee is currently drafting HSS legislation intended to ensure that essential health services will be provided sustainably in countries with substantial USG global health assistance. The draft legislation would give USAID a leadership role in coordinating USG inter-agency HSS strategy, implementation and reporting.



A well-performing health system is one in which....

Governments provide sufficient **financial resources** for health, supplemented by innovative funding mechanisms and insurance coverage.

Supply systems deliver the right medicines and commodities of assured quality in a timely manner.

Sufficient **health workers** are adequately trained and deployed to meet population needs.

Health care **services** are of high **quality** and meet the needs of the population.

Health providers, managers and leaders have access to timely, accurate **information** to make decisions.

Governance of the health systems provides transparency and accountability.

RESILIENCE

Well-functioning health systems are able to respond to shocks, including natural or man-made disasters and infectious disease outbreaks. If not prepared to respond, essential health services may be disrupted, leading to increased death, disability, and poverty. The importance of resilience became very clear in the 2010 Haiti Earthquake and during the 2014 Ebola outbreak, which devastated the health systems of three West African countries and nearly halted delivery of essential services. Early response efforts by USAID in finding and supporting health workers, for example, in partnership with affected countries and other donors, led to the rapid restoration of services, and rebuilding of the health systems.

FINANCIAL PROTECTION

USAID works to reduce financial barriers to essential life-saving services for the poor while ensuring the system is able to respond to the needs of the most vulnerable. This is accomplished by supporting countries to develop and implement community, social and private health coverage schemes. In Ethiopia, USAID supported the implementation of health insurance resulting in 650,000 more people receiving financial protection and increased access to services. In addition, USAID encourages the use of performance-based incentives, including cash transfers and voucher programs that empower the poor to increase their use of essential health services. USAID promotes contracting out and community engagement to improve efficiencies.

DOMESTIC RESOURCE MOBILIZATION (DRM)

[RETURN TO TOC](#)

As countries' economies grow, spending on health increases. This economic transition provides an opportunity for USAID to influence countries to increase and better organize public and private resources for health in a way that ensures equitable access to quality, essential services, and reduces aid dependence. USAID designed and leads the **Sustainable**

Strong Health Systems Require Effective Tools for Decision Making
Tools co-developed by USAID

National Health Accounts permit countries to track spending over time, which helps countries improve resource allocation, health sector planning, and governance and accountability.

The EQUIST Tool will model the effects of HSS interventions on saving lives. This web-based platform, being developed in collaboration with UNICEF, will help policy makers spot inequities in maternal/child health and chose interventions to remove health system bottlenecks that cause them.

The Health System Benchmarking Tool (HSBT) compares country health system performance against a standard, which helps policy makers and program managers make informed investments, as well as planning and management decisions based on health system functions,

Financing Initiative for HIV/AIDS, which in its first year invested \$6.35 million to build the case for countries to increase their spending on HIV/AIDS, increase private sector engagement, and improve the efficiency in the use of public resources. This resulted in host governments in three countries committing nearly \$35 million of additional domestic resources for HIV/AIDS. With the **Global Financing Facility (GFF) for Every Woman Every Child**, USAID works to increase country access to World Bank funding. USAID also remains at the forefront of **innovative financing** by developing mechanisms that catalyze impact, leverage external resources, and promote sustainability by enabling public, private, and philanthropic funders to transact across an increasingly diverse global financial landscape.

OTHER IMPORTANT HSS FUNCTIONS

USAID supports countries in adapting modern quality improvement approaches to low-resource settings; supports a more responsive, better-equipped, trained and resilient health workforce; promotes good governance; and improves country medicines supply chain operations and ensures patient safety. In recent years, USAID procured nearly 30 percent of the global need for rapid diagnostic tests and artemisinin-combination therapy treatments for malaria; an estimated 37 percent of the global donor supply of contraceptives and condoms for family planning and HIV-prevention; and on behalf of PEPFAR approximately 34 percent of the donor-supplied HIV medicines to low and middle income countries. Under the new Global Health Supply Chain Program, USAID is pursuing new efficiencies in distribution, procurement, warehousing, and freight forwarding, while fostering healthy markets, and ensuring product quality.

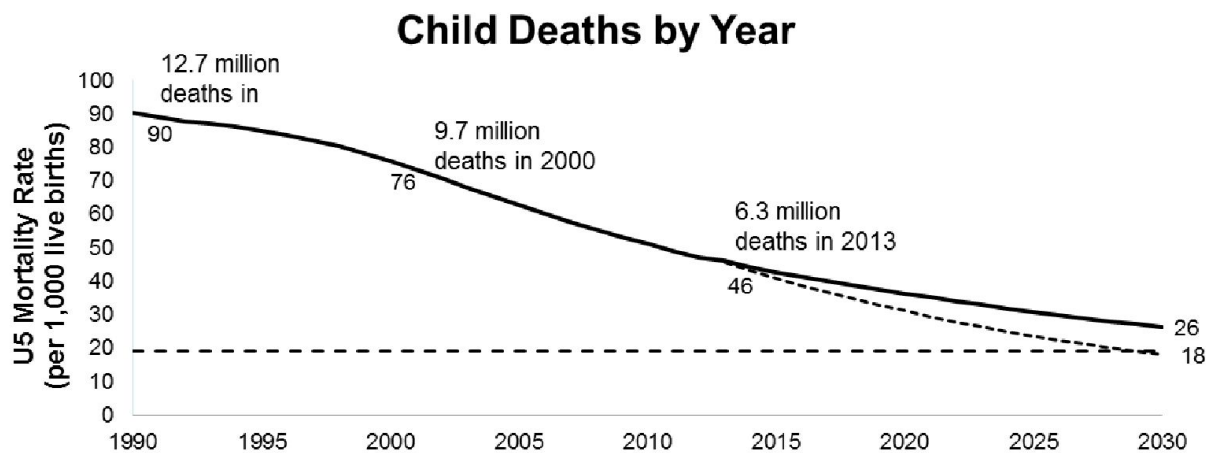
HSS CHALLENGES & OPPORTUNITIES

Improving and sustaining the performance of health systems is a long-term endeavor. The return on investment is not immediate and the lack of "quick wins" makes garnering support for HSS challenging.

HSS does not have a dedicated source of funding (i.e., no directives for HSS in the USG global health appropriation), and relies on funding from budgets for family planning, maternal/child health, malaria, and other health area programs. These funds come with health area specific constraints, which presents challenges when striving to achieve a holistic approach to improvements across the health system.

SUPPORTING DOCUMENT: BUREAU FOR GLOBAL HEALTH ENDING PREVENTABLE CHILD AND MATERNAL DEATHS (EPCMD)

Globally each year, 303,000 mothers and 5.9 million children under five die of largely preventable causes, including over 2.6 million newborns. USAID has been a global leader in maternal and child health efforts for decades. In 2012, USAID convened governments and key leaders in health at a *Child Survival: Call to Action* to inspire action around maternal and child survival. USAID unveiled an analysis showing that we are able to end preventable child deaths in a generation. This marked the first time ever global consensus has been reached around a child mortality target – converging with levels of OECD countries. This target, and a similar one that was subsequently agreed to for maternal mortality, are now enshrined as two of the health targets for the Sustainable Development Goals. USAID and the global community worked to ensure that key maternal and child survival indicators are part of the SDG measurement agenda.



USAID's efforts will save more than 15 million children and 600,000 women by 2020.

Ending preventable child and maternal deaths (EPCMD) is one of GH's three priorities, as well as a top corporate goal. USAID is driving progress on that effort through global leadership and regularly evaluating and strengthening USAID's programs.

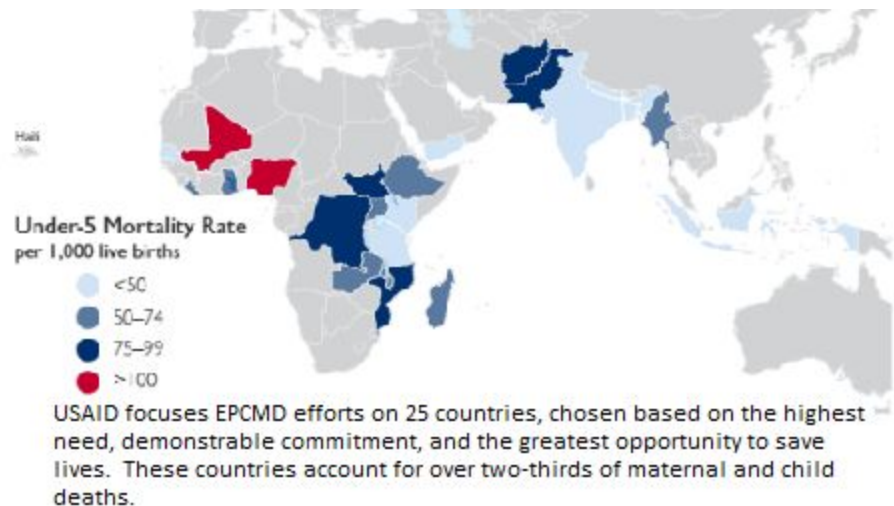
LOOKING BACK

By taking a multisectoral approach to EPCMD that includes maternal and child health, family planning, nutrition, water and sanitation (WASH), and malaria programs, USAID's efforts in its 25 EPCMD priority countries have helped save the lives of 4.6 million children and 200,000 mothers since 2008. Since the 2012 Call to Action, 178 governments and civil society organizations have pledged to renew efforts to reduce maternal and child deaths, and 19 of USAID's 25 priority countries have launched sharpened national strategies and adopted scorecards to track progress. In 2015, the Government of India hosted an international event to maintain momentum and reaffirm the commitment of ministries of health, and the Government of Ethiopia is scheduled to host a similar one in spring 2017. The U.S. Government is also a lead partner of the Global Financing Facility (GFF), which will align contributions from key partners within an investment case for reproductive, maternal and child health priorities that support national plans. The GFF uses official development assistance to catalyze

additional domestic and international, public, and private resources for key interventions to end preventable child and maternal deaths.

USAID has also looked internally to ensure USG investments in countries are having the greatest impact. In 2014, USAID released a roadmap, titled *Acting on the Call*, detailing the most effective interventions to save lives in each of the [then] 24 priority countries. This analysis showed that by scaling up the most effective interventions, USAID and partners can save 15 million children and 600,000 women by 2020. The data from this report have been used to drive program changes and ensure decisions about investments are data-based. USAID releases an updated report yearly that includes progress and updates on efforts in each country.

This renewed effort is also yielding measurable results in countries. In 1990, Ethiopia had among the highest maternal and child mortality rates in the world. After a renewed emphasis by the Government of Ethiopia, with support from USAID, they reduced child mortality by over 70 percent and maternal mortality by over 60 percent and achieved both Millennium Development Goals (MDGs) 4 and 5 early. Bangladesh is another example of great success. Since 1990, USAID has been working with the government to reduce child and maternal mortality and increase family planning services, and Bangladesh also achieved both MDGs 4 and 5.



LOOKING FORWARD

GH's EPCMD efforts enjoy the support of a broad cross-sectoral coalition of maternal and child health,

WASH, family planning, and nutrition advocates. This coalition has been essential in elevating EPCMD and has been a force behind the "Reach Every Woman and Child Act" (S. 1911; HR 3706) which would essentially codify this initiative. The bill is unlikely to become law this year, but will likely be introduced in the new Congress. From an international policy perspective, USAID's EPCMD efforts fit under UN Secretary General Ban Ki-moon's *Every Woman Every Child* (EWEC) movement, which has helped with in-country efforts to elevate this issue, increase domestic funding, and keep it at the forefront of health priorities. The World Health Organization, under Director General Margaret Chan's leadership, has provided essential technical analysis and implementation support in the field. Tony Lake, Executive Director of UNICEF, has championed ending preventable deaths and UNICEF has played a large role, partially from USAID funding, in pushing for accountability and progress in countries after their commitments at the 2012 Call to Action. In the near future, Secretary General Ban Ki-Moon, Mr. Lake, and Director General Margaret Chan will be transitioning, so there will be both a need and an opportunity to ensure that this continues to be a priority for the UN under new leadership.

SUPPORTING DOCUMENT: BUREAU FOR GLOBAL HEALTH CREATING AN AIDS-FREE GENERATION

Since 1986, USAID has been a technical leader in HIV, leveraging strategic partnerships to improve care and treatment and strengthen health systems. As a key implementer of the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), USAID is responsible for more than half of all PEPFAR programs. PEPFAR is led by an Ambassador and the Office of the Global AIDS Coordinator (OGAC) housed in the State Department. GH's Office of HIV/AIDS (OHA) works closely with OGAC and other PEPFAR partners. USAID's approach to HIV/AIDS includes: 1) Provides global leadership in the development of programs that maximize impact; 2) Supports country-led strategies while applying USAID's broad health and development expertise and specialized HIV/AIDS technical competencies; and 3) Uses science, technology and innovation to support cost-effective, sustainable, and appropriately integrated HIV/AIDS interventions at scale.

Looking Back

The global incidence of HIV peaked in 1998, but the wave of mortality was devastating Africa and many other places and populations. PEPFAR is the largest commitment by any nation to combat a single disease. Bipartisan support and the renewed commitments of each U.S. President since the 2003 formation of PEPFAR have led to its tremendous success. In the 13 years since its establishment, PEPFAR has gone from treating about 50,000 people living with HIV to more than 9.5 million people on antiretroviral treatment (ART) today. As a key implementer of PEPFAR, USAID has and will continue to play an integral role in working towards an AIDS-free Generation.

Looking Forward

USAID understands that to sustain the more than 9.5 million people on ART, and to provide ART to the more than 37 million people living with HIV, we need to be doing the right things, in the right places at the right time. Also, to stem the growth of HIV/AIDS, we need to focus on the increased risk for the high number of young people coming of age sexually, particularly in sub-Saharan Africa where HIV incidence is flat despite more than tripling the number of people on ART. These imperatives necessitate using data to identify program gaps and in turn align our ability to support countries falling short of ambitious performance targets. Recent data indicate greater support is needed in: testing and treatment, voluntary medical male circumcision (VMMC), orphans and vulnerable children (OVC) and Key Populations such as people who inject drugs, men who have sex with men, transgender people, and sex workers. To that end, OHA prioritizes initiatives such as beginning all patients on treatment immediately after an HIV-positive diagnosis ("Test & Start"), mobilizing domestic resources for shared financial responsibility with partner governments (the Sustainable Financing Initiative), and projects that focus on vulnerable populations, including key populations such as adolescent girls, and young women and orphans and vulnerable children to meet targets.

OHA coordinates with about 70 partners to implement activities in 35 priority countries/regions, mainly in Africa and Asia. Headquarters staff collaborate with about 800 USAID field staff to ensure that implementation, through the use and appropriate interpretation of data, is successfully meeting performance goals at the country and subnational levels, and ensuring programs are tailored to the country context. USAID recognizes the need to assess the epidemic in real-time and make necessary course corrections to sustain and advance the gains made thus far. This includes recent changes in the places where we work, and emphasis on treatment as prevention.

Interagency

USAID is one of five main PEPFAR implementing agencies working under the overall leadership of OGAC. USAID and CDC implement the majority of field programs (about \$3.5 billion annually in FY 2015). CDC has about 1,500 FTEs in the field and 550 at headquarters and a budget of about \$1.6 billion. USAID's budget is about \$1.9 billion with about 800 FTEs in the field and less than 285 FTEs at headquarters. The large budget and comparatively lean staffing structure underscores USAID's unique approach as a development agency that focuses not only on addressing the immediate challenges of HIV and AIDS, but also ensuring that solutions are sustainable long-term.

PEPFAR is a "whole of government" initiative managed by OGAC. While the overall program has produced substantial results, too much of OHA leadership's time is spent managing significant interagency workload both in Washington and the field, including diverse and occasionally difficult leadership dynamics and operating styles.

Field implementation of detailed annual country plans, substantive quarterly updates with ambitious targets, and complicated reporting requirements put extreme stress and pressure on both field and headquarters staff regardless of program size. Countries with \$10 million programs do the same amount of program planning, data analysis and reporting as countries with \$300 million programs. An effort is underway to devise a more realistic framework for planning and reporting in smaller footprint countries.

SUPPORTING DOCUMENT: BUREAU FOR GLOBAL HEALTH PROTECTING COMMUNITIES FROM INFECTIOUS DISEASES

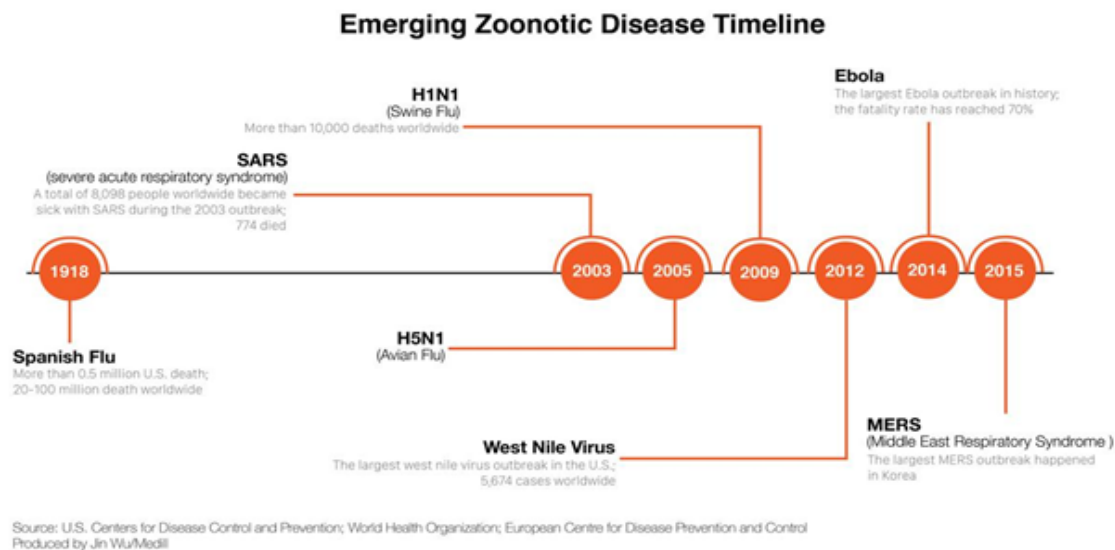
Scores of infectious diseases threaten humankind: both familiar ones like malaria, HIV, tuberculosis, and neglected tropical diseases, and emerging viruses and bacterial infections like Ebola, H5N1 avian flu, Zika, severe acute respiratory syndrome (SARS), and Middle East Respiratory Syndrome (MERS). The global community is faced with ongoing endemic disease threats and an increased frequency of emerging outbreaks driven by surging populations, environmental change, and globalized travel.

For decades, USAID has been a leader in the control and prevention of infectious diseases. Today, USAID-funded programs have achieved tremendous success in the fight against **malaria, HIV/AIDS**, TB, neglected tropical diseases, pandemic influenza, and other emerging threats. Working with ministries of health, partners, and communities, USAID scales up effective, equitable, locally adapted, and evidence-based interventions to reach poor, marginalized, and vulnerable people to prevent and treat infectious diseases. USAID works in close partnership with a wide array of international agencies and institutions, including other U.S. Government entities. USAID appreciates the collaboration with the Centers for Disease Control and Prevention (CDC) across program areas, and USAID staff engage with CDC on a daily basis. But many challenges exist with the collaboration, including the management and use of USAID obligated funds, de-obligation of USAID funds to CDC, and issues with oversight, reporting, and coordination.

Tuberculosis: For the past twenty years, the USG, through USAID, has led the global effort to increase access to TB and multi-drug resistant TB (MDR-TB) diagnosis, treatment, and care, particularly among those who are most impoverished. The USAID TB program has been a major catalyst in decreasing the TB burden throughout the world. With partner countries, USAID is working to improve care, strengthen services, and provide new diagnostics and drugs. One example of this assistance is improving access to a game-changing diagnostic test, known as “GeneXpert”, that can diagnose individuals with TB more quickly and accurately. USAID is rolling out new MDR-TB drugs and regimens that save lives, as well as investing in pivotal clinical trials. USAID, the Global Fund, and the global community have made tremendous progress: 43 million lives saved in the last 15 years (a 47 percent decline in TB mortality) and the incidence rates are now declining globally. The USG Strategy will **reach, cure, and prevent** TB, reducing incidence by 25 percent, treating at least 13 million TB patients with a success rates of 90 percent or better, and treating at least 560,000 people with MDR-TB by 2020.

Neglected Tropical Diseases (NTDs): For a billion people, a group of parasitic and bacterial infections cause profound pain, suffering, stunting, malnutrition, and disability, perpetuating the cycle of poverty. As the name suggests, the diseases have endured because of indifference and neglect of the poorest communities. USAID has supported the delivery of more than 1.6 billion treatments to prevent and treat seven of the seven most prevalent NTDs to more than 743 million people across 25 countries. To date, every one dollar invested by USAID in NTDs leverages \$26 in pharmaceutical donations for mass treatment campaigns—an aggregate to date of \$11 billion. In partnership with pharmaceutical companies, ministries of health and education and communities, we work to strengthen national NTD programs, in part by increasing the reach of mass treatment campaigns to all people at risk. Over the next five years, USAID will be able to support 1.3 billion treatments made possible with \$6 billion in donated drugs. As a result, 400 million people will live in communities that no longer require treatment for lymphatic filariasis (LF) and 186 million people not needing treatment for blinding trachoma by 2020. Currently 70 percent of USAID supported countries are on track to stop treatment for LF and trachoma by 2020.

Emerging Pandemic Threats: Pandemics cause devastation to human lives and livelihoods much as do wars and financial crises. USAID works to strengthen capacity in countries to prevent, detect, and respond to infectious diseases in animals and people. USAID's efforts have contributed to dramatic downturns in poultry outbreaks and human infections, leading to a 62 percent reduction in the number of countries affected by identifying and responding to dangerous pathogens originating in animals before they can become significant threats to human health. USAID focuses on hotspots of previous disease emergence and zones where the risks of spillover, amplification and spread are greatest. Recent estimates indicate that only one percent of microbial threats have likely been identified. **The Global Virome Project** is a global initiative started by USAID to map all of the planet's "high consequence" viral threats over the next ten years. Only by identifying these potential threats can the world begin to prepare for the next great outbreak. When outbreaks occur, countries must be armed with cutting-edge tools to respond quickly. Continued investments to bring innovations through the *Fighting Ebola and Combatting Zika and Future Threats Grand Challenges* to market, are essential.



Global Health Security Agenda (GHSA)

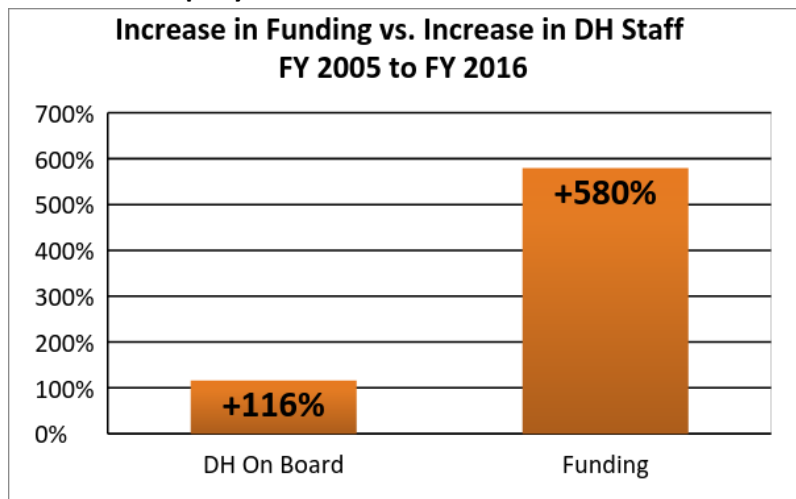
In early 2014, the USG helped launch an effort to advance a world safe from infectious disease threats, to bring together nations to make new, concrete commitments, and to elevate global health security as a head of state-level priority. The GHSA is a multi-stakeholder partnership engaged to accelerate IHR implementation within the international community. As one of the USG implementing agencies involved, USAID supports GHSA in 31 countries with a special focus on zoonotic disease, disease surveillance, lab strengthening and antimicrobial resistance (AMR). GHSA pursues a multilateral and multisectoral approach to strengthen both the global capacity and nations' own capacity to prevent, detect, and respond to human and animal infectious disease threats whether naturally occurring, accidental or intentional. After just one year of field implementation, partner countries are better able to detect and respond to new infectious disease threats (such as yellow fever or highly pathogenic avian influenza) as they occur. While partner countries and other donors have demonstrated strong commitment to the GHSA, continued USG leadership (at least for the next five years) is critical to the success of this effort. One issue moving forward for both CDC and USAID is the availability of regular appropriations (not emergency funds) to implement this initiative. A draft Executive Order requires each agency to prioritize GHSA and for the NSC to chair a GHSA Interagency Review Council.

SUPPORTING DOCUMENT: BUREAU FOR GLOBAL HEALTH MANAGEMENT AND OPERATIONS CHALLENGES

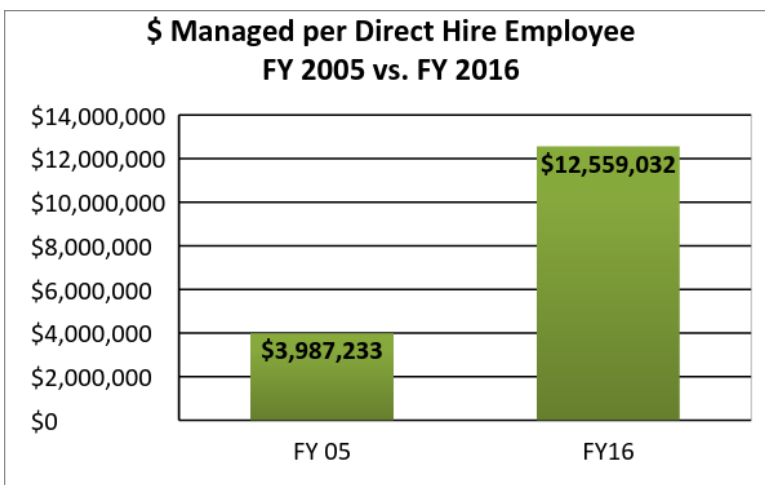
The Bureau for Global Health (GH) is USAID's third largest in terms of personnel and largest in terms of budget, managing over one third of the Agency's total budgetary resources. GH staff not only manage these resources through oversight of a set of contracts and grants that implement health programs worldwide, but also provide technical support to USAID Missions in health and represent USAID in a number of international and interagency forums. However, GH faces major human resource challenges that are negatively impacting the Bureau's ability to effectively carry out Agency priorities. Unique constraints on GH's ability to hire and manage staff threaten the Bureau's productivity and efficiency, damage staff morale, and make oversight of Agency resources more difficult. These challenges have become most serious in three general areas: high staff workload, difficult to manage staffing contracts, and inadequate office space.

GH Budget and Workload Have Increased Far More Rapidly Than GH Staff Levels

Largely due to its responsibility for leading the implementation of major initiatives such as the President's Emergency Plan for AIDS Relief (PEPFAR), the President's Malaria Initiative (PMI), and Ending Preventable Child and Maternal Deaths (EPCMD), GH has experienced dramatic annual increases in the amount of funding it directly manages. Staffing levels have not kept pace with these increases, particularly among the "directly hired" Civil Service (CS) and Foreign Service (FS) staff responsible for essential supervisory and financial oversight functions. ("Non-direct hire" are brought in through contractors and other mechanisms.)



This imbalance has had serious negative consequences for GH morale and impacted performance. GH



staff feel stressed and overworked. According to a GH Workforce Assessment released in 2015, GH staff report working 47 hours per week on average, with more than 50 percent reporting increases in workload over the year before. Even though they work more hours, however, staff cannot keep up: only 33 percent reported that they usually accomplish most everything they had planned to do during a normal day.

As GH funding has increased, the need to manage resources effectively has increased as well. However, the relatively low number of

direct hire (CS and FS) staff available to fulfill inherently governmental functions places the responsibility for financial and programmatic oversight on a small group of people. GH is responsible for a complex portfolio with financial obligations of more than \$2 billion each fiscal year, but project managers are able to spend only 40 percent of their time on administration and oversight. GH has the third largest staff in the Agency, but has so few direct hire (CS and FS) positions that its supervisory ratio of 1:15 exceeds the Agency's recommended ratio by 36 percent.

GH's Large Number of External Staffing Contracts Creates Major Challenges

Because GH has a severely limited number of direct hire positions with which to manage its expanding mandate, it has been forced to develop its own system of "non-direct" hiring arrangements to adequately fulfill its function of providing technical support and leadership. GH must design, procure, and manage a number of external contracts, fellowships, and partnership agreements, each with its own unique administrative and financial requirements. Currently, there are ten such instruments and well over half of GH's workforce is hired through these "non-direct" methods. Because of caps on CS and FS hiring, that proportion is unlikely to decrease in future.

While this practice has allowed GH to augment its CS and FS roster with essential technical and support staff, it has also led to excessive supervisory and management burden, expensive administrative and overhead costs (ranging from 23 to 48 percent), and greatly increased uncertainty and instability for all GH staff. GH's increasing dependence on institutional contractors to maintain basic operational capacity has left the Bureau highly vulnerable to unpredictable and uncontrollable contracting complications. For example, the Bureau's largest "non-direct" hiring mechanism, with more than 150 senior technical staff (including many in other USAID Bureaus and the Administrator's Office), has undergone multiple protests and years of delays during the procurement process. This extensive delay has left staff in an extremely vulnerable and difficult position as their overall hiring contract undergoes multiple short term extensions while the protest and procurement situation is resolved.

Lack of Office Space Has Led to Lower Morale and Threatens Productivity

GH lacks sufficient physical office space to effectively accomplish its mission. Since moving from the Ronald Reagan Building in 2014 to help USAID manage the RRB renovations, the GH Bureau has struggled to function at full capacity in its temporary offices in Crystal City, Virginia. Cubicle sharing, temporary "hotel" space for teleworkers, and off-site office space have only partially offset the effects of too few desks for current and planned staff levels. With space getting ever tighter and viable solutions apparently still years away, GH staff are having difficulty maintaining their productivity and morale. Increased use of telework has been only a partial solution, and has created new problems for the Bureau: technical problems with phones and computers have limited GH's ability to fully take advantage of off-site work arrangements and have made it difficult to get work done.

Repeated delays in the initial move from the Reagan Building, slow progress in addressing problems in Crystal City, and a lack of specific and concrete information about the move back to DC have led to rising confusion and frustration among staff and damaged staff morale. In addition, the physical separation of GH from the rest of USAID has caused intra-agency communication and coordination to suffer and decreased routine interaction with the rest of the Agency significantly. Despite its central role in major Agency initiatives, GH's presence as a participant in the "culture" of USAID has diminished as its absence from Reagan Building has become permanent.

SUPPORTING DOCUMENT: BUREAU FOR GLOBAL HEALTH PRESIDENT'S MALARIA INITIATIVE

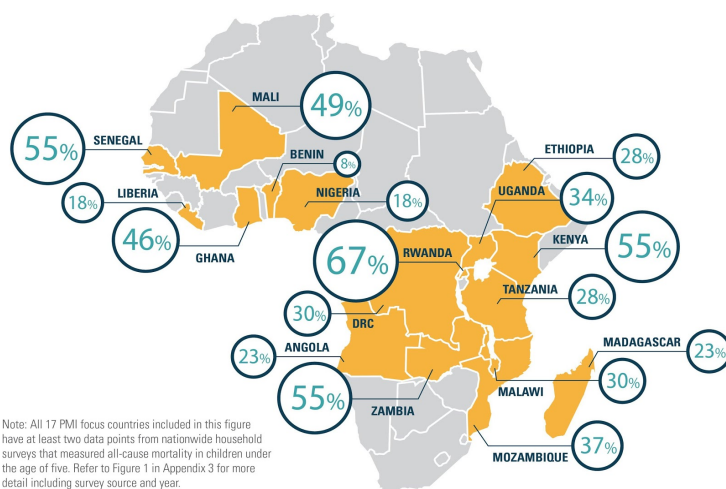
President George W. Bush created the President's Malaria Initiative (PMI) in 2005, when malaria was almost certainly a death sentence for poor children in Africa. President Barack Obama embraced the effort and also significantly expanded PMI's program reach. Bipartisan leadership from the House and Senate has sustained the work. **USAID was provided the mandate to lead PMI for the USG. Since 2006, PMI has surpassed expectations, recording historic reductions in malaria deaths and illness in partner countries while simultaneously documenting remarkable financial program efficiencies (i.e., major reductions in unit costs for essential malaria commodities - malaria drugs, insecticide treated bednets).**

After a decade of USAID's leadership through PMI, malaria elimination is considered a realistic long-term goal. With PMI support, hundreds of millions of people have benefited from protective measures and have been diagnosed and treated for malaria. Malaria's impact is especially ferocious on the poorest: those least able to afford preventive measures and medical treatment. Thus, USAID through PMI has reached into the poorest of communities in sub-Saharan Africa, where malaria flourishes, arming women, children, and families with tools to protect themselves from malaria and providing them with fast-acting medicines to cure malaria if they do become infected. PMI has also brought much needed attention to address drug resistant malaria in Asia's Mekong region. USAID has programs in 19 countries in sub-Saharan Africa and three countries in the Greater Mekong sub-region of Southeast Asia under PMI.

Reductions in All-Cause Mortality Rates of Children Under Five Years of Age in PMI Focus Countries

Between 2000 – 2015:

- 1 **6.2 million** malaria deaths averted
5.9 million in children under five
- 2 Dramatic reductions in estimated malaria mortality rates:
↓ **by 60%** of all ages
↓ **by 65%** of children under five years of age
- 3 Gains against malaria account for **20% of total progress in reducing preventable child and maternal deaths**



PMI Highlights

- Procured >197 million long-lasting insecticide-treated nets,
- Sprayed >4 million houses with insecticides, protecting +16 million people,
- Procured >58 million preventive treatments for pregnant women
- Procured >376 million antimalarial treatments, and >229 million rapid diagnostic tests
- Built capacity by training thousands of health workers
- Significant contribution to all cause under-five mortality reductions in PMI partner countries

Key Factors of PMI Success

- PMI is implemented through USAID's integrated health and development platforms, maximizing public health program efficiencies and impact.
- This one agency implementation approach harnesses expertise across the whole of government, with a single, interagency team working together through USAID, speaking with one voice with partner countries, avoiding duplication that can occur when multiple USG Agencies implement separately for a single disease area.
- USAID leverages the expertise available across the interagency for maximum impact:
 - USAID provides resources to the Centers for Disease Control and Prevention (CDC):
 - To assign one malaria expert to the USAID-led PMI team in each PMI country;
 - To hire malaria experts in Atlanta to support USAID to oversee PMI implementation.
- USAID intentionally coordinates closely with all USG actors working in malaria research (i.e., NIH, CDC, DOD) and with the U.S. Peace Corps to maximize community reach at country level where programs intersect.
- PMI has clear Initiative leadership and authorities:
 - The White House appointed U.S. Global Malaria Coordinator, based at USAID, oversees all aspects of the Initiative;
 - Authorities of the Global Malaria Coordinator are codified in Foreign Assistance legislation (2008 Lantos-Hyde U.S. Global Leadership Against HIV/AIDS, Tuberculosis, and Malaria Reauthorization Act);
 - The Global Malaria Coordinator "has primary responsibility for the oversight and coordination of all resources and international activities of the US Government relating to efforts to combat malaria" and directs USAID as the lead-agency to implement PMI programs and oversee resources, and reporting efforts;
 - USAID and the US Global Malaria Coordinator point to the efficiencies of the one lead agency approach together with the large-scale, historic progress achieved through the PMI model – and conclude the PMI model is working.

Addressing Key Challenges and Promoting Sustainability

- **Increasing insecticide resistance** threatens continued effectiveness of key malaria control tools (insecticide treated nets and indoor residual spray programs), and **emergence of anti-malaria drug resistance** in the Mekong sub-region threatens progress locally and poses a risk of resistance spreading beyond the region. **PMI's efforts to mitigate risk** include support to countries to monitor the efficacy of anti-malaria drugs, monitor insecticide resistance and rotate to newer insecticides for indoor residual spray programs, while prioritizing investment with global stakeholders, including the Bill and Melinda Gates Foundation, in new insecticides and new anti-malarial drugs.
- Presence of **poor quality and counterfeit anti-malaria drugs** in private markets and pharmacies in PMI countries threaten malaria control gains and further progress. **PMI's efforts to mitigate risk** includes routine surveillance of anti-malarial drugs available in the private sector and engaging with drug regulatory authorities and law enforcement to take action to remove poor quality products when found and bring to justice individuals intentionally trafficking counterfeit malaria drugs.
- PMI's contribution to significant reduction in malaria burden across Africa has lessened the historical toll that malaria has placed on health systems and contributed to economic growth. This foundation of progress lays the groundwork for future achievement of the long-term **sustainable public health outcome – malaria elimination**.

BUREAU BRIEF: BUREAU FOR LEGISLATIVE AND PUBLIC AFFAIRS

INTRODUCTION

The Bureau for Legislative and Public Affairs (LPA) provides central Agency focus and overall coordination for all aspects of legislative, public affairs, and internal communications matters.

LOOKING BACK

Despite significant opposition from some Members of Congress and special interest groups, LPA was successful in leading efforts to achieve a number of development reforms and the enactment of key authorizing and appropriations legislation. These accomplishments were achieved by creating a clear strategy, steadfastly focusing on goals, engaging the interagency when needed, collaborating with the Office of the General Counsel and the technical and policy experts in the Agency, and deliberately planning for the involvement of the Administrator. The successes include:

- Securing appropriations for USAID-managed accounts at or above the President's budget requests in Fiscal Years 2013, 2014, 2015, and 2016;
- Enacting the most meaningful food aid reform in the sixty-year history of Food for Peace;
- Enacting the Global Food Security Act (GFSA), a key Presidential development initiative and authorizing funding for Feed the Future and the International Disaster Assistance account - the culmination of a three-year effort in which LPA supported and galvanized a broad and inclusive coalition within and outside of the USG to support passage of the bill; and
- Enacting the Electrify Africa Act, legislation codifying much of Power Africa, the President's initiative to double electricity access in sub-Saharan Africa. USAID, by direct delegation from the President, coordinated the interagency process to produce and submit to Congress the interagency strategy required by the law.

LPA has transformed the way USAID communicates publicly by improving the quality of content, better alignment of messaging, a proactive press office, and greater audience engagement. LPA has developed and launched a new message framework, message manual and training, storytelling hub, and a pro-active press capacity that delivered a more focused, compelling Agency message, strong press coverage, and a forty percent increase in followers across all social media platforms in 2015.

Through a months-long process of consultation and feedback within the Agency, LPA, PPL, and the Administrator's Office developed and launched a new Agency Mission Statement in 2014. The formulation of the Mission Statement was not without controversy and required extensive consultation within the workforce. While formally adopted by the Agency - and omnipresent in the Agency's internal materials - some staff have not internalized or fully adopted the Mission Statement.

LOOKING FORWARD

Sustaining Strong Bipartisan Support in Congress: Over the past several years, LPA developed strong, bipartisan Congressional support as evidenced by robust Agency appropriations (notwithstanding earmarks and directives – see below) and the enactment of historic, bipartisan legislation. Maintaining this bipartisan support will require a significant commitment of time by the next leadership team. It should be noted that approximately 30 percent of the Legislative Affairs team is comprised of political appointees, which will pose a particular challenge for maintaining legislative momentum during the transition. In addition to focusing on Senate confirmations, the new team will need to prepare in the first few months for the FY 2018 budget hearings, which cover a broad range of issues. LPA will prepare a USAID Congressional engagement strategy for the new team.

Achieving an Agreement on Limiting Earmarks and Directives: The incoming team should decide to what extent it will seek to limit Congressional directives. The new Administration has the opportunity to begin a dialogue with Congress to strike an agreement that could reduce both Congressional directives and Presidential initiatives in exchange for enhanced accountability and greater flexibility.

Telling USAID's Story: The Agency's decentralized communications structure, with LPA in the lead and communicators in the Bureaus and Missions, sometimes poses a challenge for delivering a consistent message. In response, Public Affairs has moved from a "clearance" house to a proactive driver of communications based on campaigns and focused on key priorities. USAID has made great progress in developing and implementing a compelling, consistent message through the creation of a Storytelling Hub. USAID's [Press Office](#), which is staffed by State Department employees – a holdover arrangement resulting from Congressional displeasure with USAID press engagement in the 1990s – focuses on using effective crisis communications to quickly contain negative stories and proactive press outreach to place positive stories about USAID's work. The Press Office needs to continue to be proactive and communicate with the White House to mitigate surprises. Public Affairs maintains successful training and support for the Development Outreach Coordinators program, which coordinates the work of Mission communicators, many of whom are Foreign Service Nationals, but funding is limited and the support team's capacity is small. LPA also includes the Office of [Public Engagement](#) which manages the Administrator's public outreach and interaction with NGOs, private sector partners, and the broader international development community, and includes the Agency's Protocol and Special Events team.

Communicating with USAID's Workforce: The [Internal Communications](#) team is in charge of ensuring that USAID's employees, both in Washington and the field, are informed and feel connected to the Agency's mission through Agency Town Halls, calls with Mission Directors, Agency Notices, and the Agency intranet. The Agency intranet, [My.USAID.gov](#), could be an important tool for facilitating internal communications and learning. However, it has faced a number of challenges and employee reluctance to use the tool presents a significant concern, as is the continued cost of maintaining the platform. Efforts are underway to improve the system and depending on the progress, the new Administration should consider the pros and cons of My.USAID and make an early decision on whether or not it should continue. If committed to continuing to support My.USAID, it would likely require a focus on improving and increasing adoption of this tool, potentially including through the creation of robust "communities of practice" and professional peer-to-peer user groups.

Branding USAID Programs and Activities: USAID has a statutory responsibility to brand its programs and activities to ensure that people in partner countries know the assistance is provided by the United States. In 2016, LPA updated USAID's branding standards for the first time in a decade. The guidelines simplify rules and provide new guidance. However, ensuring uptake of the guidance remains a challenge and the next Administration should consider whether additional staff should be dedicated to branding compliance.

SUPPORTING DOCUMENT: BUREAU FOR LEGISLATIVE AND PUBLIC AFFAIRS COMMUNICATIONS

Storytelling: Humanizing Our Work

In recent years, LPA has led a transformational effort to change the way USAID communicates, with the goal being to better inform and engage audiences in the Agency's work. By introducing storytelling as a way to humanize USAID's work and explain its impact, LPA has been able to create content that is compelling, resonant, and shareable through multiple distribution points, including digital and social platforms.

LPA has greatly improved the quality of USAID's content, better aligned messaging, and deepened audience engagement. This storytelling approach is exemplified by stories.usaid.gov, a five-time Addy award-winning Storytelling Hub that features more than 30 highly visual, personal, and engaging videos, which are paired with smart distribution tactics. For example, a story on Syrian refugees, "Just Bring a Chair," was featured on NBC News and Upworthy, reaching millions of people and receiving over 10,000 likes. Additional stories, including "Girls in the Garage," "Our Power is our Pain," and "Amani's Big Idea," have been featured on local news stations around the world, shown at Presidential events, and been featured at film festivals. Additionally, Bureaus and Missions have adopted the storytelling approach, including a joint effort by five missions in the Middle East and North Africa. This campaign reached an audience of more than 15 million and greatly increased fans and followers on mission social media channels.

To maintain the success of this storytelling approach, LPA requires highly skilled, dedicated staff—including visual, design, and social media specialists—as well as access to support mechanisms with specialized services, including video editing and production. Combining in-house talent with the expertise and availability of professional video and production teams reduces equipment, travel, training, and other expenses. It also allows for fast deployment of resources in critical situations, such as the Ebola response, the Syrian crises, and El Niño. The use of video and production expertise is especially important overseas where staff and skill sets can be limited.

DOCS: USAID's Voice in the Field

USAID's Development Outreach and Communications (DOC) officers are the voice of USAID's development assistance overseas. Working alongside Mission Directors and State Department's Public Affairs officers, DOCs reach a variety of audiences (local governments, youth, women, rural populations, and beneficiaries) that the USG has identified as critical to explaining development assistance.

To equip DOCs in all areas of communications, LPA provides the global DOC cadre with capacity building and support through the DOC Training and Support Program. This program, serving 160 DOCs, is highly regarded—the overall usefulness of the trainings as rated by the participants is averaging 95 percent over the last two years. The DOCs work closely with governments and NGOs to tell the story of USG development efforts. Operating with a small budget of less than \$850,000 per year, the support program is often strained to meet the varying needs of the DOCs which can range greatly based on local considerations. Additionally, 60 percent of DOCs are foreign-service nationals (FSNs). This brings a tremendous amount of local knowledge and expertise to communications efforts.

Internal Communications

In the past, two-way internal communications, both within USAID headquarters and especially between headquarters and the missions, were not formalized. The Agency now has an established team,

systems, Bureau networks, and functions to facilitate Agency internal communications. The Internal Communications (IC) strategic plan is tightly interconnected with the Agency's mission and core values. IC has conducted three annual Agency-wide internal communications surveys; the most recent in early 2016 yielded in-depth insights by hiring type, function/region, gender, age, and years in the Agency. The survey includes a key performance indicator (effective information flow) which is now institutionalized as an Administrator's Leadership Council (ALC) metric and has shown an 18 percent growth in the past year in the perceived quality of information flow as being either "more effective" or "most effective."

Meaningful communications between Washington and the field have increased. This includes USAID Missions' active participation in USAID Town Halls via live-streaming, world-wide conversations occurring from Q&As for Town Halls via My.USAID, monthly calls between Missions and top Agency leaders, and a new Washington-based seminar series that has enabled hundreds of rank-and-file employees to learn leadership and management lessons from visiting Mission Directors and Senior FSNs.

Consistent with the external storytelling approach outlined above, an outstanding opportunity exists to enable USAID employees to share their own stories, via brief videos, to inform and inspire the rest of our workforce around the world. Using My.USAID and other Agency media, staff from all elements of our workforce would share in their own words and at their own worksites what it has meant to work in USAID and the differences they feel they have made. These stories can be powerful motivators, but would require dedicated effort and attention.

My.USAID

In development and use since 2013, the Agency's internal web system, My.USAID.gov, brings together three different platforms to provide authoritative data sources (Pages), collaborative project management (Huddle), and a communication capability (Tibbr) to one online tool. Insufficient change management has led to staff reluctance to adopt My.USAID, a significant concern. To make My.USAID the effective communications tool it could be, LPA has conducted:

- Proactive market research with the Agency workforce, including Foreign Service Nationals;
- A step-by-step, time-phased improvement plan based on that research;
- Hands-on practical training and launch of an online, on-demand training site with an accompanying metrics baseline and tracking of increased My.USAID use; and
- Initial pilot stimulation of professional peer-to-peer communities of practice.

The results of the above efforts this past year have yielded a doubling in users and a substantive increase in page views with the major growth happening in authoritative data source areas. Next steps will require a concerted effort to upgrade My.USAID to a much more robust intranet environment consistent with industry best practices. Research from both in-person interviews and surveys have identified an interest within the Agency for My.USAID to function as a marketplace of ideas, allowing clear communication across all time zones and levels of the organization.

SUPPORTING DOCUMENT: BUREAU FOR LEGISLATIVE AND PUBLIC AFFAIRS BUILDING BROAD BIPARTISAN SUPPORT

Over the past several years, USAID has successfully broadened and deepened alliances in Congress among Democrats and Republicans alike, enabling the Agency to score a series of legislative victories, from the enactment of key pieces of authorizing legislation to securing appropriations in excess of the President's budget request for core USAID-managed accounts. Several important lessons can be drawn from this effort:

Bipartisan Approach Builds Trust: LPA has consistently pursued a bipartisan approach to Congressional relations, seeking to cultivate allies on both sides of the aisle, and provide strong customer service to all Member offices. This approach has helped build trust and goodwill, including in the wake of the 2014 elections in which leadership of the U.S. Senate flipped from Democratic to Republican control and House Republicans gained their largest majority in decades. Despite continued acrimony on Capitol Hill, USAID secured several recent legislative successes, including enactment of the Electrify Africa Act, the Global Food Security Act, and the most significant food aid reform in the sixty-year history of the Food for Peace program. Notwithstanding increased calls for budget cuts, USAID also continued to see strong appropriations.

Reform, Results, Accountability, and Partnership Garners Broad Appeal: USAID's messaging – particularly the Agency's emphasis on reform, results (data), cost effectiveness, accountability (through monitoring and evaluation), leveraging of other sources of support, and partnership – has resonated with a bipartisan audience that is skeptical about the value of foreign assistance and the Agency's effectiveness. Members responded well to USAID's embrace of a new model for development which includes an emphasis on partnership with the private sector, faith-based organizations, and U.S. universities.

Nontraditional Outreach Strengthens Bipartisan Alliances: In addition to strengthening the Agency's presence on Capitol Hill, LPA also has utilized nontraditional ways to strengthen ties between the Agency and lawmakers. These have included travel outside of Washington to highlight partnerships with U.S. universities, NGOs, and private companies; increased USAID participation in overseas Congressional travel; and outreach to Members representing diaspora communities following international natural disasters. For example, in the wake of the 2013 Typhoon Haiyan in the Philippines, LPA worked with the Census Bureau to support outreach to Member offices in Congressional districts with the largest Filipino-American populations and make senior U.S. Government officials available for meetings and calls with those Members and constituents, often through in-person or via virtual town hall meeting formats. In addition, working in concert with USAID's Office of Faith and Community-Based Initiatives, LPA has supported mission-focused engagement in regular Hill faith-based gatherings. Whether the National Prayer Breakfast or more informal monthly Congressional prayer breakfasts, these opportunities have helped build support for USAID's mission – particularly in maternal and child health and food security. As a result, unlikely allies of the Agency have emerged, providing critical support on nominations, appropriations, or key pieces of authorizing legislation.

LPA also regularly scheduled a successful day-long orientation at Agency headquarters for Congressional staff, often attended by new and foreign policy staff of the Agency's key Committees of jurisdiction. These sessions, branded "USAID 101" (introduction) and "USAID

201” (deeper dive, often in connection with the President’s budget request), provide a very strong grounding for Congressional staff in understanding USAID’s initiatives and budget priorities.

Bids for Authorizing Legislation Allows USAID to Expand Supporters: While LPA has continued to prioritize outreach to Members of USAID’s key committees of jurisdiction, the Agency’s support of legislative initiatives [e.g. through food aid reform, the Electrify Africa Act, Global Food Security Act, and the Global Development Lab Act] has enabled the Agency to educate and build support with a broader group of lawmakers. For example, among the House co-sponsors of the Global Food Security Act, only 33 percent (44 out of 127) served on committees with jurisdiction over USAID programming (House Foreign Affairs Committee, House State and Foreign Operations Appropriations Subcommittee, House Agriculture Committee, and House Agriculture Appropriations Subcommittee).

Leveraging LPA’s Press and Public Engagement Functions Leads to Stronger Campaigns: USAID’s efforts and success in enacting food aid reform serve as a prime example of leveraging LPA’s component parts, particularly public engagement and press. Strong messaging and accurate reporting of the Agency position helped support a strong and diverse coalition of food aid reform advocates, including NGOs, faith-based organizations, agriculture industry partners, and academics, whose efforts often are as vital as what we do on our own. LPA’s press staff successfully placed several influential pieces and facilitated news reporting at critical junctures, thus supporting the Agency’s legislative strategy.

Member-to-Member Efforts Complement Strategic Appropriations Strategy: In recent years, LPA executed a strategic approach to the budget and appropriations process. Efforts included outreach to Members from both sides of the aisle to provide sample language/information highlighting the Agency’s budget priorities. Leveraging the “Member Request” process, whereby Members of the House and Senate submit to the leadership of the Appropriations Committees their own priorities for annual appropriations, LPA reached more than 100 bipartisan supporters, providing them with information for their Member Request letters. In addition to engaging at all critical points of time in the appropriations process, we know from staff feedback that this can demonstrate broad, bipartisan support for USAID’s key accounts and legislative priorities. These efforts have helped secure appropriations for USAID’s core managed accounts at levels above the President’s budget request for each of the last four fiscal years.

SUPPORTING DOCUMENT: BUREAU FOR LEGISLATIVE AND PUBLIC AFFAIRS PUBLIC ENGAGEMENT

The Office of Public Engagement works in coordination with other Agency bureaus to manage the Agency's relationships with NGOs, advocacy groups, private sector partners, and other stakeholders in the international development community; manages Administrator- and Deputy Administrator-level events; and coordinates within LPA and other Bureaus to launch major new initiatives and conduct external communications.

Responsibilities

Stakeholder engagement, Protocol, Special Events, Hometown Diplomats, and the Speakers Bureau.

- Advise USAID Front Office on the Administrator's public schedule and interactions with external stakeholders.
- Connect USAID to domestic audiences through the Speaker's Bureau Program, which facilitates external requests for Agency speakers; the Hometown Diplomats Program, which coordinates USAID personnel in speaking to their alma maters, regional high schools, non-profits, media outlets and state and local officials; and the Oral History Program, which captures the stories of retired USAID employees, across hiring mechanisms.
- Execute major events that amplify USAID's policy priorities.
- Work with other LPA offices to prioritize events on the Public Affairs Calendar.
- Manage and coordinate intra-agency activities around specific initiatives.
- Work with other LPA teams to develop standard responses to major public information inquiries.

Successes

Improved institutional knowledge and enhanced USAID relationships with external partners, streamlined production of high-level events, and accomplished better assimilation of USAID priorities with internal and external audiences.

- Improved institutional, external, and technical knowledge by expanding hiring categories to a mix of Civil Service, Foreign Service, and political appointees.
- Improved key relationships with NGO and think tank community stakeholders through broad use of targeted external communications and conference calls around specific initiatives and events, resulting in greater coordination and improved response rates.
- Improved internal coordination around key priorities through distribution of weekly emails detailing priority events and convening of relevant bureaus around specific initiatives.

Challenges

Streamlining partner and event coordination due to increasing demand for engagement.

- Public Engagement to manage its growing portfolio of Protocol needs, production of USAID-hosted events, oversight of Administrator involvement in external stakeholder engagements, and enhance the Hometown Diplomats Initiative and Speaker's Bureau.

SUPPORTING DOCUMENT: BUREAU FOR LEGISLATIVE AND PUBLIC AFFAIRS PRESS

Pursuant to statute, the USAID Press Office is part of the State Department's Bureau of Public Affairs and staffed by Department of State employees, while operationally reporting to the USAID Assistant Administrator for Legislative and Public Affairs (LPA). LPA funds the Press Office, but the Department of State is responsible for hiring actions and staff salaries.

The Press Office is comprised of a Press Director/Spokesperson, Deputy Press Director, and six Press Officers. The Press Director also oversees a two-member USAID "action team," which is charged with proactive outreach and pitching to the media, but does not go "on the record."

The Press Office manages all media strategy and engagement for USAID and serves as the sole liaison to the media. The Press Director manages all media strategy and engagement for the Administrator and travels with the Administrator when trips include a media component. Working with communicators across the agency and interagency, the Press Office manages crisis communications and proactively pitches positive stories to the media.

The Press Office uses a variety of products, tools, and tactics to effectively communicate with the press:

Products

- Statements
- Media advisories
- Fact sheets
- Press releases
- Opinion pieces

Tools

- Cision, a press contact database
- Constant Contact, an email service used to issue press products to the media
- Bulletin Intelligence, a media monitoring service that distributed a daily digest of USAID press clips to Agency subscribers

Key Tactics

- Strategic communications planning for USAID and the Administrator
- Pitching media outlets
- Development and placement of opinion pieces
- Interviews
- Organizing and hosting press conferences and briefings

FY 2017 Priorities

- Fill vacancies within the office that are the result of natural attrition and build USAID Press team capacity
- Revise and improve agency-wide standard operating procedures for press
- Continue to integrate Action Team, a division of the press office focused on proactive pitching and rapid response, with press operations.

BUREAU BRIEF: BUREAU FOR MANAGEMENT

INTRODUCTION

With more than 1,100 staff, the Bureau for Management (M) is the largest bureau in the Agency. It provides central administrative services for every Bureau, Independent Office, and Mission. The Bureau's five core functions are: (1) Finance; (2) Information Technology (IT); (3) Procurement; (4) Logistics; and (5) Operational Policy, Budget, and Performance. The M Bureau's core functions, particularly its oversight of Procurement and Operational Budget (i.e. "Operating Expense" or OE funds) functions, touch virtually all aspects of Agency policy and operations.

LOOKING BACK

Over the last decade, the M Bureau has undertaken several key efforts to strengthen operations:

- **Funding to Revitalize the Foreign Service (FS):** Working to support an Administrator-conceived and Administration-adopted initiative to double the size of the Foreign Service, M increased two-fold and then maintained that level of OE appropriation from FY 2008 to the present, funding an additional 820+ Foreign Service Officers worldwide. While the number of Foreign Service Officers has increased, much-needed strategic workforce planning will provide evidence to help the Agency determine if, how many, and what skill sets are required. Congressional limits on direct hire staff restrict Agency options and lead to use of other hiring mechanisms, such as Institutional Support Contracts, creating other challenges for the Agency.
- **Pioneering Procurement Reforms to Enhance Oversight and Aid Delivery:** M implemented a variety of Acquisition and Assistance (A&A) reforms. A&A awards total about \$16 billion with 22,000 transactions annually and are the primary means for delivery of foreign assistance. Reforms include stronger executive-level review of major procurements; a new unit for ensuring partner compliance; more assistance delivered through local governments and organizations; and improved use of past performance data. However, partners have continuing concerns related to existing procurement guidance on choosing between use of contracts or grants, despite recent updates and refinements, and the time it takes to move from project design to award.
- **Innovative IT Solutions to Improve and Expand USAID's Reach:** M introduced new IT tools to help workflow worldwide and expand engagement inside and outside the Agency: Gmail became the primary email application; WiFi accessibility became widespread; mobile platforms (iPhones, iPads, and apps) and new Internet and Intranet sites were delivered. However, different needs between USAID and State lead to varying IT requirements, solutions and perspectives; mobile computing also adds to IT security challenges.

LOOKING FORWARD

Balancing Openness with Security: Proactively opening data while protecting the security and privacy of staff, partners, and beneficiaries' personally identifying information, is a delicate balancing act and will require increased resources and ingenuity over the next decade. There is also a concern in the international development community about "data for the sake of data" without a concomitant focus on its use, the outcomes it should drive, or the impact on vulnerable populations it describes. Big data advancements make the balancing of transparency with security and privacy especially challenging. Additionally, as data is collected and readied for public release, "responsible data" and cybersecurity are equally critical concerns. **Cybersecurity** is a high-profile, high-risk function for USAID because USAID has a vast attack surface and inadequate resources to adequately mitigate the risk (See Cybersecurity Supporting Paper).

Strengthening the Means of Implementation

Partner Vetting: The M Bureau developed and implemented the first Agency-level counterterrorism vetting policies after ten years or more in which counterterrorism partner vetting policies and processes developed in an ad hoc fashion at the Agency. When a Congressionally mandated Partner Vetting System pilot program with State concludes, likely in November 2016, USAID must submit a joint report to Congress with State within 180 days of completion (likely no later than June 2017). As a part of finalizing that report, the Agency must make decisions about the future policy, process, scope, budgeting and operational requirements for vetting, and fashion a strategy for engagement with Congress, partners and the interagency.

Local System and Fiduciary Oversight: M Bureau has also strengthened the fiduciary tools for responsibly delivering assistance through local government systems and local partners, has made changes to streamline the process, and continues to look for ways to streamline it further. M Bureau will also lead efforts to increase engagement on fiduciary tools with other donors.

Enterprise Risk Management: M Bureau is leading the effort to meet OMB requirements for Enterprise Risk Management (ERM), which emphasizes integration of risk management across silos. However, with numerous risk management processes in use, there is a wariness in the Agency about adding to the burden and a need to leverage existing governance structures to the extent possible.

Building Workforce Connection and Performance

Washington Real Estate Strategy: M Bureau implementation of the dual-track Washington Real Estate Strategy is a critical workforce initiative because, related to workspace, the Agency has among the least square footage allocated per person and among the lowest satisfaction rates across the federal government. Track One is a floor-by-floor renovation of outdated, 20-year old space at the RRB. Track Two is consolidation of several short-term leases into one long-term lease in the District which is expected to be procured through GSA in or about June 2017. In addition to that decision, the costs of renovation and lease procurement will require sustained Agency leadership engagement on the budget with OMB and Congress.

Enhancing M Participation in Program Design and Oversight: M Bureau is also focused on increasing its engagement with program staff at headquarters and the field at the start of the program cycle to ensure that program design takes advantage of the Agency's best procurement, financial, and administrative expertise from concept through implementation.

Operational Efficiency: M Bureau is in the lead to address State's continued push for more consolidation of overseas logistical services, such as motor pool, maintenance and residential leases. However, one size does not fit all, so ongoing analysis and engagement is crucial. M Bureau has completed significant A&A reform, but requires Agency support to continue its work to reduce the time from concept design to award. Using data for evidence-based decision-making is steadily achieving operational efficiencies and remains a top future priority. However, this requires multi-year investments in the Development Information Solution, a suite of IT tools that is being built to enable a corporate view of the entirety of USAID's portfolio of operational and program data. M Bureau champions Continuous Process Improvement (CPI) in support of operational objectives, but CPI needs wider application across programs and operations to enable the Agency to be more agile in responding to a changing world.

SUPPORTING DOCUMENT: BUREAU FOR MANAGEMENT BALANCING OPENNESS WITH SECURITY

The Bureau for Management is charged with providing the operational policy, platforms and expertise related to open data and cybersecurity. Maintaining data openness, while protecting the security and privacy of staff, partners, and beneficiaries' personally identifying information (PII), is a delicate balancing act and will require increased resources and ingenuity over the next decade. There is also a concern in the international development community about "data for the sake of data" without a concomitant focus on its use, the outcomes it should drive, or the impact on vulnerable populations it describes. Big data advancements make the balancing of transparency with security and privacy especially challenging. "Responsible data", cybersecurity and privacy are equally critical concerns as data is collected and readied for public release. Cybersecurity is a particularly high-profile, high-risk function for USAID because USAID has a vast attack surface and inadequate resources at this time to adequately mitigate the risk due to a constrained budget and competing priorities.

Open Data: USAID and the international development community recognize the positive potential for a "Data Revolution" to transform their work. In addition, transparency and accountability are essential characteristics of resilient, democratic societies like the United States and of the societies that USAID seeks to foster abroad. They are also key elements of the President's Open Data Initiative. That is in part because transparency and accountability foster innovation, better resource management, and improved service delivery. Accordingly, USAID has been committed to advancing the principles of transparency and accountability in tangible ways that benefit the American people and the communities we assist around the world. This includes leading by example through prioritizing data-driven decision-making internally and external sharing of data on USAID programs and operations. That is why USAID has invested in initiatives aimed at strengthening the Agency's ability to make data-driven decisions; catalyze partnerships; and increase transparency through the public release of data. USAID's Open Data initiative responding to the Cross Agency Priority Goals set by the Office of Management and Budget (OMB) was recognized in 2015 as a "model of best practices" by Beth Cobert in her then-capacity as Deputy Director for Management at OMB.

Background on Data & Challenges

Data Collection. USAID collects data on U.S. and non-U.S. individuals and organizations for a variety of reasons, including: monitoring and evaluating projects, designing new projects, selecting awardees in procurements, hiring staff, providing security clearances, and ensuring compliance with applicable law and other authorities.

Data Science and Protecting Privacy. Properly de-identifying such data prior to public release requires complex data science skills, an area where the Agency has limited direct-hire capacity. While USAID has made significant investments in data management spanning multiple Operating Units, effort will continue to be required at the leadership level to harmonize these efforts and prioritize investments in data science skills and capability.

Transparency's value hinges on engagement. To maximize the value of USAID's investments in open data, there must be corresponding attention to marketing these resources and responding to user requests.

Quality, timeliness, and completeness are key. Transparency engenders trust and yields positive results when users are confident in the quality, timeliness, and completeness of the material. Transparency must be accompanied by a commitment to each of these principles, and to best practices in the data- and knowledge management communities. Here again an investment in data science skills and capabilities is needed.

At the same time, USAID has grappled with the risk of harm flowing from the release of data. There is concern at USAID and in the international development community about pursuing the release of "data for the sake of data" without a concomitant focus on its use, the outcomes it should drive, or the impact on vulnerable populations it describes. Big data advancements also make the balancing of transparency with security and privacy especially challenging because, even after the redaction of PII, data can be pieced together to identify people and communities. That information may be put to malign use by local actors and others who view the provision of aid as a threat to their interests. Additionally, as data is

collected and readied for public release, “responsible data” and cybersecurity are equally critical concerns.

Responsible Data: The recognition of the aforementioned risks has given rise to corollary efforts at USAID known as “Responsible Data,” which focuses on balancing the benefits of data sharing and transparency

with the risks that such activities may pose to organizations and individuals. USAID is considering ways to best balance the risk with the opportunity. Making data as open as possible while protecting the security and privacy of staff, partners, and beneficiaries’ PII is a delicate balancing act for USAID.

Cybersecurity:

Given USAID’s vast cyber footprint, the ever increasing use of mobile and agile

technologies in an interconnected world, and massive amounts of data being collected, a focus on cybersecurity remains front and center. In the latest White House report to Congress (for FY 2015), USAID ranked 12th among the 24 CFO Act agencies on cybersecurity assessment scores (See Figure 1). In order to maintain a strong cybersecurity stance and reduce risk, it is vital that USAID take action in three key areas: (1) mitigate past chronic underinvestment in cybersecurity by securing sufficient funding for USAID cybersecurity investments; (2) create a culture of strong cybersecurity awareness among all those who use USAID information technology resources; and (3) transform the USAID hiring process so that M/CIO is able to attract, recruit and hire in a timely manner people with the appropriate, high-demand cybersecurity skills. See the Cybersecurity paper for more detail.

Figure 1 – CFO Act Agencies Cyber Assessment Scores

CFO Act Agency	FY 2015 (%)	FY 2014 (%)	FY 2013 (%)	FY 2012 (%)
GSA	91	99	98	99
Justice	89	99	98	94
DHS	86	98	99	99
NRC	86	96	98	99
NASA	85	95	91	92
SSA	84	96	96	98
NSF	81	87	88	90
Labor	79	82	76	82
EPA	77	84	77	77
VA	75	80	81	81
Energy	75	78	75	72
USAID	73	86	83	66
ED	73	91	89	79
OPM	69	74	83	77
Treasury	58	67	76	76
HHS	58	35	43	50
Interior	57	92	79	92
Commerce	55	N/A*	87	61
SBA	51	58	55	57
DOT	48	63	61	53
USDA	43	53	37	34
HUD	39	19	29	66
State	34	42	51	53
DOD	N/A*	N/A*	N/A*	N/A*

Source: Data provided to DHS via CyberScope from November 14, 2014, to November 13, 2015.

* Due to the size of the Department, the DOD IG is unable to definitively report a yes or no answer for all FISMA attributes.

* Commerce IG’s FISMA audit scope was reduced as a result of (1) attrition of several key IT security staff, (2) the need to complete audit work assessing the security posture of key weather satellite systems that support a national critical mission, and (3) additional office priorities. As a result, the FISMA submission primarily focused on assessing policies and procedures, and covered a limited number of systems that would not warrant computation of a compliance score.

SUPPORTING DOCUMENT: BUREAU FOR MANAGEMENT STRENGTHENING THE MEANS OF IMPLEMENTATION

There are three key areas of procurement that the Agency has begun and needs to sustain in order to ensure we are implementing programs effectively and minimizing the risk of negative impacts: CT vetting, use of local systems, and risk management. After ten years or more in which counterterrorism partner vetting policies and processes developed in an ad hoc fashion at the Agency, the Bureau for Management (M Bureau) developed and implemented the first Agency-level counterterrorism vetting policies at the direction of the Deputy Administrator who correctly identified this as a serious vulnerability to the Agency. As a congressionally mandated Partner Vetting System pilot program with the Department of State concludes, USAID must make decisions about the future policy, process, and scope, budgeting and operational requirements for vetting, and fashion a strategy for engagement with Congress, partners and the interagency. M Bureau has also strengthened the fiduciary tools for responsibly delivering assistance through local government systems and local partners. This is a critical component to USAID Forward and our efforts around sustainability. M Bureau is leading the effort to meet OMB requirements for Enterprise Risk Management (ERM), which emphasizes integration of risk management across silos. However, with numerous risk management processes in use, there is a need to leverage existing governance structures to the best extent possible.

Counterterrorism (CT) Vetting: The focus of Agency deliberations should turn now to decisions that need to be made at a corporate level on the future of Agency CT vetting policies, processes, and scope. Interim Agency-level CT vetting policies must be reviewed as the Agency is in the process of drafting a joint report with State evaluating the Partner Vetting System pilot program which will be completed soon. USAID has communicated internally, as well as to Congress and its partners that decisions about the future of vetting would be made following the conclusion of the pilot, which will include a review the efficacy of the Agency's interim policies. Further, the Agency needs to review resourcing options for the Information Technology (IT), personnel, and training necessary to support CT vetting overall. Another key area needing attention in light of the expanding global threat of terrorism is how and when to initiate a vetting program. Addressing these issues will allow the Agency to be well-positioned to respond in the event of an audit by USAID's Office of Inspector General. Likewise, it will allow the Agency to continue to respond to congressional and Implementing Partner views and concerns, as well as support the Agency's ability to coordinate with the interagency while preserving flexibility to set its own course as vetting expands at State and the Department of Defense.

Fiduciary Tools for Local Government Systems and Emerging

Donors: In recent years, M Bureau has strengthened the fiduciary tools – audit, accounting, etc. - for responsibly delivering assistance through local government systems and local partners, and will be leading efforts to increase engagement on fiduciary tools with other donors. That is why direct partnering on fiduciary tools with local actors and local systems is critical to creating the

Facts about USAID's CT Vetting Program

Vetting Process. In its five vetting programs, USAID gathers Personally Identifying Information (PII) from Awardees and Sub-Awardees; the data is entered in a proprietary IT database. USAID intelligence analysts use the PII to query non-public U.S. Government databases. If derogatory information is found, USAID intelligence analysts produce an assessment and recommendation of either eligible or ineligible. If ineligible, a senior bureau or mission official makes the final decision.

Current Programs. They are: Afghanistan, Pakistan, Syria, West Bank/Gaza, and the Partner Vetting System pilot program. USAID jointly conducts the pilot with the Department of State in Ukraine, Lebanon, Kenya, the Philippines and Guatemala.

Key Roles and Responsibilities. USAID's Deputy Administrator is the Senior Agency Vetting Official overseeing vetting. ME, OAPA, and other Operating Units run vetting programs. M Bureau leads Agency operational vetting policy. SEC leads Intelligence Community liaison. GC provides legal advice.

Funds Prevented from Diversion: While the total number across all vetting programs has not yet been tallied, the Afghanistan program reports that its vetting program over a four-year period has prevented more than \$645 million from being awarded to malign actors.

conditions for a country to govern effectively and responsively, as well as own, resource, and sustain its own development. The M Bureau is uniquely positioned to advance local sustainable efforts given its expertise and institutional knowledge in fiduciary tools. It has historically supported local programs - in training, policy development, talent management, risk assessment, and acquisition and assistance. To amplify these efforts, the Agency-wide on strengthening local actors, the Bureau led the drafting and signing of a Memorandum of Understanding (MOU) with the International Monetary Fund (IMF) in 2015. This globally applicable MOU establishes a variety of areas of collaboration involving multiple bureaus and including staff training. The training has been developed and already completed in the Africa Region and Washington. More USAID Missions are collaborating with IMF offices abroad on fiduciary tools, and IMF is completing a virtual training course that will be offered to USAID staff around the world. M Bureau will continue to support strategic engagement with emerging donor nations, to include technical assistance to countries developing aid agencies.

Enterprise Risk Management: A key challenge for the future of the Agency is how best to strengthen risk management across programs and operations by building on the extensive risk management processes the Agency already implements. USAID is being asked to be more attentive to a greater range and number of risks and opportunities in its

programming and to incorporate more rigorous risk management into Agency decision-making at the strategic level, ensuring risk is managed holistically across silos. The Agency works in complex situations worldwide with multiple goals, high-level objectives, and requirements that can require harmonization. However, with numerous risk management processes in use, there is a wariness in the Agency about adding to the burden and a need to leverage existing governance structures to the extent possible. The Agency has drafted a Risk Management Guidance Note and Transition Paper. On a parallel track, the OMB released an update to Circular A-123, which formalized the requirement for ERM within the federal government. ERM is a discipline that addresses the full spectrum of an organization's risks, including challenges and opportunities, and seeks to integrate them holistically in an enterprise-wide, strategically aligned portfolio view. Various ERM deliverables are due on a rolling basis to OMB beginning as soon as possible, but no later than June 2, 2017. M Bureau is leading the effort to

meet OMB's ERM requirements and is proposing to add the ERM function to its Management Control Review Committee to leverage existing internal control governance structure. It is also proposing use of an expanded Uniform Risk and Internal Control Assessment (URICA) tool to facilitate top-down tailoring of risk appetite statements with bottom-up reporting of key risks.

Examples of M Bureau-Led Engagements

- **The International Organization of Supreme Audit Institutions (October 2009 MOU):** The overall aim of the MOU is "to optimize the joint efforts of these partners in enhancing the capacity of SAIs in developing countries."
- **The International Federation of Accountants (November 2011 MOU):** The Federation, with USAID and other donors and signatories, agreed to to optimize efforts in enhancing the capacity of the accountancy profession in emerging and developing countries, taking into consideration the varying levels of development and unique country contexts of partner countries.
- **International Monetary Fund (August 2015 MOU):** The MOU affirms that USAID and the IMF have compatible mission statements and the desire to promote mutually beneficial cooperation. It set the stage for expanding overseas collaboration and a worldwide training course for USAID.
- **Government Accountability Office Center for Audit Excellence (April 2016 MOU):** This MOU represents a statement of intent by USAID and the GAO to establish a partnership for accountability capacity development activities in partner countries. The GAO Center was established by law with the mission of building institutional audit capacity and promoting good governance by providing high quality training and assistance to domestic and international accountability organizations.

SUPPORTING DOCUMENT: BUREAU FOR MANAGEMENT BUILDING WORKFORCE CONNECTION AND PERFORMANCE

The Bureau for Management (M Bureau) is an essential part of the team that works to achieve USAID's mission of alleviating extreme poverty. Early engagement of M Bureau in the program cycle will help improve the sustainability of USAID operations and programs. The expectation is that there will also be an increasing emphasis supporting partner countries, private sector entities, and not-for-profit organizations in developing sustainable operational capacity to deliver development outcomes. The (M Bureau is focused on generating new ways of pairing innovative, responsive program design with optimized management processes, systems, tools, and expertise. M Bureau is also providing essential IT support to the HR Transformation. Concomitantly, transformation is essential to optimizing the performance of the M workforce, which has the largest Civil Service contingent of any bureau. Additionally, M Bureau's implementation of the dual-track Washington Real Estate Strategy (WRES) is a critical workforce initiative because, related to workspace, the Agency has among the highest efficiency rates and lowest satisfaction rates across the federal government. Track One is a floor-by-floor renovation of outdated, 20-year old space at the RRB. Track Two is consolidation of several short-term leases into one long-term lease in the District to be procured through the General Services Administration. The costs of renovation and lease procurement will require sustained budget support and engagement with OMB and Congress.

Management Staff Engagement - In order to achieve its mission, USAID must focus on improving its internal management systems. In order to end extreme poverty and enable resilient, democratic societies, the Agency is implementing a collaborative, more participatory model that integrates programmatic and management expertise to deliver foreign assistance and ensure the functions of the Agency are executed efficiently and effectively. The M Bureau field officers (Controllers, Contracting Officers and Executive Officers) continuously optimize USAID's management platform and aligns its workforce to provide Acquisition and Assistance, financial, information technology, Operating Expenses budget, policy and administrative operations services to support the Agency mission.

M Bureau's Actions for HR Transformation - The M Bureau, even before the release of the HR Transformation strategy in July 2016 was working with HCTM to move ahead with six actions to improve HR functions and the quality of employee data. Additionally, the M Bureau provided the help desk platform and worked with HCTM and the HR Transformation team to stand up the expansion of the IT help desk to include HR help - a one stop employee support center.

Workforce Performance Management - Successful realization of USAID's Mission depends on optimizing the performance of the M Bureau's workforce, which features the largest number of Civil Service employees in the Agency and the most generationally diverse. The M Bureau also includes two high-risk mission critical occupations identified by the U.S. Office of Personnel Management (OPM) as being hard to fill and where there are significant skill gaps Government-wide, namely, acquisition and cyber security. In addition, the Bureau has and expects to continue to have a high turnover rate, with only 10 percent of contracting offices at the GS 14 or above grade, 25 percent of the bureau workforce having been with the Agency five years or less, and 32 percent of the workforce thinking about retirement. This is compounded by the pervasive perception that both strong and poor performance are not effectively rewarded or addressed.

Performance management can be a heavy lift especially for first time supervisors. Although HR Transformation Objective two (2) identifies performance management activities, the Agency lacks a performance management culture and incentives to tackle performance management problems. Supervisors don't have sufficient tools and/or don't apply them appropriately to support and sustain good performance. Staff holds widespread perceptions that we do not do enough to develop the next generation of leaders. The M Bureau consistently rates an average of 59 percent of the workforce outstanding with less than 10 percent receiving fully successful or lower ratings. Differentiated recognition, empowerment, and trust in leadership are key drivers of employee engagement; thus, strengthening employee performance management is key to increasing employee engagement.

Washington Real Estate Strategy (WRES) - USAID houses its primary operations in four office buildings in the DC region and leases warehouse and Continuity of Operations space in two other buildings (Figure 1). These spaces total 909,000 of Usable Square Feet (USF) which is tracked as part of the Reduce the Footprint Initiative. The commitment to USAID staff and leadership, OMB, and other stakeholders is to utilize our spaces more efficiently and effectively by creating safe, healthy, quality workspaces that enable a mobile, flexible, and agile USAID/Washington workforce. To realize this commitment, the Bureau for Management has implemented a dual-track strategy to upgrade and refresh the 20-year old, inefficient low quality spaces at the RRB and consolidate fragmented office spaces outside of the RRB into a single building in the DC Central Employment Area. The Agency completed its *Real Property Efficiency Plan FY 2017-FY 2021* and submitted it to OMB in September 2016.

Figure 1 - Agency Domestic Portfolio Breakdown

Building Name	Rentable Square Feet	Usable Square Feet	Type
Ronald Reagan Building (RRB)	748,928	532,853	[OA] Federally owned office
Two Potomac Yards (2PY)	83,017	70,628	[OA] Private lease office
Federal Center (SA-44)	188,320	171,092	[OA] Private lease office
Crystal Park 3 (CP3)	84,584	74,584	[OA] Private lease office
Crystal Drive (Washington Learning Center)	50,029	42,306	[OA] Private lease office – training center
Fullerton Center (Warehouse)	14,131	13,984	[OA] Private lease - warehouse
Continuity of Operations (COOP)	3,553	3,553	[Direct] Private lease

USAID has set aside funding in FY 2017 for the WRES Program and will request OMB and Congress provide capital investment funds for future phases, starting in FY 2018. The WRES Program will require sustained multi-year funding. A goal of the WRES Program is to minimize disruptions to operations during construction. However, throughout the implementation process, Bureaus and Independent Offices (B/IO) will be moving from existing spaces into temporary swing spaces and newly renovated spaces. Through close coordination with B/IOs, the WRES Program will seek to mitigate impacts on office operations through effective planning, project management, communications and deployment of tools to manage these transitions.

Providing USAID employees with modern higher quality space, opportunities to engage in all aspects of planning and implementing the Agency mission, improved HR data and processes, and some overhauling of the Agency's performance management systems, is on the M Bureau's plate right now. Recognizing that employees are our greatest asset, the M Bureau is committed to sensible changes that improve work experiences.

SUPPORTING DOCUMENT: BUREAU FOR MANAGEMENT OPERATIONAL EFFICIENCY

The Bureau for Management (M Bureau) has completed significant results on the Agency's operational effectiveness, particularly around our procurement (both Assistance and Acquisition) reform, but requires Agency support to continue its work to reduce the Procurement Action Lead Time (PALT) - which is xx. M Bureau is also in the lead to address State's continued push for more consolidation of overseas logistical services, such as motor pool and residential leases. However, USAID is not in agreement with the DoS' opinion that further consolidation of other services such as: IT, human resources, and USAID owned properties is necessary or in the USGs best interest. Using data for evidence-based decision-making is steadily achieving operational efficiencies and remains a top future priority. However, this requires multi-year investments in an interoperable management information system, the Development Information Solution, to enable a corporate view of the entirety of USAID's portfolio. This system will build functionality to bring in performance management, and feed the platform with operations data from agency financial and procurement systems, and program data from legacy systems. Additionally, M Bureau has led the use of operational data for Continuous Process Improvement (CPI) in support of the Agency mission. However, greater agility, flexibility and/or mobility for programmatic and operational processes are needed to reduce PALT, modernize USAID workspaces, and harness USAID's data through a suite of IT tools to improve programming and efficiencies.

Assistance and Acquisition (A&A) Reforms: In FY 2016, the Agency obligated a record breaking \$16.4 billion into more than 20,000 A&A new or existing instruments. Moving this much funding through transactions requires that all aspects of procurement operations work effectively. Since 2009 the Agency has intensely focused on streamlining and improving the tools and templates that it uses to implement A&A. Through *A New Model for Development – USAID Management and Process Reforms* the Agency has realized efficiency.

Procurement Action Lead Time: PALT measures the amount of time it takes to make an award, starting from when a Contracting or Agreement Officers (CO/AO) receives and accepts all required documents from the program office and ends once the award has been made. In total, there are 16-22 milestones that are tracked.

In 2009, the Agency did a baseline study on PALT and committed to reducing PALT by 40% by 2017--the current specific goals include:

Awarding competitive acquisition in 268 calendar days or less

Awarding competitive assistance in 150 days or less for

It is important that PALT be managed for efficiency, as it impacts the Agency's ability to effectively deliver our assistance. In the challenging and complex operating environments that USAID works in, it is important that we are able to make awards as quickly as possible. For our partner community, lengthy PALT adds to their difficulty to keep teaming arrangements together and personnel commitments intact.

USAID/State Consolidation: In an effort to gain cost and delivery efficiencies through sharing services at overseas posts, the USG consolidated multiple administrative services under the International Cooperative Administrative Support Services (ICASS) program between 2007 and 2013. USAID and the State Department made significant progress to eliminate duplicative services overseas. Redundancies in 15 administrative services provided to agencies through the ICASS system have been consolidated.

These include services provided by General Services, Financial Management, and Human Resources. The ICASS program, managed by the State Department, and in which USAID participates, includes: (1) warehouse management, 2) expendable supplies, 3) property leasing, 4) motor pool, 5) property maintenance, 6) customs and shipping, 7) reproduction, 8) administrative procurement, 9) mail, messenger, and pouch 10) Foreign Service National (FSN) payroll processing, 11) cashiering, 12) locally employed (LE) staff recruitment, 13) FSN initiatives, 14) eligible family member (EFM), and 15) at post language training. USAID does not subscribe to the Department of State's American citizen human resource services, accounting, budget and information technology services. There has been a push from the State Department to assume management of USAID human resource processes, to merge information technology platforms, and to consolidate the management of USAID owned and leased overseas buildings (e.g. real property) portfolio. USAID's position is that it must maintain control over each of these areas to fulfill our program mandates and it is within our purview as an independent agency to retain such control. Where we do have opportunities to collaborate we will engage with the Department in a collaborative way. USAID has not seen any audit of ICASS that demonstrates that the intended cost reductions have actually been realized and continues to look forward to such a report.

Development Information Solution: Solving the challenges presented by hundreds of disconnected and disparate information technology systems and harnessing the power of the data collected so it can be used as a more effective evidence base, is a top M Bureau priority. Through the investments being made in the Development Information Solution (DIS), every Mission, Bureau and Independent Office will access, in one place, millions of authenticated corporate data elements. USAID staff, both overseas and in Washington, will benefit from the functionalities within DIS. Implementing partners will have access to a portal allowing for direct reporting into the system. Host country governments, Congress, and the broader development community will also have limited access.

DIS is envisioned to include four distinct Work Streams, each of which focuses on a key and distinct Agency business process. These include:

- Work Stream 1: Performance Management
- Work Stream 2: Budget Formulation and Execution
- Work Stream 3: Project Design and Procurement Planning
- Work Stream 4: Portfolio Viewer - A dashboard and reporting functionality, which enables integration of data drawn from the other three Work Streams.

Once fully deployed, the four Work Streams will help USAID staff easily manage portfolios, reduce duplicative processes, minimize manual data entry points, and facilitate deeper analysis leading to better project design.

SUPPORTING DOCUMENT: BUREAU FOR MANAGEMENT CYBERSECURITY

For USAID to appropriately strengthen its cybersecurity stance and reduce the high level of risk associated with the Agency's large attack surface, USAID needs to: (1) Attract and retain new employees with the appropriate cybersecurity skills, which is designated as a critical shortage category by HCTM; and (2) Improve the Agency's culture of cybersecurity awareness. Cybersecurity is a serious vulnerability to the Agency unless we make it a higher priority and ensure sufficient resources to match the new threats.

Chart 97: % of 2014 big budget spend on cybersecurity



Source: OMB

Investing in Cybersecurity: Improving USAID's annual Federal Information Security and Modernization Act (FISMA) score and to meet three other priority needs (see below) should be a high priority in coming years. The FISMA score is one indicator of the strength of an agency's cybersecurity and privacy programs. USAID's FY 2015 FISMA score was relatively low at 73 out of a possible 100. This is one clear indication that absent continual investment the Agency is at significant risk. The median spending on cybersecurity by Federal CFO

Act agencies is 0.5 percent of the entire agency budget, as per OMB figures in Chart 97.

The Agency spent, in FY 2016, approximately \$12 million (or 0.8 percent) on cybersecurity. USAID has a vast attack surface – approximately 80 global missions, over 12,000 users, about 35,000 devices connected to the USAID global network, hundreds of foreign nationals accessing our network, etc. – all representing potential entry points for internal and external attackers. USAID is not only a vital part of the U.S. national security community, which by itself spurs adversaries to seek to breach the Agency's systems, obtain its data and harm its people, reputation and assets, but, unlike most federal agencies, the majority of USAID's footprint and assets are abroad and therefore under elevated threat.

USAID's FISMA score is impeded by two primary cyber functions: (1) Information Security Continuous Monitoring (ISCM) and (2) Incident Response (IR) and Management. OMB expects USAID to be at a maturity level in these functions beyond where it is today. For FY 2016, OMB has set the target for Federal agencies of Level 4 (Level 5 being the highest). USAID is at Level 3.

The three other high priority investments are:

- a. **Improving the Cybersecurity Security Operations Center (SOC):** Expanded capability for the SOC will enable proactive threat analysis and response and more effective coordination between external partners such as DHS and internal partners such as USAID/SEC, while creating a safer USAID computing environment.
- b. **Strengthening Cybersecurity Governance:** There are gaps in USAID governance - such as IT systems' Authority to Operate (ATO) and Security Assessment & Authorization (SA&A).
- c. **Maturing the Cybersecurity Insider Threat Program:** Continued support to USAID/SEC and M/CIO as they build out an insider threat program is essential because a significant percentage of all cybersecurity breaches are committed by insiders. The Agency has achieved initial

operating capability for the Insider Threat Program and expects to achieve full operating capability by calendar year-end. Continuing to mature this program will also improve the USAID cybersecurity program, enable it to more effectively collaborate with stakeholders such as DHS, and strengthen USAID's capability to support a safe computing environment.

Cybersecurity Professionals: The SOC, Governance, and Insider Threat must focus on cyber talent management in FY 2017 and beyond. Cybersecurity talent is in high demand by other Federal agencies and the private sector. In order to lead an effective cybersecurity program, USAID must have Direct Hire staff with a wide range of cybersecurity and privacy skills. As part of the HR Transformation initiative, the Agency is focusing on timely recruitment, hiring and retention of appropriate personnel, including cybersecurity and privacy team members. A key goal is the ability to hire these professionals in three months or less.

Creating a Culture of Cybersecurity Awareness: The Agency also needs to devote attention to improving our cyber awareness culture at USAID. Adversaries seek to gain advantage through exploitation of data at USAID and other Federal agencies. Attackers can be both internal and external and it is essential that USAID continue to build an Agency-wide culture of cybersecurity awareness and regularly test its strength.

BUREAU BRIEF: BUREAU FOR POLICY, PLANNING AND LEARNING

INTRODUCTION

PPL shapes how USAID thinks and works internally, as well as how the Agency engages with other parts of the U.S. government and externally with influential development institutions and organizations around the world. PPL is responsible for:

- More effective programming by managing processes for strategic planning, monitoring and evaluation, and project design.
- Maximizing USAID's leadership at high-level international meetings and summits and its engagement with bilateral and multilateral donor institutions.
- Managing the Agency's central policy function, housing the Chief Economist and Chief Strategy Officer, and providing policy guidance to the Administrator, USAID, the interagency and the wider development community.
- Leading and managing, in close coordination with the Office of the Administrator, the Administrator's Leadership Council (ALC), which reinforces the concept of a senior management team in the Agency.
- Strengthening U.S. policy by ensuring a strong Agency voice in interagency discussions and during production of key USG strategy documents including, among others, the National Security Strategy and Quadrennial Diplomacy and Development Review.

LOOKING BACK

PPL was established in June 2010, four years after a prior foreign aid reform effort dismantled the Agency's longstanding Policy and Program Coordination Bureau. This reform dissolved USAID's independent policy and budget functions, resulting in declining morale and lessening the strength of U.S. development policy both at home and abroad. With the policy function reinstated, PPL has been critical to elevating a development perspective and strengthening the voice of the Agency within the USG and internationally. At the same time, this "external" focus has to be continually balanced against PPL's role in shaping and improving USAID's internal processes. One critique PPL is trying to address is that it has, at times, prioritized the former at the expense of the latter.

PPL was charged with re-establishing a corporate approach to the design of program strategies, projects, and activities that use the best available information to achieve and sustain results ([see USAID's Operational Model for Development Results](#)). PPL also led development of new approaches to planning, monitoring, evaluation, and organizational learning (see [Learning and Results](#)). These efforts are critical to ensuring that USAID meets professional standards of development and that USAID projects are strategic, well designed, integrate evidence and learning, and achieve maximum impact. One result of PPL's work is that the Agency has developed and approved 63 new country and regional strategies since 2011, up from zero prior to that year. PPL also supported policy development and coordination across the Agency on issues ranging from USAID's public statements of priorities to specific policies on evaluation and gender or sector strategies, such as education and water.

Internationally, PPL coordinates with bilateral and multilateral donors to provide U.S. leadership that advances aid effectiveness and development. PPL's work enabled the USG to shape the outcome of global negotiations on development, and generate high-profile announcements at key inter-governmental meetings and world summits. For example, working closely with the White House and the interagency, PPL helped shape Presidential engagement in the 2015 summit that launched the Sustainable Development Goals. The Bureau is directly involved in high-level efforts to leverage new development investments from other major donors, such as Sweden and the U.K.

LOOKING FORWARD

Positioned at the heart of Agency strategy and policy, PPL confronts a range of opportunities and challenges:

- **Strategy-Budget Alignment:** Budgets tend to shape Agency strategy rather than the other way around. A key challenge for PPL is how to play a greater role in budget decision-making to better align country strategies and budget allocations. The major Presidential or Agency-wide initiatives, such as Feed the Future or the President's Emergency Plan for AIDS Relief, tend to drive Agency operations and strategic planning, given their size and visibility. Often, they exist in parallel with the corporate strategic planning process – a system specifically designed to support principles of country-ownership, impact, and sustainability.
- **Boosting Agency-wide Coherence and Effectiveness:** As an organization with a flat management structure, USAID is challenged to ensure Bureaus' compliance with corporate priorities and the decisions made by the Administrator. This sometimes results in stalled processes and mixed messages to both internal and external audiences.
- **Delineation of Responsibilities vis-à-vis the Management Bureau (M):** As two central bureaus with mandates that reach across many of the Agency's priorities and processes – M on the operational side and PPL on the programmatic side – there are inevitable areas of overlap and sometimes conflicting responsibilities. Among other things, clarification of roles and responsibilities is needed between PPL and M on performance management, risk management policy, data, transparency, and aid statistics.
- **Changing Landscape for Development Cooperation and Global Policy Leadership:** USG engagement with an expanding set of emerging donor countries and stakeholders beyond governments can improve their effectiveness and positively impact broader foreign policy objectives. For example, PPL recently led the Agency in coordinating the US-China development agreement signed last year. This agreement has, among other things, created space for greater cooperation on non-development policy issues of interest to both countries.
- **PPL's Roles in Interagency Representation/Donor Coordination:** At its best, PPL helps synthesize development knowledge and expertise from across Bureaus into a single, strategic voice, as was the case with significant USAID input into the President's National Security Strategy. In recent years, the Agency has been asked to participate in an increasing number of high-level interagency meetings, and PPL often provides central support, especially in relation to long-term policy and strategic planning efforts ([see: Agency Policy Development](#)). PPL plays an important role in the management of relationships with the NSC, the Office of Foreign Assistance Resources, and other parts of State, as well as Treasury, OPIC, MCC, and other interagency counterparts.
- **Strategic Learning:** Despite a strategic push by PPL across the Agency, evaluations and other evidence are still underutilized and a systematic learning culture remains nascent. Much could be gained from even greater focus on these areas, especially learning across countries and sectors, but doing so comes with institutional, methodological, and resource challenges.

SUPPORTING DOCUMENT: BUREAU FOR POLICY, PLANNING, AND LEARNING BUDGET AND STRATEGY ALIGNMENT

Country-based strategic planning is USAID's approach for aligning U.S. Government development objectives with country or region-specific circumstances and local priorities. The strategic planning process is a core part of USAID's business model to ensure that U.S. taxpayer dollars are invested wisely and generate sustainable results. Budgets are an important input into the strategy process; likewise, strategies should be used during the budget process to ensure approved plans can be funded. Aligning programs with local priorities is also consistent with the USG's international commitments on aid effectiveness and international best practices.

In recent years, however, a growing number of global-level initiatives generated by Congressional directives and/or the Administration have aimed at tackling key development challenges, which do not always align with country needs identified through the strategic planning process. These initiatives have helped focus much-needed attention on issues like health, food security and energy, and have delivered real results. In FY 2014 for example, the Feed the Future initiative and its partners helped farmers boost agricultural sales by more than half a billion dollars to increase their incomes. Typically, the initiatives define common approaches for a set of priority countries. This has the advantage of enabling USAID to demonstrate results at the global or regional level.

These global-level initiatives have come to dominate the allocation of USAID's budget. Between FY 2009 and FY 2016, Congressional directives and Administration initiatives increased from 38 percent to 85 percent of total development funding. This has constrained resources available to finance local priorities and has served, unintentionally, to undermine the Agency's country-based strategic planning process. For example, USAID/Nigeria's strategic planning process identified poor governance and corruption as central factors undermining Nigeria's stability and prosperity, and feeding – among other things – the Boko Haram insurgency. However, the budget of the USAID/Nigeria Mission is dominated by funding for global-level health initiatives that total 92 percent of the overall budget. In consequence, less than two percent of the Mission's budget is allotted to governance programming.

A 2015 USAID Inspector General audit highlighted this challenge, noting that despite the Administration's commitment to locally driven strategies that respond to country priorities, centrally-driven budget decisions often override local priorities and fail to align with approved strategies. This despite evidence that development gains are more likely to be sustained when programs are aligned with local priorities and when local actors are engaged in planning and implementing programs.

Going forward, it will be important to find ways to use (and strengthen) the strategic planning process to manage the tension between centrally driven initiatives and country-level priorities. This goal could be more easily achieved if greater flexibility were built into global initiatives to enable them to better accommodate local realities. Furthermore, the Agency should carefully consider the proportion of funding dedicated to centrally driven initiatives to ensure that there is enough discretionary funding remaining to respond to needs identified in strategies. In this way we can ensure that budgets and strategies are more closely linked.

SUPPORTING DOCUMENT: BUREAU FOR POLICY, PLANNING, AND LEARNING LEARNING AND RESULTS

PPL leads within USAID on the development of policy, guidance, and capacity building for monitoring, evaluation, and learning. In the years preceding 2010, the evaluation function within USAID had all but disappeared. The monitoring function was reduced to Washington-driven reporting on standardized indicators for financial accountability rather than for learning and guiding program effectiveness in the field. Since 2010, when PPL was established, there has been a major push to restore these functions and instill a culture of evidence-based decision making in the organization.

An important achievement for PPL was the publication of a new Evaluation Policy in January 2011. This policy renewed USAID's commitment to investing in high-quality evaluation practices that inform effective program management, demonstrate results, promote learning, support accountability, and provide evidence for decision-making. The Evaluation Policy was well-received within USAID and the interagency, and became a foundational document for drafters of the Foreign Aid Transparency and Accountability Act (Pub. L. No. 114-191), which Congress enacted in July 2016. In 2014, 2015, and 2016, the Agency was heralded by Results for America's "Invest in What Works Federal Index" for its program evaluation work. PPL also worked to boost monitoring, publishing new guidance in 2012, and quickly trained staff across the Agency. Most importantly, a long-term effort was begun to shift the Agency mindset on monitoring, from a focus on counting and reporting to one of learning and adapting, and program effectiveness.

PPL is currently collaborating with others in the Agency and outside to develop new approaches to monitoring, evaluation, and organizational learning. This will be critical to increasing the quality and use of monitoring and evaluation. It will also help to balance the twin requirements of collecting data for the purposes of financial accountability and aggregation of results at global level versus collecting data that helps adjust programming in the field.

Going forward, there are a few challenges to tackle. Evaluations and other evidence are still underutilized and a systematic learning culture remains nascent. We do not as yet have a systematic way to capture learning and good practice across the Agency, and we are only now making the transition from individual project-based evaluations to more strategic and cross-cutting approaches. Some Bureaus are synthesizing evidence from individual project evaluations in order to identify cross-cutting findings on specific issues like gender and adaptation to climate change, but this is still limited. To scale up this good work, PPL is collaborating with other Bureaus to identify and prioritize areas of learning, guide research and evaluation efforts within prioritized areas, and foster collaboration around shared learning interests.

Another challenge is how to fully integrate learning into Agency culture and processes. In recent years, the Agency has increased financial resources for monitoring, evaluation, learning, and knowledge management, but there has not been a corresponding increase in human resources adequate to manage these activities nor analytical capacity to make sense of increased amounts of data. Making USAID a truly evidence-based organization will require that we establish learning as a corporate priority and that we also dedicate staff and financial resources to this goal.

SUPPORTING DOCUMENT: BUREAU FOR POLICY, PLANNING, AND LEARNING USAID'S OPERATIONAL MODEL FOR DEVELOPMENT RESULTS

The Program Cycle is USAID's operational model for achieving development results in a given country or sector. The Program Cycle links together the fundamental components of the Agency's programming – from country strategic planning, project and activity design and implementation, to monitoring and evaluation. It also ensures that the Agency's planning and implementation processes are informed by continuous learning and adapting, and aligned with budget and resources in support of U.S. development objectives.

Throughout USAID's history, most of the Program Cycle components (country-level strategic planning, project design, activity design, and monitoring and evaluation) have been part of the Agency's business model, although at varying levels of rigor and emphasis. A significant departure occurred in 2005 when the Bureau for Policy and Program Coordination was eliminated. As a result, country-level strategic planning, project design, and monitoring and evaluation disappeared as required functions in USAID. Instead, the Agency's business model was focused on activity awards and reporting for purposes of financial accountability rather than for monitoring performance and development impact. After the new PPL was established in 2010, and in recognition of the need for a strategic planning process as a central pillar to achieving development results, the Program Cycle was revised and reinstated in 2011.

While re-institutionalizing the Program Cycle, and the skills to implement it, is a long-term effort, the Agency has made progress since 2011. Most missions now have Country Development Cooperation Strategies (CDCSs) in place. Through the CDCS process, missions are thinking more about how their individual programs fit together to achieve transformative results in partner countries. The quality and use of evaluations across the Agency has also improved, and a culture of using monitoring data and other evidence for performance improvement is taking hold.

At the same time, there were continuing challenges after the re-introduction of the Program Cycle. Missions said that processes associated with the Program Cycle were time-consuming – especially given competing demands within Missions – and some requirements were overly prescriptive for the type of environments in which the Agency operates. Based on this feedback, and taking on board general advances in professionalizing development work, PPL collaborated with staff across the Agency in 2015 and 2016 to identify opportunities for improvement. This resulted in a new and improved Program Cycle, the policy for which was released in September 7, 2016. This revised policy is more streamlined and moves away from bureaucratic box-checking toward a principles-based approach to linking processes to outcomes. It also gives Missions greater flexibility and facilitates a more strategic use of evidence by enhancing the use of knowledge from monitoring, evaluation, and learning.

Implementing these reforms will require significant shifts in behavior and culture. To be successful, the Agency will need to encourage staff to think more strategically, innovate, take informed risks, and learn and adapt. Sound planning and design may take longer but generally produces better results.

**SUPPORTING DOCUMENT: BUREAU FOR POLICY, PLANNING, AND LEARNING
CHANGING LANDSCAPE FOR DEVELOPMENT COOPERATION AND GLOBAL POLICY LEADERSHIP**

The development landscape has become increasingly complex in recent years as new actors have come on the scene. This includes major emerging economies such as India and China, who have themselves become “providers” to low-income countries, as well as non-government actors such as private sector and philanthropic organizations. Global frameworks for development and humanitarian action endorsed at the UN envisage a world where development partnerships include a wide array of government and non-government entities and involve more diverse sources of finance.

As the premier U.S. Government development agency, USAID is expected to provide leadership in the international arena. A challenge for USAID is to make strategic choices about our engagement in this changing landscape so as to deliver U.S. priorities in the most effective and efficient way. To be effective in this complex landscape, USAID must continue building our role as a global thought leader, drawing on the deep technical knowledge in the Agency to generate strategic policy positions, and building influential relationships with key bilateral and multilateral actors to deliver our aims.

The Agency has stepped up its international game. As a leader in building partnerships with the private sector and supporting partner countries to mobilize domestic resources, USAID was influential in 2015 in shaping the UN frameworks on Financing for Development and the 2030 Agenda for Sustainable Development. Supported by PPL, USAID has also been at the forefront of promoting effective development cooperation and incorporating principles like country ownership, multi-stakeholder partnerships, and mutual accountability in international frameworks at the UN, OECD, and elsewhere. USAID has led efforts to ensure that the G7 and G20 support USG priorities.

To be more effective going forward, this leadership needs to be strengthened. PPL currently manages the Agency’s bilateral relations with traditional donors (such as the UK, Sweden, and Japan) and is expanding relations with emerging economies such as China, India, Mexico, and the Gulf states, which bring new resources and alternative approaches to development cooperation. PPL also leads for USAID in international assistance arenas, such as the OECD’s Development Assistance Committee, the Global Partnership for Effective Development Cooperation, and on development issues at the G7 and G20. And it contributes to USG engagement in relevant UN forums. All these efforts are constrained by the limited pool of people skilled at development diplomacy and able to operate effectively on an international stage. A challenge for the future will be growing the cadre of professional staff in the Agency with development diplomacy skills, and generating the right institutional incentives for them to take up and excel in these roles. We also face choices in expanding our engagement with emerging economies and more systematically engaging with multilateral development banks, in consultation on strategic issues with the U.S. Treasury, which leads for the USG, and philanthropic organizations.

SUPPORTING DOCUMENT: BUREAU FOR POLICY, PLANNING, AND LEARNING INTERAGENCY ENGAGEMENT AND RELATED COORDINATION

USAID has an important role to play in the interagency process, particularly in bringing its unique field experience to bear on policy discussions. As home to USAID's cross-cutting policy function, PPL plays a key role in advancing Agency equities in interagency policy deliberations.

While many parts of the Agency lead on and engage in interagency processes, PPL often plays a coordinating role within the Agency to develop corporate policy positions that cut across regions and technical areas. In many cases, PPL serves as the Agency lead in Interagency Policy Committees (IPCs), USAID-Department of State coordination, or other processes. PPL helps elevate and ensure coherence of Agency priorities and perspectives in interagency deliberations. The Bureau can help strengthen USAID's policy voice by maintaining awareness of interagency engagements across the Agency and by weaving together related issues and discussions that might otherwise remain stove-piped.

PPL also often serves as the USAID lead in interagency processes related to global development policy. For example, to help shape U.S. Government priorities for negotiations and ongoing discussions about the Sustainable Development Goals and the Addis Ababa Action Agenda (together known as the 2030 Agenda), PPL consults with technical leads in other Bureaus to determine priority goals and targets and how they should be implemented. PPL conducts similar internal coordination to engage in interagency processes related to multilateral fora, including most recently, the World Humanitarian Summit, and the G7 and G20 Summits.

PPL also coordinates closely with pillar and geographic Bureaus and represents USAID in interagency processes on U.S. national security issues. PPL coordinated across Bureaus and Independent Offices to identify priorities and key issues for inclusion in the National Security Strategy (NSS), and oversaw the drafting and editing of some sections of the NSS. The Bureau also co-leads with DCHA on the Interagency Fragile States Task Force and routinely works with E3, the Lab, Middle East and other Bureaus to feed into meetings of the National Security Council's strategic planning group.

In addition, PPL is the lead interlocutor for some joint policy and planning processes with the Department of State. These include the Quadrennial Diplomacy and Development Review (QDDR) and coordination with the Department of State to ensure that processes and guidance for Integrated Country Strategies and Country Development Cooperation Strategies complement each other. In conjunction with BRM, PPL coordinates regularly with the State Office of U.S. Foreign Assistance Resources (F) on behalf of the Agency. PPL also convenes the interagency on some issues for which USAID is the lead within the USG, such as bilateral development finance policy and development cooperation effectiveness.

SUPPORTING DOCUMENT: BUREAU FOR POLICY, PLANNING, AND LEARNING AGENCY POLICY DEVELOPMENT

One of PPL's core roles is to improve Agency-wide policy coherence by leading and coordinating policy development. This responsibility is accomplished by helping to shape formal Agency-wide development policies, as well as by coordinating deliberations and advancing cross-cutting policy issues across the Agency.

Formal documents range from the overarching Agency Policy Framework to more specific products categorized as Policies, Strategies, or Vision Papers. Sometimes PPL takes the lead, as in crafting the *2011-2015 USAID Policy Framework* or the *Evaluation Policy*. In many other instances, however, PPL works in support of other bureaus as they lead policy development in specific areas (for example, education, health systems strengthening, and democracy, human rights and governance, among others) in order to ensure consistency and coherence across formal policy documents.

Beyond the development of formal, public policies, PPL plays a central role in internal coordination on a range of major issues. For example, the Bureau spearheads internal Agency efforts to distill the practical implications of U.S. Government commitments to the Sustainable Development Goals and the Addis Ababa Action Agenda. PPL also convenes stakeholders across the Agency to shape USAID's approach to programming in restrictive countries where democratic political space is closed or closing, or to help Bureaus internalize priorities identified by the Agency's leadership, such as fragility analysis.

The restoration of a policymaking function at USAID after several years of absence meant that the Agency had to rapidly expand its policies to re-energize the Agency as a leader on international development thinking and cutting-edge approaches. The effort resulted in 16 Agency policy documents across a range of issues published between 2011 and 2014. These policies were much needed; however, colleagues in the field have been unable to effectively absorb many of the new policies.

PPL has undertaken several steps to improve the management of policy development and coordination processes so that Agency approaches are more coherent and consistent. To learn how new policies can be better integrated into programming, the Bureau has piloted rigorous assessments on the implementation of the policies and strategies. PPL also recently revised the Agency's core guidance on development policies, outlining a process for document drafting, publication, assessment and review. A combination of Agency pressures, interagency priorities, and legislative requirements has resulted in policy processes that are not always well-sequenced and coordinated. An organized approach to guide policy development can, however, bolster the Agency's impact by helping the field better balance priorities.

There is now an important opportunity to begin shaping a new Policy Framework to articulate USAID's vision under new leadership. If done early in the new Administration, this framework could further strengthen the Agency by coherently shaping a narrative for the Agency's work and for its positions within the USG and in the international policy arena.

BUREAU BRIEF: OFFICE OF HUMAN CAPITAL AND TALENT MANAGEMENT

INTRODUCTION

When functioning effectively, HCTM advances the Agency's mission by helping leaders place skilled staff in the right place at the right time. HCTM leads strategic workforce planning, human resource policy, and the full life-cycle of human resources for Foreign and Civil Service employees, such as recruitment, onboarding, performance management, discipline, professional development, assignments, and promotions. The entire Agency is impacted by HCTM and will benefit greatly from a sustained focus on HR Transformation that produces noticeable results. While USAID is filled with highly motivated, Mission-driven, and skilled staff, we have perhaps historically relied too heavily on this motivation and not devoted enough resources and leadership attention on a holistic effort to manage our talent effectively and adjust our workforce planning to the environment.

LOOKING BACK

Workforce

- USAID operates under strict Foreign Service and Civil Service personnel ceilings, which constrain the Agency's ability to support emerging requirements. For the Foreign Service, following decades of a shrinking workforce, between 2007 and the present, USAID has focused on recruiting and sustaining 1,850 Foreign Service Officers. HCTM sought to **increase staff mobility and readiness** by hiring and training highly qualified Foreign Service Officers. USAID also sustained a **Civil Service** workforce of approximately 1,698 employees.
- Staff that are citizens of our host countries play a critically important role in the Agency. USAID's **Foreign Service Nationals** (FSNs) are essential to the Agency's mission and operations, representing 42 percent of the entire workforce and 71 percent of all staff overseas. As an outcome of the Worldwide FSN Conference in 2013, USAID established an **FSN Advocacy Council** in 2014 to champion **issues** on behalf of our more than 4,900 FSNs.
- Finally, our workforce comprises a large number staff retained under other hiring mechanisms (e.g., contracts and agreements with other agencies). These mechanisms are not supported by HCTM, making it a challenge to provide comprehensive workforce planning and support, and even to account for overall staffing numbers.

Commitment to Learning

- In 2013, HCTM established the Washington Learning Center, a state-of-the-art training center, and also opened training centers in Bangkok and South Africa. These facilities provide continuous learning and professional development, greater access to much-needed mandatory training, and access to remote training, and are strategically placed to help save the Agency travel and per diem costs. Ensuring that training and learning opportunities are evenly spread across staff and hiring mechanisms is a continuous challenge.

Commitment to Staff Wellbeing

- In 2012, HCTM established StaffCare, which provides employee assistance, employee resilience, critical incident response teams, child care subsidy, elder care, and employee wellness benefits. Staff Care's wellness activities have resulted in an 84 percent satisfaction rate, compared to an 80 percent government-wide average, and its Work Life Program has provided more than 2,419 referrals to employees and their family members on resources for child and eldercare. The Staff Care program has been designated a best practice for the Federal government and is critical to supporting our staff in Missions facing conflict and crises.

LOOKING FORWARD

Although HCTM has significant recent successes, an assessment of the human resource function in 2015 identified deep structural and operational challenges and opportunities in customer service, process and policy, tools and technology, and talent and culture. Based on these findings, the USAID HR Transformation Strategy (June 2016) seeks to establish strong core HR capabilities that exceed the expectations of customers. Fundamentally improving the way USAID supports human resources and talent management is central to advancing the Agency's mission, particularly given our increasingly complex operating environments. The three major pillars of the transformation are: 1) HR operations; 2) workforce preparedness; and 3) organization culture and wellness. It is important to note that HR functions are not all located in one place, which adds some complexity to USAID's workforce planning and operations. The Bureau for Management (e.g., payroll and M/CIO), the Office of Civil Rights and Diversity, the Office of Security, and Bureau and Mission HR professionals all play key roles that require coordination.

During the first year of implementation, the HR Transformation Strategy is prioritizing efficient, effective, and customer-focused [HR operations](#) to improve customer service, clarify roles and responsibilities, and clean up HR data. The goal is HR Services that will be streamlined and agile, leading to expeditious onboarding of new talent and giving employees access to self-service and consultative HR services options.

The HR Transformation also seeks to ensure [workforce preparedness](#) by providing the knowledge, skills, abilities, and attributes needed to meet the Agency's mission for today and the future. This effort will include strengthening the Agency's workforce planning capabilities, creating career paths that allow the Agency to support crisis situations around the world, developing a performance management system that promotes excellence, and building the next generation of leaders. The preparedness efforts are focused on all hiring mechanisms to ensure the workforce is nimble and responsive to evolving Agency requirements.

The third and overarching pillar of HR Transformation is [organization culture and wellness](#). The future state will include a stronger culture of accountability where people demonstrate high levels of ownership to think and act in the manner necessary to achieve organizational results. We also seek a culture of diversity and inclusion, as well as ensuring that the workforce is equipped to address the unique challenges and occupational stresses associated with being a part of an Agency with an international mission.

SUPPORTING DOCUMENT: OFFICE OF HUMAN CAPITAL AND TALENT MANAGEMENT HUMAN RESOURCE TRANSFORMATION: OPERATIONS

Announced June 2, 2016, the Human Resource (HR) Transformation Strategy and Action Plan (2016-2017) are designed to achieve fundamental change in the way USAID supports human resource and talent management needs. The vision driving the HR Transformation process is that across the agency we share responsibility for establishing strong core HR capabilities that exceed customer expectations and prepare the workforce to advance the Agency's mission today and in the future. The Strategy's three objectives focus on HR Operations, Workforce Preparedness, and Organizational Culture and Wellness. HR Transformation covers all HR services, including those that fall under the Office of Human Capital and Talent Management (HCTM), those carried out by Executive Officers (EXOs), Administrative Management Services (AMS) staff, and supporting functions provided by other operational areas under the Office of Civil Rights and Diversity (OCD), the Bureau for Management (M), the Office of the General Counsel (GC), and the Office of Security (SEC). As an agency-wide effort, HR Transformation is designed to be accountable, transparent, and participatory.

HR Transformation implementation focuses on HR Operations in the first year of implementation, which includes all transactions from recruitment to retirement. The focus on customer-focused operations reflects the findings of a Current State Assessment (December 2015), which highlighted shortcomings in customer service, the lack of integration and reliability among HR information systems, and inconsistent processes and policies. Similarly, USAID ranks 24 out of 24 federal departments and agencies in the satisfaction with human capital services, according to the Office of Budget Management's FY 2015 Benchmarking Summary Report.

The HR Operations objective will improve customer service, clarify roles and responsibilities, streamline business processes, and establish and sustain clean data. As a result, HR Services will be streamlined and agile, leading to expeditious onboarding and giving employees access to self-service and consultative services. While the overall strategy supports the entire workforce, this first objective addresses Foreign Service and Civil Service mechanisms, which constitute the majority of HR transactions in Washington.

Customer Expectations. Improving HR efficiency and effectiveness increases employee/customer satisfaction. On June 22, 2016, the HR Transformation team, in collaboration with HCTM and the Bureau for Management, established the HR Contact Center in order to improve HR efficiency and effectiveness. The HR Contact Center provides employees and managers with a central point of entry (by phone, email, or online) for HR support. The HR Contact Center is built on a solid backbone of trained staff with scripted answers for several of the most common topics, and case management system for tracking follow through and quality assurance. The HR Contact Center also has a staffing surge capacity during high-volume times, such as Open Season for benefits or Foreign Service Assignment bidding. During the first three months of operation, the HR Contact Center responded to over 3,500 requests, completing approximately 60 percent within HR Contact Center and forwarding the balance to other HR Specialists. The HR Transformation Team and HCTM will continue to strengthen and increase the capacity of the HR Contact Center.

Clean Data. Inaccurate data has been a fundamental problem complicating HR services. Incorrect data contributes to the inability to make data-driven decisions, inability to perform Agency-wide workforce planning, undermined trust in HR, and the creation of shadow tracking

systems and duplication of work. It also impacts employees at a personal level. Establishing and sustaining clean data is critical component prioritized in the first year. By the end of the first year, HR Transformation will clean HR data and establish processes and policies that sustain it, resulting in fewer HR mistakes and better data for decision making.

HR Operating Model. The Current State Assessment found that the inefficient HR Operating Model was the root cause of the dissatisfaction and poor quality data. An inefficient operating model makes basic HR processes difficult for both customers and HR staff. The current HR operating model has resulted in what those within and outside of HR have felt on a daily basis – the symptoms of corrupt data, lack of accountability, ineffective management, and ultimately, low customer satisfaction. As a result, HCTM is in the process of realigning its organizational structure and streamline its processes and focusing them around customer service. The new design clearly identifies the roles and relationships within the organization.

HR processes and workflow. The HR Transformation Strategy focused on recruitment, selection, hiring, and onboarding. However, the required actions are much broader than that. In reality the transformation will focus on the entire human capital continuum from recruitment to retirement. HR Transformation is working closely with HCTM and the Bureau for Management on the implementation of business process reviews and will continue to prioritize the most significant processes impacting staff. The end result will be HR processes that ensure that HR staff are not only held accountable, but are trained and committed a more efficient and effective delivery model for HR support to the agency.

SUPPORTING DOCUMENT: OFFICE OF HUMAN CAPITAL AND TALENT MANAGEMENT HUMAN RESOURCE TRANSFORMATION: WORKFORCE PREPAREDNESS

The Human Resource (HR) Transformation Strategy (2016-2021) seeks to establish strong core HR capabilities that exceed customer expectations and prepare the workforce for the future. The Strategy's three objectives focus on HR Operations, **Workforce Preparedness**, and Organizational Culture and Wellness.

The **workforce preparedness** objective seeks to prepare the workforce at both the employee and enterprise levels to advance the Agency's mission with agility. This objective includes establishing strategic, forward-looking workforce planning processes and tools that captures the entire workforce based on reliable data and analytics. This objective also includes creating career paths that allow the Agency to support crisis situations around the world, developing a performance management system that promotes excellence, and building the next generation of leaders. As a result, the workforce will have the necessary knowledge, skills, abilities, and attributes. Employees understand how to navigate through the Agency to advance their careers which will improve retention of top talent and increase effectiveness of mission delivery. The preparedness efforts are focused on all hiring mechanisms to ensure the workforce is nimble and responsive to evolving agency requirements.

Workforce Planning

The Agency needs to strengthen its workforce planning and analytics. In both 2003 and 2010, the U.S. Government Accountability Office (GAO) recommended that USAID develop a comprehensive workforce planning system to better identify its staffing needs and requirements. In 2010, USAID developed a five-year Workforce Plan and a Consolidated Workforce Planning Model (Model), both of which are outdated. The Model lacked participation by Agency stakeholders; lacked accurate workforce data; and failed to capture enterprise-wide workforce needs.

As part of the HR Transformation Strategy, and consistent with past GAO recommendations, USAID seeks to establish iterative, systematic workforce planning processes that (a) aligns the human capital program with its current and emerging mission and programmatic goals and (b) develops long-term strategies for acquiring, developing, and retaining the workforce to achieve programmatic goals. Based on previous lessons learned, USAID's workforce planning processes and tools will be strategic, forward-looking, consistent, and flexible. By 2017, USAID will identify the critical competencies needed for key Foreign Service and Civil Service positions and track employee skills and capabilities, particular in support of fast moving situations. By 2020, USAID seeks to have an optimally sized workforce with an effective mix of Foreign Service, Civil Service, Personal Services Contractors, Foreign Service Limited, Foreign Service Nationals, and Contractors.

Career Pathing and Competency

USAID needs to design career paths for the workforce that map out opportunities for career advancement as well as meet Agency needs. Agency employees often do not have a clear understanding of what it takes to move up within the agency. Moreover, the same or similar positions in different Bureaus or Offices may have different job requirements or grades, causing confusion and adding to a lack of mobility in the Agency. Without established career paths, employees feel stymied in their growth and development and unclear on how to influence their individual progress, affecting employee morale. There needs to be consistency across the Agency in requirements for similar positions and automated tools that outline career maps to assist in navigating requirements for career progression. As part of HR Transformation, key competencies will be defined and standardized within

career maps and job descriptions will support career ladders and lattices. Career paths will be linked to professional development needs, and individual development plans and performance management processes will reinforce ascendance through career ladders and lattices.

Performance Management

One of the most significant efforts currently underway under the **Workforce Preparedness** objectives is the reform of **performance management**. Office of Human Capital and Talent Management (HCTM) is currently engaged in an ambitious effort to improve USAID's human resources management capabilities. The current initiative specifically targets the Foreign Service and Civil Service performance management processes and principles, with a goal of building capacity through workforce development, and enhancing the quality and transparency of promotion decisions.

The preliminary framework for the redesigned Foreign Service performance management and promotion systems was informed by a comprehensive Current State Assessment and Benchmarking Study completed in 2015. Subsequent work has been guided by a Community of Stakeholders and internal and external experts in the performance management systems. The systems emerging from this work will markedly reduce the administrative burdens on participants, refocus attention on employee growth and development, and greatly enhance the quality of the data that will inform promotion decisions. The revised Foreign Service system will be rolled out in stages in 2017 and 2018, and the Civil Service redesign effort will be kicked off in 2017 and implemented in 2018.

Next Generation of Leaders

A critical priority in workforce development is to strengthen leadership training and support to ensure that leaders are ready to lead in a variety of diversified environments. The Agency is in the beginning phases of developing a Leadership Development Model that provides a pathway to development for leaders of the organization, no matter what level of responsibility. The Leadership Development Model will provide a cohesive and succinct development program that assist in identifying prospective leaders, providing them the education they need to be successful, and helping to select those who will achieve greater levels of responsibility. This philosophy – to identify, train and select – will ensure leaders are prepared to work in a diversified and ever-changing environment.

The Leadership Development Model will focus on the Center for Creative Leadership (CCL) Model – an industry best practice –based on the recognition that 70 percent of employee development happens through on-the-job experiences, 20 percent is achieved through mentoring and coaching, and 10 percent by formal training. The Leadership Development Model will begin to focus on developing leaders through experiences, by using job-shadowing, detail assignments and other experiential learning events. Coaching and mentoring will be better infused throughout the Leadership Development Model, with the mentor providing feedback, guidance, and support during the most critical transition in each leader's career. The Leadership Development Model will only achieve success through senior leadership's ownership and involvement.

SUPPORTING DOCUMENT: OFFICE OF HUMAN CAPITAL AND TALENT MANAGEMENT HUMAN RESOURCE TRANSFORMATION: ORGANIZATIONAL CULTURE AND WELLNESS

The third and overarching pillar of HR Transformation is **organization culture and wellness**. The future state is having a stronger culture of accountability where people demonstrate high levels of ownership to think and act in the manner necessary to achieve organizational results. It is also culture of diversity and inclusion, as well as ensuring that the workforce is equipped to address the unique challenges and occupational stresses associated with being a part of an agency with an international mission.

Culture of Accountability

The HR Current State Assessment identified employee frustration with the lack of accountability in the Agency. Factors that contribute to the perceived lack of accountability include: unclear or missing policies and poor adherence to policies when they do exist; inflation of annual performance ratings; a “wait it out” attitude toward rotating leaders; non-existent or non-constructive feedback from supervisors; and leadership misalignment and perceived inconsistencies.

HR Transformation is focused on building a culture of accountability and contains plans to move USAID to a transparent, communicative place to work where accountability is defined as a partnership, consistent across teams, between manager and employee, wherein employees own their success within their clearly defined roles and managers demonstrate accountability to move their teams forward. The aim is to ensure that the workforce recognizes the workplace as accountable and that the Agency is rewarding top performers. It will be incumbent upon leadership to set the example by holding everyone to standards of integrity and responsibility. Staff and leaders will adhere to processes, roles and responsibilities, and deadlines, and provide honest and constructive feedback to all levels (peers, leadership, reporting staff). USAID will have a system of incentives based on setting and enforcing the culture of accountability.

Staff Care

USAID is operating in increasingly high stress, high threat, and non-permissive environments. In line with the Agency’s legal and moral Duty of Care to our workforce, the Staff Care Center supports the entire USAID workforce, regardless of hiring mechanism, and their eligible family members. The Staff Care Center is an innovation in staff care service delivery that blends an array of life event services and tools that are designed to support the personal and professional needs of the USAID workforce – from free counseling services, trauma support, organizational resilience team retreats and workshops, critical incident support and back-up child/elder care. Outcomes reported on evaluation surveys show high satisfaction with Staff Care services, as well as reports of increased performance and productivity, improved work-life balance, increased workforce retention and reduced stress. As part of HR Transformation, USAID seeks to ensure that there is a full enterprise-wide approach that takes into account workforce well-being and work-life balance as corporate values. In addition, USAID will seek to further strengthen the four-year old Staff Care Center to meet the needs of Agency staff.

Employee Engagement and FEVS

USAID employs a holistic approach to using FEVS data, tracking employee feedback on work-life programs and balance as well as on employee engagement to improve our performance. A recent Gallup study underscored the link between employees who are engaged and high levels of well-being, citing that employees are 30 percent more likely not to miss work days because of poor health in any given month. USAID’s Employee Engagement Index scores have varied since 2012 but have consistently been above U.S. Government-wide averages. For the last two years, USAID’s Employee Engagement

score has increased and is now two percent above the OPM benchmark of 67 percent. The HR Transformation will provide the primary vehicle for action planning on leadership challenges, and helping to coordinate efforts on staff wellness and employee engagement.

Diversity and Inclusion

In order to enhance the diversity of the workforce, a collaborative effort between the USAID Executive Diversity Council, Office of Civil Rights and Diversity and Human Capital and Talent Management, created the USAID Diversity and Inclusion Strategic Plan. The plan defines inclusion as a workplace culture that connects each employee to the organization; encourages collaboration, flexibility, and fairness; and leverages diversity throughout the organization so that all individuals are able to participate and contribute to their full potential.

The Development Diplomat in Residence (DDIR) Program and the Donald Payne International Development Fellowship are two notable achievements. The DDIR program aims to recruit and channel talent to USAID by placing senior USAID officials at universities who will conduct regional outreach and recruitment, particularly targeting under-represented groups, and to raise domestic awareness of the role of development in our national security while broadening support for USAID. USAID has DDIRs in Morehouse College, in Atlanta, GA, and California State University Long Beach. The Donald Payne International Development Fellowship encourages the application of members of minority groups who have historically been underrepresented in international development careers and those with financial need. The fellowship supports two years of graduate school studies in fields related to international affairs, as well as internships on Capitol Hill and USAID Missions abroad. Fellows join the USAID Foreign Service upon completion of the program. Targeted outreach for the fellowship has resulted in increased diversity levels. Eighty-six percent of the Class of 2016 was from a minority group and the program has realized 95 percent minority representation since inception in 2012.

SUPPORTING DOCUMENT: OFFICE OF HUMAN CAPITAL AND TALENT MANAGEMENT FOREIGN SERVICE NATIONAL ADVISORY COUNCIL

INTRODUCTION

The USAID Foreign Service National Advocacy Council (FSN AC) was established in February 2014 in response to the Administrator's commitment to diversity and inclusion and through the recommendation of the 2013 Worldwide FSN Conference. The FSN AC seeks to be an effective voice and strong advocate for over 4,935 FSNs employed by USAID. The Council, comprised of Senior USAID Leaders and FSN Leaders, is currently co-chaired by Senior American Foreign Service Officers as well as Foreign Service Nationals (FSNs). The AC is housed under the Chief Human Capital Officer in the Human Capital and Talent Management (HCTM) Office. FSN members are elected every two years by the FSN community.

LOOKING BACK

As a direct outcome of the first-ever Worldwide Foreign Service Nationals Conference in November 2013 representing and advocating for the largest component of the Agency's workforce, the FSN AC was created to work as one team, as a champion, to advance the Agency's goals, and to model our core values for mission excellence, integrity, respect, empowerment, inclusion, and commitment to learning through greater participation and active involvement of our FSN cadre in areas of strategic direction and operations. An FSN AC Charter was created and finalized between the FSN Co-chairs and the Agency's Administrator.

Thanks to funding from the Administrator's Office and HCTM's continuous coordination and support, the second Worldwide FSN Workshop took place in 2015 with 89 FSNs representing 72 USAID Missions from around the world, including the 13 FSN AC regional representatives. The Workshop's goal was to empower a cadre of FSNs to develop a plan that promotes the professionalism of the FSN workforce worldwide, and increases their capacity to implement sustainable development around the world. FSN AC members, Mission participants, and headquarters colleagues focused on developing and updating action plans to advance the FSN AC's four pillars:

- FSN Empowerment and Talent Management;
- Communications;
- FSN-FSO Collaboration;
- Local Compensation Plan.

All Council members agree to support and gain the commitment of their constituents for the resulting initiatives. In support of its goals, the FSN AC managed to advance its work on the following action items:

- Represent prevailing views, ideas and concerns of FSNs to USAID Leadership, both in Washington and at overseas Missions, in order to ensure better understanding of and engagement in operational and programmatic policy.
- Gain the confidence of FSNs worldwide by engaging their concerns and questions and advocating for their interests, and encourage active contribution to initiatives and programs affecting the USAID Mission.
- Increase transparency and communication between USAID Washington and Overseas Missions, and support a worldwide USAID community of practice.
- Identify, document, and communicate best practices related to each one of the FSN AC pillars, in an effort to institutionalize such best practices throughout the Missions.

Generate a leadership training program and fellowship exchange that will be piloted in Asia with the goal of scaling it across the Agency.

Foster collaboration with Peace Corps to participate in a cross-cultural understanding training to encourage FSN-FSO collaboration.

LOOKING FORWARD

The FSN AC is utilizing a network of FSN leaders established throughout the Missions to represent the ideas and concerns of its constituents and to communicate with Leadership in a unified effort to achieve the overarching goal of building an even more effective FSN Global Workforce that supports the Agency's goals. Moving forward, continuous engagement and support from Senior USAID leadership is needed to support the FSN AC on different levels such as:

- Continuing efforts to institutionalize and consolidate the FSN AC within the HCTM management structure.

- Engaging U.S. interagency senior leadership (State Department and others) to develop a more strategic approach for USAID and other Agencies under Chief of Mission authority to better recruit, retain, and motivate FSN staff for better productivity to advance US foreign policy objectives in country.

- Including FSN priorities and engagement in the workforce development and optimization plans (the FSN AC currently participates in the Agency's Executive Council on Workforce Development, which leads the Agency's training initiatives, as well as the HR Transformation process); providing opportunities for further professional development, leadership training, FSN empowerment and inclusion; further integration with the Regional Bureaus, and Mission leadership to deliver on FSN talent management and empowerment priorities.

- Engaging different parts of the workforce to develop and share approaches for strengthening collaboration across the Agency's workforce (a Working Group of volunteer FSOs and FSNs has been formed, their initial efforts are focused on cross-cultural trainings and orientations for both FSOs and FSNs).

The current FSN AC will conclude its two-year term on December 31, 2016. The FSN AC and HCTM are finalizing the elections process. A call for nominations was issued on October 14, 2016, and the online election will take place between November 14 and 18, 2016. The new FSN AC winners will be announced on November 23, 2016. Some of the current Council members will become a resource pool to provide institutional continuity to the incoming Council.

SUPPORTING DOCUMENT: OFFICE OF HUMAN CAPITAL AND TALENT MANAGEMENT FOREIGN SERVICE WORKFORCE REVITALIZED IN A CHANGING ENVIRONMENT

The Office of Human Capital and Talent Management (HCTM) has revitalized USAID's Foreign Service workforce over the past eight years, increasing the Agency's ability to meet the management demands of a growing portfolio and to exercise development leadership in a rapidly changing global environment. The changing demographics of the Foreign Service workforce, the continued gap between the supply and demand for Foreign Service Officers (FSOs), and the growing security threats to personnel overseas have posed challenges to Agency efforts to assign, train, and mentor staff. Through the Development Leadership Initiative which resulted in the large-scale expansion of FSOs, HCTM continues to sustain and revitalize the USAID Foreign Service to meet the needs of the changing operating environment. However, we need to analyze if this effort brought into the Agency the correct skills and experiences for the FS we need today. A new Human Resources Transformation strategy includes activities to strengthen Foreign Service recruitment, onboarding, performance management, assignments, leadership development, and wellbeing.

Changing Profile

The USAID Foreign Service has approximately 1,850 Foreign Service Officers (FSOs), an increase of 80 percent between 2008 and 2016. Over the same period of time, USAID doubled the number of FSOs in the field to more than 1,300, often replacing more costly contracted personnel. With strong Congressional support, USAID's Development Leadership Initiative (2008-2012) accounted for much of this success by hiring 820 highly qualified FSOs. However, this effort faced significant challenges to reach the 1,850 for FSOs. This helped reverse the decline in workforce levels since the 1990s and helped prepare for the high percentage of FSOs nearing retirement. It also helped the Agency more effectively manage a more than doubling of program funding between 2004 and 2009.

The rapid growth in new hires has shaped a new workforce where 65 percent have less than ten years of USAID experience, compared to a decade ago when 36 percent of Foreign Service Officers (FSOs) had over 20 years of experience and were eligible to retire. In addition, the Foreign Service has increased technical skills critical to USAID's development leadership in programs such as Feed the Future, Global Climate Change, and HIV prevention and treatment.

Training and Development

To prepare the many new officers to quickly assume responsibilities and to support ongoing professional development, USAID accomplished the following:

- Augmented the amount of training provided upon entry as well as the course offerings available to develop skills critical for the current operating environments.

- Established a well-resourced Learning Center in Washington and a regional training center in Bangkok to meet the continuing needs for workforce development.

- Expanded its leadership training and professional development opportunities.

- Introduced a Senior Technical Group within the FS Senior Leadership Group in 2013 to provide career paths for officers who choose to serve as senior technical experts in their disciplines.

Filling Key Positions

The demand for FSOs continues to outpace the supply in key technical areas, requiring Agency leadership to establish priorities to guide the assignment process. To date, this process has enabled the Agency to meet all overseas' staffing targets, while still also assigning 80 percent of FSOs to one of their top three assignment choices. Statutory authority for Foreign Service Limited (FSL) appointments allows

USAID to hire temporary staff to fill staffing gaps, particularly for many positions in designated Critical Priority Countries such as Afghanistan and Pakistan. Since 2004, with new authority to use program-funding, FSLs are increasingly used to fill field positions in priority programs overseas such as HIV/AIDS and Haiti, and more recently key technical positions in Washington, as the permanent FSOs occupy positions overseas. The ability to quickly launch and rapidly staff such important initiatives as Feed the Future, Power Africa, and the Global Development Lab was facilitated by use of this authority. However, there are diverging viewpoints within the Agency on the appropriate use of this authority.

Challenges in Managing the FS Workforce

The new generation of FSOs has been promoted more quickly than was the case in the past, and has begun to enter senior leadership positions. This rapid progression through the ranks has resulted in a gap in experienced officers at the mid- and senior levels to mentor the new hires and lead the Agency's programs.

Other changes to the demographic profile have made the Foreign Service assignment process more complicated to manage, and resulted in an increasing number of requests for leave without pay, curtailments from overseas and transfers to the United States. Depending on their circumstances, FSOs have faced difficulties in maintaining work-life balance, handling child and elder care responsibilities, or confronting social stigma and threats. These changing demographics include growing numbers of single parents, same sex couples and tandem couples. For example, the percentage of the Foreign Service workforce made up of tandem couples has increased from one to 10 percent over the past 10 years, including officers having spouses in other foreign affairs agencies. While it helps with retention to have spouses with equally satisfying careers, tandem couples add complexity and the need for flexibility to the assignment process, especially when it is not possible to assign both spouses to the same post.

The demands for FSOs to fill critical positions overseas has made it particularly challenging for the Agency to provide needed professional development opportunities to staff, even to arrange sufficient time for foreign language training for officers to be most effective in working with local partners to achieve sustainable development objectives.

More Dangerous Global Environment

The environment in which USAID's FSOs work has also changed dramatically over the past two decades as a result of the U.S. Embassy bombings in Kenya and Tanzania in 1998, the 9/11 attacks, and the U.S. involvement in conflicts in Iraq and Afghanistan. These events have resulted in a growing number of officers being assigned to countries in or emerging from crisis where doing development work is complicated by significant security and other threats. USAID currently designates 25 countries where USAID works as "Non Permissive Environments." USAID actively seeks to help FSOs cope with family issues resulting from separation and stress-related disorders, particularly when staff work in these difficult operating environments. Key accomplishments include:

- Establishment of a Staff Care Center in 2012 that is available 24/7/365 and offers a basket of clinical, wellness and professional development services aimed to support the resilience and wellbeing of members of the entire USAID workforce and their eligible family members;
- Introduction of new mandatory training for working in non-permissive environments; and
- Requirement for officers departing from critical posts to attend a High Stress Outbrief conducted by the State Department, with information on resources available to help employees and their families.

SUPPORTING DOCUMENT: OFFICE OF HUMAN CAPITAL AND TALENT MANAGEMENT EXPANDING FOREIGN SERVICE NATIONAL ENGAGEMENT

USAID's 4,935 Foreign Service Nationals (FSN) constitute the largest portion of the Agency's workforce, representing 71 percent of field staff and 47 percent of all staff. The FSN staff provides professional support and leadership central to advancing the Agency's mission. The FSN staff also provides consistency and institutional memory critical to our success over the years. USAID leadership in both the field and Washington has sought to enhance FSN employee engagement and support. The strength of our FSN staff directly contributes to the agility of the overall workforce; for example, the FSN Warrant Program helps meet the Agency's procurement needs. USAID's efforts in support of FSN staff are yielding significant and positive change, and the FSN Advocacy Council and its strategy and action plan are central to that success.

The Federal Employee Viewpoint Survey (FEVS) data demonstrates an increase in favorable perceptions among FSNs in leadership, supervisors and work experience, as components of the Employee Engagement Index which increased from 79.3 percent in 2015 to 80.5 percent in 2016. These rates are notably higher than their Direct Hire counterparts, whose Employee Engagement scores are 69 percent and 67 percent, respectively, in 2016 and 2015. As the FSN response rate increased from 31 percent to 48 percent from 2015 to 2016, to include a more representative sample size of feedback, positive scores significantly increased, some by as much as 11 percent from the previous year. Highest positive increases were on arbitrary action, personal favoritism and prohibited personnel practices not tolerated as well as creativity and innovation. Taken together, the data suggests a high level of engagement and employee satisfaction among FSNs, with the consistent exception of strong dissatisfaction with respect to pay and promotions.

FSN Advocacy Council

- FSN Advocacy Council. As an outcome of the first Worldwide FSN Conference in 2013, USAID created the FSN Advocacy Council (FSN AC) in 2014 to represent and advocate for FSNs. Consisting of senior USAID and FSN leaders, the Chief Human Capital Officer chairs the FSN Advocacy Council and garners the essential commitment of Mission Directors. The FSN Advocacy Council also participates in the Agency's Executive Council on Workforce Development, which shapes USAID training initiatives. Currently, a few FSN Advocacy Council representatives are serving four to six week rotations in USAID/W to advance agreed upon FSN priorities. The FSN Advocacy Council represents an evolution of earlier efforts. For example, in response to the FSN community's dissatisfaction with its level of empowerment and involvement in Agency decision-making, USAID hosted regional workshops in 2008 and instituted FSN Committees across all USAID Missions.
- The Four Pillars. The Agency's second worldwide FSN Workshop in 2015 brought together 89 FSNs representing 72 USAID Missions. In collaboration with USAID/Washington staff, FSN staff finalized a four-pillared strategy, each with its own action plan, to promote the professionalism of the FSN workforce worldwide. FSN staff presented the strategy to the Administrator's Leadership Council. As agreed at that presentation, the FSN AC meets quarterly with USAID/Washington to review implementation. The four pillars follow:
 1. FSN Empowerment and Talent Management
 2. Communications
 3. FSN-FSO Collaboration
 4. Local Compensation Plans

- FSN Unit. In order to institutionalize the Agency's support and collaboration of FSN staff and the FSN AC, HCTM established the FSN Unit as part of its Overseas Human Capital Initiatives Center. The FSN Unit, which has helped advance FSN engagement and support, has been institutionalizing many of the initiatives and programs listed below.

Increased Engagement, Empowerment, and Support

- FSN Participation in Human Resources Transformation. USAID includes FSNs in agency-level initiatives to implement HR Transformation. For example, an FSN currently serves on the reform of the Foreign Service Performance Management system and FSNs will participate on the HR Transformation Advisory Board and the Community of Stakeholders on Staff Care and Wellbeing.
- FSNs Participation in the Federal Employee Viewpoint Survey (FEVS). For 2016, FSNs will help develop action plans based on the findings of FEVS. FSNs have taken this survey and will be engaged on the follow on actions. FSN FEVS survey participation increased from 31 percent to 48 percent between 2015 and 2016.
- FSN Participation in hiring and orienting Foreign Service Officers (FSOs). In 2016, HCTM formalized a process to include FSNs on FSO hiring panels. In addition, FSNs and FSOs jointly serve on orientation panels for new FSOs. FSNs and FSOs also develop and share approaches for strengthening collaboration and cross-cultural skills across the workforce.
- FSN Warrant Program. In 2013, USAID established the Administrative Contracting and Agreement Officer (ACO/AO) Warrant Program to develop a cadre of highly qualified FSNs at the FSN 11-12 grade levels. Successful candidates can assume ACO/AO responsibilities and serve within designated Missions, which helps mitigate direct-hire Contracting Officer shortages and meet procurement reform goals.
- FSN Fellowship Program. In 2009, USAID established a program to enhance the professional development opportunities of the FSN workforce through temporary rotational assignments in USAID/Washington. Since 2009, 412 FSNs have come to USAID/W through this program, in ever-greater numbers (33 in 2015; and 59 in 2016).
- FSN Talent Exchange Program. In 2009, USAID established the Mission-to-Mission Talent Exchange Program (also called the FSN Senior Advisory Corps). Under this program, USAID provides opportunities for FSNs to lend their significant expertise and knowledge to USAID Missions instead of hiring external contractors who are less versed in USAID matters. Since 2009, over 50 such inter-Mission exchanges have occurred.
- FSN Best Practices Hub. USAID established the Hub to codify, promulgate, and replicate best practices worldwide for strengthening FSN engagement and morale.
- FSN Communications. The FSN Advocacy Council and the FSN Unit distributes a monthly FSN Gazette and sustains a network of FSN leaders and FSN Advocacy Council members.
- FSN Local Compensation Plans. USAID expects Missions to be engaged, data-driven, and as needed make an effective business case for competitive FSN compensation.

BUREAU BRIEF: U.S. GLOBAL DEVELOPMENT LAB

INTRODUCTION

The U.S. Global Development Lab serves as an innovation hub that seeks to take smart risks to test new ideas and partners that accelerate development impact. The Lab operates under these guiding principles:

- **Open and Inclusive:** Draw upon the ingenuity of people from around the world.
- **Evidence-based:** Invest based on strong evidence of impact.
- **Catalytic:** Attract the support of others to enable sustainable development solutions that reach massive scale.
- **Agile:** Create fast feedback loops that enable continuous learning and performance improvement.

LOOKING BACK

The Lab's [strategic plan](#) established high-level objectives around science, technology, innovation and partnership (STIP), to dramatically ramp up the Lab's work with Missions and Bureaus across USAID. Over the last two and half years, the Lab has made [significant progress](#) towards its two part mission, but more remains to be done:

- [Produce breakthrough development innovations](#) by sourcing, testing, and scaling proven solutions that could impact millions of people; and
- [Accelerate the transformation of the development enterprise](#) by opening development to people everywhere with good ideas, promoting new and deepening existing partnerships, bringing data and evidence to bear, and harnessing scientific and technological advances.

LOOKING FORWARD

Accelerate Impact at USAID: A top priority for the Lab is to partner with Missions and Bureaus to jointly leverage Science, Technology, Innovation, and Partnership (STIP) tools and approaches to accelerate development results and maximize impact. In FY 2016, the Lab oriented its budget so that more than 50 percent is dedicated to supporting Missions and Bureaus through co-programming and technical assistance, including three dedicated [Lab-wide priority](#) teams to bring the suite of Lab offerings to three of USAID's top priorities: Ebola, Power Africa, and Feed the Future.

The Lab seeks to take smart risks - through Grand Challenges, Development Innovation Ventures, and other creative approaches - that weed out ideas that fail to demonstrate impact, enabling Missions and Bureaus to choose from a menu of proven innovations, tools, and approaches that will help them more effectively deliver on their development objectives. Overall, Agency demand for Lab services continues to rise. In the first half of FY 2016, 50 Missions and Bureaus used Lab-supported tools, approaches, and advisory services, more than in all of FY 2014. Two years ago, buy-ins into Lab mechanisms were valued at \$54 million; buy-ins jumped to \$85 million in FY 2015, with further increases anticipated in FY 2016.

Process Innovation: The Lab hosts an Operational Innovations team, consisting of dual-hatted experts from across Agency functions, with a charter to "hack the bureaucracy" to improve efficiencies and outcomes. One tool—the Broad Agency Announcement (BAA)—is a procurement approach that allows USAID to work with potential partners to define a problem and co-create solutions before making an award. In the last two years, USAID issued 53 BAAs resulting in more than 100 awards. In Indonesia, for example, the Lab worked with the Mission to issue a BAA to identify new solutions on inclusive workforce development; more than 130 organizations expressed interest in co-creating solutions to this challenge.

Engage New Actors: The Lab seeks to engage the ingenuity of people from around the world to solve development challenges. For example, in the most recent round of applications for the Securing Water for Food Grand Challenge, 75 percent of our applicants have never received USAID funding before, and 74 percent of applicants were from developing countries.

Catalyze Private Sector Engagement: 91 percent of financial flows from the United States to the developing world now come from private sources. The Lab provides training, toolkits, advisory services, and research on partnership effectiveness to the rest of the Agency to enable them to leverage private sector expertise and capital to drive sustainable development results. In FY 2015, USAID had more than 360 active public-private partnerships with leverage commitments of \$5.9 billion. For every taxpayer dollar spent on it, the entire Lab leverages at least \$1 of external funding.

Achieve Scale: Part of the Lab's mandate is to work with USAID and other donors to bring development interventions to the massive scale that is needed to achieve our mission. For example, the Lab invested in a diverse portfolio of more than 900 innovations, taking a venture-capital style approach. An early \$100,000 investment in OffGrid: Electric (a pay-as-you-go home solar system business in Tanzania) is now providing electricity to more than 100,000 homes and has received more than \$100 million in external debt and equity.

Increase Flexibility: The Lab was allocated flexible funding to enable experimentation across sectors and geographies, in a rapidly changing world. The Lab was also set up with a flexible staffing strategy to attract and retain staff from non-traditional backgrounds such as technology, scientific research, finance, and the private sector. The Lab has taken advantage of fellowship programs and new hiring authorities, and could benefit from even greater flexibility in hiring and staffing.

Keep Experimenting: The Lab is designed to identify cutting edge development and technology trends, then "test the waters" to see if they are of broader applicability to development goals. For example, the Lab played a crucial "early adopter" role regarding tools such as mobile money, real time data systems, geospatial analysis, and co-creation, which are now being integrated across the Agency. Potential future opportunities for experimentation might include areas such as machine learning, drones, data visualization, or outcomes-based financing. This "over the horizon" function was originally conceived to be a greater area of focus, and has been limited by budget levels and staffing flexibility.

SUPPORTING DOCUMENT: U.S. GLOBAL DEVELOPMENT LAB STRATEGY AND RESULTS

Today's global development landscape is rapidly evolving, driven by scientific breakthroughs, advancements in information and communication technologies, disruptive innovation, and growing contributions by the private sector. The U.S. Global Development Lab (the Lab) was created to help USAID harness these changes to dramatically improve development results.

The Lab achieves its two part mission—to produce breakthrough development innovations and accelerate the transformation of the development enterprise—through five strategic objectives: **Science, Technology, Innovation, Partnership (i.e. STIP) and Agency Integration.**

The Lab does this by balancing exploration and experimentation with support to the rest of USAID to adopt promising innovations, tools and approaches. Within each strategic objective, there is space to engage new and diverse actors to identify ideas that **disrupt** the way we overcome our greatest global challenges; collaborate with Missions and Bureaus to rigorously test and **develop** these new ideas; and work across USAID and with a range of partners to **mainstream** proven solutions to reach global impact. As the Lab matures, the aim is to balance resources, investing equitably across each of these disrupt, develop, and mainstream domains.

Science: Increase the use of scientific research to improve development outcomes and inform better policies and programs

Scientific advancement drives growth, as research and development (R&D) creates new knowledge and technologies that increase productivity. USAID has long supported R&D breakthroughs that benefit millions, from developing the seeds that spurred the Green Revolution to scaling-up Oral Rehydration Therapy. The Lab's Science programming strengthens and aligns USAID's investments in R&D, supports locally-owned research, and fosters scientific ecosystems in developing countries. For example:

The **Partnership for Enhanced Engagement in Research (PEER)** program has engaged 250 local researchers and 3,000 local students in 50 countries and leveraged \$400 million in grants from federal science agencies to tackle global development challenges. PEER researchers have contributed to 700 publications, and nearly 70 percent have secured further funding to continue their research.

The **Higher Education Solutions Network's (HESN)** eight university labs have built a global research network of 685 partners from 69 countries, harnessing the ingenuity of students and faculty to create or test over 300 innovations, which have improved the lives of 2.3 million beneficiaries. This program has very strong Congressional support, in part because many of the grantees are high profile U.S. universities spread out across multiple states.

Technology: Advance the use of enabling technologies and data-driven approaches to empower underserved communities and improve development effectiveness

The digital revolution transformed markets and unleashed innovation in the U.S., and it holds the same promise for developing countries. According to one estimate, the digitization of developing economies could yield as much as \$4.4 trillion in GDP, creating 64 million jobs and lifting 580 million people out of poverty. The Lab's Technology programming builds USAID's technical capacity in the use of digital and data-driven approaches and supports the public goods, partnerships, and policy changes needed to improve the enabling environment for technology. For example:

The Lab's **Digital Inclusion** team has unlocked more than \$100 million for expanded internet access, resulting in approximately 20 million new mobile and internet users worldwide.

The **GeoCenter** has supported 80 Missions and Bureaus in applying geographic analysis to improve strategic planning, project design, and monitoring and evaluation, leveraging \$40 million in high resolution satellite imagery from existing sources for USAID programming.

The Lab's **Digital Finance** team has leveraged \$15 million in support of financial inclusion programs that have generated \$1.5 million in digital transactions to end users and facilitated 47 commitments by governments, donors, businesses and nonprofits to transition from cash to digital payments.

Innovation: Increase the adoption of high impact development solutions and the effective use of innovation methods by USAID Missions and Bureaus

Innovations have the potential to deliver development results more cost-effectively and sustainably. Development challenges are increasingly complex, involve multiple actors, and cannot be solved by any one organization. At the same time, many people with potentially transformative expertise are not aware of how they can help. The Lab's Innovation programming uses both open and targeted approaches to find the best ideas from anywhere in the world, and then staged financing and rigorous testing and improvement to demonstrate impact and reach millions of people. For example:

The Lab's innovative programs, like **Development Innovation Ventures (DIV)**, **Global Innovation Fund (GIF)**, and **Grand Challenges for Development (GCD)**, have fostered over 900 innovations that have improved the lives of 24.5 million people.

The Lab is bringing new ideas to longstanding development challenges, with over 16,000 applicants for innovation grants, 75 percent of whom have never received USAID funding, and approximately 25 percent of GCD grantees are from developing countries.

Partnership: Advance the use of private sector engagement, new collaborative approaches, and cultivation of entrepreneurial ecosystems to accelerate and scale development impact

While government aid used to be the primary source of assistance to developing countries, 91 percent of financial flows from the U.S. now come from private sources. The Lab leads USAID in tapping into this market force by building capacity to strategically engage the private sector, testing and developing new models of engaging nontraditional constituencies in development, and strengthening the entrepreneurial ecosystems in developing countries. For example:

In FY 2015, USAID had over 360 active public-private partnerships with leverage commitments of \$5.9 billion, and on average, for each dollar USAID expects to invest through these partnerships, private sector partners have committed \$3.35 over the life of the projects.

The **Partnering to Accelerate Entrepreneurship (PACE)** program has built partnerships with 10 impact investors that will leverage over \$57 million in private capital to support the growth of early-stage enterprises in developing countries. To date, the program has helped over 430 small businesses and entrepreneurs attract over \$75 million in follow-on investment.

Agency Integration: Effectively integrate STIP to advance USAID's sustainable development results

In order to achieve ambitious results and drive impact across the development enterprise, the Lab partners with Missions and Bureaus across functional and geographic areas to create opportunities and build capacity to take advantage of the power of STIP. For example:

Last year, 59 USAID Missions and Bureaus used Lab-supported tools, approaches and mechanisms, valued at \$85 million, to accelerate development results.

SUPPORTING DOCUMENT: U.S. GLOBAL DEVELOPMENT LAB TRANSFORMING THE DEVELOPMENT ENTERPRISE

The Lab partners across the Agency and with the broader development community to bring together the best minds and ideas, capitalizing on relevant scientific and technological advances, to achieve shared global development goals. The Lab has the dual mandate of serving as a laboratory to discover, test and scale proven development approaches, while also providing a range of services to the Agency. As the newest bureau in USAID, the Lab sought the right balance between these two goals. Now, informed by two years of experience and valuable feedback from the Agency, a top Lab priority is to mainstream science, technology, innovation and partnerships (STIP) across Agency strategies, programs, and operations, to transform the way the Agency thinks about and delivers development.

The Lab brings deep Agency expertise. The Lab's predecessor offices lacked institutional knowledge of how USAID missions functioned. Therefore, to increase the value the Lab provides to USAID missions, the Lab chose a member of the Senior Foreign Service to head up its **Center for Agency Integration**, comprised of Foreign Service Officers and others who understand Mission operations and priorities. The Lab also has a dedicated **Operational Innovations Team** with embedded and advisory staff from M Bureau, GC and HCTM, focused on improving Agency-wide operational efficiency and effectiveness.

The Lab emphasizes integration with the Agency Program Cycle. The Lab partners with Missions and Bureaus, and coordinates closely with PPL, to leverage STIP across the Agency Program Cycle to accelerate development results. Next year, over 50 percent of the Lab's budget will support Agency partners with resources and wide-ranging technical assistance. For example, through its Lab-Wide Priorities, the Lab is working with Missions and Bureaus to integrate STIP in support of top Agency priorities: **Ebola** recovery and health systems strengthening, **Feed the Future** and **Power Africa**.

STRATEGIC Integration. STIP tools can help provide entirely new sources of data and analysis to help missions design more informed strategies. The Lab offers a range of data, analytics, visualization, and private sector mapping services to support the development of country and regional strategies.

- The **Uganda** Mission Director noted, "Lab support to our new strategy fundamentally changed the approach we will take to promote development in Uganda over the next five years. We conducted a STIP assessment, built STIP into our strategy, identified opportunities to strengthen digital development to advance Feed the Future goals, and launched a STIP Champions Group."
- Providing the **LAC Bureau** with futures analysis and scenario planning for **Venezuela**.
- Conducting STIP assessments in **Zambia, Southern Africa, Uganda, West Africa, and Sri Lanka** to help Missions identify strategic windows of opportunity to apply STIP to advance development.

PROGRAMMATIC Integration. To support project design and implementation, the Lab co-invests and provides extensive technical assistance to Missions and Bureaus to help integrate Lab tools.

- **E3's** DAA and Global Water Coordinator observed, "The Lab has been an invaluable partner as we've developed new WASH programs. Lab expertise in private sector engagement, digital technologies, and innovation helped us raise the bar on how we deliver development results."
- The **Indonesia** Mission Director remarked, "We enjoy a strong partnership with the Lab to discover, co-create, and test new solutions that have the potential for scale. We've increased capabilities of both American and local staff, and shared experiences and lessons in implementing STIP, enabling us to make smart adjustments that can lead to greater impact."

ORGANIZATIONAL Integration. The Lab offers several hands-on learning opportunities to build STIP capabilities across the Agency.

- The **STIP Talent Exchange Foreign Service National (FSN) Fellowship** program brings 20 FSNs to the Lab annually for 4-8 week fellowships, to build STIP knowledge and know-how.
- The **Digital Development FSN Fellowship** program builds Mission-based capacity to leverage appropriate digital tools and analytical support. The Lab is co-investing with 11 regional and bilateral missions to establish 22 Digital Development FSN positions.
- The **AAAS and Jefferson Fellows** build scientific and research capacity across USAID. Since Fiscal Year (FY) 2014, the Lab has facilitated 224 AAAS fellowship placements in Missions and Washington.
- Regular Agency-wide learning initiatives such as a **Global STIP Summit** co-hosted annually with field missions to share STIP evidence, lessons and best practices.

The Lab provides a wide range of services to the Agency.

- **Knowledge products** including toolkits, publications, datasets, and websites on wide-ranging STIP topics. The Lab produced 223 products in the first half of FY 2016.
- **Specialized trainings** in digital development, Geographic Information Systems, mobile data solutions, innovation design, private sector engagement, STIP 101. The Lab trained more than 1,150 Agency staff in FY 2016.
- **Technical advisory services** in innovation programming, adaptive management, real-time data, co-creation, geospatial technologies, digital financial services, diaspora engagement, partnership development and private sector engagement, impact investment, prizes and challenges, gender and ICT, STIP integration, and scientific and research policy development.
 - The Lab has provided advisory services to 74 Missions and Bureaus since 2014.
 - With Lab support, the Agency actively expanded its use of the Broad Agency Announcement (BAA) to give USAID more flexibility to reach a broader audience of partners to co-design and co-invest in new projects. Over the last two years, the Agency completed over 30 BAAs, bringing hundreds of new partners to the table.
 - The GeoCenter has supported more than 80 Missions and Bureaus to strengthen geospatial mapping capabilities, providing \$40 million worth of high resolution imagery for USAID projects, cost-free to missions and Washington programs.
 - In FY 2015, through the Global Development Alliance Annual Program Statement (APS), the Lab worked with Agency partners to solicit new ideas and approaches to development from prospective partners, mobilizing \$36.5 million through seven APS addenda.
 - The Lab launched the Agency's first Scientific Research Policy in over 20 years and is now supporting Missions in its implementation.
- **Buy-ins** offer streamlined options to Agency partners to support a range of STIP programming.
 - Two years ago, Mission and Bureau use of Lab tools, approaches, and mechanisms was valued at \$54 million; this jumped to \$85 million in FY 2015.

Looking ahead, the Lab is focusing on a few key areas:

1. **Supporting additional Agency priorities.** The Lab is increasing its engagement in Agency priorities such as gender equality and women's empowerment, countering violent extremism, and work in non-permissive environments.
2. **Cultivating an enabling environment for informed risk-taking and continuous learning across the Agency.** Putting incentives in place across the Agency that encourage smart risk-taking, testing of new approaches and active learning from both successful and unsuccessful efforts.
3. **Mainstreaming.** Expanding successful STIP practices across the Agency requires a continued investment in training, in-country capacity building, and knowledge and evidence dissemination.

SUPPORTING DOCUMENT: U.S. GLOBAL DEVELOPMENT LAB PRODUCING BREAKTHROUGH DEVELOPMENT INNOVATIONS

Leveraging Innovation for Better Results

The U.S. Global Development Lab (the Lab) serves as an innovation hub to test new ideas and partner within the Agency and with other actors to utilize the power of innovative tools and approaches that accelerate development impact. The Lab works to:

- Use science and innovation to discover, test, and refine promising new solutions to difficult development challenges.

- Support innovations that have the greatest impact, helping to reach more end-users, secure financial sustainability, and maximize their potential.

- Integrate and apply innovative solutions, tools, and approaches to USAID's work.

- Make the agency more accessible for people all over the world who want to work with us to solve problems in their communities.

The Lab democratizes development by employing open innovation, co-creation, human-centered design, social innovation, and applied R&D to rapidly discover, test, and accelerate promising innovations.

Across the various programs, the Lab has supported over 900 innovations, including:

- A pay-as-you-go solar home system providing clean, affordable electricity to Tanzanians*

- A device to turn cell phones into diagnostic microscopes and virtual medical care tools*

- Open-source maps to help first responders get to the hardest hit areas of post-earthquake Nepal*

- Behavioral science insights that helped the Ministry of Health more effectively recruit high-performing community health workers in Zambia*

Taking Smart Risks

Taking smart risks gets big results. The Lab's investment in an NGO, Evidence to Action, has provided clean water to over 2.6 million individuals in Kenya, Uganda, and Malawi for an average of \$1.25 per person per year. The Lab complements traditional development programming by harnessing the global collective genius of the world through open innovation, co-creation, and collaboration.

- The innovators and scientists we support are operating in more than 60 countries around the world

- 75 percent of our applicants have never received USAID funding

- Approximately 25 percent of Grand Challenge grantees are from developing countries.

One of the ways in which the Lab mitigates risk is through staged funding. The Lab makes small investments in promising innovations and provides additional funding when they demonstrate effectiveness, financial sustainability, and potential for scale. The Lab sets clear milestones, and if the innovations are not delivering the results agreed upon, it adapts, redirecting resources to those that are delivering. *For example, the Lab made an initial small grant to Georgetown University for an innovation called Zusha! designed to reduce traffic fatalities. That grant helped Georgetown University prove that their approach dramatically reduced reckless driving in buses in Kenya. On the basis of these results, the Lab provided additional funding to scale up the project in Kenya, Tanzania, and Uganda, prioritizing developing a sustainable scale model. Approximately 24,000 buses in Kenya now have Zusha! stickers; given prior findings, this sticker intervention is averting over 400 accidents and saving over 40 lives, annually, across the country.*

The Lab takes an outcomes-based approach to inspire new ways of thinking and encourage risk-taking. Pay-for-success models, such as prizes and milestone based grants and contracts, rewards the

achievement of specific goals, awarding funding only once that goal is achieved. Securing Water For Food (SWFF) awardee Reel Gardening received Year 2 funding to expand only after it achieved its Year 1 technical and financial milestones: saving over 19 million liters of water, growing over 1,000 tons of produce, and reaching over 330,000 beneficiaries with their products.

Increasing Adoption and Impact:

It is not enough to source new innovations. The Lab also ensures they are widely tested, adopted and applied to improve the lives of poor and marginalized populations. As a result the Lab focuses on:

- Influencing USAID programming to incorporate and integrate innovation.

- Building international coalitions like the International Development Innovation Alliance (IDIA) and Digital Impact Alliance (DIAL) to facilitate the adoption of proven innovations.

- Providing business support to our entrepreneurs to increase their impact and sustainability.

- Convening and catalyzing peer-to-peer interaction between innovators, scientists, and experts.

- Building and capitalizing on the capacity in colleges and universities, and co-creating innovations with local communities.

- Catalyzing private-sector investment into early-stage enterprises helping entrepreneurs bridge the pioneer gap – unlocking the potential of promising enterprises around the world.

Evolving How the World Does Development:

Investing in innovations cannot be the only strategy. USAID must also shift the way it works as an Agency to be more innovative, effective, and agile. Teams within the Agency and the broader development industry are equipped to apply new approaches and innovative models for development.

Co-create, Design, and Assist: The Lab equips USAID with skills to design innovative programs and research approaches using tools like design thinking and co-creation. *Together the Lab and DCHA launched Family Care First in November 2014 to prevent unnecessary separation of children from their families and enable children outside of family care to be placed in appropriate family care through a model known as "collective impact." Under collective impact, stakeholders from different sectors align to solve a specific social problem by using a common agenda, aligning activities, and defining and using common measure of success.*

Discover, Test, Iterate, Refine, Learn: The Lab provides opportunities for talented, creative people in every field around the world to share and apply their knowledge to global challenges. *The Higher Education Solutions Network (HESN) supported researchers at UC Berkeley to examine whether a Ghanaian policy that doubled police salaries had an effect on petty corruption amongst police. Counter-intuitively, they discovered that rather than decrease petty corruption, the salary policy significantly increased the police efforts to collect bribes. This research was highlighted in The Economist, has led to accelerated implementation of Ghana's e-governance initiative to reduce opportunities for bribe taking, and has been taken up by the African Development Bank to apply to other countries.*

Accelerate, Apply and Partner: The Lab works to integrate and apply innovative approaches and solutions within USAID's core projects and programs globally. USAID has built more than 1,600 partnerships with the private sector involving more than 3,500 unique partner organizations. *Understanding the important role of diaspora entrepreneurs, the Africa Bureau, Lab, and Western Union partnered to create the African Diaspora Marketplace, a program focused on providing funding, mentorship, and technical assistance to growing diaspora-run businesses. The Marketplace has created a network of over 1600 African diaspora entrepreneurs who have invested in 14 African countries.*

SUPPORTING DOCUMENT: U.S. GLOBAL DEVELOPMENT LAB PROGRESS AGAINST STRATEGIC OBJECTIVES

Since its launch in April 2014, the Lab has taken smart risks to identify, test, and scale innovative tools and approaches, and worked with partners to mainstream solutions that tackle the world's most pressing development challenges. The following examples illustrate progress made against the Lab's strategic objectives in Science, Technology, Innovation, and Partnership.

Through Science, the Lab channels the technical expertise of researchers, universities, and scientific agencies towards global development's biggest challenges; influencing change in programs or policies.

Implementation science scales up antimalarial delivery in Mali



Malaria is the primary cause of mortality in Mali, where it is responsible for one-third of all deaths among children under the age of five. Seasonal Malaria Chemoprevention (SMC) is a World Health Organization-recommended method for malaria prevention in children under five that requires administration of antimalarial drugs at monthly intervals during the rainy season.



Through a Partnerships for Enhanced Engagement in Research (PEER) grant, Dr. Alassane Dicko is working to determine the best way to deliver SMC across Mali. Through randomized trials, Dr. Dicko has shown that a door-to-door approach to treatment administration increases antimalarial coverage by 14 percentage points compared to a fixed-point distribution strategy. His ongoing work further explores the efficacy and cost effectiveness of SMC delivery routes.



The results of Dr. Dicko's project will directly inform the Government of Mali's plan for scaling SMC through the National Malaria Control Program, which works directly with the U.S. Presidential Malaria Initiative. It is estimated that if all of the SMC-suitable areas of the Sahel and sub-Sahel were covered, approximately 5 million malaria episodes and 20,000 deaths could be averted.

Through Technology, the Lab contributes to market-level improvements in the enabling environment for digital and data services, increasing inclusive participation in the digital economy.

Technical assistance unlocks connectivity in Indonesia



As the world's largest archipelago, Indonesia is not an easy place to deliver Internet services. The rural areas that make up most of the country often lack any form of internet connection, and even where there is a signal, few rural users can afford the cost of broadband.



To address this digital inclusion challenge, the Lab worked with the Mission and the government to strengthen Indonesia's enabling environment and convene partners to deploy connectivity solutions to rural communities. The Lab helped draft and launch Indonesia's 5-year national broadband plan, which unlocked over \$500 million from the country's Universal Service Fund, and is expected to bring connectivity to 50 million people in rural communities.



The government now has a 10 year plan to connect 74,000 communities using new, low-cost emerging technologies based on an initial USAID pilot, which is being replicated in 800 new sites. The private sector is expected to provide 90 percent of the investment in building out Indonesia's broadband coverage.

Through Innovation, the Lab supports tools and approaches that out-perform the status quo and have evidence of impact, sustainable financing, and considerable reach.

Rigorous testing of curriculum models improves education in India



While most children in India aged 6 to 14 are now enrolled in school, close to half of children in Grade 5 cannot read at a Grade 2 level. Pratham Education Foundation seeks to improve basic learning outcomes in India by implementing learning camps: intensive bursts of teaching and learning, in which students are grouped by level rather than by grade.



With funding from the Lab, Pratham implemented and tested learning camp delivery models. In a randomized controlled trial (RCT), 10-day camps were shown to have a significant positive impact: attendees' literacy and math scores were around 0.7 standard deviations higher than students who did not participate in the camps; one of the largest impacts observed among any education intervention evaluated by an RCT. In comparison, most education programs are considered successful if they improve scores by 0.1 standard deviations.



Pratham is now scaling this approach in partnership with state and local governments through the government teacher training curriculum, reaching more than 779,000 students. The study funded through the Lab was fundamental in shaping the national 2015-16 Read India Program strategy, and Pratham is now collaborating with other governments, including Zambia, to pilot and scale this model.

Through Partnership, the Lab works with impact investors to strengthen the environment for entrepreneurship and catalyze private capital for early-stage entrepreneurs and enterprises.

Blended investment spurs entrepreneurship in Africa



Entrepreneurs play a vital role in driving economic growth, job creation and innovation, but in emerging markets, a 'pioneer gap' between social entrepreneurs and impact investors prevents promising early-stage or high risk enterprises from accessing the financing they need to test their business models and grow to realize social impact.



Through the Lab's Partnering to Accelerate Entrepreneurship (PACE) program, USAID and Village Capital—a nonprofit organization that finds, trains, and invests in entrepreneurs—created an investment vehicle that can efficiently unlock private capital for seed-stage impact investments and bridge the 'pioneer gap'. By doing so, VilCap Investments raised and closed a fund with more than \$15 million dollars in private capital commitments.



By leveraging USAID's support to de-risk private investments in its fund, Village Capital has quickly become the most active seed-stage social investor in sub-Saharan Africa. Under PACE, VilCap has to date disbursed \$1.3 million in investments in 23 peer-selected companies, which have raised over \$18 million in follow-on capital, served nearly 30,000 customers and beneficiaries, and created over 200 jobs. Village Capital is also sharing the results and lessons learned from its seed-stage investment and acceleration work, and working to help others replicate and adapt their model.

SUPPORTING DOCUMENT: U.S. GLOBAL DEVELOPMENT LAB PATHWAYS TO SCALE

Achieving USAID's ambitious mission to end extreme poverty will require bringing innovative solutions to scale, reaching millions of people. Therefore, identifying proven innovations and scaling them for massive impact is central to the Lab's mission. The Lab's approach is to: identify promising innovations by drawing on the ingenuity of people around the world; double down on those select few which show strong evidence of impact; and collaborate with the Agency, other donors, governments, and the private sector to build a sustainable path to scale for proven solutions. What follows are two examples that illustrate the Lab's comprehensive approach to achieving scale.

Off-Grid Energy

The Lab is helping USAID provide energy access to millions.

About 1.2 billion people—including 635 million in Africa alone—do not have electricity. Energy access allows businesses to stay open later and children to study after dark and contributes to increased economic growth and reduced poverty, especially in marginalized, rural areas. The Lab is partnering with Power Africa and USAID Missions on efforts to increase energy access to those that live beyond the reach of the electricity grid.

The Lab takes smart risks to test innovations that can transform lives.

The Lab serves as an innovation hub for USAID, sourcing and testing new solutions. The Lab's Development Innovation Ventures (DIV) program uses a venture-capital-inspired model to test new innovations. DIV uses tiered funding, providing small grants to pilot new ideas, and awarding larger grants only as projects demonstrate evidence of effectiveness and a path to scale. For example, in 2013 DIV awarded an early-stage, \$100,000 grant to Off-Grid Electric. The company provides affordable, reliable solar energy to families in Tanzania, using a pay-as-you-go model. As Off-Grid Electric demonstrated its impact, DIV followed up with grants of \$1 million and \$5 million.

Approach to Scale: Mainstream proven solutions by partnering with others within the Agency.

The Lab is collaborating with Power Africa on a comprehensive approach to increase energy access in sub-Saharan Africa. In 2015, the Lab and Power Africa developed a joint strategy to spur the development of the household solar sector. Recognizing that scaling innovations such as household solar solutions takes more than investing in individual enterprises, the team is taking a systems approach by identifying actions that USAID and other partners can take to address the barriers to scale in multiple areas of the off-grid energy ecosystem.

Approach to Scale: Catalyze private funding sources.

DIV's funding helped Off-Grid Electric overcome significant capital shortfalls by building an evidence base and reducing risk for investors. The company has raised \$95 million in private debt and equity—leveraging \$15 in outside capital for every \$1 of DIV support. It is adding 10,000 new homes per month, with a goal of reaching one million households and creating 15,000 new jobs by 2020.

Approach to Scale: Collaborating with other donors

The Lab and Power Africa launched "Scaling Off-Grid Energy: A Grand Challenge for Development" at the Global Entrepreneurship Summit in June 2016, in partnership with the UK Department for International Development and the Shell Foundation. The initiative's headline goal is to contribute to 20 million new electricity connections by bringing together a core set of funding partners committed to accelerating the growth of the household solar sector. Evidence has shown that these types of partnerships can achieve

impact more quickly by coordinating global efforts to address the most pressing market gaps and barriers to scale. The partners are making investments to (a) help companies grow and attract financing through providing early stage financial and technical support; (b) drive consumer demand; and (c) strengthen the marketplace in key geographies through policy and market building interventions.

Digital Financial Services

The Lab is helping the world's unbanked access formal financial services.

Globally, 2 billion people lack access to formal financial services. A disproportionate share of these people are poor. Relying on cash makes people vulnerable to theft, corruption and economic shocks. Governments that make payments in cash are also subject to corruption and less able to collect the revenue owed to them. The rapid spread of mobile phones in the developing world offers an unprecedented opportunity to scale financial services to populations beyond the reach of conventional banking models. The Lab is helping scale digital financial services to expand access to affordable financial tools and services to millions of the world's poor.

Approach to Scale: Build collective action.

Real-world trials demonstrate that when governments digitize institutional payments, demand for digital financial services increases and incomes rise. Recognizing that a primary barrier to scale was a lack of collective action on this issue, USAID co-founded the Better Than Cash Alliance (BTCA) in 2012. BTCA advocates for a global shift from cash to electronic payments and has 50 member organizations, including governments, multilateral agencies, NGOs, donors, and private companies such as Visa, Mastercard, and Citibank. In just four years, BTCA has catalyzed rapid global progress on the adoption of electronic payments. For example, BTCA member Colombia now conducts 65 percent of its transactions in digital form; and BTCA member Mexico, an early leader on electronic payments, is already saving \$1.3 billion per year.

In the Philippines, The Lab and the Mission co-invested \$3 million over three years to work with banks, the government, and mobile network operators to expand mobile financial services to those beyond the reach of financial services providers. As a result, four municipalities in the Philippines launched mobile-enabled payment and collection systems for taxes, utilities, and social transfers. This allowed more than 10 million Filipinos to gain access to more efficient financial services.

Approach to Scale: Changing USAID Policies and Programs to mainstream adoption of electronic payments.

In 2014, the Lab led the effort to publish a formal Procurement Executive Bulletin (PEB), making e-payments the default method of payments that our implementing partners to use. In Bangladesh, the Lab and the Mission are supporting implementing partners' efforts to switch to electronic payments. Since switching from cash to electronic payments, maternal and child health care provider Dnet estimates that it has saved 40,000 hours in staff time and \$60,000 per year, while bringing thousands of previously unbanked women into the financial system.

A key Lab priority is a partnership with the Bureau for Food Security (BFS) to integrate a suite of coordinated digital tools—including digital finance tools—into Feed the Future. These tools have demonstrated considerable potential to increase livelihood opportunities for farmers. The collaboration, called Digital Development for Feed the Future, is working closely with the Ghana, Cambodia, Nepal and Uganda Missions to integrate digital tools into each Mission's Feed the Future portfolio.

SUPPORTING DOCUMENT: U.S. GLOBAL DEVELOPMENT LAB LAB-WIDE PRIORITIES

The Lab has two main goals: to support breakthrough development innovations and to help other parts of USAID achieve improved results by applying Lab tools and approaches. Deeper integration within the Agency is a highly effective way to simultaneously address both of these priorities. Therefore, the Lab has established dedicated cross-bureau teams focused on three “Lab-Wide Priorities”. The goal is to:

- Accelerate and magnify the impact of agency priorities through proven Lab tools and approaches
- Bring a cross-functional, cross-Agency approach to bear, by establishing dedicated teams drawing from relevant technical expertise across the Lab
- Integrate and mainstream the adoption of science, technology, innovation, and partnerships in areas where the Agency is making the biggest investments

Current Lab-Wide Priorities focus on Ebola Recovery and Resilience, Feed the Future and Power Africa. The Lab has committed dedicated funding to these priorities for up to three years, and will review each one on a yearly basis. Additional Lab-Wide Priorities will be established based on new or existing Agency priorities and availability of Lab funds and staff.

Ebola Recovery & Resilience

Context: The Ebola epidemic of 2014-2015 tragically claimed more than 11,000 lives. While the epidemic is over, there is still much to be done to minimize the chances that an epidemic of this scale never happens again. The Lab is now working closely with GH, AFR and OFDA to manage Ebola recovery programs, and hire advisors into Missions and Bureaus to support systems strengthening and assist in future responses.

Approach: During the Ebola crisis, Lab partners inside and outside the Agency reached out for help: in using real-time data to get better information, in developing Geographic Information System analysis to support response operations, in building private sector partnerships, and in using open innovation to address challenges faced by health workers during the response.

Sample Activities:

- Embedded a technology and information advisor within USAID’s Ebola Disaster Assistance Response Team (DART) to help improve information flows
- Provided e-payments to 26,600 Ebola workers, through the Better Than Cash Alliance
- Connected more than 15,000 health workers to their national Ministries of Health via mobile phone platforms and developed a \$50 million global digital health initiative to improve health data sharing with support and engagement from 40 external partners
- Established a first-of-its-kind partnership with Google, co-investing in fiber communications infrastructure to strengthen communications systems and promote economic recovery
- Standing up the Fighting Ebola Grand Challenge in less than two weeks’ time, in collaboration with the Bureau for Global Health, Center for Accelerating Impact and Innovation (GH/CII)
- Developed 13 private sector partnerships to co-invest in and catalyze recovery and resilience in the region, leveraging more than \$65 million in private sector resources. Partners include: Chevron, Merck, Coca-Cola, Pan African Capital, Paul Allen Foundation, Gates Foundation, and GlaxoSmithKline

Digital Development for Feed the Future

Context: When the Feed the Future Presidential Initiative was first launched in 2009/2010, mobile and digital technologies held promise as a development tool, but were limited in uptake and largely unproven in their effectiveness. Five years later, the strength of the market has demonstrated incredible advancement, including (a) a 75 percent increase in unique subscribership, (b) an 800 percent increase in smartphone adoption, and (c) a 400 percent increase in global mobile money deployments.

Goal: The Digital Development for Feed the Future collaboration with the Bureau for Food Security and the Lab was launched in late 2015 with the goal of integrating a suite of coordinated digital tools (digital financial services, mobile-enabled extension information delivery, higher resolution satellite imagery, etc.) into Feed the Future activities to accelerate reductions in global hunger, malnutrition and poverty.

Approach: The team's approach is two-pronged: (1) Working deeply with Feed the Future teams in select Missions (to date: Ghana, Uganda, Nepal and Cambodia) and (2) Integrating digital tools into portfolio-wide activities alongside the Bureau for Food Security in DC.

Sample Activities:

- Collaborating with E3 and USDA to apply soil analysis tools and agronomic data analysis to activities
- Incorporating geo-tagging into the overall Feed the Future data collection system, in order to make better analysis/use of data at a field level
- A prize focused on making critical remote sensing data (weather, satellite imagery, etc.) available to farmers
- Developing capacity-building tools such as the *Guide to the Use of Digital Financial Services for Agriculture* and a *Digitally Savvy Feed the Future* curriculum and program for USAID staff

Beyond the Grid X

Context: The Lab launched its "Beyond the Grid X" (BTGx) collaboration with Power Africa in late 2015, mobilizing a joint team to focus on scaling off-grid energy solutions in support of Power Africa's overall goal of adding 60 million new electricity connections within sub-Saharan Africa.

Goal: The BTGx team is focused on spurring the development of the household solar sector, where companies are now offering people living beyond the reach of the electricity grid with access solar-power systems made affordable through "pay-as-you-go" financing. The initiative's headline goal is to contribute to 20 million new electricity connections.

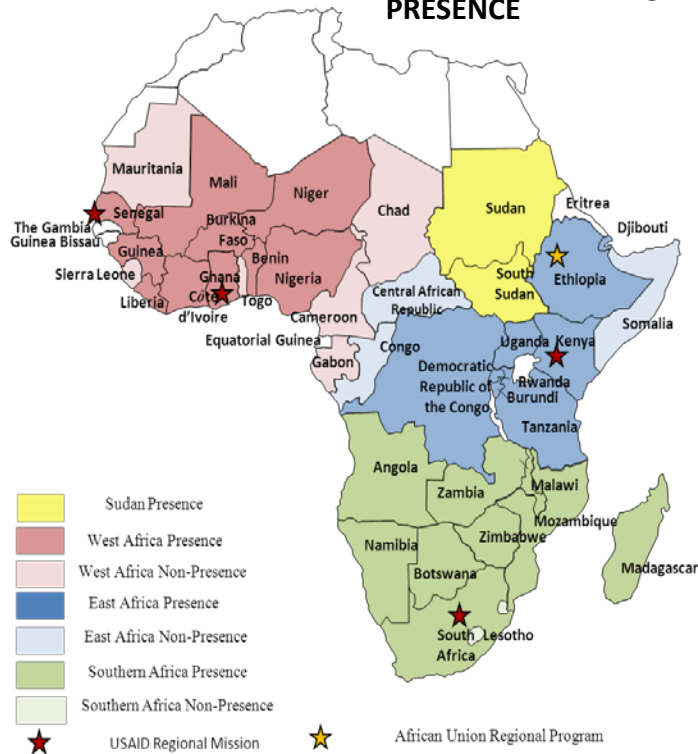
Approach: USAID partnered with the U.K. Department for International Development and the Shell Foundation to launch the *Scaling Off-Grid Energy - Grand Challenge for Development* at the Global Entrepreneurship Summit in June 2016. Under this Grand Challenge, USAID made a commitment to invest \$36 million over 3 years, to be complemented by the investments of the founding partners, accelerate the growth of the household solar, focusing on (a) helping companies grow and attract financing; (b) driving consumer demand, and (c) strengthening the marketplace in key geographies.

Sample Activities

- Launching the Grand Challenge; securing DfID and Shell Foundation as partners
- Designing and launching the Global LEAP Off-Grid Refrigeration prize
- Making awards to a cohort of eight promising household solar firms across six countries to help them grow and expand geographically
- Initiating collaboration with USAID Uganda and Nigeria on country-level activities to spur the development of the household solar market

BUREAU PROFILE: BUREAU FOR AFRICA

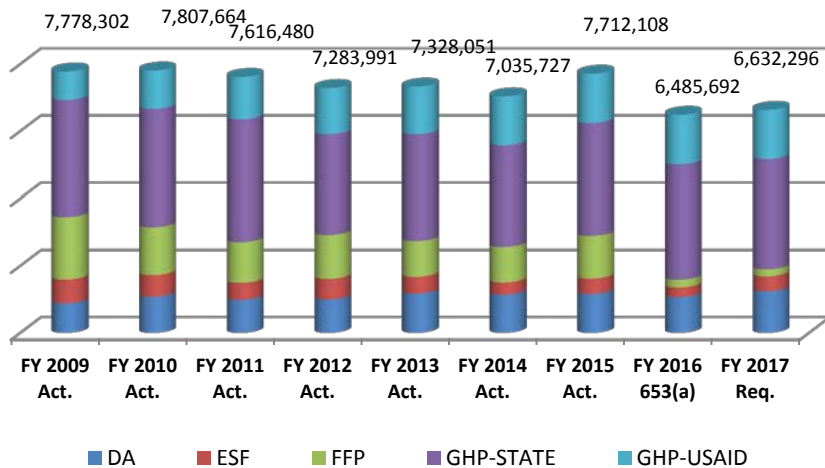
PRESENCE



BUDGET: FY 2009 – FY 2017

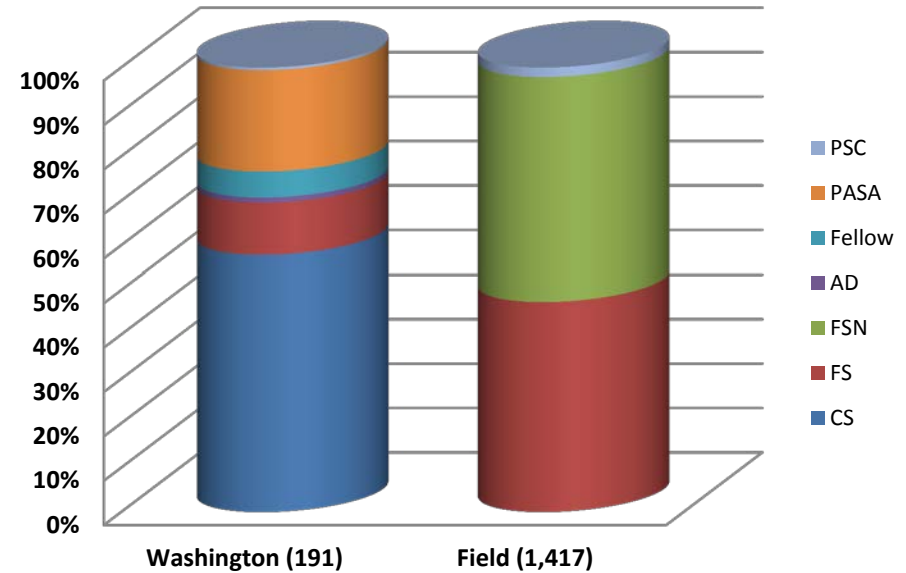
Data in Thousands

Percent Change FY 2009 - FY 2015 = -0.9%

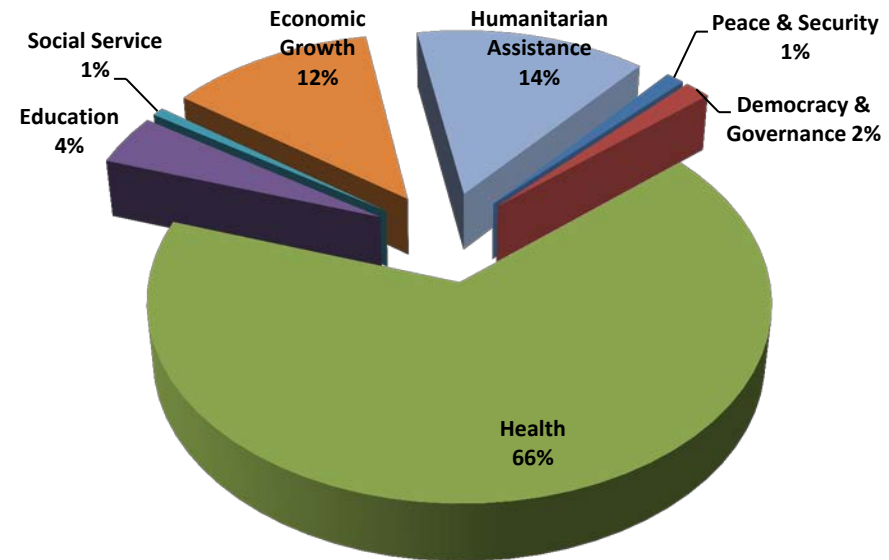


STAFFING

Fill Rate = 72%



BUDGET: FY 2015 BY SECTOR



In addition to the Global Presidential Initiatives, there are three Africa-focused Initiatives: Power Africa, Trade Africa and Young African Leaders Initiative. **78.6%** of Africa funding (all accounts) is initiative funding.

BUREAU BRIEF: BUREAU FOR AFRICA

INTRODUCTION

Opportunity for development impact in Africa has never been greater, through the combined leveraging of innovation, private sector engagement, youth, diaspora and strong partnerships with regional and sub-regional organizations. Development is on the region's agenda, with the emergence of a new generation of more savvy and visible civil society leaders, the recognition by some heads of state that development is and must be their priority, and the African Union (AU) driving efforts to increase food security and expand trade, develop a common African position on the Sustainable Development Goals and establish an African Center for Disease Control.

Many people know that nearly half of the world's extreme poor live in sub-Saharan Africa, but fewer are aware that Africa is the world's fastest growing continent or that it will by 2050 represent one of the largest markets in the world. It is already one of the world's fastest growing mobile phone and off-grid energy markets and is using these technologies to leapfrog traditional steps in the development of soft and hard infrastructure. Since 2008, USAID has helped save the lives of 4.6 million African children and 200,000 women; AIDS-related deaths in Africa have declined by more than 40 percent from their peak; and millions more have access to basic education and health care. Through the Agency's efforts on the [Ebola](#) response, in close coordination with CDC, the number of cases was held to less than 30,000 - well below the 1.4 million cases predicted by the CDC at the onset of the crisis.

At the same time, Africa is challenged by some of the most complex and chronic crises in the world (i.e. South Sudan, Central African Republic, Mali); some of its most challenging political transitions (Nigeria and South Africa); a high degree of political and economic fragility; and vulnerability to global threats (terrorism, climate change, pandemics). Despite registering some of the fastest economic growth in the world, Africa still hosts nine of ten of the world's most fragile states.

These realities have led to critical changes in the way USAID works in Africa. What we do, and how the continent matures will have enormous implications for our national security and the global economy. Because Africa's development is so consequential, USAID plays an increasingly critical role in providing analysis, designing and managing programs, and engaging in interagency policy development, coordination and implementation. USAID's largest regional bureau, the Bureau for Africa (AFR) leads these efforts and oversees 36 bilateral country programs, and four regional platforms that serve 49 countries in Africa.

LOOKING BACK

AFR has provided a steady hand in managing a number of bilateral programs in countries that enjoy reasonable levels of stability and/or are longstanding U.S. development partners, while at the same time leading efforts in complex transitions. Given the number of countries in Africa, the Bureau is at any one time addressing at least one and often as many as 3-5 natural disasters, conflicts and/or political crises. The Bureau's contribution to foreign policy formulation, engagement and implementation has increased significantly, and cooperation and institutional coordination with the Departments of State and Defense, in particular, have deepened. As Africa attracts more foreign direct investment, the Bureau has also expanded its work in the areas of private sector development and trade.

The Bureau's expertise and USAID's institutional knowledge are the basis for AFR's co-leadership of two important presidential initiatives. With the Department of State, AFR co-leads the [Young African Leaders Initiative](#), which provides leadership and skills training to the next generation of African leaders.

In close coordination with the office of the U.S. Trade Representative and other agencies, AFR leads [Trade Africa](#), which has helped to quadruple trade between African economies and the U.S. in less than a decade. Through trade capacity building, regional integration, and policy and regulatory reform assistance, Trade Africa efforts supported growth in exports to the U.S. of \$4.1 billion in 2015 (up from \$1.4 billion in 2003) and \$140 million in non-extractive investments in 2015. AFR has also been a leader, within USAID and across the interagency, in expanding our partnerships with diaspora communities.

The Bureau benefits greatly from, and coordinates with, major presidential initiatives or government-wide lines of effort focused largely or exclusively on Africa. These include Feed the Future, an interagency food security initiative led by USAID and managed by the Bureau for Food Security; and global health, which is a top priority for USAID but also the focus of the Office of the Global AIDS Coordinator and the Centers for Disease Control. Finally, [Power Africa](#), is a new model of presidential initiative based in the field and linked to both the Africa Bureau and the Office of the Administrator through which USAID coordinates 12 U.S. government agencies, out of South Africa, in pursuit of the goal of doubling access to electricity in Africa. Cooperation is most often effective, but also poses both management challenges to and demands on AFR, and thus needs steady attention.

Cognizant of the fact that traditional development assistance alone will be insufficient to help Africa meet its development needs, since 2009, AFR is part of an Agency-wide effort to adapt its model for development to include diverse and sustainable partnerships. Since 2010, AFR has doubled the number of partnerships it manages and leveraged more than \$500 million in private sector investment. Additionally, AFR collaborates with the AU and each of its sub-regional institutions, such as the East Africa Community, on regional integration, trade, food security, and regional security issues. These partnerships enable us to address cross-regional challenges and unleash regional opportunities.

AFR has faced persistent challenges because USAID's budget is tightly constrained and stove-piped. Eighty-five percent of AFR funding (of which 70 percent is health) is subject to Congressional earmarks or Administration priorities. While it offers a tremendous opportunity for cross-sectoral development, the rigid nature of funding streams often limits the ability of the Bureau to adapt, optimize outcomes, and rapidly reorient programming in the face of changing conditions. For instance, this year the Bureau did not have funding to address the prevention of violent extremism (Africa hosts a number of designated terrorist organizations, and working with communities to prevent their expansion is a key component to our work in fragile states), nor was it able to expand economic growth and trade facilitation programs designed to create jobs and reduce poverty.

LOOKING FORWARD

Perhaps the single greatest challenge that we need to address is Africa's massive youth bulge. Seventy percent of sub-Saharan Africans are under the age of 30. These youth have the potential to drive a new workforce and economy, or fuel the instability that comes from dissatisfaction and exclusion. While a number of initiatives address this issue in part, no single dedicated effort focuses on scaling job creation and skills development on the continent. Additionally, more than half of AFR's discretionary budget is dedicated to stabilizing fragile states and [complex crises](#). To succeed, we must more aggressively address the underlying drivers of fragility, such as corruption and undemocratic governance, weak institutions, and poor infrastructure. Through the integration of stove-piped funding streams, focused attention on fragile states, and the creation of diverse partnerships to address the critical and longstanding barriers to development, USAID and our international partners have an historic opportunity to positively influence the trajectory of African development.

SUPPORTING DOCUMENT: BUREAU FOR AFRICA WORKING IN COUNTRIES IN CRISIS

USAID operates in some of the most difficult places in the world, and has gained considerable crisis management experience and expertise in promoting both U.S. foreign policy and development priorities throughout Africa. USAID activities address the underlying grievances that fuel crisis, conflict, and instability. USAID partners with governments and communities to help them mitigate and recover from crises, and reduce the need for future humanitarian aid interventions. We ensure our international assistance is flexible and appropriate to each crisis, working with our implementing partners to manage risk and establish realistic priorities within access and security parameters. USAID's Africa Bureau is at the forefront of our activities in crisis countries, providing assistance in more than eight countries with active conflicts that together have claimed over 8 million lives since 2005.

Democratic Republic of the Congo

The Democratic Republic of the Congo (DRC), despite having vast economic potential, is among the world's poorest and least-developed countries, while the east of the country is still afflicted by violence. Tensions continue to run high as the DRC is under a constitutional mandate to hold presidential elections before December 2016, but lacks political will and faces numerous logistical challenges to holding elections in a timely manner. USAID's Mission in the DRC had a FY 2015 budget of \$262 million in development assistance and \$113 million in humanitarian assistance. USAID's activities in the east allow maximum flexibility to respond to changing needs, including increased conflict or renewed stability depending on how the situation evolves. USAID's adaptability is key to optimizing our aid programs in the DRC's complex operating environment. Given the wide range of game-changing events that could require shifts in programming, the mission actively engages in scenario planning and considers possible triggers for adaptation.

Upcoming challenges include:

- Uncertainty around potential ordered departures of staff hampers mission functions by decreasing the staff productivity, producing a new workflow, presenting formidable logistical challenges, and adversely affecting staff morale.
- Reconsidering programmatic approaches and priorities if and when it becomes an obstacle to partner with the Congolese government. For now, few technical activities are affected by the political crisis in the DRC, but the Mission is considering contingencies in case the situation further deteriorates.

Somalia

For 25 years, Somalia was one of the most fragile and violent countries in the world. Recent progress to establish a functioning government and bring stability to the country presents an unprecedented opportunity for USAID to assist Somalia in establishing a democratic state. Since 2011, USAID has invested \$242 million in development assistance and \$815 million in humanitarian assistance to Somalia. Through our development programs, USAID is assisting Somalia to achieve greater stability, build a functional economy, and establish credible and durable governance systems. USAID Somalia currently based in Nairobi, Kenya manages an average of \$50 million in development programs per year, including activities to stabilize communities recently freed from the control of al-Qaeda affiliated terrorist group al-Shabaab, promote economic growth, enhance good governance, and increase access to and quality of education. Stabilization programs provide early recovery to fragile areas that lay the groundwork for community driven development initiatives which provide public goods and services. USAID is the largest stabilization donor to Somalia. USAID also continues to be the largest humanitarian donor to Somalia, contributing an average of \$150 million a year based on humanitarian needs. USAID is currently evaluating the possibility of health interventions given the importance of investing in this sector for Somalia's future.

USAID is expanding programs and presence in Somalia commensurate with the U.S. State Department's initiative to move its current interim Embassy from Nairobi, Kenya, to Mogadishu, Somalia in 2018. USAID continues to push for travel beyond Mogadishu to monitor USAID programs which operate in 17 of Somalia's 18 regions. Despite the continued security risks, many USAID implementing partners are now based full-time in Somalia in line with the USG's increasing presence, diplomatic and donor engagement.

Upcoming challenges include:

- Ensuring the appropriate staff and budgets - operating expense and program - are in place to sufficiently expand USAID presence and programming in order to achieve the goals and objectives of USG strategies for East Africa and Somalia and to manage and monitor our programs in country.
- If security gaps emerge as a result of troop drawdowns from the African Union peacekeeping mission in Somalia without a fully capable national security force to assume control, al-Shabaab will manipulate clan and political grievances to foster insecurity, which could undermine new USAID programs. Legitimate, effective, and sustained security is critical to the provision of humanitarian assistance and the expansion of development programming.

South Sudan

Just three years after independence, South Sudan has become mired in conflict and humanitarian crisis. USAID, which remains the largest donor in the country, will continue to face a range of challenges if the ongoing crisis fails to improve or, as seems likely, deteriorates further.

Following independence in 2011, USAID development programming in South Sudan focused in large part on institutional capacity building, through large multi-sector development programs. With the eruption of violence in 2013 and again in 2016, however, USAID's development programs have decreased and our humanitarian aid has grown. Since 2013, the United States has provided nearly \$1.9 billion in humanitarian funding, and since 2015, the United States can no longer legally provide support to the central government. The 2013 and 2016 ordered departures of staff from the embassy resulted in substantial reductions in USAID staff at the U.S. embassy. Today, the majority of USAID direct hire staff are on ordered departure and located in Washington, while a significant number of South Sudanese staff have fled the country and work out of Kenya and Uganda, leaving only a small number of mission leadership and staff to manage our operations in South Sudan.

Upcoming challenges include:

- Determining the feasibility of continuing to manage our development programs, over and above the humanitarian assistance, will be a challenge, especially given our limited presence and the worsening security situation.
- Returning the most appropriate positions to post in light of increasing insecurity will need to be prioritized in order to effectively administer our programs. We will also need to identify sustainable platforms for our staff to continue to operate from outside of the country in the region.
- Supporting the safety of USAID's South Sudanese staff (many of whom are too afraid to return to Juba) and implementing partners (who are deeply concerned about their safety following the attack on aid workers, including U.S. citizens, in July) will continue to be a priority.
- USAID's Africa Bureau will also need to adapt our organizational structure in Washington – where the mission is paired with a robust Office of Sudan and South Sudan Programs with both desk and technical staff – to continue to lead Washington policy engagement and support what will inevitably be a smaller mission.

SUPPORTING DOCUMENT: BUREAU FOR AFRICA POWER AFRICA

Ending Energy Poverty in Africa: A New Model for Development and Partner Coordination: In sub-Saharan Africa, 600 million people lack electricity access. The power infrastructure financing gap exceeds \$835 billion. To tackle Africa's energy poverty, the U.S. Government (USG) has built the world's largest private-public partnership in terms of financial commitments and number of partners. Power Africa demonstrates its impact each day as new deals reach financial close and more connections are added.

Power Africa's goal is to double access to electricity in sub-Saharan Africa by **increasing installed generation capacity by 30,000 megawatts (MW) and by adding 60 million new household and business connections, all by 2030**. Power Africa enjoys strong bipartisan support. President Obama launched the initiative in 2013, and Congress passed the Electrify Africa Act of 2015, which the President signed into law in 2016. In a short time, Power Africa's efforts and, more broadly, American leadership have resulted in significant international momentum – as evidenced by **more than 130 public and private sector partners who collectively have committed more than \$52 billion** to invest in the African power sector.

Power Africa's approach focuses on leveraging partnerships to minimize the cost to American taxpayers and African governments. Its partners tap into one another's tools and resources to turn the lights on across sub-Saharan Africa. Power Africa supports private companies' work at all stages of power project development, removing obstacles that cause projects to derail, while supporting governments, utilities, and regulators to develop laws and policies that attract private investment and lead to growth. Power Africa mobilizes the tools of multilateral and bilateral partners to build on its efforts, and ensures that communities and civil society groups have a voice in the process and that their rights are protected.

After just three years, Power Africa is on an upward trajectory, demonstrating American leadership, and partnering with Africans to build a game-changing pipeline of viable projects that will offer a brighter future for millions of Africans.

Accomplishment to Date

- More than 4,600 MW of projects reached financial close; with about 400 MW online.
- More than 2.5 million connections supported, with more than 1 million already delivered.
- Development of tools to track 60,000+ MW of projects for potential support.
- More than 40 USAID Transaction Advisors embedded in key institutions across the continent.
- \$2.1 billion in OPIC debt financing and insurance committed to support 21 power projects.
- 43 USTDA grants, expected to leverage up to \$6.8 billion in financing for 860 MW of projects.
- 50 U.S. African Development Foundation grants to local African companies and communities.
- \$1.5 billion in MCC compacts and threshold programs in support of Power Africa.
- First competitive tenders for renewable projects supported in several countries.
- 12 USG agencies working seamlessly together toward a common objective.

Power Africa's Role

- **Political Influence and Partnership:** Power Africa has some level of presence in most sub-Saharan countries. Power Africa quickly has been acknowledged as one of the best models for coordinating bilateral and multilateral partners to have an impact. Power Africa's partners include Canada, the EU, Japan, Sweden, Norway, the UK, the World Bank, the African Development Bank, and the African Union. With these partners, Power Africa mitigates any one

country's excessive influence on African investment, improves American companies' access, and offers alternative and sustainable models for development and investment.

- **Economic Growth and Trade:** Energy access promotes economic growth, job creation, manufacturing, trade, and, ultimately, stability. Power Africa brings together companies, political leaders, and financial institutions to create new markets for U.S. and for African products alike. Currently, Power Africa is partnering with more than 130 private sector partners (including 65 U.S.-based project sponsors, developers, financiers, and equipment suppliers) who collectively have committed to invest more than \$40 billion in support of Power Africa's goals.
- **Global Climate Change:** The majority of world emissions growth will come from developing countries over the next 20 years. Growing Africa's investment in clean, renewable energy will help de-link Africa's energy sector growth from fossil fuel reliance.
- **Humanitarian Needs:** Bringing electricity for the first time to African homes and businesses will greatly improve lives of millions, helping to bring them out of extreme poverty.

Key Lessons Learned for Interagency Coordination and Presidential Initiatives

- **USAID Coordinating, Not Leading:** USAID *coordinates* Power Africa's efforts, encouraging each agency to do more of what they each do best. USAID chairs the interagency working group, but the heads of agencies *lead* Power Africa, which has led to excellent interagency buy-in. Also, as a government agency with robust field presence, USAID is uniquely positioned to manage, distribute, and implement a significant portion of Power Africa's appropriated funds.
- **Field-based:** Power Africa is the only field-based, region specific Presidential initiative headquartered outside the United States., which facilitates working closely with Chiefs of Mission and their interagency Power Africa teams at posts to serve as one-stop shops for partners in countries. While its headquarters are based in South Africa, Power Africa has significant presence in Washington, D.C. to facilitate close coordination with leadership from the interagency, Congressional stakeholders, and other partners based in the United States.
- **Liaisons:** The Power Africa Coordinator's Office is staffed with liaisons that coordinate Power Africa's participating USG agencies. They have deep knowledge of the tools and resources the agencies offer, as well as their operations in Africa. The Coordinator's Office serves as an effective interagency one-stop shop for private and public partners for the continent.
- **Transactional Approach with Power Africa's Toolbox:** Power Africa offers a multi-partner toolbox to help projects, many of them first-of-their-kind, cross the finish line. Tools include financing, grants, technical assistance, legal assistance, regulatory reform, risk insurance, etc. Power Africa removes obstacles so that deals and countries themselves become "bankable."

Opportunities and Risks Going Forward

- **Funding:** In 2014, President Obama committed to \$300 million per year for Power Africa. Based on that funding level, the Coordinator's Office developed an ambitious but realistic roadmap for achieving its goals by 2030. Currently, Power Africa's funding level for FY 2016 is \$76 million. If these funding levels are sustained, Power Africa will not achieve its goals.
- **Staying the Course:** Big transformational infrastructure projects take time. Even in the US, construction can easily take 3 to 5 years so we were not expecting to have power online within the first three years of Power Africa, but we have seen some of the faster projects reach completion. These are smaller hydro and solar projects, as well as a couple larger thermal plants.
- **The Power Africa Roadmap charts a clear path forward to expanding access to electricity and shaping Africa's energy development, and achieving its goals by 2030, and the realization of the Electrify Africa Act by 2020.**

SUPPORTING DOCUMENT: BUREAU FOR AFRICA TRADE AFRICA

Under Trade Africa, USAID is the main implementer of U.S. trade capacity building, aligned with U.S. trade policy, in Africa. As such, USAID holds the Trade Africa Coordinator role, coordinating trade and investment capacity building efforts amongst the interagency in Africa, with each participating agency bringing their own mandate and expertise to the effort. With USAID's extensive field presence and expertise, Trade Africa is now present in three regional missions and 10 bilateral missions.

The U.S. Government (USG) as a whole, led by the U.S. Trade Representative, has begun the conversation of Beyond AGOA – what will trade agreements with Africa look like in eight years when this current authorization of AGOA expires? One of the approaches between then and now is USAID's implementation of Trade Africa: supporting three regional economic communities and 10 countries to adopt and implement the building blocks of a potential trade agreement in trade facilitation, sanitary and phytosanitary standards, and technical barriers to trade in accordance with international agreements and standards.

The largest USAID programs to support implementation are its three regional African Trade and Investment Hubs in Accra, Ghana; Nairobi Kenya; and Pretoria, South Africa.

The Hubs partner with their respective regional economic communities and their member countries to support adoption and implementation of regional protocols and international agreements to further integrate African countries with each other and with the rest of the world. These activities seek to reduce the time and cost to trade, support the adoption of world-class standards, and increase transparency in policy-making to increase the competitiveness of African goods in world markets. They also partner with the private sector and business associations to advocate for liberalized trade policy.

FY 16 Trade Hub Funding

West Africa	\$16.2 million
East Africa	\$19.5 million
Southern Africa	\$19.4 million
Total	\$55.1 million
<u>Trade Africa funding to date:</u>	
\$120 million	

Trade Africa also advances the goals of Feed the Future to increase food security through regional access to staple foods grown in Africa, and the adoption of international sanitary and phytosanitary standards (SPS). Common standards increase food security by ensuring the smooth flow of agricultural goods across borders, moving food from areas of surplus to those of deficit. The Hubs also promote trade with the United States under the African Growth and Opportunity Act (AGOA) by promoting value added production, light manufacturing, marketing, business to business linkages, and investment attraction.

An interagency Trade and Investment Capacity-Building Steering Group, chaired by the National Security Council staff, identified funding above the \$30 million annual budget for USAID's African Trade Hubs for FY 2015 and FY 2016, of an additional \$90 million to expand the technical focus of the Trade Hubs to include investment, and expand the geographic focus to include the five new Trade Africa Expansion countries. \$75 million for trade and investment capacity building was also included in the President's FY 2017 request.

Looking Ahead

Trade Africa: In aligning U.S. trade capacity building with U.S. trade policy, USAID is helping to establish the building blocks to trade agreements between the United States and Africa. Looking forward, an expansion of the building blocks to include labor, environmental rules and standards, services, digital

trade, intellectual property rights, etc. with the requisite resources, will be important to potential trade agreements between the United States and Africa. Though Trade Africa was able to expand beyond the East African Community and its five Partner States to five additional countries, there are 38 countries eligible for AGOA in sub-Saharan Africa requesting support to export to the U.S. Bilateral implementation of regional and international protocols is as important as reaching economies of scale through regional programming.

Looking Beyond AGOA: As USG and African policymakers assess a future trade policy architecture for their relationship, lessons learned from United States and African experiences indicate that building trade relationships calls for a new U.S. - Africa trade and investment policy that moves toward greater reciprocity, support for trade competitiveness and value-added production. The U.S. Congress, along with the interagency, is calling for a “Beyond AGOA” strategy based on the perspective of businesses and workers on both continents so that U.S. exporters looking to sell to Africa will benefit from the larger markets and less fragmented regulatory and tariff frameworks, and African producers will benefit from economies of scale in exporting larger quantities to the U.S. market. A new U.S. - Africa trade and investment policy architecture should include African reforms across a broad range of policy areas, promote African integration into the global trading system, and account for different levels of readiness and capacity across the region. Looking to the future, these reforms should ultimately build to bilateral and regional trade agreements with the United States.

Private sector: International development, and trade and investment policy objectives cannot be achieved without strategic partnerships with the private sector. Going forward in trade, the USG should pursue a model that prioritizes partnerships in alignment with development priorities, and leverage the unique skills, knowledge and capabilities of the private sector both in the United States and Africa. This includes upgrading regional value chains for export under AGOA, supporting enhanced intra-regional trade, strengthening linkages between U.S. buyers and African suppliers, and improving the business climate and services for trade and investment, including the United States, in Africa.

SUPPORTING DOCUMENT: BUREAU FOR AFRICA YOUNG AFRICAN LEADERS INITIATIVE (YALI)

Background and Structure of YALI

With 70 percent of Africa's population under 30, the future success of African nations will depend on the leadership, skills, and ingenuity of this emerging generation of leaders. The Young African Leaders Initiative (YALI) is the signature U.S. Government (USG) effort to invest in these leaders as they spur growth and prosperity, strengthen democratic governance, and enhance peace and security. As an interagency initiative, YALI combines the resources of several U.S. agencies, with major roles played by the U.S. Department of State, USAID, and the U.S. African Development Foundation (USADF). To date, tens of thousands of young Africans have accessed leadership training and resources through YALI and have utilized new skills to positively impact their communities, countries, and the continent.

YALI was launched in 2010 when 120 young Africans were invited to the White House for a dialogue with senior U.S. policymakers on the future of Africa. Building on the demand for a special relationship with the United States and access to high-quality training opportunities, the USG developed three core programs to provide ways for young Africans to access leadership training – the **Mandela Washington Fellowship**, an exchange program that brings fellows to the United States; **YALI Regional Leadership Centers**, learning and collaboration hubs in sub-Saharan Africa; and the **YALI Network**, an open, virtual community. Together, these complementary programs provide options for young Africans to access leadership development opportunities in the United States, in Africa, and online to meet their needs.

USAID Role in Implementation

USAID is critical to this effort and manages several YALI activities, working closely with interagency partners to coordinate programming. USAID provides access to African-based professional development opportunities such as mentoring and professional internships for Mandela Washington Fellows after their return home, and leads the management of the YALI Regional Leadership Centers that took YALI to Africa and greatly expanded program reach. USAID's Africa Bureau requests \$10 million per year to implement these activities and this request is included in the FY 2017 and FY 2018 budget materials.

Mandela Washington Fellowship: The Fellowship is the U.S. exchange program of YALI, which brings young Africans ages 25-35 to the United States for approximately six weeks of leadership training at U.S. universities and provides them additional post-training professional development activities in the United States and Africa. In 2014 and 2015, the Fellowship brought 500 young Africans per year into the program; and in 2016, the program doubled to host 1,000 young Africans. The program will also host 1,000 young Africans in 2017. After their return to Africa, USAID funding provides professional practicums, mentorships, networking, and other professional development activities for Fellows. These activities allow Fellows to build upon the skills developed during the U.S. based training, which is funded and managed by the State Department's Bureau for Educational and Cultural Affairs. USAID's funding levels for YALI did not increase with the unanticipated expansion of the Fellowship to 1,000 Fellows in 2016 and 2017, presenting difficult trade-offs and reductions in the number of Fellows who can receive USAID support.

YALI Regional Leadership Centers (RLCs): YALI RLCs, located at four African higher education institutions in sub-Saharan Africa (Ghana, Kenya, Senegal, and South Africa), offer experiential leadership training programs to young Africans ages 18-35. YALI RLC programs allow the USG to reach many more young Africans with leadership training than can be supported through the Mandela Washington Fellowship. Through short-term training offered in-person at the RLCs, professional development opportunities, and

networking, the RLCs provide a platform for regional learning and collaboration driven by young leaders. The RLCs are also now working on expanding their course offerings online, to extend their reach to thousands of other young leaders unable to attend the RLCs in person. Public-private partnerships to support YALI have been essential and allowed for a major expansion of what would have been possible with only USG resources. USAID designed each RLC through a Global Development Alliance that requires public-private alliances to bring together the energy and dynamism of the private sector, the experience and capacity of African and American institutions, and the programmatic and educational resources of the USG. To date, USAID has garnered more than \$80 million in cash and in-kind resources from the private sector in support of the RLCs, including \$15 million from the MasterCard Foundation and contributions from Microsoft, Dow Chemical Corporation, Procter & Gamble, General Electric, and Kenya Commercial Bank. Private sector contributions enhance the ability of the RLCs to provide participants with market-relevant learning opportunities, entrepreneurship support, and access to technology. In addition to the four primary RLC locations, the RLCs are beginning satellite activities in Lagos, Nigeria, to harness the extraordinary culture of entrepreneurship there, and in Maputo, Mozambique to provide training in Portuguese. The RLCs have already provided leadership training to more than 2,300 young Africans.

The Importance of Investing in Young Leaders

The impact of YALI has grown far beyond the number of people it has reached through its leadership training activities. YALI has emerged as an influential platform that advances a positive and empowered narrative for youth development. It has demonstrated U.S. support for seeing young people as *assets*, not *problems*, and energized their role as stakeholders in their communities and countries. YALI is also consistent with USAID's Youth in Development Policy, which notes that youth who actively seek social, political and economic change are often portrayed as rebellious, destructive, reckless, or violent. However, evidence has shown that engaging youth in neighborhood, community, and national development yields an opportunity to harness the energy, enthusiasm, skills, and innovative ideas of youth for positive outcomes.

Going forward, YALI seeks to maximize the number of young people emerging as leaders in businesses, organizations, and government and consolidate what has become a well-known and valuable trademark of American engagement in Africa. YALI could grow to have deeper networking links with other young leader initiatives in Asia, Latin America, and Europe. As more young leaders begin relationships with the United States through YALI, their views and insights also will improve the creativity and effectiveness of foreign assistance programs. Catalyzing these young leaders as they give back to their communities and mentor other youth, develop innovative solutions to tackle current and future challenges, and lead change across the continent is key for scaling USAID's impact.

SUPPORTING DOCUMENT: BUREAU FOR AFRICA EBOLA RESPONSE AND RECOVERY

Background: The Ebola virus causes one of the most highly fatal infectious diseases ever documented and is transmissible between people through contact with the bodily fluids of an infected person. The 2014-15 Ebola Virus Disease (EVD) outbreak in West Africa was the largest EVD epidemic recorded to date with an unprecedented 28,616 cases resulting in 11,310 deaths worldwide. USAID led the U.S. Government's (USG) Ebola response, the largest global health humanitarian response in history. The USG's swift action following the outbreak of Ebola resulted in the end of the epidemic and saving tens of thousands – possibly hundreds of thousands – of lives globally.

Since USAID established its coordinating body, the Ebola Task Force, in April 2014, to respond to the EVD outbreak in West Africa, USAID has overseen the management and coordination of the USG effort. Comprised of bureaus and operating units (OUs) from across the Agency, the Task Force coordinated the Agency's and broader USG response to the crisis, including efforts by DOD, CDC, NSC, and the State Department. USAID also was the primary interlocutor with the international community's efforts, including that of the World Health Organization (WHO). Coordinating the USG's Strategy for Ebola Response and Recovery, USAID's focus was organized around four Pillars and was authorized by Congress in December 2014 a budget of \$2.5 billion.

Ultimately, USAID's oversight of the entire USG response was demonstrative of our ability to identify a threat to the United States and its friends around the world and respond quickly and successfully. Our response demonstrated USAID's immense ability to bring the appropriate tools and actors across the USG to respond to an extreme humanitarian crisis that directly impacted the security of the United States; assemble the world's best and brightest public health professionals, scientists, and innovators to stop the spread of the disease; make use of the dynamic capabilities of America's armed forces; and lead an interagency with varied interests and cultures. USAID's response to the Ebola epidemic of 2014-2015 continues to stand out as a model of interagency leadership, collaboration, and mobilization of tools to fight a threat. The USG response to the Zika disease also benefits greatly from USAID's experience with Ebola. As of September 31, 2016 the Africa Ebola Unit will fold into the Africa Bureau's West Africa Office and continue to monitor Ebola-related program activities as well as provide coordination.

Pillar Budgets of the USG Ebola Response and Recovery Strategy

Pillar I: Control the Outbreak	\$ 1,436,273,000
Pillar II: Mitigate Second Order Impacts	\$ 711,725,000
Pillar III: Build Coherent Leadership and Operations	\$ 19,000,000
Pillar III: Inspector General Oversight	\$ 5,626,000
Pillar IV: Strengthen Global Health Security	\$ 312,000,000
Total	\$ 2,484,661,000

Pillar I: Response: Immediately following the identification of an epidemic, in coordination with the WHO and other international actors, USAID's Office of Foreign Disaster Assistance mobilized under Pillar I to control the outbreak. From August 2014 into 2015, USAID deployed Disaster Assistance Response Teams (DART) to Guinea, Liberia, and Sierra Leone to respond to the crisis as a result of President Obama's declaration of Ebola as a National Emergency. USAID also mobilized its Food for Peace (FFP)

programming to provide emergency, in-kind food assistance to households and communities directly affected by Ebola.

Pillar II: Mitigating Secondary Impacts: With USAID's Bureau for Global Health (GH) and other USAID bureaus, the Ebola coordinating teams and the Africa Bureau coordinated overseas actions and oversaw the USG effort to recover infected bodies, a major early challenge in the fight to limit the spread of the disease. Secondary impact activities included:

Restoring Non-Ebola Health Services: USAID focused on primary public healthcare services, particularly on immunizations and maternal and child health services, which suffered during the epidemic due to fear of contracting Ebola at health facilities. It also carried out social mobilization, behavior change, and risk communication to sustain preparedness for future potential outbreaks; renovated health facilities with community support; and institutionalized infection prevention and control procedures.

Strengthening Health Systems: USAID programs improved supply chain logistics, governance and management, human resources, and health financing of countries' public health ministries and organizations. The programs ensured that health systems are better prepared to respond appropriately to future public health crises.

Food Security: USAID addressed food security by promoting recovery through household food consumption, livelihoods, household agricultural production, trade and market functions, cash-for-work, agricultural input vouchers, and grants to small traders to stimulate stalled local economic activity.

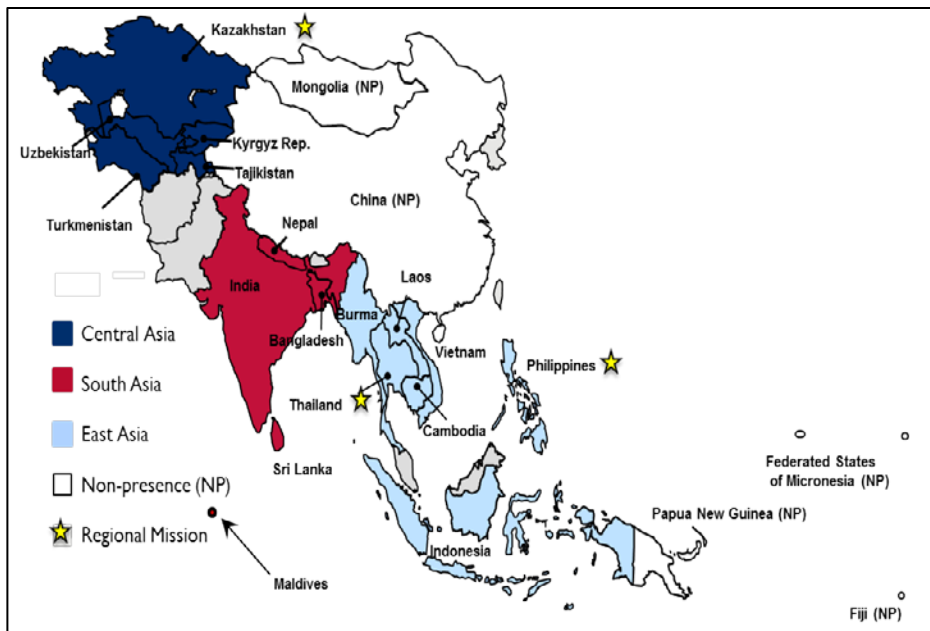
Improving Governance and Economic Crisis Mitigation: Focused on limiting any potential democratic backsliding resulting from the crisis, USAID promoted government accountability, supported reforms to improve government delivery of Ebola-related services, improved information sharing and e-governance, backed civil society to hold governments accountable, engaged communities to advocate and monitor activities, and reduced the stigma of Ebola survivors to ease reintegration into society. USAID also ensured that children went back to school safely by reconstructing water systems and creating social protection systems for the most vulnerable populations.

Innovation, Communication, and Technology: USAID's Global Development Lab supported Health Information Systems, ICT-connectivity and ePayments, and partnerships and innovation to solve difficult problems quickly. USAID support advanced development of real-time disease surveillance by cell phone, more timely provision of healthcare commodities, and real-time communication for health management and workers to reduce response time and better manage resources. USAID also funded 14 innovative solutions under the "Ebola Grand Challenge."

Pillar III: Leadership and Management: USAID provided needed funding for staffing across multiple USG entities, travel and deployments, audits, and oversight.

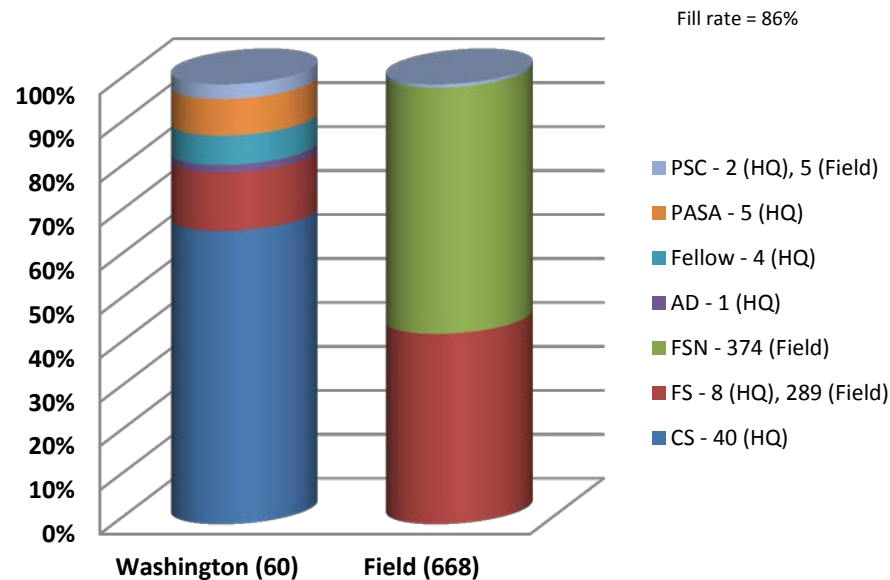
Pillar IV: Global Health Security Agenda (GHSA): GHSA operationalized a 'One Health' concept at the national and international levels, standardizing and streamlining the international interventions in the areas of disease prevention, detection, and response.

PRESENCE

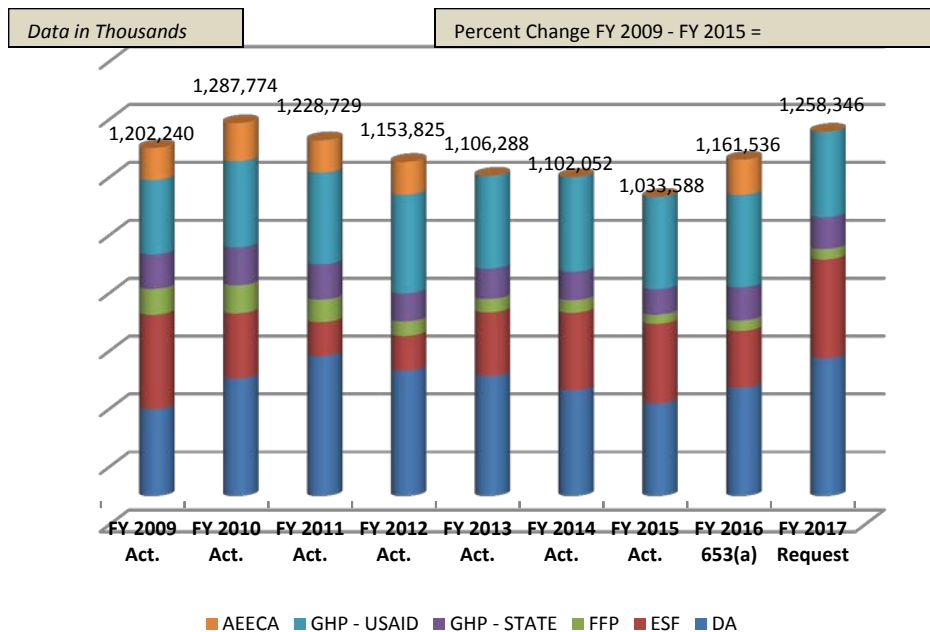


BUREAU PROFILE: BUREAU FOR ASIA

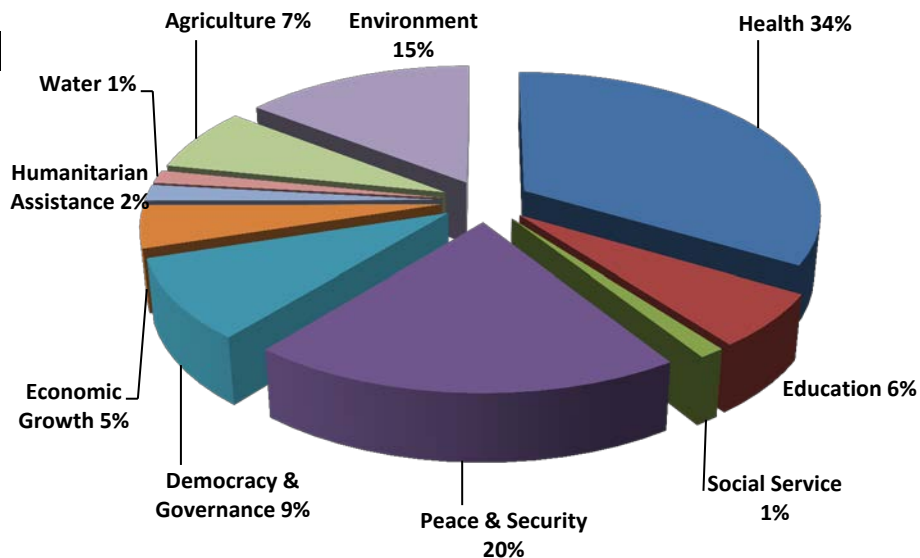
STAFFING



BUDGET: FY 2009 – FY 2017



BUDGET: FY 2015 BY SECTOR



- Asia Bureau coordinates with three Bureaus at State Department: EAP (East Asia and Pacific), SCA (South and Central Asia) and EURACE (Europe and Eurasia).
- Our non-presence countries include People's Republic of China, Mongolia, and 12 countries of the Pacific Islands.

BUREAU BRIEF: BUREAU FOR ASIA

INTRODUCTION

In 2011, the Obama Administration launched the Asia-Pacific Rebalance, recognizing that Asia is hugely consequential to U.S. security and economic interests. The U.S. and USAID have played an important role in regional fora like the Association of South East Asian Nations (ASEAN). Sustainable, inclusive development in the region is vital to U.S. security and prosperity, and is at the core of the Rebalance. Asia is home to the majority of the world's population, 50 percent of the world's extreme poor, 70 percent of the world's malnourished children, and the majority of all natural disasters. At the same time, there is an increasing number of rising political and economic powers in the region.

LOOKING BACK

Throughout Asia, our development has helped yield considerable success. In Bangladesh and Nepal, national poverty rates were cut in half over the last 15 years and mortality rates of mothers and children under 5 were slashed. In the East Asia-Pacific, the extreme poverty rate was cut in half between 2002 and 2012. Malaria mortality and stunting of children have plummeted, literacy levels are climbing, and universal primary education is nearly achieved. In Central Asia, tuberculosis rates fell by up to 50 percent. We have helped strengthen democracy and governance by partnering with reformers to bring about change. Contributing \$18 million for elections in Burma, USAID was the lead donor supporting the landmark 2015 elections and played an important role in strengthening Sri Lanka's democracy following the 2015 breakthrough election.

While great progress has been made in the region, much remains to be done. Asia suffers from environmental degradation, corruption, and inadequate health systems. Education, health, and gender inequalities persist. Rapid urbanization, which affects poverty, food security, and the environment, is an urgent problem, and more people in Asia are trapped in forced labor and sex trafficking than anywhere else in the world. Social marginalization, repression of human rights, and weak institutions generate the potential for violent extremism and insurgency among marginalized populations.

LOOKING FORWARD

Assisting the new democratically elected government to deliver economic and political benefits to the people of [Burma](#)

USAID played a critical role in the democratic advances that have taken place in recent years in Burma. We reopened our Mission in 2012, enabling us to better support reform processes. In FY 2016, Burma became USAID's largest aid recipient in the East Asia-Pacific, reflecting the country's democratic transition, large population, and development challenges on nearly every front – including health, agriculture, national reconciliation, and human rights of the Muslim Rohingya and other minorities. The new government has a short period of time in which to deliver economic benefits and real change to the people, and our development work is vital to continued reform.

Helping with Nepal's post-earthquake recovery

Nepal suffered twin devastating earthquakes in April 2015 killing nearly 9,000 people, impacting eight million, and resulting in \$7 billion of economic losses. When the earthquakes struck, our 20-year disaster risk reduction work proved critical to Nepal's ability to respond. The U.S. Government mobilized \$130 million for immediate post-earthquake needs, re-programmed existing projects into the earthquake-affected districts, and launched new projects to support recovery. Despite these investments, Nepal faces a long road ahead and continued U.S. support is critical. The Mission has designed a \$274 million earthquake reconstruction program; however, available resources fall significantly short. Moving forward, budget tradeoffs may need to be made in deciding how much we can provide to reconstruct

homes, schools, and health centers. The fragility of Nepal's political system is a major variable in our efforts as the country has had 24 prime ministers in the past 25 years.

Responding to escalating violent extremism across Asia, especially in Bangladesh

Violent Extremism (VE) in Asia is spreading and has multiple manifestations. USAID focuses on VE's root causes with special emphasis on Bangladesh – the largest recipient of USAID assistance in Asia and the third-largest Muslim majority country in the world. Bangladesh has experienced a wave of ISIS and Al-Qaeda-claimed attacks since 2015, including the 2016 murder of Xulhaz Mannan, a human rights activist employed by USAID's mission in Bangladesh. While our programs address VE drivers, bolster civic space, and strengthen accountable governance, 95 percent of bilateral resources are earmarked for development needs other than democracy, governance, or countering VE. We are formulating recommendations to develop a coordinated strategy and identify resources to address VE drivers in Asia.

Positioning development in the U.S.-[India](#) relationship

The United States and India have transcended the traditional donor-recipient relationship and today are engaged in a peer-to-peer strategic partnership that strengthens India's role in more sustainable development in India and throughout Asia. The Bush and Obama Administrations prioritized strengthening the relationship, including through development cooperation. Moving forward, it is essential to further focus on development in strengthening India's regional and global leadership.

Implementing development in quickly growing middle income countries

Asia is a unique environment in which to undertake development. While many development indicators in countries like Burma, Cambodia, Laos, and Timor-Leste remain dire, Asia is also home to quickly growing middle income countries such as Indonesia, Kazakhstan, Vietnam, and the Philippines. We are taking a long-term view of our interests in the Philippines as we consider actions in conjunction with current developments there. Our approach in these faster-growing countries requires further strategic thinking that reflects U.S. interests, as well as country-specific development needs. In Vietnam, for example, we assisted the country to strengthen 150 laws and regulations to facilitate the Trans-Pacific Partnership – meeting both development challenges identified by Vietnam as well as broader U.S. foreign policy priorities.

Crafting a U.S.-China development cooperation policy

USAID has expanded its relationship with China over the past few years, including signing an MOU and engaging in trilateral cooperation. At the same time, we continue to implement programs in China through the Regional Development Mission for Asia. Despite this growing engagement, USAID does not have a written China strategy or policy, and incoming Agency leadership will need to formulate a policy that clarifies the nature and level of USAID engagement with China. The new Administration should also decide what types of activities, if any, are appropriate to be undertaken *inside* China versus global or regional programing that includes working with China in third countries.

SUPPORTING DOCUMENT: BUREAU FOR ASIA BURMA

INTRODUCTION

One of the most remarkable developments in the world in the past year occurred in Burma, where the people voted for (and the military allowed) the first civilian, democratic government in nearly 50 years. USAID will play a critical role in supporting the efforts of the newly-elected government, led by Nobel laureate Aung San Suu Kyi, in sustaining and deepening democracy and ensuring that it delivers on its promise of economic and political dividends to the people of this country. Our efforts will be critical to supporting the nationwide peace process and mitigating inter-ethnic/inter-religious tensions, including addressing the tensions and displacement in Rakhine. USAID focuses on strengthening governance and democratic institutions, supporting peace and national reconciliation, and promoting health, rural development, and economic growth. In FY 2016, Burma became the largest recipient of U.S. assistance in the East Asia and Pacific region. We believe that is appropriate considering the moment of positive change in the country and the sheer size and the breadth of the development challenges on every front.

LOOKING BACK

Nearly 50 years of conflict and military rule have left Burma among the most impoverished countries in the region with a weak economy and institutions. Military campaigns against ethnic armed groups exacerbated inter-ethnic and religious tensions. And even amidst the recent reforms, the Rohingya minority in Rakhine State remains displaced and stateless, without citizenship rights, and among the most persecuted peoples on earth. The re-establishment of a USAID Mission in 2012 enabled the United States to support Burma's ambitious reform process more effectively. USAID was the lead donor in support of the November 2015 national elections, providing more than \$18 million toward this reform process milestone, which resulted in the first civilian-led government since 1962.

The goal of the U.S. Government's work in Burma is to foster democracy, peace, and prosperity, and is focused on deepening and sustaining the reform process. To this end, our development efforts focus on:

1. Strengthening democratic institutions, including civil society, the parliament and the judiciary;
2. Fostering peace and national reconciliation; and
3. Improving the lives of the people of Burma through our work in economic growth, health, and humanitarian assistance, including countering trafficking in persons activities.

Despite progress in the democratic transition, challenges and development gaps remain. While recent economic growth rates have risen to 7-8 percent annually, international investment lags due to archaic laws and regulations, lack of access to credit and financial services, dilapidated infrastructure including poor access to energy, and a neglected educational system. Likewise, many ethnic armed groups have declined to sign the Nationwide Ceasefire Agreement, which is delaying an end to conflict, complicating political dialogue, and undermining the foundation for an inclusive national identity. Access to government services by vulnerable populations remains restricted in many areas, with human rights violations and population displacement persisting in Rakhine and conflict-affected areas of Kachin and Northern Shan. Poverty, conflict, and internal displacement have contributed to a rise in human trafficking and smuggling, as seen during the Rohingya refugee and migrant crisis in the Andaman Sea in 2015. In July 2016, Burma was downgraded to Tier 3 (the lowest ranking) in the Department of State's 2016 Trafficking in Persons report.

LOOKING FORWARD

USAID will continue to work in partnership with the new civilian-led government to address its many challenges and help it deliver the social and economic benefits of the democratic transition to the people of Burma. Mindful of the new government's limited human and financial resources, USAID programs will leverage and build upon current programs and expand support in the following areas:

Strengthening Democratic Governance: USAID is empowering newly-elected national, state, and regional parliaments, strengthening electoral bodies, and supporting civil society organizations to implement advocacy campaigns, provide legal aid and victim protection services, and promote transparency and accountability through engaging with government institutions.

Supporting Peace and National Reconciliation: USAID supports peace initiatives launched in the Nationwide Ceasefire Agreement, including increasing ethnic representatives' capacity for dialogue and negotiations and increasing women's participation in the peace process. Additionally, inter-ethnic tensions and human rights violations in Rakhine threaten to destabilize the democratic transition. USAID programs strengthen inter-ethnic/religious tolerance, including pursuing solutions to tensions and displacement in Rakhine.

Improving the Lives of the People of Burma:

- A. **By Supporting Sustainable and Inclusive Economic Growth:** In order to help the government show economic benefits to the people, USAID focuses on improving economic governance, bolstering the private sector, and strengthening human capital. USAID will advance a modern, legal and regulatory framework that will facilitate foreign investment, modernize agriculture, support infrastructure development, create jobs, promote transparency, combat corruption, and increase public participation in economic policy making. Given new opportunities in the post-sanction environment, USAID will expand its efforts to increase access to financial services, promote high growth sectors, and bolster a skilled workforce for 21st century jobs.
- B. **By Bolstering Healthy, Resilient Communities:** Burma's weak health system strains the government's ability to provide universal health coverage and reach poor and marginalized communities. USAID is strengthening the health system's ability to deliver life-saving services in maternal, neonatal, and child health, tuberculosis, malaria, and HIV/AIDS, and to prevent and respond to emerging pandemic threats.
- C. **By Providing Humanitarian Assistance:** USAID provides critical humanitarian assistance to people affected by conflict in Burma, as well as disaster risk reduction activities to increase the resiliency of vulnerable populations. USAID continues to support activities in Rakhine including providing food aid and access to water, sanitation, and hygiene; mitigating conflict; supporting midwife training; and creating livelihood opportunities.
- D. **By Countering Trafficking in Persons:** Working with international and local civil society partners, USAID helps improve access to justice for victims of trafficking and communities affected by human traffickers. USAID supports public awareness campaigns, counseling and legal aid services, and shelters for victims of trafficking.

SUPPORTING DOCUMENT: BUREAU FOR ASIA INDIA

INTRODUCTION

India is the world's largest democracy and seventh largest economy; yet, India is still home to roughly one-quarter of the global population suffering from extreme poverty according to World Bank data. India's influence on global outcomes due to its sheer size will only increase as India has one of the fastest projected economic growth rates in the world. The United Nations projects India's population to pass China soon making it the world's most populous country. Recognizing India's expected growth and enormous potential, the Bush and Obama Administrations have succeeded in strengthening the U.S. relationship with India based in part on the deep connections between the American and Indian people and our shared values. Our foreign policy towards India is predicated on the view that a stronger India is both in furtherance of U.S. interests and stability and prosperity in Asia and the world.

Over the last few years, USAID has grappled with the question of how do we help promote development in such a large, democratic country that is also a factor beyond its borders in Asia and Africa? USAID has taken a three-fold approach in India:

- 1) The United States and India have moved from the traditional donor-recipient relationship and to a peer-to-peer strategic partnership that strengthens sustainable development in India. This new model of development relies on leveraging the private sector, science and innovation, and regional approaches to development challenges. While the bilateral U.S. assistance budget in India has remained steady, USAID has doubled the total value of our development programs by leveraging outside sources.
- 2) In India, our development initiatives are aimed at building the capacity of the Indian government and people to effectively make progress on development challenges focusing in the areas of health, water and sanitation, and clean energy and the environment. We know that progress on the global Sustainable Development Goals (SDGs) and climate change will be limited unless India continues its progress of lifting its people out of poverty and move to cleaner sources of energy.
- 3) Regionally, India is taking a stronger leadership role. India's "Act East" policy is consistent with the US "Asia Rebalance" policy as both countries understand the importance of the Asia region to future economic growth. USAID focuses on improving connectivity in the South Asia and Southeast Asia regions and on trilateral development cooperation. Examples transferring Indian agricultural technologies to Nepal and Bangladesh under the Cereal System Initiative for South Asia (CSISA) and bringing proven Indian soil and water management techniques to Kenya and Malawi.

LOOKING BACK

In September 2014, President Obama and Prime Minister Modi committed to a new and enhanced strategic partnership on energy security, clean energy, and climate change. Since then, USAID has leveraged \$80 million and attracted \$338 million from partners—a nearly \$4 return for every \$1 invested—to advance shared goals in food security, clean energy, education, water and sanitation, and health. USAID entered into a total of 32 partnerships with Indian and American private sector partners to further development goals in India and is replicating successful programs in Africa and Asia. We are collaborating with Indian, American, and international partners to provide clean water and sanitation services to low-income populations in India's largest urban centers—including to more than 30,000 households in slum settlements in Bangalore. We also introduced American technology to reduce TB

diagnosis time from two months to two hours and increased incomes and crop yields for 620,000 farmers in India.

LOOKING FORWARD

USAID can reinforce the U.S. strategic relationship with India by building on progress in climate change, clean energy research and deployment in India, leveraging public-private partnerships, strengthening U.S. - India triangular cooperation for global development, and expanding Indian connectivity. USAID is supporting clean energy and climate change initiatives, including the Paris Agreement, the phase-out of the potent greenhouse gases known as hydrofluorocarbons under the Montreal Protocol, and the increase in access to off-grid solar power through the USAID Rooftop Solar activity and the International Solar Alliance initiative. We will partner through four main avenues:

Clean Energy and Environment: USAID will work with the Ministries of Power, New and Renewable Energy, and Environment to help India transition to a high-performing, low-emission, energy-secure economy. Already the world's third largest emitter of greenhouse gases, India faces the challenge of improving access to quality energy supplies to meet unprecedented industry and household demand. Under the Montreal Protocol, we will continue to work together to reduce greenhouse gas emissions, especially hydrofluorocarbons. Through the Global Climate Change Initiative, USAID will assist the Government of India in meeting its goal of reducing carbon emissions by at least 30 percent by 2030. The United States and India will work together to promote domestic bans on ivory trafficking, as expressed during the September Convention on International Trade in Endangered Species of Wild Fauna and Flora Conference of Parties, and work together to protect India's tiger population.

Public-Private Partnerships: USAID will continue to advance public-private partnerships with the Indian private sector and the Government of India in agriculture and food security, environment, forestry, financial inclusion, water and sanitation, education, and health. Under the U.S. - India Vaccine Action Program, we will leverage public-private partnerships to design innovative vaccination programs for TB, dengue, and respiratory syncytial virus. The expansion of the USAID program for utility-level support and the U.S. - India Catalytic Solar Finance Program will further develop clean energy solutions.

U.S. - India Bilateral and Triangular Cooperation: We will work with the Government of India and the World Bank to scale up successful agricultural development curricula across all 71 state and central agricultural universities in India. In health, we will expand access to quality healthcare and share best practices with regional partners. We will train women entrepreneurs in rural India in business skills and will help them adopt clean energy products. Over the next five years, USAID and India's Ministry of Agriculture will invest \$4.4 million to continue the second phase of the Feed the Future India Triangular Training program to transfer best practices to selected countries across Africa and Asia.

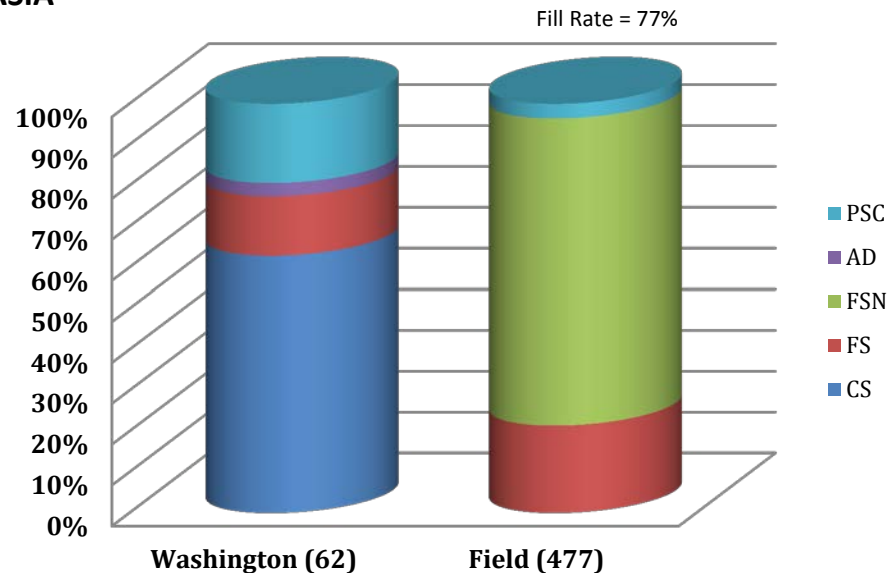
Regional Connectivity: With India strengthening bilateral relationships in South Asia and looking East to build strategic partnerships, USAID will support regional connectivity and the development of economic corridors—such as the Indo-Pacific Economic Corridor (IPEC) Initiative—between South and Southeast Asia to strengthen trade and increase people-to-people relations across India and the region. Expanded regional connectivity will generate robust and inclusive economic growth in India, creating new jobs for its growing population.

PRESENCE

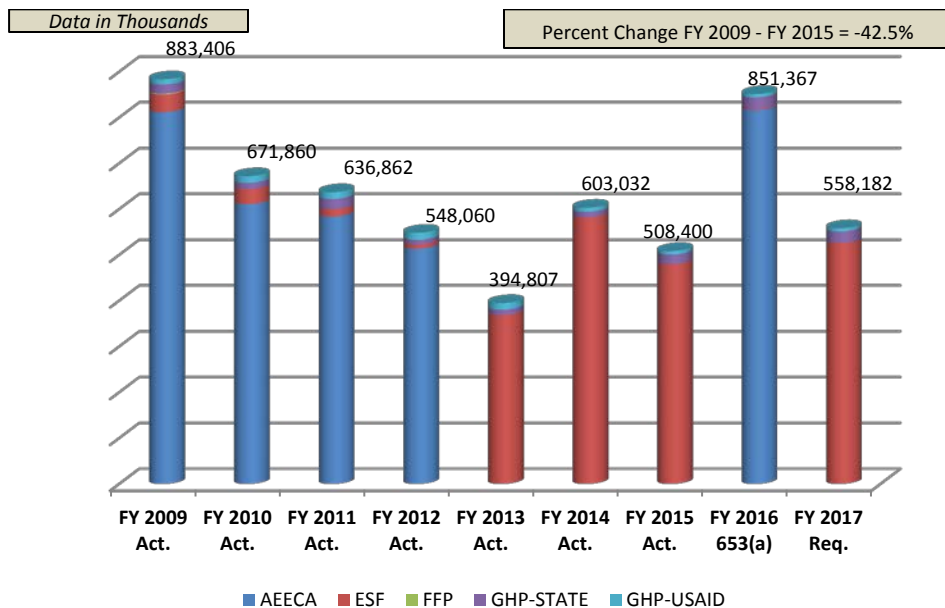


BUREAU PROFILE: BUREAU FOR EUROPE AND EURASIA

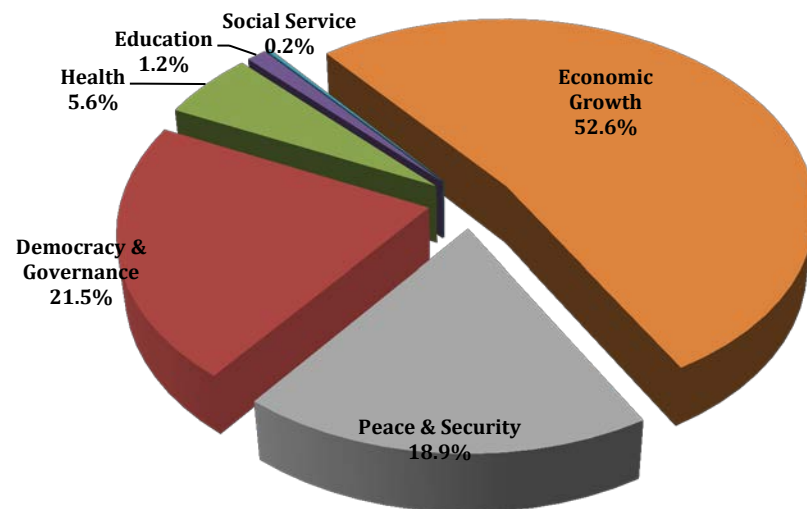
STAFFING



BUDGET: FY 2009 – FY 2017



BUDGET: FY 2015 BY SECTOR



- FY14, 15, and 16 budgets reflect three Sovereign Loan Guarantee subsidies allocated to Ukraine (ranging from over \$150 million to just about \$300 million in the Economic Growth Sector).
- 85% of the Peace and Security total is made up of OSCE (\$22 million) and Ukraine (\$60 million)

BUREAU BRIEF: BUREAU FOR EUROPE & EURASIA

INTRODUCTION

Established after the fall of the Berlin Wall, USAID's Bureau for Europe and Eurasia (E&E) administers development programs in the former communist countries of Eastern Europe and the former Soviet Union. The State Department's Assistance Coordinator for Europe, created by statute more than two decades ago when there were no overseas USAID Missions in the region, continues to play a significant role in policy coordination and budget. From FY 2010 to FY 2015, USAID funding in this region declined by 54 percent, leading to significant downsizing of USAID Missions. Following the 2014 invasion of Ukraine and heightened Russian aggression across the region, Congress re-established a dedicated appropriations account for the region in FY 2016, including a specified budget for Ukraine. Present today in 10 countries, USAID's bilateral and regional programming achieves development results, catalyzing donor collaboration to improve people's lives and bring countries into closer alignment with Euro-Atlantic structures.

LOOKING BACK

The collapse of communism in Europe 25 years ago began a tremendous political and economic transition across what became more than two dozen new and newly liberated countries. Responding to this historic opportunity and the unique development context, USAID assistance helped create the institutional, legal, and regulatory backbone for market economies and democratic governance, including by privatizing state-owned enterprises, standing up central banks, improving energy efficiency and security, reforming health and pensions systems, establishing the foundations for a constitution, fair elections, independent media, independent judiciaries and robust civil society. In coordination with European partners, USAID assistance was frequently framed in terms of European integration and accession. Eleven formerly communist countries assisted by USAID have now joined the European Union (EU) and others are at varying stages of accession. USAID developed distinct approaches and specialized tools for programming in this region. For example, E&E pioneered [Enterprise Funds](#) that rely on a private sector approach to stimulate free market development and economic growth. Follow-on Legacy Foundations continue in countries across the region. E&E made inroads combating [corruption](#) and strengthening rule of law through e-governance systems for public procurement and licensing, and in customs and the courts, and by bolstering watchdogs and reformers to press their governments for accountable and transparent governance. E&E's methodology for measuring country performance and the state of reform was accepted by the interagency and adapted globally by the State Department.

LOOKING FORWARD

In addition to basic state-building efforts in all the countries of the E&E region, USAID provides vital post-conflict assistance in several countries, including Ukraine, Armenia, and Georgia, among the former Soviet countries, and in Bosnia and Kosovo, still recovering from the Balkans wars of the 1990s. USAID's presence in the region reflects the longstanding U.S. commitment to democracy, prosperity, resilience, and stability. [Heightened aggression by Russia](#) has challenged the post-Cold War order with violent occupation, politically oriented disruptions of trade, including cutoffs of energy supplies and export markets – along with a widening propaganda campaign intended to discredit Western institutions, American assistance and often modernization itself. USAID support to advance economic gains and consolidate democratic governance will improve the lives of ordinary citizens and help maintain public support for reforms while keeping E&E countries on a Western-oriented trajectory.

[Brexit and other crises inside the EU](#), rifts created by the migration crisis, and escalating nationalism and xenophobia have prompted some of our best partners to turn their attention (and resources) inward.

Though the EU is still officially committed to further expansion, the hopes of several aspirant countries have been dimmed, and USAID may have to recalibrate its targets more toward global standards in the near term. Moreover, the migrant crisis has galvanized anti-democratic forces in “graduated” E&E countries now in the EU, and created severe pressure in Western Balkan countries that have no experience, capacity, or resources to respond should the numbers of refugees in their midst continue to grow. The emergence of extremists and foreign fighters in several Balkan countries presents an additional concern. USAID experience in building local capacity and emphasis on inclusive economic development are particularly important in this context.

After more than two decades of general progress, the region has seen significant backsliding in democratic performance and economic and social development over the past five years. The remaining E&E-assisted countries present the most acute and intractable transition [challenges](#). They are comprised of mostly small, new countries without democratic traditions or experience in self-governance, facing economic stagnation, deteriorating standards of living, and chronically high unemployment, especially among young people. Forecasts project little improvement in economic performance in the next five years, with Ukraine (the largest of our countries) expected to be especially hard hit. Stubbornly entrenched regimes and economic elites, often aligned with malign Russian interests, continue to suppress both democratic and economic development. In many E&E countries, these bad actors operate in environments where corruption is pervasive and government institutions are ineffective. This phenomenon blocks needed reform, prevents progress and inspires communist nostalgia. Continued USAID support will be important to remove obstacles to democratic and economic progress, for instance in private sector development, combatting corruption, and energy reform.

The EU and its member states are at present focused on addressing internal [crises](#) caused by political fracturing and the arrival of thousands of refugees. USAID missions thus need to play an enlarged leadership role to fill the gap created by European donor partners reducing spending in parts of the region. In fact, host governments and other donors say that targeted USAID assistance enables practical steps toward meeting onerous EU requirements. USAID has established strong credibility in advising host governments on reforms and their implementation, from Georgia and Ukraine to the Western Balkans. By leveraging our reputation and our relationships, we are able to help host governments develop legislation and protections that not only move their nations further towards becoming resilient democracies and economies but also resist Russian pressure.

E&E’s more than 25 years of experience positions USAID to recognize signs of increased instability and fragility and devise feasible assistance approaches before crises occur. With modest resources, E&E capitalizes on regional approaches that bring together small new countries and collectively address the onslaught from Russia. The early successes of the march to free market democracy, and the long but continuing path towards sustained reform, were not accidental. They provide a blueprint within the changing regional context and deeply rooted impediments that USAID is uniquely positioned to take on.

The E&E Bureau is poised to continue addressing democratic backsliding and economic stagnation and to invigorate popular support for reforms by showcasing the benefits of transparent and effective governance and free markets in people’s daily lives. Catalyzing other donors and partners to work together, a modest presence can continue to advance development objectives in this strategically important region at this critical time.

SUPPORTING DOCUMENT: BUREAU FOR EUROPE & EURASIA COUNTRIES IN CRISIS

The region of Europe and Eurasia has experienced an unprecedented 25 years of change since the fall of Communism and the emergence of independent, young nations across central Europe, the former Soviet Union, and the Balkans. Despite early hopes for rapid integration into Euro-Atlantic systems, economic prosperity, and democratic systems, several countries in the region are facing crises driven by various external and internal forces. Sustained U.S. commitment in each of these countries is critical to ensuring political stability, reversing stagnation, and addressing fragility. USAID, especially in the context of a redefined and evolving European Union, has a pivotal role in advancing U.S interests and development goals in the region.

Several countries in the region pose growing challenges in the period ahead: the largest, Russia, is an economically fragile, yet pugnacious dictatorship bent on confronting the United States, destabilizing Europe and those neighbors who desire to modernize and integrate with the West. Azerbaijan and Belarus are consolidated dictatorships, continuing firm control over economic actors and repression of independent political and civic voices as they also deal with serious economic downturns. Bosnia's fragile Dayton Accords system of governance is outmoded and fracturing. Kosovo, Europe's newest state, is not even recognized by Serbia and some EU countries; 17 years on, 4,600 peacekeepers remain. However, three countries are in especially urgent crisis.

Ukraine: Ukraine struggles to recover from an abrupt government collapse in February 2014, and ensuing economic and political upheaval caused by the Russian occupation of Crimea and invasion in the east, and the accompanying humanitarian crisis. Since the inception of the still ongoing armed conflict in April 2014, more than 9,600 people have been killed and 800,000 displaced within Ukraine. In April 2016, a UN report found that more than 3 million people were in need of humanitarian assistance. While Ukraine addresses political and governance challenges following the 2014 Revolution of Dignity, it must do so in the face of intense political, military, and economic pressure from Russia, including a relentless information war to undermine Ukrainian stability. While the corrupt, oligarchic forces of "Old Ukraine" remain entrenched in many parts of the political milieu, economy and society and continue to oppose meaningful reforms, the pro-western Government seeks continued USAID support to decisively shift its trajectory to that of a prosperous, democratic state governed by European values and integrated into the global community.

Since the crisis began, USAID has contributed \$51.4 million in humanitarian assistance and \$23.1 million in transition assistance in Ukraine, delivering relief to the most vulnerable, including in the non-government controlled areas. USAID's Office of Transition Initiative (OTI)'s programs mitigate community level tensions exacerbated by the displacement of people from the east, and ensure that the Donbas region is part of the new Ukraine, building support for an inclusive Ukrainian civic identity in areas most skeptical of the transition.

USAID's core programs, totalling \$150.7 million in FY 2016, include democratic governance, support for civil society and independent media, economic growth, energy security, while also being responsive to the economic shocks, and political/military turmoil. Buttressed by a dynamic civil society pressing for reform, USAID's ability to support decisive, lasting change is as great as it has been since the independence of Ukraine. Accordingly, USAID is now phasing from humanitarian-to-development activities, conflict mitigation, confidence-building, and building eventual Donbas reintegration considerations into its planning.

Moldova: Moldova is a priority for U.S. assistance due to its commitment to European integration, which has heightened the economic and political pressures from Russia. Once considered a rising star among Eastern Europe's emerging democracies, Moldova is plagued by debilitating corruption, oligarchic control of state institutions, and lackluster political and economic reforms. The enthusiasm generated in mid-2009, when a pro-European, pro-reform coalition replaced eight years of Communist rule, has given way to the disillusionment of many Moldovans with their domestic processes, economic malaise, and the dimming prospect of European integration. The theft of \$1 billion from Moldova's banks in late 2014 sparked wide public protests. While the reorganized pro-Western parliamentary coalition mustered in early 2016, its legitimacy was challenged and its dedication to reform uneven. The country's Russian-speaking minorities remain poorly integrated, and the consensus around the country's pro-European path is fragile.

As in other nascent democracies in the post-Soviet space, Russia continues to exert undue influence over Moldova. The frozen conflict in Transnistria (with 10 percent of the population and the country's principal energy supply) shows no signs of thawing; Russian trade bans levied against Moldova in retaliation for its European integration choice exact a toll on the economy, already the poorest in Europe; and the penetration of propaganda and oligarchic control over media outlets present serious obstacles to Moldova's development.

In response to these challenges, USAID's program budget for Moldova has been increased substantially in FY 2016. USAID has also catalyzed other resources for Moldova, including through partnerships with the Swedish International Development Cooperation Agency. USAID has also recently signed a Memorandum of Understanding with the government of Romania, for which Moldova is a top priority, to contribute funds to USAID programs. As a sign of the increased level of focus and importance of our assistance, USAID is upgrading its presence in Moldova in 2016 to a full mission.

Macedonia: Heightened ethnic and ideological tensions are running high across the Western Balkans. Macedonia's current democratic backsliding presents a bleak picture, with one-party dominance of parliament and media, a judiciary seen as manipulated by political insiders, a beleaguered civil society, lack of public financial transparency, and serious ethnic tensions. Meanwhile, 1.5 million refugees from the Middle East and beyond have walked through this country of 2.1 million. In February 2015, the opposition Social Democratic Union Party (SDSM), the main ethnic-Macedonian political party, began releasing thousands of wiretapped conversations of citizens, which SDSM alleged had been recorded by the government of Prime Minister Nikola Gruevski. The sensational content of the wiretaps, which seemed to feature government ministers, judges, and others discussing electoral fraud, media manipulation, and other misdeeds, triggered widespread protests in May. In 2015, the EU and U.S. Ambassadors brokered the Przino Agreement, which calls for a series of political and electoral reforms, including early elections, and the appointment of a Special Prosecutor to investigate the wiretaps. These elections, for which USAID is supporting over 3,000 independent monitors, have been postponed from April to June and now to December 2016, due to lack of progress implementing the agreed reforms. In order to support the reform process during this time of heightened fragility, OTI began a two-year, \$8 million program in September 2015, the Macedonia Support Initiative, which may be extended to a third year if additional support is needed to implement reforms. During this period of political uncertainty, through OTI, USAID is supporting the development of an independent, balanced and economically viable media landscape and promoting citizen engagement and bolstering key institutions involved in the electoral process. Beyond the elections, the openness of the government to address vital reforms in rule of law and other key areas will determine the focus of the mission's programming going forward.

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**SUPPORTING DOCUMENT: BUREAU FOR EUROPE AND EURASIA
A RESURGENT RUSSIA: IMPLICATION FOR E&E**

Russia has reasserted malign influence in the E&E region and beyond, challenging the post-Cold War order with an expansionist foreign policy which has drawn on a wide array of economic, political, military, and “soft power” pressures and tools. Russian actions are creating considerable challenges to the reform efforts of the E&E countries focused on transitioning to market-based democracies and towards greater integration with the West and they are also impacting former USAID recipients now in the European Union (EU). USAID is directly engaged in countering this influence through a host of mutually reinforcing efforts, including facilitating greater economic integration with the West, greater energy security and independence, and bolstering media and civil society capacity to better address Russia’s propaganda and disinformation wars.

Russia’s expansionist foreign policy has been most evident in the past few years, and most notably with military operations in Ukraine and Syria, in addition to its long-standing occupation of one-third of Georgia and the Transnistria region of Moldova. There has been a steady evolution of escalating pressure on neighboring countries and growing confidence and assertiveness on the part of Russia.

Historic economic, political, and cultural ties between Russia and E&E countries provide important context, and remain significant. Trade, remittances, and investment links with Russia are particularly significant in the neighboring countries of Belarus, Armenia, Georgia, Moldova, and Ukraine. USAID’s efforts have supported the reorientation of these economies away from Russia and toward the West and globally. A key part of this process has been helping Ukraine, Moldova, and Georgia make progress on their EU Association Agreements and Deep and Comprehensive Free Trade Areas. Similarly, USAID is promoting harmonization with and access to EU markets in the Western Balkans; part of that effort involves strengthening interregional and international trade and value chains.

Russia maintains considerable leverage on the region’s energy security and has repeatedly demonstrated its willingness to use trade as a weapon, to punish or pressure countries whose governments choose paths that Putin does not like. Imported Russian energy constitutes more than 100 percent of energy consumed in Belarus (some energy imported is processed and exported back to Russia), more than 60 percent of energy consumed in Armenia, 40 percent in Moldova, and close to 20 percent in Serbia, Ukraine, and Bosnia & Herzegovina. More than 50 percent of natural gas imports in Belarus, Serbia, Macedonia, Armenia, and Moldova come from Russia. Ukraine remains highly dependent as well, with 37 percent of Ukraine’s gas imports originating from Russia in 2015. Russia also continues to increase its strategic investment in key energy sectors in the Balkans, particularly in Serbia and Bosnia & Herzegovina. USAID programs promote energy efficiency and diversification, the latter through both diversifying sources of energy imports as well as in the production and use of renewable resources. USAID collaborates closely with the European Commission and other donors to support the Athens Energy Community in developing regional electricity and gas markets integrated with those in Western Europe.

Russia’s capacity to wage information warfare, to exert “soft power” through the creation and spread of disinformation and propaganda, has also developed rapidly in recent years. The target audiences are both internal to Russia (where independent media has been effectively eliminated or co-opted) and external to Russia. The tools include traditional media and traditional forms of Russian propaganda, as

well as more sophisticated online communication and social media efforts designed to spread disinformation and/or counter the facts. Within Russia, both state-run channels (First Channel, Rossiya) and nominally private channels (NTV) dominate the information space. Outside Russia, a number of outlets (RTR Planeta, Sputnik International, RT, Life.ru, and others) aggressively represent the Government of Russia's interests and perspective.

Russia's growing soft power capacity and focus has emerged alongside highly vulnerable media sectors in E&E. Different measures of the media sectors, including the business management capacity, the professionalism of journalism, and the plurality of news sources, highlight significant weaknesses in E&E, particularly within Serbia, Bosnia & Herzegovina, Montenegro, Macedonia, and Moldova, where a considerable proportion of the population is predisposed to Russia's message.

Russia has also, unfortunately, led regionally and globally in the restriction, regulation, and defamation of non-governmental organizations. Regularly branding independent civil society organizations (CSOs) as a 'fifth column' representing foreign interests, Russia has enacted a number of laws to restrict CSO activities. From the 'foreign agents' registration act to the more recent undesirable foreign organizations legislation, Russia has not only harassed and stifled CSOs domestically, it has created models and approaches that other countries in the region (and around the globe) have adapted and adopted. These attacks on CSOs are particularly problematic to USAID's work which often involves partnering with such CSOs. For example, Russia and its partner organizations have sought to sow public distrust in civic organizations by casting peaceful protests and pro-democracy civic actions in Ukraine, Moldova, Armenia, and Macedonia as conspiracies aimed at the violent overthrow of these governments.

USAID supports the development of independent media and civil society in many E&E countries, focused in part on countering Russia's soft power. Media programs in Georgia, Ukraine, Armenia, Moldova, Belarus, and Macedonia support strengthening different aspects of a healthy media environment, including the legal and regulatory framework, media literacy, professional skills training, digital media application, and building media advocate networks. USAID also supports a regional investigative journalism network, whose goal is to generate increased citizen demand for change through the production of high-quality, fact-based, cross-border investigative journalism.

Russia's more proactive and assertive malign policy threatens to undermine the development gains in the E&E region; unwavering Russian pressure creates a more difficult operating environment and a complex set of challenges for forward progress. While intensified focus will be required in the 'front line states' of Ukraine, Moldova, Georgia, and Armenia, the new, higher levels of difficulty are truly region-wide. Renewed attention, effort, and resources will be necessary not only in the former Soviet states, but also in the Balkans. Addressing these new challenges will require engagement and presence, focus, and greater levels of effort to build strong democratic institutions and processes, support more fully developed and diversified market economies, and to bolster energy independence.

SUPPORTING DOCUMENT: BUREAU FOR EUROPE AND EURASIA EUROPE REDEFINED

Europe today is dramatically changed from three years ago and we expect the landscape to continue to shift. A still weakened European economy, changing demographics, new stressors including the migrant crises, and the hardening of stances (including increasing support for right-wing political parties) present a development context that requires a bolder USAID presence across Europe and Eurasia, increased development resources and adaptability, and creative engagement.

In response to these challenges and crises, support for populist and nationalist parties, with anti-European Union (EU) and anti-immigrant rhetoric, has increased across Europe. The EU is increasingly focusing its political and economic resources on resolving these internal challenges which now includes the fallout from Brexit and related external challenges rather than focusing on its immediate neighborhood and providing incentives for democratization and economic reform for aspiring member states. This also provides space and opportunity for greater Russian encroachment and increasing the potential for closed spaces, corruption and democratic backsliding.

The economic crisis within the EU spurred a demographic shift across the continent, with citizens of new member states migrating to the North and West in record numbers. While governments expected migration, the numbers that moved from East to West far outnumbered expectations. The United Kingdom (UK), for example, expected 15,000 migrants per year from Eastern Europe, but a million and a half came instead. New member states make up three of the top ten countries of origins for immigrants moving to the UK. Polish immigrants are the largest source of immigration (Romania and Lithuania ranked as the 6th and 7th biggest source of immigration to UK in 2013). While the issue of intra-EU migration has sparked anxiety over social welfare benefits, immigration from the Middle East and North Africa has sparked a larger and more divisive debate occurring as Europe's economy has stagnated.

In 2015, over 1.25 million first time asylum seekers applied for protection in the EU. Germany received the highest amount (441,800 or 35 percent), followed by Hungary (174,000 or 13.9 percent). However, looking at number of applicants relative to the population, Hungary (17,699 applicants per million inhabitants), Sweden (16,016) and Austria (9,970) rank highest. Due to the influx in migration, EU and member states such as Sweden have reoriented their budgets to respond to the crisis. The Swedish development agency is expected to cut 30 percent (13 billion SEK) of its Official Development Assistance budget (43 billion SEK) to cover the costs of absorbing refugees. This has led to a 5.3 percent cut to its assistance to Eastern Europe. In USAID – assisted countries in the Western Balkans, the sheer size and intensity of the refugee crisis places another layer of vulnerability, given their limited capacity and inadequate infrastructure to meet these new stressors.

To address the root causes of the migration crisis, The EU created the Emergency Trust Fund for Africa to support the most fragile and affected African countries. The money pulls from a variety of mechanisms including the European Neighbourhood Instrument (which covers all of Eurasia, Moldova, Ukraine, and Russia among others) and from direct contributions from members states.

In 2016, British citizens voted to leave the EU. While the long-term consequences remain unclear, the short-term impact of the referendum led to a 10 percent drop in the British Pound. UK's foreign assistance is tied to GDP, which currently is a commitment to spend 0.7 percent of its GNI on aid (which could potentially change if the UK economy further declines). Thus the drop in the value of the British pound could potentially wipe 1 billion off of the UK's nearly 12 billion annual aid budget. While UK is currently the second largest bilateral donor in the world, the selection of Priti Patel to Secretary of State

for International Development has prompted anxiety. In 2013, Patel said consideration should be given to replacing DFID with the Department for International Trade and Development to enable the UK to focus on trade with the developing world. Furthermore, Britain is currently a major contributor to the EU budget, as the second largest net contributor to the EU budget of which £1 billion goes to EU international aid budget. UK's departure from the EU will lead to a decrease in revenue for the EU and likely impact the EU's assistance budget.

Anti-migrant sentiment has increased in Central Europe with worries the wave of migrants will overwhelm their fragile economies and weaken national cultures. A general decline in EU favorability emerged alongside concerns that Europeans have little voice in the EU decision making processes. This is arguably reflected in the rise of nationalist parties with anti-EU leanings, which are currently seated in each parliament in the region. In particular, Poland and Hungary's current administrations have made alarming moves to gain political control over key institutions such as media and the judiciary while muting checks and balances in government power.

The challenges facing the EU may affect aspiring member states as well. Growing frustrations over the economy, austerity and economic restructuring required by the EU and the IMF left many Serbians wary of the EU accession process. In Serbia's 2016 elections, the anti-EU, nationalist and pro-Russian Radical Party returned to parliament with 8 percent of the vote. While the pro-EU Serbian Progress party secured 48 percent of the vote, critics have questioned the party's commitment to European values; the economy continues to struggle and has contracted 0.6 percent from 2009 to 2015. Brexit may also further decrease the appeal of joining the EU. Despite the current government's goal, a recent poll found almost 72 percent of Serbs oppose joining the EU and NATO.

The EU negotiated a deal with Turkey, in which Turkey agreed to house migrants fleeing conflicts and accept those sent back from Greece. In exchange, the EU will pay Turkey to help care for the refugees, speed up the approval of visa-free travel to Europe for Turkish citizens, and revive stalled negotiations over Turkey's accession to the EU. Since the July coup attempt and the Turkish government's counter-reaction, however, EU-Turkey relations have deteriorated. The EU has demanded changes to Turkey's anti-terrorism legislation, before it loosens visa rules.

These additional stressors result in a more significantly difficult environment for our development programming and render transitions to fully functioning democracies and resilient economies a much tougher goal. Russia casts a long shadow in our region and historic tensions internally and among Balkan countries are becoming more evident. The dramatic shifts, even in graduate USAID countries in the region with regards to the rise of far right wing parties, weakened economies, or less space for civil society and independent media, are cause for concern. These trends do not provide a hopeful backdrop for the USAID presence countries. Any vacuum in leadership or weakened engagement by the EU and the US becomes an opportunity for malign influences and external pressure. The United States is losing an important ally in the EU, with the recent Brexit vote. The migrant crisis sweeping Europe leaves the Balkans vulnerable, given its zero infrastructure and limited institutional capacities.

When the Berlin wall fell just over two decades ago, significant resources were subsequently appropriated by Congress specifically towards the transition of Eastern Europe and Western Balkans. USAID has graduated 11 countries from development assistance. Clearly, the remaining countries' democratic and market-based transition – in order to be complete and sustainable, especially given a redefined Europe – is longer-term development endeavor that requires more resources and heightened engagement.

SUPPORTING DOCUMENT: BUREAU FOR EUROPE AND EURASIA
INCOMPLETE TRANSITIONS AND REFORM CHALLENGES IN DEMOCRACY AND ECONOMIC GROWTH

After two decades of progress and consolidation, the transition from communism to market-oriented democracies in the Europe and Eurasia (E&E) region has recently seen backsliding in democratic performance and stagnation in economic reforms. With the European Union (EU) in crisis internally, Russia actively expanding the scope of its malign influence, and conflicts in the Middle East fueling regional and global instability, the consequences of stalled reform in E&E are magnified. Underlying USAID's holistic approach to addressing these challenges is the recognition that gains in democratic and economic reforms are mutually reinforcing, and that better governance (in both the private and public sectors) and anti-corruption efforts are vital to facilitating the transition to stable market-oriented democracies.

Following the collapse of communism, economic and democratic reform progress was substantial, with most former communist countries experiencing early gains. Eleven Central and Eastern Europe (CEE) countries "graduated" from USAID's foreign assistance program as they joined the EU. CEE countries benefited from their proximity to Western Europe and the prospect of joining the EU served as a substantial reform incentive. Recently, however, CEE countries are experiencing significant erosion to democratic reforms, most notably in Hungary, after joining the EU. In the former Soviet Union early democratic reforms were short lived and democratic backsliding was rampant by the mid and late 1990s. The Balkan sub-region initially experienced significant progress, however, the global financial crisis slowed economic progress and democratic reforms have regressed, most notably in Macedonia and Bosnia & Herzegovina.

E&E - assisted countries present the most acute and intractable transition challenges. Governance and institutional capacities are weak; corruption is pervasive and corrosive. Most of these countries have very small economies that struggle to compete globally, are unable to even retain much of the work force as populations shrink due to migration, and competitiveness suffers due to significant brain drain. Some economies—Ukraine, Moldova, Georgia, Bosnia & Herzegovina, and Serbia—are still not back to their 1989 GDP levels, due to substantial and protracted transition depressions in the 1990s and insufficient economic growth since. The first year of economic growth after the collapse of communism in Ukraine and Moldova was not until 2000. From 2008 to 2015, Ukraine's economy contracted annually on average by 4 percent; in only one year, 2011, did Ukraine's economy expand during that time period.

Unemployment rates in the Balkans as well as in Georgia and Armenia are extraordinarily high and protracted, generating additional out migration. In most of these countries, female unemployment rates are higher than male unemployment rates and significantly higher in Serbia and Kosovo. Labor force participation rates (the employed and unemployed as a percentage of the working age population) among women in the Balkans (and Moldova) are extraordinarily low, averaging less than 40 percent in the region, and representing in economic terms a substantial loss of economic capacity undermining economic development. Youth unemployment rates are staggering, ranging from 45 to 60 percent in Montenegro, Croatia, Serbia, Macedonia, Bosnia-Herzegovina, and Kosovo.

USAID assistance over more than two decades helped establish the foundations for democratic governance and market-oriented economies throughout the region. However, the most difficult transition reforms remain: financial and energy sectors reforms and policies to improve corporate governance and public governance and judicial reforms need to be legislated and implemented to

continue the transition process. Implementing successful anti-corruption efforts help create an environment where reform gains can both be achieved and sustained.

In the energy sector, USAID is working to develop regional electricity and gas markets integrated with those in Western Europe, making them less dependent on Russia, more efficient and cost effective. In the financial sector, USAID provides technical assistance to central banks, regulators, and non-bank financial institutions to enhance transparency and lessen vulnerability to destabilizing influences. To improve economic competitiveness and reduce unemployment levels, USAID prioritizes assisting SMEs in gaining access to finance, improving the business environment, and expanding cross-border, intra-regional trade. USAID's democracy portfolio is comprehensive and broad-based in countries with relatively free and open political environments. This entails supporting a broad range of efforts focused on developing civil society, independent media, national and local public governance, and judicial reform. In Azerbaijan and Belarus, where the political environment is highly restricted, USAID's strategy has been oriented towards defending fundamental freedoms and human rights. Unfortunately, the scale and scope of democracy and governance programs have been substantially and rapidly reduced in recent years due to a decrease in the availability of funds.

In this challenging context, progress is nevertheless evident as a result of USAID assistance in key sectors and reform dimensions. Georgia continues to make broad-based economic and democratic reform gains, with notable success in its anti-corruption efforts and in improving governance more broadly. Georgia and Macedonia rank in the top 25 countries globally in business environment reforms, with Armenia not far behind. Ukraine, USAID's highest priority in E&E, has made significant and broad-based economic and democratic reform gains since the 2014 Euromaidan revolution – though a counter-reform undertow persists. Ukraine's civil society is on par with countries that have graduated from foreign assistance. Civil societies throughout E&E continue to develop and play key roles holding governments accountable. Finally, progress is also evident in energy security, facilitated in part by advances in energy sector reforms promoted by USAID, as displayed in gains in overall energy efficiency across the region (most notably in Armenia and Georgia) and a reduction in dependency on imported energy and in some cases (particularly in Ukraine and Moldova), a reduction in the dependency on imported energy from Russia.

**SUPPORTING DOCUMENT: BUREAU FOR EUROPE AND EURASIA
U.S. ENTERPRISE FUNDS & LEGACY FOUNDATIONS**

ENTERPRISE FUNDS

Enterprise Funds Snapshot		
Countries/ Regions	Incorporation Year	USAID Obligated
Russia	1995	\$329 m
Poland	1990	\$255 m
Ukraine, Moldova & Belarus	1994	\$150 m
Central Asia	1994	\$106 m
Hungary	1990	\$ 73 m
Czech & Slovak Rep.	1991	\$ 65 m
Romania	1994	\$ 61 m
Bulgaria	1991	\$ 58 m
Baltics	1994	\$ 50 m
Albania	1995	\$ 30 m
Total		\$1,177 m

With the fall of the Berlin Wall in 1989 and the collapse of the Soviet Union on December 25, 1991, 29 countries in the former Eastern Bloc began the transition from centrally planned to market-based economies. Realizing that these new states lacked the capacity necessary to successfully undertake this historic transition, the U.S. Congress authorized \$1.177 billion to finance, through grants from USAID, ten “enterprise funds” to provide investment capital in 19 of those countries in Central and Eastern Europe and the Former Soviet Union.

The enterprise funds were incorporated in Delaware as non-profit organizations, and each received a grant from USAID. These grants were authorized by law, which also provided relative autonomy compared to traditional USAID grants. Each fund was an independent, autonomous organization governed by a board of directors identified by USAID with the advice of the White House.

Enterprise funds typically pursued a “double bottom line:” i) contributing to market-oriented economic development; and ii) achieving financial profitability to demonstrate to others that it is possible to invest profitably and transparently in transitional environments. In addition to making direct equity investments and loans to a wide range of private enterprises, the enterprise funds introduced new financial products into the region, such as home mortgage lending, mortgage securitization, credit cards, mezzanine financing, equipment leasing, and investment banking. They also were authorized to make grants and to provide technical assistance. The enterprise funds were created before traditional venture capital funds were willing to invest in these countries. Their effectiveness ultimately depended on the economic and political conditions on the ground, as well as the overall investment strategy and specific investment decisions made by each Fund’s Board and management team, and thus varied from country to country. In the early years of operations, the financial performance of certain funds was less than anticipated; however, as the funds gained experience, the later financial results have been significant in many cases.

TRANSITION TO ENTERPRISE LEGACY FOUNDATIONS

Most E&E enterprise funds have now reached the point in their life cycle where they have ceased making new investments and have either completely exited their investment portfolio or are in the process of doing so. Five funds have legally dissolved, while others are in the process of close out. The proceeds of their investments, which in some cases significantly exceeded the amount of the original USAID grant, were generally divided to repay the US Treasury \$225.5 million and to form and endow legacy foundations with Congressional concurrence. As of mid-2016, several of the foundations are

spending down their endowments, while some are now organized as perpetual endowments with \$1.3 billion to continue to support private sector development objectives.

LOOKING FORWARD

E&E has commissioned an impact evaluation of these funds and foundations. The results of this evaluation will be available in 2017.

The legacy foundations the USG established in the region continue to have the potential to advance development projects and economic growth in their countries over the long-term. Several foundations now have perpetual endowments. However, they are largely autonomous, meaning that USAID is best positioned when it engages them as partners and not grantees. In E&E's June 2016 roundtable with seven of the nine legacy foundations, each expressed dedication to their domestic programs and an openness to new programming to address growing development challenges affecting the region. Members of the U.S. Senate, including Senator Shaheen and Senator Wicker, have also expressed an interest in establishing a new enterprise fund for Bosnia and Herzegovina. Going forward, USAID has a unique opportunity to amplify our efforts by working with the remaining enterprise funds and foundations.

Legacy Foundations – Areas of Operation and Approximate Endowments

Endowment figures are subject to change pending update from foundation boards.



Legend

AAAF: Albanian-American Development Foundation

BAFF: Baltic-American Freedom Foundation

HAESF: Hungarian-American Enterprise Scholarship Fund

RAF: Romanian-American Foundation

TUSRF: The U.S. Russia Investment Fund

USRF: U.S.-Russia Foundation for Economic Advancement and the Rule of Law

WNISEF: Western NIS Enterprise Fund

ABF: America for Bulgaria Foundation

CAEF: U.S.-Central Asian Education Foundation

PAFF: Polish-American Freedom Foundation

SAF: Slovak-American Foundation

SUPPORTING DOCUMENT: BUREAU FOR EUROPE AND EURASIA CONFRONTING THE CANCER OF CORRUPTION

The United Nations Office on Drugs and Crime estimates that corruption, bribery, theft, and tax evasion cost developing countries approximately \$1.25 trillion each year. Beyond these numerical costs, the U.S. government defines the fight against corruption as a national security priority given the manner by which corruption weakens governing institutions, alienates societies, contributes to political instability, and in some instances, contributes to radicalizing disaffected populations.

Across Europe and Eurasia, corruption is a persistent drag on inclusive economic growth and consolidated democratic governance. In 2015, Transparency International's Corruption Perception Index ranked E&E countries among the world's most corrupt. Ukraine, the worst performer in the region, was ranked 130th of 168 countries, followed by Azerbaijan (119th) and Belarus (107th). The best performer in the E&E region, Georgia, was number 48. In recent years, corruption in E&E has taken on a new sense of urgency, as Russia directly intervenes economically and politically to suborn other nations by exploiting or even encouraging corrupt practices.

Most of the E&E countries that graduated from USAID assistance over the last 15 years significantly strengthened control of corruption and thereby improved their business environments. Estonia is the leader in this, closely followed by Lithuania, Latvia, and Croatia. Most recently, this group of least corrupt former communist countries has been joined by Georgia. This happened due to the government's commitment to fight petty corruption and reform in its police force. Yet the region is also home to some of the most corrupt regimes in the world. Ukraine, Moldova, Azerbaijan and Russia all saw corruption worsen in recent years. In Ukraine, plummeting vaccination rates caused by inefficiency, corruption and malfeasance in the health system resulted in two outbreaks of polio, and threatens to allow the return of other controllable diseases. Russia and Azerbaijan have evolved into kleptocracies. Moldova and Ukraine are nascent democracies, albeit places where ruling elites have captured the bulk of the economy through illicit transactions that circumvent the law. In the Balkans, growth of small and medium enterprises is impeded by the unwillingness of entrepreneurs to exit the gray economy and abide by relevant laws and pay taxes. Oligarchic interests impede the speed, depth and implementation of reforms and increase these countries' vulnerability to Russian pressure.

The Organized Crime and Corruption Network, a USAID-supported network of investigative journalism centers and reporters who expose corruption, recently partnered in the release of the "Panama Papers." This project shed light on the illicit financial networks used by politicians, business elites, and organized crime. These illicit networks also divert significant resources from the E&E economies, markets and government budgets.

USAID's anti-corruption efforts include working with government partners to enhance their capacity to reduce corruption by increasing the transparency and accountability of government institutions. Eight E&E countries are active in the Open Government Partnership and have committed to make their governments more transparent, though the extent and depth of this involvement varies from country to country. USAID has supported host governments' commitments to transparency through assistance to develop transparent, unified inspections regimes, introduce transparency and consistency to construction permitting and other administrative services, and help energy networks monitor energy use and billing. Yet imbedded patronage systems formed over decades of Soviet and communist rule have not been easy to dismantle. Government employment is often viewed as a rent-seeking

opportunity. Though the practice has abated, judicial candidates in Ukraine could purchase a judgeship for \$250,000 and use it as conduit to illicit income.

In Ukraine, the fight against corruption is front and center in post-Maidan reform efforts, and in current U.S. assistance. Alongside legislative changes, new institutions took up the mantle of anti-corruption (National Agency for Prevention of Corruption, National Anti-Corruption Bureau, Special Anti-Corruption Prosecutor). The international community, along with Ukrainian civil society, plays a key role in these governance reforms, and continues to apply significant pressure on the government of Petro Poroshenko to move forward on its anti-corruption reform agenda. The International Monetary Fund (IMF), in collaboration with USAID, through its ongoing program and loan guarantees respectively, used diplomacy and negotiation to set conditions for electronic asset disclosure and creation of the Inspector General office under the Prosecutor General Office. USAID has provided an e-governance advisor to the Ukrainian government to assist in passage of Ukraine's e-procurement law and transition to a public procurement system. Ukraine's successful implementation of Prozorro, a full-service electronic public procurement system, has saved an estimated \$120 million since its launch in February 2015 by increasing competition and reducing corruption. The government estimates that savings could increase to \$2 billion in 2017.

However, the implementation of these laws has been slow and selective, and the abuse of government power and pervasive corruption still exists. Reform of the judiciary, police, and prosecutors is needed to fight corruption effectively. Similar reforms in customs, the health sector, and the energy sector are just as critical.

Anticorruption efforts are substantially strengthened when a vibrant civil society has the rights, capacity and tools to hold governments, business and citizens to account. In E&E region, citizen watchdog and free media proved pivotal in bringing transparency and government accountability into mainstream political dialogue. This has, however, provoked a backlash in the form of legislation restricting the work of civil society organizations and independent media outlets in countries in which citizen action threatened the status quo for autocratic regimes, including Russia, Azerbaijan and Belarus. In September 2013, USAID joined with colleagues across the USG to push back against these emerging restrictions and dangerous trends through President Obama's Stand with Civil Society agenda. Under this clarion call, a broad U.S. effort seeks to improve the policy environment for civil society organization, increase diplomatic pressure against restrictive laws, and develop innovative ways to support civil society under duress. Vibrant civil society, independent media, strong democratic institutions, and transparent governance will ultimately make the eradication of corruption in Europe and Eurasia possible.

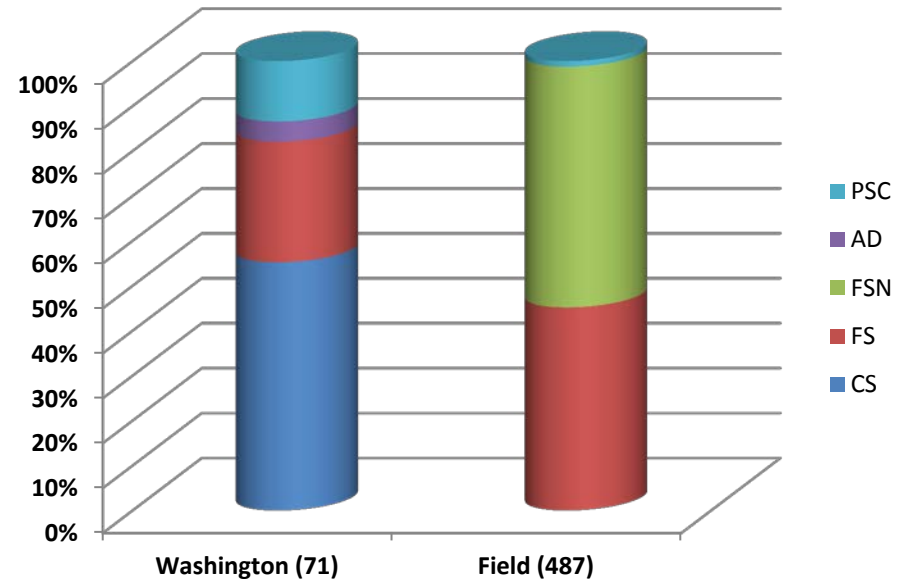
PRESENCE



BUREAU PROFILE: BUREAU FOR LATIN AMERICAN AND THE CARIBBEAN

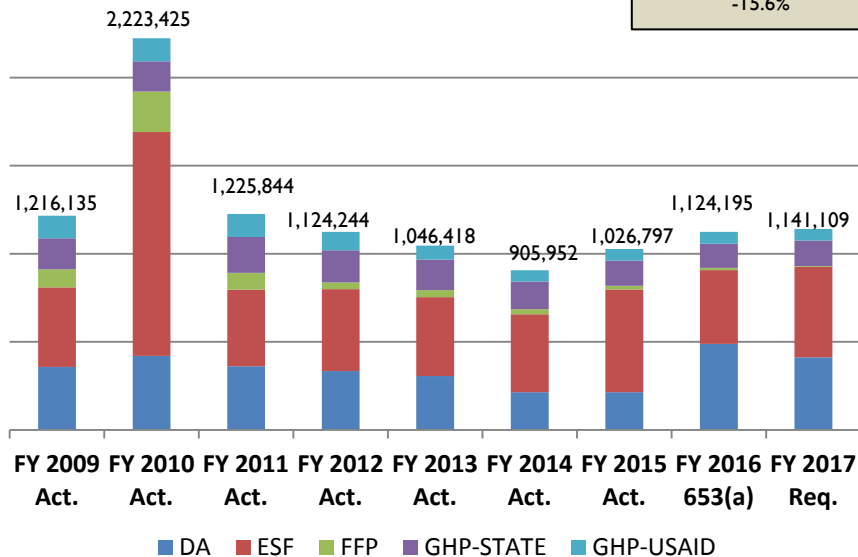
STAFFING

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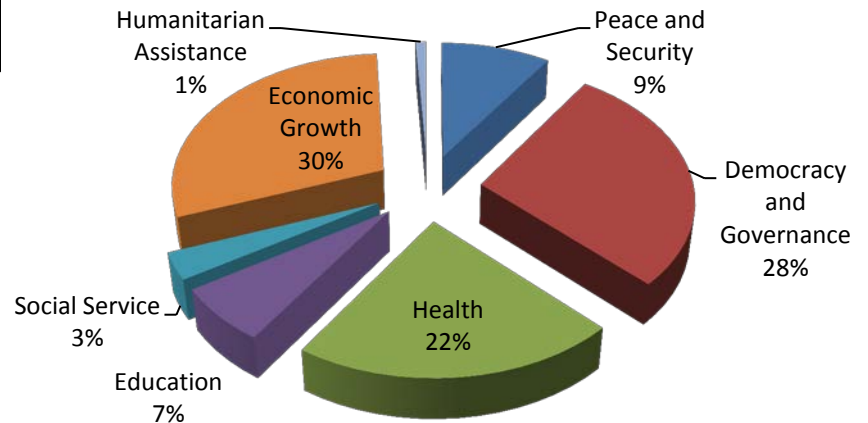
BUDGET: FY 2009 – FY 2017

Percent Change
FY 2009 - FY 2015
-15.6%



Data in Thousands

BUDGET: FY 2015 BY SECTOR



- Increased FY 2015, 2016, and 2017 levels reflect additional funds for the U.S. Strategy for Engagement in Central America.
- The FY 2017 request also includes increases for the President's Peace Colombia initiative.
- Program funding increases require a corresponding ramp up in staff to design, award, and manage new programs.
- Most of the security initiative funding (CARSI, CBSI, Merida) is programmed through the Democracy and Governance sector.

BUREAU BRIEF: LATIN AMERICA AND THE CARIBBEAN

INTRODUCTION

Peaceful, stable, democratic societies in Latin America and Caribbean (LAC) make for good trading partners and strong allies, helping the United States to be more prosperous and secure. U.S. foreign assistance has been critical to the great strides made in the region. There continue to be tremendous opportunities in the region, but significant challenges remain. LAC countries continue to have some of the highest rates of income inequality in the world and economic growth has slowed in recent years. Crime and violence pose huge challenges. Despite democratic progress, some countries are witnessing troubling backsliding. Opportunities in the region include capitalizing on political momentum in the Central America to stem the flow of immigration, supporting a durable peace in Colombia, preventing human suffering in Venezuela, supporting broad-based economic growth, and strengthening democracy throughout the region.

LOOKING BACK

Central America: The unaccompanied children migration crisis in the United States in 2014, and the associated development challenges, resulted in a refocusing of USG efforts including the appropriation of significant new resources for interagency programs in the region. USAID has made significant progress partnering with the governments of Honduras, Guatemala, and El Salvador to address development challenges, including modernizing their approach to crime and violence across the Northern Triangle. Whereas heavy-handed law enforcement approaches predominated in the region a few years ago, through Agency efforts, all three governments have codified national crime prevention strategies incorporating international best practices. The USG has also shifted host government development priorities to make them more sustainable and inclusive of neglected regions and populations.

Peace in Colombia: Begun in 2000, when Colombia was plagued by active civil conflict, corruption scandals, and widespread drug cultivation, Plan Colombia was developed by the United States and the Government of Colombia to help eradicate the drug trade and bring peace and prosperity. USAID provided victim's assistance to ensure access to justice and reconciliation, strengthened institutions to promote democracy and human rights, and supported trade and investment networks to help grow and strengthen the rural economy. Thanks to years of committed work and strategic patience, the Government of Colombia and the Revolutionary Armed Forces of Colombia (FARC) have agreed to work toward a future of peace.

Strengthened Host Country Partnership: USAID empowers countries to assume responsibility for their own development and grow beyond the need for international assistance. By working directly with governments and non-governmental partners, USAID builds local capacity, fosters ownership, and promotes sustainability. For example, based on the success of USAID programs, we have strategically narrowed sectors in which we engage in certain countries, such as health in Paraguay, and have closed missions altogether, such as in Panama and Costa Rica. USAID has also forged partnerships with emerging donors, such as Chile and Brazil, within the region to advance development priorities.

LOOKING FORWARD

Northern Triangle: In 2015, the USG launched the Strategy for Engagement in Central America. The Strategy outlines interdependent prosperity, governance, and security efforts designed to address the root causes of migration. Building on the momentum of close collaboration between the governments of Central America and the USG, USAID will continue to address the underlying development challenges that have led to poor governance, low levels of equitable economic growth, and the highest crime rates

in the world - all of which have contributed to the surge in migration from the region to the United States. Within the USG, USAID and State are successfully collaborating and co-leading daily management of the Strategy and engaging the wider interagency where appropriate. The problems are difficult, but solvable, particularly given the political will in the region and in the U.S. Congress for a sustained, long-term focus on the region. As with any new initiative, a challenge has been staffing up and designing new programs to absorb the increase in resources in recent fiscal years. Moving forward, it will be imperative to continue to engage Congress, given the high level of interest and significant funding that has been appropriated for the region.

Closing Spaces: The LAC region has the largest number of “closing spaces” in the world – countries where governments generally are duly elected and populist, but ultimately prove to be anti-democratic and restrict freedom of association and expression. USAID will continue to engage where appropriate in these politically restrictive environments. In Venezuela, for example, USAID is considering programming beyond its current democracy and governance portfolio; additional efforts would seek to mitigate the effects of a large-scale political and humanitarian crisis. In other closing spaces, such as Ecuador, Nicaragua, and potentially Bolivia, the Agency’s mission must focus on promoting resilient, democratic societies. In Cuba, USAID will continue to coordinate closely with the Department of State on democracy programming and humanitarian assistance, while also seeking opportunities to expand its engagement with the Cuban people in other areas of the Agency's typical development expertise.

Peace Colombia: Sustained U.S. engagement will be critical to the implementation of peace in Colombia. Peace Colombia, a collection of programs already in progress or planned to begin now that peace accords have been signed, was launched by the USG in February 2016. While the Colombian people in a referendum on October 2 voted “no” on the September 26, 2016, peace accord, the result is not a rejection of peace; it is more indicative of a deeply divided nation. In consultation with the Government of Colombia, USAID will expand upon current programming to help Colombian government institutions to establish a stronger presence in former conflict zones, seek post-conflict reconciliation and justice, promote inclusive rural economic growth, and manage the country’s vast natural resources.

Sustainable Broad-based Economic Growth: Although the LAC region experienced positive growth during the first decade of the 2000s, growth rates have turned negative; the region is also marked by some of the highest income inequality in the world. The World Bank has found that the largest segment of LAC’s population is in what they call the “vulnerable” category: in between poverty and middle class. The region must guard against people slipping into poverty due to shocks from economic downturns, environmental impacts and severe weather events, crime and violence, illness, or other threats. USAID’s economic growth programs create jobs, increase financial security for poor households, and increase rural productivity while promoting inclusion of vulnerable groups.

Encouraging Democracy and Human Rights: Violence and insecurity in the LAC region have eroded citizen confidence in democratic institutions and practices. USAID’s democracy and human rights programs address fundamental democratic issues, including anti-corruption efforts, promotion of press freedoms and the rule of law, and support for civil society. USAID also works with host governments on crime prevention, with a particular emphasis on targeting at-risk youth.

Haiti: In 2018, USAID will launch its first development strategy for Haiti, which will continue efforts to help Haiti grow into a stable and economically viable country. Despite early coordination challenges, USAID has built successful relationships with interagency partners, particularly the State Department’s Office of the Haiti Special Coordinator, to carry out long-term strategic assistance goals.

SUPPORTING DOCUMENT: BUREAU FOR LATIN AMERICA AND THE CARIBBEAN
FOCUS COUNTRIES: NORTHERN TRIANGLE, COLOMBIA, HAITI

This is a crucial time for the Northern Triangle (NT), Colombia, and Haiti, and USAID must continue to present bold solutions to chronic challenges that threaten peace, stability, and growth. In the Northern Triangle, our programs in governance, prosperity, and security will help to address the root causes of the migration that impacts the U.S. In Colombia, we are prepared to expand our integration, victims' assistance, democracy and human rights, and economic growth programs into post-conflict zones once a peace agreement is reached and ratified, helping to ensure a just and sustainable peace. In Haiti, the poorest nation in the Western Hemisphere, our support is crucial to long-term development that puts the country on the path to sustainable prosperity.

Northern Triangle: One of our greatest areas of focus is Central America, particularly the Northern Triangle countries of El Salvador, Guatemala, and Honduras. These countries are plagued by gang violence and transnational crime, deep-seated social and economic inequity, lack of economic opportunity, and high rates of unemployment. In addition, weak government capacity and corruption continue to undermine efforts to improve security and advance prosperity. We see the consequences of this insecurity and lack of opportunity when children and families complete the dangerous journey to the United States.

The unaccompanied children migration crisis, and the development challenges driving it, resulted in a refocusing of USG efforts into the U.S. Strategy for Engagement in Central America (CEN Strategy). The strategy aims to address the immediate and longer-term challenges facing Central America, while encouraging greater Central American government political and financial commitment. The CEN Strategy recognizes systemic weaknesses in the region as a threat to U.S. national security, and calls for the USG and the international community to focus on three pillars: promoting regional prosperity through regional integration, deepening security cooperation to reduce gang violence and the influence of organized crime, and providing technical assistance to promote good governance and fiscal management. U.S. Government support is geared toward promoting Central American ownership of both the challenges and the solutions. The NT Presidents have agreed on the guidelines of a related plan, the Alliance for Prosperity (A4P), which directs the priority measures the governments will undertake to create development conditions that allow citizens to remain in their countries. The A4P represents an important effort to develop a unified, Central American-led plan and is a focal point for multilateral engagement.

The crisis in Central America has seen significant engagement by the Obama White House, particularly Vice President Biden, who has met with the presidents of the NT several times and conducted significant Hill outreach in the last two years to ensure progress toward the goals of the A4P and CEN Strategy. This crisis also has garnered significant interest and engagement from the U.S. Congress, which has appropriated \$750 million in FY 2016 funds for the CEN Strategy and expects to be kept apprised of progress via frequent briefings and hearings. Long-term success in the region requires sustained commitment from the USG, continued political will from the host governments, and ongoing support from the U.S. Congress. This requires significant USAID engagement with the interagency, Capitol Hill, and host governments.

Colombia: Sustained commitment on the part of the United States and host governments can be successful, as we have seen with the notable strides made under Plan Colombia. Begun in 2000, when Colombia was plagued by violence and an active civil conflict, corruption scandals, and widespread drug cultivation, Plan Colombia was a strategy developed by the United States and the Government of Colombia to help eradicate the drug trade and bring peace and prosperity to that country. Thanks to the gains made under this strategy, a result of years of strong bipartisan support from the U.S.

Congress, committed work and strategic patience, the Government of Colombia and the Revolutionary Armed Forces of Colombia (FARC) signed historic peace accords on September 26, 2016, ending the world's longest running civil war. While the Colombian people voted "no" on the peace accord in a referendum on October 2nd, the result is not a rejection of peace. The result is more indicative of a deeply divided nation. Current USAID programs will continue as normal despite the result of the referendum.

The GOC has never had a presence in 40 percent of Colombia's rural areas. In these areas, guerrillas, paramilitaries, and other right-wing or criminal gangs have engaged in illegal activities and have dominated and influenced the communities where they exist. After the signing of the accords, spreading GOC presence into these borderland regions will be an arduous undertaking. The GOC has publicly stated that it will pay ninety percent of the accord's implementation costs (estimated at \$80 billion over ten years); the remaining portion will come from the international community. However, with a slowing Colombian economy and relatively low global oil prices, identifying funding for implementation of the peace accords may prove challenging. Additionally, to date, no GOC "whole-of-government" implementation plan has been publicized. The first six to eighteen months in post-accord Colombia will be critical, and quick wins will lend legitimacy to the peace accords. The U.S. and other donor countries need a thorough understanding of the GOC implementation plan, its strategy, and priorities beforehand to determine how best to apply its resources and expertise.

USAID is currently operating in 40 of Colombia's 58 most conflict-impacted municipalities (out of 1,102 municipalities total in Colombia). Relying on built-in programming flexibility, USAID is prepared to expand into an additional twenty municipalities post-accord, after additional funding is secured.

Haiti: Haiti remains one of the poorest in the world and is ranked 163 out of 188 countries on the UN Human Development index. It has long suffered from high unemployment, political instability, and chronic food insecurity. Haiti is a vulnerable island prone to natural disasters with a fragile infrastructure. Making matters worse, on January 12, 2010, the most powerful earthquake Haiti had seen in 200 years struck near Port-au-Prince, and in October 2016, Hurricane Matthew devastated Haiti's southwest, killing hundreds, displacing thousands, and increasing the risk of cholera throughout the country. For almost three decades, Haiti has been making only fitful progress in its transition from a brutal dictatorship to a more democratic and inclusive society. In uncertain times the Government of Haiti (GOH) has all too often lagged in undertaking difficult but necessary reforms, focusing on political jockeying and all-too-frequent civil unrest, rather than tackling entrenched interests. Haiti faces a current electoral crisis which is a reflection of the degree of dysfunctionality that is accepted as the norm. The upcoming elections are a necessary but insufficient condition for the country to resolve its governance and economic issues.

USAID programs have produced good results in Haiti, for example, improved agricultural production and basic health indicators. However, strengthened Haitian governance and capacity to respond to the needs of its citizens are key to ensuring sustainable progress. Demonstrated political will on the part of Haiti's leaders will be required to achieve the reforms needed for the ultimate success of our strategy.

Strengthening the effectiveness of the state and the economy through greater judicial independence, electoral and political reforms, and improved governance will address the structural issues of inequitable treatment, systemic corruption, and unfair competition. At the same time, increasing citizen voice, transparency, and access to information will increase public demand on the political class, parties, and government for more responsive and accountable governance, more equitable access to justice, fair competition and, ultimately, a reduction in corruption.

SUPPORTING DOCUMENT: BUREAU FOR LATIN AMERICA AND THE CARIBBEAN SUSTAINABLE, BROAD-BASED ECONOMIC GROWTH

Continued progress in economic growth (creating jobs, increasing financial security for poor households, and increasing rural productivity) is essential to overall progress in LAC. Increased USAID investment in sustainable, broad-based economic growth is critical to achieve lasting development gains. Without progress in areas like creating jobs, getting more money into the hands of poor households, and increasing rural productivity, the LAC region will not be able to tackle some of its biggest challenges nor capture some of its greatest opportunities. USAID will work creatively to find new solutions to longstanding problems and scale up existing solutions to link people and firms to market opportunities. The private sector is fundamental to any discussion of economic development, and the Agency has shown an ability to leverage partnerships with businesses, investors, foundations, and entrepreneurs to increase development impact. Sustainable economic growth is inextricably linked to a strong commitment to transparency, accountability, rule of law, and good governance from countries in the region. The recent political shifts in the region create an opportunity for economic reform, but also create a sense of urgency to find ways to accelerate growth, and have that growth be inclusive.

CHALLENGES AND OPPORTUNITIES

While the LAC region experienced positive growth during the first decade of the 2000s, growth rates have slowed since, and recently turned negative, largely due to weaker commodity prices for key exports and reduced domestic demand and investment in some of the region's larger economies. The region is also marked by some of the highest levels of income inequality in the world. Economic slowdown threatens development gains, including progress on poverty reduction and efforts to reduce the income gap. Improved growth, competitiveness, and productivity in the region must go hand-in-hand with inclusion, or else the further marginalization of large segments of society may lead to greater citizen insecurity. The concept of "inclusive" growth as a key driver of poverty reduction is particularly important in the LAC region. LAC's economic growth programs actively promote inclusion of groups such as rural farmers, women, at-risk youth, indigenous, African-descendants, LGBTI, and persons with disabilities. The World Bank has found that the largest segment of the population in the LAC region is in what they call the "vulnerable" category—that is, in between poverty and middle class. Therefore, the region also needs to guard against people slipping back into poverty due to shocks from economic downturns, environmental impacts and severe weather events, crime and violence, illness, or other threats.

USAID has exciting opportunities to promote sustainable, broad-based economic growth in LAC:

- **Public Financial Management:** USAID helps countries to improve tax administration and public expenditure management. Such improvements can increase transparency and accountability in government finance, thereby reducing corruption. In addition, the ability to raise revenues and effectively manage public resources is vital to sustaining development gains in the region and helping countries invest in their own progress. For example, USAID has helped El Salvador improve tax administration enforcement, reduce discretion and inefficiencies in audits, and make it easier for taxpayers to comply with their obligations, all of which contributed to a 30 percent increase in revenue collection over a three-year period.
- **Trade and Economic Growth:** In an effort to boost competitiveness and growth, USAID supports economic integration within the region, as well as improved linkages with international markets. In Central America, improved coordination among border agencies, such as Customs, Police, and Immigration, will reduce the number of inspections and wait time for border crossings.
- **Financial Sector:** USAID promotes broader access to financial services for underserved populations in the region, including small businesses and rural populations. Tools such as the

Development Credit Authority (e.g., loan guarantee facilities) allow USAID to channel private capital to target populations. For example, USAID recently launched guarantee facilities with three Colombian banks that mobilized up to \$120 million to borrowers in targeted rural regions.

- **Agriculture:** USAID's investments in agriculture create jobs and raise the productivity, quality, and income-earning potential of high-value and staple food crops, boosting the incomes of extremely poor families. For example, beneficiaries of USAID food security programming in Honduras experienced income increases of over 50 percent from 2011-2015.
- **Private Sector Competitiveness:** USAID understands that many development goals will remain out of reach without a vibrant private sector driving growth, investment, and job creation. USAID programs promote an improved business environment and support small and medium-sized businesses so that they can improve their operations and link to markets. Programs going forward in El Salvador, for example, will expand support that USAID has provided over the past five years to more than 10,000 small and medium-sized enterprises, which have generated over \$140 million in domestic sales and exports and created over 20,000 jobs. USAID also has significant programs to build a workforce with market-relevant skills that match private companies' needs, often with a focus on economic opportunities for at-risk youth.

USAID can tailor interventions to assist marginalized or target populations, such as rural farmers, women entrepreneurs, at-risk youth, or indigenous peoples. Complementary environment programs promote sustainability and resilience through efforts such as promoting clean energy technologies, building capacity to decrease the impact that climate change will have on agricultural production, decreasing future climate change impacts, and ensuring the availability of clean water, clean air, timber, and other natural resources.

Economic growth programming offers tremendous opportunities to make progress in critical areas for the region, such as:

- **Central America:** Promoting economic opportunity, job creation, and regional integration will help address a root cause of migration from Central America.
- **Haiti:** Economic growth programming, including agriculture, will be an essential element of USAID's first Country Development Cooperation Strategy for Haiti.
- **Colombia:** The promotion of inclusive rural economic development will be a fundamental component of U.S. engagement in helping Colombia implement and sustain peace.

USAID also has the ability to engage creatively with a variety of partners in advancing economic growth objectives in the region. Leveraging science, technology, innovation, and partnerships can magnify the impact of our development assistance. USAID will marshal the resources, expertise, innovation, and technology of local organizations, host country governments, and the private sector to accelerate the region's development. Host government leadership and resources will be indispensable to achieving development outcomes.

SUPPORTING DOCUMENT: BUREAU FOR LATIN AMERICA AND THE CARIBBEAN DEMOCRACY, RIGHTS, AND GOVERNANCE

Democratic governance in the LAC region has improved markedly in the previous decades, but new threats have recently emerged. Democracy, rights, and governance (collectively referred to as DRG) remain a top priority for USAID programming and USG interests in the region and are usually considered among the top priorities identified in U.S. Embassies' strategic plans.

CHALLENGES AND OPPORTUNITIES

Elections and political processes: Presidential systems predominate in the region and most elections are free and fair, with Haiti and Cuba as notable exceptions. Despite this, illicit actors—particularly organized criminal groups in Central America, Mexico, and Colombia—play an important role in politics by intimidating public officials, funneling money into campaigns, and overwhelming weak political finance regulatory systems. Electoral violence is a major concern in a number of countries throughout the region, including Colombia and Guatemala. USAID works to address these issues by supporting anti-corruption programs, strengthening the justice sector to reduce impunity, and helping governments to run transparent, independent elections commissions. USAID also supports programs to help political parties run their internal matters in a transparent, democratic fashion.

Fundamental freedoms and democratic space threatened: A rising tide of democratic authoritarianism has overtaken several countries in the region, including Venezuela, Nicaragua, and Ecuador, where charismatic leaders have been elected democratically on a wave of populism. Once elected, these leaders have limited fundamental freedoms of expression, association, assembly, and press with legal restrictions and regulatory harassment. Executive overreach is also common, with some presidents effectively controlling all branches of government, abolishing term limits, or limiting local organizations' ability to accept international donor support. From Mexico to the Northern Triangle (the region encompassing El Salvador, Guatemala, and Honduras) to Colombia, illicit actors create an atmosphere of self-censorship and fear by targeting journalists, activists, and private citizens.

On a positive note, high rates of access to mobile and web technologies have made it easier for citizens—especially youth—to engage in public debate and to monitor government performance. Civil society activists are more capable and diverse than ever, providing USAID with effective counterparts to engage citizens to demand more accountable and responsive governance.

There may also be a positive chain reaction among some of the most anti-American, authoritarian governments in the region as Venezuela shifts direction. Venezuela, with its own enormous economic problems and with the opposition gaining a supermajority in the national assembly, is increasingly unable to sustain support for its allies (such as Nicaragua and Cuba) with billions in off-the-books financial aid and diplomatic support, perhaps opening the door to improved bilateral relationships between the U.S. and those countries.

Weak Rule of Law and Persistent Impunity: Many justice systems remain weak and unable to adequately sanction violence, corruption, or other crimes. Security sector institutions, particularly civilian police, lack capacity to maintain order and investigate crimes and are often stymied by low budgets and endemic corruption. In addition, there is pervasive lack of respect for human rights by security sector personnel. Most of the countries in the region, however, have transitioned from inquisitorial to more adversarial justice systems based on the common law system with impartial judges

and/or juries. These systems are designed to help ensure more transparency and faster justice processes. To ensure that these justice systems improve under these new adversarial frameworks, USAID works to promote efficacy, transparency, and efficiency of justice and security sector institutions by training judges, prosecutors, and police; supporting transparent hiring processes in the judiciary and police; and providing assistance in legal reform and equipment needed to make the process more efficient. In Mexico, as part of USAID's rule of programming, we have supported seven key states (Baja California, Chihuahua, Hidalgo, Morelos, Nuevo Leon, Oaxaca, and Puebla) in their adoption of a new criminal code that has reduced pretrial detention rates and case resolution times by 25 percent since 2008.

Crime and Insecurity: Organized criminal networks and gangs jeopardize democratic governance. Citizens' support for democratic institutions decreases as a result of government failure to address crime and corruption and to deliver basic services. USAID is at the vanguard of the new holistic crime and violence prevention programming with significant investments made under the U.S. Strategy for Engagement in Central America, the Merida Initiative in Mexico, and the Caribbean Basin Security Initiative.

Governance: Governance is a cross-cutting element of program design in all sectors as governments struggle to provide basic services such as education, health, and security to their citizens, and hard-fought gains from our locally focused community- or "place-based" crime and violence prevention interventions will not take hold and flourish if they take place in a context of poor governance and high impunity. In collaboration with host country stakeholders, USAID's programs address justice system transitions, security sector (including police) reform, civil society monitoring of public policies and elections, and accountable public financial management.

Transparency and Anti-Corruption: Endemic corruption siphons public funds away from public priorities. Likewise, low levels of tax collection limit the funds available to provide basic services. USAID works to end impunity for corruption and improve transparency within government and with civil society watchdogs. In Paraguay, USAID recently provided technical support for the drafting of a regulatory framework and the development of an online platform for filing freedom of information requests. As of April 2016, over 633 requests had been filed through this system, 78.5 percent of which had received a timely response.

Human rights: Human rights continue to be threatened across the LAC region. Trafficking in persons is also a major problem, particularly in the Northern Triangle, where migrants—including unaccompanied children—are highly vulnerable to being trafficked. USAID's programs work to: create models for services to victims of human rights violations; bolster institutions that protect potential victims of human rights violations; help justice systems to investigate and prosecute human rights abuses; and strengthen civil society to serve as watchdogs.

SUPPORTING DOCUMENT: BUREAU FOR LATIN AMERICA AND THE CARIBBEAN CLOSING SPACES

Despite significant progress toward implementing democratic values and principles in much of LAC, some countries continue to restrict the full democratic participation of their citizens by limiting civil society activities, press and free speech, and political and labor rights. The political space for civil society organizations (CSOs) to operate in some countries is declining. Basic freedoms of expression are under threat as legal and constitutional changes codify government censorship and enable criminal and civil actions against the press and others they perceive as hostile. USAID carries out democracy, human rights, and governance (DRG) and other programs in politically restrictive environments as part of the Agency's and U.S. Government's (USG) overall efforts to promote resilient, democratic societies. As with DRG programming more generally, USAID's activities in politically restrictive environments emphasize sustainable capacity building, hands-on project management, and rigorous monitoring and evaluation.

In 2015, USAID issued guidance on programming in "closed spaces." Recognizing the sensitivity of programming in such countries, the need for greater transparency, and the risks faced by our implementing partners and recipients of our assistance, the guidance established an oversight process for reviewing USAID programs. The guidance defines closed spaces as countries where: the government in the targeted country is politically repressive; the government has explicitly rejected USAID assistance or has such an adverse relationship with the United States that USAID cannot partner with the government on development assistance; and USAID does not have U.S. Direct Hire staff in the country. The LAC region has a number of "closing spaces" including, Cuba, Venezuela, Ecuador, and Bolivia. In countries like Nicaragua, conditions are rapidly deteriorating and democratic space is increasingly threatened.

CHALLENGES

Venezuela: While the government has stopped releasing economic data, shortages of basic goods and medicines remain acute, and businesses continue to face difficulties accessing foreign exchange for needed imports and payments. In 2015, there was a marked increase in government control over news outlets, and CSOs continue to face specific targeted threats. Press freedom continued to suffer setbacks. The government controls access to and the distribution of newsprint, leading to financial challenges for various newspapers. As the government prevented newspapers from purchasing foreign currency, the media was forced to buy newsprint from the only company allowed by the government to import it. Consequently, nearly every newspaper in the country reduced pages and news content in an attempt to conserve paper. USAID consults regularly with Members of Congress on our democracy and governance work in Venezuela. Information about USAID assistance to Venezuela is publicly available and USAID seeks to operate with transparency, while also limiting disclosure of information that could endanger partners and beneficiaries.

Ecuador: Ecuador continues to restrict the full democratic participation of its citizens by limiting civil society activities and exercising control over the press. The political space for CSOs to operate is increasingly restrictive as a series of presidential decrees compel CSOs to report to government entities that in turn have the authority to dissolve a CSO for any reason. The nation's largest teacher's union was recently dissolved by the Ministry of Education for unspecified reasons. Basic freedoms of expression are under threat as legal and constitutional changes are codifying the government's ability to censor the press and sue those with views perceived as hostile. The government intends to redistribute radio and television frequencies in December 2016 through a process that lacks transparency.

Cuba: Despite the new opening between the United States and Cuba, human rights remain a concern. Thousands of Cubans continue to be detained arbitrarily, threatened, harassed, beaten, and arrested for peacefully exercising their fundamental rights. Civil society organizations operate under the constant threat of repression and uncertainty. Meanwhile, the economy faces significant challenges due to a high dependency on foreign food and energy imports exacerbating the lack of the provision of public services and food shortages. Those who speak out against the government face serious repercussions. Along with ongoing attention, legal restrictions, and scrutiny from Congress and stakeholders, other challenges include travel restrictions for USAID staff and no in-country presence, making monitoring and evaluation of programs more difficult. While there is difficulty operating in such a closed society, our partners report that they take precautions to ensure that they do not endanger the recipients of our assistance. Congressional interest of USAID's program in Cuba remains high. USAID staff proactively brief and consult interested members on our programming. Information about USAID assistance to Cuba is publicly available and USAID seeks to operate with transparency, while also limiting disclosure of information that could endanger partners and beneficiaries.

OPPORTUNITIES

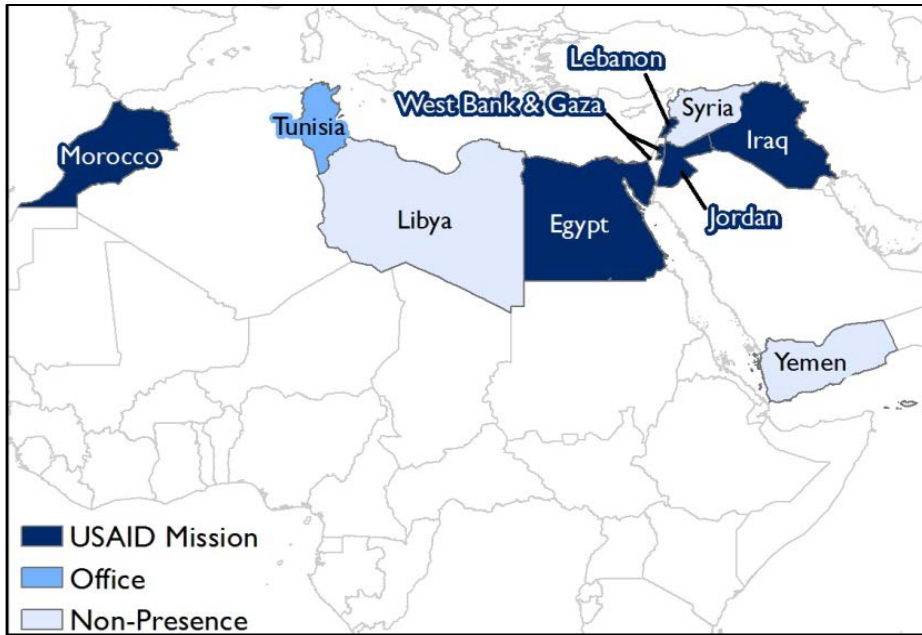
Venezuela: As Venezuela's economic, social and political crisis continues to deteriorate, USAID is committed to maintaining critical democracy and human rights support while staying mindful that programming will need to be flexible to address immediate and longer-term economic, health, and citizen security challenges. USAID will advance constitutionally mandated electoral processes and help strengthen government institutions, such as the National Assembly. USAID will encourage dialogue among all political streams at the grassroots level where there is less polarization and as a means of deterring conflict. LAC is working closely with USAID/DCHA and in consultation with other USG agencies to determine the scope of future engagement in Venezuela.

Ecuador: Since USAID decided to close the USAID/Ecuador Mission in 2014 there have been several signs of improvement. Presidential and National Assembly elections in February 2017 could further this trend, although they should be watched closely. President Correa has decided not to run for re-election, and the leading candidates from his party and the opposition are expected to be more tolerant on human rights issues. The USG relationship with the government overall has improved, and positive inroads have been made with high-ranking government officials. USAID's Office of Foreign Disaster Assistance played a leading role in the international response to Ecuador's April 2016 earthquake, and USAID is contemplating Ecuador's participation in regional programs in addition to adapting and continuing our Democracy, Rights, and Governance work.

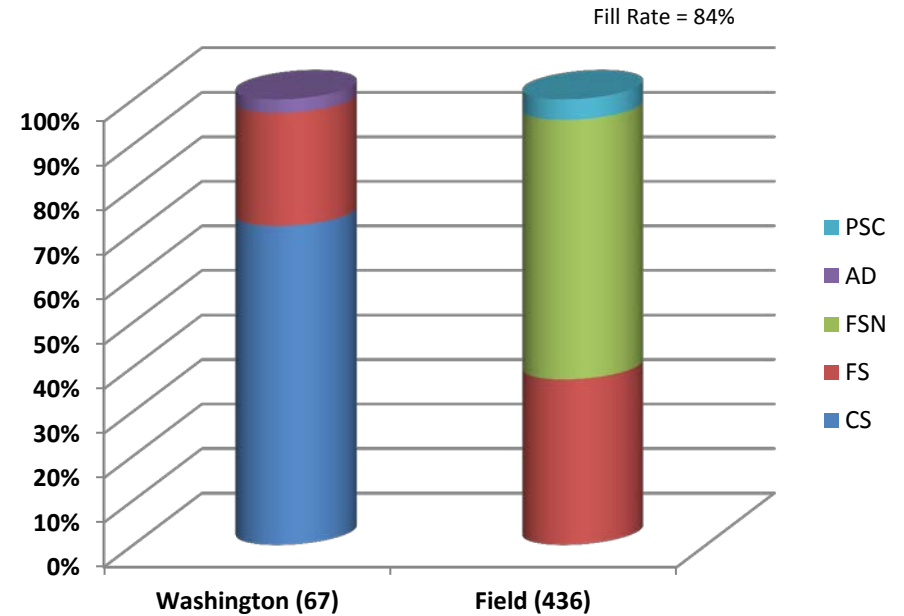
Cuba: USAID continues to look for opportunities to empower the Cuban people and move the island toward greater openness and prosperity. Alongside our humanitarian assistance and democracy programming, the Agency should examine the possibility, consistent with U.S. law, of undertaking long-term development activities, such as health, civil society, environment, agriculture, trilateral activities in third countries, and other areas of opportunity.

BUREAU PROFILE: BUREAU FOR MIDDLE EAST

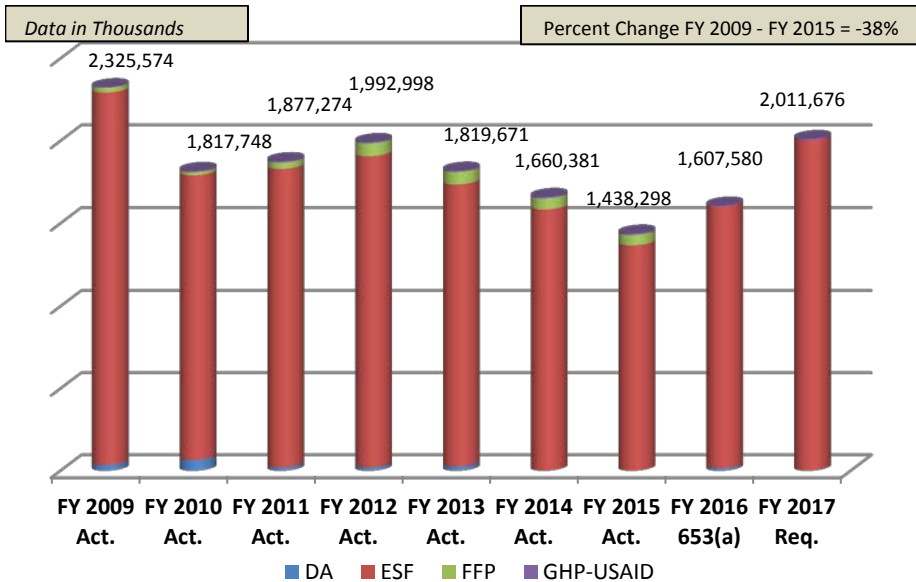
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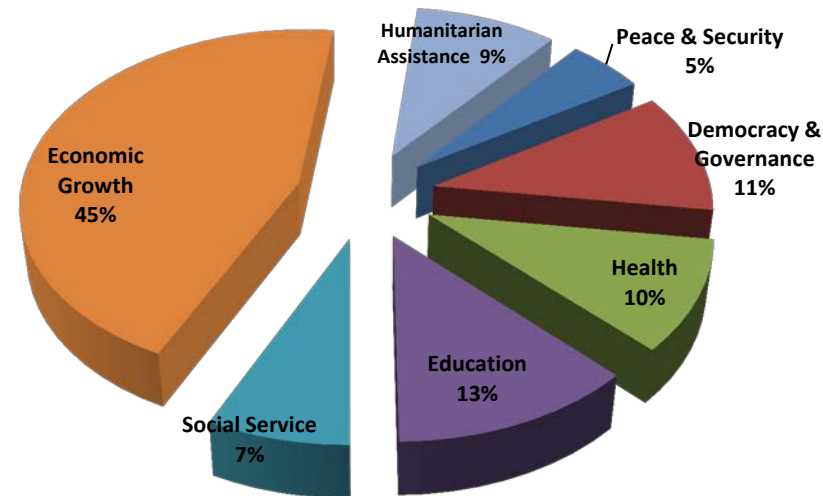


BUDGET: FY 2009 – FY 2017



Funding does not include humanitarian assistance from the International Disaster Assistance (IDA) account, which is managed by DCHA.

BUDGET: FY 2015 BY SECTOR



USAID has an active engagement in the Middle East and North Africa— an area rife with complex challenges. Our priorities in the region include mitigating the human impact of ongoing conflicts, supporting core U.S. national security objectives, and fostering inclusive development and reform as opportunities arise.

BUREAU BRIEF: BUREAU FOR THE MIDDLE EAST

INTRODUCTION

The Middle East region is in its sixth year of turmoil as social compacts break down, but a new order has yet to emerge. The counter-ISIL campaign waged in Iraq and Syria has rendered the challenges more daunting and in some cases deepened the chaos. Together, these trends pose a complex set of interrelated challenges that threaten the region's political, economic, and social development.

Despite growing evidence that the demands and expectations of citizens are more powerful than centralized and exclusive rule, development is not yet viewed broadly as central to the region's decline or its recovery. While the need for macroeconomic stability garners the attention of some leaders, the need for inclusive growth, jobs, and effective services too often fall to the bottom of the list. In some cases, the humanitarian crises borne of political upheaval make development nearly impossible. The Bureau for the Middle East (ME) is therefore faced with the challenge of addressing critical national security challenges, responding to immediate crises in the region, supporting stabilization and transition where possible, maintaining momentum where there are positive trends, and laying the foundation for future engagement. USAID's priorities in the Middle East and North Africa (MENA) fall within three priority areas: supporting core U.S. national security objectives; mitigating the human impact of ongoing conflicts in the region; and fostering inclusive development and reform as opportunities arise.

LOOKING BACK

As the Middle East has evolved during the past several years, so too, has the ME Bureau:

- USAID has reoriented our strategies in Jordan and Lebanon as host communities struggle to manage the refugee influx while maintaining economic and social stability.
- In Iraq, where USAID was on a glide path to closure by December 2015, the rise of ISIL and the Iraqi fiscal crisis demand renewed engagement.
- Since 2011, USAID established three new operating units supporting work in Syria, Tunisia, and Libya, and paused Mission operations in Yemen as a result of the ongoing conflict. Reflecting the importance of [our work in crisis areas](#), USAID was among the last within the USG to evacuate Yemen.
- In Tunisia, USAID commenced programs in 2011 focused on assisting the country to remain stable, consolidate democratic gains, and ensure [enduring economic reform](#).
- To respond to the evolving crisis in Syria, USAID established platforms in Jordan and Turkey, through which we work to restore essential services, [improve governance capacity](#), and support livelihoods.
- Since 2011, USAID has worked in a constrained environment in Libya focused on stabilization and transition. Following the increase in conflict in that country, the U.S. Embassy and USAID evacuated, and USAID has henceforth managed operations from Tunis, Frankfurt, or Malta.

USAID's footprint in the region is highly constrained and our Washington operating expense budget does not allow us to fill all of the required positions even as our programs and broader interagency demand for our involvement has grown. Our work in the Middle East elicits strong interest in and attention from the National Security Council, and USAID's perspective on and knowledge of the region and its social, political and economic dynamics has enabled us to contribute significantly to policy deliberations. But it has also increased the workload for Bureau staff and leadership. The burden on staff supporting and/or living in high-risk environments is increased by the need to engage our partners, fulfill State Department reporting requirements, and respond to NSC tasks.

Middle East Missions are at the forefront of developing methods to successfully manage third party monitoring systems for our work in non-permissive environments. We are also developing a body of information on countering violent extremism, and pioneering activities that provide non-formal education in crisis environments. In order to meet our operational needs in light of the staffing and security constraints, USAID ceased providing regional program support from our Egypt Mission and in its place established a new Middle East Regional Platform (MERP) at the U.S. Consulate in Frankfurt, Germany. MERP staff work closely with the Middle East Bureau in Washington and field Missions to provide support services (i.e. contracting, legal, strategy, and technical assistance) that are not available locally.

LOOKING FORWARD

The Bureau must contend with the key challenge of positioning USAID's work and footprint in the Middle East. The diffusion of power away from traditional state actors and among sub-state and non-state actors puts USAID's work with citizens, communities, the private sector, and civil society at the fore and increases the importance of USAID's role in maintaining relationships and presence within the region. Several challenges—both [interagency](#) and intra-agency—loom ahead for the Bureau:

- Over the past several years, an increase in the number of assistance coordinators at the Department of State, including the Near East Affairs Bureau, has at times diverted from USAID's core development mission in order to support short-term projects often designed to yield immediate foreign policy gains. While USAID strongly supports our foreign policy aims, there is a growing risk of an imbalance between short-term gains and longer-term development solutions.
- Given a high degree of interest, our engagement with and outreach to Congress must continually be strengthened. USAID has prioritized initiatives managed by functional bureaus in its Congressional engagement, and there is a need to deepen and expand engagement on USAID's role and programs in the Middle East.
- The Bureau's extensive and growing relationship with DCHA requires regular attention, particularly around democracy and transition issues, where the division of responsibilities is sometimes unclear.
- The Bureau has the compounding challenge of securing Agency resources and attention for its hard-to-fill but high-profile posts.
- In order to maximize our effectiveness and impact, ME needs to address operational challenges and determine appropriate levels of staff, funding, and engagement in new operating units that have been established since the Arab Spring uprisings of 2011, including as and if peace and some ability to operate in post-conflict settings in Syria, Libya, and Yemen allows us to expand our programming. ME has considered this question, but has not yet established [contingency mechanisms](#) to enable rapid operationalization in these countries.
- On the management side, ME established Senior Development Advisors (SDAs) with responsibility for USAID's work in Tunisia, Syria, Libya, and Yemen. This is not the traditional USAID model and has presented some management challenges, while at the same time it has allowed us to operate in complex environments. One and a half years into the establishment of the MERP, there remains significant unmet demand for support, and determining how the staff in MERP supports regional and bilateral activities is a work in progress. We also need to regularize funding and allocation processes, especially for the new operating units, which are often funded on an ad hoc basis to support important but short-term activities.

SUPPORTING DOCUMENT: BUREAU FOR THE MIDDLE EAST COUNTRIES IN CRISIS

The conflict, humanitarian crisis, and lagging development across the Middle East region is being driven by inter-related and deeply-rooted political, economic, and social forces over which the United States has only limited influence. Nonetheless, overriding U.S. national security interests and humanitarian principles call on USAID to mobilize all of its assistance tools, whether life-saving food aid or macroeconomic technical assistance, to address the region's challenges. These challenges – poor quality education, healthcare, and other public services, coupled with lack of political and economic opportunity – were at the core of many of the uprisings that began nearly six years ago. With few exceptions, people's grievances have largely still not been addressed. This requires USAID to balance near-term crisis response with long-term development tools in each of the countries we work.

In both **Yemen and Libya**, political transitions have been derailed by war. National-level institutions are struggling as rival governments compete for control. Both conflicts are under mediation by the UN, with unclear paths toward durable political settlements. In Yemen, USAID's focus is on humanitarian aid, with over 80 percent of the population now in need of emergency aid. USAID has restarted modest development activities focused on agricultural livelihoods, health, and education. In Libya, the humanitarian need is less acute, so USAID has prioritized transition in partnership with Government of National Accord in 17 municipalities, representing approximately 75 percent of the country's population.

Iraq is grappling with both the rise of Da'esh and the extreme volatility of world oil prices. USAID's focus is on the humanitarian response to meet the needs of internally displaced persons, as well as stabilizing areas liberated from Da'esh through a multi-donor UNDP program. USAID also supports the Prime Minister's national reconciliation agenda and provides technical assistance on economic reform.

Syria struggles with both a brutal civil war with multiple indigenous and international actors as well as Da'esh control of a substantial portion of the country. This conflict has resulted in the displacement of half the population and over 400,000 deaths. The U.S. Government (USG) has supported moderate opposition against the Assad regime as well as led an international coalition to defeat Da'esh. USAID provides lifesaving humanitarian assistance with development assistance to build resiliency in opposition-held or newly liberated areas through support for civil society and local governance, provision of essential services, and rebuilding livelihoods. USAID is a key member of an inter-agency team planning for the humanitarian, stabilization, and recovery needs of areas liberated from Da'esh.

Other countries in the region - **Jordan, Morocco, and Tunisia** - are relatively stable. However, all face considerable development challenges, as well as the threat of violent extremism and foreign fighters, where a strategic shock could tip these countries into crisis.

The spillover effects of the Syrian conflict are placing significant political and economic stress on its neighbors, **Jordan and Lebanon**. Jordan is hosting more than 656,000 registered refugees, and over 85 percent are living in Jordanian host communities, not camps. In Lebanon, Syrian refugees now represent over 25 percent of Lebanon's population and none are in camps. The refugees are straining both the economic and natural resource bases as well as social services. These demographic shifts could negatively impact the balance of power within their political systems and potentially destabilize the governments. In addition to humanitarian assistance, USAID has reoriented its development programming in both countries to bolster support to host communities.

On top of the refugee issues, **Lebanon** also struggles with extremism and insufficient economic growth. USAID's development assistance focuses on private sector development and building the capacity of local governments to deliver essential services.

Though **Egypt** has experienced political upheaval in the past five years, USAID maintains a substantial development portfolio. There are several troubling factors, however, that could shift USAID's relationship from one of providing development assistance to delivering relief, if a major destabilizing event was to occur. The combination of detrimental economic policies, high youth unemployment, human rights violations, and policies that restrict the space for civil society raises concerns about the long-term stability of Egypt. Additionally, the presence of militant religious extremists in the Sinai is a further destabilizing element.

USG assistance to the Palestinian people is a key part of the USG commitment to a negotiated two-state solution to the Israeli-Palestinian conflict. In the **West Bank**, USAID has a traditional development program in the areas of institution strengthening, good governance, improving access to water and sanitation, private sector development, education, and health systems support. In order to build resilience among the population, USAID's assistance in **Gaza** alleviates both immediate humanitarian needs, such as food aid, while addressing longer-term development issues, such as water, health, and job creation. Three wars in Gaza over the past decade present a dire humanitarian challenge to the international community. The 2014 Israel-Gaza conflict destroyed or severely damaged an estimated 18,000 homes, leaving 100,000 to 115,000 homeless in Gaza. The humanitarian situation is compounded by water shortages and the lack of electricity. UN reports have reiterated that without intervention, Gaza may be unlivable by 2020. Moreover, the prolonged humanitarian crisis in **Gaza** creates a breeding ground for extremism and discredits the Palestinian Authority.

SUPPORTING DOCUMENT: BUREAU FOR THE MIDDLE EAST IMPROVING LOCAL GOVERNANCE

Disruptive change in the Middle East reflects, among other things, the inability of state actors to maintain comprehensive power in the face of globalization and the accelerating spread of technology and information. This shift away from formal power structures allows for increased participation by those that are typically marginalized due to age, gender, geographic location, or status. Power has also devolved to non-traditional actors ranging from forward thinking social entrepreneurs to Da'esh's latest recruits. The region must also contend with persistent unemployment, inadequate services, and a lack of accountable, transparent governance.

This shift in power has put stressors on outmoded models of governance in the region that fail to accommodate the diverse aspirations and needs of the people. Decades of authoritarian order - where in exchange for popular quiescence, regimes across the region provided their populations with public sector jobs, free education and health care, and a range of subsidized goods (e.g., bread, fuel, electricity) – is breaking down, but a consistent new order has yet to emerge. In general, across the region, central public administration, through deconcentrated field offices of line agencies, carry out the central government's budget, policy, licensing, service delivery, and regulatory enforcement priorities. The size and scope of the center's authority too often crowds out private initiative and local inputs through monopolization practices, regulatory and patronage capture, and restrictions on associational rights. It has increasingly led to citizen disaffection, which is compounded for youth, women, and other marginalized groups.

Bolstering local government systems with assistance is one entry point to better align state authority with local needs across the region. However, the choice of decentralization strategy – whether devolution, delegation, or de-concentration – across government disciplines (e.g., budget, finance, service provision, policy and law making) and sectors (e.g., political, service delivery, security and justice) must be made with care and aligned with the legal framework, political will, and absorptive capacity of local partners.

USAID'S RESPONSE

USAID is supporting decentralized and local authorities across the region to adopt governance strategies that are less state-centric and rigid and more cooperative with the private sector and civil society, responsive to local needs, and adaptive to social change. These decentralization strategies aim to help local partners cope with the collapse of central state institutions, as in Syria, Yemen, and Libya. They enable political reconciliation across ethnic and sectarian lines, as in Iraq. They are setting conditions for political inclusion, increased local economic development, and the extension of services to underserved populations, as in Tunisia, Morocco, and Egypt. They are establishing positive precedents for transparent governance in the West Bank and Gaza. They are helping local communities in Lebanon, the Kurdistan Region of Iraq, and Jordan adapt to the influx of refugees (or IDPs) with local governance, service delivery, and strategies to address the associated social and economic pressures. In countries with plural societies where some localities do not trust central authorities, such as Iraq, Libya, Syria and Yemen, the decentralization of state functions and the empowerment of municipal governance are essential to the stabilization of areas reclaimed from Da'esh occupation.

Since the Arab Awakening in 2011, USAID has budgeted nearly \$200 million for decentralization

activities to address the breakdown in the region's social contract and emergent governance vacuums. The Middle East Bureau has sound examples of results-oriented programming:

Jordan: USAID builds the capacity of community members, municipalities, and NGOs to identify and alleviate stressors affecting the population in order to leave behind stronger, more cohesive, and resilient partner communities. USAID has helped 19 communities to reduce the pressures created by the influx of displaced Syrians and improve residents' quality of life, resulting in upgraded schools, cleaner neighborhoods, and innovative partnerships with the private sector and civil society to more sustainably address challenges.

Morocco: USAID programming helped enhance transparency and trust between communes and citizens, including women and youth, as select local governments incorporated internal audit divisions and developed citizen complaints and mediation management system units. Programs saw improvements in civil society and youth engagement with local officials, including through the establishment of seven Local Youth Councils that represent 134 youth associations and engage in participatory planning and negotiation with commune council members in five cities.

Iraq: USAID's Iraq Governance Performance and Accountability project responds to Iraq's fiscal crisis and governance challenges. It is an umbrella democracy and governance program that works on improving essential services across eight service ministries that are undergoing a rapid decentralization process as part of Prime Minister Abadi's reconciliation initiatives. This reform process also opens a window of opportunity to address needed economic reform, citizen oversight and other targeted technical requirements.

The efficacy of USAID's decentralization strategies in the region will be measured by the extent to which assistance *measurably enhances participatory governance practices, sustainably improves accountability at all levels of government, and removes constraints to inclusive economic growth.*

USAID's TRAJECTORY INTO THE TRANSITION

Bilateral and regional programs have the opportunity to build upon these decentralization activities, by undertaking the following:

- Identify opportunities within existing and new activities to rapidly launch local governance and service delivery programming in non-permissive environments;
- Integrate USAID's latest research on decentralization into project design, identifying sectors where it may be best to promote devolution, how to promote it, and when not to promote it;
- Support grassroots reconciliation, conflict mediation networks, and civil society when central power structures are collapsing or weak, particularly in conflict-ridden areas.

SUPPORTING DOCUMENT: BUREAU FOR THE MIDDLE EAST SOVEREIGN BOND GUARANTEES

Since 1992, USAID has issued \$22.8 billion in sovereign bond guarantees (SBGs) through 12 transactions across five countries: Israel (2), Egypt (1), Jordan (3), Tunisia (3) and Ukraine (3). The total outstanding exposure on those guarantees is \$17.3 billion. The term SBG and Sovereign Loan Guarantees (SLG) are used interchangeably within the interagency and refer to the same portfolio of guarantees held by USAID. All SBGs are non-investment grade, except the guarantees for Israel. The Egypt bond is the only one of these SBGs that has reached maturity. It was fully redeemed by the Government of Egypt.

Should there be a default, funds would be repaid by the U.S. Department of the Treasury. To date, none of the bond issuers have defaulted on these SBGs. Once Congress authorizes the use of a sovereign bond guarantee for a specific country, and the Administration makes the decision to pursue a SBG, an interagency committee is formed to structure the guarantee and agree on terms and conditions. There is no centralized management within USAID that oversees its participation in these working groups; work is typically done by regional bureaus, GC, and E3/Office of Development Credit. It is important to note that the interagency appears to prefer SBGs over grants, cash transfers, direct loans, or related hybrids because of SBG's leverage, low cost, and ability to crowd-in private capital. The required method for providing U.S. guarantees, by law, is to use the Federal Financing Bank (FFB); however, USAID routinely secures waivers for this requirement.

The development impact of an SBG is often difficult to track or monitor. The USG links availability of SBGs to the fulfillment of economic conditionality. The link between the conditionality and development outcomes varies from issuance to issuance. SBGs are often promoted as a route to improved debt market access, even when a country does not need to improve market access.

ISSUES AND RISKS: Despite heavy interagency involvement in the guarantee design process, the reputational risk connected with the guarantee is wholly “owned” by USAID because USAID executes the guarantee and it resides in the Agency's credit portfolio until expiration or default. Despite owning the SBG reputational risk, in most cases USAID does not play a lead role in the guarantee development process. Since sovereign bonds are used primarily as a foreign policy tool to support macroeconomic stability, the process is usually driven by the White House and led by the Departments of State and Treasury. This creates an interagency dynamic in which Treasury, State, OMB and others are developing and structuring SBGs, while USAID ultimately issues and manages the guarantee.

CHALLENGES: Because foreign policy is generally the impetus of SBGs, there is no standard approach to each new SBG issuance, even though nine SBGs have been issued in the past five years. No country has yet defaulted on an SBG, but USAID lacks a strong position from which to respond to negative attention/press in the event of a default.

POSSIBLE FIXES: As recommended by the Agency Leadership Council (ALC) in 2016, USAID could develop a more formal, predictable, and clear set of processes and procedures for organizing ourselves internally and representing the Agency in the interagency process. PPL is leading the development of new guidance for greater consistency. USAID staff should develop a better understanding of the FFB guarantee process for future cases in which a waiver may not be advisable. USAID could create a central coordinating bureau or office, bringing consistency to USAID policies and processes associated with SBGs.

SUPPORTING DOCUMENT: BUREAU FOR THE MIDDLE EAST THE INTERAGENCY ARENA

INTRODUCTION

The pace of change in the Middle East and the high foreign policy priority placed on so many of its countries require a coordinated, flexible, whole of government effort for our goals to be met. Interagency engagement and coordination has been a major part of Middle East (ME) Bureau dynamics over the past several years, and this is not expected to subside. As a result, ME bureau staff and leadership spend a significant amount of time preparing for, participating in, and responding to interagency engagements. While the specific dimensions, actors, and stakeholders vary depending on the topic, the country, and the situation on the ground, two overriding interagency structures have been particularly dominant: the National Security Council (NSC) and the State Department Near East Affairs bureau's recently-created (2013) Assistance Coordinator's office (NEA/AC).

NSC meetings at all levels occur with great regularity on at least half of the Bureau's countries, often requiring papers and pre-meetings with other parts of the Agency. Separately, NEA/AC demands additional, regular Bureau interaction, on top of the more standard engagement with State policy desks and budget officers. While such State Department coordinators are not unique to the ME Bureau (one also exists, by statute, in Europe and Eurasia, as well as more informally for Pakistan and Afghanistan), NEA/AC is still sorting out its role both within the State Department and the interagency, making reliable and trusted processes rare. Both of these structures carry with them opportunities and challenges, most notably as fora for USAID to convey and advocate on behalf of ME Bureau and Agency views and positions so that development and humanitarian responses are properly considered, addressed, and resourced.

OPPORTUNITIES

Our active and constructive presence "at the table" at the NSC and with State Department colleagues is welcome for a number of reasons, notably as recognition of the critical role that USAID plays within the U.S. Government national security apparatus. It demonstrates a respect for USAID's work in the Middle East, and the important contribution that our work makes in promoting stability, preserving livelihoods, and improving the futures of people living throughout the region. It also demonstrates that, given the reality of the diffusion of power away from state and toward non-state actors, USAID is perhaps uniquely positioned within the USG to engage directly with new and emerging power structures within the Middle East. USAID can leverage grassroots networks to gain greater insights into extremist appeal more broadly, and apply systematic, sustainable, and integrated approaches to development that may yield the greatest impact and are foundational to sustained success in the struggle for stability, against extremism, and toward a lasting peace in the region. Going forward, it is important that the Bureau and Agency preserve this important role in interagency decision-making and coordination efforts.

CHALLENGES

While the positive aspect of greater engagement is evident and welcome, the significant increase in interagency structures and activity for the ME Bureau over the past several years has not come without challenges. Workloads, in particular, have been impacted by this, and although the focus (and funding) on USAID's work in the region has increased exponentially, staff levels have not. This means, for example, that one or two USAID desk officers must coordinate with nearly a dozen counterparts on the corresponding State Department desk, one or two assistance coordinators within NEA/AC, an assistance coordinator in the State/Foreign Assistance office (State/F), and a country director at the NSC. And while these interactions do appropriately connect USAID to important conversations, these interactions

are in addition to the core function ME desk officers provide as Washington liaisons for our ME field missions and operating units. This impact is felt also by technical staff, as the interagency demand from State, DOD, Treasury, NSC and others for USAID's technical expertise and analysis has been high. As a result of the increased demands, staff is often in a reactionary posture, unable to dedicate sufficient attention or resources to strategic thinking and planning, and staying informed on the latest updates from our partners.

Another challenge of the high level of interagency interaction in a politically charged and ever-changing region is the more frequent surfacing of tensions that exist between short term political assistance responses, versus sustainable, transformative development outcomes. USAID understands that successful development takes significant work, over time, to make impactful change that then leads to stability and improved U.S. national security.

SUPPORTING DOCUMENT: BUREAU FOR THE MIDDLE EAST CONTINGENCY STRATEGY

INTRODUCTION

As turmoil continues in the Middle East region for a sixth year, one clarity that exists is in the need to be prepared to respond quickly and effectively to address shifting country contexts ranging from catastrophic success to catastrophic failure. How are we prepared for peace taking hold in war-torn parts of the region or another country falling into the abyss? These scenarios require planning for personnel, location of operations, security, budget, and programming, and it is a national security imperative that USAID be able to respond quickly to these changes.

BACKGROUND

Small operating units headed by Senior Development Advisors with support from both the Middle East (ME) Bureau Washington Offices and the Frankfurt Services Center/Middle East Regional Platform (FSC/MERP) are in place for Tunisia, Libya, Syria, and Yemen. With the exception of Tunisia, USAID staff are working remotely to provide critical support to the populations of these countries. These “non-presence” and “limited presence” operating units are in addition to the USAID missions that exist in Egypt, Iraq, Jordan, Lebanon, Morocco, and West Bank and Gaza.

SUCCESS PLANNING

Personnel, Location of Operations, and Security: Were a sustained cessation of hostilities and peace to take hold in Syria, Yemen, or Libya, USAID would need to react quickly to support and enable peace on the ground through work with the local population. For this, initially, personnel increases would be necessary in Washington, FSC/MERP, and stable neighboring countries until such time as security on the ground is appropriate for the entry of USAID officers and contractors. The FSC/MERP has designed a contract to cover urgent short- to medium-term staffing needs. Where USAID has local staff in country, such as Yemen, their work will be critical to re-starting bilateral country operations. Additionally, the ME Bureau will develop a plan with HCTM and others for the rapid reassignment of Foreign Service Officers to meet the needs of a quickly expanding program, while consulting with SEC and others on the appropriate measures that must be in place in country before staff can go in. The ME Bureau will ensure that staff will secure required training prior to deployment. The ME Bureau plans to begin working with HCTM, Security, BRM, and other key offices in USAID on contingency scenarios for quickly staffing positions critical to the oversight of rapidly expanding USAID programming in environments with limited infrastructure.

Budget and Programming: The ME Bureau is reviewing its programming and identifying opportunities where quick reaction and adaptation can be included in existing or new activities to allow for rapid expansion of work in new geographic areas. These activities would complement potential USAID/OTI activities and provide time to enable missions or country offices to design and award country-specific bilateral programming. Likely activities include supporting participatory political and peace processes, infrastructure support, access to services, livelihood activities, and rebuilding institutions at the national and local level that set the foundation for longer-term development. USAID/OFDA, USAID/FFP, and State/Population, Refugees, and Migration would continue to lead the U.S. humanitarian response with food, shelter, water, and other services for displaced populations. ME Bureau programs would likely work with local populations – in coordination with other donors – to restore critical local services including health facilities, schools, electricity supply, water, and wastewater services, as well as provide avenues for rebuilding trust and strengthening communities through areas such as peacebuilding, citizen engagement, access to justice, and psycho-social support. Combined with livelihood

programming to provide safe economic opportunities, these activities will also help ensure that displaced populations have greater opportunities to return home. The process of adapting to the operational constraints that these persistently insecure environments present while exploring new ways to build on humanitarian assistance and employ a comprehensive approach, offers valuable opportunities for learning – especially given the potential of continued conflict in the region. In order to seize on those opportunities, USAID needs sufficient planning, personnel, and other resources to go beyond reactionary efforts. Much work remains to be done, however, to position USAID to best support peace. Comprehensive scenario planning is critical to ensure a swift, effective USAID response. Budget scenarios will need to be in place so that quick action can be taken with BRM, State/NEA, and State/F to rapidly address funding needs with OMB and Congress. The Bureau will need to work with State to anticipate budgetary needs for the quick deployment of staff—including the arrival of U.S. direct hire staff and the renewal of work arrangements with or hiring of local staff—to manage the design and implementation of projects on the ground as soon as the security environment permits. The ME Bureau will also work with key pillar bureaus to ensure they can help support rapid mobilization of priority activities. For example, the ME Bureau will work with Global Health to rapidly advance health programming to address critical healthcare needs through existing field support mechanisms as soon as activities can begin.

EXIT STRATEGY

Contingency planning must also include the possibility of a U.S. Government presence not being possible in other countries in the region. Taking from lessons learned, especially in the quick exit from Yemen and Libya, the ME Bureau will work with HCTM, BRM, GC, SEC, and others to develop clear strategies to maintain local staff positions in country. These local staff would be able, when security permits, to report on events in the country and support any ongoing USAID programs, and to quickly rebuild USAID operations when re-entry is possible. Based on the current USAID model in the ME region's non-presence countries, the ME Bureau, BRM, and HCTM would coordinate on the creation of Senior Development Advisor positions and small operating units for any new non-presence country based upon U.S. security and policy determinations.

In the case of a worsening situation, and in support of U.S. policy, USAID will determine short-term strategic goals and design and support programming through the ME Bureau Washington Offices, FSC/MERP, and USAID/OTI to engage viable partners on the ground or international organizations as appropriate. This will be based upon lessons learned in the region and an understanding of the needs and rapidly changing dynamics in country. Working closely with State/NEA, BRM, SEC, and others, success planning will be initiated so that USAID is able to respond quickly to the changing environment and meet changing demands for the country program.

NEXT STEPS

The ME Bureau will continue developing contingency planning scenarios for Syria, Yemen, and Libya. Contingency planning may also identify and begin to address specific countries of concern that are backsliding in their stated reforms. This planning includes scenarios for exit strategies, should that be needed in the future.

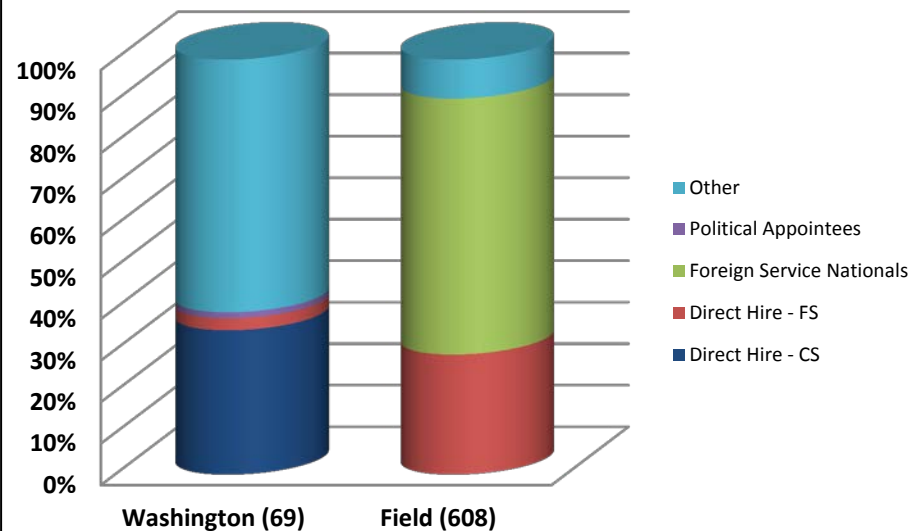
BUREAU PROFILE: OFFICE OF AFGHANISTAN AND PAKISTAN AFFAIRS

PRESENCE



STAFFING

Fill Rate = 96%

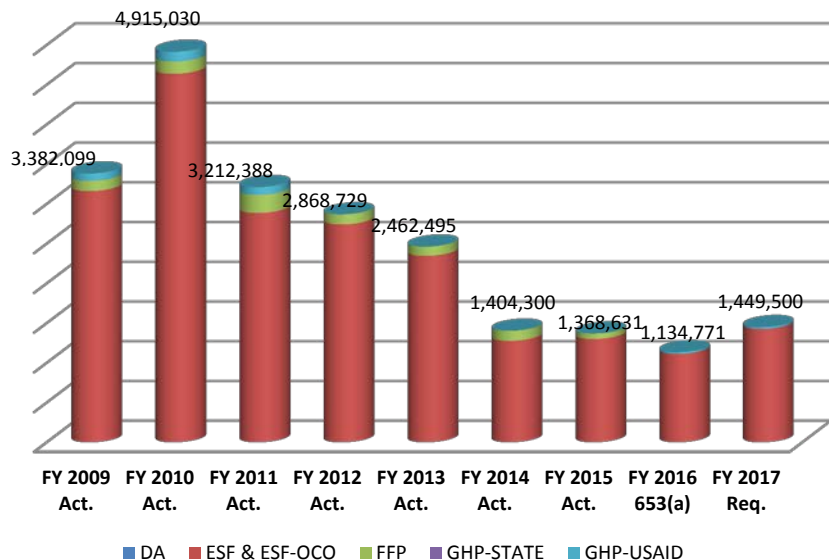


The Congressional report data used in all bureau profiles is inaccurate with respect to OAPA, particularly as to field levels. Actual levels are lower; the total for the two Missions is 552.

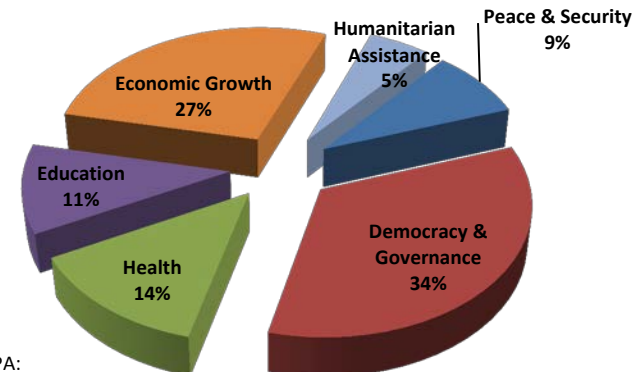
BUDGET: FY 2009 – FY 2017

Data in Thousands

Percent Change FY 2009 - FY 2015 = -59.5%



BUDGET: FY 2015 BY SECTOR



- The FY 2015 budget for OAPA:
 - Afghanistan represents 65% and Pakistan 35% of the total budget
 - 60% (or \$281.9 million) of Democracy and Governance funding is attributed to the Afghanistan's Reconstruction Trust Fund (ARTF) and New Development Partnership (NDP)
 - 38% (or \$143.2 million) of Economic Growth funding is attributed to energy-related programs in Pakistan
 - 6% (or \$83.4 million) of the total budget is transferred to the Department of State (includes \$12.6 million that was transferred to USAID/Asia).
- On-budget programs in Afghanistan and Pakistan (including direct government assistance and multi-donor trust funds) between FY 2010 – FY 2015 have been budgeted at 34% (or \$5.6 billion).
- The Enhanced Partnership with Pakistan Act of 2009 (referred to as Kerry Lugar Berman or KLB), authorized up to \$7.5 billion for Pakistan's civilian assistance over the five year period between FY 2010 – FY 2014. Pakistan was appropriated \$4.4 billion over that time.

BUREAU BRIEF: OFFICE OF AFGHANISTAN AND PAKISTAN AFFAIRS

INTRODUCTION

USAID anticipates that stability and development in Afghanistan and Pakistan will remain a top U.S. foreign policy priority given U.S. Government (USG) investments, including more than \$17 billion in program funding appropriated to USAID since 2010, and lessons learned about the need for sustained engagements. Achieving sustainable results that meet national security priorities despite volatile security environments requires a dynamic management and oversight model as well as strong policy coordination and public outreach, in particular with Congress, the National Security Council, and the Departments of State and Defense. Collaboration with State's Special Representative for Afghanistan and Pakistan (SRAP) is a high priority. SRAP's office of approximately 50 staff has the lead in diplomatic and policy engagement with Afghanistan and Pakistan in Washington and coordinates interagency efforts to meet U.S. strategic goals in the region.

LOOKING BACK

Afghanistan Achievements: USAID's strategy in Afghanistan focuses on improving the performance and legitimacy of the Afghan government; promoting economic growth; and maintaining gains in health, education, and women's empowerment. In 2001, there were few educational opportunities, especially for girls. Today, with the help of USAID and other donors, millions of children are enrolled in school. University enrollment has increased 20-fold over the same period, from 8,000 to 174,000 students. In the past 11 years, USAID has reached more than 3.9 million Afghan households and helped to create nearly 650,000 new agriculture-related jobs by supporting the productivity and quality of agriculture in Afghanistan and connecting Afghan farmers to markets. Since 2011 alone, USAID has formed 297 public-private alliances to support small- and medium-sized businesses and given 4,700 businesswomen skills to open and enhance their businesses. The Afghan government, with help from USAID, established the country's electrical utility, Da Afghanistan Breshna Sherkat (DABS), eight years ago. DABS is now profitable, and with USAID's continued assistance is bringing 18.5 megawatts of additional electricity to Afghanistan's power-starved south. Commitments from more than 70 countries at the October 2016 Brussels Conference on Afghanistan reached \$15.2 billion for the 2017-2020 period, with a U.S. commitment of assistance at or near current levels (close to \$1 billion annually) through 2020.

Pakistan Achievements: The United States has provided assistance to Pakistan for more than 60 years. Under the Enhanced Partnership with Pakistan Act (often called the Kerry Lugar Berman Act or KLB), \$4.95 billion was appropriated for civilian assistance from 2010-2014. It is in the U.S. national interest to assist Pakistan in becoming a more secure, prosperous, and stable democracy that successfully counters violent extremism and contributes to peace and stability in the region. Civilian assistance to Pakistan focuses on five priority areas that advance Pakistan's stability and U.S. interests: 1) helping Pakistan address energy challenges; 2) fostering economic growth; 3) supporting stabilization efforts across sectors and in regions susceptible to violent extremists; 4) facilitating greater access to and increased quality of education; and 5) building capacity to meet health needs. Since 2010, USAID assistance has added 2,460 megawatts of electricity to the national grid, benefiting more than 28 million people, and constructed more than 1,100 kilometers of roads, including rehabilitating the four main border crossings with Afghanistan. USAID programs also leveraged more than \$16 million in private sector investment, awarded more than 15,000 higher education scholarships, and trained more than 37,000 health care workers.

Oversight: OAPA [ensures accountability](#) in difficult environments by surpassing already rigorous USAID standards. USAID's multi-tiered monitoring approach in Afghanistan has mitigated the effects of limited

mobility and internal oversight is complemented by external oversight. OAPA manages upwards of thirty audit or audit-like interactions at any given time with the Government Accountability Office (GAO), Office of the Inspector General (OIG), and Special Inspector General for Afghanistan Reconstruction (SIGAR), garnering media and Congressional attention.

LOOKING FORWARD

Political and Physical Operating Environments: OAPA collaborates closely with the Missions to deal with bilateral challenges and opportunities. In Afghanistan, the relationship between President Ghani and Chief Executive Officer Abdullah continues to be tenuous, and USAID remains dedicated to the stability of Afghanistan through strengthening local governance, anti-corruption efforts, engagement with civil society, women's empowerment, and support to election administration. The volatile security situation in Afghanistan, and restricted movement in Pakistan, hampers project implementation and will require constant innovation in our performance monitoring and oversight. In Pakistan, USAID faces important **operational challenges** to the ability of our partners to implement programs. Our implementing partners struggle with the Government of Pakistan's restrictive regulations for NGOs that hamper smooth project execution. To further safeguard our assistance to Pakistan, USAID is initiating a counterterrorism vetting program for implementing partners in fiscal year 2017. The program is patterned after a similar OAPA initiative in Afghanistan in which more than 7,000 potential partners have been vetted since 2011; four percent did not pass stringent controls, denying them involvement in \$662 million in assistance. Working in Pakistan also necessitates an interagency approach due to the complex intersection of diplomatic, security, and development goals, which can create a challenging State-USAID dynamic, as highlighted in a recently released OIG audit on long-term development under the KLB Act. USAID has addressed many of OIG's recommendations. Although the current interagency environment is increasingly positive, it will require continued attention in the coming years.

Resource Management: Afghanistan and Pakistan remain two of USAID's largest portfolios despite recent decreases (FY 2016 USAID-managed resources are \$812 million and \$323 million, respectively), with large pipelines (\$6 billion combined, including FY 2016 resources) that require intense management. More than half of each pipeline consists of "on-budget" resources, reflecting our historical commitment to channel funding through host-government systems (directly or through multi-donor trust funds). However, expectations on the robust use of on-budget mechanisms in coming years should be tempered given implementation challenges and therefore explored on a case-by-case basis. In an environment of increasing priorities worldwide, the funding commitments to Afghanistan and Pakistan have stabilized at levels lower than several years ago. A key challenge will be to ensure a steady and measured reduction in U.S. assistance to Pakistan while building on development gains.

Structure: Turnover in both Missions is exceptional because Foreign Service Officers typically serve one-year tours, and local staff in Afghanistan change up to 45 percent annually due to special programs that permit expedited immigration visas and other pressures. Due to security and funding constraints, the Missions (especially Afghanistan) face pressure to have a smaller footprint. The Afghanistan Mission has reduced its direct-hire complement from 375 to 100 in the last five years; in Pakistan the number was reduced from 72 to 67. For these reasons, OAPA must maintain a robust Washington support structure to help with activity design, procurements, project oversight, and staff shortages, providing continuity and institutional knowledge. Alternative arrangements in the planning stage, such as a sub-office in India to support Afghanistan, will become critical extensions of the Mission. In terms of OAPA's status and structure, the likelihood that existing levels of programmatic and budgetary demands will continue suggests that USAID might be best served by maintaining OAPA as an independent office. State has similar considerations with SRAP.

SUPPORTING DOCUMENT: OFFICE OF AFGHANISTAN AND PAKISTAN AFFAIRS OPERATIONAL CHALLENGES IN PAKISTAN

INTRODUCTION

USAID's development assistance to Pakistan focuses on five sectors: energy, economic growth and agriculture, stabilization, education and health. Current challenges to implementing our assistance include abiding by the Government of Pakistan's (GOP) new regulations for international nongovernmental organizations (INGOs), and launching a counter-terrorism vetting program in USAID/Pakistan.

INGO Registrations

On October 1, 2015, the GOP announced a new policy governing regulations for INGOs. The new policy limits INGO operations and transfers the INGO registration process from the Ministry of Finance to the Ministry of Interior (MOI).

As of September 2016, approximately 130 INGOs have applied for registration under this new policy, and 41 have been approved. For USAID, 17 of our partners have applied and three have been granted registration. No INGOs have been denied registration, and INGOs can continue operating in Pakistan until the MOI makes a final decision on their application.

During their October 2015 meeting at the White House, President Obama urged Prime Minister Sharif to support transparent policies for INGOs that are consistent with international norms. The National Security Council is closely monitoring the new INGO policy, and has hosted four meetings with INGOs who work in Pakistan to discuss their experiences.

Counterterrorism Vetting

USAID has decided to implement a counterterrorism (CT) vetting program for USAID acquisition and assistance to Pakistan. The purpose is to help mitigate the risk that USAID funds and other Agency resources inadvertently benefit terrorists, their supporters, financiers, or affiliates. The program will begin in the first quarter of fiscal year 2017, and will include the vetting of U.S. persons.

USAID has consulted with its implementing partners and congressional committees about implementing a CT vetting program in Pakistan. While both communities express support for the goals of vetting, they also share concerns about the process of collecting the required information. USAID leadership is working to address their concerns while also maintaining that a higher level of due diligence is necessary in Pakistan.

SUPPORTING DOCUMENT: OFFICE OF AFGHANISTAN AND PAKISTAN AFFAIRS ENSURING ACCOUNTABILITY IN AFGHANISTAN

Because of its security environment, Afghanistan is a very challenging place to implement development activities. Although Afghanistan poses significant challenges, USAID is implementing and developing management practices designed to ensure security and accountability despite those challenges, and is sharing its innovations across the Agency.

SECURITY

Implementing Partner Security: Though the security situation in Afghanistan is difficult and unpredictable, USAID's implementing partners are active in all parts of the country. To operate effectively, an overwhelming majority of implementing partners' staff are Afghan, able to carry out USAID's work even in areas facing significant security challenges, and able to quickly integrate with the local population when conflict erupts. While USAID does not mandate the security policies and procedures, or installations of specific security infrastructure systems of implementing partners beyond minimum requirements, USAID does have a Partner Liaison Security Office, working with the Embassy's Regional Security Office (RSO), to support all implementers. This office maintains constant contact with implementers' security specialists, creating awareness of good practices, informing them of situations, as appropriate, and facilitating information exchange.

USAID Staff: USAID Staff security falls under the Regional Security Officer. Staff work and live in protected compounds, security drills are practiced, and staff movements outside the compound are managed by the RSO. U.S. and third country national staff attend a one-week counter-threat course prior to deployment. To reduce the number of American personnel on the ground in Afghanistan, USAID is pursuing the establishment of an Afghanistan Support Unit in New Delhi. USAID is working to temporarily transition 25 USAID U.S. Direct Hire (USDH) employees to India until the security situation in Afghanistan has improved to a level where the positions could return to Kabul. The total USAID/Afghanistan USDH footprint would decrease to approximately 75 positions. Contingent upon expected renovation of the space, it is anticipated that the unit in India will be fully operational by the end of 2017. By reducing the number of people, and thus the security and logistical burden in the Embassy compound in Kabul, resources are targeted more effectively to protect American lives and counter threats. In addition, the four-year tours in India will promote continuity and institutional memory for USAID/Afghanistan, which will have an added benefit of enhanced development impact.

MONITORING AND OVERSIGHT

Monitoring: USAID ensures accountability in Afghanistan through standard Agency practices, and by employing additional, unique processes to monitor our programs and ensure appropriate risk management in light of the Kabul-centered reality of our staff presence. The Mission developed its multi-tiered monitoring (MTM) approach in late 2013 to mitigate the challenges in an insecure environment where direct access to programming can be difficult. This approach requires the systematic collection and triangulation of data sets from different sources to determine the progress, completion, and effectiveness of USAID activities. The MTM approach categorized five tiers of monitoring data provided by the following sources: (1) directly from the U.S. Government; (2) implementing partners; (3) government entities or other donors; (4) civil society or other beneficiaries; and (5) third-party monitoring contractors. Each activity is required to have a monitoring plan that explains in detail how each project will use the MTM approach, utilizing at least three of the five tiers of data sources. The data itself is collected via various means to include regular reporting from the implementing partner, photos,

satellite imagery, GPS data, site visits, remote monitoring via Skype, and phone interviews. The MTM guidance also requires project managers to create a Monitoring Capture Tool (MCT), an Excel-based tracker that captures all of the monitoring data received for a particular project. These tools are used to assess the level and quality of that monitoring, and allow the project manager to triangulate the information they receive about their activity to assess whether project objectives are being met or adjustments required.

Oversight: USAID's projects in Afghanistan are also subject to rigorous external oversight measures to safeguard U.S. taxpayer dollars from three different audit entities: USAID's Office of the Inspector General (OIG), the Government Accountability Office, and the Special Inspector General for Afghanistan Reconstruction (SIGAR). Their audits, which include over 30 active audits or audit-like engagements of Afghanistan and Pakistan programs at any given time, complement USAID's ongoing efforts to ensure U.S. tax dollars are used effectively. OAPA actively engages LPA, the interagency, the Hill, and the media to ensure effective outreach on oversight.

Internal USAID financial oversight in Afghanistan makes use of various approaches. USAID/Afghanistan established an internal Vetting Support Unit in February 2011 to perform security checks (i.e. vetting) of potential USAID implementing partners and contractors to safeguard U.S. taxpayer funds from being routed to malign actors. Vetting is implemented for third-country and Afghan companies as well as for key individuals. As of June 2016, USAID's mission in Afghanistan has screened 7,490 awards, preventing approximately \$670 million from directly or inadvertently providing funds, goods, services, or material support to terrorism or the insurgency.

Enhanced controls on project funds, such as promoting electronic funds transfers in lieu of cash payments, using independent financial monitors to verify appropriate usage of funds, ensuring close review of recipients' claims prior to payment, and performing audits of locally incurred costs, also ensure careful control over project funding. USAID also utilizes, to the extent possible, instruments that provide the most visibility on project costs, such as cost-reimbursable contracts, and the Mission limits layers of subcontracts to no more than two.

ON-BUDGET PROGRAMS

USAID utilizes two mechanisms for "on-budget" programming as part of its commitment to support Aid Effectiveness: 1) government-to-government (G2G), which provides funding directly to Government of Afghanistan (GoA) institutions for specific development programs, and 2) multi-donor trust fund (MDTF) mechanisms, most notably the World Bank-managed Afghanistan Reconstruction Trust Fund (ARTF), through which donor contributions are combined to fund GoA-implemented programs, as well as GoA operations and maintenance. Since fiscal year 2010, ARTF represented an average of 60 percent of our on-budget support. Over the past two years, ARTF increased to 94 percent of on-budget support. Each of these on-budget mechanisms has safeguards to ensure proper oversight and accountability, and USAID assesses ministry systems through public financial management tools.

USAID/Afghanistan increased its ability to provide oversight of on-budget funds by obtaining access to the Afghan government's "Afghanistan Financial Information System" (AFMIS). The Mission performs monthly reconciliation of on-budget spending using several systems. Additionally, the data processed through AFMIS is real time and USAID performs frequent monitoring of on-budget data. Discrepancies are communicated to relevant Ministries for follow up and resolution.

BUREAU BRIEF: CENTER FOR FAITH-BASED AND COMMUNITY INITIATIVES

INTRODUCTION

The Center for Faith-Based and Community Initiatives (CFBCI) is an Independent Office under the Office of the Administrator. CFBCI is one of two USAID offices that report to the White House in addition to the Office of the Administrator (the other is the Office of the White House Liaison) and has seven staff members. Created in 2002, CFBCI is part of 13 U.S. Government faith-based and community partnership offices that make up the the White House Office of Faith-Based and Neighborhood Partnerships (WHOFBNP). The WHOFBNP, created by an Executive Order in 2001, is meant to expand the positive impact of Federal efforts to help individuals in need. CFBCI's mandate is to: 1) provide a bridge for faith-based and community organizations seeking to connect with USAID's mission; 2) convene faith-based and community organizations to catalyze new opportunities for collaboration between these groups and the USG; and 3) ensure the Agency maintains a level playing field for faith-based and community organizations to compete for funding.

LOOKING BACK

Policy: In consultation with USAID leadership, White House offices and faith-based partners, CFBCI worked to update several USG policies to account for the nuances of the Federal government working with religious communities. For example, in 2004, USAID published its final rule (the "Rule") on participation by religious organizations in USAID programs that prohibit discrimination against Faith-based organizations (FBOs) competing for federal financial assistance. The Rule establishes that FBOs can compete for activities on equal footing with non-FBOs and that decisions are based on merit as long as FBOs do not use direct USAID funds for explicitly religious activities or proselytization. The Rule also clarifies that FBOs may continue to engage in religious activities as long as they are separate in time or location from the programs or services funded with direct financial assistance from USAID, and participation is voluntary for beneficiaries. This is essential in guiding CFBCI's promotion of the Establishment Clause, i.e., the separation of church and state, and highlighting the ways USG can work globally with FBOs that are consistent with the guarantees of the U.S. Constitution and other laws.

Overseas Programming: Because CFBCI is not structured to have program funding, it does not directly manage any USAID cooperative agreements or contracts. CFBCI partners with other Bureaus and Independent Offices to bring new partnerships and collaborations to the Agency. For example, in support of USAID's peacebuilding efforts, CFBCI worked with the DCHA Bureau to develop a public-private partnership of more than \$7.5 million with different FBOs to build social cohesion to prevent and respond to violence in the Central African Republic. Complementary to the donor relationships managed by PPL, CFBCI also partners bilaterally with governments to improve and increase FBOs footprints in our global work. A prominent example is the Partnership on Religion and Sustainable Development—a donor coordination mechanism for faith-based and community organizations with other donor countries and multilateral organizations—to help achieve the 2030 Agenda for Sustainable Development.

Strategic Partner Engagement: CFBCI creates opportunities for the Administrator to engage faith communities and civil society through hosting annual Iftar and Eid al-Fitr celebrations, and facilitating remarks at the National Prayer Breakfast. CFBCI also puts USAID in a leadership role with diverse faith groups by convening gatherings of FBOs and religious leaders, branded "Faith Works" events, such as hosting nearly 200 global leaders prior to the arrival of Pope Francis' visit to the United States.

For more than 14 years CFBCI assisted the USG to partner with faith-based and community organizations. In 2014, faith-based and community organizations raised more than \$24 billion from private funding—more than eight times what they received from USAID—complementing substantially U.S. foreign assistance efforts. Partnerships with faith-based and community organizations help empower communities around the globe by enabling more effective and inclusive development, global health, and humanitarian assistance.

LOOKING FORWARD

Beyond following guidance provided by the previous two Administrations, maintaining CFBCI in the Office of the Administrator gives CFBCI the ability to act and gain support for priorities across the Agency. It also lends credence and heft to the seriousness of the Agency's work with these stakeholders.

The Agency's work with faith-based and community organizations is highly regarded and supported on Capitol Hill in bipartisan fashion. CFBCI assists and joins Congressional Delegations and meets regularly with Senate and House members and staff. As a result, CFBCI is able to better engage with influential faith-based and community leaders who frequently advocate in support of the Agency's mission and priorities.

CFBCI's relations with the White House Faith-Based office, the NSC, and the network of the other 12 partner offices across the USG, particularly the Department of State's Office of Religion and Global Affairs, allows for effective inter-agency collaboration on policy, and specific program efforts, such as Ebola response and crises in countries like South Sudan.

CFBCI staffing in this Administration has been composed of political appointments and contract staff, which creates challenges for integrating faith-based approaches in the Agency and is a challenge for continuing the work during a Presidential transition. CFBCI has a Foreign Service Officer to lead the office during the upcoming transition, but this staffing situation will remain a challenge for the next Administration. Additionally, CFBCI would benefit from developing a long-term strategic plan to continue building on key areas of programmatic engagement and office functions to match the length of the new Administration and ensure continuity of services rendered to faith-based and community organizations.

BUREAU BRIEF: LGBTI

INTRODUCTION

In the majority of the countries in which USAID operates, discrimination, violence, and exclusionary laws negatively impact the lives of millions of LGBTI¹ people, contributing to poverty and undermining development efforts. The December 2011 Presidential Memorandum entitled “International Initiatives to Advance the Human Rights of LGBT Persons” made support for the human rights and development of LGBTI persons around the world a U.S. foreign policy priority. USAID works to implement the tenets of the Presidential Memorandum and integrate LGBTI considerations into our programs and policies.

LOOKING BACK

USAID has a long history of advancing human rights and development by supporting and assisting marginalized and vulnerable populations, including LGBTI people. Previously, the Agency’s LGBTI-inclusion efforts were decentralized and championed by a small group of passionate staff who volunteered their time. Since the December 2011 Presidential Memorandum, USAID redoubled its efforts and made impressive progress:

Leadership/Policy

- **Established USAID as a clear leader** in LGBTI human rights and development policy/programs;
- Released USAID’s ***LGBT Vision for Action***, a foundational document that underscores USAID’s commitment to advancing the human rights and development of LGBTI people;
- Senior USAID leaders collaborated with LGBTI civil society organizations, advocates, and USG partners to make **meaningful responses to critical setbacks** (i.e., increases in anti-LGBTI rhetoric, violence, and legislation) around the world and elevate the global discourse on LGBTI issues;
- Led several **cutting-edge nondiscrimination policy initiatives**, including the release on October 25, 2016, of one of the first nondiscrimination policies for access to supplies or services for beneficiaries.

Internal Capacity Building

- Built an **internal LGBTI community of practice** featuring staff in each Bureau and Mission who have the resources and knowledge required to champion LGBTI inclusion;
- **Trained staff** on LGBTI inclusion in the workplace/programming in more than 55 countries and online.

Programmatic

- Launched **LGBTI standalone programs** (i.e., the LGBTI Global Development Partnership, “Being LGBTI” initiatives, and the LGBTI Human Rights Initiative) and **LGBTI-inclusive programs**; and
- Integrated LGBTI issues into **technical documents and country strategies** – including Country Development Cooperation Strategies, Mission Orders, and guidance documents.

In February 2014, USAID established the LGBTI office within the Office of the Administrator as a way to elevate the issue and facilitate the support and oversight of USAID’s senior leaders. From the time of the inception of the LGBTI office, USAID’s intention has been to integrate it into the operations of the

¹ Note on terms: USAID currently uses the acronym LGBTI (lesbian, gay, bisexual, transgender, and intersex). USAID previously used the acronym LGBT; it is sometimes used herein when referring to projects and documents that were developed prior to the updating of the acronym. Regardless of the acronym used, the intention is to refer to the community in a way that is broadly inclusive of sexual orientation, gender identity/expression, and bodily diversity.

Agency. As such, the LGBTI office is being institutionalized as a branch of the Human Rights Division of DCHA/DRG.

LOOKING FORWARD

Core Values Commitment: In advancing LGBTI human rights and development moving forward, it is important that USAID first and foremost maintain a commitment to “do no harm.” Any LGBTI programming should be designed, implemented, and monitored in close coordination with organizations and individuals representing the intended LGBTI beneficiaries. In short, we should “do nothing about them without them.” Additionally, USAID should continue to apply an “inclusive development” framework and approach to all of its efforts – ensuring that the most marginalized populations have a voice in their development.

Leadership and Influence Imperative: Due to the technical and senior leadership at USAID, we have had an impact not just on development, but on broader USG policy on these issues. USAID’s leadership role is particularly important at critical junctures – including NSC-led interagency policy committees, the development of USG-wide responses to LGBTI human rights crises, and convenings designed to help the global LGBTI human rights and development community prioritize and plan its future direction. Central to ensuring that USAID’s values and equities are represented is having senior-level staff focused on this issue.

Programmatic Priorities: USAID continues proven programmatic engagements that support LGBTI human rights and development – particularly LGBTI civil society organization capacity building and enhancing rule of law. Additionally, through its programs, USAID is driving the global dialogue and its programming in the direction of addressing high prevailing rates of homophobia and transphobia in developing countries. USAID may also have opportunities to support cross cultural programs that help to enhance the capacity of religious and media leaders from developing countries to be allies for LGBTI people. Finally, there are opportunities to enhance USAID’s approach to integrating LGBTI considerations into broader programming including, but not limited to, education, food security, humanitarian assistance, and economic growth.

Opportunity for Expanded Staff Training and Socialization: USAID seeks to train and socialize our staff across all countries on LGBTI inclusion in the workplace and programs. Increased in-person staff training and socialization will improve our staff’s ability to integrate LGBTI considerations in programming (including program design) and broader development work.

Nondiscrimination: Nondiscrimination is a fundamental tenet of USG aid delivery. As a non-discrimination policy leader, USAID may seek to: 1) focus on communications and implementation steps associated with the new policy on nondiscrimination mentioned above for access to supplies or services for beneficiaries; and 2) strengthen its policy to prohibit contractors and grantees from discriminating against their employees on the basis of sexual orientation and gender identity (the current provision “strongly encourages” nondiscrimination in employment).

Collaboration with State/DRL: USAID and the U.S. Department of State coordinate on policy, programming, and reporting. USAID also contributes funds to the Global Equality Fund, an LGBTI funding initiative managed by the Department of State. In order for this work to proceed effectively as a U.S. foreign policy priority, State and USAID should strive for improved communication and coordination.

BUREAU BRIEF: OFFICE OF BUDGET AND RESOURCE MANAGEMENT

INTRODUCTION

The Office of Budget and Resource Management (BRM) is an independent office within the Office of the USAID Administrator, established in 2010 in response to the recognition of the value and importance of producing a corporate USAID development budget on behalf of the Administrator. Coordinating closely with the State Department's Office of U.S. Foreign Assistance Resources (State/F), BRM formulates, justifies, and oversees the execution of USAID's program budget, and represents the interests of the Administrator, the Agency, and the Administration throughout the foreign assistance budgeting process. BRM's end goal is an evidence-based development budget process that aligns with USAID's mission, prioritizes USAID and broader U.S. Government development investments, and promotes foreign assistance transparency and effectiveness to the greatest extent. BRM is called on frequently to provide briefings to Congress to help justify funding of Administration and Agency development priorities.

LOOKING BACK

A significant [evolution of Agency budget capacity](#) began in 2006, when USAID's Bureau for Policy, Planning and Coordination was dissolved to consolidate foreign assistance policy and budget formulation under State/F. This resulted in the erosion of USAID's corporate role in budget and resource management and its ability to systematically deploy resources where they would have the greatest impact. In recognition of this gap and in order to re-establish this essential function, USAID created BRM in 2010.

Over the past six years, BRM has grown steadily, beginning with a few detailees, but expanding by 2016 into a full office. This growth has allowed BRM to take on an expanded set of responsibilities. With its small team, BRM now provides the Administrator with the corporate-level capacity to propose, justify, and execute the USAID budget, promote the use of country and sector strategies to influence resource requests and allocation, analyze and work to maintain healthy [resource trends](#), and manage scarce resources in support of the Agency's mission. Over the past year, BRM helped the Agency improve country-level strategic planning by integrating data-driven budget assumptions into the parameters for Mission strategies. As more and more new country strategies are developed, these inputs will lead to more realistic, focused, and evidence-based strategies.

BRM also increased the [efficiency of budget execution](#) through increased focus on financial management of program funds. This had not been a priority of staff in State/F, yet is crucial to the successful implementation of development assistance programming. By looking more critically at funding held up in unnecessary pipelines and proactively reprogramming funding before it expires, USAID can use its resources more effectively to expand implementation, increase support to priority programs, prevent funding gaps, and better justify future funding requests to Congress. BRM's role becomes even more critical when unanticipated resource requirements arise due to urgent challenges. From the Ebola outbreak, El Nino response, and conflicts in Afghanistan and Pakistan, to Zika concerns and countering violent extremism, BRM staff have engaged with State and USAID partners to ensure the Agency develops effective, coordinated, corporate responses to the world's most critical and pressing priorities.

LOOKING FORWARD

BRM has made significant progress in re-establishing the Agency's critical budget formulation and execution functions. However, many opportunities and challenges remain:

- **Authorities:** The Agency's ability to make strategic budget decisions is constrained by a significant disconnect between: (1) the Administrator's delegated budgetary authority; and (2) the Administrator's responsibility and accountability for development programming. This disconnect also inhibits the Agency's ability to adaptively manage programs to achieve better results by shifting funds among countries and programs based on needs and evidence. When State/F was originally established, the USAID Administrator simultaneously held the title of Director of Foreign Assistance, with corresponding authorities over the foreign assistance budget. These positions have since been decoupled, with the budgetary authorities remaining at State/F with the Director of Foreign Assistance Resources. Therefore, despite being a Senate-confirmed Administrator of an independent USG agency, the USAID Administrator does not currently have a direct line to the Secretary of State regarding the USAID budget.
- **Budget Negotiation:** With the establishment of BRM, many budget tasks and responsibilities returned to USAID at the working level. However, due to a lack of formal budgetary authorities, success in resolving budget challenges with State, the Office of Management and Budget, and Congress is often dependent on interpersonal relationships. This unresolved structural problem is particularly exposed during changes in leadership, when new relationships must be nurtured. It can be especially challenging to achieve consensus and consistent messaging among all stakeholders during the budget justification process.
- **Relationship Between Program and OE Funds:** Within USAID, the program budget is overseen by BRM, while Operating Expenses (OE) are managed by the Bureau for Management (M). This split management arrangement, which came about because of the creation of State/F, requires significant collaboration to ensure that Agency operational resources are aligned and adequate to meet shifting programmatic needs. Views differ on whether this split arrangement is the most efficient approach to strategic budgeting.
- **Humanitarian-Development Tradeoffs:** Since the overall USAID budget has been relatively stable in size over the past five years, and includes both development and humanitarian assistance priorities, budget increases in one area are frequently made at the expense of the other. These tradeoffs in a zero-sum environment make it difficult to resource unanticipated crises while maintaining consistent strategic commitments to development programming.
- **Budget Pressure from Directives and Initiatives:** USAID's flexibility and ability to link budget decisions to strategy and learning has been constrained by increased numbers of Congressional directives and Administration initiatives. One strategy to acquire increased funding flexibility is to develop consensus between the Administration and key Congressional committees on the levels required to reasonably accommodate both Congressional and Administration priorities.
- **Selectivity and Focus:** Along with other key stakeholders such as PPL and M, BRM will continue to provide leadership in analyzing the nature and focus of our presence and programs overseas. Through this process, BRM will help ensure that USAID is planning effectively to transition our aid to align with evolving host country relationships and resources.
- **Future Funding:** The USAID budget has become increasingly reliant on "Overseas Contingency Operations" (OCO) funding, which began as annual appropriations related to operations in Iraq and Afghanistan, but has expanded considerably. OCO is currently used to respond to various conflicts and humanitarian challenges in Africa, Asia, Eastern Europe, and the Middle East, and accounts for approximately 25 percent of USAID's FY 2016 budget. How OCO is approached in the future by the new Administration and a new Congress is an extremely important question, with significant implications for USAID's base budget.

SUPPORTING DOCUMENT: OFFICE OF BUDGET AND RESOURCE MANAGEMENT EVOLUTION OF AGENCY BUDGET CAPACITY

USAID was created in 1961 under President Kennedy through an Executive Order. Until 1998, USAID was considered a non-statutory agency, at risk of being abolished simply through a subsequent executive order, although beginning in 1979, it was a part of a statutory agency called the International Development Cooperation Agency (IDCA) which existed in name only. In 1998, the Foreign Affairs and Restructuring Act abolished IDCA, established USAID as an “independent establishment”, and stated that the Agency was to be headed by an Administrator who shall “report to and be under the direct authority and foreign policy guidance of the Secretary of State.” Through subsequent Presidential executive orders and Department of State delegations of authority, USAID continued to receive authority under the Secretary of State to program economic assistance around the world.

In 2006, Secretary of State Rice announced a “transformational development” initiative, which included the creation of a new Office of U.S. Foreign Assistance Resources (State/F), headed by a Director of Foreign Assistance (DFA). State/F was staffed by both Department of State and USAID employees, with the majority of USAID employees coming from the Bureau for Policy, Planning, and Coordination (PPC), which was subsequently dismantled. Prior to the creation of State/F, PPC was the primary USAID bureau responsible for all budget and policy coordination for the Agency. With its dissolution, the functions that remained at USAID were transitioned to the Office of Management, Policy, Budget and Performance in the Bureau for Management (M/MPBP), the Office of the Chief Operating Officer (COO), and the Office of Development Partners (ODP).

Upon creating State/F, Secretary Rice’s new delegation of authority altered the posture of USAID budgeting and policy by providing the DFA with the ability to act significantly on behalf of the Secretary with respect to both economic and military assistance. As a result, the DFA became responsible for coordinating all United States development-related activities, determining whether a country will have an economic support program, and funding levels of country programs. Under the Bush Administration, the USAID Administrator, both Administrators Tobias and Fore, served as the DFA, thereby filling a dual hatted role. Under the Obama Administration, the protocol shifted so that the USAID Administrator is no longer serving this dual hatted role; rather the DFA has been a career civil servant reporting to the State Deputy Secretary for Management and Resources (D-MR).

In 2010, with support of the Obama Administration and Congress to reestablish USAID as the preeminent development agency, the Office of Budget and Resource Management (BRM) and the Bureau for Policy, Planning, and Learning (PPL) were established to reassume specific budget and policy functions with regard to USAID programming. The broad delegations established for the DFA from Secretary Rice however, remained firmly in place in State/F, and Secretary Clinton reconfirmed these delegations in 2011. Because of this, many aspects of USAID’s budget are channeled through the D-MR’s office by State/F and presented to the Secretary of State on behalf of USAID and the State Department.

BRM and PPL were created to mobilize cutting-edge development leadership thinking and consolidate the fragmented policy and budget-related activities dispersed throughout the Agency. The intent was to advance Agency policy through a strong, unified voice in inter-agency fora and external audiences, and serve as a catalyst for change in the places USAID programs foreign assistance. While BRM has put in

place a number of corporate-level budget processes within USAID, many of the dual hatted functions and parallel processes in budget formulation, justification, and execution remain undefined and/or duplicative between BRM and State/F.

Currently, BRM operates as a cohesive unit with a rather flat organizational structure. Analysts, responsible for their portfolios of regional and/or technical bureaus, report to the Director and Deputy Director of BRM. BRM has a Budget Formulation Team Lead and Budget Execution Team Lead to drive both of those critical processes with the State/F. BRM also houses one controller who acts as liaison between BRM and the Office of the Chief Financial Officer.

SUPPORTING DOCUMENT: OFFICE OF BUDGET AND RESOURCE MANAGEMENT EFFICIENCY OF BUDGET EXECUTION

Good financial management allows USAID to effectively use its resources to expand implementation, increase support to priority programs, prevent funding gaps, and better justify future funding requests to Congress. As the Agency continues to face increasing demands to support unfunded priorities and initiatives with the same amount of resources, Agency Leadership has focused intensively on financial management and the efficient use of program funds, particularly through a new effort led by the Office of Budget and Resource Management (BRM) and the Bureau for Management (M).

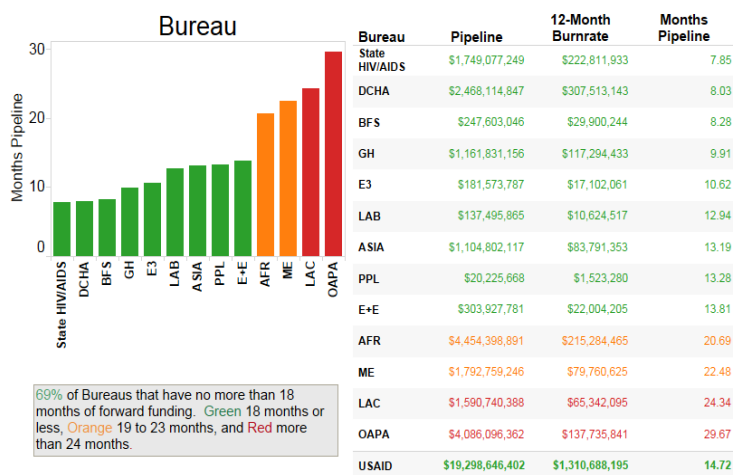
As part of this effort, financial management data is tracked in a variety of ways. Senior management regularly receives financial reports that include two high level indicators of sound financial management for USAID programming: forward funding and the percentage of subobligated bilaterally obligated funds. At a working level, quarterly execution reviews help to identify and address implementation and pipeline issues in a timely manner. Adding funding status to resource requests has increased accountability and connected financial management to planning processes. A recent agency-wide exercise to review the oldest unsubobligated funds in a sector, basic education, has allowed USAID to recapture funds for unmet needs and serves as a pilot for other sectoral efforts.

To facilitate this process, BRM and M are working together using innovative software solutions to develop dashboards that help track financial status and trends, as well as easy to use standardized financial management reports. A working group, with representation from throughout the Agency, makes recommendations on further improvements in financial management policies, guidance, and training.

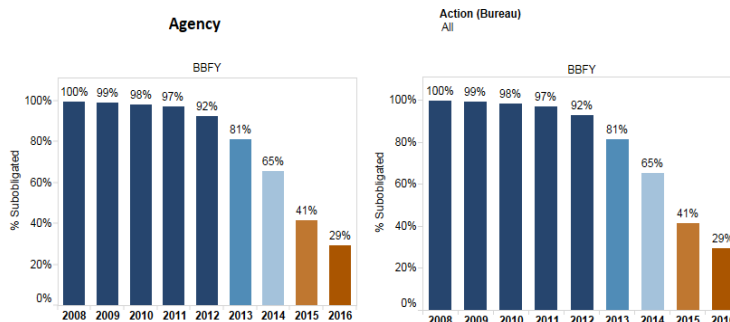


Agency Standardized Pipeline Data Quarter Ending Jun. 30, 2016

Forward Funding by Bureau



Percentage of Bilaterally Obligated Funds Sub-Obligated by BBFY

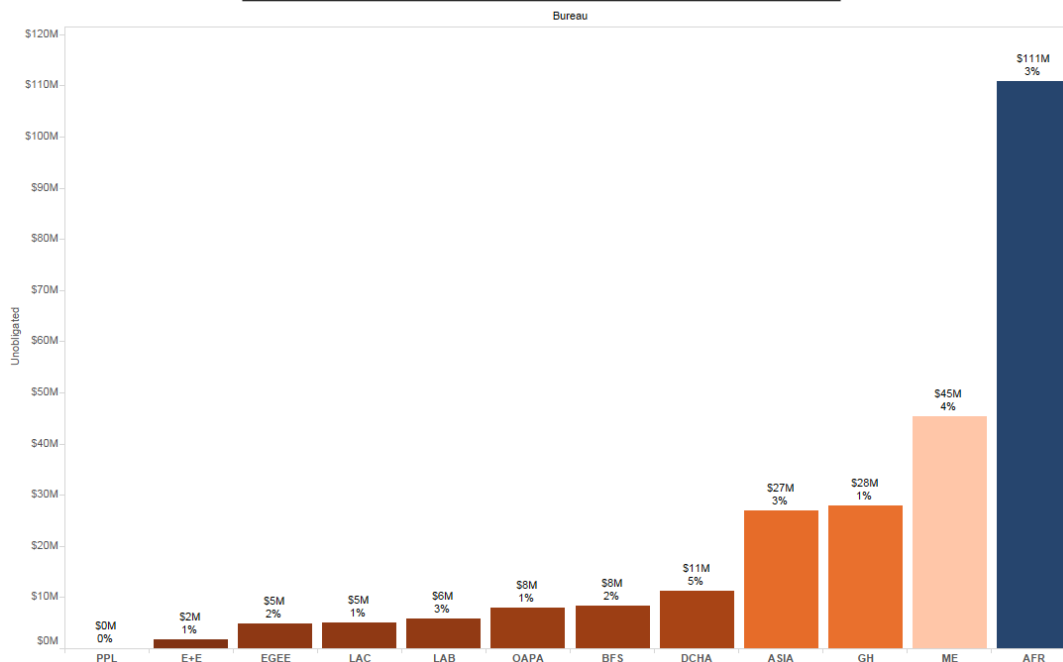


Data Source: Phoenix Reporting Database (REPORT.DETAIL PIPELINE LQ table)



Current Year Expiring Program Funds Report
(excludes Trust Funds)
9/29/2016 10:16:45 PM

Amount of Unobligated Current Year Expiring Program Funds
and Percentage of Allotted Unobligated Current Year Expiring Funds by Bureau



The results of actions taken to date have demonstrated the Agency has the ability to implement program funding quickly, reduce pipelines, and increase impact. Agency forward funding decreased from 18 to 16 months and expenditure rates were up by 7 percent, over \$1 billion, as of the end of FY 2015. Out of the 12 bureaus reporting, eight have shown reduced months of forward funding. Bilateral pipelines have gone down to 26 months, compared to 30 months, while unilateral pipelines remained at 10 months. Also in FY 2015, bilateral pipelines were reduced by \$1.5 billion dollars and the percentage of bilateral pipelines subobligated was up from 34 percent to 41 percent. The Agency reviewed unsubobligated FY 2010 and FY 2011 program funds and reprogrammed \$36 million to critical unfunded needs to meet changing Administration and Congressional priorities. The Agency also identified and reprogrammed \$66 million in basic education funds for higher priority needs.

Despite this success, there is still more that can be done to improve USAID's management and oversight of resources. USAID can build on this work and make financial management a central priority for the Agency by: (1) supplementing financial management policies, guidance, and reporting on pipelines, sub-obligation levels, and other key financial indicators, (2) employing enhanced tools for budgeting, planning, and reporting on funds, (3) increasing the importance of good financial management in training, (4) expanding reviews of pipelines to identify opportunities to reprogram funds for critical unmet needs, and (5) including financial management issues in budget planning discussions. These improvements will help the Agency strengthen the planning, management and execution of awards, augment the number of awards being made, and increase the ability of senior managers to make informed programming decisions. This in turn will enhance USAID's ability to meet U.S. Government priority development goals and advance USAID's standing as a premier development Agency.

SUPPORTING DOCUMENT: OFFICE OF BUDGET AND RESOURCE MANAGEMENT AUTHORITIES

State Department's Office of U.S. Foreign Assistance Resources (State/F) plays an essential role in coordinating assistance to meet U.S. foreign and development policy objectives. However, with the creation of PPL and BRM, several of the roles that State/F originally played to support USAID's policy and budget development are now potentially inefficient and duplicative, as well as formally separated from USAID leadership. State/F retains authority over functions that are internal to USAID, essential to the ability of USAID to effectively manage resources and achieve results, and which USAID now has the expertise to handle internally. Addressing this structural imbalance would enhance the Agency's ability to make evidence based and strategic budgetary decisions that better align to needs identified by USAID's country-based strategic planning process, and better account for results from the programs funded from the development budget.

BACKGROUND

Due to numerous historical and political factors, there has been significant evolution of Agency budget capacity and budget authorities over the years of USAID's existence. Most notably, with the establishment of State/F in 2006, the USAID Administrator took on a dual hatted role as the Director of Foreign Assistance (DFA) with the ability to make program budget decisions on behalf of the Secretary of State with respect to both economic and military assistance. However, since the subsequent decoupling of these roles during the Obama Administration, the USAID Administrator has less clear authority over the USAID program budget, and while the USAID Administrator maintains responsibility for the success of USG development programming around the world, he/she does not have corresponding authority over the USAID budget. Instead, many of the critical budgetary functions and authorities remain with the current DFA in State/F, a career civil servant who reports to the Deputy Secretary for Management and Resources (D-MR).

In response to a recognition of the value and importance of developing a corporate USAID budget on behalf of the Administrator, USAID has significantly increased its capacity and role in budget formulation and execution through the establishment of the Office of Budget and Resource Management (BRM). However, many of USAID's budget functions are still funneled through State/F and the D-MR office, because the corresponding budgetary authorities have not made a similar shift back to the USAID Administrator or BRM. For example:

As the USAID Administrator does not have overall budget authority over USAID's core development and humanitarian accounts, he/she cannot present a comprehensive development and assistance budget directly to the Secretary, but must instead go through a pass back process with State/F and rely on the DFA's combined submission to adequately represent USAID's development mandate.

The budget formulation process is further convoluted because USAID bureau level requests are submitted by Bureaus jointly to State/F and BRM. This creates incentives for Bureaus to work directly with State/F and diminishes the ability of the USAID Administrator to present a holistic development budget that advances corporate priorities and manages tradeoffs.

As the USAID Administrator does not have authority to approve reprogramming and other detailed budget execution actions at the country level, the Agency has limited ability to quickly adjust to changed needs on the ground. The 2010 Quadrennial Diplomacy and Development

Review specifically called for USAID to approve funding memos and reprogramming at the country level for USAID core accounts, but this change was never implemented. Operating Plans, which are the final step in releasing funding to USAID bureaus and missions, are negotiated and approved through State/F, rather than through USAID structures and leadership, even for Operating Units that are funded entirely from USAID core accounts. Funds Control functions, including approval of apportionment requests and allotments of USAID core accounts, reside in State/F, rather than within USAID. This is in contrast to operating accounts, which are managed by the USAID Bureau of Management (M). While State/F usually does these actions for USAID core accounts collaboratively, they sometimes get stuck in approval bottlenecks, and compete for attention with other State priority accounts. Since BRM is not directly able to monitor and support the funds control process, the Agency has difficulty at year-end, when overseeing the execution of expiring funds is required. Official management of USAID's pipeline and overall accountability for execution management does not sit within USAID, making it difficult to link financial management to budget and planning. State/F relies on USAID funding of staff in support of the DFA's approval authorities. USAID currently pays for approximately half of State/F staff and contractors (approximately 55 positions at a total of \$8.9 million in FY 2016 OE budget). Staff levels have not been adjusted, even as BRM and the Bureau for Policy, Planning and Learning (PPL) have established more robust budgeting and planning functions within USAID. This overlap increases complexity and creates unnecessary steps in moving money to Missions and Bureaus. For example:

- o Both BRM and State/F staff are reviewing, approving, and providing oversight to nearly 38 Operating Units (OUs) that are USAID funded only or are substantially USAID funded and managed.
- o Conversely, USAID-funded employees within State/F are staffing, reviewing, and providing oversight of OUs with only State managed accounts.

**SUPPORTING DOCUMENT: OFFICE OF BUDGET AND RESOURCE MANAGEMENT
IMPACT OF DIRECTIVES AND INITIATIVES ON USAID'S PROGRAM BUDGET**

All Executive and Legislative Branch directives¹ together exceed available budget. This means that sector directives and country-specific directives, in many cases, must be double-counted against each other, where appropriate to law and policy. Since FY 2009, directives have shifted from a country emphasis to a sector focus. This paper does not judge the relative merits of directives, but focuses on the operational consequences directives place on development accounts² and programs. Directives force a tradeoff at the expense of “discretionary” funding, and have so focused resources on sector-specific needs that we have little flexibility to improve the underlying political and economic systems that host countries need to provide these services themselves. Rather than discussing “discretionary” funding, which implies greater flexibility and lower priority, this paper focuses on the actual non-directive sectors that comprise discretionary funding: Peace and Security, Social and Economic Services, Economic Growth, and Humanitarian Assistance.

All directives together exceed available budget. In appropriations, directives are traditionally allocated both by country or region, and by sector or program, such as Basic Education or Trafficking in Persons. Collectively, since FY 2009 all directives simply added together have exceeded appropriated budget.

Country-Specific Directives + Sector Directives = Negative Non-Directive Funding Directives Are Becoming More Sector-Focused					
	FY 2009 Enacted	FY 2010 Enacted	FY 2015 Enacted	FY 2016 Enacted	% Diff. FY 2009-2016
Total Development Account Budget (DA, ESF, DF, TI, CCF, AEECA)	6,095,000	9,823,632	7,501,296	8,277,147	36%
Total Directives	6,450,042	11,080,227	8,954,362	10,101,885	57%
<i>percent of Total Budget Authority</i>	105.8%	112.8%	119.4%	122.0%	
Sector Directives	2,290,000	3,729,174	6,099,385	7,051,811	208%
<i>percent of Total Directives</i>	35.5%	33.7%	68.1%	69.8%	
<i>percent of Total Budget Authority</i>	37.6%	38.0%	81.3%	85.2%	
Country Directives	4,160,042	7,351,053	2,854,977	3,050,074	-27%
<i>percent of total directives</i>	64.5%	66.3%	31.9%	30.2%	
<i>percent of Total Budget Authority</i>	68.3%	74.8%	38.1%	36.8%	
Available Non-Directive Funding (Available balance after directives are deducted from available budget)	(355,042)	(1,256,595)	(1,453,066)	(1,824,738)	414%

Sector directives and country-specific directives, in many cases, must be double-counted against each other, where appropriate to law and policy. In practical terms, a portion of sector directives are allocated to countries with legislated topline that are otherwise less heavily encumbered by other statutory or policy directives. This further reduces discretion to act when real world requirements fall outside statutory or policy directives and initiatives.

Since FY 2009 directives have shifted from a country emphasis to a sector focus. Since FY 2009, while overall directives increased by 57 percent, sector directives increased by 208 percent, and country-specific directives decreased by 41 percent; all against a backdrop of an increase in overall budget authority of 36 percent. Put another way, in FY 2009, country budgetary directives accounted for 64.5 percent of all directives, but by FY 2016 they amounted to 30.2 percent of all directives. Conversely, sector directives increased from 35.5 percent of directives in FY 2009 to nearly 70 percent by FY 2016. Discounting country-specific directives, funding not subject to sector directives has shrunk from 63 percent of development funding in FY 2009 to less than 15 percent in FY 2016, and funding subject to sector directives overall has increased from 37 percent to 85 percent.

Proportional reduction of the higher of Executive and Legislative Branch directive topline would enable flexibility to meet critical non-directed needs at the Mission level. In this scenario, each sector directive and country topline would be recorded at the higher of the CBJ or Enacted level, and then all line items would be proportionally reduced by the same percentage so that the aggregate of all topline does not exceed an accepted budgetary cap. For example, at the FY 2016 enacted levels, directives require the Agency to double-count \$1.4 billion of programs, as noted above. Applying a 20 percent reduction to the higher of FY 2016 CBJ or Enacted levels using the proportional methodology reduces the need to double count to a little over \$920 million in overlap among sector directives and country topline. Applying a 28 percent reduction to the higher of FY 2016 CBJ and Enacted levels using this methodology reduces the need to double count to zero.

Achieving Flexibility							
	FY 2016 CBJ	FY 2016 Enacted	FY 2016 Higher of CBJ or Enacted	Reduction allocated 20% Reduction from FY 2016 Higher of CBJ or Enacted		28% Reduction from FY 2016 Higher of CBJ or Enacted	
Development Accounts	9,232,785	8,277,147	10,312,973	8,250,378	-20%	8,277,147	-20%
<i>Required Double-Count</i>	<i>(998,380)</i>	<i>(1,441,260)</i>	<i>(1,147,767)</i>	<i>(918,214)</i>	<i>-20%</i>	<i>0</i>	<i>-100%</i>
Total Directives	6,731,668	7,051,811	7,777,174	6,221,739	-20%	5,616,811	-28%
Feed the Future	977,960	1,000,600	1,000,600	800,480	-20%	722,651	-28%
Global Climate Change	808,300	916,500	916,500	733,200	-20%	661,912	-28%
Basic Education	600,484	800,000	800,000	640,000	-20%	577,774	-28%
Democracy and Governance	2,853,639	2,284,147	2,853,639	2,282,911	-20%	2,060,948	-28%
Water, Sanitation, and Hygiene	228,012	400,000	400,000	320,000	-20%	288,887	-28%
Other Directives	1,263,273	1,650,564	1,806,435	1,445,148	-20%	1,304,639	-28%
Non-Directed Allocations	3,499,497	2,666,596	3,683,566	2,946,853	-20%	2,660,336	-28%
Obj. 1 Peace and Security	569,971	560,110	635,524	508,419	-20%	458,987	-28%
Obj. 3 Investing in People	335,188	134,189	335,188	268,150	-20%	242,079	-28%
Obj. 4 Economic Growth (non-EDI only)	2,510,628	1,846,412	2,537,160	2,029,728	-20%	1,832,381	-28%
Obj. 5 Humanitarian Assistance	78,560	33,901	78,560	62,848	-20%	56,737	-28%
Obj. 6 Program Support	5,150	91,984	97,134	77,707	-20%	70,152	-28%

Other scenarios can be created by applying different reduction approaches and percentages to country levels and sector directives depending on desired impacts. All of these scenarios require difficult tradeoffs among sectors or further reductions in non-directed funding.

¹**Directives:** Democracy Fund; Andean Amazon; Basic Education; Biodiversity; Brazilian Amazon; CARPE; Child Marriage; Civilian Science Research Initiative; Combatting Wildlife Trafficking; Cooperative Development Program; Democracy and Governance; Dioxin Remediation; Disability Programs; Economic and Social Development Fund; Education for Blind and Deaf; Extractive Industries Transparency; Feed the Future; Forensic Anthropology Assistance; Global Climate Change (GCC), of which ; GCC-Adaptation; GCC-Clean Energy; GCC-Sustainable Landscapes; Gender-Based Violence; Global Crop Diversity Trust; Higher Education; House Democracy Assistance; Indigenous Peoples Grants; Internet Freedom; Kimberley Process; Lacey Act; Leahy War Victims Fund; Let Girls Learn; Mayan Biosphere - Dept. of Interior; MENA Initiative; Microenterprise; Migratory Bird Conservation; Oceans and International Environment and Scientific Affairs; Organization for Security and Cooperation in Europe (OSCE); Partnership for Regional East Africa Counter-terrorism (PREACT); Power Africa; Protection of Religious Minorities; Reconciliation; Resilience; Rhinos; Small Grants Program; Title VIII Programs; Toxic Chemicals; Trade Africa; Trade and Investment Capacity Building in Africa (TICB); Trade Capacity Building; Trafficking in Persons; Trans-Sahara Counter-Terrorism Partnership (TSCTP); US Forest Service; US Fish and Wildlife Service; Victims of Torture; Waste Recycling; Water, Sanitation, and Hygiene; Wheelchairs; Women's Leadership; World Bank Carbon Facility; and YALI. **Directive Program Areas:** Objective 2 Democracy and Governance; 3.1 Health; 3.2 Education; 4.5 Agriculture; 4.8 Environment.

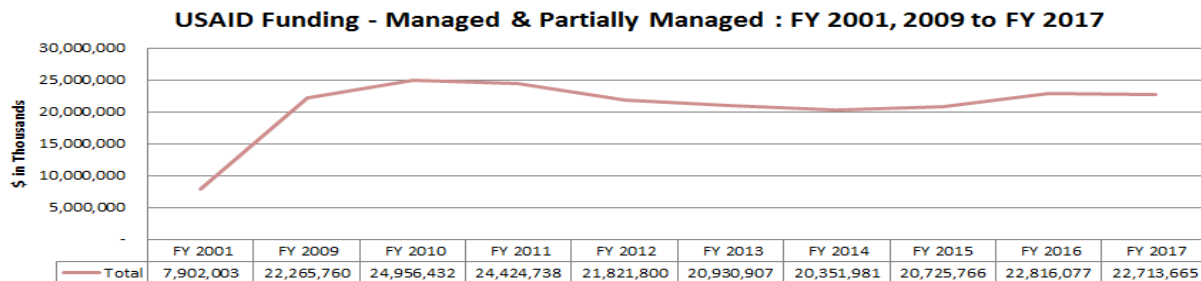
²**Development Accounts:** Development Assistance (DA), Economic Support Fund (ESF), Democracy Fund (DF), Transition Initiatives (TI), Complex Crises Fund (CCF), and Assistance for Europe, Eurasia, and Central Asia (AEECA).

SUPPORTING DOCUMENT: OFFICE OF BUDGET AND RESOURCE MANAGEMENT BUDGET OVERVIEW AND RESOURCE TRENDS

The International Affairs budget request for Fiscal Year (FY) 2017 is approximately \$54 billion, or just over one percent of the federal budget request of \$4.2 trillion. USAID's request of \$22.7 billion for operations and programs represents approximately 0.5 percent of the total annual federal budget authority and more than 40 percent of the annual International Affairs budget. USAID's funding is appropriated in the annual State, Foreign Operations and Related Programs appropriations legislation with the exception of the Public Law (PL) 480 Title II food aid program, which is funded through the Agriculture appropriation. Appropriation accounts that fund USAID development programs have congressional directives or required sector allocations that must be complied with, while appropriation accounts that fund humanitarian assistance and relief programs have more flexibility.

From FY 2001 to FY 2010, USAID's overall funding increased from \$7.9 billion to approximately \$24.9 billion, an increase of 316 percent. The increased funding during that period allowed the Agency to respond to the continuing flow of crises and conflicts that required development and humanitarian assistance, such as playing a more prominent role in Iraq reconstruction and providing assistance to Afghanistan and Pakistan, the 2004 Tsunami, and the 2010 Haiti earthquake. During the same period, funding for USAID Global Health Programs (GHP) and GHP-State for the President's Emergency Funding For AIDS Relief (PEPFAR) represented almost one third of foreign assistance funding directed to specific sectors, most notably health and HIV/AIDS.

After peaking in FY 2010, USAID's annual appropriations began a period of decline, falling from \$24.9 billion in FY 2010 to \$22.8 billion in FY 2016, a decline of 8.5 percent. At the same time, congressional directives and administration priorities increased over 30 percent, further eroding the limited discretionary resources USAID uses to support economic growth and other development priorities.



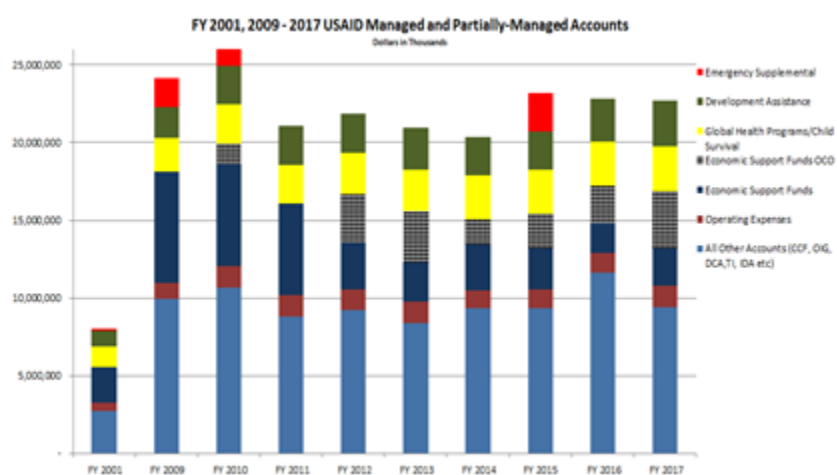
Another noteworthy trend is an increasing reliance on "Overseas Contingency Operations" (OCO) funding, which began as annual appropriations related to operations in Iraq and Afghanistan, but has expanded considerably. OCO is currently used to respond to various conflicts and humanitarian challenges in Africa, Asia, Eastern Europe, and the Middle East, and accounts for approximately 25 percent of USAID's FY 2016 budget. This growing dependency on OCO funding represents a potential threat to USAID's base budget in the future, should OCO be scaled back or eliminated.

USAID directly manages and implements its "core" accounts (Development Assistance, International Disaster Assistance, and Transition Initiatives), as well as a USAID-managed portion of the Global Health account. USAID also manages significant portions of non-core accounts jointly with the State Department (Economic Support Fund (ESF), Assistance for Europe, Eurasia & Central Asia (AEECA), the Democracy Fund, and Global HIV/AIDS funding). USAID implements more than 90 percent of ESF, 70 percent of AEECA, 40 percent of the Democracy Fund, and about 60 percent of the Global HIV/AIDS

funding appropriated to the State Department. USAID also implements all of Title II of P.L. 480 (Food for Peace) food assistance.

- The **Development Assistance (DA)** account funds programs in agriculture (Feed the Future), and congressional and administration priorities such as Power Africa, Basic and Higher Education, Water, Sanitation and Hygiene, Global Climate Change, and Democracy, Rights and Governance.
- The **International Disaster Assistance (IDA)** account, managed by the USAID Office of Foreign Disaster Assistance, provides cash food and non-food emergency aid for nations struck by natural and manmade disasters and emergencies.
- The **Transition Initiatives (TI)** account supports short-term assistance projects in countries that are transitioning from war to stabilization, civil conflict to national reconciliation, or where conflict mitigation might prevent the outbreak of violence.
- The **USAID Global Health Programs (GHP)** account supports programs focused on HIV/AIDS, malaria, tuberculosis, maternal and child health, vulnerable children, and family planning and reproductive health. In addition, the GHP account also provides funds to combat neglected tropical diseases and infectious diseases such as Polio, Ebola, and Zika.
- The **Complex Crises Fund (CCF)** allows USAID to rapidly respond to emerging or unforeseen crises with projects aimed at the root causes of conflict or instability.
- The **Economic Support Fund (ESF)** uses economic assistance to advance U.S. economic and strategic goals in countries of special importance to U.S. foreign policy.
- The **Assistance for Europe, Eurasia & Central Asia (AEECA)** account was reintroduced by Congress in FY 2016 and is intended to support countries in Europe and Eurasia to respond to Russian aggression and other instability, and to promote economic development in the region.
- The **Food For Peace (FFP)** Title II of PL 480 assists tens of millions of people experiencing humanitarian crises each year through immediate food assistance and interventions that help communities rebuild livelihoods and better prepare for future shocks.

In FY 2016, Congress appropriated \$22.8 billion to USAID's core managed and partially managed accounts, a nine percent increase above the FY 2015 enacted level of \$20.7 billion. This included a 47 percent increase for International Disaster Assistance, a nine percent increase for Development Assistance, and a two percent increase for Global Health. Funding for All Other Accounts remained relatively flat, with the exception of CCF (40 percent lower than the FY 2015 enacted level, but equivalent to the President's request).



The Appropriations Committees adopted the FY 2017 302(b) allocations for the International Affairs account, including \$52.084 billion, (\$37.189 billion in base and \$14.895 billion in OCO funds) for the State and Foreign Operations subcommittee. This is below both the FY 2017 request (\$637 million or 1.2 percent less) and the FY 2016 enacted appropriation (\$712 million or 1.3 percent less) for International Affairs.

BUREAU BRIEF: OFFICE OF CIVIL RIGHTS AND DIVERSITY

INTRODUCTION

The Office of Civil Rights and Diversity (OCRD) was created in 2010 to broaden the scope and footprint of existing Agency programs and activities, to diversify its workforce, grow and sustain a culture of inclusion, and implement the legal requirements related to equal employment opportunity (EEO) and fostering a fair and respectful work environment free of discrimination. OCRD is an independent office reporting to the Administrator. The OCRD Director is the Agency's EEO Official and Chief Diversity Officer.

OCRD promotes a diverse and inclusive workplace, one in which the contributions of all employees are valued, recognized as vital to driving innovation and forging strong relationships with stakeholders, and critical to the success of USAID's mission and initiatives. OCRD administers the Agency's EEO program, including the EEO complaint process, Alternative Dispute Resolution program, Reasonable Accommodation process, Anti-Harassment Program, and a variety of diversity, inclusion, and outreach programs and activities to foster a diverse and inclusive workplace, free of discrimination, where all employees are valued and can contribute to their fullest potential. OCRD also facilitates the engagement of Employee Resource Groups (groups that employees voluntarily organize to promote common interests of their members and provide input on Agency strategies to advance diversity and workplace inclusion).

LOOKING BACK

Since its inception, OCRD has vigorously embraced its mission. OCRD has expanded its footprint, from primarily Washington-centric to Agency-wide, by delivering training and building a network of Foreign Service Officer EEO counselors, and Foreign Service National EEO liaisons in its missions overseas. OCRD prioritized and implemented necessary enhancements to the Agency's reasonable accommodation program. Specifically, OCRD assigned a dedicated program manager to oversee the Agency's ongoing compliance with applicable statutes and regulations and revised policies and protocols to centralize and streamline accommodation processing and decision-making. These efforts reduced the average time to process reasonable accommodation requests by nearly 73 percent, from 169 days to 46 days, while overall requests increased by 287 percent. In addition, to address the workload increase and ensure continued program effectiveness, including accountability, oversight, and transparency, OCRD is currently implementing a new reasonable accommodation case management system.

OCRD enhances the Agency's Anti-Harassment Program to ensure consistency, integrity, and compliance with relevant laws. This has resulted in promptly addressing allegations of EEO-based harassment which contributes to a productive work environment. To foster diversity and inclusion, OCRD instituted efforts to increase the participation in and visibility and engagement of the Agency's 13 Employee Resource Groups (ERGs). For example, OCRD created an ERG Leadership Council that meets regularly with the OCRD Director and other Agency leaders. ERGs routinely provide critical input on new and revised personnel-related policies and procedures. To signal the importance of and leadership commitment to the value of a diverse workforce and an inclusive workplace, OCRD revitalized the Agency's Executive Diversity Council (EDC) (co-chaired by the Deputy Administrator and OCRD Director). Recently, the EDC was instrumental in establishing a targeted outreach initiative: the Development Diplomat in Residence Program, which places a Senior Foreign Service Officer in two regions of the United States to serve as regional contacts, engage in outreach and recruitment of targeted student populations, and promote careers with USAID. OCRD has expanded EEO, diversity, and inclusion training, including training on Lesbian, Gay, Bisexual, Transgender, and Intersex (LGBTI) Inclusion

in USAID's Workplace and Programming. This training, a noted best practice by the Office of Personnel Management, has been a leading resource for federal agencies, the private sector, and nongovernmental organizations.

Regarding diversity and inclusion, USAID continues its priority to achieve a U.S. workforce that looks like America – the overall benchmark is the National Civil Labor Force (NCLF). As of September 30, 2015, USAID's workforce representation of Blacks, Asians, Hispanics, and Individuals with a Targeted Disability was as follows:

- Black representation (22.16 percent) exceeds the corresponding NCLF (12.02 percent);
- Asian representation (7.72 percent) exceeds the corresponding NCLF (3.9 percent);
- Hispanic representation (5.75 percent) is below the corresponding NCLF (9.96 percent);
- Employees with disabilities (4.81 percent) is below the corresponding NCLF (8.99 percent).

LOOKING FORWARD

OCRD's growing mandate is not adequately structured, staffed, and resourced. OCRD believes it requires a new organizational structure, staffing plan, and corresponding resources to align with its programmatic mandates. These changes would enable OCRD to more effectively and efficiently process EEO complaints, file mandated reports, address reasonable accommodations requests, conduct harassment inquiries, build a comprehensive training portfolio that includes a wide array of courses related to civil rights, diversity and inclusion, and advance diversity and inclusion programs in a proactive manner.

Although the Agency has made strides in diversifying its workforce as noted above, three overarching challenges remain:

- Representation of Hispanics in the Civil and Foreign Services;
- Representation of Individuals with a Targeted Disability (the representation at USAID is 0.76 percent compared to a federal target of 2.0 percent); and
- Representation of Blacks, Asians, and Hispanics in select major occupations (positions that are mission-critical and encumbered by a large number of employees) in both the Civil and Foreign Services.

Accordingly, OCRD will continue to advance programs and collaborate with stakeholder to address the noted challenges. One such initiative is OCRD's continued involvement with National Security Workforce (NSW) agencies on the Inter-agency initiative for promoting diversity and inclusion in the NSW. As part of this mandate, OCRD developed and is implementing specific USAID goals that align with and advance the NSW *Interagency Work Plan for Promoting Diversity and Inclusion in the National Security Workforce*. In addition, on October 5, 2016, President Obama issued a Presidential Memorandum entitled, *Promoting Diversity and Inclusion in the National Security Workforce*. This Memorandum provides guidance on policies to promote diversity and inclusion in order to strengthen the talent in the national security workforce and outlines a number of actions that the NSW agencies must take to better leverage the diversity and inclusion of the federal workforce.

BUREAU BRIEF: OFFICE OF THE EXECUTIVE SECRETARIAT

INTRODUCTION

The Office of the Executive Secretary (ES) advances the Agency's mission and priorities by enabling Agency leadership to successfully articulate, advance, and defend the U.S. Government's development agenda worldwide. Led by a member of the Senior Executive Service (SES), who also serves as the Agency's National Security Advisor, and comprised exclusively of civil servants and contractors, ES endeavors to serve as an honest broker, decision making process arbiter, channel for official interagency communications, and institutional memory.

LOOKING BACK

In recent in-depth reviews of ES operations, feedback from the Front Office, ES staff, and bureaus and independent offices highlighted the following areas for improvement:

- Clearer delineations of duties between ES and the Front Office; and
- Broader and more comprehensive engagement across the interagency; specifically, with ES counterparts in select agencies.

Based on feedback received, ES undertook a series of reforms, including:

- Placed ES Special Assistants in almost all meetings between the Administrator and anyone outside of the Office of the Administrator to ensure clarity regarding taskings and next steps; and
- Devised and launched systemic, internal data tracking to drive decision making.

These reforms - and those to come, as outlined below - are crucial because the volume of work ES is responsible for is tremendous. Between FY 2014 and the present, ES processed more than 500 action memoranda, 1,000 briefers, and facilitated USAID participation in nearly [600 National Security Council](#) meetings at the Deputy, Principal, and Presidential levels. ES also continues to revise its processes, templates, and guidance to adjust and meet the needs of the Agency's principal officers and created training modules for new employees and drafters. ES also leads the process by which the Administrator approves assistance and acquisition awards above \$100 million; since 2013, ES has coordinated the review of 72 of these large awards worth more than \$30 billion. Since 2011, ES has also managed the Administrator's Initiative Fund (AIF), which is a \$5 million per year fund used to support Administrator or bureau initiatives, conferences and events, and staff salaries.

ES also provides administrative and management services to approximately 100 individuals comprising the Office of the Administrator and the units housed within it, including the Counselor's Office, Office of the White House Liaison, Office of the Senior Gender Coordinator, Office of Budget, Resources, and Management, and the Center for Faith Based and Community Initiatives.

ES's role, however, is not limited to facilitating briefing materials. Tragically, USAID lost 104 staff since 1961. As a result, ES established and leads the Agency Casualty Response Task Force (also known as the ["Fallen Colleague"](#) working group), which consolidates and strengthens operating procedures in case of an employee's death or serious injury in the field, ensuring coordinated family and staff support.

ES is also responsible for managing a number of classified processes and a significant amount of classified information. All bureaus and independent offices face the struggle with the mismatch between the inadequate security clearances and/or lack of sufficient access to classified terminals, and ES is often asked to pick up the slack. ES also manages one of the Agency's two Sensitive

Compartmented Information Facilities (SCIF), secure communications, and intelligence support classified up to TS/SCI.

To strengthen the Agency's reach into the interagency, ES serves as the conduit for [detailees](#) to the NSC, Congress, and elsewhere. We currently have 17 persons detailed from USAID serving outside the Agency and 12 persons detailed from other organizations to USAID. In order to be as responsive as possible to immediate requests from the NSC, USAID needs to increase its capacity to carry out Top Secret clearance investigations.

LOOKING FORWARD

In addition to the reforms outlined above, in August 2016, ES launched a broader reform effort entitled "ES 2020," which will include efforts to:

- Support principals domestically and abroad by advancing domestic and international trips, easing the burden on Missions for paperwork, and working with Missions to ensure deliverables are tracked, notes taken, and final trip reports catalogued. ES will, like its State and NSC counterparts, set up a "mobile ES" to ensure Principals have connectivity and support at the ready in case of emergency meetings.
- Transition from a legacy paper process to an e-process that allows real-time drafting, editing, tracking, distribution, and updates to correspondence;
- Institutionalize a 24/7 operational model;
- Regularly schedule ES training and learning events at headquarters and in the field to socialize and improve quality of products submitted through ES;
- Devise and launch quality control and evaluation mechanisms to track and disseminate feedback to bureaus and independent offices; and
- Deepen interagency linkages through development of a strategy to transparently recruit, productively engage, and successfully return detailees.

SUPPORTING DOCUMENT: OFFICE OF THE EXECUTIVE SECRETARIAT NATIONAL SECURITY COUNCIL MEETINGS

From 2009 to the present, USAID raised its profile within the interagency and increased its presence at the NSC significantly, despite USAID not being a statutory member of the NSC or traditional participant in NSC meetings. USAID has become a respected voice in the policymaking process and its influence extends beyond development and humanitarian issues into a wide foray of diplomatic, defense, and other national security topics. For example, USAID played a key role in influencing interagency policy deliberations and decisions regarding actions in support of the Yazidis trapped on Mt. Sinjar; Syrian refugees in Jordan, Lebanon, and Turkey; and addressing the Ebola crisis in West Africa Ebola. Since the start of 2014, USAID principals have attended 570 high-level NSC meetings.

ES is the primary interlocutor for all NSC meetings at the level of Deputy Administrator and above. ES works with our counterparts at the NSC Executive Secretariat; manages meeting invitations and materials; and provides recommendations to the USAID Front Office on attendance. ES handles an average of 25 to 30 NSC meetings at the Deputy's level and above each month. This number increases significantly with fast breaking issues and meetings are often called at the behest of USAID.

The NSC hosts six types of meetings at five different levels of participation. By design, issues not resolved at lower levels are advanced up the ladder for decision at higher levels. In practice, issues already agreed at lower levels may be advanced up the ladder for official blessing. Fast breaking and urgent issues often immediately go to higher levels.

Meetings of the National Security Council are chaired by the President (or rarely, the Vice President) with the participation of Principals of Departments and Agencies. These meetings usually present final recommendations to the President for decision. The USAID Administrator attends an average of one President-chaired meeting per month. USAID is rarely granted a plus one, or additional participant, to "backbench" these meetings, with the noteworthy exception of the 2014 Ebola crisis.

Principals Committee Meetings (PCs) are chaired by the National Security Advisor with participation expected from Principals of Departments and Agencies. PCs normally resolve disagreements from lower level meetings and discuss final recommendations for the President. The USAID Administrator attends an average of five PCs per month. USAID is inconsistently allowed a plus one at PCs.

Deputies Committee Meetings (DCs) are chaired by the Deputy National Security Advisor, the Homeland Security Advisor, or (on rare occasions) another member of the NSC staff at the rank of Deputy Assistant to the President (DAP); the number of DAPs vary with Administrations. While DCs are intended to resolve disagreements at lower levels, in practice these meetings occur most frequently in response to fast breaking crises and ongoing, high profile crises. The USAID Deputy Administrator and Associate Administrator, on average, attend in excess of 20 DCs per month. Plus ones are usually granted at DCs.

Economic Deputies Committee Meetings are chaired by a DAP. While they are technically at the Deputy-level, in practice USAID finds that these are generally at the Assistant Secretary/Assistant Administrator level and the meeting title is used to encourage participation. Invitations to these meetings are not consistently processed through Executive Secretariat channels.

Interagency Policy Committee Meetings (IPCs) are chaired by a Senior Director at the NSC with the participation of Assistant Secretaries/Assistant Administrators. These meetings are not

handled by ES nor processed through the NSC Executive Secretariat; participation is determined by bureaus. In theory, these meetings should inform and direct the DC process. ES actively encourages bureaus to report out on IPCs to adequately prepare for DCs and PCs. Sub-IPCs are chaired by a Director at the NSC. Department and Agency participation may occur at any level. These meetings are not handled by ES nor processed through the NSC Executive Secretariat.

On an ad hoc basis the NSC will transmit “Paper” DCs and PCs to Departments and Agencies through Executive Secretariat channels. Generally, these are requests for concurrence with a NSC policy recommendation and are routed through the relevant USAID bureaus for a recommendation before going in front of the Administrator or Deputy Administrator for final approval.

SUPPORTING DOCUMENT: OFFICE OF THE EXECUTIVE SECRETARIAT FALLEN COLLEAGUES

USAID deploys staff to some of the most dangerous parts of the world; and since 1961, has lost 104 colleagues in the line of duty. USAID employees will continue to risk death, severe injury, or illness as a result of the operating environments they face from ongoing catastrophes with climate change, wars, and terrorism. In 2008, USAID established the USAID Employee Memorial Program which recognizes employees who have died while implementing Agency programs. In 2014, the Agency established the Fallen Colleagues Working Group (WG), comprised of the Front Office, Executive Secretariat, General Counsel, Bureaus for Management and Human Capital and Talent Management, the Staff Care Center, and the Office of Security, and tasked members to develop a systemic process that ensures a robust response to the death, serious injury, or life-threatening illness of a USAID employee overseas.



The group is guided by the following principles: (1) our response is not limited to traditional direct-hire employees, but also contractors, implementing partner staff, foreign and third country national staff, and all those working on behalf of USAID; (2) we stand ready to support the entire USAID workforce, regardless of hiring category, and their eligible families through a range of services including providing ongoing support to help families cope after their loved ones have passed.

Since inception, the Fallen Colleagues WG has advanced three actions: (1) published Automated Directive Systems (ADS) chapter 108—USAID Policy in Response to Fallen Colleagues—which codifies efforts to-date and details the process through which USAID prepares and responds to incidents. Measures include the development and execution of Agency/Interagency-wide trainings, and the establishment of a Casualty Task Force comprised of key representatives from across the B/IOs; (2) created a 136-point checklist outlining the necessary steps to take following notification of an incident; (3) established a memorandum of agreement with the Department of Defense to provide military airlift support in the event that alternative modes of transportation are not available for the repatriation or evacuation of a fallen colleague; and (4) constructed a commemorative plaque for USAID’s implementing partners at the entrance of the Ronald Reagan Building’s 14th street lobby to remind all employees of the sacrifices that are made every day by those working on behalf of USAID. The plaque is inscribed with the words of former Secretary of State George Marshall, “I have done my best, and hope to have sown seeds which may bring forth good fruit.”

Challenges faced by the Fallen Colleagues Working Group include coordinating the often complicated logistics of repatriation from austere and dangerous locations to the U.S.; working through the initial chaos to clarify misinformation and ultimately provide clear and consistent communications to leadership and the families; and fully addressing the anxiety, fear and sorrow that results across the staff following any tragic event.

The importance and seriousness of the Agency's work in this space is underscored by losses over the past several years, including:



Xulhaz Mannan, a Foreign Service National at USAID/Bangladesh, was brutally murdered in Dhaka on April 25, 2016. Mr. Mannan joined the Mission in September 2015, where he worked as a Program Management Assistant in the Office of Democracy and Governance. In this capacity, he provided support to key USAID programs that combat trafficking-in- persons, address gender-based violence, and promote human rights.



Antoinette "Toni" Beaumont Tomasek, a USAID Foreign Service Officer, passed away in Haiti on June 29, 2013 following a car accident. She left behind her husband, Adam Tomasek, who later joined USAID, a son Alexandre (age 8) and daughter Amelie (age 7). Toni was a Community Health Specialist with expertise in water, sanitation, and cross-cultural education bringing years of experience domestically with migrant and seasonal farming communities, and as a Peace Corps volunteer in Paraguay.



Regaei Abdelfattah, a USAID Foreign Service Officer in Afghanistan was killed along with three coalition soldiers and an Afghan by a suicide bomber in Kunar province on August 8, 2012. Abdelfattah, 43, was on his second voluntary tour, a job that took him to eastern Afghanistan to partner with local officials to establish schools and health clinics and to deliver electricity. He left behind his two teenage sons.



John Granville and his driver, Abdelrahman Abbas Rahama, were ambushed and killed by gunmen while driving home from the British Embassy in Khartoum, Sudan in January 2008. Rahama, 39, began his USAID career in 2004 as one of the original members of the USAID Disaster Assistance Response Team for Darfur, Sudan. John Granville, 33, was from Buffalo, New York, and had worked on USAID democracy and governance programs in Sudan for more than three years, helping distribute thousands of solar-powered radios to southern Sudan, a region isolated by more than two decades of war, to inform citizens of their rights and help them prepare for elections. Granville served as a Peace Corps Volunteer in Cameroon.



Anita Datar was killed during a terrorist attack on the Radisson Blu Hotel in Bamako, Mali on November 20, 2015. Anita had spent more than a decade pursuing global public health, specifically reproductive health and HIV. Most recently, she was the Senior Director for Field Programs for HP+, a USAID-funded institutional contract with implementing partner Palladium) health policy project focused on improving reproductive health in developing countries. She will be remembered as a dedicated humanitarian and a trusted and beloved colleague. Anita's boundless intellectual curiosity and joie de vivre were evident in everything she touched. She was devoted to her son, Rohan, now 7 years old, to her parents, and to the plight of poor women, and she cofounded Tulalens, a non-profit devoted to improving the status and circumstances of women in India.

SUPPORTING DOCUMENT: OFFICE OF THE EXECUTIVE SECRETARIAT DETAILEES

The Office of the Executive Secretariat plays a central role in the recruitment, placement, and return of detailees to the National Security Council (NSC). USAID detailees to the NSC undoubtedly enrich the broader policy discussion by bringing a development perspective lens to bear on policy decisions and ensure that USAID leadership is represented in [high level meetings](#). While the Agency has succeeded in building credibility with the NSC by providing a talented pool of details, the Agency lacks a strategic plan for NSC details (and details writ large) and challenges - including the fact that very few USAID staff have the clearances required by the NSC, resulting in a smaller pool of candidates - remain.

The Agency also details staff to a range of other U.S. Government (USG) and non-USG partners. Details are approved via an Action Memorandum to the Administrator and tracked by the Office of Policy and Accountability in HCTM.

Some data points:

- USAID currently has 29 employees detailed out of, and into, the Agency.
- Of the 17 detailed outside USAID, 11 are detailed to the White House and NSC.
- Of the 12 detailed to USAID, six are in the Bureau for Global Health and three are in the Bureau for Democracy, Conflict, and Humanitarian Affairs.
- The average grade of detailees is at the GS-14 or FS-2 level.
- The majority of details out of the Agency are non-reimbursable, which means that USAID continues to pay the salary and benefits of the detailee, while the majority of details into the Agency are reimbursable, which means that USAID reimburses the sending entity for some or all of the salary and benefits of the detailee.
- The average lifespan of a detailee to/from the agency is 24 months.

DETAILS OUT OF USAID				
#	Last Name	First Name	Home Agency	Detail
1	Sosebee	Carl	USAID/OHR	Peace Corps
2	Charles	Sarah	USAID/DCHA	NSC/Strategic Planning
3	Korde	Sonali (Padmini)	USAID/GH	NSC/Development and Democracy
4	Williams	Claudia	USAID/OSTP	White House/OSTP
5	Ahira	Puneet	USAID/LAB	White House/OSTP
6	Weynand	Gordan	USAID/OAPA	White House/WHLD
7	Lorenz	Quinn	USAID/ME	NSC/Executive Secretariat
8	Redmon	Casey	USAID/LPA	NSC/Legislative Affairs
9	Haynes	Josh	USAID	SIDA
10	Hannifan	Mark	USAID/ES	United States Peace Corps
11	Grant	Rachel	USAID/DCHA	NSC/Development and Democracy
12	Brown	Frances	USAID/DCHA	NSC/Development and Democracy
13	Koulouris	Constantine	USAID/M	House of Representatives
14	Rasool	Heela	USAID/DCHA	NSC/Global Engagement

15	Hansen	Lexine	USAID/E3	DOS/OES
16	Meline	Jed	USAID/DCHA	House Democracy Partnership
17	Brown	Brittany	USAID/AFR	NSC/African Affairs

DETAILS INTO USAID				
#	Last Name	First Name	Home Agency	Detail
1	Barrett	Gary	USDA/USFS	DCHA
2	Nandakumar	Allyaya	Brandeis University	GH
3	Lombardo	Allison	DOS	AFR
4	Voorhees	John	DOD	SEC
5	Murray	Matthew	DOC	DCHA
6	Waldman	Ronald	George Washington University	GH
7	Ram	Pavani	University of New York - Buffalo	GH
8	Niermeyer	Susan	University of Colorado - Denver	GH
9	Hanson	Christy	Macalaster College	GH
10	Veeravilli	Swathi	DOD	DCHA
11	Hollister	Ruth	NGA	GH
12	Howard	Ruth	NGA	LAB

BUREAU BRIEF: OFFICE OF THE GENERAL COUNSEL

INTRODUCTION

The primary role of the Office of the General Counsel (GC) is to advise, counsel, and serve the Agency and its officials through our legal team in Washington and Foreign Service Resident Legal Officers (RLOs) stationed in 38 field missions. The breadth of complexities in USAID's operating environment, compounded by the variety of innovative tools USAID uses in achieving development, have increased the need for cutting edge and specialized legal services. On two occasions—first in 2010 and most recently in 2016—the American Bar Association recognized the quality of GC's assistance by awarding it the Hodson Award for Public Service.

LOOKING BACK

GC provided crucial legal support in high-profile Agency actions, such as addressing the needs of displaced Syrians and responding to Ebola and Zika outbreaks. GC also guided Agency staff through statutory and regulatory requirements and developed legal protections for the U.S. Government in new efforts like USG sovereign loan guarantees and Power Africa. GC was integral in the drafting, negotiation, and ultimate passage of the Global Food Security Act. GC also successfully advocated for an exemption from the Internal Revenue Service for a newly enacted foreign procurement payment tax, resulting in significant savings for the Agency, its contractors, and other USG agencies implementing foreign aid programs. RLOs negotiated critical agreements that provide the legal basis for USAID to conduct activities in a particular country and require careful balance of interests among USG agencies and with the partner government, in Laos and the Kyrgyz Republic, and navigated complex legal restrictions and authorities to permit essential assistance to go to Burma under its new leadership. GC represents the Agency in administrative fora in all litigation matters.

LOOKING FORWARD

Legal Innovation (Partnerships, Financings, Other Transactional Authority): Recognizing that the most intractable development challenges require resources far beyond those of USAID alone, the Agency proactively seeks creative solutions to leverage its assets and resources. GC devises innovative approaches within our statutory/regulatory framework with cutting-edge structures, such as Grand Challenges for Development, use of our "other transactions authority" for leveraging private funds, and investment funds to direct resources to vital sector enterprises. Private sector partners range from Fortune 500 companies to local entities.

Legal Challenges of Operating in Difficult Environments: Approximately half the Agency's operations are in areas considered non-permissive environments due to repressive governments, significant security threats, or other restrictive conditions. Programming in these environments includes civil society support as well as urgently needed humanitarian assistance. This context has disrupted many of our traditional business practices and has required intense GC involvement to minimize risk and conduct programs consistent with applicable law.

OFAC Sanctions/Material Support: An additional challenge in many countries is the presence of groups or individuals sanctioned by the Treasury Department's Office of Foreign Assets Control (OFAC) or entities designated as Foreign Terrorist Organizations (FTOs). Violations of OFAC sanctions or statutes prohibiting material support to FTOs can result in criminal and civil liability. Carrying out programs in these environments raises significant legal issues for USAID and its implementing partners, which is

particularly acute where we provide humanitarian assistance. While legal authorities may be available, the processes to obtain them are often challenging and time-consuming.

Privacy Act: USAID faces serious and growing challenges with respect to its efforts to protect privacy information while at the same time conducting its operations in an open and transparent fashion through publicizing data-sets that contribute toward critical scholarship and public accountability. Numerous statutory and regulatory regimes promote transparency while imposing privacy responsibilities on all Federal agencies, and USAID works to comply with these legal requirements. GC collaborates closely with the Management Bureau and the Senior Agency Official for Privacy to implement strategic data protection measures and incident response plans, ensure compliance with federal law, use technical and administrative safeguards, understand and address the state of information at the Agency, and improve staff understanding of responsible data management practices.

Enterprise Risk Management: By June 2017, the Agency will respond to OMB's revised Circular A-123 by integrating Enterprise Risk Management (ERM) principles into the Agency's governance structure. Development is an inherently risky business, and response to this OMB requirement may profoundly affect how the Agency assesses and addresses threats and opportunities. Currently, the Agency's Management Bureau is leading development of the A-123 response, and it is unclear when other major Agency stakeholders will be engaged. GC recommends early engagement by senior leadership from all Bureaus so that various options for addressing ERM can be compared and evaluated.

Improper Ebola Obligations: The FY 2015 Ebola emergency supplemental included authority to reimburse accounts used to fund Ebola activities prior to enactment of the supplemental. Concerns have been identified about how certain reimbursements were made. USAID is reviewing and remediating any potential legal violations, including Anti-deficiency Act violations, which may have resulted from a faulty reimbursement process. GC is providing critical legal counsel on reconciling improper obligations resulting from the flawed process. The Government Accountability Office, in a draft report provided to Congress in September 2016, raised serious concerns with the reimbursement process in its Ebola audit. The final report is expected in early November 2016.

Supporting Partnerships with Multilateral Organizations: GC works in the interagency (primarily with Treasury and State) to respond to concerns from the House Appropriations Committee for State, Foreign Operations and Related Programs (HACFO) relating to USG contributions to trust funds administered by multilateral development banks.

Litigation: GC provides counsel in all challenges to the Agency's contracting actions (bid protests) and domestic and foreign litigation to which the Agency is a party as well as all enforcement matters, such as suspensions and debarments of firms and individuals doing business with the Agency. Since 2012, GC has handled an average of 30 bid protests per year, triple the average number from previous years.

Ethics: GC is responsible for managing the USAID Ethics Program as required by the Ethics in Government Act. The USAID Ethics Program includes annual ethics education for all USAID employees, collection and review of all financial disclosure forms, and providing guidance to the Agency and individual employees on all ethics matters. Examples of ethics matters on which GC provides advice include: conflict of interest analysis, gift acceptance, participation in widely attended gatherings, post-government employment restrictions, and application of the Hatch Act's restrictions on partisan political activities.

SUPPORTING DOCUMENT: OFFICE OF THE GENERAL COUNSEL LEGAL INNOVATION

USAID is restrained by a myriad of statutory and regulatory restrictions. The legal framework generally anticipates a fairly standard contract or assistance award scenario, where USAID provides funds to an entity to implement a program—whether to a non-profit entity, for USAID to fund the partner’s program (e.g. a school feeding program), or to a for-profit entity for the partner to provide a good or service on behalf of USAID (e.g. to construct roads or perform a program evaluation). To make USAID’s ever more limited resources go further, and to help direct private resources to further international development efforts, USAID is expanding its arsenal of the types of programming it wants to accomplish, many of which do not fit into the standard mold.

The Office of General Counsel is consistently a part of the team to determine new ways to implement programming, and how to maneuver the legal landscape to minimize risk to the Agency, while also exploring new techniques for using Agency resources. This has required interpretation of the existing legal framework, while also seeking new authorities where necessary.

Prize Authority: It is recognized across the U.S. Government, and throughout industry, that running a prize competition provides tremendous benefits to the USG, including only paying for the best, proven solutions, attracting a variety of participants, and moving inventions towards scalability more quickly than conventional programming. The White House has encouraged USG agencies to engage in prize competitions, and through the White House Office of Science and Technology, provides a community of USG professionals to share and foster best practices for prizes and challenges.

USG agencies that run prize competitions generally either have special authority for prizes, or for most, engage in prize competitions under the America Competes Act. The America Competes Act, however, is limited to solvers from the United States. Recognizing that the best solutions for our issues are likely to come from those who work, and even live, in the countries in which we operate, USAID has chosen not to run any prizes under America Competes. Because we chose not to use America Competes, and did not otherwise have special authority, the Office of General Counsel worked closely with various clients in the Agency to conduct prize-like competitions (e.g. challenges) using our current assistance authorities (i.e. creating a structure allowing a competition, that ultimately resulted in a cooperative agreement using the standard assistance award authorities). For example, in the Securing Water for Food, Desalination Prize (Desal Prize), we issued a solicitation that called for solvers to present technological solutions to desalinating brackish water. The competition had three phases, which ultimately led to five finalists demonstrating the effectiveness of their respective technologies, with the two most successful technologies each receiving a \$200,000 assistance award towards scaling up the technology for widespread use.

Recognizing the limitations of the above approach, the Office of General Counsel engaged with the Global Development Lab (Lab) and Legislative and Public Affairs (LPA) to draft legislation to provide USAID with specific prize authority. Prize authority, called Innovation Incentives, was included in the FY 2016 appropriations act, and is also included in the current language of the FY 2017 appropriations act. Under the Innovation Incentives, USAID can award up to 10 prizes each year, up to \$100,000 for each prize.

USAID’s first prize competition under this authority is the 2016-2017 Off-Grid Refrigerator Competition & Innovation Prize, which includes another donor, the United Kingdom Department for International

Development, who will match the USAID prize amount, allowing for greater participation and potentially a greater impact, from the competition.

Pooled Funding Programs: USAID funding can have a greater impact when pooled with other funding. GC works with our clients to design programming where USAID can leverage its funds toward common goals with other donors. For many years, USAID has participated in pooled funding with public international organizations. Recently, GC worked with the Lab's Development Innovation Ventures team to design and launch the Global Innovation Fund (GIF) program. GIF is a private company incorporated under the laws of England and Wales and operates as a venture-capital like company, using staged financing to fund innovative ideas that have potential to scale up to reach millions of people. USAID has a seat on the Board of Directors, and works alongside other GIF donors, such as DFID, the Swedish International Development Cooperation Agency, the Department for Foreign Affairs and Trade in Australia, the South African Department of Science & Technology, German GIZ, and the Omidyar Network, to help capitalize the fund so that GIF can invest in innovative solutions. Much of the revenue received by GIF thus far was spurred by USAID's early investment in GIF, of which USAID expenditures now represent just a small fraction. GIF is fully operational and has an investment staff of 20 employees.

Sovereign Loan Guarantees: GC, in concert with the E&E Bureau, Ukraine Mission, and Inter-Agency, finalized a third \$1 billion Sovereign Loan Guarantee (SLGs) for Ukraine just before the Fiscal Year end. This will be the ninth SLG since 2012. Additional SLGs are being considered for both Egypt and Iraq. These instruments are very time intensive and require significant legal work to implement, but they can offer a critical lifeline to the host government. With the new contemplated instruments, USAID's total SLG exposure is over \$20 billion. While USAID would never have to pay that amount because it would come out of a US Treasury account, the reputation risk for USAID is very significant. Accordingly, GC mitigated these risks by adding an acceleration provision to the associated bilateral agreement with each country, which gives USAID more options if a host country defaults on the debt. Additionally, the Administrator's Leadership Council recommends that the Agency hire a SLG coordinator and a dedicated SLG lawyer to help try to further mitigate the inherent risks associated with SLGs.

Other Transactions Authority: USAID is provided broad authorities under the Foreign Assistance Act of 1961, including the ability to "make loans, advances, and grants to, make and perform agreements and contracts with, *or enter into other transactions...*" Loans, grants, and contracts are governed by a myriad of complex and imposing statutes and regulations. A smaller subset of those rules applies to our "Other Transactions Authority." This flexibility allows USAID to work with non-traditional partners, in a non-traditional manner. USAID uses such authority sparingly, in circumstances where we believe it is necessary to achieve our development goals, and another mechanism is not practical. For example, for our GIF contribution, mentioned above, USAID was able to use a streamlined agreement to provide the funding to GIF.

**SUPPORTING DOCUMENT: OFFICE OF GENERAL COUNSEL
LEGAL CHALLENGES OF OPERATING IN DIFFICULT ENVIRONMENTS
(INCLUDING OFAC AND MATERIAL SUPPORT)**

USAID operates in an increasingly challenging global context, with approximately half the Agency's operations being conducted in countries that are considered significant security threats or other restrictive conditions. Many of our programs seek to support democracy activities, including support to civil society, in environments in which such activities are not favored. Additionally, USAID frequently carries out program activities such as the provision of humanitarian assistance activities in these same environments.

This context often disrupts many of our traditional business practices and requires intense GC involvement to minimize risk and ensure programs are carried out in accordance with applicable law. Some of the specific areas that have required particular attention include:

- Protection of partners and beneficiaries: While policy and law mandate transparency in foreign assistance programming, there are exceptions where information should be protected to protect the safety/security of our partners and beneficiaries. This can be based on governments hostile to civil society or on an operating environment where ties to the USG could endanger entities and individuals. GC has worked with OMB to ensure we have the necessary exemptions to protect those with whom we work; however, going forward we need to establish clear guidance for USAID staff and partners, and train people on it, to ensure the exemptions are properly used.
- Relationship with partners: Implementing partners often take on significant risks to carry out program activities. We are working on development of standard clauses to ensure partners are advised of and understand risks before they undertake work.
- Oversight: Limitations on partners' abilities to oversee directly program activities and USAID's ability to monitor program implementation create significant complexities for USAID-supported activities. In some instances, these limitations have resulted in program losses. Consequently, USAID and its partners have had to rely on mechanisms such as third-party monitoring to ensure USAID assistance is used for its intended purpose. GC has also worked with program offices to identify creative alternatives to more traditional programming.
- Legal compliance: Environments such as Syria with large swathes of non-government controlled areas raise unique considerations under international law. GC works closely with interagency lawyers to develop parameters for our assistance programs.

An additional complication in many countries is the presence of sanctioned groups or individuals. The Treasury Department's Office of Foreign Assets Control (OFAC) administers a range of sanctions programs targeted at countries, groups such as terrorist organizations, transnational criminal organizations (including certain gangs), and individuals. Transactions with sanctioned groups and individuals can result in criminal and civil liability. Additionally, the material support statutes prohibit the provision of material support and resources to designated Foreign Terrorist Organizations. UN sanctions may impose legal obligations on the United States to avoid transactions with certain groups and individuals. Carrying out assistance programs in countries with a significant presence of sanctioned individuals or entities requires close collaboration with GC to minimize the risk that our staff or partners

could run afoul of U.S. law. While OFAC may in many circumstances issue licenses to permit foreign assistance activities to proceed even when they may benefit a sanctioned group or individual, the process of obtaining such licenses is often challenging and time-consuming.

Given the changing world in which USAID operates, GC will continue to work with USAID Bureaus and offices to carry out vital programming in increasingly challenging environments in a manner that decreases risk to USAID and partners alike.

SUPPORTING DOCUMENT: OFFICE OF THE GENERAL COUNSEL EBOLA REIMBURSEMENT

The FY 2015 Ebola emergency supplemental appropriations (Title IX of Division J of Public Law 113-235) included an authority to use emergency supplemental funds to reimburse accounts for obligations made in response to the Ebola outbreak prior to enactment of the emergency supplemental. GC is working with USAID's Bureau for Management, Office of the Chief Financial Officers (M/CFO) and the Office of Budget and Resources Management (BRM), the Department of State's Office of the Director of Foreign Assistance (State/F), the Office of Management and Budget's Office of the General Counsel (OMB/GC), and multiple programmatic operating units in USAID to analyze the impact of the methodology used to conduct the reimbursement authorized by the Ebola appropriation.

While the authority contained in the Ebola appropriation was to reimburse "accounts" for Ebola-related obligations incurred prior to enactment of the Ebola appropriation, USAID, State/F, and OMB utilized a system whereby "operating units," rather than accounts, were reimbursed with Ebola funding. To effectuate this process, the reimbursed funds were tagged in the accounting system as reimbursements, but this "tagging" did not properly trigger the reimbursement authority. Consequently, when, for instance, Economic Support Fund (ESF) account Ebola funding was provided to the USAID Bureau for Global Health (GH) to reimburse the bureau for Global Health Program (GHP) account obligations incurred prior to enactment, the Ebola ESF remained legally available only for Ebola-related obligations. However, operating units were informed that because the funds were intended as a reimbursement, the Ebola supplemental funds could be used for purposes other than Ebola. Therefore, reimbursed operating units obligated the funds for other than Ebola purposes.

In total, USAID sought to reimburse \$401 million in pre-enactment obligations (\$371.4 million from Ebola International Disaster Assistance (IDA) account and \$29.7 million from Ebola ESF) to the Office of Foreign Disaster Assistance (OFDA), the Office of Food for Peace (FFP), the Bureau for Africa (AFR), and GH. When potential problems with the reimbursement process came to light, operating units were instructed to stop obligating the reimbursed funds, although some of the funding had already been obligated. As a result, \$18.2 million of expiring, unobligated Ebola ESF that had previously been planned and notified to Congress as part of the reimbursement became available at the close of the fiscal year. To date, USAID has focused primarily on the Ebola ESF reimbursement because these funds expired on September 30, 2016.

The specific reimbursements known to be problematic are as follows:

- \$28.7 million of GHP funds obligated by GH, USAID/Guinea, and USAID/Liberia were reimbursed with Ebola ESF funds (of which \$10.4 million was obligated);
- \$1 million of Development Assistance (DA) funds obligated by USAID/Senegal were reimbursed with Ebola ESF funds (all of which was obligated); and
- \$31.9 million of Title II funds obligated by FFP prior to enactment were reimbursed with Ebola IDA funds (of which \$21.5 million was obligated).

An additional \$340 million of IDA, which was obligated by OFDA prior to enactment of the supplemental appropriation and reimbursed with Ebola IDA, is still under review by OMB/GC. This reimbursement presents a significantly different fact pattern because the reimbursement involved the same no-year account of IDA.

State/F and multiple USAID offices are working to identify funds to “correct” the obligations incurred using Ebola funding for non-Ebola purposes. To the extent that such obligations cannot be corrected, the Agency may have committed an Antideficiency Act (ADA) violation. The ADA prohibits incurring obligations or making expenditures in excess of amounts available in an appropriation or fund unless authorized by law. A finding that an ADA violation did occur requires a letter be sent to the President and both Chambers of Congress notifying the violation and naming the responsible person. Failure to “mitigate” the violation could also result in USAID having to seek special authority (e.g., a “Deficiency Appropriation”) to cover the costs of the improperly funded mechanisms.

Per Agency guidance (ADS 634.3.5), BRM notified M/CFO on August 11, 2016, of a potential funds control violation resulting from the improper reimbursement mechanism. M/CFO is in the process of conducting its review of the issue, part of which involves making a formal determination with respect to the ADA. M/CFO is the lead office in evaluating whether funds control and ADA violations occurred.

To date, USAID has identified \$11.4 million in GHP and DA account resources to correct the obligations made with the improperly reimbursed Ebola ESF. The result of making account adjustments to a proper funding source and ceasing new obligations with the improperly reimbursed funds, was approximately \$29.7 million in unobligated Ebola ESF available at the close of fiscal year 2016. Working with appropriations committee staff on potential sources for a rescission to offset for the Zika emergency supplemental appropriations enacted on September 29, 2016, USAID identified these resources as available for rescission. However, USAID has not yet identified funding to correct the improper obligations made by FFP resulting from the flawed reimbursement with Ebola IDA. Upon identification of any potential resources to make these corrections, M/CFO will work with affected operating units to make the necessary account adjustments as was done with the Ebola ESF.

The Government Accountability Office (GAO), as part of its ongoing audit of the Ebola response, also noted irregularities with respect to the reimbursement process during the audit Exit Conference. The GAO provided its draft report to USAID and appropriations committee staff on September 15, 2016. Formal agency comments on the draft report were due to GAO mid-October. Additionally, USAID briefed the oversight committees for both foreign operations and agriculture programs on the flawed reimbursement process.

USAID/GC remains engaged with OMB/GC, State/F and programmatic units to identify funds to “correct” the improper obligations by FFP as well as on outstanding issues, including the \$340 million ESF IDA to IDA reimbursement.

SUPPORTING DOCUMENT: OFFICE OF THE GENERAL COUNSEL PRIVACY LAW AND COMPLIANCE

USAID faces unique challenges for privacy risk management and compliance. The Agency's scope of operations is global, including restrictive spaces. It extensively interfaces with non-USG actors. Its operations are decentralized. In such an environment, privacy risk management and compliance can be complicated. When combined with new Federal requirements for transparency in operations, USAID must be especially vigilant in the protection of the information that it possesses or controls, especially personal information (including personally identifiable information) and sensitive information, which might be classified.

Privacy Law is Evolving. Federal agencies must adhere to a wide array of privacy-related requirements. Laws include specific requirements pertaining to data handling and reporting. Increasingly, the data protection requirements focus on the difficulties in maintaining the privacy of electronic information. Most recently, the July 28, 2016 revision to OMB Circular A-130, Managing Information as a Strategic Resource, provides guidance on the planning, budgeting, governance, acquisition, security, privacy and management of Federal information resources. The Circular codifies a number of important best practices in these areas. GC works extensively with the Privacy Office in the M Bureau to ensure that the Agency can demonstrate compliance with privacy requirements.

Privacy is a Protection Issue. Nowhere is the importance of privacy more important than in the protection of individuals who are working in restricted spaces. For USAID employees, contractors, and partners, a disclosure of personal information could endanger their personal well being. In many places where USAID does business, ensuring individual privacy assures the Agency's ability to operate; inadvertent disclosures of information could endanger the personnel who are necessary to execute the USAID mission. Consequently, GC's guidance on privacy issues in restricted spaces focuses on the security and protection issues that are part of the portfolio.

Balancing Privacy and Transparency. To comply with President Obama's Open Government initiative, USAID works to uphold the values of transparency, participation, and collaboration in tangible ways that benefit the American people, while assuring the privacy and confidentiality of personal and sensitive data. In October 2014, the Agency issued its first ever open data policy in ADS 579. This open data policy, however, must be accorded with privacy principles. In the realm of open data, there are particular concerns about how seemingly innocuous data could be combined with other data sets to allow for the identification of individuals. These issues must be considered when applying ADS 579 to make sure that the privacy and confidentiality of personal and sensitive data is not compromised. Data Stewards and System Owners must assess, analyze and manage risks to personal and sensitive information and implement plans to make sure that personal and sensitive information is not disclosed online by completing Online Data Privacy Assessment (ODPA). Any disclosures of data sets or research results must ensure that the underlying information is not identifiable. "anonymized" or "de-identified."

SUPPORTING DOCUMENT: OFFICE OF THE GENERAL COUNSEL LITIGATION AND ENFORCEMENT

GC's representation of the Agency in litigation is primarily the responsibility of two divisions: Litigation and Enforcement (GC/LE) and Ethics and Administration (GC/EA). GC/LE defends the Agency in federal court and before the Government Accountability Office (GAO) on a variety of issues including bid protests, Freedom of Information Act litigation, and Federal Tort Claims Act cases. GC/EA defends the Agency on employment matters in administrative processes and works with the Department of Justice to defend USAID in federal court.

Currently, there are a number of active matters pending on GC's docket, including:

- a. *Management Systems Int'l v. USAID* - Management Systems International (MSI) appealed a contracting officer's final decision to the Civilian Board of Contract Appeals that found \$1.2 million of MSI's costs under two support contracts in Iraq were unallowable. The issue in the case is whether direct labor rates billed by Sallyport (now Kaseman Sallyport International), MSI's subcontractor, are allowable when the labor positions billed were not included in the Sallyport subcontract. USAID has filed an answer and will likely participate in mediation with MSI in the coming months.
- b. *International Resources Group v. USAID* - International Resources Group (IRG) filed two cases in the Civilian Board of Contract Appeals. In each case, IRG challenges audit findings questioning various costs incurred by IRG under USAID contracts.
- c. *Saba v. USAID* - Currently a single-plaintiff case alleging disability discrimination based upon the Plaintiff's failure to obtain medical authorization. There are currently pending motions to certify a putative class and to join this action to an ongoing state class action.
- d. *AOSI v. USAID* - In 2005, USAID's implementing partners filed suit challenging the implementation of the "prostitution policy requirement" of the PEPFAR authorizing legislation. This provision requires all organizations receiving U.S. Government funding for HIV/AIDS activities to have a policy explicitly opposing prostitution and sex trafficking. In June 2013, the Supreme Court found that the prostitution policy requirement violated the First Amendment. Since then, the USG has not applied the requirement to U.S.-based partners, but is still applying it to non-U.S.-based partners. Plaintiffs have challenged the USG's interpretation of the Supreme Court ruling. In January 2015, the district court issued an injunction essentially invalidating the USG's interpretation of the ruling. The injunction is currently stayed while the USG and the plaintiffs' counsel engage in discussions exploring possible settlement options.
- e. GC also handles approximately 30 employment related cases at any given time. In this capacity, GC attorneys defend the Agency before in a variety of litigation fora, including the Equal Employment Opportunity Commission, the Merit System Protection Board, the Foreign Service Grievance Board, federal district court, and federal Courts of Appeals. Employment actions at USAID are especially complicated because the Agency has numerous different types of hiring authorities for its civil service employees, foreign service employees, and contractors.

BUREAU BRIEF: OFFICE OF SECURITY

INTRODUCTION

The Office of Security's (SEC) mission is to protect USAID personnel and critical facilities through comprehensive and forward-thinking security solutions that enable USAID to achieve its mission. As an Independent Office within USAID, SEC is responsible for: 1) maintaining effective physical security systems, armored vehicles, and security communications to support USAID's global operations; 2) providing Agency oversight on counterintelligence, insider threats, information security, and intelligence support to the Agency Partner Vetting System; and 3) as one of 22 Federal Agencies with delegated authority, conducting personnel security investigations to grant security clearances to USAID personnel.

LOOKING BACK

SEC uses the threat criteria developed by the Department of State's Diplomatic Security Service to design and implement a tiered defensive system to protect personnel at each of the 22 USAID facilities not co-located with an embassy. SEC partners with Federal Protective Services to protect the elements of USAID located in Washington, DC.

- In the last ten years, the threat facing the Agency has changed from large single terrorist attacks such as the Nairobi and Dar es Salaam Embassy bombings of 1998, to a broader terrorist threat aimed at smaller soft targets. New threats and more work in dangerous environments impact USAID's mission success in humanitarian and development operations and creates new challenges. While the Office of Security has begun to reform its procedures to address these new realities, this shift will need continued leadership and focus to put the Agency in a position to best respond to the current threat environment.
- SEC has delegated authority to conduct personnel security investigations on USAID staff (vs. relying on another Agency to perform this function) because USAID needs to conduct investigations in a timely manner, particularly for programmatic surges such as Ebola response, Afghan hiring, and the Congressional mandate to increase the Foreign Service; however, this capacity has been strained to meet the urgent demands placed on it.
- SEC maintains a close relationship with the State Department's Office of Diplomatic Security (DS), as well as the FBI, the CIA, the Office of the Director of National Intelligence, and the Department of Defense.
- Under the guidance of the Deputy Administrator, SEC has undertaken a great deal of reform, including overhauling personnel and undertaking improvements to USAID's security clearances, and will need to continue to adapt to the new security environment and needs of the Agency.

LOOKING FORWARD

In a heightened threat environment, SEC continues to work closely with DS to monitor and mitigate developing threats. As a result, SEC has developed the following programs.

- **Implementing Partner Support:** In light of the new security environment, USAID Missions are providing higher levels of safety and security support to Agency implementing partners operating in difficult environments in Afghanistan, Kenya, and Pakistan; SEC is also opening offices in Bangladesh and South Sudan. As a result, more than 900 implementing partners benefit from outreach activities provided by Mission programs.
- **Personnel Recovery (PR):** The SEC PR Program is focused on ensuring that USAID has the capability to prepare for, prevent, and respond to instances when a staff member is lost or displaced due to natural or hostile events. The PR Program has established training programs at eleven Missions that has reached more than 1,500 USAID employees. With current staffing it will take SEC eight years to provide all overseas Missions with this critical training.

- **Security Assessments:** The bulk of our 22 USAID Missions that are not co-located with embassies do not have the 100-foot security perimeter setback needed, or cannot be upgraded to meet blast criteria. In most cases there are two options: find a new facility that meets the security criteria or wait until the Mission is co-located inside a New Embassy Compound (NEC).
- **Non-Permissive Environment (NPE):** SEC is leading the Non-Permissive Environment (NPE) working group whose purpose is to develop Agency practices for operating environments where staff movements are strictly proscribed.
- **Federal Investigative Standards:** In order to maintain the Agency's delegated authority to conduct personnel security investigations, SEC is required to implement the new Five-Tier Federal Investigative Standards (FIS) by December 2017 that require changes to the frequency and way that Federal Agencies perform security clearance investigations.
- **IT Infrastructure:** SEC has been working to improve our IT infrastructure to support the additional investigative requirements, to automate and streamline processes. Several required modules to support these initiatives remain unfunded moving forward into FY 2017 and beyond.
- **Counterintelligence and Insider Threats:** To respond to the Snowden/WikiLeaks and Navy Yard incidents, SEC has initiated several programs, including Active Shooter training, a Counter-Intelligence Program, an Insider Threat Implementation Plan, and Cyber Security awareness program. Executive Order 13587 requires the Agency to implement an Insider Threat Program; this was done without any increase in budget, which continues to be a challenge.
- **Security Facilities:** Along with ES and the M Bureau, SEC will need to address the inadequate Sensitive Compartmented Information Facilities (SCIF) and secure communications capacity for the Agency.

SUPPORTING DOCUMENT: OFFICE OF SECURITY COUNTERINTELLIGENCE AND INSIDER THREAT PROGRAM

(SBU) The Office of Security's Counterintelligence (CI) Branch manages a defensive CI program established to protect the integrity of USAID's mission, personnel, facilities, networks, and other critical assets in accordance with USAID's Automated Directives System (ADS) Chapter 569. The program is designed to identify and mitigate intelligence collection risks to USAID from foreign intelligence activities, international terrorists, and criminal groups. To achieve its mission, the CI Branch researches information and conducts activities, overtly and with transparency, to detect, deter, and protect against espionage and other intelligence collection activities. The CI Branch's defensive CI efforts include, but are not limited to, the following activities.

(SBU) *CI and Insider Threat Awareness Training:* SEC provides bi-weekly training at USAID's New Employee Orientation (NEO), mandatory annual refresher training via outreach with, and at the request of, elements within USAID's bureaus and independent offices. The training informs USAID employees of intelligence threats and threat methods, suspicious activity reporting, indicators of espionage and insider threat, and cyber threats.

(SBU) *Foreign Visitor Briefings/Debriefings:* SEC provides briefings to, and debriefings of, USAID employees that host and escort foreign nationals visiting USAID facilities. The purpose is to provide employees with threat information associated with foreign visitors, provide information on techniques used by visitors to target and collect, and to identify and report unusual or suspicious activities observed during visits.

(SBU) *Foreign Travel Briefings/Debriefings:* SEC provides briefings to, and debriefings of, USAID employees in support of official or personal travel to foreign countries. The purpose is to provide threat information relevant to the employee's foreign destination, guidance to identify and mitigate vulnerabilities subject to exploitation, and to identify and report unusual or suspicious activity experienced during travel. This activity focuses on countries with a high intelligence collection threat.

(SBU) *Suspicious Activity Reporting and CI Inquiries:* SEC conducts inquiries to establish or refute a reasonable belief that a particular person is acting for or on behalf of, or an event is related to, a foreign power engaged in spying or committing espionage, sabotage, treason, sedition, subversion, assassinations, or international terrorist activities involving USAID equities. In addition, SEC responds to and reviews suspicious incidents as reported by USAID employees.

(SBU) *Counterintelligence Risk Assessments:* SEC conducts risk assessments (based on threat information and organizational vulnerabilities) that are used to evaluate the likelihood and consequence of critical asset compromise or loss to a foreign intelligence service.

(SBU) *Partner Engagement/Outreach:* SEC participants in various insider threat working groups, hosted by the National Insider Threat Task Force (NITTF), and the National Counterintelligence Working Group, hosted by the FBI. These interagency partnerships bring together Federal representatives to share threat information, understand emerging technologies, and collaborate to strengthen security programs and defend against the wide array of insider and counterintelligence threats.

SUPPORTING DOCUMENT: OFFICE OF SECURITY NEW FEDERAL INVESTIGATIVE STANDARDS

In December 2012, the Office of the Director of National Intelligence (ODNI) and the Office of Personnel Management (OPM) implemented revised Federal Investigative Standards (FIS) and Expandable Focused Investigation models. These standards apply to all individuals seeking to work for or working on behalf of the Executive Branch. The FIS took into account counterintelligence, security, and suitability concerns. The phased implementation of the new standards is scheduled to be completed by all agencies with delegated investigative authority by September 2017. USAID has approximately 8,000 active clearance/access holders. ODNI has set the investigative average for initial requests at 74 days for Secret investigations, 114 days for Top Secret investigations, and 195 days for Periodic Reinvestigations.

The new standards use a five-tier investigative approach (see Figure 1), and each successively higher level of investigation shall build upon, but not duplicate, the levels below it. Investigations that meet the requirements specified for a given tier shall be reciprocally accepted by another agency, unless the gaining agency obtains new information that calls into question a subject's suitability for Federal employment, eligibility for a sensitive position, eligibility for access to classified information, or fitness for duty. SEC has implemented Tiers 1-3, and will implement the remaining tiers by September 2017.

Figure 1. Five-Tier Investigative Approach



SUPPORTING DOCUMENT: OFFICE OF SECURITY NON-PERMISSIVE ENVIRONMENTS

USAID increasingly operates in environments restrictive to conducting successful development efforts. Such conditions are caused by a number of issues, including terrorism, armed conflict, insurgencies, authoritarian governments, economic hardships, inadequate infrastructure, limited rule of law, and high crime rates.

The recent U.S. Institute of Peace Democracy and Development Conference highlighted that ten years ago, 80 percent of international humanitarian assistance provided by the U.S. Government was in response to natural disasters. Today, 80 percent is focused on population needs resulting from violence and conflict. In addition, there is an increasing number of Missions (14 in 2016, up from eight in 2010) where USAID employees cannot bring their families or children of a certain age. The recent GreenLeaf Report captured survey data from USAID employees that indicated a perceived gap in what USAID employees had been prepared to do, and what was truly required of them when they reached their assignments. More and more USAID missions are reporting an inability to properly oversee projects because they are not able to travel to project locations.

As USAID's operational environment has changed, the Agency has made deliberate efforts to improve Mission capability to operate inside these restrictive environments. These efforts have included the development of training programs focused on individual-level personnel recovery skills, and the development of a Staff Care Program targeted at providing USAID personnel a resource to effectively help manage work-related stress.

USAID operates in five types of non-permissive environments (NPEs): 1) armed conflict where the United States is a belligerent party, 2) armed conflict where the United States is not a belligerent party, 3) high crime, 4) decreasing political space, and 5) lack of accessibility. NPE has been ongoing for more than a decade; however, lack of resources and transient leadership has limited its impact. The NPE Task Force is housed under the Agency Counselor, but may benefit from reassignment to an organization with fewer turnovers to ensure it can continue to grow, and that its success can be institutionalized throughout the Agency.

A senior-level Offsite Stakeholders meeting was held at the National Press Club on August 30, 2016, to identify a way ahead for NPE. The participants dedicated the day to developing a path forward that best meets the equities of all offices with an interest in the NPE initiatives. The meeting identified two areas of consensus, and subsequent recommendations, as well as one proposal for a process to institutionalize NPE initiatives.

There is a need for a core and expanded steering group that would report to, and be held accountable by the Deputy Administrator. This group would include DAA-level representatives from HCTM, SEC, M, PPL, DCHA, one representational geographical bureau, GC, the Agency Counselor, and BRM (as needed). DAAs from all other independent offices and bureaus would be encouraged to participate in meetings, but not be considered part of the core or expanded group. There is a need for an immediate organizational solution that will allow NPE to maintain its current momentum, and to develop a long-term solution that will ensure the integration of the NPE initiatives across the Agency. The core steering group would develop milestones as part of an action plan process that must be met before the initiatives are transitioned between the initial and long-term solutions.

BUREAU BRIEF: OFFICE OF THE SENIOR GENDER COORDINATOR

INTRODUCTION

In March 2012, USAID updated a decades old gender policy and created a new roadmap for elevating gender within the Agency. The new policy mandated the integration of gender issues throughout USAID programs, identified responsibilities of all staff to implement the policy, and created a full-time Senior Coordinator for Gender Equality and Women's Empowerment reporting to the Office of the Administrator. There is growing evidence that investing in women and girls unlocks human potential on a transformational scale. Countries with greater gender equality are more prosperous and competitive. A McKinsey Global Institute report found that \$12 trillion could be added to the global GDP by advancing women's equality. When women participate in civil society and politics, governments are more open, democratic, and responsive to citizens. When women are at the negotiating table, peace agreements are more inclusive and durable.

LOOKING BACK

As a result of this evidence, in the last six years the U. S. government made promoting gender equality a central element of its foreign policy and development assistance priorities and developed a series of Presidential Memorandums, Executive Orders, strategies, and policies. There was also strong emphasis at the highest level of leadership from the President, Secretary of State, Administrator, and Deputy Administrator that gender is a priority, which resulted in resources and accountability mechanisms. USAID has become a recognized global thought leader, innovator, and convener in gender programming and promotion. For example, the Women's Empowerment in Agriculture Index (or WEAI) is the first-ever measure to directly capture women's empowerment and inclusion levels in the agricultural sector. This innovative tool tracks women's engagement in production, resources, income, leadership, and time use. Unlike any other tool, it also measures women's empowerment relative to men within their households, providing a more robust understanding of gender dynamics within households and communities. This year, at the three-year anniversary of the USAID Gender Policy and the Interagency Strategy to Prevent and Respond to Gender-Based Violence and the National Action Plan on Women, Peace and Security, USAID conducted policy assessments and revised implementation plans. Overall, the assessments documented the many successes these policies have achieved, as well as the areas where efforts should be strengthened and broadened.

LOOKING FORWARD

Staffing: In addition to the Senior Coordinator and the required gender advisors in each operating unit, USAID has a Senior Gender Advisor in PPL, and the Office of Gender Equality and Women's Empowerment in E3, which provides gender technical expertise, training, and communications. This decentralization was a deliberate strategy intended to create Agency-wide buy-in and commitment to gender integration; however, a recent policy assessment found that the structure is confusing and recommended a clarification of responsibilities and authorities among the three entities.

Budget: The Office of the Senior Coordinator does not have central funds, as resources for the Agency's gender work are accomplished through a two-track approach. First, in 2009 Congress established a \$20 million Women's Leadership Directive (now \$50 million) split between USAID and State to provide dedicated resources to implement gender programs. Second, gender is integrated into core development programs and tracked through a key issue attribution reporting process led by Missions and Bureaus in conjunction with BRM. In recent years, planned budget expenditures have decreased. The reasons for this are not totally clear; however, this decline needs to be analyzed and reversed. The new Administration should continue to track and meet the other FY 2016 Congressional Directives: \$150

million for gender-based violence, \$10 million for child, early and forced marriage; and potentially \$5 million for female genital mutilation/cutting in FY 2017.

Interagency: The Senior Gender Coordinator works closely with the State Department's Ambassador for Global Women's Issues and staff on issues of mutual concern and implementation of the interagency strategies. Coordination with the National Security Council, the Department of Defense, MCC, the Peace Corps, and USDA among others also takes place around different issues.

Policy Implementation: In the short-term, gender champions from across the Agency will draw lessons from the assessment of the gender policy to see how USAID can continue to improve work on gender-based violence and women, peace and security, adolescent girls, global health, and education in both Washington and the field. There will be a continued focus on capacity-building for all staff and renewed efforts to share the evidence collected about the positive impact of gender integration on programs.

New Programming Trends: With the recognition about the transformative role gender can play to end extreme poverty and meet the Sustainable Development Goals, we anticipate the importance of gender issues at USAID will continue to increase. Often, the impact and response to conflict or crisis by men and women in the same household are very different because of their gendered roles. This issue, as well as the measurement and impact of informal or unpaid care work and changing social norms across sectors will be important over the next decade as USAID is increasingly engaged in countries in or emerging from crises and conflict. USAID can also fill gaps that exist in research and programming in fields such as energy, climate change, countering violent extremism, economic empowerment, and data.

SUPPORTING DOCUMENT: OFFICE OF THE SENIOR GENDER COORDINATOR GENDER STAFFING AND BUDGET

In 1973, Congress passed the Percy Amendment to the Foreign Assistance Act requiring gender integration into development assistance and created the Office of Women in Development (WID). Forty year later, January 2013, the White House released a Presidential Memorandum calling for interagency coordination on gender equality. In 2012, USAID developed the Gender Equality and Female Empowerment policy, to elevate gender integration within the Agency. This policy created the position of the Senior Coordinator for Gender Equality and Women's Empowerment reporting directly to the USAID Administrator to spearhead the agency's gender agenda internally and externally.

The policy also created within the USAID Bureau for Policy, Planning and Learning (PPL) a full -time Senior Gender Advisor to work in concert with relevant offices to ensure gender integration and key reporting requirements are met. The former WID Office is now the Office of Gender Equality and Women's Empowerment (E3/GenDev) located within the E3 Bureau and is the central office for gender-related technical assistance, resources, communications, monitoring and evaluation and training for the Agency and to provide targeted and strategic support to the E3 Bureau. Additionally, the gender policy calls for the appointment of Gender Advisors and Points of Contact (POC's) in Missions, Regional and Pillar Bureaus to provide appropriate sector expertise and technical and programmatic competencies to staff and senior leaders.

The U.S. Government has made promoting gender equality a central element of its foreign policy and development assistance priorities; yet resources allocated to this priority are fragmented and mostly come from attribution - thereby not realizing the potential for accelerated development in this space. The agency's gender work is accomplished through a two track funding approach: Women's Leadership Directive Funds and Key Issue Attributions.

Women's Leadership Directive Funds

In 2009, Congress established the Women's Leadership Directive. Early on, these directive funds represented a centrally managed dedicated resource, as Congress intended. The Women's Leadership Directive started at \$20 million in FY 2009 and has grown to \$50 million in FY 2016. This growth demonstrates strong, bipartisan Congressional support. Under the direction of the State Department's Office for Global Women's Issues and USAID's Senior Gender Coordinator these funds have catalyzed innovative programming; leveraged public-private partnerships; built staff capacity and addressed new emerging needs. Funds have also been used to implement the Presidential Executive Orders on Preventing and Responding to Gender Based Violence (GBV) and the National Action Plan for Women, Peace and Security (WPS).

The placement of the Women's Leadership Directive funds has varied over time. In FY 2011-2012, the funds were located in the State Department's F Bureau and programmed by the USAID Senior Coordinator through a Congressional Notification. In FY 2013, BRM allocated the funds directly to the two operating units that were expected to obligate the funds, which represented the Presidential Executive Orders—USAID/E3 (GenDev) for GBV and USAID/DCHA for WPS.

Looking Forward

There are several important issues for the new administration's situational awareness and for the new Senior Gender Coordinator to facilitate forward movement in collaboration with other key actors.

Further clarify the different roles and responsibilities of the Senior Gender Coordinator, Senior Gender Advisor in PPL, and the Gen Dev office to ensure effective and efficient management;
Work with administrative Bureaus, such as HCTM, OAA, and M to create full-time gender advisor positions in those operating units and build staff capacity to implement gender policy requirements;
Continue to advocate with new initiatives, such as the Global Development Lab, Power Africa, and the Center for Resilience to appoint full-time gender advisors to support gender integration; and
Evaluate gender staffing needs in both Washington bureaus and missions. For example, there is just one gender advisor in the Africa Bureau covering 29 missions, when there used to be two.

Important issues for the new administration and Senior Gender Coordinator's oversight and awareness:

Monitor the FY 2016 funding of the Women's Leadership Directive (\$50 million) and other gender directives, Gender Based Violence (\$150 million) and Child, Early and Forced Marriage (\$10 million, possible increase in FY 2017) and Female Genital Mutilation/Cutting (possibly coming in FY 2017). These directives must be achieved through existing resources. This requires close tracking of the Agency's budget cycle and frequent dialogue with these key leaders within USAID and State. Consider options for keeping the Women's Leadership Directive whole and in one location.

With the support of senior leaders, analyze and respond to declines in planned spending on gender programs reflected by key issue attribution reporting. In line with the Gender Policy goals, gender is integrated into core development programs through a key issue attribution process led by missions and bureaus. The four gender focused key issues include: Gender-Primary, Gender-Secondary, Gender-Based Violence and Women, Peace and Security. Mission and Bureaus self-report their planned spending on gender programming within their overall portfolio. In recent years, overall gender topline numbers have been decreasing. There is no one single, identified reason for the decrease, however successful reporting requires an intentional gender-integration process during program planning and budgeting work to design programs to address gender equality, female empowerment, GBV and WPS.

SUPPORTING DOCUMENT: OFFICE OF THE SENIOR GENDER COORDINATOR GENDER POLICIES

In the last six years, the U. S. Government made promoting gender equality a central element of its foreign policy and development assistance priorities and launched new policies demonstrating this commitment. USG strategies include the U.S. Strategy to Prevent and Respond to Gender Based Violence Globally (GBV), the National Action Plan for Women, Peace and Security (NAP), and the U.S. Global Strategy to Empower Adolescent Girls. In 2012, USAID updated the Gender Equality and Female Empowerment Policy to reduce gender gaps, address gender-based violence, and increase decision-making for women and girls. Additional USAID policies include USAID'S Vision to End Child Marriage and Respond to the Needs of Married Children, Counter-Trafficking in Persons Policy, and the LGBTI Vision for Action. Agency Gender leaders also advise sectors on their policy development, such as the new Global Food Security Act and forthcoming update to the Education Strategy, to ensure effective gender integration. This year, at the three year anniversaries of the USAID Gender Policy and the Interagency GBV and NAP strategies, policy assessments were conducted and revisions to the implementation plans are in process. Overall, the results of these reviews documented the many successes these policies have achieved, as well as the areas where efforts should be strengthened and broadened.

USAID Gender Policy

The assessment of the USAID Gender Policy included specific recommendations for Agency leadership to prioritize for implementation. Developing an action and resource plan will require the engagement of Gender leaders, such as the Senior Gender Coordinator, Senior Gender Advisor in PPL, the Office of Gender Equality and Women's Empowerment (E3/GenDev); as well as leaders in functional bureaus such as HCTM and OAA. Recommendations include:

- Expand the capacity building and skills training opportunities for all Agency staff. Learning how to carry out required gender analyses, engage in gender-sensitive monitoring and evaluation, and deepen gender integration in solicitations requires tailored training for positions beyond Gender Advisors. Procurement officers, human resources managers, monitoring and evaluation specialists, and many other positions are critical for ensuring progress toward achieving gender equality;
- Develop new communication tools and knowledge management platforms to disseminate best practices in gender integration and easy to find facts and resources for both internal and external stakeholders;
- Engage HCTM to assist with clarifying Gender Advisor roles and responsibilities and better meet gender staffing needs—both at headquarters and missions; and
- Hold Agency senior leaders accountable for prioritizing gender equality and reinvigorating agency awareness and action through progress reports and metrics. Highly visible and engaged senior leadership in Washington and in the field is needed to spur continued progress toward the idea that gender equality is both a goal in itself and a strategy to end extreme poverty.

National Action Plan on Women, Peace and Security (NAP)

The Interagency NAP policy objectives include integrating a gender-responsive approach to peace and security by increasing women's participation in peace and political processes and decision-making; protecting women and girls from violence, exploitation and abuse; engaging women and girls in crisis and conflict prevention; and providing safe, equitable access to relief and recovery assistance. The future of NAP implementation will include an Agency wide process to implement policy assessment recommendations stemming from the 2015 review of USAID's NAP progress to date. Effective

implementation and full integration of the NAP will require the engagement of regional and functional bureaus and their respective senior leadership.

Some Whole of Agency action NAP implementation actions include:

- Integrate WPS objectives in countering violent extremism, global climate change adaption, atrocity prevention, and fragility-related strategies and programs.
- Recommend specific guidance on Women, Peace, and Security and gender integration in crisis planning mechanisms such as bureau- and agency-level crisis response teams and task forces.
- Build the capacity of governments, regional institutions and civil societies, including women's organizations, to develop, implement and assess their own NAP plans and its core objectives.
- Maintain dedicated resources for WPS implementation; streamline the set of USAID focus countries to provide more comprehensive technical assistance throughout the program cycle; and expand WPS-related training for Agency staff.
- Develop and apply methods for measuring progress against central NAP objectives such as women's participation in peacebuilding to move from measuring outputs to outcomes.

U.S. Strategy to Prevent and Respond to Gender Based Violence Globally (GBV)

The Interagency GBV Strategy objectives include increased coordination among U.S. government agencies; enhanced integration of GBV prevention and response into core sectors; improved use of data and research; and expanded programming. As with the NAP Strategy, both the NSC and USAID (through Gen Dev) are leading working groups to implement the recommendations of the assessment:

- Continue to improve coordination at multiple levels;
- Integrate GBV prevention and response into policy;
- Build capacity through training;
- Emphasize inclusive development;
- Invest in research through long-term commitments;
- Expand programming using sector-specific resources; and
- Consider use of incentive funds to emphasize prevention, innovation, and potential for scale.

SUPPORTING DOCUMENT: OFFICE OF THE SENIOR GENDER COORDINATOR GENDER PROGRAMMING

USAID is committed to empowering individuals and families across the globe to live in dignity and hope. We cannot overcome the challenges we face without the engagement and leadership of women and girls. Gender equality is not a part of development but at the core of development. Water, energy, health, infrastructure, education and the environment all affect men and women differently and our approach should reflect that. In the last six years, USAID has used the Women's Leadership Directive, a centralized, dedicated funding source, to implement programs and research in women's leadership; women, peace and security; gender based violence prevention and response; and innovative public-private partnerships. For example, between 2011-2014, \$80.4 million of USAID Women's Leadership Fund investments leveraged \$96 million from missions, public, and private partners. Currently there is an assessment underway to measure the impact of the programs supported with the Women's Leadership Directive which will be available summer of 2017.

Looking Forward

As the world faces new challenges and opportunities, USAID's development work constantly evolves to be key drivers of progress and growth. New areas the agency is advancing programming in include:

Investing in Adolescent Girls

Recently there has been an intensified recognition within the U.S. Government and civil society of the importance of reaching adolescent girls through humanitarian and development assistance to meet global goals for development. Resulting from Presidential Initiatives, National Security Council (NSC) directives, statutes and other Congressional mandates, USAID has become a leading partner in the U.S. Global Strategy to Empower Adolescent Girls, the Let Girls Learn Initiative, and the Girls Count Act. USAID is implementing the U.S. Global Strategy to Empower Adolescent Girls by:

- Working to convene an interagency working group to address strategy reporting requirements;
- Mainstreaming and integrating issues that impact adolescent girl across sectors;
- Expanding collaborations and partnerships; and
- Documenting progress and lessons learned, solidifying indicators and promoting best practices.

As a key partner in the Let Girls Learn (LGL) Initiative, USAID has launched LGL programs in 13 countries from new or reattributed funds; designed holistic programming for the first two Focus Countries, Malawi and Tanzania; and recently announced Laos and Nepal as the FY17 Focus Countries. USAID continues to:

- Work to change the perception of the value of girls;
- Foster an enabling environment for adolescent girls' education; and
- Engage and equip girls to be agents of change.

NOTE: *The NSC is creating a whole-of government transition paper for Let Girls Learn.*

Recently Congress passed the Girls Count Act to support programs in developing countries to improve birth registration and documentation systems for all children. The Act calls for a breakdown of U.S. Foreign Assistance beneficiaries by age, gender, marital status, location, and school enrollment status. Since the passing of the Act, USAID is:

- Gathering information on programs that include efforts to document birth;
- Considering ways to accurately report data under the categories named; and
- Working with PPL and State F to establish necessary indicators or revisions to relevant indicators.

Promoting Women's Economic Empowerment

Advancing women's economic empowerment is a recognized, necessary tool for ending extreme poverty, creating resilient societies, and acknowledging that women and girls are deserving of international development investments as valuable members of their societies. This year, USAID is creating a new framework for women's economic empowerment that demonstrates the Agency's overall commitment by:

- Coordinating investments to make the best of existing and future resources;
- Collecting better gender data and evidence on women's economic empowerment;
- Enhancing Agency partnerships to advance women's economic empowerment ; and
- Providing new WE3 resources and tools for use by USAID and related stakeholders.

Collecting Gender Data

Gathering gender-sensitive data is crucial for achieving gender equality, which is essential for maximizing the impact of U. S. investments. In May, USAID signed the Joint Announcement on Implementation for Agenda 2030: *Accelerating Progress toward Gender Equality* and committed to:

- Improving the quality, accessibility, and usage of gender data;
- Enhancing USAID's program tracking to better understand the needs of women, men, and girls and boys; and
- Assuring USAID's investments contribute toward meeting the Sustainable Development Goals.

In September, USAID announced a new partnership with the Gates Foundation and UN Women to strengthen the capacity of target governments to collect, analyze, and report on gender data against a set of standards.

Engendering Resilience Work

As women are recognized as contributing important solutions to climate change action and managing in times of crisis, shocks, and stresses, it is critical that gender in its full spectrum be integrated from the ground into the Agency's attention to resilience. Presently, USAID is:

- Building a stronger connection between the Resilience Secretariat and gender;
- Funding resilience research to grow evidence on men and women's roles in ending extreme poverty; and
- Exploring women's livelihood strategies to better understand men and women's roles in strengthening household –level resilience capacities and inform related programming.

Countering Violent Extremism

The spread of violent extremism and terrorism pose significant challenges for global national security and development. Women can play a critical role in identifying and addressing drivers of violent extremism in their families, communities, and broader society.

Current USAID action include:

- Designing new programming to understand the variety of roles women can play in violent extremism acts and organizations;
- Funding research to understand overall trends of violent extremism and drivers of recruitment and radicalization to violent extremism; and
- Identifying what types of CVE and Preventing Violent Extremism (PVE) interventions are most effective and on linkages with other development programming.

BUREAU BRIEF: OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

INTRODUCTION

The Office of Small and Disadvantaged Business Utilization (OSDBU) houses two outreach and advocacy programs. It has oversight authority for the performance of USAID in meeting its U.S. [small business utilization goals](#), as negotiated with the U.S. Small Business Administration (SBA), and it is responsible for advocating on behalf of Minority Serving Institutions (MSIs), which include Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs) and Tribal Colleges and Universities (TCUs). OSDBU is an independent office reporting to the Administrator.

LOOKING BACK

During FY 2006 to 2010, USAID's small business accomplishments averaged approximately 10 percent of its domestic prime contract procurement dollars to small businesses, far less than the Government-wide goal of 23 percent. Since FY 2010, however, USAID [has significantly increased its small business utilization](#), improving the Agency's grade in the SBA Small Business Procurement Scorecard from an "F" for its performance in FY 2009 and prior years to an "A+" for FY 2014 and an "A" for FY 2015.

The keys to the Agency success in small business procurement include: the involvement of OSDBU in important Agency exercises such as internal procurement and policy reforms, mandatory training, internal goal setting at the Bureau level, and the inclusion of commitment to the small business program in the performance evaluations of the Agency's Senior Executive Service. These efforts not only significantly improved USAID's scorecard grade, but also led to notable increases in dollar obligations to U.S. small businesses on domestic contract awards, from \$136 million in FY 2010 to \$551 million in FY 2016.

Congress expresses significant interest in USAID's small business program from both sides of the aisle. In particular, Representatives Barbara Lee and Karen Bass have each consistently followed USAID's work with small and minority-owned businesses.

Over the past several years, the MSI program experienced some success based almost entirely on the achievements of the African Education Initiative (AEI), which operated from 2000 to 2012 and which improved the quality and accessibility of basic education for millions of children in sub-Saharan Africa by tapping into the expertise of HBCUs. The USAID/MSI partnership included six MSIs focused on teacher training and the development and distribution of textbooks in Ethiopia, Ghana, Malawi, Senegal, South Africa, and Tanzania. The project ultimately produced over 30,000,000 textbooks and learning materials representing 500 different titles in 13 languages in primary language arts and secondary history, geography, math, and science. From 2008 to 2014, grant awards to MSIs averaged nine percent of the grants awarded to all institutions of higher education (IHEs). In FY 2015, USAID engagement with MSIs dropped to six percent and is continuing a downward trend in FY 2016. The decrease in dollars to MSIs can be attributed to the conclusion of the AEI program without subsequent MSI participation to replace it. Congress maintains a significant interest in the Agency's MSI program, particularly as it relates to HBCUs. The interest, primarily from members of the Congressional Black Caucus, has expanded from a focus on the President's Emergency Plan for AIDS Relief to other areas of global health to Africa programs in general. The Office of White House Initiatives on HBCUs has also shown a greater interest in working with USAID.

LOOKING FORWARD

The engagement of mission staff in support of the Agency-wide goal is the biggest challenge. In FY 2016, the SBA implemented a new rule to evaluate agencies' small business accomplishments worldwide. The new rule requires USAID, and other Federal agencies and departments, to include contracts performed overseas in their total contracting base for the purposes of assessing performance against the small business goals. Previously, the program had been entirely domestic; the increase in the pool of contracts against which the goal is applied will negatively impact USAID's ability to meet its goals. While this presents a challenge, it also offers the Agency more opportunity to partner with and benefit from the expertise of U.S. small businesses. USAID discussed the impact of this change with the SBA and the other agencies most impacted by this change, the State Department and the Department of Defense. USAID continues to be a leader in framing the impact that this and other upcoming changes will have on goal achievement.

While USAID has made great strides in increasing small business partnerships and achievements, USAID continues to seek improvement. USAID's FY 2016 official small business goals were lowered from 14 to 11 percent in acknowledgement of the challenges presented by the expansion of the program to contracts performed overseas. The FY 2017 goal is still being negotiated with the SBA, but will likely be approximately 12 percent. OSDDBU expects that goal to continue to rise if USAID is able to successfully implement the overseas program. USAID is on track to meet the FY 2016 goal, primarily because of an extremely successful year in Washington. In an effort to more effectively engage the Missions, the Agency hosted its first overseas small business outreach event in South Africa on November 1-2, 2016.

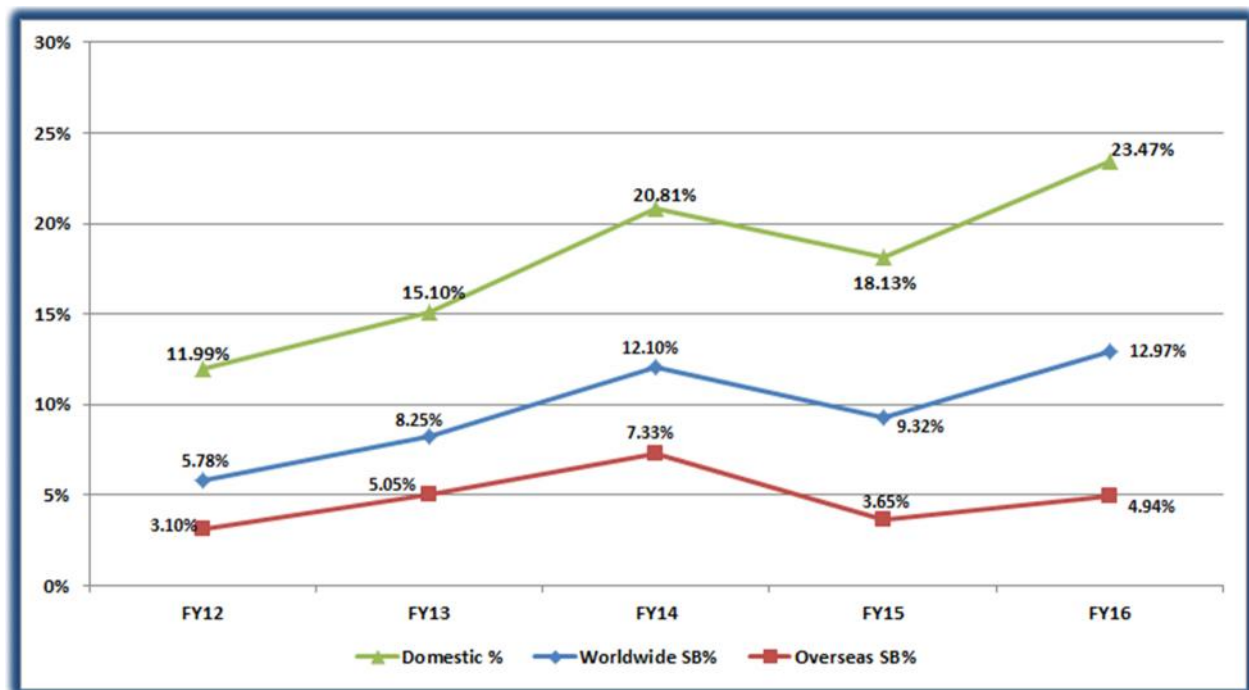
OSDBU also expects [Congress' level of interest](#) in USAID's small business programs to continue. The Obama Administration established the White House Small Business Procurement Group at the Deputy Administrator level, which met quarterly at the White House and was very successful in increasing the use of small businesses Government-wide. Based on Representative Barbara Lee's recurrent requests for status updates, USAID expects Congressional interest in the MSI program to continue and expects continued interest in the MSI program from the White House Initiatives on HBCUs, a program that has been in place since the Carter Administration. The White House will likely engage USAID following any change to the Executive Orders on MSIs, which has happened under each new Administration since 1980.

SUPPORTING DOCUMENT: OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION EXPANSION OF USAID'S SMALL BUSINESS GOALS TO THE FIELD

At the beginning of FY 2016, the U.S. Small Business Administration (SBA) implemented a new rule to change the way the Federal government's U.S. small business accomplishments are evaluated. The new rule, mandated by the National Defense Authorization Act of 2013, requires Federal agencies and departments to include contracts awarded overseas in their total contracting base which is subject to mandatory small business goals. Previously, the program only counted contracts awarded domestically. The goals, dictated by the SBA, contribute to an annual scorecard grade that is given to each agency and reported to Congress.

In FY 2013, in anticipation of this change, the Administrator's Leadership Council (ALC), with the guidance of the Director, Office of Small and Disadvantaged Business Utilization (OSDBU), established a worldwide prime contract U.S. small business target. The goal of the Small Business Indicator (SBI) was to highlight U.S. based small business achievements by the Missions, prepare the Agency for the anticipated changes in the SBA goaling and scorecard process, and enhance Mission staff knowledge of the federal acquisition and small business program process. In FY 2016, USAID continued its existing practice of assigning internal small business goals to USAID/Washington bureaus and independent offices and, in preparation of the proposed directive, began assigning regional targets to the Missions.

USAID's official worldwide small business goal for FY 2016 was 11 percent. Preliminary results indicate that USAID exceeded that goal, accomplishing 12.97 percent. As shown in the chart below, the accomplishments were supported by a stellar year in Washington with 23.47 percent of obligations going to U.S. small businesses. Overseas accomplishments were only 4.94 percent for FY 2016. Overseas small business accomplishments must increase if the agency is to continue to achieve its small business goals.



In addition to establishing the SBI and broadly communicating the expansion of the small business goals to the field, OSDBU has taken a number of additional steps to increase opportunities overseas. OSDBU increased the number of Small Business Program Training sessions at missions to educate procurement and technical officials on the importance of the participation of U.S. small business regardless of the place of performance of the contract. OSDBU also reorganized in order to assign two of its staff members to proactively work full time with the Missions. These efforts have resulted in some initial successes with acquisitions in the field but it will likely take one or two years to show a significant impact on the Agency's overall small business accomplishments.

One of the major concerns expressed by some Mission staff is the incorrect belief that the guidance to utilize U.S. small businesses contradicts the policy to engage local organizations. Expanding small business goals to the Missions should not conflict with building or sustaining local partnerships. Missions may achieve both through early engagement which encourages local and U.S. based small business partnerships. U.S. small businesses play a critical role in helping the Agency to achieve its Mission. These relationships can increase the Agency's cadre of experienced partners, in addition to meeting goaling objectives.

Although the change had been an interagency discussion for several years, the corresponding change to the governing acquisition regulation is still pending. The fact that regulations have not caught up to the new rule exacerbates the Agency's efforts to increase the use of small businesses at the missions. As a result, many contracting officers do not believe that the small business program can be fully implemented overseas until changes are made to the acquisition regulations. OSDBU is concerned that the current draft regulatory changes will be insufficient to impact behavior.

Another ongoing issue is the lack of small business consideration as prime contractors via set asides or increased subcontracting goals for new and re-competitions of large procurements. USAID's FY 2017 Business Forecast lists several historically large procurements that may be awarded to large businesses for another five years. While the Missions re-evaluate their approach to re-competing historically large procurements, the Washington offices will need to increase their small business awards to offset the Missions learning curve. For example, in FY 2015 a major contract under the PEPFAR initiative was awarded for \$9.5 billion and it included a partial small business set aside for approximately \$300 million. This contract was previously a stand-alone single award large contract. The follow on contract was changed to include a multiple award contract along with several other stand-alone procurement vehicles. This method not only allowed for more small business inclusion, it allowed for greater competition across the platform. Moving forward, the Agency should continue to look for these types of creative ways to increase the utilization of U.S. small businesses.

SUPPORTING DOCUMENT: OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION CONGRESSIONAL INTEREST IN THE USAID MINORITY SERVING INSTITUTIONS PROGRAM

Congressional interest in the USAID Minority Serving Institutions (MSI) Program has focused primarily, but not exclusively, on the Historically Black Colleges and Universities (HBCUs). In October 2013, USAID senior leadership met with Congressional representatives and representatives from the HBCU Consortium of Medical Schools. The meeting focused on the HBCU Consortium's desire to partner with USAID and the Office of the Global AIDS Coordinator (OGAC) on health related development issues. The consortium also expressed some frustration at its difficulty in partnering with USAID and OGAC. USAID committed to greater inclusion of the HBCU consortium in areas related to Global Health. That commitment resulted in the development of an eleven action item engagement plan. Early implementation of the plan involved establishing an internal engagement committee, as well as high-level introductions of Agency personnel and Consortium representatives. The USAID/Office of Small and Disadvantaged Business Utilization (OSDBU) was assigned implementation responsibility.

OSDBU formed an informal intra-agency committee to address the intent behind the plan: working more closely with the HBCU Consortium and the broader HBCU community, and ultimately to help develop partners that can regularly compete for USAID funding. The plan's execution has been the subject of continued interest from Congress.

The Engagement plan was intended to be a collaborative tool to assist the Consortium to become more competitive in pursuing USAID grant opportunities by enhancing their knowledge of the Agency's administrative and programmatic practices and to facilitate strategic engagements. There are currently no laws or provisions that would allow funds to be set-aside for HBCUs. While there are grant vehicles that could be non-competitively awarded to HBCUs, they rely on concept papers and proposals submitted by the Consortium in-line with USAID's development plans.

In June of 2015, the Acting Administrator traveled to Atlanta, Georgia, for an Outreach meeting with Consortium Representatives and Atlanta University Complex (AUC) representatives to explain USAID priorities and funding mechanisms. The discussion included senior leadership from seven of the Atlanta complex's HBCU's. Among the topics addressed was the need for potential partners to strategically align with USAID's priorities.

The dollar accomplishments are reported to the White House Initiatives (WHI) on HBCUs annually. In FY 2015, \$31,561,935 was attributable to USAID's partnerships with or engagement of all MSIs in U.S. foreign assistance activities. While this is a decrease from the \$33,384,284 in FY 2014, MSI awards still represented 6.3 percent of the USAID awards to U.S. based Institutions of Higher Education. The largest percentage of these MSI awards was made to Hispanic Serving Institutions. The decrease in overall MSI dollars resulted from several schools losing their MSI status in FY 2015, thereby decreasing our awards by \$3,115,008. USAID's engagement with HBCUs resulted in over \$3,145,698, which represents a decrease from \$5,651,699 in FY 2014.

In addition to the efforts related to the Consortium, USAID continues to look for ways to expand our partnerships with HBCUs. USAID established a partnership with the Atlanta University Complex by initiating a regional Development Diplomat In Residence (DDIR) Program with Morehouse University. The DDIR program places a senior USAID official on site at the university, who conducts regional outreach and recruitment, particularly targeting under-represented groups, and raises domestic awareness of the role of development in our national security while broadening support for USAID. In

FY 2016, we also increased funding to the Donald M. Payne International Development Fellowship program, administered by Howard University, to \$1.3 million. The Payne Program provides selected Fellows two internships (one domestic and one at a USAID mission), financial support toward completing a two-year graduate degree, and appointment into the Foreign Service upon graduation and completion of program requirements.

USAID currently has funded engagements with two of the five members of the HBCU medical Consortium and 12 out of the 105 total HBCUs. Partnerships include Howard University, Texas Southern University, Tuskegee University, Winston-Salem State University, North Carolina A&T State University, University of Maryland Eastern Shore, Florida A&M University, Alabama A&M University, University of Arkansas, Fort Valley State University, South Carolina State University and Virginia State University. In FY 2015, USAID conducted the agency's first MSI summit, with representatives from 67 MSI colleges and universities. School received senior level insight on the strategic direction of the functional bureaus with emphasis on alignment of MSI capabilities.

**SUPPORTING DOCUMENT: OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION
SMALL BUSINESS GOALS AND ACHIEVEMENTS (FY 2009 - FY 2016)**

USAID's progress in its small business program over the past several years has been quite a success story. The U.S. Small Business Administration (SBA) negotiates with USAID to establish annual prime and subcontracting goals for U.S. based small businesses. The accomplishments made toward this goal are part of a grade awarded by the SBA and reported annually to Congress in the Small Business Procurement Scorecard. The Agency's grade in the scorecard improved from an "F" for its performance in FY 2009 to an "A+" for FY 2014. These improvements were primarily a result of significant enhancements in transparency and accountability. Internal goals were set for USAID/Washington bureaus and offices with acquisition obligations greater than \$5 million and achievements against these goals were regularly shared at senior management meetings. These efforts not only led to significant improvements in USAID's scorecard grade but also notable increases in dollar obligations to U.S. small businesses, from \$136 million in FY 2010 to \$343 million in FY 2015.

In FY 2016, the SBA implemented a new rule to change the way the Federal government's U.S. small business accomplishments are evaluated. The small business goals, which had previously only applied domestically, were expanded to include all acquisition obligations worldwide. This increased the base against which our small business goal is applied from \$1.8 billion to \$4.2 billion. In response to this change, USAID increased training efforts and set regional small business targets for the missions. Our preliminary data indicates that USAID obligated \$551 million to small businesses in the first year of overseas expansion.

The following chart illustrates the Agency's progress over the last six years including preliminary data for FY 2016.

USAID/W Small Business Goals vs Accomplishments FY 2011-2016 (YTD)
FY 16 SMALL BUSINESS GOALING REPORT (Official FPDS-NG data) as of 10/4/16

	FY 2014 (SBA Grade: A+)			FY 2015 (SBA Grade: A)			FY 2016 (As of 10/4/2016)		
Total Small Business Eligible Prime Dollars	1,349,732,058			1,896,955,636			4,250,396,466		
Contract Award Categories	Goals	Achieved	Expended	Goals	Achieved	Expended	Goals	Achieved	Expended
Small Business Contract Dollars	12.35%	20.81%	280,895,694	14.00%	18.13%	343,881,784	11.00%	12.97%	551,206,863
Small Disadvantaged Business	5.00%	13.66%	184,311,354	5.00%	11.58%	219,677,660	5.00%	5.56%	236,504,211
Women-owned Small Business	5.00%	6.42%	86,608,673	5.00%	3.67%	69,681,121	5.00%	3.35%	142,508,487
HUBZone Small Business	3.00%	0.22%	2,914,551	3.00%	0.16%	3,075,962	3.00%	0.17%	7,126,206
Service Disabled Vet-Owned SB	3.00%	3.88%	52,365,585	3.00%	3.37%	63,866,710	3.00%	1.22%	51,845,806

	FY 2011 (SBA Grade: A)			FY 2012 (SBA Grade: B)			FY 2013 (SBA Grade: A)		
Total Small Business Eligible Prime Dollars	1,339,595,338			1,580,148,634			1,441,356,142		
Contract Award Categories	Goals	Achieved	Expended	Goals	Achieved	Expended	Goals	Achieved	Expended
Small Business Contract Dollars	11.00%	13.74%	184,004,269	11.00%	11.99%	189,459,821	11.00%	15.10%	217,577,428
Small Disadvantaged Business	5.00%	7.67%	102,726,227	5.00%	7.13%	112,632,104	5.00%	9.44%	136,127,913
Women-owned Small Business	5.00%	4.67%	62,549,102	5.00%	4.36%	68,908,101	5.00%	5.02%	72,412,021
HUBZone Small Business	3.00%	0.58%	7,822,665	3.00%	0.70%	11,025,774	3.00%	1.26%	18,149,783
Service Disabled Vet-Owned SB	3.00%	2.65%	35,434,918	3.00%	1.37%	21,627,195	3.00%	2.22%	32,054,877

Notes:

1. The data is obtained from the Federal Procurement Data System (FPDS), and the dollars reported are figures for obligations.
2. FY 2011-2015 Domestic Figures only
3. FY 2016 Worldwide Figures (Domestic & Overseas)