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Description of document: United States Agency for International Development (USAID) Transition Briefing Book for the incoming Biden Administration, 2020

Requested date: 01-January-2021

Release date: 09-May-2023

Posted date: 24-Feb-2025

Source of document: FOIA Request  
U.S. Agency for International Development  
Office of Inspector General  
Office of General Counsel  
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**USAID**  
FROM THE AMERICAN PEOPLE

May 9, 2023

TRANSMITTED VIA EMAIL

Re: FOIA Request No. F-00067-21  
Final Response

The U.S. 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 January 1, 2021, FOIA request to USAID. You requested a digital/electronic copy of the transition briefing document(s) (late 2020) prepared by USAID for the incoming Biden Administration. The date range for record search: October 1, 2020 – December 31, 2020.

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 USAID's Executive Secretariat (ES) for documents responsive to your request. The search produced a total of 457 pages. Of those pages, we have determined that 436 pages of the records are releasable in their entirety, and 21 pages are partially releasable pursuant to Title 5 U.S.C. § 552(b)(2), (b)(5) and (b)(6).

FOIA Exemption 2 relates to the internal personnel rules and practices of an agency and protects information applicable to internal administrative and personnel matters, such as hiring and firing, work rules and discipline, and compensation and benefits.

FOIA Exemption 5 protects from disclosure those inter- or intra-agency documents that are normally privileged in the civil discovery context. The three most frequently invoked privileges are the deliberative process privilege, the attorney work-product privilege, and the attorney-client privilege. After carefully reviewing the responsive documents, we determined that portions of the responsive documents qualify for protection under the following privilege(s):

- **Deliberative Process Privilege**

The deliberative process privilege protects the integrity of the deliberative or decision-making processes within the agency by exempting from mandatory disclosure opinions, conclusions, and recommendations included within inter-agency or intra-agency memoranda or letters. The purpose of the privilege is to prevent injury to the quality of agency decisions by (1) encouraging frank and open discussions on matters of policy between subordinates and superiors; (2) protecting against premature disclosure of proposed policies before final adoption; and (3) protecting against public confusion that might result from disclosures of reasons and rationales that were not in fact ultimately the grounds for an agency's actions.

- **Attorney Work-Product Privilege**

The attorney work-product privilege protects documents and other memoranda prepared by an attorney in contemplation of litigation. The deliberative process privilege protects the integrity of the deliberative or decision-making processes within the agency by exempting from mandatory disclosure opinions, conclusions, and recommendations included within inter-agency or intra-agency memoranda or letters. The purpose of the privilege is to prevent injury to the quality of agency decisions by (1) encouraging frank and open discussions on matters of policy between subordinates and superiors; (2) protecting against premature disclosure of proposed policies before final adoption; and (3) protecting against public confusion that might result from disclosures of reasons and rationales that were not in fact ultimately the grounds for an agency's actions.

We have determined that none of the information being withheld per FOIA Exemption 5 is appropriate for discretionary disclosure.

FOIA Exemption 6 exempts from disclosure information about individuals in personnel or medical files and similar files the release of which would cause a clearly unwarranted invasion of personal privacy. This requires a balancing of the public's right to disclosure against the individual's right to privacy. The privacy interests of the individuals in the records you have requested outweigh any minimal public interest in disclosure of the information. In this instance, the release of such information could subject the individuals to threats, intimidation, harassment, and/or violence. For these reasons, any private interest you may have in this information does not factor into the aforementioned balancing test. Within the records, we withheld names, titles, email addresses and cell phone numbers.

If you require any further assistance or would like to discuss any aspect of your request, you may contact Tanisha Williams, the assigned FOIA Specialist by phone on (202) 340-9231 or at [tawilliams@usaid.gov](mailto:tawilliams@usaid.gov). You may also contact USAID's FOIA Public Liaison, Christopher Colbow, at [foia@usaid.gov](mailto: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  
E-mail: [ogis@nara.gov](mailto: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. If you would like to appeal this disclosure determination, please send your appeal to [foia@usaid.gov](mailto:foia@usaid.gov), and address it to the Office Director of the Bureau for Management, Office of Management Services. In addition, please include your tracking number F-00067-21 final response in your email.

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

Sincerely,

Theresa Morris for

Digitally signed by  
Theresa Morris for  
Date: 2023.05.09  
10:10:12 -04'00'

Christopher Colbow, Chief  
FOIA Public Liaison  
FOIA Officer/Agency Records Officer  
Bureau for Management  
Office of Management Services  
Information and Records Division

Enclosures: Responsive Records (457 pages)



**USAID**  
FROM THE AMERICAN PEOPLE



**AGENCY REVIEW TEAM**  
**Transition Binder**  
**2020**

## Commonly Used Acronyms

**AAPSM:** Action Alliance for Preventing Sexual Misconduct  
**ADS:** Automated Directives System  
**AFGE:** American Federation of Government Employees  
**AFR:** Bureau for Africa  
**AFSA:** American Foreign Service Association  
**AID/A:** Office of the Administrator  
**ASEAN:** Association of Southeast Asian Nations  
**ASIA:** Bureau for Asia  
**AU:** African Union  
**B/IO:** Bureau or Independent Office  
**BHA:** Bureau for Humanitarian Assistance  
**BRM:** Office of Budget and Resource Management  
**CDC:** Centers for Disease Control and Prevention  
**CEO:** Chief Executive Officer  
**CFO:** Chief Financial Officer  
**CFI:** Center for Faith and Opportunity Initiatives  
**COM:** Chief of Mission  
**CPS:** Bureau for Conflict Prevention and Stabilization  
**CVE:** Countering Violent Extremism  
**CY:** Calendar Year  
**DCHA:** Bureau for Democracy, Conflict, and Humanitarian Assistance  
**DCM:** Deputy Chief of Mission  
**DDI:** Bureau for Development, Democracy, and Innovation  
**DHS:** Department of Homeland Security  
**DOD:** Department of Defense  
**E3:** Bureau for Economic Growth, Education, and Environment  
**E&E:** Bureau for Europe and Eurasia  
**EEO:** Equal Employment Opportunity  
**E.O.:** Executive Order  
**ES:** The Executive Secretariat  
**EU:** European Union  
**FOIA:** Freedom of Information Act  
**FSO:** Foreign Service Officer  
**FTE:** Full-Time Equivalent  
**FY:** Fiscal Year  
**G-8:** Group of Eight  
**GAO:** Government Accountability Office

**GC:** Office of the General Counsel  
**GH:** Bureau for Global Health  
**HACFO:** House Appropriations Subcommittee on State, Foreign Operations, and Related Programs  
**HCTM:** Office of Human Capital and Talent Management  
**HFAC:** House Foreign Affairs Committee  
**HHS:** Department of Health and Human Services  
**IDP:** Internally Displaced Person  
**IG:** Inspector General  
**IMF:** International Monetary Fund  
**ISIS:** Islamic State of Iraq and Syria  
**LAC:** Bureau for Latin America and the Caribbean  
**LGBTI:** Lesbian, Gay, Bisexual, Transgender, and Intersex  
**LPA:** Bureau for Legislative and Public Affairs  
**M:** Bureau for Management  
**MD:** Mission Director  
**ME:** Bureau for the Middle East  
**MOU:** Memorandum of Understanding  
**NATO:** North Atlantic Treaty Organization  
**NGO:** Non-Governmental Organization  
**NSC:** National Security Council  
**OAPA:** Office of Afghanistan and Pakistan Affairs  
**OCRD:** Office of Civil Rights and Diversity  
**OIG:** Office of Inspector General  
**OMB:** Office of Management and Budget  
**OPIC:** Overseas Private Investment Corporation  
**OPM:** Office of Personnel Management  
**OSDBU:** Office of Small and Disadvantaged Business Utilization  
**PEPFAR:** President's Emergency Plan for AIDS Relief  
**PMI:** President's Malaria Initiative  
**PPL:** Bureau for Policy, Planning, and Learning  
**PRC:** People's Republic of China  
**RFS:** Bureau for Resilience and Food Security  
**SACFO:** Senate Appropriations Subcommittee on State, Foreign Operations, and Related Programs  
**SCIF:** Sensitive Compartmentalized Information Facility  
**SEC:** Office of Security  
**SFRC:** Senate Foreign Relations Committee  
**SOAR:** Senior Obligation Alignment Review

**SRSB:** Special Representative of the [UN] Secretary-General

**TDY:** Temporary Duty

**UN:** United Nations

**UNDP:** United Nations Development Programme

**UNESCO:** United Nations Educational, Scientific, and Cultural Organization

**UNGA:** United Nations General Assembly

**UNICEF:** United Nations Children's Fund

**UNSC:** United Nations Security Council

**UNSCR:** United Nations Security Council resolution

**USDH:** U.S. Direct-Hire

**USG:** U.S. Government

**USUN:** U.S. Mission to the United Nations

**VTC/SVTC:** Video Teleconference/Secure Video Teleconference

**WFP:** World Food Programme

**WHO:** World Health Organization

**WTO:** World Trade Organization





**USAID**  
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# Agency Review Team Briefing Book 2020

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**NOTES**



## USAID'S MISSION AND CORE VALUES

### KEY POINTS:

- USAID's work advances U.S. national security and economic prosperity, demonstrates American generosity, and promotes a path to recipient self-reliance and resilience.
- USAID strives to be the world's premier international development agency and a catalytic actor driving development results through investments in key sectors such as economic growth, education, and environment.
- USAID advances democracy and governance and promotes sustainable development and peace around the world.
- USAID's investments in global health protect Americans at home and abroad, save lives, and promote social and economic progress.
- USAID provides timely and effective humanitarian response, bringing disaster relief and lifesaving assistance amidst complex crises.

### MISSION STATEMENT

In February 2018, USAID amended its Mission Statement as part of the [USAID-State 2018-2020 Joint Strategic Plan](#):

On behalf of the American people, USAID promotes and demonstrates democratic values abroad, and advances a free, peaceful, and prosperous world. In support of America's foreign policy, USAID leads the U.S. Government's international development and disaster assistance through partnerships and investments that save lives, reduce poverty, strengthen democratic governance, and help people emerge from humanitarian crises and progress beyond assistance.

USAID's objective is to support partner countries to become self-reliant and capable of leading their own development journeys. The Agency makes progress towards this by reducing the reach of conflict, preventing the spread of pandemics, and countering the drivers of violence, instability, transnational crime and other security threats. USAID promotes American prosperity through investments that expand markets for U.S. exports; create a level playing field for U.S. businesses; and support more stable, resilient, and democratic societies. USAID stands with people when disaster strikes or crisis emerges as the world leader in humanitarian assistance.

### USAID'S CORE VALUES

USAID has dedicated staff who are true development professionals committed to serving U.S. national interests that care about their work and their colleagues. USAID's core values form the "compass" of how it engages in international development.

**PASSION FOR MISSION:** USAID staff come to work to foster sustainable development and advance human dignity globally.

- We each contribute uniquely in advancing our mission, whether by working in different sectors or by supporting global operations and management.

**EXCELLENCE:** USAID strives for efficiency, effectiveness, and meaningful results across our work.

- We aspire to lead international and U.S. Government efforts to advance the economic, political, social, and environmental well-being of the world's most vulnerable people.
- We continually seek to improve our operations and increase our impact.

- We take pride in our work and our accomplishments.

**INTEGRITY:** USAID is honest and transparent, accountable for its efforts, and maintains a consistently high moral standard.

- We are ethical in all that we do.
- We are fair with colleagues, partners, and those we serve, building relationships of trust.

**RESPECT:** USAID demonstrates respect for one another, our partners, and the people we serve in communities around the world.

- We recognize the strength that comes from diversity and actively promote and pursue it.
- We value all people equally and treat others as we would like to be treated.
- We consistently demonstrate professionalism and respect in our communications and in our behavior.

**EMPOWERMENT:** USAID elevates all voices striving for global economic, environmental, and social progress.

- We seek to ensure that all voices are heard.
- We strive to strengthen the voices of the marginalized and vulnerable.
- We value every team member and seek to ensure everyone can fulfill their potential.

**INCLUSION:** We value our differences and draw strength from diversity.

- We support programs that engage people across societies and benefit whole communities and countries.
- We value every member of our team, learn from their experience, and foster their active engagement.
- We advance equality, ensure equal opportunity and address inequality within our Agency and in our work.

**COMMITMENT TO LEARNING:** We continually seek to improve our work and ourselves through reflection and evaluation.

- We design and assess programs with an eye towards constant improvement.
- We recognize that professional development is fundamental to team satisfaction and success.

## **KEY STRATEGIC INITIATIVES**

USAID has taken a number of steps to improve the effectiveness both within the Agency and in the way it addresses international development with our partners. Internally, USAID is undertaking a **Transformation** to align its framework and foundation to USAID's vision to end the need for foreign assistance. USAID strives to maintain a model culture and program for equal employment opportunity (EEO) in the workplace and adheres to the fundamental principles of EEO and **diversity, equity, and inclusion** that underpin a workplace in which all employees are proud of the Agency's work, are encouraged to collaborate, innovate, and learn, are respected for their uniqueness, and are valued for their different perspectives. Through **the Journey to Self-Reliance**, USAID is working with host-country governments and stakeholders to achieve locally-sustained results, helping countries mobilize public and

private revenues, strengthening local capacities, and accelerating enterprise-driven development. USAID is a key U.S. Government actor in addressing the Rise of Authoritarianism/Great Power Competition, offering partner countries options that better align with their long-term needs and interests than do the options pushed by the US's global competitors. And, lastly, nearly every country USAID works in has been affected by COVID-19, as well as USAID's staff. USAID continues to resolve operational and programmatic issues related to COVID-19 and is adapting policy, planning, and operations for the future, as needed, through the Over the Horizon initiative, an Agency-wide strategic-planning exercise to prepare USAID for the "new normal" in a world fundamentally altered by COVID-19.

**NOTES**

## A BRIEF HISTORY OF USAID

With the passage of the *Foreign Assistance Act* of 1961 by Congress, USAID was created, bringing together several existing foreign assistance organizations and programs. Until then, there had never been a single agency charged with international development.

Leading this transformation was President John F. Kennedy, who recognized the need to unite development into a single Agency responsible for administering aid to promote social and economic development and enhance U.S. national security. On November 3, 1961, USAID was born and with it a spirit of progress and innovation. On December 13, 2021, USAID will celebrate completion of its 60th year of providing foreign development assistance “from the American People.” USAID’s workforce and culture continues to serve as a reflection of this core American value.

**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 World War II, 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: 1) create markets for the United States by reducing poverty and increasing production in developing countries; and, 2) 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:** After President Kennedy signed the *Foreign Assistance Act* into law and created USAID by an Executive Order, 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, USAID began to shift its focus away from technical and capital assistance programs to a “basic human needs” approach focusing 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, and aid shifted from individual projects to large programs.

**International Aid in the 1990s: Sustainability and Democracy:** USAID played a lead role in planning and implementing programs following the fall of the Berlin Wall in 1989. In the 1990s, USAID’s top priority became sustainable development, or helping countries improve their quality of life. During this decade, USAID tailored development assistance programs to a country’s economic condition, which meant: 1)

developing countries received an integrated package of assistance; 2) transitional countries received help in times of crisis; and, 3) countries with limited USAID presence received support through non-governmental organizations. 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 these countries rebuild government, infrastructure, civil society, and basic services such as health care and education. The Agency began rebuilding with trying to achieve the most impact 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 and Beyond: International Development as National Security:** In 2010, President Obama signed a Presidential Policy Directive on Global Development, the first of its kind by a U.S. administration. The directive recognized that development is vital to U.S. national security and is a strategic, economic, and moral imperative for the United States. It called for elevating development as a core pillar of American power and charted a course for development, diplomacy, and defense to mutually reinforce and complement one another in an integrated comprehensive approach to national security. Legislation such as the *Global Food Security Act* (July 2016) and the *Electrify Africa Act* (February 2016) reflect this emphasis on development as national security.

In 2017, the Agency began a Transformation under the rubric of the Journey to Self Reliance, a more public and institutionalized approach in which USAID supports host-country governments and partners to achieve locally-sustained results, mobilize public- and private-revenues, strengthen local capacities, and accelerate enterprise-driven development. This comprehensive approach was accompanied by an updated Private-Sector Engagement Policy.

The past decade also brought an era of renewed Great Power Competition and authoritarianism, which threaten to undermine economic liberalization, reverse democratic development, and weaken the sovereignty of individual states. USAID, through its Clear Choice Framework and other strategic efforts, has been working to intentionally reduce the risks, vulnerabilities, and dependency on foreign authoritarian actors in its partner countries.

In 2020, COVID-19 has had, and will continue to have, profound implications for USAID's mission and operating environment. Through the Over the Horizon Strategic Review, the Agency is preparing to adapt ways of working to achieve its mission in a substantially changed global context.

**NOTES**

**OPERATIONAL ENVIRONMENT****INTRODUCTION**

USAID is a procurement-based Agency, obligating over \$17 billion a year through acquisition and assistance mechanisms to implement its mission. With a presence in 87 countries and programs in another 31 “non-presence” countries, USAID has a well-established global footprint. However, the vast majority of the countries in which USAID executes its activities have become increasingly complex and COVID-19 has further exacerbated their economic, political and social development. The environment in which USAID operates is increasingly ambiguous and demands that USAID reinforce efforts to become more nimble to more effectively capitalize on opportunities and respond to threats while simultaneously mitigating legal, fiduciary, and reputational risk. Enhancing the adaptability of the Agency’s operating model necessitates an examination of the Agency’s footprint, delegations of authority for key decisions and processes, monitoring and forecasting capabilities as well as Agency oversight of local partners.

**LOOKING BACK**

Since 2017, USAID’s primary objective has been to support partner countries on the Journey to Self-Reliance (J2SR). USAID, led by the Bureau for Management, has made a number of advancements to optimize the efficiency and effectiveness of internal operations through its Transformation efforts to rationalize organizational structure, improve processes, and update operational policies while also rethinking its core functions of partnering and procurement. Internally, USAID streamlined its procurement process for high-dollar value obligations, which accounted for over \$2.6 billion in foreign assistance in 2018, while also integrating Category Management mandates in 2019 and USAID’s Agency Priority Goal. The Agency also rationalized its processes for country strategy development to reduce time from concept to procurement and to manage and mitigate Agency risk through a new enterprise risk management framework; improved Washington’s technical assistance to the field through an Agency Approach to Field Services; deployed a new portfolio management system that provides a comprehensive view of all development activities to support analysis and evidence-based decision making; and expanded use of telework to sustain virtual operations during COVID-19.

Central to USAID’s J2SR efforts has also been a shift in our procurement and partnering practices from a more traditional donor model to one that emphasizes cost-sharing, the expansion of USAID’s partner base to increase use of new partners, and enhanced private-sector engagement. Effective Partnering and Procurement Reform has been an Agency Priority Goal since Fiscal Year (FY) 2018, and is aimed at increasing collaboration, co-design, and co-financing approaches to promote innovation and the diversification of our partner base to result in more empowered partners and results driven solutions. There has been progress in the co-creation and New Partner Initiative indicators, however, the Agency has not yet achieved established performance targets as of Fiscal Year 2020.

Continuity of operations planning and exercises as well as key investments in technology infrastructure provided for a strong base from which USAID could respond to the COVID-19 pandemic. While the pandemic impacted the Agency globally, USAID was well-positioned to shift quickly to a mandatory telework posture at the onset of the crisis. USAID invested in technology infrastructure prior to the pandemic to improve operational effectiveness, which proved invaluable to maintain a steady state of operations despite restricted movements of personnel. The pandemic, however, did present lessons on readiness from a whole-of-Agency, worldwide continuity perspective in the event of external environmental shocks. In response, USAID has proposed a matrixed Critical Coordination Structure within the Bureau for Management as the hub to elevate and expand continuity of operations and task force readiness capabilities and resources in coordination with key stakeholders.



The recent application of the *National Defense Authorization Act* Section 889 further presented unique challenges to the continuity of operations with restrictions on the purchase and use of certain covered technologies. The Bureau for Management's Offices of Acquisition and Assistance and the Chief Information Officer along with the Office of the General Counsel collaborated to assess the impact of the statutory mandate, briefed Congressional stakeholders and coordinated with U.S. Government counterparts to develop and release clarifying information and guidance governing implementing the prohibitions imposed by Section 889 to internal and external audiences. USAID launched resources guiding Agency staff and its implementing partners in complying with Section 889 requirements with the long-term goal of identifying and utilizing more secure technology through increased competition for innovative and clean information technology solutions.

USAID's operating model still concentrates on a largely in-country field presence that is subject to host government and State Department restrictions. Existing governance minimizes Mission autonomy owing to a structure that leans heavily on headquarters oversight with centralized decision-making processes that can be overly labor-intensive. The current centralized operating model had been largely successful for the ways it supported onsite engagement and moderate modernization efforts across the Agency; however, it now presents increased national security risks from potential malign actors that could target technology infrastructure and systems that are further exacerbated by environmental and health crises. USAID's future model, enabled by a nimble cloud-based technology platform, requires greater innovation and enhanced secure delivery methods.

## LOOKING FORWARD

USAID must continuously improve its flexibility in operations and programming as its operating environments increase in complexity and face large-scale, global threats. The Agency must be prepared for scenarios where in-country presence may not be possible, thus necessitating a sustained and robust virtual presence enhanced through technology-supported delivery options, with flexibility to provide surge support as needed for staffing and facilities, anywhere at any time. USAID must balance the ability to maximize secure technology and telework platforms with an optimal international staffing footprint, critical for in-person relationship-building as a means to encourage a sustainable future of host country successes. Investment in artificial intelligence analytical tools also represent an opportunity to capitalize on the Agency's rich source of open data in its Development Data Library to not only predict future crises, but also help missions better address intractable development problems in-country.

The ability to make evidence-based decisions quickly in the face of negative environmental forces and ambiguity is the hallmark of an adaptive, high-performing organization. In a decentralized organization such as USAID, this requires providing missions the authority to make decisions when required. The Agency has an opportunity now to assess its program and management operations policies and practices to reconcile Washington's need for oversight and risk management with the need to provide missions the decision rights they need to respond to local concerns efficiently and effectively. Procurement reform initiatives focused on engaging with new and underutilized partners, streamlining processes, robotics process automation and collaborating with its partner community will be vital.

While the Critical Coordination Structure is expected to institutionalize the operational work of the COVID-19 Taskforce and the transitional Readiness Unit, it also ensures a coordinated Agency response in the event of emergency or other hazards. Undertaking a thorough analysis of these considerations would complement existing work from the Over the Horizon exercise in response to COVID-19.

**NOTES**

## TRANSFORMATION AT USAID

### INTRODUCTION

The world has changed—from the nature of development, to partners, to the role of technology and innovation. The majority of USAID programming today is in states that are either fragile, suffering from active conflict, or recovering from it. USAID leadership launched the Transformation process to respond and remain dynamic, impactful and relevant by transforming its structure, workforce, programs, and processes to advance host country partners on their J2SR. USAID initiated a series of reforms aimed at evaluating and improving facets of the Agency under the Transformation Task Team. This is the largest of such efforts for the Agency in decades. The Transformation evolved into 31 projects and involved thousands of staff as well as multiple external stakeholders. Interconnected reforms seek to make USAID more efficient and effective in order to achieve greater development, foreign policy, and national security outcomes. Following the institutionalization of many Transformation projects and the standing down of the Transformation Task Team, a Restructuring Management Unit was formed in the Bureau for Management to finalize structural transformation. While the Transformation process has been straightforward for many operating units, for others, it has been time-consuming and difficult for staff and leadership. There are rigorous Congressional requirements for any reorganizations in annual Appropriations Acts. Congressional engagement has been intense, and, at times, contentious. Many of the proposed changes have been met with Congressional skepticism, and several transformation Congressional notifications remain on hold with various oversight Committees and are pending resolution.

### STRUCTURE

On August 31, 2018, USAID submitted nine Congressional Notifications to Congress outlining its proposed Washington-based structural reforms, seven of which have been approved. The proposals include reducing the number of Agency Coordinators and clarifying their roles, the creation of the Bureaus for Resilience and Food Security; Humanitarian Assistance; Conflict Prevention and Stabilization; Development, Democracy, and Innovation; Policy, Resources and Performance; and changes to the Bureaus for Asia and Management, and the Office of the Administrator.

As some proposals were cleared by Congress, the Agency has worked to first legally establish, then operationalize and implement the new Bureaus. A Bureau is considered to be legally established after the Administrator has signed the Reorganization Action Memo. This action locks in the Bureau's capabilities, functions, substructure, and other required management-directed changes, closing the design and direct hire staffing resource allocation phase of the reorganization and paving the way for Bureaus to recommend staffing actions and engage in formal negotiations with unions on impact and implementation. Following negotiations with the unions, the Reorganization Action Memo is reviewed and signed by the Chief Human Capital Officer, operationalizing the Bureau. At that point, Bureau staff are notified of their positions in the new structure and implementation steps continue. Further details of the status of the reorganization efforts can be found in the [RMU Overview Paper](#).

As the nature of development and humanitarian challenges have changed, it is also necessary for USAID to redefine another crucial part of its structure: Operational (Regional) Platforms. In 2019, the Agency conducted a review of Regional Platforms—defined as USAID operating units providing services to three or more distinct units—including rapid assessments of eight Regional Platforms and a Global Platform. This exercise resulted in a set of [guiding principles](#) that enable the Agency to further refine the mandates and operational practices of Regional Platforms. In May 2020, USAID released [implementation guidance](#) for optimizing its Regional Platforms. Regional Bureaus submitted action

plans intended to refine the mandates of Regional Platforms in their regions; streamline regional programs (as necessary); and implement best practices for their structure, staffing, and business processes. The M Bureau worked with the Regional Bureaus and Agency senior leadership to assess the soundness of the action plans and make adjustments, where needed, to align with the implementation guidance and strategic and programmatic priorities. Going forward, the Regional Bureaus will conduct reviews of their Regional Platforms at least every five years, in coordination with the process for developing Regional Development Cooperation Strategies. Regional Bureaus will present their completed reviews to the M Bureau for consideration by the Management Operations Council and final approval by the Administrator. This also presents an opportunity to establish more regular and consistent analysis of the organizational health of Regional Platforms and Missions through Mission Management Assessments.

## PROGRAMS & PROCESSES

At the core of USAID's Transformation efforts is the principle of J2SR for partner countries. The initiatives that fall under J2SR include Country Metrics; Financing Self-Reliance; Private Sector Engagement (PSE); Redefining USAID's Relationship with Partner Governments; Effective Partnering and Procurement Reform; and Strategic Transitions and Partnership.

The goal of Effective Partnering and Procurement Reform, launched in Spring 2018, was to develop and implement a series of reforms to the Agency's program design and procurement processes aimed at fostering self-reliance. The Effective Partnering and Procurement Reform initiative launched with an external listening tour, where the Agency met with more than 250 individuals in the partner community. In addition, it convened more than 120 USAID employees from 35 operating units including Missions in EPPR working groups that helped create the Agency's first-ever Acquisition and Assistance (A&A) Strategy, released in December 2018, and deliver a comprehensive set of 120 recommendations approved for action by the Administrator in June 2019.

To operationalize J2SR, USAID is implementing the A&A Strategy and EPPR Implementation Framework, taking significant steps to approve new policies, such as changes to Automated Directives System 300 enabling adaptive management, and revising Agency business processes, such as streamlining and standardizing the design to procurement (pre-obligation) checklist. The first guiding principle of the A&A Strategy called on USAID to diversify its partner base. USAID launched a New Partnerships Initiative in May 2019. The New Partnerships Initiative totaled \$300 million by September of 2020, having issued nearly two dozen awards through which the Agency is working with more than 50 partners. Nearly 70 missions completed New Partnerships Initiative Action Plans. By March 2020, missions also established targets for the Agency's new global capacity strengthening metric—a new approach that measures improved performance by local partners, moving USAID beyond defining success merely as the percentage of dollars directed to local partners. In addition, missions set goals to increase engagement with new, underutilized, and local partners, and expand collaborative and adaptive approaches, such as co-creation, in the solicitation and award process.

In fall 2020, USAID continued to implement strategic shifts through the Effective Partnering and Procurement Reform initiative: the Agency established a new framework for the more strategic use of sub-awards, including strengthening partner compliance in subaward reporting and reinforcing Agency review and approval of subawards that empower local partners; finalized its first-ever Local Capacity Development Policy to assure a principled approach to local engagement; and strengthened the

workforce within the Office of Acquisition and Assistance, including operationalizing Acquisition and Assistance Labs and Senior Regional Advisors to institutionalize innovative policies and practices.

USAID is integrating self-reliance concepts into its processes, approaches, and strategies to create enduring diplomatic, economic and security partners. One of the Transformation projects focused on improving communication, coordination and collaboration with the Department of Defense so as to leverage our comparative advantages to mutually reinforce and increase effectiveness. As part of Transformation, USAID seeks to elevate its relationship with the military in part through creating the Bureau for Conflict Prevention and Stabilization (CPS), moving the Office of Civilian–Military Cooperation into CPS, and making the new bureau largely responsible for deepening USAID’s relationship with the Department of Defense.

In the United States Government, USAID is uniquely positioned to address underlying conditions conducive to terrorism, and to prevent the recruitment and mobilization to violence that perpetuates this cycle. USAID has made significant progress on preventing and countering violent extremism (CVE) under the auspices of Transformation and in alignment with the spirit of the recommendations in the Foreign Assistance Realignment. USAID has published a new CVE Policy, Countering Violent Extremism through Development Assistance, which focuses on strengthening and influencing local systems, rather than programming to address a particular driver of violent extremism. USAID has restructured itself internally on CVE by consolidating three disparate structures into one CVE Sector Council to contribute to improved intra-agency and interagency coordination and collaboration.

Since the early 2000s, internal and external audits have identified USAID’s limited ability to implement and monitor programs in non-permissive environments as a significant deficiency. In an Action Memo signed April 2019, the Deputy Administrator was designated as the interim official responsible for non-permissive environments pending the designation of the Associate Administrator for Strategy and Operations. In addition, the memo also approved the establishment of a non-permissive environments Steering Committee chaired by the Deputy Administrator, along with the non-permissive environment working group. These entities are designed to provide guidance, feedback, and assess any new vulnerabilities identified in the Agency Risk Profile.

The vision of the Agency’s Approach to Field Services (AAFS) is to make USAID Washington more field-focused and improve technical support via early and consistent Washington coordination and integration of cross-cutting priorities into technical assistance for short-term benefits; use of field feedback and improved accountability measures to learn and improve technical assistance in the medium-term; and capture of field demand and Washington provision to inform resource decision-making for long-term benefits. The Transformation Task Team identified the Agency’s Approach to Field Services as best practices that foster timeliness, quality, and accountability in the delivery of technical assistance to the field which brings those to scale across Bureaus that provide technical and Program Cycle support. M Bureau is the Secretariat for this effort coordinating cross-Bureau efforts to implement the approaches and deliverables.

As part of addressing procedural challenges, USAID worked internally to implement all audit recommendations that were behind schedule, and was able to resolve the audit backlog by May 2018. However, the Transformation Task Team determined that the Agency still faced systemic issues that could lead to future audit backlogs, and as such, submitted joint recommendations in coordination with other Agency stakeholders, that revised the Automated Directives System to include the creation of standard operating procedures for audit management, and the establishment of the program

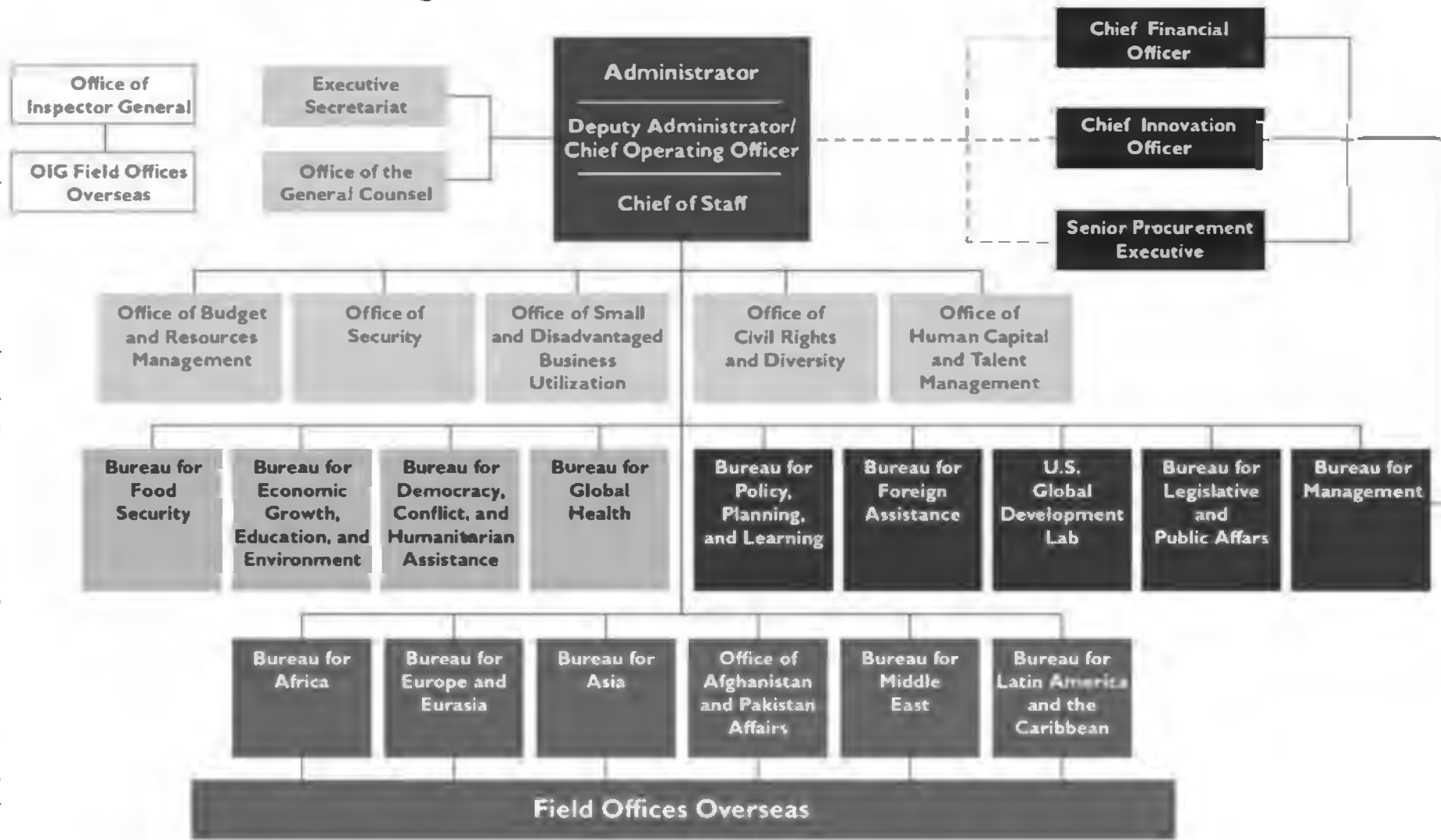
performance audit function in the current Bureau for Policy, Planning and Learning. The establishment of the program performance audit function in the Bureau for Policy, Planning, and Learning is pending Congressional approval. The Office of the Chief Financial Officer will continue to maintain responsibility for non-program performance audits and financial audits.

## PEOPLE

Without addressing USAID's workplace and workforce needs through effective and strategic hiring, development and deployment of staff, and removal of barriers to equal employment opportunities, all other Transformation efforts fall short. As such, USAID is working to create a culture that maximizes Transformation by bringing out the best in every employee through an inclusive and equitable workplace and by modernizing and enhancing Human Resources services, performance management, diversity and inclusion, accountability, and wellness through HR Transformation; cultivating and effectively support a more strategic and agile hiring of staff; enabling leadership at all levels to foster a culture of respect; learning and accountability through the Agency's Leadership Philosophy; addressing breakdowns caused by siloed information by designating the Bureau for Policy, Planning, and Learning to implement knowledge management recommendations; and, optimizing the talent of our Foreign Service National (FSN) employees. Empowering FSNs and leveraging their talent is critical to USAID, as there is no element of our workforce that has greater understanding of, or stake in, the development progress of our partner countries more than FSNs.

# Previous USAID Organizational Structure

Sensitive but Unclassified (SBU) - For Internal U.S. Government Use Only

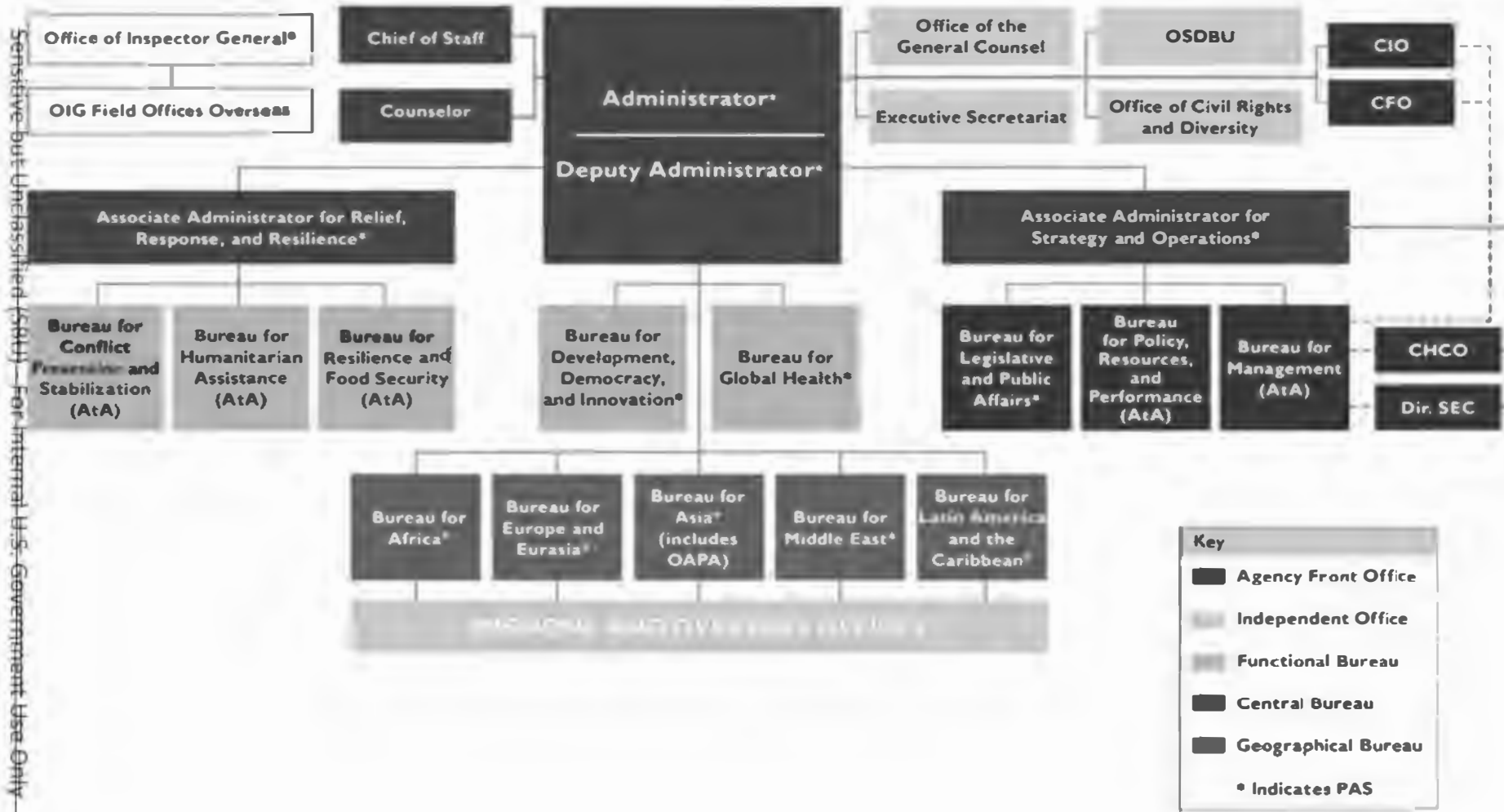


Sensitive but Unclassified (SBU) - For Internal U.S. Government Use Only

27

Geographical Bureau
  Functional Bureau
  Central Bureau
  Independent Office
 - - - Indirect Reporting

# Future USAID Organizational Structure



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**NOTES**

## USAID AND THE JOURNEY TO SELF-RELIANCE

### KEY POINTS

- In 2019, USAID published the latest version of its Policy Framework, “Ending the Need for Foreign Assistance.” The Policy Framework serves as the guiding policy document for USAID and presents USAID’s mission and vision for achieving it: ending the need for foreign assistance by partnering with countries along their Journey to Self-Reliance.
- USAID defines self-reliance as a country’s *capacity* to plan, finance, and implement solutions to local development challenges, and a *commitment* to see these through effectively, inclusively, and with accountability.
- This approach to development prioritizes fostering stable, resilient, and prosperous countries
- USAID is realigning and reorienting its policies, strategies, and program practices to improve how it supports each country on their Journey to Self-Reliance.

### INTRODUCTION: USAID’S POLICY FRAMEWORK

In April 2019, USAID published its third-ever Policy Framework, “Ending the Need for Foreign Assistance.” Policy Frameworks are USAID’s highest-level policy document, intended to guide decision making throughout the Agency, and articulate the Agency’s purpose and principles to be carried out consistently in programming and all activities. The current USAID Policy Framework defines a holistic approach to development called The Journey to Self-Reliance, or the J2SR.

In an era with intensifying competition among global powers, USAID is a powerful tool that complements/enhances U.S. diplomacy and defense to protect Americans and advance U.S. security and prosperity. When USAID partners with societies to help safeguard liberties, forestall conflict, accelerate growth, save lives, and respond to disasters on their own, the U.S. enjoys greater security and economic opportunity. To this end, USAID offers a proven and compelling assistance model, grounded in a new, more strategic approach. The Journey to Self-Reliance emphasizes enabling locally-led—and, increasingly, locally financed—problem-solving for enterprise-driven growth, inclusive societies, and transparent, accountable governance. This model of assistance promotes balanced trade, open markets, responsibly-managed natural resources, and democratic norms. The U.S. model contrasts with those that rely on opaque and unfair lending practices, which drive nations into debt and stoke corruption. USAID wants its partner countries to be able to plan, finance, and implement their own development solutions.

### CORE J2SR THEORY AND PRINCIPLES

The underlying development theory behind the Journey to Self-Reliance is that countries are able to achieve sustained development progress by demonstrating increasing levels of both commitment and capacity. By strengthening commitment and capacity, a country increases its overall self-reliance—and, in so doing, USAID’s approach should also evolve as the country achieves a greater ability to manage its own development journey. Commitment refers to how well a country’s laws, policies, actions, and informal governance mechanisms—such as cultures and norms—support progress towards self-reliance. Capacity refers to how effectively key institutions are able to function across the dimensions of political, social, and economic development, including the ability to work across these sectors.

J2SR is grounded in three interrelated principles that together form a comprehensive approach:

1. **Advance country progress.** USAID’s primary unit of analysis is the country, with USAID missions being the main actor to help address the unique set of challenges and opportunities each country

faces. In applying this principle, USAID has developed country roadmaps to help ground Country Development Cooperation Strategies (CDCSs) in understanding why USAID provides assistance in each country, utilizing the best available data to identify strategic challenges and opportunities, and using that data to ensure that our strategic relationships with host countries evolve as they build self-reliance.

2. **Invest for impact.** USAID makes informed and strategic choices about what assistance it provides in each country. Programming is targeted toward areas where USAID resources can be most effective in advancing self-reliance, taking advantage of country-specific opportunities, and harnessing innovative approaches to engaging the private sector and improving countries' abilities to finance their own development journeys.
3. **Sustain results.** USAID has made significant changes to how it provides assistance in each country. Achieving greater self-reliance is more likely when USAID-funded projects and activities support self-reliance at the local level by working with local actors to achieve and sustain improved development outcomes. This entails forming deeper partnerships with a broader range of partners, including those in the private sector, and taking a more balanced posture toward risk to strengthen the systems that produce development results over time.

## THE COMPONENTS OF J2SR

The seven Components of the J2SR are organized under an implementation approach known as “the 3 As”: Assess, Accelerate, and Align.

USAID created Country Roadmaps as a standardized analytical tool to **assess** objectively where a country is on the Journey to Self-Reliance—that is, where it sits on the development spectrum, and where its relative commitment and capacity and challenges are.

Once the Agency assesses a country's degree of self-reliance, USAID strategically uses its resources and catalyzes investments that **accelerate** and sustain progress. USAID does this through interventions that focus on:

- Financing Self-Reliance, which improves countries' abilities to finance their own economic and social development by applying a comprehensive Agency approach to helping countries mobilize public revenues and expend resources effectively, transparently, and with accountability, while creating the enabling conditions for private investment and functioning capital markets.
- Private-Sector Engagement, which brings financial and technical expertise to development programs to address challenges that require resources beyond what governments can supply. The private sector has a crucial role to play in solving global development problems.

No matter where a country is on its journey, USAID also wants to ensure that how the Agency works—and how its partners work with it—are all **aligned** towards the same goal: a day when foreign assistance is no longer necessary. Under the J2SR strategic approach, the Agency does this in four ways:

- Redefining our Relationship with partner Governments, by ensuring the Agency's policies, programmatic tools and operational approaches promote greater commitment from and

strengthen the capacity of partner governments, as they lead a country's journey to self-reliance. USAID is using a wide range of tools to incentivize country capacity and commitment, including government-to-government funding, non-project-based assistance, policy reform, cost-sharing, and broader burden-sharing with other development donors;

- Strategic Transition, by ensuring that the Agency's focus and approach in a given country evolves appropriately as a country increasingly leads its own development journey over time. Once a country has achieved high levels of self-reliance, the goal should be to transition to a new form of partnership where USAID becomes more of a technical advisor, and nurtures a more mature economic and security partnership instead of being a more traditional donor;
- Rethinking how USAID partners with development stakeholders through the Effective Partnerships and Procurement Reform effort, the Acquisition and Assistance Strategy, and the New Partners Initiative—by ensuring a maximal focus on using new, underutilized, and local partners, and fostering a more collaborative approach to designing and implementing our programs; and,
- Ensure USAID is a clear partner of choice in a world where malign actors are using alternative development models to undermine national sovereignty, increase unsustainable debt, and limit self-reliance. USAID's targeted investments in high impact sectors (digital, infrastructure, youth, energy and democracy), novel bilateral partnerships, and strategic messaging will ensure the difference in our approach and that of our great power competitors is clear to our country counterparts—they offer a journey to dependency while we offer a journey to self-reliance.

## INSTITUTIONALIZING J2SR

Over the past three years, and with the support of staff across field missions and headquarters offices, USAID has made substantial progress in translating the vision and principles of J2SR into lasting changes to agency structures, policies, procedures and programming. Some of the most significant accomplishments are listed below.

- New agency policies and strategies that embrace and extend self-reliance into private-sector engagement, education, acquisition and assistance, working with indigenous populations and protecting staff and partners from sexual exploitation and abuse.
- Technical guidance on responding to emerging challenges to self-reliance ranging from the COVID pandemic to Great Power Competition to financing self-reliance to expanding partnerships.
- USAID has completed three annual sets of country roadmaps that are based on a carefully selected set of 17 indicators that capture important aspects of commitment and capacity within government, civil society, and the economy. These roadmaps provide important input into ongoing discussions with partner governments about development gaps and priorities and guide the Agency's country-level strategic planning, ensuring that programming takes account of country-specific opportunities and limitations.
- Revised programming guidance that integrates J2SR principles and programming priorities into the Program Cycle.

- Completion (by the end of calendar year 2020) of over 50 country strategic plans (Country Development Cooperation Strategies or CDCSs)—developed in accordance with new Program Cycle guidance and grounded in that Country’s Roadmap—that lay out how USAID-funded programs will support progress toward self-reliance.
- Creation or consolidation of eight Bureaus as part of the Agency’s organizational Transformation. In addition to creating operational efficiencies, this realignment consolidates technical and budgetary resources around self-reliance priorities.
- Articulation of the Agency-wide Self-Reliance Learning Agenda that organizes research, evaluation and learning efforts around key aspects of the Journey to Self-Reliance, while also fulfilling government requirements established by the Office of Management and Budget and by Congress through the 2018 *Evidence Act*. Specifically, the Self-Reliance Learning Agenda consists of 13 questions about J2SR concepts and practices where additional research, real-time learning, and evaluation is expected to improve the Agency’s ability to foster self-reliance.

**NOTES**

## THE RISE OF AUTHORITARIANISM AND USAID'S ROLE IN GREAT POWER COMPETITION

### KEY POINTS

- U.S. national interests and the liberal international order are challenged by assertive authoritarianism from China and Russia, as well as other malign actors such as Iran.
- China's and Russia's models of development are at odds with partner country autonomy as they incentivize strategic dependence, while the U.S. offers strategic partnership.
- The Clear Choice Framework, USAID's response to the great power competition, is implemented through five regional and six sector strategies, and supported by a Senior Advisor and Secretariat.

### INTRODUCTION

Great Power Competition (GPC), as articulated in the Trump Administration's 2017 National Security Strategy (NSS) and National Defense Strategy, refers to malign actors' efforts to contest the United States' geopolitical status and skew the international order in their favor. The NSS reoriented the U.S. Government (USG) to prioritize competition with Russia and China within strategic planning efforts, and specifically highlighted the threat posed by authoritarian actors that seek to subvert economic liberalization, weaken democratic values and institutions, and undermine the sovereignty of individual states. The core role of USAID in the GPC is to: 1) improve visibility in partner countries on competitors' efforts to use a disingenuous vision of 'development' as a strategic tool; and 2) strengthen the ability of partner countries to counter the the impacts of these predatory and malign activities and support efforts to achieve self-reliance and autonomy.

Per the NSS, USAID is focused on reducing the risks, vulnerabilities, and dependency on foreign authoritarian actors in its partner countries by creating the conditions whereby partners can plan, finance, and implement solutions to their own development challenges. This paper provides an overview of the development implications of the GPC, and the steps USAID has taken to address those implications across operating units.

### THE NATIONAL SECURITY CHALLENGE

China and Russia want to shape a world consistent with their authoritarian model and subject to their influence—including gaining authority over other nations' economic, diplomatic, and security decisions. China has expanded its foreign influence far outside of its region, even to the United State's near neighbors in Latin America. It seeks to buy influence and acquire access to strategic resources. From Cambodia to Zambia, countries have encountered the impact of China's efforts—including large amounts of unsustainable debt, weakened country sovereignty, or curtailment of economic, political and social freedoms--which ultimately undermine a country's path to self-reliance. The Kremlin has sought to undermine democratic systems and the rule of law, spread disinformation, make countries more energy-dependent, and use economic leverage and corruption to make countries weaker and more dependent on Russia. While the Kremlin's primary focus has been the countries of the former Communist bloc and Europe, it has also aggressively sought to extend its influence to Latin America, the Middle East and North Africa, and Central and Southeast Asia. The expansion of authoritarian influence has affected many long-standing USAID priority areas described below.

**Economic:** Long-standing debt and predatory loans have weakened country partners' economic growth trajectories and disadvantaged the competitiveness of American businesses overseas. China's efforts discourage fiscal transparency and accountability and disproportionately provide personal or political benefits to local elites at the expense of public interest. Chinese projects fuel corruption, exploit

important local resources, and undermine local civic engagement. USAID partners risk an unsustainable debt dependency, which can result in the inability to finance their own development, and the surrender of control over national strategic assets, such as port facilities. Russia has used access to its large market to blackmail countries that do not comply in other areas by closing its borders to trade and boycotting key industries and products from its neighbors. The Kremlin has also sought to buy up and control key elements of critical infrastructure, particularly in the energy sector, and has interfered in the banking systems of its neighbors to launder billions of dollars through illicit financial channels.

**Governance:** China's assistance model preys upon democracies by disregarding governance structures, manipulating favorable arrangements with elites, feeding corruption networks, eroding human rights, and distorting and restricting information. This has led to a global trend of illiberal democracies, repressive legislation and practices impacting fundamental freedoms and the functioning of an independent civil society. China and other governments that have passed restrictive laws continue to share strategies and tools to stifle independent voices with emerging authoritarian regimes. China's calculated, systematic repression of ethnic and religious minorities within its own territory (e.g. mass detention and gross human rights abuses of ethnic minority Uighurs as well as repression of Tibetans) risks exportation to Belt and Road Initiative recipient countries. China is advancing its ideological agenda by funding research centers and media outlets, Confucius Institutes, Chinese language learning and regional studies institutes at U.S. and other foreign universities, and exchange programs abroad. The risk is a growing affinity for China's authoritarian model and a reduction in demand for democratic norms, institutions, and processes. Similarly, Russia has sought to undermine democratic institutions in a variety of ways, from attempts to discredit civil society organizations, to funding political parties, to cyberattacks on central election commissions and government agencies.

**Digital and Informational:** Authoritarian governments' subsidies to their national champions or state-owned enterprises allow firms to offer fiber-optic networks and network equipment to monitor populations on a mass scale and to restrict citizens' access to information. China is focused on becoming the world leader in artificial intelligence, and is building one of the world's most comprehensive facial-recognition databases by exploiting data from countries including Ecuador, Venezuela, Bolivia, Brazil, and Kenya. These malign practices enable authoritarian regimes to dominate the telecommunications industry, and control digital tools that can increase repression as well as disadvantage the interests of the U.S. and its allies. China has sought influence over the African health agenda by advocating for the African Centers for Disease Control and Prevention to be located in Addis Ababa, where it has significant influence and may be able to access African's private health data with fewer obstacles. China also supports local media through the training of journalists and investments in local media holdings. Russia also trains journalists and continues to expand its information channels, led by RT (formerly Russia Today) and Sputnik International.

## **USAID'S RESPONSE**

Prior to 2017, USAID, alongside other bilateral signatories of the Paris Principles, sought to encourage China's compliance with good development standards. In 2015, USAID and China's Ministry of Commerce, at that time responsible for the implementation of Belt and Road Initiative, signed a Memorandum of Understanding (MOU), which committed both parties to explore collaboration and cooperation in food security and nutrition, public health security, humanitarian assistance, and specific project cooperation in partner countries through bilateral and multilateral engagement. From 2009-2016, USAID employed a 'cooperative' approach to China through the U.S.–China Strategic and Economic Dialogue. USAID held formal bilateral development dialogues with the Government of China's



Ministry of Commerce. At the last meeting, held in February 2016, in Beijing, counterparts shared experiences in foreign assistance and discussed potential cooperation on the Sustainable Development Goals.

The Trump Administration's view is that the cooperative approach with China does not work. Despite the MOU and subsequent dialogues, China has exploited and weakened partner countries' political and economic sovereignties.

The 2017 NSS articulated a competitive, non-cooperative approach to China and Russia. As part of USAID's Transformation, a small committee undertook more than 100 consultative meetings to examine the relationship with China and Russia on development. The result was the **USAID Clear Choice Framework** (hereafter: Framework). The Framework defines 'Clear Choice' as a comparison of the benefits of the U.S. development approach versus the perils of the model presented by authoritarian actors. The U.S. approach is different from that of its authoritarian competitors, in that it: (i) offers strategic partnership, not strategic dependence; (ii) advocates free and open enterprise-driven development to build resilient economies; (iii) promotes citizen-responsive governance and advances democratic norms and institutions; (iv) saves lives; and, (v) strengthens the resilience of vulnerable communities.

The Framework has three pillars:

- *Strategy and Programming:* Country Development Cooperation Strategies (CDCSs) include context on USAID's competitors' investment and development objectives in priority sectors. Created in 2017, the Clear Choice Data Dashboard sheds light on Chinese activities in developing countries, and aggregates publicly available data on: business transactions, external debt sustainability, remittances, trade, official finance, foreign direct investment, construction deals and soft power metrics. Based on this data, mission staff worked with U.S. Government counterparts to strategically plan and program respective to our competitors. Today, most CDCSs include data from the dashboard to show the scale of competitors' investments.
- *Partnerships and Alliances:* USAID recognizes the importance of like-minded donor partnerships to counter competitive interests by promoting regional and sectoral GPC priorities. The Japanese-U.S. Strategic Energy Partnership and Strategic Digital Economy Partnership are two sector-focused bilateral partnership examples.
- *Communicating and Messaging:* USAID offers a contextually-driven distinction between the U.S. model compared to its competitors, by amplifying partner country voices as they consider the impact of opaque financing on corruption and debt.

The Framework includes regional and sector strategies on GPC implementation. These strategies link USAID's GPC portfolio to interagency processes, including: the U.S. Strategic Approach to the People's Republic of China; U.S. Government regional strategies including the Indo-Pacific Strategy, America Crece and Prosper Africa; strategies to Counter Russian Influence, including USAID's Countering Malign Kremlin Influence Development Framework; the National Security Council 'Campaign Plans'; the Department of State's China Lines of Effort; and the Department of Defense Combatant Command Plans. The strategies also link USAID to cross-government initiatives including the Infrastructure Transaction and Assistance Network, the Digital Connectivity and Cyber Security Partnership, the Blue Dot Network and the Strategy to Security 5G.

### *Disentanglement*

USAID has issued internal guidance to support the enabling environment, vet partnerships, and avoid technology or financial transfers to malign actors. USAID's Bureau for Management and Office of the General Counsel led the development of *Guidelines on Collaboration* (on permitted collaboration activities), *Guidance for Clean Supply Chains*, and *Guidance on Data Protection and Integrity* (on gaps in Agency Data sets).

USAID's response must be equally robust. The Agency is institutionalizing GPC by creating a formalized team within the Bureau for Policy, Planning, and Learning to support the Executive Council's function, procuring new data for the dashboard and extending access to the inter-agency, and refining the GPC communication strategy. From 2018 to 2020, USAID operated without an additional budget for GPC. In Fiscal Year 2020, Congress appropriated \$300 million for the Countering Chinese Influence Fund (CCIF) and \$290 million for the Countering Russian Influence Fund across development and security assistance accounts. \$200 million in the CCIF was held in reserve subject to an internal competition among State and USAID operating units to identify innovative proposals focused on democracy and governance, cybersecurity, security, and commercial engagement. The Fiscal Years 2021 and 2022 requests support future Countering Chinese and Russian Malign Influence projects—including a proposed \$500 million in new resources in FY 2022. Several regional bureaus have also institutionalized GPC Coordinators in Washington and in their overseas Missions.

Collectively, this guidance ensures that USAID funds do not support organizations and individuals directly or indirectly controlled by the People's Republic of China or the Russian Federation through any corporate or organizational structure, whether public, semi-public (parastatals), private or otherwise. The guidance proposes restriction for all transactions and mechanisms through which USAID obligates or sub-obligates funds, as well as all sub-awards or transactions the prime awardee enters into pursuant to the terms and conditions of its USAID award. To support this approach, operating units are working to build out appropriate vetting processes and give staff wider visibility on company ownership and risk.

### **STRUCTURE, BUDGETS AND THE INSTITUTIONALIZATION OF GPC**

USAID has an Executive Council chaired by the Deputy Administrator and Counselor with representation from Bureau leadership and the U.S. Government; a working-level coordination group with similar representation; and designated Mission managers to guide field integration.

COVID-19 has accelerated China's export of its authoritarian approach to information control surveillance and other technologies. Per the Data Dashboard, China has pledged \$2 billion in assistance for COVID-19 to developing countries, as of September 2020, often in the form of symbolic assistance accompanied by new technology for global digital connectivity monopolies. The pandemic has also created new opportunities for the Kremlin to spread disinformation using media and digital tools.

China and Russia are reshaping the political and economic order to advance their goals. As a National Security Agency, USAID is an important contributor to U.S. Government efforts that address this significant threat to the U.S. national security.

**NOTES**

## THE USAID CORONAVIRUS TASK FORCE

### 1. Overview of Management Structures

#### COVID-19 Task Force (TF)

On January 1, 2020, USAID became aware of a novel pneumonia-like illness emerging from Wuhan, China. As the disease spread beyond Asia to Europe and the United States, USAID's response to COVID-19 required a central focal point to coordinate, but not replace, the programmatic and operational response of Bureaus and Independent Offices (B/IOs) in Washington and the Missions overseas. In addition, the response required the distribution of program funding across sectors, bureaus, and regions and coordination with the interagency as well as other donors, non-governmental organizations, and the private sector.

On March 3, 2020, the Administrator established the COVID-19 TF, in compliance with USAID's Automated Directives System Chapter 112, Standard Operating Procedures for Task Forces, with a mission to: 1) protect the safety and security of USAID's global workforce; 2) ensure the Agency could continue its life-saving mission across the world; and, 3) support partner countries in their response to COVID-19. As it became clear that COVID-19 crisis would have a long-term, unprecedented impact on virtually every aspect of USAID programs and operations, the Administrator extended the TF another three months to September 9, 2020, and changed its organizational structure. TF leadership received additional delegated authorities, including Continuity of Operations and some program implementation, not normally included in Automated Directives System 112, to help the Agency better respond to the challenges. At its height, the TF had approximately 190 full and part-time volunteers from across the Agency. As defined by Automated Directives System 112, TFs are intended to be limited in duration and to be used only until B/IOs are able to take on the functions of the TF themselves. By the end of the summer, obligations of supplemental funding reached 87 percent, with the balance of the funds in process to be obligated and with B/IOs appropriately assuming functions performed by the TF, with the key exception of the Readiness Unit. With these trends, the Acting Administrator decided it was appropriate to deactivate the TF on September 9, 2020.

#### Readiness Unit

While the domestic and international environment created by the pandemic does not yet allow for a return to optimal operations, the Agency is taking steps towards this goal. As an interim step, USAID stood up the COVID-19 Readiness Unit to assume the safety, security, and Continuity of Operations responsibilities from the TF through December 31, 2020. Readiness Unit functions will transition to the Critical Coordination Structure in the Bureau for Management. The Critical Coordination Structure will elevate and expand the Agency's Continuity of Operations and Task Force Readiness capabilities. It will also continue functions such as aligning Agency operational policy with interagency partners; formulating and coordinating operational policy and guidance; maintaining authoritative and trusted communication channels with staff; advising senior leaders on risk management; and increasing the Agency's decision-making speed in order to respond to a rapidly-changing global pandemic.

#### Key Issues for a New Administration

The lessons learned from the TF will lay a solid foundation for future TFs. The next critical transition will be from the Readiness Unit to the Critical Coordination Structure to ensure that USAID has institutionalized a strong preparedness infrastructure for future crises. The operational challenges the Agency will face are likely to become more difficult, with the ending of Global Authorized Departure and a worldwide return to post and with the eventual return to work of all staff, both domestically and

overseas, as safety allows. The Agency will face the challenge of maintaining coherent, corporate messaging on COVID-19 and facilitating seamless coordination across B/IOs on pandemic-related issues. Post-COVID-19, the Agency will have an opportunity to re-evaluate its domestic operational models, taking lessons from efficiencies gained from virtual technical support and space-savings related to increased telework, for example.

## 2. Operational Impact

### Domestic Operations

USAID was better prepared for the operational challenges resulting from the U.S. Government's shift to mandatory telework on March 20, 2020, because of years of information technology investments. In Washington, D.C., staff had already been provided secure mobile devices prior to the pandemic, enabling them to work on secure government equipment anywhere in the world. USAID had shifted its technology platforms to provide mobile solutions through cloud-based, secure internet access to the Google suite of applications, enabling worldwide 24/7 access to a robust, unclassified email and a collaborative technology environment with video conference capabilities. This technology enabled USAID to immediately shift all previously in-person meetings, conferences, and training to virtual platforms. As a result, USAID was able to transition to mandatory telework within 24 hours. The TF also developed a Return to Work plan, its *Roadmap to Return*, based on White House, Office of Management and Budget, Office of Personnel Management, and the Centers for Disease Control and Prevention guidance. The TF and Readiness Unit maintained regular monitoring of the gating criteria for return. At the time of deactivation of the TF, USAID was still in Phase 1 but had developed guidance for Phase 2. Protocols for reporting employee COVID-19 cases, without violating privacy, were put in place along with disinfection procedures. The TF regularly held meetings with B/IOs to update staff on changes to guidance, a practice the Readiness Unit continues. This preparedness greatly reduced the impact of COVID-19 on domestic operations.

### Overseas Operations

As countries implemented various lockdown policies, governments imposed considerable restrictions on movement, including home quarantining and closure of international airports, for extended periods of time. These actions not only reduced USAID's ability to engage in-person with beneficiaries, implementers, and host-government officials but upended the summer transfer season for hundreds of Foreign Service Officers, who found themselves stuck in countries or unable to transfer to their next assignment. Many countries have insufficient health care systems to provide adequate care for expatriate staff in the event they or their family members become sick. Therefore, the Department of State declared an unprecedented Global Authorized Departure, impacting more than 700 USAID Foreign Service Officers and Personal Services Contractors. The Global Authorized Departure is scheduled to end December 9, 2020, at 12:00 a.m., Eastern Time. The Readiness Unit is coordinating with staff for their safe return to overseas assignments by December 9, 2020.

The Task Force developed extensive guidance advising Missions on a range of operational issues. For programming, the Task Force issued best practices for remote monitoring techniques based on years of experience in non-permissive environments, including cell-phone surveys of beneficiaries, third party monitors, and use of satellite data. USAID established the Implementing Partner Resource Center and launched a discussion board on USAID's Learning Lab, where implementing partners could post and review best practices and lessons learned. With many Foreign Service Officers on evacuation orders, the

responsibility of implementing projects and Mission operations fell to many Foreign Service Nationals. USAID expanded tools and authorities for telework, procurement, and enhanced supervisory capabilities for the Foreign Service National workforce. As each country's situation was unique, so too were the challenges for overseas staff. The TF worked with USAID's Office of Human Capital and Talent Management to address specific needs of individuals on issues of Home leave and change of duty stations. Recognizing the high level of anxiety of USAID's global workforce, the TF held weekly video conferences with Mission Directors and numerous Town Halls with overseas staff.

### Key Issues for a New Administration

Given that COVID-19 will continue to impact Agency operations in the near term, USAID will face some difficult operational decisions. The lifting of the Global Authorized Departure, while necessary, also brings challenges, particularly for Foreign Service Officers and Personal Services Contractors who may be separated from family or working in countries with increased fragility due to the pandemic. At the corporate level, the need for increased staffing flexibilities raises questions such as how the Agency could re-evaluate its operational model and overseas footprints for the future.

### 3. Programmatic Response

The pandemic has had a profound impact on every country where USAID operates—through loss of life and devastating economic, political, and social impacts from which it will take years to recover. In response, Congress appropriated \$1.3 billion to support USAID's COVID-19 effort to address immediate health needs, exacerbated humanitarian crises, and the second- and third-order effects of the pandemic. With the Department of State, especially its Office for Foreign Assistance, USAID developed a response strategy for COVID-19 and established a joint program budget approval process that managed three funding accounts (Global Health, Economic Support Funds, and International Disaster Assistance) in multiple overlapping tranches and in coordination with bureaus, missions, and embassies globally. At the date of the TF deactivation, 87 percent of these funds were obligated.

The TF developed new information systems, such as: [COVIDInfo](#), which tracks funding and project outputs; ["MCDATA,"](#) which provides rapid country, regional and global analyses of the impact of the pandemic and potential vulnerabilities; the [Master COVID-19 Dataset](#), which provides clean, continually updated data to enable agency analytics; and the [Data Resource Hub](#), which connects staff with a tailored list of leading COVID resources. The TF was responsible for developing policy guidance, as it evolved from the White House, on critical issues, such as the use of personal protective equipment in USAID projects and funding the World Health Organization.

USAID supported 120 countries affected by COVID-19 with assistance from the three funding accounts above. As the pandemic spread across the globe, it was unclear what countries would be affected next and to what degree. The U.S. was also challenged on the public diplomacy front by assistance provided by China, and, to a lesser extent, Russia. Given these two factors, the Department of State and USAID leadership made the strategic decision to spread resources widely, rather than concentrating funding on fewer countries and/or sectors. When the impact of the pandemic became clearer, USAID shifted towards identifying strategic "big bets," such as investments in target countries' systems for the provision of oxygen, though these efforts have, for the most part, not been fully executed.

- Global Health funding is saving lives by improving public health education, protecting healthcare facilities, and increasing laboratory, disease-surveillance, and rapid-response capacity. For

example, as of July of 2020, USAID assistance to more than 2,600 health facilities has improved infection prevention-and-control practices and strengthened the capacity of more than 130 laboratories to diagnose COVID-19. On a monthly basis, USAID's risk communication and community engagement programs reach more than 150 million persons worldwide with COVID-19 messages through mass and social media. At the direction of the National Security Council, the TF worked with the Bureau for Global Health to facilitate a rapid acquisition program for over 8,000 ventilators across 43 countries and the North Atlantic Treaty Organization in a matter of months.

- International Disaster Assistance funds helped to ameliorate food insecurity in vulnerable populations and improve water and sanitation to improve COVID-19 prevention in displaced camps.
- Economic Support Funds strengthen civil society's efforts to prevent the narrowing of democratic space, supporting micro- and small businesses to withstand the economic shocks of shutdowns, and helping education systems develop creative approaches to education in a lockdown environment.

USAID took measures to minimize the risk associated with COVID-19 programming. The size and scope of USAID's response and local restrictions that impede USAID's ability to directly monitor projects increased the risk of fraud and waste. Since the beginning of the response, the TF developed a log of all potential risks with corresponding mitigation measures and communicated it within the Agency. The TF also established a strong partnership with the Office of the Inspector General, seeking its guidance on potential vulnerabilities and lessons learned from previous emergency responses. In addition, the TF advocated to the Office of the Inspector General to open its "Fraud Prevention and Awareness" training to all USAID Mission staff and implementing partners on a recurring basis as a mitigation measure.

#### **Key Issues for a New Administration**

USAID does not yet know the full impact of COVID-19, but the second and tertiary impacts go far beyond the health systems in overseas countries. Democratic backsliding and economic crises increase the risk of instability in many fragile countries. There are ongoing Office of the Inspector General and Government Accountability Office audits on the Agency's response to COVID-19 with specific focuses on ventilators and programming oversight. In addition, USAID oversight committees remain focused on the COVID-19 response, programming, and obligations.

#### **4. "Over the Horizon" (OTH)**

Recognizing the far-reaching and long-term effects of COVID-19, Acting Administrator Barsa established the OTH strategic review. OTH is utilizing analytical tools and technical experts from across the Agency and to prepare USAID to meet its mission in a world altered by COVID-19. The review is considering how to adapt Agency policies, programming, and operations to this "new normal."

**NOTES**



## USAID POST COVID-19 AND OVER THE HORIZON

### KEY POINTS

- Over the Horizon (OTH) is an Agency-wide strategic-planning exercise to prepare USAID for the “new normal” in a world altered fundamentally by COVID-19.
- OTH established three Strategic Objectives to position USAID for a more complex, uncertain, and competitive development and humanitarian landscape, focused on building more stable and resilient systems; responding to rising food insecurity, extreme poverty, and educational gaps; and strengthening health systems and health security.
- To achieve the Strategic Objectives, OTH identified a set of focus countries and 32 specific, actionable policy, program, and operational recommendations.
- OTH underscores that USAID’s unique, on-the-ground expertise and assistance toolkit are more essential than ever to U.S. national security and to a collective global response to this unprecedented crisis—but, to be as effective as possible, USAID must exercise leadership, equip itself to be agile, and prepare for uncertainty.
- OTH is driven by a Planning Cell, housed in the Bureau for Policy, Planning, and Learning, and made up of career staff from across the Agency, with the guidance of a Mission Director Resource Group and an Executive Steering Committee, comprising senior Foreign Service, Civil Service, and political-appointee leaders.

### INTRODUCTION

COVID-19 has had an extraordinary impact on the people, places, and partners to which USAID provides assistance. The crisis has created a new, acute, and protracted national security threat. Globally, COVID-19 presents a monumental, multifaceted humanitarian and development challenge. Disruptions to economies and governance are aggravating humanitarian needs, which were already at an all-time high prior to the pandemic, and imperiling hard-won development gains. For example, more than 70 countries postponed elections, nearly 120 million children risk missing measles vaccinations, and more than 100 million people are projected to fall into extreme poverty this year.

COVID-19 has profound implications for USAID’s mission and operating environment. The Agency anticipates significant backsliding on recent development progress across sectors—including food security and nutrition, maternal and child health, basic education, and livelihoods and poverty reduction. The crisis may also amplify pernicious trends, such as closing democratic space, retraction of reforms, worsening fragility and instability, and competition among global powers. The Chinese Communist Party, for instance, treats the race to produce and distribute a vaccine as an expression of national power, and is directing hundreds predatory loans to countries’ COVID-19 responses. Movement restrictions and other shocks also constrain USAID operations: more than 800 USAID direct-hire staff were on authorized departure, program access has been curtailed, and implementing partners are under stress. Yet the disruption also creates opportunity, such as a rapid acceleration of digital transformation.

### OVER THE HORIZON PRIORITIES

As the lead U.S. international development and disaster assistance agency, USAID must confront challenges and seize opportunities posed by COVID-19 to sustain its leadership and effectiveness.

USAID undertook an OTH process to ensure the Agency adapts to a world altered by COVID-19. OTH is a strategic review that established a goal and three strategic objectives for USAID’s sustained response to COVID-19, a set of focus countries in which to concentrate that response, and 32 actionable recommendations to ensure its effectiveness:

- **Goal:** “Advance U.S. national security and foreign policy objectives by leading U.S. Government international development and disaster assistance for a world altered by COVID-19, so that partner countries continue to build self-reliance and progress beyond assistance”;
  - Strategic Objective 1: “Build more stable, resilient systems in countries that are increasingly fragile due to COVID-19”;
  - Strategic Objective 2: “Respond to dramatic increases in food insecurity, extreme poverty, and loss of educational opportunities in communities most impacted by COVID-19”;
  - Strategic Objective 3: “Strengthen health systems in partner countries critical to global health security.”
- **Focus Countries:** OTH shortlisted 10 potential focus countries, across regions, for each Strategic Objective, to concentrate USAID’s response to COVID-19. OTH identified focus countries through analysis of quantitative and qualitative data of country need, program opportunities, and U.S. national security interests with respect to each strategic objective, as well as expert perspectives from each functional and geographic bureau. Senior leaders reviewed and refined the analysis and overlaid strategic considerations. The shortlist of focus countries was presented to the Acting Administrator for decision in October 2020.
- **Recommendations:** OTH made 32 recommendations to advance the goal and strategic objectives, including 16 policy and program recommendations specific to advancing each strategic objective, as well as 16 cross-cutting operational recommendations to help USAID exercise leadership in the interagency and internationally, equip itself to be agile, and prepare for heightened uncertainty. For example, recommendations include enhancing strategic communications capabilities to counter disinformation; standardizing good-practices in empowering Foreign Service Nationals, such as enabling them to serve as office directors and senior advisors; and establishing a strategic foresight unit to build on tools like FEWS NET and institutionalize planning for uncertain, high-impact events.

A Final Report summarizes the underlying analysis and major findings, and it elaborates on the goal, strategic objectives, focus countries, and recommendations. Formalizing the focus countries and implementing the recommendations, however, will require further deliberation and consultation with internal and external stakeholders, including implicated missions, the White House Office of Management and Budget, the President’s National Security Council, the Department of State Office of Foreign Assistance Resources, and USAID’s authorizing and appropriating committees in Congress.

## BACKGROUND

The Acting Administrator issued an Executive Message on June 17, 2020, that formally established OTH, a time-bound strategic review undertaken by a working-level Planning Cell and a senior-level Executive Steering Committee. The Steering Committee convened in a series of facilitated meetings throughout summer and fall 2020, providing the Planning Cell guidance as it conducted analysis and developed recommendations. The Planning Cell delivered initial findings in mid-October 2020.

USAID initiated OTH to position USAID for the medium- to long-term impacts of COVID-19. USAID established [the COVID-19 Task Force](#) on March 9, 2020, to coordinate the immediate response to the

pandemic. The Task Force oversaw the obligation of more than \$1.3 billion in total pledged funding and ensured continuity of operations worldwide. While the Task Force managed near-term challenges arising from the pandemic, USAID established OTH to help USAID adapt to lasting changes to the development and humanitarian landscape. OTH complements and builds directly on USAID's Policy Framework, which articulates the Journey to Self-Reliance, and on reforms made through USAID's Transformation.

The OTH Planning Cell is housed in USAID's Bureau for Policy, Planning, and Learning, but is staffed by experts from across the Agency. Fifteen staff from eight Bureaus and Independent Offices make up the unit (with several additional staff from those and other B/IOs contributing substantially). The Director of the Office of Policy in PPL oversees the team. The Planning Cell has undertaken the day-to-day research, analysis, and outreach to develop OTH recommendations and facilitated meetings of the Executive Steering Committee.

The OTH Executive Steering Committee likewise reflects diverse expertise from both career and political leadership. Some 20 senior leaders (Assistant Administrators and Deputy Assistant Administrators, or the equivalent) from 10 B/IOs, as well as from the Office of the Administrator (including the Agency Counselor) constitute the Executive Steering Committee. The Assistant to the Administrator for the Bureau for Policy, Planning, and Learning, and Senior Advisor to the Administrator in the Office of the Administrator co-chair the body. In addition, eight Mission Directors form a Mission Director Resource Group that counsels the Planning Cell.

## ANALYSIS

OTH employed a diverse set of methods for Agency-level strategic analysis and planning:

- **Landscape Analysis:** The Planning Cell produced a landscape analysis to establish a baseline, snapshot understanding of major changes to the global context. The analysis synthesized real-time data, modeled forecasts, expert opinion, and news reporting. It identified five major trends related to U.S. national security, global health, governance, democracy, and stability, mobility and the economy, and household impacts.
- **Scenario Planning:** The Planning Cell undertook an Agency-wide scenario planning exercise. 75 staff participated, consulting more than 200 data sources and external experts. Five independent teams developed scenarios by identifying high-impact, high-uncertainty "drivers," clustering and prioritizing them, and then developing alternative-future narratives in two-driver matrices—that is, plausible best/best, best/worst, worst/best, and worst/worst outcomes. Overall, the teams produced more than 30 narratives and identified 15 key scenarios.
- **Policy Review and Program Alignment Surveys:** In the first systematic review of all USAID development policies, the Planning Cell surveyed "owners" of all 42 active policy documents and, in parallel, conducted an independent assessment of each policy. The Planning Cell also conducted a targeted survey of mission staff and program offices in the functional bureaus on evolving policy, program, budget, operations, and personnel needs due to COVID-19. More than 40 staff from a dozen Missions provided feedback.
- **Internal Listening Sessions and External Consultations:** The Planning Cell conducted listening sessions with a variety of Washington- and field-based experts, including a group of Mission-based Program Officers focused on streamlining, the Agency's Senior Development Advisors to Combatant Commands, and the Foreign Service National Advocacy Council. The

Planning Cell also hosted nine roundtable discussions with external stakeholders, engaging more than 125 participants from more than 70 organizations, including major implementing partners and partner consortia, think tanks, advocacy groups and coalitions, and numerous smaller partners, often referred to as “new and underutilized partners.”

- Policy, Budget, Human Resource, and Operations Analysis: The Planning Cell reviewed policy, financial, human resource, and operational data and consulted with an array of experts leading USAID Transformation workstreams, such as Effective Partnering and Procurement Reform and Enterprise Risk Management.

## FINDINGS

The OTH Recommendations are grounded in an analysis of the strategic context. The OTH landscape analysis identified five major, emerging trends: a new national security imperative; a health crisis of enormous scale; rising pressures on governance, democracy, and stability; severe shocks to mobility and the economy; and devastating impacts on households. Diving deeper into these trends, the scenario-planning exercise developed more than 30 plausible, high-impact future scenarios, based on interactions among the main drivers of change. For example, “Catch 2022” entails a scenario in which there is an economic recovery but at a cost; innovation drives uneven growth, with a significant first-mover advantage; digital divides create winners and losers, while malign actors exploit weak cybersecurity. “Costly Containment” entails a scenario in which a vaccine is found but manufacturing stagnates; distribution is skewed and limited; outbreaks spread but health systems prove resilient and able to meet basic needs.

Informed by the scenario planning, OTH captured a wide range of findings about the constraints and opportunities USAID faces in response to COVID-19. For example, OTH found gaps in USAID policy in key areas, such as a comprehensive approach to assistance at the “humanitarian-development-peace nexus;” that management decision-making has become increasingly centralized, undermining leadership on the ground; and that there is increased urgency for budget, procurement, and staffing flexibility so that USAID is agile and responsive.

## IMPLEMENTATION

To coordinate OTH implementation, the Acting Administrator authorized an OTH Senior Coordinating Committee and Secretariat. These bodies will liaise with existing coordination structures, such as the Bureau for Management’s Critical Coordination Structure, which ensures continuity of operations, and engage bureau leads and focus country missions on each Recommendation.

**NOTES**

## USAID'S ACTION ALLIANCE FOR PREVENTING SEXUAL MISCONDUCT

### INTRODUCTION

USAID launched the Action Alliance for Preventing Sexual Misconduct (AAPSM) in March 2018 to focus the Agency's efforts around preventing and addressing sexual misconduct in its workplace and programs. The AAPSM's portfolio is divided between two workstreams: 1) preventing and addressing workplace sexual harassment at USAID; and, 2) protection from sexual exploitation and abuse in USAID's programs. The AAPSM is primarily a volunteer-driven effort and is led by the Deputy Administrator, with support from seven senior champions from across the Agency. The AAPSM is staffed by one full-time coordinator and two full-time Program Analysts, who sit in the Office of the Administrator and coordinate and lead the group of more than 100 USAID volunteers from across the Agency who contribute to the AAPSM's objectives. The AAPSM also coordinates a wide range of institutional stakeholders who have strong equities on these issues, including legal and regulatory mandates. These stakeholders include the Offices of Civil Rights and Diversity, Human Capital and Talent Management, Security, General Counsel, and the Bureaus for Management, and Policy, Planning and Learning, among others.

### LOOKING BACK

Over the past two years, the AAPSM led efforts to prevent and address sexual misconduct internally at USAID and in USAID's programs. Efforts included conducting a comprehensive overhaul of USAID's policies, business processes, and capacity and awareness building related to sexual misconduct. To address internal sexual misconduct, AAPSM led the drafting of a new, comprehensive Agency policy, Automated Directives System (ADS) Chapter 113 Preventing and Addressing Sexual Misconduct; released Employee and Manager Toolkits focused on preventing and addressing sexual misconduct; and, supported the launch of a new simplified Misconduct Reporting Portal in November 2019, which can be accessed online or by phone, to streamline USAID's systems for receiving and responding to reports of internal misconduct. The AAPSM also led the development of enhanced screening measures for prospective USAID employees regarding prior sexual misconduct and coordinated the development of training and outreach materials for the USAID workforce about workplace sexual misconduct. Finally, the AAPSM led the development of the Agency's Respectful, Inclusive, and Safe Environments training program and engagement platform. In addition, USAID leads an informal interagency working group of 12 federal agencies focused on addressing sexual misconduct in the workplace.

With regard to protection from sexual exploitation and abuse, in March 2020, the AAPSM released the Agency's Protection from Sexual Exploitation and Abuse (PSEA) Policy and is in the process of advancing new award requirements for USAID's partners to strengthen PSEA accountability in USAID's programs. Following the completion of an in-depth business process review of USAID's systems for receiving and responding to reports of sexual exploitation and abuse in its programming, the AAPSM is advancing a number of key initiatives, including:

- developing standard operating procedures for staff to support enhanced safeguarding compliance functions within the Bureau for Management;
- (b)(5); (b)(5) - Deliberative Process Privilege [REDACTED]
- (b)(5); (b)(5) - Deliberative Process Privilege [REDACTED] and
- identifying best practices regarding employment accountability related to PSEA through the launch of a virtual community of practice composed of donors, partners, academics, and various other experts.

The AAPSM also published a Partner Toolkit that provides additional guidance for USAID implementing partners on PSEA, Child Safeguarding, and Counter-Trafficking in Persons safeguarding and compliance.

Since the launch of the AAPSM, USAID has also actively engaged with other donor governments to improve the aid community's response to these issues, including through international statements and political commitments negotiated in 2018 at the G7 Development Ministerial, the Organization for Economic Cooperation and Development's Development Assistance Committee (OECD-DAC) Tidewater meeting, and the International Safeguarding Summit hosted by the United Kingdom, and in 2019 through the adoption of the OECD-DAC Recommendation on Ending Sexual Exploitation, Abuse, and Harassment in Development Co-operation and Humanitarian Assistance: Key Pillars of Prevention and Response. USAID anticipates that the United States will be peer-reviewed against its OECD-DAC commitments, including the new OECD-DAC Recommendation, in 2021.

### LOOKING FORWARD

In its third year, the AAPSM is focused on ensuring sustainability to the various efforts outlined above, which will improve the experience of the USAID workforce and other stakeholders and customers who engage the Agency, internally or externally, on these issues. Sustained commitment from Agency leadership will help continuation of the efforts, including (b)(5); (b)(5) - Deliberative Process Privilege (b)(5); (b)(5) - Deiberative and continuing ongoing staff training and development about their rights and responsibilities regarding sexual misconduct, and fostering a respectful, inclusive and safe workplace. Data collection and analysis continue to be a challenge, as the Agency's new reporting and tracking systems are still nascent and require additional time to establish a clear baseline to measure progress and accountability related to sexual misconduct. (b)(5); (b)(5) - Deliberative Process Privilege

(b)(5); (b)(5) - Deliberative Process Privilege

Finally, one of the biggest questions for the AAPSM is transition planning. When the AAPSM was created, it was intended as a temporary initiative to focus the Agency's efforts in this space. As the AAPSM begins bringing its remaining tasks to completion, it will need to ensure that its various responsibilities are transitioned to the appropriate institutional stakeholders—and that those stakeholders are appropriately staffed and resourced to meet those additional responsibilities over the long-term.

**NOTES**



## DIVERSITY & INCLUSION AT USAID

### INTRODUCTION

Integrity, respect, empowerment and inclusion are among the USAID core values critical to the Agency's success in supporting U.S. foreign policy objectives. These core values, along with a diverse and talented workforce, are essential to guaranteeing the ongoing success of the Agency. To sustain development as a pillar of U.S. foreign policy and USAID's role as a leader in development and humanitarian assistance, the Agency works to recruit and retain a diverse workforce and foster an inclusive workplace -- efforts proven by numerous studies to help organizations improve employee engagement, drive innovation and thought-leadership, and enhance decision-making. The Agency has made progress in promoting equity through enhanced diversity and inclusion programs and activities. Improvements can be consolidated by amplifying efforts to identify and remove barriers to equal employment opportunity in Agency policies, programs, and practices while simultaneously fostering a respectful, safe and inclusive work environment that attracts and retains top talent. Ultimately, USAID aims to (1) create an inclusive culture that brings forth the best in every employee and (2) adopt the policies and systems necessary to ensure an inclusive and equitable workplace is maintained.

Enhancing diversity, equity and inclusion is a United States Government priority as evidenced by Executive Order 13583—Establishing a Coordinated Government-Wide Initiative to Promote Diversity and Inclusion in the Federal Workforce, which makes clear that, "To realize more fully the goal of using the talents of all segments of society, the Federal Government must continue to challenge itself to enhance its ability to recruit, hire, promote, and retain a more diverse workforce." Executing this priority is a "whole of Agency" effort with shared responsibility across all Agency operating units for improving diversity across the employment lifecycle. Primary responsibility for diversity, equity and inclusion programs and activities is bifurcated between the Office of Civil Rights and Diversity and the Office of Human Capital and Talent Management. The Office of Civil Rights and Diversity (OCRD) serves as the focal point for the Agency's core Diversity and Inclusion (D/I) programs and activities (Automated Directives Systems Chapter 101 Agency Programs and Functions) and legally compliant EEO program. These programs work hand in hand with mutually reinforcing gains for the betterment of the Agency. While EEO programs contribute significantly to eradicating employment discrimination in federal agencies, a strong D&I program enables USAID to remove systemic barriers, ensures bias-free decision-making and purposefully builds equity across the entire talent lifecycle. HCTM houses the Agency's Special Emphasis Program Manager positions and has a Center dedicated to strategic outreach towards demographics traditionally underrepresented at the Agency. Given their respective mandates, OCRD and HCTM must work collaboratively, in concert with senior leaders on the Executive Diversity Council (EDC), to improve diversity across all operating units, job functions and job levels; minimize barriers to equity and mitigate operational risk.

### LOOKING BACK

As part of the USAID's ongoing efforts to promote diversity and inclusion, and as a specific response to the "Agency Culture and Workplace Enhanced" objective in the Human Resource Transformation Strategy and Action Plan: 2016-2021, the Agency has undertaken a variety of measures in recent years to ensure USAID is a diverse and inclusive place to work. Since 2018, the Agency has reinvigorated its Executive Diversity Council (EDC), co-chaired by the Deputy Administrator and OCRD Director, that provides senior leader input and feedback in the development, promotion, implementation and adoption of Agency D&I initiatives and programs. To improve capacity, the Agency more than doubled the staff allocation in OCRD to improve their ability to design, implement, and assess D/I efforts across

USAID, as well as provide advisory support to operating units that executed their own diversity initiatives and stood up their own D&I working groups and committees.

In 2019, OCRD recognized a need to strengthen cross-Agency accountability for D&I, which resulted in an employee-led update to the Agency's 2017 Diversity and Inclusion Strategic Plan in collaboration with Agency Employee Resource Groups (ERGs), which are non-labor organizations authorized in 5 CFR Part 251.103 of the federal code. OCRD also partnered with several of the sixteen Agency-approved ERGs in celebrating our Agency's diversity by co-sponsoring commemorative programs to appreciate, value and understand social and cultural similarities and differences.

HCTM supported the regional outreach of the Development Diplomats in Residence (DDIR) Program; increased recruitment through the Donald M. Payne International Development Graduate Fellowship Program; continued to sponsor diverse leaders through the International Career Advancement Program; mandated training about bias for hiring managers; produced comprehensive statutory reports and implemented an effective Disabled Veterans Affirmative Action Program and Federal Equal Opportunity and Recruitment Program; established the Agency's mentoring program, open to all members of USAID's workforce; and continued engaging with the Foreign Service National (FSN) Advisory Council to provide a voice and platform for over 4,600 FSNs in USAID's workforce.

In addition to these challenges, USAID has had to review and determine whether it must modify diversity and inclusion training following the release of Executive Order (EO) 13950—Combating Race and Sex Stereotyping. On September 30, 2020, to ensure adherence to the EO, the Acting Administrator published an Executive Message directing the heads of all Bureaus and Independent Offices to put a hold on upcoming diversity and inclusion training, seminars, and other related fora as the Agency, in conjunction with the Office of Personnel Management, conducts a review of the content of these programs.

## LOOKING FORWARD

Although USAID has demonstrated commitment to increasing diversity and advancing inclusion, there is still work to be done and significant challenges remain. For example, in 2020, the Government Accountability Office (GAO) Report, USAID: Mixed Progress in Increasing Diversity, and Actions Needed to Consistently Meet EEO Requirements indicated that the overall proportion of racial or ethnic minorities in USAID's full-time, permanent, career workforce increased from 33 to 37 percent from fiscal year 2002 to fiscal year 2018, and the proportion of Hispanics rose from 3 to 6 percent, but the proportion of African Americans fell from 26 to 21 percent. The GAO also noted the proportions of racial or ethnic minorities were generally smaller in higher ranks. Per the report, "when controlling for factors such as occupation, GAO found statistically significant odds of promotion in the Civil Service were 31 to 41 percent lower for racial or ethnic minorities than for whites in early and mid career. In the Foreign Service, average promotion rates were lower for racial or ethnic minorities in early to mid career, but differences were generally not statistically significant when GAO controlled for various factors." The report also indicated that the overall proportion of women increased from 51 to 54 percent, reflecting their growing proportion in USAID's Foreign Service. The GAO did not review or analyze data on people with disabilities for the report. USAID agreed with the GAO report's recommendations and has addressed two of the four recommendations although all four recommendations remain open until they can confirm the extent to which the Agency has addressed them.

Because USAID still faces challenges to improving diversity and inclusion, and in response to the GAO audit and ongoing Congressional interest, the Agency is working to identify and implement policies, programs and practices that will improve representation of racial and ethnic minorities, women, and people with disabilities in USAID's workforce. Given diversity, equity and inclusion are Agency priorities that, if not addressed, can result in operational risks, the Agency has added a diversity and inclusion risk to the Agency Risk Profile. This ensures consistent leadership attention and accountability for mitigation measures, which should be linked to the Agency's Diversity and Inclusion Strategic Plan. Once USAID publishes the Diversity and Inclusion Strategic Plan, OCRD will lead the development, operationalization and implementation of the Plan. Additionally, OCRD has already secured support from the Bureaus for Management (M) and Policy, Planning and Learning in the development of a Monitoring, Evaluation and Learning Plan to track the status and success of Agency D/I efforts in a manner consistent with Agency best practice.

In support of USAID D/I, OCRD will lead comprehensive barrier analysis to identify policies, practices, procedures, and programs that need modification, adoption, or retirement in order to improve diversity in the USAID workforce; develop an Automated Directive System (ADS) Chapter on ERGs and related Standard Operating Procedures; develop formal guidance and for the establishment and implementation of Bureau/Independent Office and Mission Diversity Committees; and offer a broader range of and more frequent D/I training to the workforce. Concurrently, HCTM plans to increase the number of Payne Fellows from 10 to 15 in the 2021 cohort and double the Payne Fellowship to 20 Fellows in 2022; further broaden the geographic reach of the DDIR program; and work with OCRD to identify additional required training for the workforce. Additionally, OCRD and HCTM are working to better understand, identify, and close those gaps in data collection and analysis regarding representation of some members of the workforce, including Lesbian, Gay, Bisexual, Transgender, and Intersex (LGBTI) persons, to ensure more complete reporting and analysis.

**NOTES**

## PROCUREMENT REFORM AT USAID

### INTRODUCTION

USAID's cadre of 80 Civil Service and 115 Foreign Service warranted Contracting and Agreement Officers (CO/AOs) are responsible for awarding the Acquisition and Assistance (A&A) mechanisms through which the Agency implements over 80 percent of its \$21 billion global portfolio of development assistance. CO/AOs and the techniques, methods, and systems they use to contribute to the design of activities, select implementing partners, manage awards, and assess performance are indispensable to operationalizing USAID development assistance. USAID's A&A tradecraft is a highly specialized skill set that requires mastery of a variety of technical and professional competencies and takes years to fully develop. This means that while USAID is hiring and training to rebuild A&A capacity, it is vital to the continued viability of agency operations to devise new mission-support models and improve how the agency does procurement, including planning and design; monitoring; and adaptation.

Effective Partnering and Procurement Reform (EPPR) is a broad umbrella initiative that launched in 2018 as part of Transformation, and leads procurement reform processes, including improving how and with whom USAID partners with, supports program design flexibility and other improvements, and leverages innovation and existing resources to foster self-reliance.

### LOOKING BACK

Although some level of procurement reform is typically part of the policy priorities of every Administration, EPPR was distinct for its scope and scale. Through the EPPR process, USAID engaged—for the first time—externally with implementing partners and Congress on necessary reforms from their perspective. Agency staff were also used to identify and drive specific changes and needed reforms.

EPPR launched with an external listening tour that consisted of one-on-one interviews with representatives from 19 organizations and eight meetings with partner associations. In total, the Agency met with more than 250 individuals as a part of the external listening tour. At the conclusion of the listening tour, USAID released a final report. Additionally, EPPR centrally convened a group of field- and Washington-based subject matter experts from procurement, legal, programming, and technical offices to lead internal outreach and better understand how the Agency can improve its procurement and partnering practices. More than 120 individuals from 35 operating units participated in the EPPR working groups, to develop a comprehensive set of EPPR recommendations for implementation.

To articulate the overall vision for EPPR, the Agency also developed its first-ever Acquisition and Assistance Strategy. The A&A Strategy outlines a series of guiding principles for how to enhance business models and practices. These principles include: 1) Diversifying the Partner Base; 2) Changing How We Partner; 3) Connecting Design, Procurement, and Implementation; 4) Focusing on Value; and 5) Enabling and Equipping the Workforce. EPPR also convened USAID's first global CO/AO conference in a decade to launch implementation of the A&A Strategy and enable the sharing of best practices.

Most critically for the Agency's operational viability, the recommendations from the EPPR process made restoring Foreign Service CO/AO and Washington-based A&A staffing a top agency priority. Additionally, EPPR progress to date has included:

- 29 awards through the New Partnerships Initiative, which are valued at over \$440 million and represent work with more than 50 organizations;
- Creation of an Agency-wide local capacity development indicator and policy;
- Removal of the requirement for contractor salary history to ensure gender pay equity;

- Developed guidance around the use of Broad Agency Announcements and issued a field guide for the use of project co-creation;
- Revision of Automated Directives System 303 to support adaptive management, including "within scope" programmatic shifts not requiring award amendments and removal of the Justification to Restrict Eligibility memo process;
- Formalization of the Bureau of Policy, Planning, and Learning as the institutional home for Contracting and Agreement Officer Representatives to strengthen accountability in award management;
- Revision of the warrant for Contracting and Agreement Officers;
- Increasing professional development of A&A staff in critical areas such as co-creation, private sector engagement, and better use of past performance information;
- Creating three Senior Technical Group positions to assist with providing mentoring and support to an Foreign Service CO/AO cohort;
- Convening prime implementing partners and sub-awardees for a workshop on the strategic use of sub-awards;
- Creating senior level, non-supervisory CO positions in the Bureau for Management to retain valued staff and implemented a plan to hire junior level contract specialists; ,
- Establishment of a Management Operations Council design to procurement streamlining subcommittee to develop the Agency's first ever standard pre-obligation checklist to better align design and procurement through streamlined, inclusive program design and efficiency; and,
- Significant increase in the number of project designs co-created with implementing partners.

At the same time, certain constraints have impaired the pace of progress. In 2017, just before EPPR was launched, the Agency had approximately 155 Foreign Service CO/AOs, 40 short of the 195 needed to sustain Agency operations. Over the last four years, the Agency has seen an increased use of acquisition and assistance obligations from \$16.4 billion in Fiscal Year 2016 to more than \$21 billion in Fiscal Year 2020, with a significant increase in the workload of CO/AO staff. The roll-out of Section 889 of *the National Defense Authorization Act* and the response to the COVID-19 pandemic brought forth additional operational challenges that impacted nearly every aspect of Agency operations. These challenges further stressed an overburdened and overstressed A&A workforce.

## LOOKING FORWARD

The Agency will begin reviewing its A&A Strategy in January 2021, targeting spring 2021 for release of an updated A&A Strategy. Additionally, more than 75 field missions have developed New Partnerships Initiative action plans that will be implemented in Fiscal Years 2021-2022. Key efforts, such as tracking sub-awards, are underway that will have a positive impact on the Agency's goal of improving local capacity and fostering self-reliance. Renewed emphasis on accelerating "connecting design to procurement" reforms to expand the use of adaptive, locally-driven approaches for more COVID-responsive programming will also be a focus.

EPPR will continue making progress on process and policy reforms, with recruiting and hiring continuing for both Washington Operations and Foreign Service CO/AOs. Consistent with the Agency's field-oriented focus, USAID will continue rebuilding USAID's cadre of Foreign Service CO/AOs with the leadership, soft-skills, and technical A&A skills required to serve effectively as development professionals on integrated teams alongside colleagues with other roles and areas of expertise.

**NOTES**

## PROTECTING RELIGIOUS AND ETHNIC MINORITIES WORLDWIDE

### INTRODUCTION

Advancement of international religious freedom (IRF) through U.S. diplomacy and foreign assistance enjoys broad bipartisan support in Congress and successive Presidential Administrations. Freedom of religious belief and practice undergirds the origin and existence of United States democracy and is a universal human right and fundamental freedom articulated in the laws and constitutions of bilateral partners and in international instruments, including the Universal Declaration of Human Rights. The United States pursues religious freedom and protects religious and ethnic minorities (REM) through advocacy, preventive-diplomacy, and targeted assistance. USAID is working with the Department of State to better integrate REM assistance with diplomatic, economic, and sanctions tools to redress chronic drivers of religious persecution.

### LOOKING BACK

President Clinton signed into law the *International Religious Freedom Act* of 1998, the foundational piece of legislation governing U.S. international religious freedom policy. The *International Religious Freedom Act* created an Office on International Religious Freedom within the State Department and the U.S. Commission on International Religious Freedom to elevate IRF as a U.S. foreign policy priority. State/IRF and USCIRF issue annual reports on the status of religious freedom around the world, designating “countries of particular concern” (CPCs) and recommending punitive actions in response to violations of religious freedom. Examples of USAID-program presence in CPC countries include Burma, Nigeria, Syria, and Vietnam. The *Frank R. Wolf International Religious Freedom Act*, which President Obama signed into law in December of 2016, mandates the designation of a “special watch list” (SWL) of countries with severe violations of religious freedom, but that do not meet CPC criteria. Examples of USAID-presence SWL countries include Afghanistan, Egypt, Iraq, Nicaragua, and Sudan. The Frank Wolf Act also mandates the designation of non-state entities of particular concern, and directs administrative reforms to elevate IRF in U.S. foreign policy. Examples include al-Nusra Front, Al Qaeda, al-Shabab, Boko Haram, the Islamic State, and the Taliban.

In CPCs and SWL countries, the *International Religious Freedom Act* authorized diplomatic measures include demarches, public condemnations, and sanctions of varying severity from suspension of foreign assistance to trade restrictions and loan prohibitions. The law also provides significant discretion in determining which, if any, punitive actions to take. Complementing these actions are assistance tools to protect REM populations and to advance IRF (e.g., atrocity prevention, legal protections, and cultural preservation).

USAID’s implementation of the Trump Administration’s Genocide Recovery and Persecution Response Program, which Vice President Pence announced at the inaugural Ministerial on International Religious Freedom in 2018, demonstrates the complexity of working under the expanded *International Religious Freedom Act* framework. Genocide Recovery and Persecution Response involves the interplay of countries of particular concern, special watch list countries, and non-state entities of particular concern), and the implementation of the bipartisan *Iraq and Syria Genocide Relief and Recovery Act*. To integrate this response, USAID established a REM team in the Bureau for the Middle East in August 2018. The Agency’s response in northern Iraq combined over \$350 million in short, medium, and long-term efforts to help meet the immediate, life-saving, and recovery needs of genocide survivors. The assistance portfolio consists of work through over 100 local partners to restore essential services, rehabilitate critical infrastructure, improve access to jobs, support local businesses, and mobilize local and national actors to prevent future atrocities. In Syria, USAID, as part of a \$50 million interagency response, mobilized \$14 million in stabilization assistance in support of Kurdish, Yezidi, and Christian



populations as well as their host communities in northeast Syria. Program learning from Iraq and Syria informed the broader interagency approach to addressing the security and political constraints on the safe and dignified return of REM populations, while advancing USAID's broader Strategic Religious Engagement and Inclusive Development mandates:

- **Strategic Religious Engagement.** Strategic Religious Engagement is a collaborative effort with religious communities, and partnerships with faith-based organizations, to improve shared development and humanitarian assistance outcomes. Strategic Religious Engagement is not a new concept for USAID, as the Agency has worked with faith-based and community partners since its inception. Application of Strategic Religious Engagement in northern Iraq through the New Partnerships Initiative (NPI) allowed the Agency to diversify its partner base to reach vulnerable populations. Needs based assessments in U.S. stabilization programs in Syria include vulnerable religious minorities. The Agency is on track to publish a new former Strategic Religious Engagement Policy in early 2021, building upon the 2015 *U.S. Strategy for Religious Engagement*, the 2017 *National Security Strategy*, USAID's experience in Iraq and Syria, NPI, and USAID's global 2020 Strategic Religious Engagement Evidence Summit. The Strategic Religious Engagement policy will also integrate the Agency's expanded legislative responsibilities and budget directives to advance religious freedom.
- **Inclusive Development.** The northern Iraq response combines core religious freedom programming (e.g., rights advocacy and cultural preservation) with mainstream health, education, democracy, and economic growth programming. USAID's protection of REM populations in northern Iraq and Syria is enabling populations, who were persecuted for their faith, to contribute to the reconstitution of their communities and ancestral homelands. This experience conveys a broader lesson: suppression of freedom of religion or belief not only degrades a core human right, it also cordons off segments of society from making meaningful contributions to a country's recovery and development.

USAID is learning from its recovery work with persecuted communities in Iraq and Syria and applying them to address the Rohingya crisis, Northeast Nigeria, and other pockets of vulnerability.

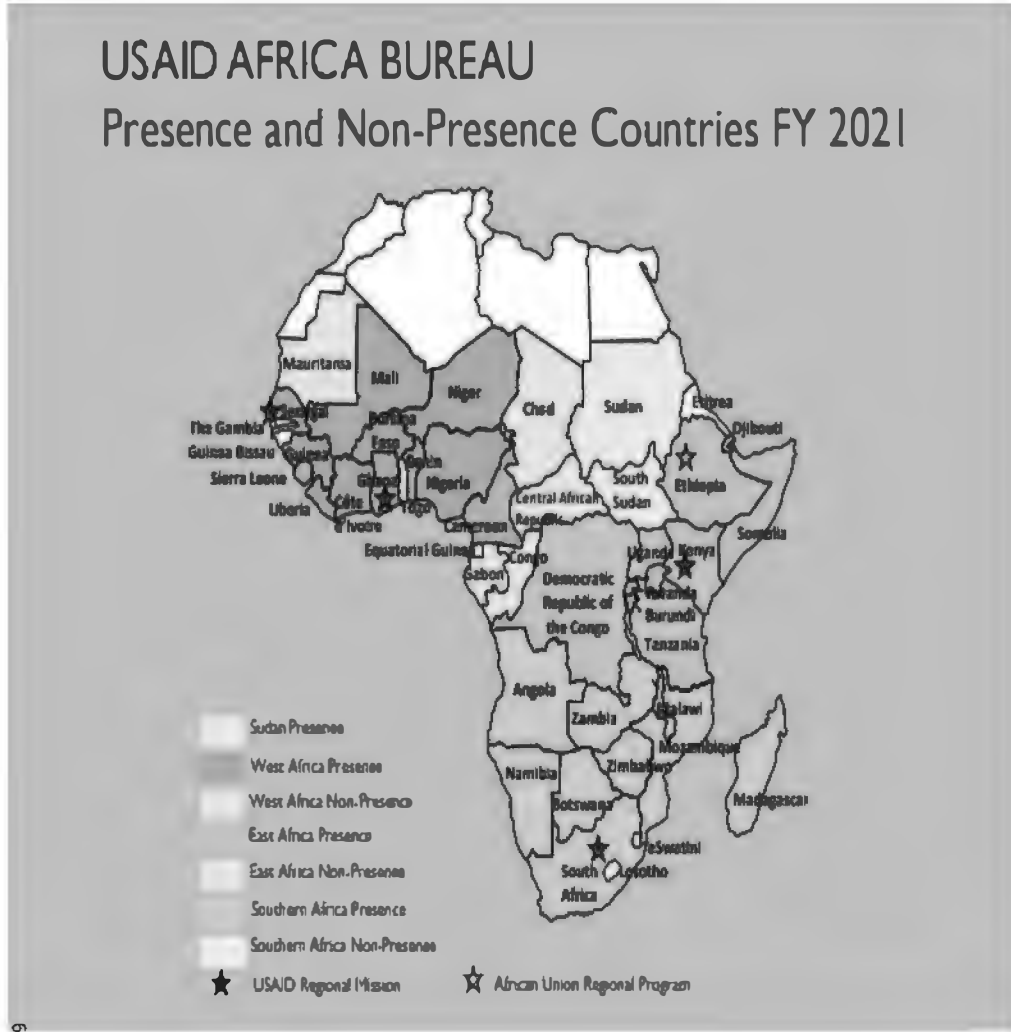
## LOOKING FORWARD

On June 2, 2020, President Trump signed *Executive Order 13926 on Advancing International Religious Freedom*, declaring the policy of the United States "to engage robustly and continually with civil-society organizations to inform United States Government policies, programs, and activities related to international religious freedom." The Executive Order directs the integration of diplomatic, assistance, and sanctions tools to advance a whole-of-government approach to religious freedom. The Executive Order also directs the Secretary of State to submit an implementation plan to the President by the end of November 2020, which is likely to require international religious freedom goals and targets to be incorporated into Integrated Country Strategies, the development of "comprehensive diplomatic and assistance plans" for CPCs and SWLs, and annual "action plans" for all Posts on the advancement of religious freedom. USAID is taking complementary steps to implement the Executive Order's public diplomacy, assistance, budget, and workforce development mandates. USAID's more salient reforms under the Executive Order will involve: (1) a new agency policy and sector council on Strategic Religious Engagement; (2) new Strategic Planning Guidance on addressing IRF in all countries, especially SWLs and CPCs; (3) new Activity Planning Guidance on inclusive development and IRF; and (4) description of USAID's "Rapid Response" capacity in cases of severe religious and ethnic persecution. In addition to these tasks, USAID is supporting over 30 public and legislative engagements on USAID's contributions to the Executive Order. Overseas missions and regional bureaus are establishing IRF teams, identifying points of contact on Strategic Religious Engagement and integrating IRF into strategy and program cycle.

**NOTES**

# Bureau for Africa (AFR)

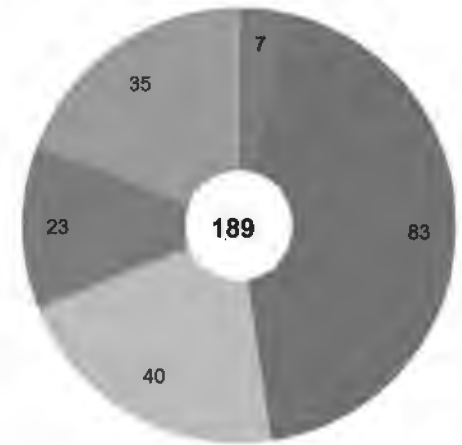
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63

**Total Staff - Washington\***

- AD
- CS
- FS
- ISC
- FSL
- Other



**Total Staff - Field\***

- FS
- FSN
- FSL
- PSC
- Other

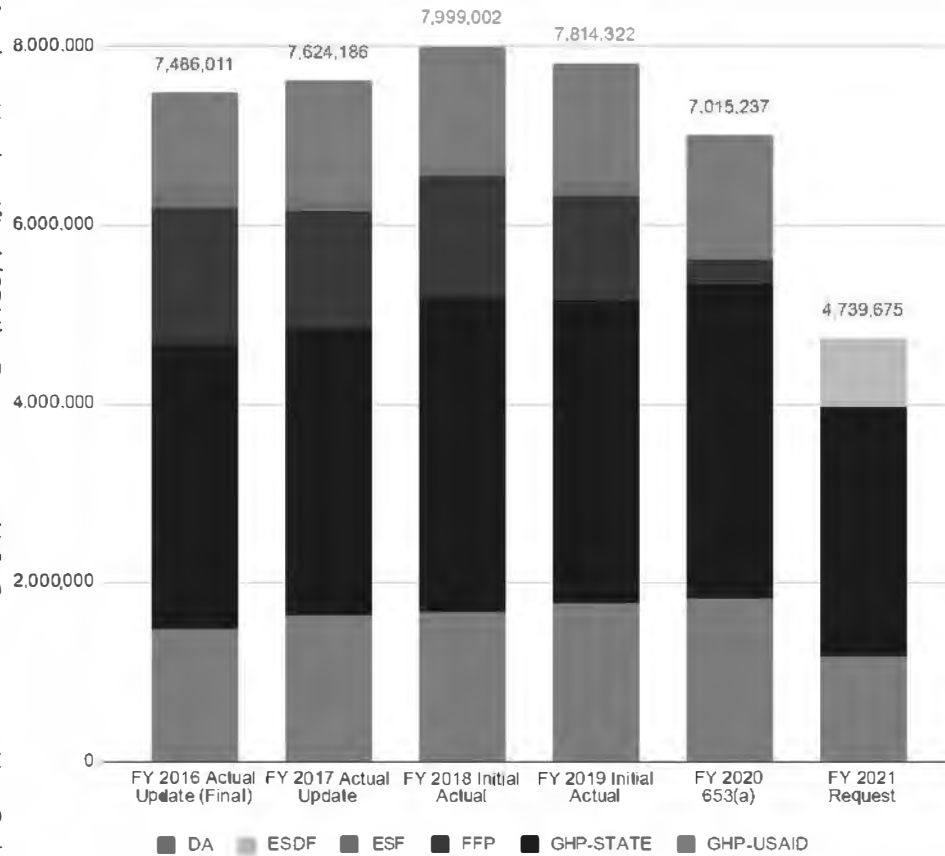


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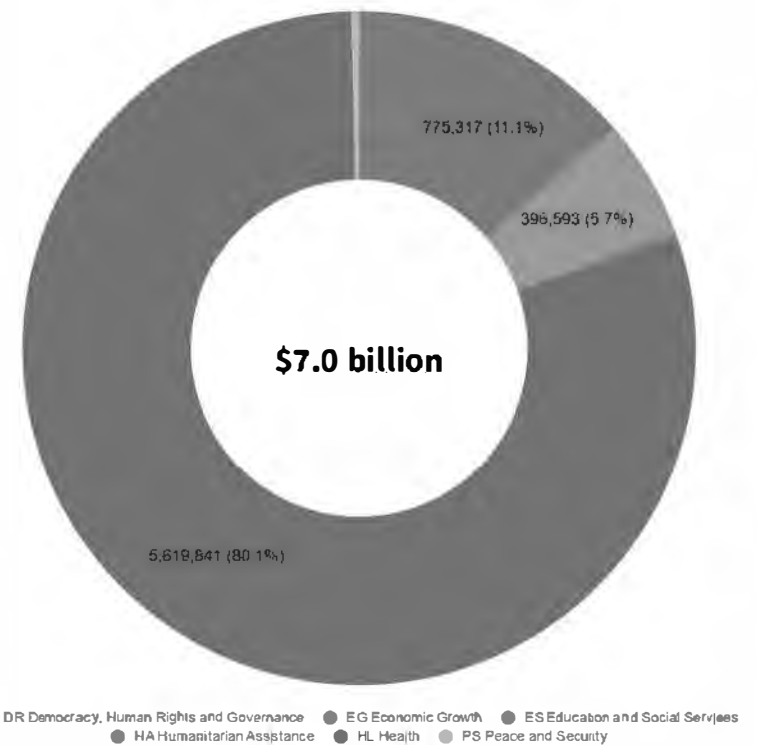
\*All staffing numbers provided by Bureau and accurate as of October 28, 2020

# Bureau for Africa (AFR)

**Program Budget Allocations, by Account - FY 2016-2020 and FY 2021 Request**  
(\$ in thousands)



**Program Budget Allocations, by Category - FY 2020 653(a)**  
(\$ in thousands)



Sensitive but Unclassified (SBU) - For Internal U.S. Government Use Only

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NOTE: These charts include funding in the following USAID-managed and partially-managed accounts: AECCA, CCF, DA, DF, ESDF, ESF, FFP, GHP-STATE, GHP-USAID, HA, IDA, and TI. They do not include supplemental appropriations.

**BUREAU FOR AFRICA:  
BUREAU OVERVIEW****INTRODUCTION**

The security and prosperity of the United States are linked with those of Africa like never before. The sub-Saharan Africa (SSA) market of 1.1 billion people is growing and will account for one-fifth of the world's population by 2025. Improving self-reliance is a priority of a new generation of African civil-society leaders, heads of state, and the African Union, which is leading efforts to increase food security and expand trade in the region including through the implementation of the African Continental Free Trade Area. However, these efforts have been tempered by the ongoing COVID-19 pandemic, which has infected more than one million people in SSA as of early September 2020. The pandemic is stressing African countries' already weak health systems and increasing state debt as economies fall into recession caused by border closures, travel restrictions, loss of tourism, and the global economic slowdown.

It is an often cited statistic that half of the world's extreme poor live in SSA, but less well known is that in 2018, before the COVID-19 pandemic, the region was home to six of the ten fastest growing economies in the world. Africa is also one of the world's fastest growing mobile telephone and off-grid energy markets and is using these technologies to leapfrog traditional steps in the development of soft and hard infrastructure. While the majority of Africans live in rural areas, the region is urbanizing faster than every other region except Asia. Collectively, SSA's top 15 cities already account for 40 percent of Africa's economic output. With substantial, sustained U.S. assistance, the region's health indicators have improved drastically over the last few decades. As a result of the coordinated work by host countries and the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), AIDS-related death rates have fallen by more than 50 percent, preventing nearly 5 million deaths since 2008.

Significant challenges remain, however, including corruption; a dearth of infrastructure; a high degree of political and economic fragility; and vulnerability to global threats (terrorism, climate change, pandemics). Africa also has some of the most complex and chronic crises in the world (i.e., South Sudan, Central African Republic) and some of its most challenging political transitions (Democratic Republic of Congo, Zimbabwe). USAID provided \$3.3 billion in humanitarian relief to the region in Fiscal Year 2020 alone. China is a major creditor in Africa, offering low-cost loans for infrastructure and resource extraction projects while saddling countries with unsustainable debt. Finally, gender inequalities across social strata and sectors, especially gender-based violence, are pervasive throughout Africa and limit the forward momentum of SSA's progress.

The Bureau for Africa (AFR) leads programming in the region, overseeing 32 bilateral country programs, and 4 regional platforms that serve 48 countries in SSA. AFR also plays a critical role in providing analysis, designing and implementing global strategies and engaging in interagency policy development, coordination, and implementation.

**LOOKING BACK**

Over the past year, AFR re-opened Missions in Niger and Somalia as well as an Office in Cameroon and led the effort to develop new country strategies focused on the Journey to Self-Reliance for 26 Missions in SSA. AFR also launched Prosper Africa, a whole-of-U.S. Government initiative to substantially increase two-way trade and investment between the United States and Africa. The initiative includes North Africa as well as SSA and aligns with USAID's new Private Sector Policy and Clear Choice framework. Coordinated by USAID, Prosper Africa brings together the full range of U.S. Government resources to connect U.S. and African businesses with new buyers, suppliers, and investment opportunities. Power Africa, begun in 2013 and codified in law under the Electrify Africa Act of 2015, was reaffirmed in 2018

with the launch of Power Africa 2.0, and continues its strong support to develop transmission and distribution resources, improve SSA government capacities to manage their power sectors, and level the playing field for competitive investment in Africa’s energy sector.

When the COVID-19 pandemic hit in Spring 2020, AFR pivoted rapidly to evacuate nearly 90 percent of U.S. overseas personnel, increase the authorities granted to Foreign Service Nationals to fulfill duties typically reserved for Foreign Service Officers, coordinate with other agencies and organizations to track the disease burden and second-order social and economic impacts in Africa, and adapt existing programs or design new activities to address emergent needs. USAID provided \$270 million to assist SSA countries’ response to the COVID-19 pandemic, focused on immediate health needs including the provision of life-saving ventilators to six African countries, humanitarian needs, and other disease prevention efforts. In addition, AFR, in coordination with the Bureau for Global Health and interagency partners, helped to control multiple disease outbreaks in the region including three unrelated Ebola virus outbreaks in the Democratic Republic of Congo from 2018 to 2020. The successful eradication of wild poliovirus from the region in June 2020 was another significant achievement, showcasing the impact of sustained efforts to wipe out this disease.

### LOOKING FORWARD

There remain many reasons for optimism about Africa’s future. Thirty-four countries, home to 72 percent of Africa’s citizens, have improved their governance performance over the last 10 years, and there have been significant improvements in participation, rule of law, and human rights. Several democratic transitions have occurred or are occurring, including in Nigeria, Cote d’Ivoire and Madagascar, and most recently, the nascent political transition in Sudan. Africa’s youth—with seventy percent of Africans under the age of 30—are often viewed as a liability. However, they can also be seen as a strength and force for strengthening both markets and workforce development, especially post-COVID. Developing African youth leaders is investing in Africa’s future, and USAID’s Young African Leaders Initiative has already provided leadership training, academic coursework, and networking opportunities to over 5,000 graduates of the program. Recovery from the pandemic will require strong economic growth, and Prosper Africa and Power Africa will enable a multiplier effect for our assistance, leveraging the influence and resources of partners to amplify our own efforts. Through Prosper Africa alone, USAID is on track to close over \$1 billion dollars in two-way investment commitments by U.S. and African investors in the next year. To augment these efforts, AFR will soon launch a continent-wide successor to the regional Trade and Investment Hubs, the main platform through which USAID implements Prosper Africa.

Although the long-term impacts of the COVID-19 epidemic are unclear, it is likely that, in addition to the human toll, there will be significant secondary impacts including economic stagnation, backsliding in democratic norms, increased conflict, and reversal of wildlife conservation gains. In some cases this may require significant reorientation of our programs. However, AFR funding is heavily earmarked, limiting the availability of funding in sectors that will be critical for post-pandemic recovery such as conflict or economic growth. This limited flexibility hinders the ability of AFR to pivot to address the rapid changes on the continent, whether those changes are positive, like the transition in Sudan, or negative, like the crisis in Mali. In addition, USAID presence in Africa is growing while it is shrinking in many other regions. In the last 10 years, we have added or upsized our presence in nearly 10 countries.

(b)(6) (b)(5); (b)(5) - Deliberative Process Privilege

(b)(5); (b)(5) - Deliberative Process Privilege Sub-Saharan Africa is poised to enter an era of rapid

**NOTES**

**BUREAU FOR AFRICA:  
WORKING IN FRAGILE STATES**

## Introduction

USAID operates in some of the most difficult places in the world and has gained considerable experience and expertise in addressing both U.S. foreign policy and development priorities in fragile contexts in Africa. Per the 2019 *USAID Policy Framework: Ending the Need for Foreign Assistance*, USAID assistance “protects America’s security by curbing threats at their source.” Our programs “support stability, counter violent extremism, strengthen citizen-responsive security, and increase our partners’ capacity to deter aggression, counteract malign influence, and respond to disasters.” Because conflict and crises often derail progress toward self-reliance, the Framework notes that building capacity and commitment to prevent, mitigate, and recover from crises is essential. USAID’s Africa Bureau is at the forefront of engagement in fragile countries and has played a critical role in whole-of-U.S. Government initiatives, such as the implementation of the 2018 Stabilization Assistance Review pilots<sup>1</sup>, and the 2017 Women, Peace, and Security and 2019 Global Fragility Acts, which recognize that the challenges in fragile states require well-coordinated and integrated responses across development, diplomacy, and defense.

According to the Fragile States Index, 21 of the 31 countries in its 2020 “Alert” (highest risk) category are in sub-Saharan Africa (SSA). USAID has current or planned programming in 18 of these countries. Two of the five “most worsened” countries from the 2019 to 2020 Index were in SSA: Mozambique<sup>2</sup> and Burkina Faso, and two of the five “most improved” countries from the 2019 to 2020 Index were also in SSA: Kenya and Sudan. USAID’s strategies, projects, and activities in fragile countries seek to address the underlying grievances and structural drivers that fuel crisis, conflict, and instability and to build resilience to a wide range of shocks that constrain economic and social progress. Ensuring women, youth, and other marginalized groups participate in decision-making is especially critical in these contexts.

USAID’s challenges in achieving its objectives in SSA include limited funding for Peace and Security and Democracy, Human Rights, and Governance and difficult operating and security environments. Although COVID-19’s impacts are still evolving along with the pandemic itself, the virus has so far led to worsening governance trends and increased risk of crisis and instability in already vulnerable countries. The country descriptions below provide a snapshot of USAID priorities and challenges in a variety of fragile state contexts in SSA, including the most fragile (Somalia), one of the most worsened in the world in 2020 (Burkina Faso), chronically fragile states (DRC, Zimbabwe), and an improving, but still highly vulnerable, state (Sudan).

## Somalia

The Somali population is approximately 15 million people, with 2.6 million internally displaced and nearly 2 million Somalis in the diaspora. Nearly 7 out of 10 Somalis live in poverty, the sixth highest poverty rate in Africa. For 25 years, Somalia has been one of the most fragile and violent countries in the world, ranking second only to Yemen on the 2020 Fragile States Index. While Al-Shabaab has been pushed out of Mogadishu and major port cities, the group still controls rural areas in southern Somalia

<sup>1</sup> The Stabilization Assistance Review (2017) led to implementation of whole-of-USG Stabilization Plans (still ongoing) in five pilot countries in sub-Saharan Africa: CAR, Mali, South Sudan, DRC, and Niger.

<sup>2</sup> As a resilience focus and priority country for many Agency initiatives, Mozambique represents an important investment for USAID. In Northern Mozambique, liquefied natural gas could result in a \$160 billion boon over the next 20 years for the people of Mozambique with effective natural resource management. However, this resource is located in the region where violent extremists are constantly attacking communities, underscoring ongoing fragility.



and has the ability to conduct attacks on the capital. However, recent progress in governance, security, and economic recovery represents a unique opportunity for USAID. Through our development programs, USAID is assisting Somalia to achieve greater stability, build a functional economy, and establish credible and durable governance systems. USAID continues to be the largest humanitarian donor, contributing more than \$381 million in humanitarian programs to date this year for humanitarian assistance.

### **Burkina Faso**

The past few years have seen a concerning rise in violence in Burkina Faso aggravated by regional instability spreading from Mali. Stability has further been eroded by rising inter-communal violence and a lack of state presence in a significant percentage of rural areas. Increased insecurity is exacerbated by perennial development challenges. The number of internally displaced persons has dramatically risen to 1,013,234 as of August 2020. USAID builds the resilience of rural residents by strengthening governmental bodies, improving productive opportunities, and helping increase the capacity and accessibility of social services, particularly malaria prevention and control services, while ensuring access to more nutritious foods. To address the drivers of violent extremism, USAID helps governments and local partners undermine extremist messages and create partnerships with populations that are potentially vulnerable to extremist influence.

### **Democratic Republic of the Congo (DRC)**

With a population of over 80 million, hydropower potential, 200 million acres of uncultivated farmland, and an estimated \$25 trillion in mineral reserves, the DRC should be an African powerhouse. Yet, it ranks near the bottom of almost all development indicators, with an estimated 13 million people in humanitarian need. Large swaths of the country fend for themselves against armed groups, corrupt and abusive security forces, and other bad actors. Decades of corruption, instability, and impunity under former President Kabila have made it very difficult for President Tshisekedi, elected in 2018, to pursue reforms, and it is extremely challenging for the U.S. and other responsible members of the international community to operate in DRC. USAID provided approximately \$748 million in the DRC in FY2019. Humanitarian assistance, including for the ongoing complex emergency and Ebola responses, comprises over half of this funding. USAID programs also encourage a more stable democracy with a healthier, better-educated population benefiting from peace and security.

### **Zimbabwe**

Zimbabwe faces an economic and humanitarian crisis, with an estimated eight million people suffering from food insecurity, a disintegrating health system, and a collapsing economy. A long history of gross, state-sponsored human rights abuses has targeted journalists, opposition party officials, and civil society activists, prompting many to go into hiding and triggering national, regional, and global condemnation. USAID remains the largest donor in the country; however, work in Zimbabwe is especially challenging and USAID partners are often singled out for harassment by the national government. For years there have been congressional restrictions on work directly with the Government of Zimbabwe. As a result USAID's activities were designed to allow maximum flexibility to respond to changing needs, including increased human rights abuses, food insecurity, and economic challenges. Despite ongoing challenges, most USAID technical assistance programs are able to operate effectively. In 2019, the United States Government provided US\$370 million in assistance to the people of Zimbabwe, predominantly in the areas of health and food security/emergency assistance. In total, the U.S. Government has provided

Zimbabwe over \$3.2 billion in assistance since 1980.

### **Sudan**

With the ouster of Omar al-Bashir in the Spring of 2019, Sudan embarked on a new path under the leadership of Prime Minister Hamdok and the Civilian Led Transitional Government. Operating in a tenuous but optimistic atmosphere of renewed commitment to democratic reforms, USAID identified almost \$40 million in Fiscal Year 2019 and Fiscal Year 2020 funding to support this transition. USAID's efforts focus on activities designed to promote the necessary infrastructure for future elections and civil-society engagement in addition to the long-standing humanitarian assistance programs, while also addressing structural drivers of fragility that could threaten a successful transition.

**NOTES**

**BUREAU FOR AFRICA:  
PROSPER AFRICA**

**INTRODUCTION**

Prosper Africa is a whole-of-U.S. Government initiative to substantially increase two-way trade and investment between the United States and the continent of Africa as part of the U.S. Government's efforts to counter malign influence from China and other rivals. First launched in December 2018 and formally rolled out in June 2019, Prosper Africa leverages the full suite of U.S. Government (USG) trade and investment services, while harnessing private sector resources and innovation to fuel sustainable economic growth and job creation in the United States and Africa.

Prosper Africa mobilizes U.S. Government services and resources across 17 participating departments and agencies to: 1) help U.S. and African companies advance new trade and investment opportunities, 2) make it easier for businesses to access USG transaction support, and 3) promote business climate reform. The Initiative provides a one-stop shop so U.S. and African companies do not have to understand how the Federal Government conducts business in order to do business with one other.

USAID plays a leading role in the Prosper Africa Initiative, hosting the interagency Prosper Africa Executive Secretariat (Secretariat) and implementing trade and investment programming that drives the Initiative's impact. USAID has dedicated significant staff and budgetary resources over the past year to establish the structures and systems critical to the Initiative's operations.

In addition to its work institutionalizing and operationalizing Prosper Africa, USAID is also standing up a new program that will provide transformative trade and investment assistance throughout Africa. USAID's Prosper Africa Trade and Investment Program, managed by both the Bureau for Africa and the Bureau for the Middle East, will offer the most significant contribution of any participating Prosper Africa agency to advance the Initiative's goals. It will do this by providing a wide range of customized services from business consulting and transaction facilitation to targeted policy interventions.

Strategic guidance for Prosper Africa is provided via the National Security Council's (NSC) policy process and the Initiative's Executive Chair, currently the Chief Executive Officer of the U.S. International Development Finance Corporation (DFC). Under the direction of a Chief Operating Officer, the USAID-based Secretariat operationalizes Prosper Africa's objectives across all the participating departments and agencies, leads interagency deal facilitation, promotes business climate reform, and directs Prosper Africa communications and public engagement to attract greater interest in U.S.-Africa trade and investment.

**ACCOMPLISHMENTS TO DATE**

Since its creation, Prosper Africa has:

- Directly facilitated more than 280 trade and investment deals through to completion across more than 30 African countries for a total value of over \$22 billion. Examples of these successes are available [here](#);
- Established interagency Prosper Africa Deal Teams in Washington and at U.S. embassies across Africa to deliver an effective, accessible, whole-of-government trade and investment support;
- Launched an online resource center at [prosperafrica.dfc.gov](https://prosperafrica.dfc.gov) to connect U.S. and African businesses and investors with a comprehensive package of investment services.

- Developed a pipeline of approximately \$5 billion in potential U.S. investment in Africa, through USAID programming. This pipeline includes over \$1 billion in investment commitments by U.S. and African institutional investors that are expected to close by early 2021;
- Established a Deal Generation Pilot Program, which runs from August 2020 to August 2021, in which a top U.S. investment advisory firm is working with Prosper Africa Deal Teams to package and promote 150 deals to U.S. firms;
- Launched a dedicated team of DFC Prosper Africa investment advisors to source and execute deals on the continent;
- Provided strategic, whole-of-government support to the Kenya Free Trade Agreement negotiations by advancing commercial engagement requests from the Kenyan government; and
- Responded to the economic impact of COVID-19 by adapting existing U.S. Government services and resources and creating new ones. For example, USAID launched a \$50 million rapid-response solicitation for the scale-up of production and services of companies directly engaged in COVID-19 response, prioritizing increased two-way trade and investment.

## CHALLENGES

(b)(5); (b)(5) - Deliberative Process Privilege

(b)(5); (b)(5) - Deliberative Process Privilege

## LOOKING FORWARD

Now, Prosper Africa is emphasizing efforts to:

(b)(5); (b)(5) - Deliberative Process Privilege

- **Launch and Resource USAID's Prosper Africa Trade and Investment Program:** Finalizing the procurement and launch of USAID's flagship Prosper Africa program will allow the Initiative to deliver a significant impact. At its full funding level of \$500 million over five years, the program should deliver billions of dollars in exports and investment, yielding hundreds of thousands of African and American jobs by 2026. For every \$1 of public funding, this program is expected to leverage more than \$9 in private investment. **Accelerate Support for Transactions:** With key Prosper Africa structures and processes in place and robust pipelines built, the Initiative is focused in earnest on stepping up direct U.S. Government help to the U.S. and African private sectors to bring trade and investment transactions to close. This requires sustained outreach to the private sector to promote opportunities and deliver U.S. Government services and continued engagement with embassies to facilitate access to Washington-based tools and services.

**NOTES**

## BUREAU FOR AFRICA: POWER AFRICA

### INTRODUCTION

In sub-Saharan Africa (SSA), more than half the population, or more than 600 million people, lack access to electricity. Launched in 2013, Power Africa is a U.S. Government-led partnership coordinated by USAID that brings together the collective resources of 12 U.S. Government agencies, 19 development partners, and over 150 private sector partners, about half of which are U.S. companies, to double access to electricity in sub-Saharan Africa. Power Africa has two distinct, measurable goals: (1) to increase installed generation capacity by 30,000 megawatts (MW) and (2) to connect 60 million new homes and businesses to electricity by 2030.

Private sector partnerships and focused technical assistance are at the core of the Power Africa model. Power Africa bolsters the private sector to play a leading role in facilitating energy sector investments and “first-of-their-kind” energy projects to power economic growth across sub-Saharan Africa. Power Africa works directly with governments to create transparent legal, regulatory and policy frameworks to attract public and private investments in energy projects.

### LOOKING BACK

Power Africa enjoys strong bipartisan support. Launched by President Obama in 2013, Congress then passed the Electrify Africa Act of 2015, which the President signed into law in 2016, signaling to the world that expanding electricity access in sub-Saharan Africa is a long-term foreign policy priority of the United States. In 2018, Power Africa launched its 2.0 strategy, reinforcing the commitment to helping our partners accelerate energy transactions with an increased focus on utility strengthening, transmission system expansion, leveling the investment playing field, and working with African governments to create the policy, legal, and regulatory frameworks to attract private sector investment.

Power Africa has provided assistance to 40 countries in SSA and has 19 national and multilateral donor partners. In addition, Power Africa has leveraged nearly \$650 million into more than \$56 billion of commitments from its more than 160 public and private sector partners to achieve its goals. To date, Power Africa has transferred funding to the U.S. Trade and Development Agency (USTDA), [the U.S. Development Finance Corporation](#), the U.S. African Development Foundation, and the Departments of State, Commerce, Energy, and Treasury. As a result, these agencies have significantly increased their attention to energy projects in SSA. For example, USTDA’s involvement with energy infrastructure in SSA has increased from 15 active projects in 2012 to over 55 active projects in 2019.

### ACCOMPLISHMENTS TO DATE

Since its creation, Power Africa has:

- Brought 124 projects, comprising over 11,000 MW and valued at more than \$22 billion, to financial close. Forty-six projects have been commissioned and are online, generating nearly 4,000 MW of new, more reliable electricity.
- Facilitated the provision of nearly 17 million new connections, bringing first-time electricity access to more than 77 million people across SSA.
- Embedded 70+ Transaction Advisors in utilities, ministries, and USAID missions in 20 countries in SSA.
- Ensured that two-thirds of Power Africa’s transactions, and over half of the MWs that have reached financial close, are based on renewable energy.

## LESSONS LEARNED

Drawing from years of experience, the following principles and best practices now guide Power Africa:

- **USAID Coordinating, Not Leading:** USAID *coordinates* Power Africa's efforts across the U.S. Government. USAID chairs Power Africa's interagency working group, but the heads of agencies *lead* Power Africa, which has led to interagency buy-in. As a government agency with a robust field presence, USAID is uniquely positioned to manage, coordinate, and program a significant portion of Power Africa's appropriated funds.
- **Essential field presence:** As a Presidential initiative with a strong, field-based presence, Power Africa works closely with Chiefs of Mission and their interagency Power Africa teams at posts to serve as central resources for in-country partners. Power Africa's Coordinator sits in Washington, D.C. and facilitates coordination with our interagency partners and Congress.
- **Dedicated Agency Liaisons:** The Power Africa Coordinator's Office is staffed with liaisons that coordinate Power Africa's projects across the U.S. Government in the field and in Washington. They have deep knowledge of the resources the agencies offer and of their operations in SSA. Power Africa also liaises closely with other U.S. Government initiatives like Prosper Africa and myriad health initiatives to drive priorities like two-way trade and health facility electrification.
- **Easily Accessible and Diverse Tools:** Power Africa's Toolbox includes a suite of services offered by the U.S. Government and Power Africa development partners to help advance and/or "unstuck" power sector transactions. Tools include financing and risk mitigation, policy and regulatory design and reform, capacity building, and legal assistance.
- **Women in Energy as a Cross Cutting Priority:** Power Africa advances the goals of the Women's Global Development and Prosperity Initiative (W-GDP) by promoting women's meaningful participation in Africa's growing energy sector. Power Africa also launched the Young Women in African Power Leadership Training program, in collaboration with the Young African Leadership Initiative, to build leadership skills of young women pursuing careers in Africa's energy sector.

## LOOKING FORWARD

Power Africa is currently tracking more than 1,500 projects that have the potential to add more than 143,000 MW of power if we can help them get across the finish line. Energy access continues to be a cornerstone for economic development, human development, and our efforts to advance self reliance.

Access to reliable electricity is central to an effective COVID response and recovery; electricity is a vital service and critical to maintaining safety and delivering health care services. In SSA, nearly 60 percent of all health care facilities do not have access to electricity, and of those that do, only 34 percent of hospitals and 28 percent of health facilities have reliable access. Power Africa began reprioritizing funds and has thus far redirected more than \$4.1 million to support the financial viability of sub-Saharan Africa's off-grid energy sector; to assess power loads for hospitals, clinics, and critical care facilities; and to support regulators and utilities struggling with the unfolding impact of the pandemic in Southern and West Africa. Similar redirections are planned for Power Africa programs in East Africa. Power Africa directly supports Prosper Africa's commitment to increasing two-way trade and investment between the United States and sub-Saharan Africa by working to improve African governments' capacities to manage their power sectors and create a welcoming atmosphere for competitive investment.



**NOTES**

**BUREAU FOR AFRICA:  
SUDAN****INTRODUCTION**

The overthrow of President Omar al-Bashir in April of 2019 was a turning point in Sudan's long history of war and of difficult relations with the United States. The removal of al-Bashir created the first opportunity in 30 years to support a democratic transition in Sudan and lift Sudan from its pariah status. The nascent Civilian Led Transitional Government (CLTG) is simultaneously trying to rebuild dismantled democratic institutions, pull the long mismanaged economy from the brink of collapse, prevent elements of the former regime from actively undermining reform, negotiate peace with several armed opposition groups, and reconcile with communities long marginalized and attacked by the Bashir regime—all while being responsive to the citizens who drove the revolution and responding to unprecedented floods and COVID-19. An overarching priority for the CLTG has been the removal of Sudan's designation by the U.S. Government as a State Sponsor of Terrorism, allowing Sudan to reintegrate into the international system.

Under the bilateral U.S.-Sudan Strategic Engagement Plan, the U.S. Government and CLTG agreed to a settlement that includes \$335 million compensation for the American victims of terror attacks sponsored by the previous Sudanese regime as a precondition to removing Sudan from the State Sponsor of Terrorism (SST) List. This payment of claims includes a private settlement with the family of USAID employee John Granville, who was killed in Khartoum in 2008 by an extremist group. The CLTG's recent deposit of the settlement funds into an escrow account opened the door to the process of delisting.

On October 23, 2020, President Trump announced his intent to rescind Sudan's SST designation, which the United States imposed in 1993. Congress now has 45 days to reject the proposal; rejection is unlikely. The key hurdle to Sudan's delisting is Congressional enactment of a legislative provision, known as "legal peace," granting Sudan immunity for any claims arising from past terrorist acts for which Sudan may be liable. Without this provision in place within a specified timeline, the CLTG has the right to withdraw its deposit from escrow, leaving the Granville family and other terror victims' families uncompensated.

Sudan has a strong incentive to keep both the escrow and Granville agreement intact until the conditions can be met, or face the risk of subsequent court judgments favoring much higher compensation to the terrorist victims' families.

**THE ROLE OF THE UNITED STATES IN SUPPORTING THE PEOPLE OF SUDAN**

The U.S. Government has long been the largest donor to the people of Sudan. At a June 2020 donor conference, USAID pledged \$356.2 million in U.S. Government funding to support Sudan's democratic transition.

In July 2020, the U.S. Government embarked on a third bilateral framework since 2016 for enhanced diplomatic engagement with Sudan: the Sudan Engagement Strategy (SEP). Unlike the previous frameworks, the SEP assumed an approach that was less centered on monitoring government's behavior and more on promoting reforms outlined in the Constitutional Declaration that established the CLTG. The SEP includes a path for the removal of Sudan's designation as a State Sponsor of Terrorism, a key step to unlock debt relief, widely recognized as essential to resuscitating Sudan's moribund economy. USAID has played a prominent role in all three bilateral frameworks with Sudan and is working closely

with the interagency on all tracks of the SEP. (b)(5); (b)(5) - Deliberative Process Privilege

(b)(5); (b)(5) - Deliberative Process Privilege

Despite complex legal restrictions, USAID is able to provide certain types of assistance to Sudan by invoking notwithstanding authorities, most notably under the 2006 Darfur Peace and Accountability Act. Efforts are underway, in conjunction with the State Department and key Congressional committees, to remove these restrictions in future legislation.

Since the independence of South Sudan in 2011 and due to a decline in bilateral relations during the Bashir regime, USAID's staffing footprint and program budgets contracted between 2011 and 2018. During this period, the Government of Sudan (GOS) made it increasingly difficult for USAID partners to operate by restricting access to certain locations, disrupting training and workshops, and interfering with administrative processes such as hiring and partner selection. Now, efforts to increase USAID staff in Khartoum are being undertaken simultaneously with increasing support for this long-awaited democratic opening.

## DEPARTMENT OF STATE AND CONGRESSIONAL ENGAGEMENT ON SUDAN

Ambassador Donald Booth was named Special Envoy to Sudan in June 2019. He previously served as Special Envoy to Sudan and South Sudan from 2013 to 2017. Since 2001 a special envoy position to Sudan has existed in some form at the State Department. The Department of State programs a portion of USAID's Sudan and South Sudan development funding, which requires annual negotiation between USAID and State on the amount allocated to State and on how to coordinate to avoid duplication of efforts. Since the U.S. embassy re-opened in Khartoum in 2002 after closing in 1996, the United States has designated a Chargé d'Affaires to Khartoum. The two countries have agreed to reinstate Ambassadors, and Sudanese Ambassador Nureldin Satti arrived in Washington to take up his post on May 5, 2020. However, the United States has not yet named an ambassador to Sudan.

Secretary of State Pompeo visited Khartoum in August 2020, the first time a Secretary of State has visited Khartoum in many years. He urged Prime Minister Hamdok to continue to prioritize protection of Darfuri civilians and other marginalized groups and hold those responsible for human rights abuses and violations accountable.

The bipartisan Congressional Caucus on Sudan and South Sudan continues to engage on Sudan issues and is influenced by an advocacy community that has long been active on Sudan, including the religious community, the Enough Project, and human rights organizations. Several members of Congress, including House Foreign Affairs Committee Chair Eliot Engel, issued public statements in June 2019 condemning Sudanese security forces for killing dozens while forcibly emptying a sit-in site that peaceful protesters had occupied for weeks. Congress is a key stakeholder in the SEP and will play a role in the settlement of claims related to Sudan's role in the 1998 bombings of U.S. embassies in Kenya and Tanzania and the murder in Khartoum in 2008 of USAID Foreign Service Officer John Granville. Settlement of all of these claims are a key condition precedent in the SEP to the removal of Sudan from the State Sponsors of Terrorism list. Congressional staff are very interested in seeing USAID assist the fragile transitional government in Sudan. Hill staff continue to raise concerns about humanitarian access, human rights, and religious freedom.

## LOOKING FORWARD

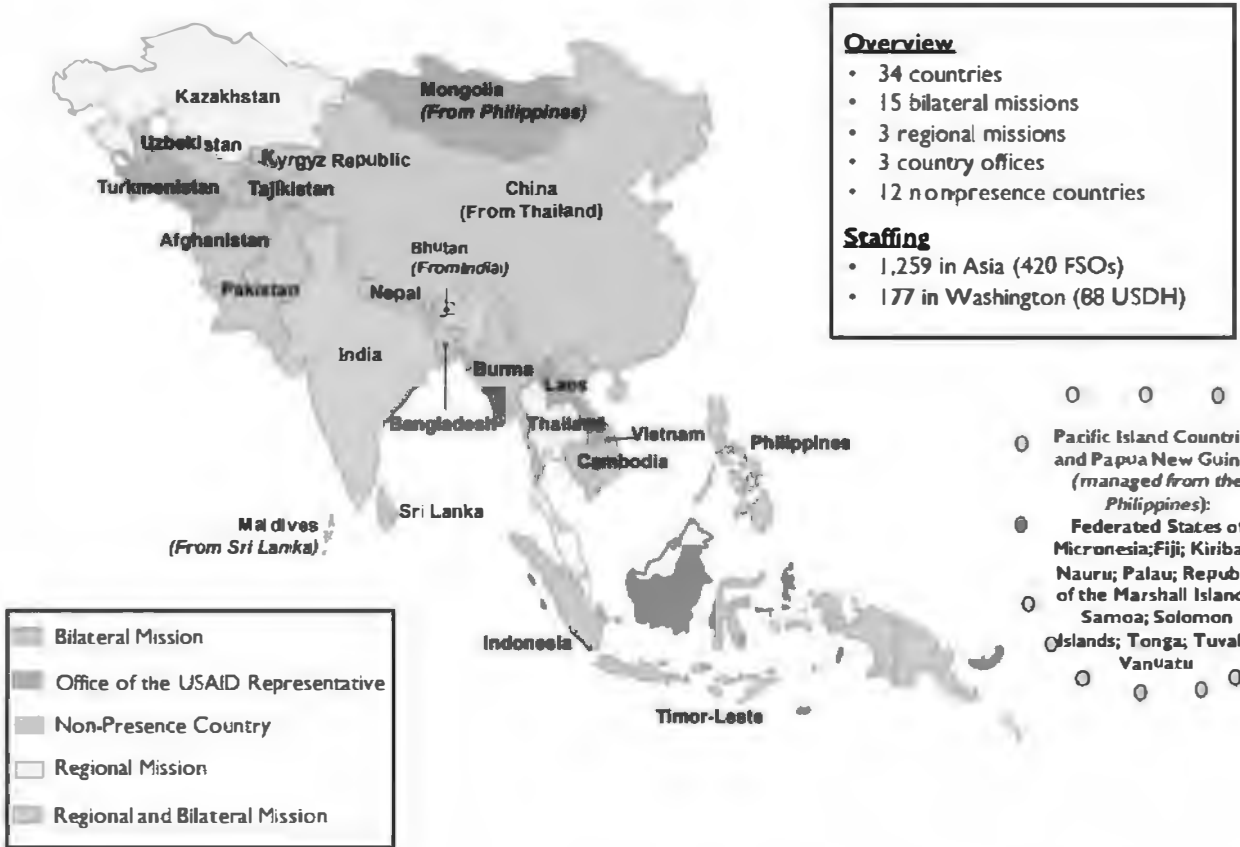
Since South Sudan's secession in 2011, the bulk of the Sudan Mission's programming is humanitarian. With the advent of the CLTG in 2019, USAID's Africa Bureau has embarked on an effort to secure additional funding for Sudan to focus on elections, media, civil society and human rights monitoring, conflict mitigation and political transition processes.

At the same time, we continue to work with the Bureau for Legislative and Public Affairs and relevant Congressional committees on potential legislation. Given the dramatic changes in Sudan, USAID/Sudan is developing a Strategic Framework to reflect our new approach and the willingness of the CLTG to work with USAID.

The willingness of the Sudanese people to endorse the economic and political reforms needed for this democratic transition will be a critical indicator of the ability of the CLTG to succeed. It will be crucial for the CLTG to demonstrate progress in economic and political reforms to the Sudanese people while containing efforts of those who want Sudan to return to the authoritarian and divisive practices of the Bashir regime.

**NOTES**

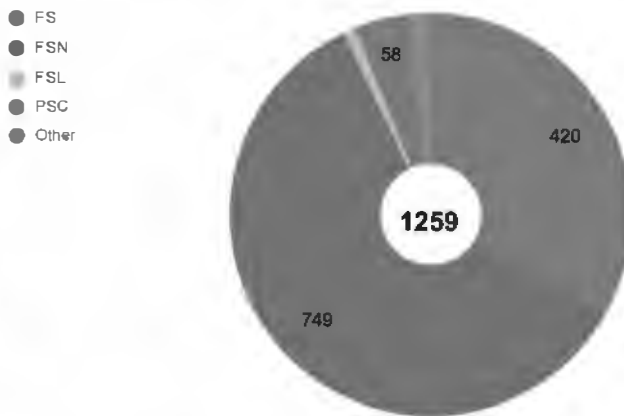
# Bureau for Asia (ASIA)



Total Staff - Washington\*



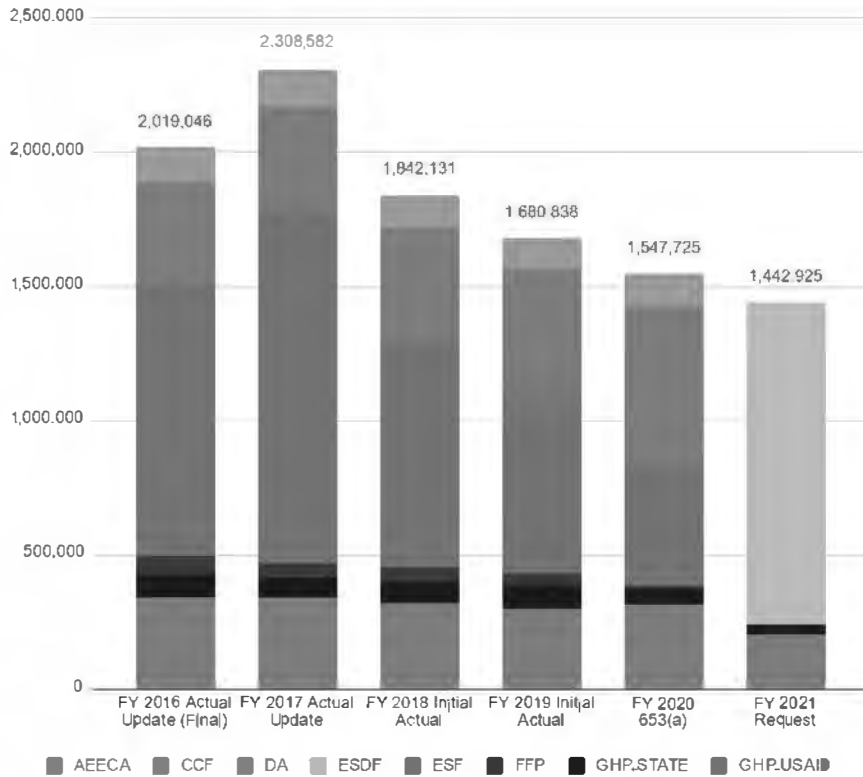
Total Staff - Field\*



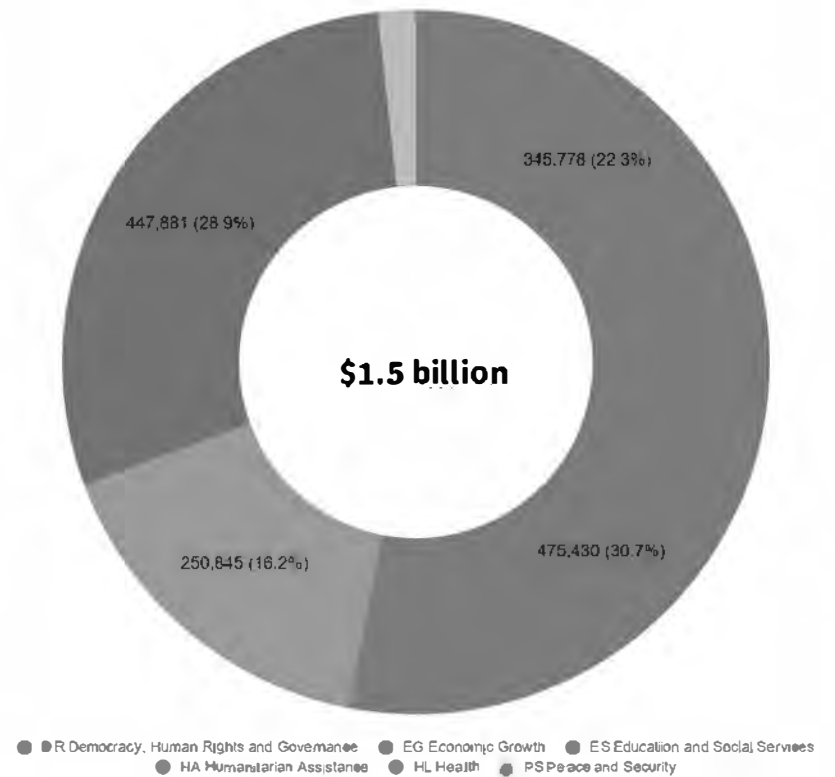
\*All staffing numbers provided by Bureau and accurate as of October 28, 2020

# Bureau for Asia (ASIA)

Program Budget Allocations, by Account - FY 2016-2020 and FY 2021 Request  
(\$ in thousands)



Program Budget Allocations, by Category - FY 2020 653(a)  
(\$ in thousands)



Sensitive but Unclassified (SBU) - For Internal U.S. Government Use Only

Sensitive but Unclassified (SBU) - For Internal U.S. Government Use Only

NOTE: These charts include funding in the following USAID managed and partially managed accounts: AECCA, CCF, DA, DF, ESDF, ESF, FFP, GHP.STATE, GHP.USAIID, HA, IDA, and TI. They do not include supplemental appropriations.

## BUREAU FOR ASIA: BUREAU OVERVIEW

### INTRODUCTION

USAID plays a vital role in partnering with the countries of Asia—from East Asia and the Pacific to South and Central Asia—to ensure that the development decisions they make today move them forward on their [Journey to Self-Reliance](#). The Bureau for Asia (ASIA) focuses on fostering inclusive and equitable growth, promoting and strengthening democratic institutions, and improving natural resource management, which are key to helping partner countries achieve sustainable self-reliance. USAID's actions to help shape a more stable and prosperous Asia region advance U.S. security and economic priorities, including those outlined in the Trump Administration's *National Security Strategy*, *Indo-Pacific Strategy (IPS)*, *South Asia Strategy*, and *Central Asia Strategy*. While USAID remains committed to supporting Asia's development, COVID-19 has upended the region's development trajectory and poses major challenges for programming.

### LOOKING BACK

In 2017, President Trump laid out America's vision for a free, open, and secure Indo-Pacific region in which all nations are independent, strong, and prosperous. The Indo-Pacific is home to the world's fastest-growing markets and offers unprecedented potential to strengthen the U.S. economy while improving lives in Asia and globally. Yet, the region's continued growth—and the ability of U.S. companies to compete in the Indo-Pacific freely and fairly—is hindered by deficits in citizen-responsive governance; the rule of law; and respect for human rights and democratic values. USAID supports bilateral and regional efforts focused on three objectives: strengthening democratic systems, fostering private sector-led economic growth, and improving the management of natural resources.

To achieve the goals of the IPS, ASIA has dramatically expanded its footprint and engagement across the Pacific Islands by establishing a staffing presence in the Solomon Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and Palau, as well as by adding new Foreign Service U.S. Direct Hire positions in Fiji and Papua New Guinea. In 2019, USAID also established "IPS Hubs" in Bangkok and New Delhi to coordinate sub-regional efforts and regional strategies and programs.

The *South Asia Strategy* seeks to stabilize the region and end the war in Afghanistan through a durable peace settlement, in which Pakistan plays a critical role. The *Strategy* encourages the economic integration of Central and South Asia to promote prosperity, connectivity, and trade. It also encourages [India](#) to play a larger global and regional leadership role, including by increasing Indian development assistance.

To achieve the objectives of the *South Asia Strategy*, as part of USAID's [Transformation](#), Asia Bureau merged with USAID's Office of Afghanistan and Pakistan Affairs in 2020 to promote complementarity and coordination of effort. Further, in support of the South Asia Strategy and the IPS, USAID has proposed the establishment of the [U.S.-India Development Foundation \(US-IDF\)](#). This new entity would mobilize India's domestic resources for its development priorities. The intent in the long-run is to allow the [US-IDF](#) to act as a "legacy" for USAID in India.

In Central Asia, USAID's priority is to strengthen countries' economic sovereignty, promote their stability and prosperity, and foster connectivity between the Central Asian countries themselves and with Afghanistan. With new openings for reform in a region bounded by China, Russia, and Iran, USAID is scaling up programs to achieve the objectives set forth in the *Central Asia Strategy*.



To achieve the aims of the *Central Asia Strategy*, in 2020, the Asia Bureau transformed its presence in the region by establishing new bilateral Missions in Tajikistan and Uzbekistan and by reconceiving regional programs. The Kazakhstan-based Central Asia Regional Mission will focus on transboundary programming in countering violent extremism and trafficking in persons, supporting shared water resources and the environment, as well as promoting environmental safeguards, energy, and trade. It will also oversee bilateral programs in Kazakhstan and Turkmenistan.

## LOOKING FORWARD

USAID sees three major trends that will shape the region's development in the coming years: 1) China's continued malign influence; 2) further regression of democracy, human rights, and governance; and 3) the secondary and tertiary impacts of COVID-19.

China plays an increasingly malign role in the Asia region. As Beijing's involvement in the region has grown—particularly through the Belt and Road Initiative—USAID has seen a range of problematic behavior, including predatory economic activities, investments that undermine good governance and promote corruption, and human rights abuses. China's approach to Asia places partner countries at risk for strategic dependence, subservience, and financial distress from over-indebtedness. China has particular interest in exploiting the region's natural resources for its own gain, which jeopardizes partner countries' long-term sustainability and self-reliance.

Asia is also experiencing a wave of closing democratic space, rising autocracy, and increasing religious intolerance. Democracy, human rights, and governance throughout Asia have generally been on a downward trajectory that shows no sign of abating. China, Russia, and other external malign actors have contributed to this regression, but in many cases, domestic political actors are just as responsible for this rollback. For example, in Burma, conditions remain that prevent the safe, voluntary, and dignified return of the Rohingya from refugee camps in Bangladesh; in the Philippines, President Duterte continues to repress human rights and trample the rule of law; in Cambodia, longtime autocrat Hun Sen maintains a tight grip on the political class; and in Sri Lanka, the Rajapaksa family resumed control over the country in 2020 and threaten to form an authoritarian regime.

COVID-19's impacts will continue to reverberate across Asia for years to come and set back development gains in all sectors in many partner countries. The World Bank forecasts that all countries in Asia will have either negative gross domestic product growth or significantly slowed growth. The World Bank also projects that the world could see the first increase in global extreme poverty since 1998. Nearly half of the projected new extreme poor will be in South Asia alone. As economic growth slows, food insecurity is also on the rise. As many as 453 million students in Asia—43 percent of students worldwide—cannot attend school due to COVID-19. This education disruption will adversely affect the region's human capital development. Finally, the pandemic is jeopardizing the tremendous progress that Asia has made to prevent, mitigate, or eliminate infectious disease-related deaths. In India alone, demand has dropped by up to 80 percent for vaccines that protect against measles, pneumonia, and rotavirus, potentially leading to millions of preventable deaths. COVID-19 has stressed already weak health systems as medical supply chains have been disrupted and significant numbers of healthcare professionals have died or been infected by the virus. The pandemic has also stunted partner governments' efforts to provide universal health coverage—a crucial step on their journeys to self-reliance. Such a region-wide rollback in health gains increases the likelihood that sharply higher levels of U.S. foreign assistance will be needed to ensure global health security since partner countries will be more likely to struggle to finance their health systems.

**NOTES**

## BUREAU FOR ASIA: AFGHANISTAN AND PAKISTAN OVERVIEW

### INTRODUCTION

The Administration's 2017 *South Asia Strategy* reaffirms the U.S. commitment to Afghanistan and Pakistan and highlights the importance of the region's stability to U.S. national security. The U.S. has partnered with Afghanistan and Pakistan over the past 18 years to advance shared security and development objectives. USAID's goal in Afghanistan is to promote a stable, inclusive, and increasingly self-reliant country. Foreign assistance is crucial to addressing the security and development challenges that, in the past, have made parts of Afghanistan a safe haven for terrorists and violent extremist organizations. It also is a vital component to sustaining a political settlement that ends Afghanistan's conflict and brings lasting stability to the country. USAID's goal in Pakistan is to achieve a more stable, peaceful, and prosperous country by sustaining long-term impact through host-country ownership, transformational public-private partnerships, and support for local organizations and legacy institutions.

### LOOKING BACK

#### Afghanistan

Due to the ongoing war in Afghanistan, development funding was, to a large extent, targeted to meet the most immediate needs of the country. During this time, as a result of the efforts of the U.S. Government and international donors, Afghanistan made significant development gains, developed critical infrastructure, and substantially elevated the role of women in politics and the economy.

USAID is now two years into its five-year strategy for Afghanistan, working under security constraints, towards the goal of a more inclusive, economically viable, and self-reliant country that the U.S. Government can better partner with to advance our national security. USAID's Mission to Afghanistan is achieving this goal through a three-pronged approach: 1) private sector driven, export-led economic growth; 2) maintaining social gains in health, education, and the rights of women; and 3) support for transparent and accountable governance. This has resulted in several key transitions in our development approach. For example, in infrastructure, USAID pivoted away from actual construction and shifted the emphasis of its portfolio to improving the Government of Afghanistan's and the private sector's capacity to maintain existing infrastructure. USAID increased its investment in gender-focused programs through the flagship PROMOTE program, which has trained over 70,000 women entrepreneurs and over 2,500 activists to strengthen their negotiation skills to represent their views, and advocate for all Afghan women, with confidence and strength during the current peace negotiations.

#### Pakistan

Pakistan is a long-term partner of the United States, and a recipient of U.S. assistance during most years since its independence in 1947. U.S. development assistance entered a new chapter in Pakistan following the September 11, 2001, terrorist attacks. Assistance reached its peak under the *Enhanced Partnership with Pakistan Act* (often called the Kerry-Lugar-Berman Act or KLB), which appropriated \$4.95 billion in civilian assistance to Pakistan from 2010 to 2014. During this time, U.S. assistance focused on energy, economic growth, agriculture, stabilization, education, and health.

In 2019, the U.S. National Security Council led a Civilian Assistance Review that adjusted civilian assistance levels for Pakistan to approximately \$70 million a year, resulting in \$25 million for USAID programs annually, and a cap on civilian assistance from Fiscal Years 2018 to 2020. This recalibration was intended to reflect a changing relationship, moving from a traditional donor-recipient relationship to a partnership focused on shared interests, especially trade and investment.

## LOOKING FORWARD

### Afghanistan

USAID's Afghanistan strategy is durable in the current era of uncertainty and meshes well with those of the Government of Afghanistan and other donors. Assistance can leverage certain aspects of the peace negotiations, and plans are in place to pivot toward peace if current negotiations bear fruit. The Government of Afghanistan is very donor dependent, with over 60 percent of its budget provided through grant funding. In addition to a costly security sector, this is a product of low domestic revenue generation and considerable corruption, two priorities of the joint donor reform dialog in which USAID is an active participant. Although significant progress has been made in women's health and education, Afghanistan faces unique and severe challenges in addressing the rights of women and youth. One challenge moving forward will be encouraging the Government of Afghanistan to build momentum for these social gains through a series of new women's empowerment activities. Another challenge will be encouraging the Government of Afghanistan to address the critical issue of countering trafficking-in-persons, including the practices of *bacha bazi* (pederasty) and recruitment of child soldiers, particularly after Afghanistan was downgraded to Tier III in the [2020 TIP report](#).

USAID will address these challenges by engaging private sector entities to support value chains, with particular emphasis on high-value export products. USAID will also expand partnerships with the private sector to deliver educational services, such as affordable private schools, and strengthen educational value chains such as local printing of textbooks. Greater private sector participation in pharmaceuticals, laboratories, hospitals, and clinics can increase health service availability and quality as well.

Two overarching factors in Afghanistan that will require USAID assistance to be flexible and adaptable are the COVID-19 pandemic, which is expected to have long-term tertiary impacts, and the ongoing peace process. The *South Asia Strategy* and the government's own development plan both recognize the need for greater economic integration in the region.

### Pakistan

Pakistan remains a strategic partner for the U.S. in South and Central Asia, and while it continues to require foreign assistance to meet its development goals, it is fiercely independent, at odds with India, and closely aligned with China. Its growing bilateral debt is a major concern among international donors due to its potential to inhibit Pakistan's future prosperity. USAID's programs to expand options through private-sector led inclusive economic growth, trade, and an improved investment environment are key.

Pakistan's northern border, with a long history of isolation, is important to securing peace in the region as is reducing the vulnerability of young and marginalized populations to conflict. USAID is supporting the Government of Pakistan's commitment to stabilize the north by expanding the writ of government along the Afghanistan/Pakistan border. Additionally, USAID promotes greater understanding and engagement to harness the energy and aspirations of a growing youth population and marginalized communities.

As U.S. assistance has decreased significantly, China has become a dominant actor in Pakistan, providing both military and economic assistance. The Chinese-Pakistan Economic Corridor is a pillar of the relationship, along with China's Belt and Road initiative. Since 2015, the Chinese-Pakistan Economic Corridor has financed infrastructure projects in Pakistan through loans issued by the Chinese

**NOTES**

**BUREAU FOR ASIA:  
USAID'S SUPPORT TO THE AFGHANISTAN PEACE PROCESS**

## **INTRODUCTION**

Foreign assistance is crucial to addressing the security and development challenges that, in the past, made parts of Afghanistan a safe haven for terrorists and violent extremist organizations. It is also a vital component to achieving a political settlement to end Afghanistan's conflict and bring lasting stability to the country. The potential for a peace agreement between the Taliban and the Government of Afghanistan is greater now than at any time in recent history. While reaching a settlement will be challenging, sustaining it will be essential to protect the development gains made over the last two decades. Afghanistan Peace Negotiations could lead to localized reductions in violence in select areas of the country and enhanced freedom of movement for Afghan civilians, service-providing government ministries, and international aid organizations. These geographic locations will provide a "proof of concept" for expanding to additional formerly non-permissive areas of the country, as conditions allow, and will help build the Afghan public's confidence toward a comprehensive settlement.

## **LOOKING BACK**

An end to conflict and significant reductions in violence are crucial for Afghanistan's long-term prosperity and self-reliance. Following the significant reduction of U.S. troop levels in 2014, USAID shifted its previous strategy, which focused on stabilization activities and supporting civilian-military coordination, to a focus on economic development; establishing strong government institutions; and supporting advances in health, education, and gender equality. With this in mind, USAID's programming from 2015 to 2018 sought to create the conditions necessary for a more peaceful and stable Afghanistan. In the education sector, the Mission recognized that instilling a culture of peace, tolerance, and diversity, and preparing Afghan youth for global cooperation are accomplished through education. Holistic education of youth enables them to contribute significantly to economic, social, and political life. Additionally, a focus on peaceful, transparent, and inclusive elections that produce results that are seen as legitimate are vital for Afghanistan's long-term stability. Accordingly, USAID and other donors have provided significant assistance to ensure Afghanistan's presidential and parliamentary elections are increasingly transparent and accountable. USAID programs during this period also empowered a critical mass of female leaders across the country to advocate for protecting the rights of women and greater inclusion of women's full participation in Afghan society.

USAID/Afghanistan's 2019 to 2023 Country Development Cooperation Strategy builds upon these efforts to create the conditions necessary for peace, moving towards concrete planning for successful peace negotiations and the sustainment of political settlements. Over the last two years, USAID has mobilized resources to play a more direct role in the efforts to make meaningful progress in the Afghanistan Peace Negotiations. The Agency has dedicated staff to coordinate USAID's peace programming and collaborating with key donors to discuss projects that address emerging needs resulting from a peace agreement. USAID has also coordinated within the U.S. Government to conduct an early-scoping mission tasked with exploring USAID's assistance portfolio to identify current and future efforts that could support a negotiated settlement. USAID funded provincial and community-level peace dialogues, including those focused on women and youth, trained cadres of female negotiators, and established Victim's Assistance initiatives. Also, with the help of local civil-society groups, USAID-funded peace messaging campaigns reached more than two million Afghans to raise awareness of the wider social benefits of tolerance and inclusion of marginalized populations. Likewise, USAID-funded peace visioning workshops and training have directly reached more than 300,000 individuals.

## LOOKING FORWARD

USAID supports the Afghanistan Peace Negotiations through multiple lines of effort. Most prominently, USAID developed a two-phased approach to support the peace process, while continuing to provide longer-term development programming outlined in the Mission's Strategy. In Phase 1, USAID supports activities that promote progress toward and during APN. Most immediately, this means continuing efforts to facilitate dialogue on peace throughout Afghanistan, providing support to Afghanistan Peace Negotiations through research, technical assistance, training, and logistics, promoting the rights of women, and educating Afghan citizens on their democratic rights. If there is an early comprehensive ceasefire, this could mean increasing the areas where USAID provides humanitarian assistance, engaging in confidence building measures, and exploring options for expanding activities (such as the Agricultural Marketing Program) that will increase employment generation in the agriculture sector.

In Phase 2, following a framework agreement, USAID will demonstrate to all sides what tangible benefits are possible in maintaining the framework agreement and establishing a comprehensive final political settlement. USAID will leverage progress in the peace process to encourage increased private sector-led economic growth, promote an enabling environment for domestic businesses that can also attract foreign direct investment, help support female-owned enterprises, and drive youth entrepreneurship. It will also continue programs that address constraints in key market and product value chains. Should a framework agreement include restructuring the Afghan state, USAID will prioritize assistance on subnational governance, rule of law, constitutional reform, other governance issues, job creation initiatives that will help demobilized fighters reintegrate, and support to internally displaced persons and returning refugees. Throughout both phases, USAID will leverage current U.S. government programs and activities to help pursue opportunities to increase regional connectivity and economic linkages between Afghanistan, Central Asia, and South Asia. USAID will also make strides to maintain the significant gains the country has made since 2001 in the advancement of the rights of women and minorities, improvements in health outcomes, and increases in quality and access to basic and higher education. It will be critical for USAID to coordinate with other donors on transitional justice, peacebuilding, and reconciliation activities.

Since most resources are tied to existing grants and contracts, USAID will exercise the option, where possible, to pivot current projects toward sustaining peace. USAID will also continue to contribute funds to the World Bank-managed Afghanistan Reconstruction Trust Fund, which coordinates with other key donor governments to synchronize development resources focused on Afghanistan's reconstruction, development, and economic growth. As USAID continues to plan for the best use of its resources in Afghanistan, challenges include reduced donor funding, political shifts in the newly-established Afghan government, ongoing violence and insecurity, and legal restrictions that may prohibit new programming opportunities or private-sector investment. The decline in U.S. assistance funding will increase the need to utilize resources even more strategically, including leveraging contributions from less-traditional donors, and supporting the Afghan government to identify and mobilize streams of revenue that will allow it to become self-reliant.

A key challenge to U.S. support for peace efforts moving forward is current legal restrictions on where USAID can provide foreign assistance in and around conflict areas. USAID is working with relevant interagency partners to prepare the appropriate legal and administrative documents necessary to conduct programming after a peace settlement is reached. Delivering expanded assistance in Taliban-controlled areas and to Taliban-affiliated persons will require an Office of Foreign Assets Control license, a material support waiver, and exceptions to applicable United Nations sanctions regimes.

**NOTES**



## BUREAU FOR ASIA: USAID'S IMPLEMENTATION OF THE INDO-PACIFIC STRATEGY

### INTRODUCTION

In November 2017, President Trump laid out America's vision for a free and open Indo-Pacific, called the Indo-Pacific Strategy (IPS). The Indo-Pacific region is home to the world's fastest growing markets and offers unprecedented potential to strengthen the U.S. economy while improving livelihoods in Asia and around the world. Yet the region's continued growth—and the ability of U.S. companies to compete fairly in the region—is hindered by challenges which include poor governance, a lack of infrastructure, and unsustainable use of natural resources. The U.S. Government is advancing a whole-of-government approach around three pillars: economics, governance, and security.

### LOOKING BACK

USAID helps achieve the objectives of the Indo-Pacific Strategy (IPS) in three major ways: 1) strengthening democratic systems; 2) fostering private sector-led economic growth; and 3) improving the management of natural resources. USAID supports partner countries by implementing development programs that yield concrete results—including benefits to the U.S. private sector. USAID is sharply focused on countering the immediate- and medium-term effects of malign influences that contest the region's progress, especially as China increases its presence through its Belt and Road Initiative. In the long-run, USAID's education and health programs cut across the IPS objectives and create the foundation for a free and open Indo-Pacific region in line with a country's Journey to Self-Reliance.

In support of these three objectives, USAID is: 1) expanding USAID's footprint and engagement across the Pacific Islands—a strategic area vulnerable to China's influence—by increasing staff and programs in the Solomon Islands, the Federated States of Micronesia, the Marshall Islands, Palau, Fiji, and Papua New Guinea<sup>1</sup>; 2) bolstering India's regional and global leadership; and 3) supporting regional entities such as the Association of Southeast Asian Nations. USAID has also created "IPS Hubs" in Bangkok, Thailand, and New Delhi, India, to coordinate sub-regional efforts, and has taken a leading role within the U.S. Government in designing and implementing initiatives, including the Indo-Pacific Transparency Initiative, the Infrastructure Transaction and Assistance Network, Asia EDGE (Enhancing Development and Growth through Energy), and the Digital Connectivity and Cybersecurity Partnership. USAID is partnering with like-minded donors such as Japan, South Korea, Australia, New Zealand, and Taiwan to advance shared priorities. Overall, funding for the Indo-Pacific Strategy has strong bipartisan support in Congress.

### LOOKING FORWARD

The Indo-Pacific region includes mature democracies like India, Indonesia, Australia, Japan, and South Korea, as well as autocratic regimes like China, Laos, and Cambodia. An increasingly ambitious and assertive China has found corrupt and autocratic regimes to be vulnerable to its expanding economic and political aspirations, imperiling democracy, fair trade, and good governance. Inequitable or sluggish growth, unsustainable debt, inadequate access to social and financial services, and exhaustive exploitation of natural resources are often rooted in authoritarianism, which thrives on corruption, lack of transparency, and weak civil and political structures that limit freedoms. COVID-19 has exacerbated the risk of humanitarian crises, human rights abuses, corruption, malign foreign influence, disinformation, and backsliding of democratic institutions. The pandemic demonstrates the consequences of restricting information and lack of transparency. To reverse these trends and mitigate attempts by authoritarian actors to exploit fear and insecurity generated by the pandemic, USAID is

<sup>1</sup> The current Compact of Free Association run through 2023 for FSM and RMI and through 2024 for Palau. The State Department aims to conclude negotiations and to transmit to the new Congress in 2021. The next Compact period will run through 2044. Supports include enhanced disaster relief and recovery assistance by USAID.

intensifying efforts to bolster democratic institutions, processes, and principles, and is supporting programs that build transparency and accountability through strengthening government institutions, greater engagement with civil society, and renewed emphasis on upholding human rights and civil liberties. USAID will continue to work with like-minded partners to advance democratic values and systems.

Despite Asia's extensive economic growth over the past decade, challenges such as weak regulatory environments, lack of infrastructure, and corruption constrain sustainable and inclusive growth. These issues hinder fair competition and impede private-sector investment, key to unlocking new financing streams and allowing for development choices and partners. Greater transparency and accountability are critical to help counter these obstacles. The region faces a financing shortfall on infrastructure; for example, the Asian Development Bank estimated in 2017 that Asia needs \$1.7 trillion in infrastructure investment annually to maintain growth, yet, governments mobilize less than 50 percent of that sum. Telecommunication demands will also dramatically expand as Asia continues to be the world's fastest growing region for digital connectivity and transformation. Powering infrastructure and digital growth will require significant expansion of energy sources, systems, and markets in the region.

With COVID-19 bringing massive unemployment, closure of businesses, supply-chain disruptions, declining remittances, increasing investment gaps, and greatly constrained fiscal space in its wake, USAID will prioritize programs that create greater resiliency in host countries' economies and capitalize on opportunities created by increased digital reliance. For the remainder of 2020, the World Bank forecasts that all countries in Asia will have either negative or significantly slowed gross domestic product growth. The World Bank also projects that the world could see the first increase in global extreme poverty since 1998. Nearly half of the projected new extreme poor will be in South Asia. Following the pandemic, China's digital silk road will be more aggressive and require counterbalance. USAID is committed to helping the Indo-Pacific nations improve economic competitiveness by creating an enabling environment and greater government transparency to spur development. The Asian Development Bank estimates that while fiscal reforms could help bridge Asia's financing gap, the private sector would need to increase its own funding by about 300 percent. Through USAID's programming and partnerships with the private sector and civil society, the Agency will continue to strengthen the regulatory environment for private enterprises and level the playing field to incentivize trade and improve competitiveness. USAID's work to advance the digital economy and innovations has taken on new urgency and importance.

The Indo-Pacific is also a hotspot for zoonotic diseases, a threat that is worsened by lack of wildlife protection, massive landscape conversion for infrastructure development, reckless extraction of resources that ignore environmental and social safeguards, transnational environmental crime, and rapid environmental degradation. COVID-19 has thrust the region's vulnerability to pandemics linked to animal-borne diseases into the global spotlight. Additionally, the region will continue to be at risk for a decline in tropical forests, disappearance of the world's largest area of mangrove forests, and illegal, unreported, and unregulated fishing of the most productive fisheries on earth. Despite COVID-19, infrastructure expansion, especially from China's Belt and Road Initiative projects in the region, will continue to encroach on wildlife habitats. To counter these problems, USAID's programs will continue to focus on strong safeguards and effective conservation measures to help preserve biodiversity and natural buffers that will help mitigate the impacts of natural disasters. USAID will work with international institutions and partners to promote the rule of law and norms. Given their strategic importance to Indo-Pacific nations and the United States, USAID will continue to prioritize these efforts along the Mekong River and in the South China Sea, including areas adjacent to the Pacific Islands.

**NOTES**

## BUREAU FOR ASIA: IMPLEMENTATION OF THE CENTRAL ASIA STRATEGY

### INTRODUCTION

Bounded by Russia, China, Afghanistan, and Iran, Central Asia sits at the crossroads of global socio-economic and political struggles. Its stability and security are crucial for the United States' strategic interests in the promotion of free and independent Central Asian states, countering terrorism, promoting energy security, stabilizing post-war Afghanistan, and enhancing economic prosperity in the region and beyond. USAID's engagement in Central Asia (total population 72 million) dates back to 1992, when the five republics of Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan became independent following the dissolution of the Soviet Union.

Development across the region is highly uneven. Kazakhstan, which is heavily dependent on natural resource extraction, has a per capita gross domestic product approximately 12 times greater than that of Tajikistan. Uzbekistan, with the largest population in the region (33 million), is coming out of decades of isolation and stagnation. The region is one of the least economically integrated in the world. It has been highly affected by the COVID-19 crisis, with severe disease burden throughout the region and dire second-order effects on vulnerable populations. Central Asia is heavily dependent on migrant remittances and at high risk for trafficking in persons. The region is vulnerable to malign external economic, political, and security influences. The Belt and Road Initiative has catapulted China towards becoming Central Asia's lead trading partner. U.S. companies have significant investments in the hydrocarbons sector and the region is of high interest to U.S. investors in a number of sectors. To address the political, economic, and security challenges in the region, and aided by recent shifts in Central Asian leadership dynamics (most notably, Uzbekistan's new openness to cooperation with its neighbors and with the United States), the U.S. launched a new whole-of-government Central Asia Strategy (CAS) in February of 2020.

### LOOKING BACK

USAID plays a vital role in partnering with the Central Asian countries to accelerate their [Journey to Self-Reliance](#), promote regional stability, strengthen democratic institutions, and foster regional cooperation among the five countries and with Afghanistan. For the last decade, USAID has hosted an annual Central Asia Trade Forum, one of the region's largest events, which promotes regional trade and facilitates participation by U.S. businesses. USAID helped communities along eight transboundary rivers to collectively resolve water management issues. In the energy sector, USAID was instrumental in bringing on board four of the five Central Asian countries to participate in the Central Asia Regional Electricity Market. USAID has played a central role in the \$1.2 billion Central Asia-South Asia Power Project, which upon completion in 2022 will transmit 1,300 megawatts of power from Tajikistan and the Kyrgyz Republic to Afghanistan and Pakistan. To address weak democratic governance in the region (among these countries, Freedom House rates only the Kyrgyz Republic as "partly free"), USAID has made progress in promoting media independence and the rule of law by providing assistance to judicial reform, strengthening civil society organizations, and building citizen-centered local governance policies. USAID also supports regional stability through the U.S.-led "C5+1" initiative, which convenes the five countries to address issues of mutual concern.

USAID has prioritized developing human capacity by improving equitable access to quality health care and education and by enhancing citizen oversight of government decisions. In Tajikistan, USAID's nationwide education programs have reached 90 percent of schools across the country. USAID also signed a \$50 million agreement with the Government of Uzbekistan to reform the education sector, the first such agreement in Central Asia. USAID's support in Central Asia has also contributed to modernizing and improving post-Soviet health systems and fighting diseases of global significance such

as tuberculosis in a region that carries the highest burden of multi drug-resistant tuberculosis globally. Since 2017, USAID's programs in the Kyrgyz Republic have cut treatment times for tuberculosis patients in half; in Uzbekistan, our partnership with the National Tuberculosis Program has resulted in halving the incidence rate of tuberculosis. USAID also supports a broad regional effort to identify and treat HIV cases.

## LOOKING FORWARD

Central Asia faces diverse and complex challenges, including Russian influence and disinformation, the lure of Chinese "debt development," repression of political freedoms, violent extremist recruitment, remittance-dependent economies, an underdeveloped private sector, weak education systems, and multi drug-resistant tuberculosis. Chinese investments in non-transparent infrastructure projects and digital systems continue to distort economic security and increase indebtedness.

These challenges have been exacerbated by COVID-19, which has devastated an already vulnerable healthcare system, with significant losses of health providers, and has exacerbated the risk of further backsliding in democratic institutions, human rights abuses, and disinformation. Recovery from the pandemic will be a key focus of USAID assistance for the foreseeable future due to the severe primary impacts, as well as second-order effects that threaten to reverse decades of development gains.

(b)(5); (b)(5) - Deliberative Process Privilege

(b)(5); (b)(5) - Deliberative Process Privilege

In alignment with the CAS, USAID established new bilateral missions in Tajikistan and Uzbekistan in 2020, adding to the existing bilateral mission in the Kyrgyz Republic and the Central Asia Regional Mission, based in Kazakhstan. The Regional Mission will focus on transboundary programming in countering violent extremism and trafficking-in-persons, supporting shared water resources and the environment, environmental safeguards, energy, and trade. It will also oversee bilateral programs in Kazakhstan and Turkmenistan.

To strengthen democratic institutions, USAID will focus on supporting rule of law, creating fora for meaningful citizen input in decision-making, and promoting transparent and responsive governance. In order to counter malign misinformation and disinformation campaigns, USAID will work to strengthen independent media outlets, promote media literacy, and ensure access to quality information. USAID's countering trafficking-in-persons programs will address the underlying causes that drive human trafficking and promote regional cooperation on safe employment and labor migration.

USAID will promote U.S. investment in Central Asia and develop the region's capacity to reform public procurement regulations, address debt issues, and implement open government initiatives, particularly in the digital technology sector and cyber security space.

To increase regional connectivity and economic cooperation within Central Asia and with Afghanistan, USAID will prioritize support for trade initiatives to expand access to markets, support local businesses, and facilitate investment. USAID support for a unified electric grid across Central Asia will improve regional energy security and reduce reliance on external actors. To create a level playing field for investors as well as enhance regional connectivity, USAID will work to advance digital ecosystems that are inclusive, open, and secure.

**NOTES**

**BUREAU FOR ASIA:  
INDIA AND THE PROPOSED US-INDIA DEVELOPMENT FOUNDATION**

**INTRODUCTION**

India is the world's largest democracy and seventh largest economy. The United Nations projects India will bypass China to become the world's most populous country by 2027. Yet at the same time, India continues to face critical development challenges and is home to one-quarter of the global population suffering from extreme poverty. U.S. foreign policy towards India is predicated on the view that a stronger India will further national interests in terms of greater stability and prosperity in Asia and around the world.

The United States has a 70-year development relationship with India, which has evolved from a traditional donor-recipient relationship to a strategic peer-to-peer partnership. The partnership now relies heavily on bringing the private sector, science, and innovation together with regional and global approaches to development. While the bilateral U.S. assistance budget in India has remained steady, USAID has doubled the total value of our development programs by leveraging resources from partners. Furthermore, India is playing a stronger leadership role in the South Asia region and globally—a key objective of both the Administration's *Indo-Pacific* and *South Asia Strategies*. India's Development Partnership Administration, which was modeled on USAID and manages a \$2 billion development assistance portfolio worldwide, provides development assistance in line with India's foreign policy initiatives.

**LOOKING BACK**

USAID's relationship with India has evolved in parallel to the country's growth, and our programming has shifted over time to reflect the country's development progress. With its emergence as a global economic power, India fosters a culture of cutting-edge innovation and vibrant capital markets. Notably, India is also one of the few countries in the world to incorporate corporate social responsibility requirements into its laws; the introduction of the Companies Act in 2013 instituted a new requirement that companies of a certain turnover and profitability must contribute 2 percent of their net profits to socially responsible projects. In light of these factors, USAID began to explore a new model of business in India to better leverage India's own domestic resources, the special US-India relationship, and India's progress on its Journey to Self-Reliance.

Against this backdrop, in 2018, USAID proposed the establishment of the US-India Development Foundation (US-IDF), an entity that would be formed under Indian law and closely affiliated with USAID that would address some of India's key development challenges: tuberculosis; water, sanitation, and hygiene; and pollution and its health impacts. The US-IDF would serve to: 1) crowd-in pools of capital, particularly impact investing and corporate social responsibility funds with public funds; 2) deploy a range of innovative financing instruments, including returnable grants, impact bonds, and early-stage debt and equity; and 3) fill gaps in and build upon existing USAID programs in ways that are complementary and additive to the efforts of the Government of India. The intent in the long term is for the US-IDF to serve as a legacy institution for United States development assistance in India. In December 2019, Representative John Lewis introduced H.R. 5517, which would give USAID statutory authority to establish the Gandhi-King U.S.-India Development Foundation. H.R. 5517 also added pollution and climate change, education, and empowerment of women as issue areas for the US-IDF to address. The House Foreign Affairs Committee passed H.R. 5517 on a bipartisan basis on July 29, 2020. The bill is pending consideration in the Senate.

In 2020, as part of USAID's Transformation, USAID reorganized its Mission to India to align its structure

with the priorities of the *Indo-Pacific* and *South Asia Strategies* and increase efficiency in programmatic implementation. The reorganization included a new Indo-Pacific Office which reflects India's leadership role envisioned in the Administration's *Indo-Pacific Strategy*. The reorganization also included a new, streamlined General Development Office, which consolidates bilateral programs formerly administered by three separate technical units—the Offices for Food Security, Social-Sector Initiatives, and Clean Energy and Environment—to create opportunities for better coordination and eventually work with the US-IDF as the legacy organization to USAID's presence in India; and a renamed Office of Development Partnerships and Innovation to emphasize USAID/India's catalytic role in partnerships and innovations.

## LOOKING FORWARD

USAID can reinforce the U.S. strategic relationship with India by building on progress in the targeted areas below. USAID will also work with the Government of India to deliver development solutions to the region and the world as the recovery from the COVID-19 progresses. Further, should H.R. 5517 become law, USAID's relationship with India will focus on the operationalization and establishment of the US-IDF.

**Health:** India has been heavily affected by COVID-19, with the second-highest infection rate in the world. Since the start of COVID-19, India has seen a 70-80 percent drop in demand for vaccines for three common diseases: measles, pneumonia, and rotavirus, which could turn back progress on disease eradication by decades. The pandemic has also had an effect on tuberculosis notification and treatment. Compared to the same time last year, there has been a 37 percent reduction in private sector notifications of tuberculosis, and a 30 percent decline in public sector notifications. This rollback significantly increases the risks posed by new, drug-resistant strains of tuberculosis, which would endanger not just India but global health security. India is also critical in the continued global fight for polio eradication, as its surveillance is essential as long as neighboring Pakistan maintains significant case rates for polio. USAID uses maternal and child health funds to promote polio eradication, as well as to support reductions in maternal mortality, given that approximately 25 percent of global maternal mortality occurs in India.

**Regional Connectivity:** South Asia remains one of the least-connected regions in the world. Promoting regional connectivity is a growing priority, as it will improve the self-reliance of the countries in the region and give countries options to resist malign influence. Reliable energy supply with enhanced regional power trade, improved cross-border management of natural resources and climate risks, and digital connectivity will bolster regional economic growth. More open, free, and transparent cross-border cooperation can lead to development gains across multiple sectors and countries.

**Private-Sector Engagement:** USAID/India's 2020-2024 Country Development Cooperation Strategy emphasizes partnerships and encourages all staff to act as co-creators, co-investors, and co-implementers of private-sector alliances within the Mission's strategic Development Objectives. USAID's proven ability to partner with the private sector to develop sustainable solutions, mobilize valuable resources and expertise, jointly implement programs, and accelerate impact will be critical to the success of the CDCS. USAID already works closely with U.S. private-sector organizations and other catalytic partners. There will also be increased opportunities for partnership with the Indian private-sector, both in the context of leveraging corporate social responsibility funds and pursuing common strategic objectives.



**NOTES**

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## Total Staff - Washington\*

- AD
- CS
- FS
- ISC
- PSC
- FSL
- Other



## Total Staff - Field\*

- FS
- FSN
- PSC
- Other

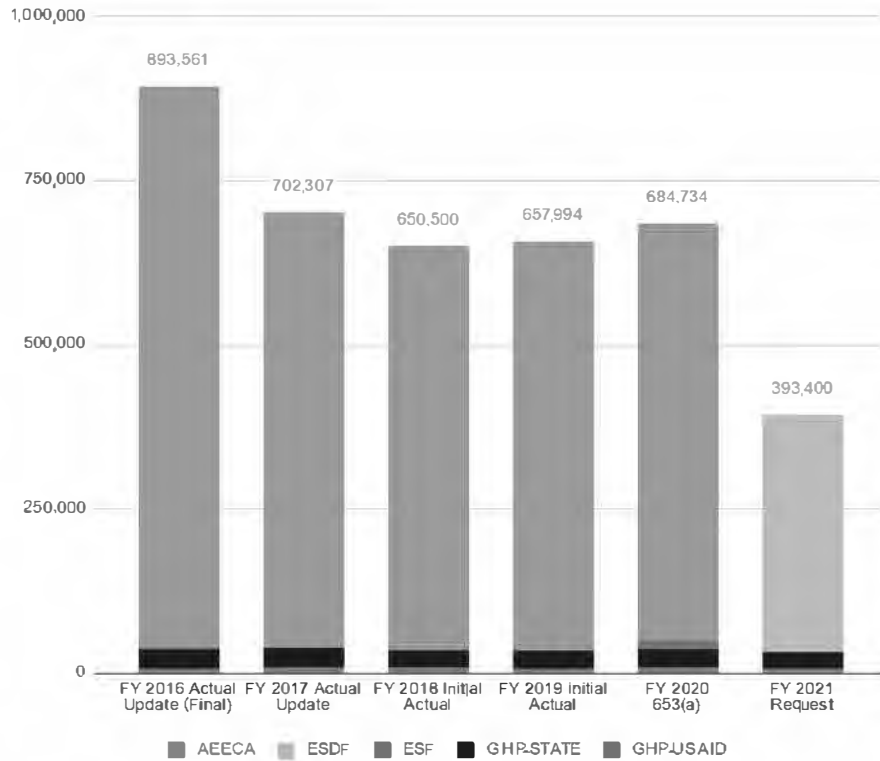


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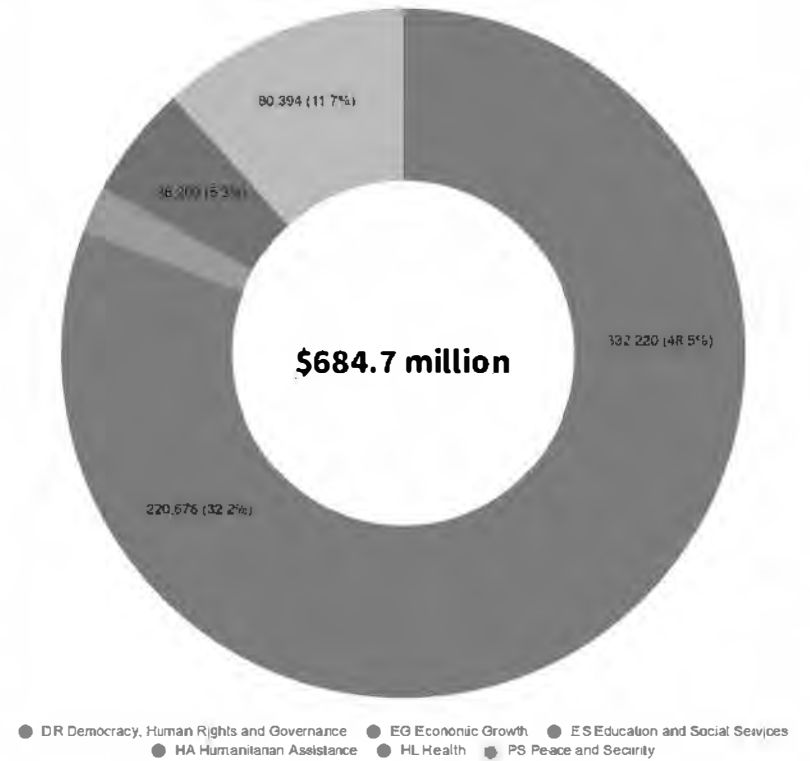
\*All staffing numbers provided by Bureau and accurate as of October 28, 2020

# Bureau for Europe and Eurasia (E&E)

**Program Budget Allocations, by Account - FY 2016-2020 and FY 2021 Request**  
(\$ in thousands)



**Program Budget Allocations, by Category - FY 2020 653(a)**  
(\$ in thousands)



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NOTE: These charts include funding in the following USAID-managed and partially-managed accounts: AEECA, CCF, DA, DF, ESDF, ESF, FFP, GHP-STATE, GHP-USAID, HA, IDA, and TI. They do not include supplemental appropriations.

**BUREAU FOR EUROPE AND EURASIA:  
BUREAU OVERVIEW****INTRODUCTION**

The countries of Europe and Eurasia stand at a crossroads. The region has achieved remarkable progress, but its future is not assured. While the people of the region struggle to secure prosperity, a stronger voice in government, and independence from foreign manipulation, regressive movements seek to bend the region toward a future of authoritarian rule and corruption. In contrast to the "managed democracy" promoted by the Kremlin, USAID promotes citizen-centered, democratic governance and seeks to sustain the hope among the people of the region that good governance and a fair economic playing field are attainable.

USAID's assistance was critical for stabilizing Ukraine and Georgia following Russia's invasions and for providing assistance and promoting difficult reforms following changes of government in Armenia, North Macedonia, and Ukraine. USAID's support to civil society and independent media bolsters those seeking democratic change in Azerbaijan, Belarus, and Russia. The Bureau for Europe and Eurasia (E&E) developed the Countering Malign Kremlin Influence (CMKI) Development Framework to focus and orient efforts to respond to this profound, multifaceted challenge. In the coming years, E&E will continue to innovate to lessen the economic, social, and political vulnerability of countries to malign influence; invest in a new generation of leaders; address the drivers of out-migration; and strengthen governance, energy security, financial, and health systems. In doing so, USAID will promote the stability of the region, protect past assistance investments, and advance American interests and values.

**LOOKING BACK**

Charting a successful path forward for development in Eastern Europe depends heavily on a clear understanding of the past. From 1989 to 2000, the region benefited from an environment that was relatively open to the benefits and commitments associated with international development assistance. It appeared that progress for the region toward democracy, economic growth, and integration into Euro-Atlantic institutions was limited largely by the will and ability of these countries to overcome the internal legacies of their communist pasts. During this time and into the 2000s, great progress was made toward integration for several countries into the European Union (EU) and North Atlantic Treaty Organization (NATO). Looking back, it is now evident that the Western democracies did not fully comprehend the complexities of conditions leading up to, and immediately following, the collapse of the Soviet Union. Thus, the impact of development assistance has varied across countries and sectors. Foreign assistance programs of today continue to address a far more difficult and protracted set of challenges than were originally anticipated.

Beginning in the 2000s, as Vladimir Putin consolidated power in the Kremlin, Russia began to ramp up its efforts to reassert power over what it continued to think of as its 'near abroad' and its 'sphere of influence.' In 2008, Russia invaded and occupied parts of Georgia. In 2014, it invaded Ukraine, annexed Crimea, and began a proxy war in the Eastern part of the country. Through the 2010s, the Kremlin intensified and expanded a complex campaign to undermine the development progress of the countries of Europe and Eurasia and to make its neighbors more dependent on Russia. It has done this through efforts to discredit and weaken democracy, spread disinformation, and to make these countries more dependent on Russian energy and the Russian economy.

E&E has led the U.S. Government in using development to counter the threat of Kremlin influence. It is also working with our partners to resist predatory Chinese commercial and financial entanglement. Recently, USAID has provided critical and timely support to new governments in Ukraine, North

Macedonia, and Armenia. We have expanded our presence to Greenland to counter Chinese influence in the Arctic and to assist the people of Greenland with identifying opportunities to diversify its economy by building greater community economic resilience and self-reliance. We have strengthened our longstanding alliance with Italy and other countries through our response to COVID-19 and welcomed North Macedonia to NATO in March of 2020. E&E's assistance has successfully balanced sustained investment and emergency response, bilateral and regional approaches, and innovative approaches to intractable problems. While work remains to be done, the expansion of U.S. trade with the region and the growing cadre of development partners invested in the region's prosperity signal USAID's ability to achieve transformational impact in Eastern Europe.

## **LOOKING FORWARD**

Malign influence from the Kremlin is now the primary constraint for development in Europe and Eurasia. Increasingly, malign influence also comes from the Chinese Communist Party (CCP), the approach of which to foreign assistance is ultimately self-serving and often one-sided. E&E's Countering Malign Kremlin Influence Framework and USAID's Clear Choice strategy inform our efforts to strengthen our partners against the tools that the Kremlin and CCP utilize to undermine democratic institutions, fact-based information environments, free markets, and energy security. The malign influence of the Kremlin and the CCP leads to greater public cynicism as well as a weakening of the rule of law and prosperity that USAID assistance has painstakingly built. By strengthening democratic institutions, civil society, and independent media and by modernizing critical infrastructure, diversifying energy supply and trade, expanding linkages with Western businesses and business models, and strengthening cybersecurity practices, we will help our partners become more resilient to external malign influence.

Corruption remains a major constraint to development in the region and provides the ecosystem in which malign actors thrive. To lessen opportunities for corruption, E&E will promote transparency in economic policy and regulations, support investigative journalism, strengthen an active and engaged civil society, and seek greater openness and consistency for the enforcement of laws. COVID-19 has presented us with an additional challenge, to which we are still adjusting and analyzing the secondary impacts. The Bureau also looks to apply lessons learned and to regionalize successes from bilateral programs, creating opportunities to tackle cross-border challenges and achieve regional synergy.

Finally, E&E will address the looming development challenge of demographic decline. Since 1989, the proportion of the population over 65 in all E&E countries has increased, and out-migration rates have increased in nine of the eleven countries in the region. Emigrants as a proportion of population exceeded 20 percent in six E&E countries, driven largely by lack of economic opportunity. By empowering the next generation of young leaders, building workforce skills, expanding markets and economic opportunities, and supporting civil-society organizations to help governments respond to public concerns and help youth become invested in their communities, E&E will address this grave, emerging challenge to the stability and future development of the region. On its current path, USAID is positioned to help former Soviet Union and Eastern Bloc countries confirm their path toward freedom and prosperity and fulfill their long-held democratic aspirations.

**NOTES**

**BUREAU FOR EUROPE AND EURASIA:  
MALIGN INFLUENCE****INTRODUCTION**

Across Europe and Eurasia, malign influence originating from state and non-state actors seeks to undermine democratic development, prosperity, stability, and local sovereignty. These efforts emanate predominantly and most severely from the Kremlin, as Vladimir Putin seeks to assert greater authoritarian control over the region. External influence also comes increasingly from China, which is chiefly seeking to build a predominant economic position over the longer term but also seeks to enhance its soft power and promote authoritarian norms. Turkey, Iran, and the Gulf States are also all seeking to influence countries or sub-regions in Europe and Eurasia in ways that are problematic for the development of the region. Against the backdrop of a region experiencing significant democratic backsliding and economic challenges related to the COVID-19 pandemic, this interference from the Kremlin, China, and others in the development trajectories of these countries represents a direct challenge to their self-determination, stability, and future opportunities for their citizens.

**LOOKING BACK**

The Bureau for Europe and Eurasia (E&E) has worked to ensure the independence, democratic development, and prosperity of partner countries facing threats to their self-reliance. While malign Kremlin influence is a global threat, the Kremlin has focused its efforts at interference most intensely on countries in Europe and Eurasia. These countries' vulnerabilities to the Kremlin's malign influence are heightened by still-developing democratic institutions and, in some cases, democratic backsliding. These countries are also rendered more vulnerable by substantial economic reliance on Russian trade; dependence on Russian energy; information environments highly connected to Kremlin-dominated media; and shared post-Soviet legacies, most notably that of endemic corruption.

In response to this new, growing, and complex threat to development across the region, USAID developed the Countering Malign Kremlin Influence (CMKI) Development Framework, an effort the Agency began in 2017 and formally launched in July 2019. To build the resilience of partner countries in Europe and Eurasia, the Framework sets forth four major objectives: 1) counter efforts to undermine democratic institutions and the rule of law; 2) resist the manipulation of information; 3) reduce energy vulnerabilities to Kremlin influence; and 4) reduce economic vulnerabilities to Kremlin influence. The Framework also calls for cross-cutting efforts to address endemic and crippling corruption. Overall, the Framework helps USAID to orient and focus its efforts and resources to pursue key development goals in a new, more hostile, and contested environment. For example, to defend democratic institutions and the rule of law, USAID has supported cyberdefense for central election commissions and greater political finance protections. To counter disinformation from Russia, USAID increased investments in media literacy programming and indigenous fact-checking organizations. To reduce dependency on Russian energy supplies, frequently used for political leverage, USAID partnered with governments on critical infrastructure upgrades to enhance connections to European Union (EU) markets. To reduce economic dependence and Russia's punitive use of trade restrictions, USAID supported the re-direction of high-value exports to the EU while increasing financial transparency.

As with the Kremlin, Chinese influence promotes authoritarianism, corruption, and increased dependence of European and Eurasian countries. However, China's approach to building influence and power over the region is oriented toward the longer term and is more disciplined than that of the Kremlin and more focused on economic infrastructure. China's approach is also more capital intensive, leveraging the lure of massive investments or market access to gain increasing economic and political influence. Twenty-four European and Eurasian countries are included in China's Belt and Road Initiative

(BRI). The Center for Global Development identified six E&E presence countries as facing a particularly high risk of debt distress under BRI project financing models. Lack of responsiveness to environmental concerns around several Chinese investments in Western Balkans energy plants demonstrates the extractive motivations of these projects. In the technology sphere, China's regional investments include numerous "Smart Cities" efforts across Europe and Eurasia. Chinese expansion in the tech sector in the region would hold serious implications for digital privacy, internet freedom, and e-governance initiatives, tempting countries already exhibiting democratic backsliding by offering tools for digital repression. Recently, China also appears to be seeking more 'soft power' influence through its growing network of Confucius Cultural Centers across the region. Chinese tactics are yielding results in some cases, and Serbia's growing partnership with China is a prominent example. To combat these threats, E&E programs seek to 1) limit Chinese economic leverage (i.e., influence gained through debt dependency and trade imbalances); 2) counter China's export of corruption and pro-authoritarian narratives; and 3) reduce technological and energy vulnerabilities manipulated by China.

## LOOKING FORWARD

There is little reason to believe that malign influence from the Kremlin or China will decrease in the near future. In fact, trends show only new areas of engagement and new fronts of contestation in the region. There is also reason to believe increasing evidence that Russia and China are cooperating more closely on the use of illicit financial flows and in defense of anti-democratic measures and norms. Cybersecurity is another key consideration in monitoring and responding to Kremlin and Chinese efforts given their histories of state-sponsored hacking of other countries. China and Russia may also, as authoritarian governments, increasingly collaborate in closing and/or controlling the digital information space. China's recent move to imitate Russian tactics by confusing information around COVID-19 could signal a more aggressive approach to disinformation.

Countries in Europe and Eurasia must also be ready to counter malign influence from other authoritarian states. For example, Turkey and the Gulf States have used economic power to lobby local leaders and elites in the Balkans. Turkey has also successfully pushed for the deportation of Turkish Gulenist supporters from Kosovo and the closure of Gulenist schools in Moldova. Gulf states have made significant investments in cultural centers and religious institutions in the Balkans to advance ideological and political agendas among some communities, which may intensify religious and ethnic discord. Iran could also play a destabilizing role in Azerbaijan through the spread of fundamentalist, Islamist ideology.

To respond to malign influence, USAID has already developed and begun implementing frameworks for orienting and targeting our efforts and resources. We have worked to integrate the objectives of the CMKI Development Framework into all of our work across the region. This includes a comprehensive status report on the implementation of CMKI, which will detail how USAID's programs in the region are addressing malign Kremlin influence. The E&E Bureau has also just brought on a new CMKI Advisor, who will focus on continued integration of the Framework's goals into all E&E programs and will also work to coordinate efforts and track progress on CMKI across our missions and other bureaus, and with key U.S. Government stakeholders. E&E is also investing in new tools to track and analyze malign external influence in order to inform how programming should respond. In partnership with the AIDdata research consortium at the College of William and Mary, E&E is developing indices to track civil-society vulnerability, media vulnerability, and energy security. With new data, evidence from our efforts to date, and continued scrutiny of malign influence in partnership with partner countries, E&E will build the resilience of the region's political institutions, economies, and societies.



**NOTES**

**BUREAU FOR EUROPE AND EURASIA:  
DEMOCRATIC BACKSLIDING AND CORRUPTION****INTRODUCTION**

USAID's current approach in Europe and Eurasia looks to maintain a sustained focus on advancing the democratic aspirations of USAID's partners in Europe and Eurasia in order to use that focus as a launching pad for the comprehensive development in the region. By working to ensure inclusive, representative, accountable governance and allowing for fundamental freedoms and rights of its citizens, USAID seeks to 'unlock' the potential for progress in all other development sectors, from economic growth to health and to education. Over the past thirty years, many of the former communist countries have developed fledgling democratic institutions, civil society, free press, and human rights protections. However, the legacies of communist systems and a lack of experience with democracy in many of these societies have meant that building democratic institutions, processes, and values has been a long and arduous project. Most notably, patronage, weak legislatures, politically dependent judiciaries, the tendency to concentrate political power in the executive, and underdeveloped and unrepresentative political party systems have all worked to hinder or reverse progress on democratization. In many cases, this has even led to democratic backsliding and rampant government corruption. If the countries of the region are to make sustained development progress, they will need to regain momentum towards democratic consolidation and accountable governance.

The negative trends on democracy in many countries in Europe and Eurasia have been documented in major indices that track democratization. In Nations in Transit (NIT), Freedom House has warned of weakening democratic institutions in the region for several years. Assaults on judicial independence, threats against civil society and the media, the manipulation of electoral frameworks, the hollowing-out of parliaments, and weakened oversight of the executive all contributed to a democratic breakdown in the countries that Freedom House analyzed. According to NIT, there are fewer democracies in the region today than at any point since its reporting began in 1995. And unfortunately, democratic backsliding is not limited to one sub-region or only to former Soviet countries. In fact, some of the worst backsliding has occurred in the countries of Central and Eastern Europe. Corruption is also a grave problem in Europe and Eurasia. According to Transparency International's (TI) Corruption Perception Index (CPI), the scores of countries in Europe and Eurasia for corruption have been among the worst in the world and have largely remained stagnant. Georgia remains a bright spot and still leads in anti-corruption efforts in the region. Ukraine, on the other hand, still has a dangerously poor score on corruption and is ranked 126th on the CPI, despite a popular uprising against corruption in 2014.

**LOOKING BACK**

Decades of communism in many countries of Europe and Eurasia have left institutional and cultural legacies that often sustained patterns of executive dominance. This system of patronage and 'patronal' politics endures. Informal power sharing agreements and political corruption present significant barriers to democratic and development progress. Lack of judicial independence and weak rule of law make courts accessories to the abuse of power by the ruling elites and to corruption. Unreformed judiciaries have thwarted accountable governance. For example, the retrograde judiciary has long been a roadblock to anti-corruption reforms in Ukraine by refusing to punish corrupt officials and by slowing down significant anti-corruption reforms (e.g., the establishment of the anti-corruption court). In Moldova, judges participated in schemes to launder illicit funds from Russia through the Moldovan banking system. Governments often use 'administrative resources' to tip elections in their favor or in other cases have sought to rig elections outright. Ruling political parties have sometimes functioned more as top-down, corrupt 'parties of power,' rather than as grass-roots organizations. Civil society and independent media have developed rapidly in the region over the last three decades, but this greater

prominence and influence have made them targets of control, co-optation, restriction, and harassment on the part of governments and ruling parties. The sustained attacks on civil society and independent media in the region are particularly problematic because of the key role they have played in monitoring elections, defending fundamental freedoms, advocating for anti-corruption reforms, and countering disinformation.

Despite these challenges, the democracy and governance assistance activities of the Europe and Eurasia Bureau (E&E) has played a key role in stimulating and sustaining democratic progress. USAID assistance has worked to exponentially increase the number of civil society organizations (CSOs) across the region and to greatly enhance their capacity to advocate for citizens and monitor government activity. USAID has leveraged the dramatic growth in access to new information technologies in the region to help citizens and CSOs raise resources, network with citizens, advocate to governments, and reach out to citizens. E&E programs have increased the financial viability of the media sector through revenue diversification. Electoral processes have become better administered and monitored. However, challenges still remain: civil society is financially dependent on foreign donors and is becoming increasingly polarized; CSOs working on advocacy and government watchdog issues struggle to build domestic constituencies; media markets are financially weak; rising disinformation coupled with low media literacy help internal and external malign actors to control, co-opt, and manipulate the information sector; patronal politics and dirty money in politics sway electoral outcomes; and 'grand' corruption remains widespread.

## LOOKING FORWARD

The efforts of authoritarians must not outpace grassroots movements to build true democratic progress. While citizens embrace the difficult work of democracy, authoritarians build governance models based on rigged elections, corrupt and weak networks, dependent courts, and muzzled independent media. They increasingly seek to use digital tools to track and harass the opposition and other independent voices and even restrict or close off the internet. If this model spreads, it will set back the region's development trajectory and result in a more dependent, less stable, and less prosperous region.

Yet, civic activism is on the rise in the region. In Armenia, Belarus, and Moldova, peaceful protests are bringing together hundreds of thousands of people to express their anger with rigged elections and anti-democratic constitutional amendments. A digitally connected younger generation is the driving force behind this unprecedented level of civic activism. In the past three decades, a new generation of young citizens grew up without experiencing totalitarian oppression, fear, and censorship. Free flow of information and freedom of travel created a generation of free thinkers. E&E is seeking to harness this new energy in its flagship regional European Democracy Youth Network (EDYN) program. This regional network brings together young leaders from across the region who are committed to advancing democratic dialogue and sustaining democratic values through their political and civic activities. Our public-private partnerships, the Balkans Trust for Democracy (BTD) and the Black Sea Trust (BST) support hundreds of non-governmental organizations throughout the Europe and Eurasia region. BST and BTD are also helping civil society to serve their citizens during the pandemic by providing urgent COVID-19-related assistance across the region.

USAID is also leveraging its support for independent media—particularly in the digital space—to stem democratic backsliding and fight corruption. Since 2015, E&E has supported the news cooperative, the Balkan Media Assistance Project, which provides technical support to 16 independent media partners to help them broaden their audiences and become more financially sustainable. USAID's Organized Crime and Corruption Reporting Project (OCCRP) supports investigative journalism to expose corrupt networks, money laundering, and other illicit financial deals throughout the E&E region and globally.

**NOTES**

**BUREAU FOR EUROPE AND EURASIA:  
ENERGY AND INFRASTRUCTURE SECURITY****INTRODUCTION**

Energy security is a crucial element for advancing USAID's development goals in Europe and Eurasia and for advancing the U.S. Government's priorities of securing these countries' independence and partnership. Unfortunately, key challenges remain. The energy sector in the region is an entry point and source of leverage for malign actors—most notably Russia, but increasingly China—to capture and corrupt political elites, undermine the legitimacy of local governments and the region's democratic trajectory, and hinder economic growth. Insecurity and instability in USAID's partner countries also have broader implications for the entire European continent because Eastern Europe serves as a transit region for the energy supplies necessary to fuel Central and Western European economies. USAID has long been a leading donor in the regional energy and critical infrastructure sectors and has had a successful history of supporting U.S. objectives of improving the region's energy security, while simultaneously advancing U.S. national security and commercial opportunity. Active technical assistance programs cover all USAID presence countries in the region and also include several European Union (EU) member states, such as Bulgaria, Croatia, Poland, Romania, and Slovakia, which self-fund to remain partners in USAID programming. These programs not only promote stability on the periphery of important U.S. allies in Europe but also create opportunities for U.S. industry and help to develop knowledge that improves security in the United States.

**LOOKING BACK**

Following USAID support from around 1990 to 2005 to restore critical infrastructure, secure energy services, and improve energy sector efficiency, USAID foresaw the development of competitive energy markets and their integration with the EU as the next step in the pathway to regional energy security. Assistance in the following decade consequently focused on establishing functional national natural gas and electricity markets, a prerequisite step before unifying them into larger, more transparent regional markets aligned with the EU. In large part due to USAID assistance, most Eastern European countries have established competitive markets "on paper," and several have started integration efforts with neighboring countries. Because of these developments, the region has gained the potential to be: (1) more attractive to energy sector investment due to increased transparency and economies of scale and (2) more resilient to "divide and conquer" techniques employed by malign actors through bilateral fuel supply and infrastructure deals.

Over the past five years, the region has experienced more aggressive challenges from Russia and new challenges from China's emerging interest in Eastern Europe as a gateway to influence on the continent through its Belt and Road Initiative. Examples include Kremlin efforts to maintain Europe's dependence on Russian natural gas supplies; cyberattacks on critical infrastructure; strategic financing and ownership of infrastructure assets by both Russia and China; and disinformation campaigns that stymie new Western-financed infrastructure development, EU-oriented market reforms, and anti-corruption efforts. Guided by USAID's Countering Malign Kremlin Influence (CMKI), Clear Choice frameworks, and the State-USAID Joint Regional Strategy, the Bureau for Europe and Eurasia (E&E) expanded its energy and critical infrastructure security programming from its traditional strengths in drafting energy legislation and associated market reforms to include addressing other energy security issues stemming from the great power competition. E&E launched several new programs in: (1) natural gas system planning, setting the groundwork for a unified regional approach to diversifying supply to include U.S. liquid natural gas (LNG) and other sources; (2) critical infrastructure cybersecurity, including a global cybersecurity solicitation to address cybersecurity risks in telecommunications such as 5G, finance and

banking, energy, and other critical infrastructure sectors; and (3) an expansion of support to facilitate investment in new critical infrastructure projects.

Coalescing donor support to respond to malign authoritarian influence remains a challenge, particularly with European partners and International Finance Institutions, the assistance of which focuses on supporting the EU's decarbonization policies. USAID continues to collaborate with these partners on energy efficiency, renewable energy adoption, and market development. However, our partners' approaches are not focused on addressing long term security issues, such as reducing the Kremlin's leverage on natural gas supply and providing alternatives to Chinese investment in critical infrastructure.

USAID also adapted its energy programming in 2020 to support the region's short- and long-term response to the COVID-19 pandemic, advising utilities on how to maintain operations and addressing the roughly 400 percent increase in cyberattacks on critical infrastructure as companies shifted to telework.

## LOOKING FORWARD

The region's energy and critical infrastructure sectors are at an important juncture. Governments and energy system operators must address growing threats of malign influence, while also implementing new EU-oriented reforms and replacing aging infrastructure with: (1) new pipelines and LNG offtake facilities to diversify regional gas supplies; (2) additional power-generation facilities to replace assets constructed during the Cold War; and (3) upgrades to electricity transmission and distribution networks to support adoption of clean energy as well as improve reliability and security.

USAID programs are well positioned to support allies in meeting these challenges, having already established groundbreaking initiatives, such as USAID's first-ever energy and critical infrastructure cybersecurity programs as well as an electricity transmission system planning program that spurred over \$10 billion in infrastructure investment. Within the region, USAID remains the most credible source of technical assistance within the donor community and from the U.S. Government, due to its long-term relationships with counterparts and its history of successful implementation. In fact, several EU countries have voluntarily joined and benefitted from USAID initiatives in natural gas system planning, electricity market development, and cybersecurity.

In 2020, USAID launched the next generation of USAID's energy sector assistance to the region: a five-year, \$90+ million regional energy security project, entitled the U.S.-Europe Energy Bridge (the Bridge). The goal of the Bridge is to connect energy sector stakeholders in Europe and Eurasia with the finance, technologies, and operational expertise necessary to address critical infrastructure investment and management needs. The Bridge will position U.S. technology and services as a counterbalance to the efforts of malign actors and promote the transfer of U.S.-funded and implemented innovations in Europe (e.g., in the field of critical infrastructure cybersecurity) back to the United States, increasing the mutual benefits that are at the heart of the Euro-Atlantic alliance. To maximize the effectiveness of the Bridge, USAID will maintain close interagency dialogue. USAID's interagency partners remain focused on large-scale infrastructure projects in oil and gas production and transmission in addition to U.S. nuclear technology exports. USAID supports these objectives and also recognizes that it can have the greatest impact by focusing other key engagements, such as assistance to utilities and regulatory agencies to improve energy system strategic planning and operations, build capacity to monitor energy markets for corrupt activities, and identify opportunities for U.S. technology and services to improve cybersecurity and integrate renewable energy. USAID's counterparts seek U.S. leadership and engagement in dealing with the most intractable sector-wide issues, and USAID programs are ready to address these issues.

**NOTES**

**BUREAU FOR EUROPE AND EURASIA:  
ADVANCING DEVELOPMENT PROGRESS**

## **INTRODUCTION**

The Bureau for Europe and Eurasia (E&E) has a proven track record of partnering with countries to move them toward self-reliance. Since 1989, 12 of the original 24 countries that have been in the E&E portfolio have moved on from being recipients of development assistance, 11 have joined the European Union (EU), and 13 have joined the North Atlantic Treaty Organization (NATO). USAID will continue to build upon this record to promote the reforms needed to successfully transform our 12 current partner countries<sup>1</sup> in the region from aid recipients to self-reliant allies, in order to reverse backsliding in the region, protect U.S. taxpayer investments, and advance American interests and values.

## **LOOKING BACK**

After the fall of the Berlin Wall in November of 1989 and the collapse of the Soviet Union in December of 1991, 24 countries began the transition process from centrally planned to market-based economies. The United States Congress authorized nearly \$1.2 billion, through USAID, to support ten new investment funds, collectively known as “Enterprise Funds,” covering 19 countries across the former Soviet Union and aligned countries. The overarching purposes of the Enterprise Funds are to promote private sector development and policies and practices conducive to private sector development. Nine of the Enterprise Funds have completed their investment phase, and after repaying the U.S. Treasury \$225 million, the funds have used \$1.25 billion in program income (i.e., the proceeds from the liquidation of their investments) to endow seven Legacy Foundations in the Europe and Eurasia region.<sup>2</sup> Like the Enterprise Funds before them, the purpose of the Legacy Foundations is to promote private sector development. The cumulative assets of the Legacy Foundations total nearly \$1.1 billion and represent a highly visible and lasting symbol of U.S. commitment and support to the countries in the Europe and Eurasia region.

Many of these countries have achieved a level of self-reliance such that we are now partnering with them as donors to assist other countries. For example, we have partnered with the Czech Ministry of Foreign Affairs, along with other donors, to strengthen civil society across former Soviet countries through the Prague Civil Society Centre. Through an Agency memorandum of understanding with Slovakia, that USAID signed in 2018, the Agency jointly assisted North Macedonia with the EU integration process and supported local governments in Moldova to become more responsive to and transparent with their citizens.

Most recently, USAID redefined the assistance relationship with Albania given the country’s relatively advanced level of development. As Albanian Prime Minister Rama said to former Administrator Mark Green, “Albania doesn’t need more money—it needs more technical assistance and knowledge.” Through close consultation with the host-country government and other stakeholders, USAID focused assistance to tackle the most significant developmental challenge that limits Albanian self-reliance. The program will address the pervasive culture of corruption that undermines economic growth and citizen confidence and prevents achievement of EU standards for transparency and accountability. In parallel, USAID will continue to provide technical assistance to the government, offering it the tools it needs to plan, finance, and implement solutions to Albania’s remaining development challenges.

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<sup>1</sup> Current bilateral assistance recipients: Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Georgia, Greenland, Kosovo, Moldova, North Macedonia, Serbia, and Ukraine.

<sup>2</sup> Legacy Foundations are: America for Bulgaria Foundation, Albanian-American Development Foundation, Baltic-American Freedom Foundation, Hungarian American Enterprise Scholarship Fund, Polish American Freedom Foundation, Romanian American Foundation, Slovak American Foundation.



## LOOKING FORWARD

E&E will continue to concentrate investments on the key strengths and needs of the region to advance development progress, and the Bureau is working to update all Country Development Cooperation Strategies (CDCS) with each of the bilateral assistance countries, focusing on advancing self-reliance and partnership. The CDCSs for Armenia, Georgia, Moldova, and North Macedonia will focus on how USAID will advance and redefine its development relationship with these countries, which demonstrate a higher level of self-reliance according to USAID's Country Roadmaps.

Enterprise-driven development is essential to achieving sustainable outcomes and self-reliance. Given the region's relatively more advanced economies and their proximity to Western markets, E&E continues to be a leader in partnering with the private sector as co-creators of market-based solutions. In Moldova, USAID is partnering with the government and private sector to expand investment in the information and communications technology sector. The country's internet service provider, which USAID helped to establish, has invested \$12 million toward a premier Digital Park, and now hosts eight companies and provides jobs to more than 1,000 people. The energy sector is especially ripe for partnering with the private sector. USAID leverages Western investment, technologies, and operational expertise to address the significant energy infrastructure investment and operational needs in the region. In the Agency's newest presence country, Greenland, USAID is assessing approaches to further diversify and grow the economy by partnering with the private sector to expand financial investments. With Rotary International and affiliates throughout the region, USAID is showcasing the positive impact that grassroots citizen engagement and private enterprise can have on communities while strengthening the bond between the United States and Europe.

To sustain the momentum of development progress in the region, USAID must invest in the leadership of the generation born after the fall of the Berlin Wall. Having not experienced communism first hand, this generation needs to discover and foster its own appreciation for democracy. For example, the European Democracy Youth Network (EDYN) is a coalition of young civic and political leaders across Central and Eastern Europe committed to advancing and sustaining democratic processes and values. EDYN provides peer learning and the tools for these talented young leaders to succeed in their home countries and inculcate respect for democratic values. EDYN has been a successful pilot program that could reach beyond democracy and governance, serving as a model for cross-border programming in other sectors.

Even with the important past and ongoing progress in the Europe and Eurasia region, these development gains are now under the real threat of being rolled back or eroded by malign external influence from the Kremlin and the Chinese Communist Party. Because these authoritarian geopolitical competitors are actively seeking to undermine and undo USAID's work, USAID can no longer have the same level of confidence that development trajectories will be linear or unidirectional. Ongoing sophisticated and well funded efforts by the Kremlin and the Chinese government to make our partner countries weaker, more dependent, unstable, and corrupt have created a new, less benign environment for development. As the durability of past gains is now less certain, USAID must be more vigilant about vulnerabilities and the potential for backsliding in any sector, and must more seriously consider emerging challenges to the sovereignty and stability of partner countries. USAID's development efforts should recognize the need to detect threats, enhance transparency, reinforce institutions, and build overall resilience. In sum, we must not only continue to advance development goals but also safeguard development progress and protect our investments.

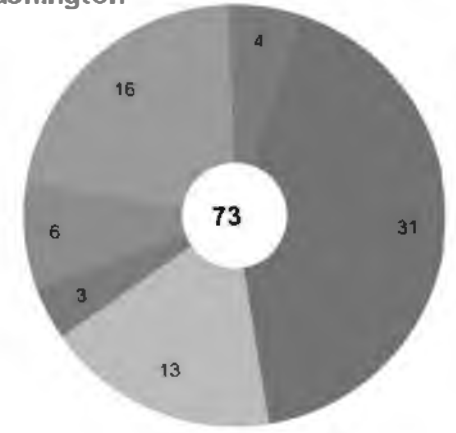
**NOTES**

# Bureau for Latin American and the Caribbean (LAC)\*



Total Staff - Washington\*

- AD
- CS
- FS
- ISC
- PSC
- FSL



Total Staff - Field\*

- FS
- FSN
- FSL
- PSC



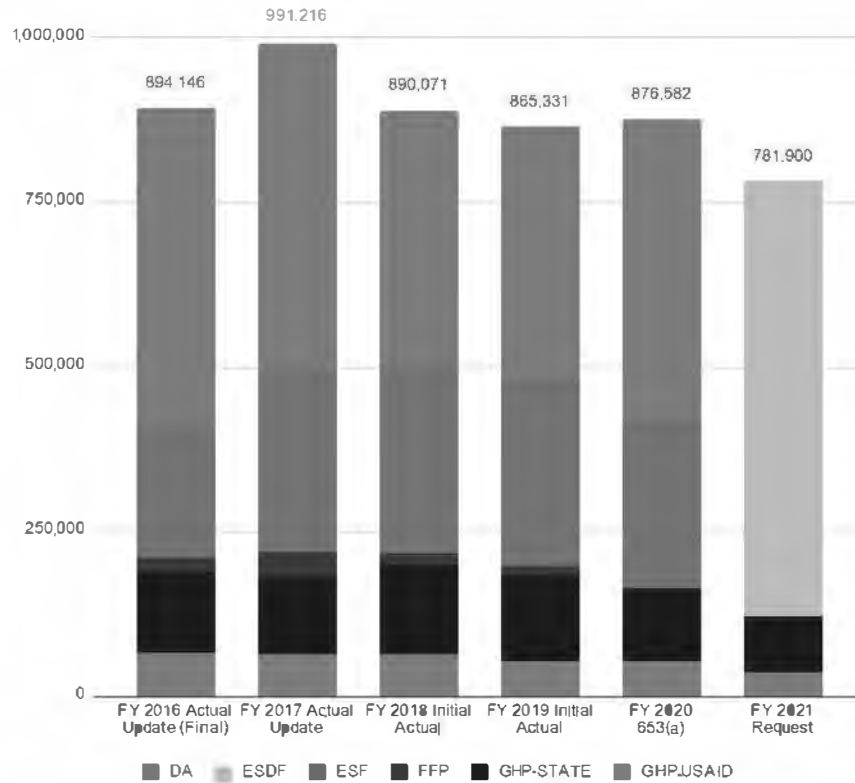
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Sensitive but Unclassified (SBU) - For Internal U.S. Government Use Only

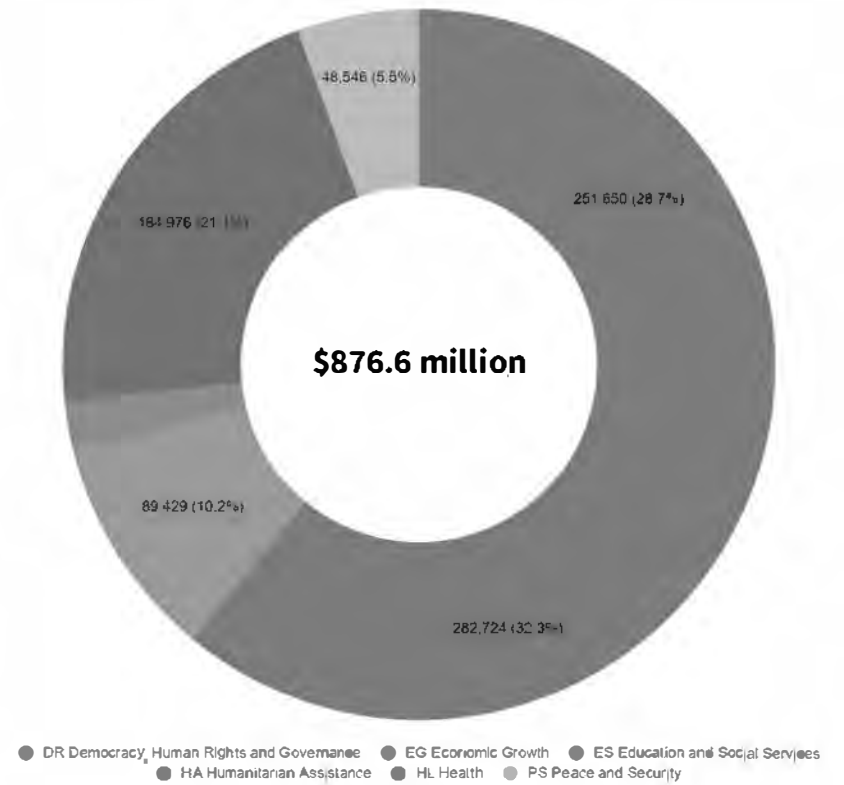
\*All staffing numbers provided by Bureau and accurate as of October 28, 2020

# Bureau for Latin American and the Caribbean (LAC)\*

**Program Budget Allocations, by Account - FY 2016- 2020 and FY 2021 Request\*\***  
(\$ in thousands)



**Program Budget Allocations, by Category - FY 2020 653(a)**  
(\$ in thousands)



Sensitive but Unclassified (SBU) - For Internal U.S. Government Use Only

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\* These charts do not include funding allocated to State/WHA.

\*\* BRM manually added \$168.39 million in DA and \$13 million in GHP-USAID to the FY 2019 totals to account for funding approved for El Salvador, Guatemala, and Honduras.

NOTE: These charts include funding in the following USAID-managed and partially-managed accounts: AEECA, CCF, DA, DF, ESDF, ESF, FFP, GHP-STATE, GHP-USAID, HA, IDA, and TI. They do not include supplemental appropriations.

## BUREAU FOR LATIN AMERICA AND THE CARIBBEAN: BUREAU OVERVIEW

### INTRODUCTION

Peaceful, stable, democratic societies in Latin America and the Caribbean (LAC) make for good trading partners and strong allies, which in turn helps the U.S. become more prosperous and secure. For more than 60 years, USAID has been a critical partner in advancing LAC countries on their [Journey to Self-Reliance](#). USAID assistance has helped countries in the region become more prosperous and stable, fortified health systems, and become more accountable to their citizens. However, COVID-19, combined with enhanced great power competition, democratic backsliding, enduring income equality and labor informality, and high levels of crime and violence, threaten to reverse many of these gains.

The LAC region is disproportionately impacted by COVID-19. While the region only comprises eight percent of the world population, it has 29 percent of global confirmed cases and 33 percent of deaths. USAID has provided more than \$108 million to the COVID-19 response in the region, including those in which we do not have bilateral missions. USAID is improving clinical care, minimizing the risk of onward transmission and helping to prevent and control infections. Further, USAID is providing more than 3,500 ventilators to the region, comprising nearly 40 percent of the global allocation. Of concern are COVID's secondary effects such as economic hardships, food insecurity, and a decrease in remittances.

### LOOKING BACK

Since 2017, the following have been among the top priorities for LAC:

**Decreasing irregular migration to the United States from Central America:** From 2019-2020, USAID revamped much of its programming in [El Salvador, Guatemala, and Honduras](#) to ensure that activities are highly focused on those most likely to migrate to the United States. Using apprehension data provided as a result of a March 2020 Memorandum of Understanding between USAID and U.S. Customs and Border Patrol, USAID can now better target programming. Dangerous levels of violence, lack of economic opportunity, and pervasive corruption and impunity continue to drive irregular migration from El Salvador, Guatemala, and Honduras to the United States. While USAID's assistance has made a tangible difference, challenges remain, with a significant uptick in migration anticipated due to the immediate and second-order effects of the COVID-19 pandemic.

**Venezuela Crisis:** Maduro's repression and misgovernance have caused a humanitarian and political and economic crisis. The United Nations estimates that seven million Venezuelans inside the country are in need of humanitarian assistance, and five million Venezuelans have fled for other countries. Since 2017, the U.S. has provided more than \$1.2 billion in humanitarian and development assistance to help those inside and outside of Venezuela. The U.S. is committed to supporting the Interim Government led by Interim President Juan Guaidó; the National Assembly, the last remaining democratically-elected body in Venezuela; and Venezuelan civil society organizations. USAID dedicated nearly \$118 million to programs under a bilateral agreement, which was signed with the Interim Government in 2019—the first bilateral agreement between USAID and Venezuela in more than 50 years. In the event of positive political changes, this bilateral agreement will be critical to amplifying Venezuela's recovery.

**The Journey to Self-Reliance and Private-Sector Engagement:** USAID engages the private-sector to drive economic growth, reduce poverty, promote sustainability, and improve business outcomes throughout the LAC region, leveraging more than \$1.1 billion in private resources since 2001. Though USAID's Development Credit Authority now part of the U.S. International Development Finance

Corporation, USAID continues to be well placed to leverage its expertise and build on a portfolio which mobilizes up to \$700 million toward development objectives in the region.

## LOOKING FORWARD

**New Opportunities in Democracy:** There have been some democratic openings in the LAC region in recent years, presenting opportunities for USAID to re-engage. For example, Ecuador's democratic transformation over the past three years has enabled USAID to reestablish a presence on the ground, six years after the Agency was forced to leave. In Nicaragua, the 2021 elections offer the potential for a positive transition. In Cuba, USAID will continue to promote democracy, defend human rights and enable the free flow of information to and from the Cuban people. In the Caribbean, the successful conduct of elections in Guyana, the Dominican Republic, and Suriname, have opened opportunities for deepened engagement. In Haiti, USAID will continue to support peaceful elections.

**Peace in Colombia:** Sustained U.S. engagement is critical to peace in Colombia and to stemming the flow to the United States of cocaine, 90 percent of which is grown in Colombia. USAID's support to the *U.S. Colombia Growth Initiative* seeks to address this challenge by partnering with the private sector to offer economic alternatives to farmers growing coca, and by supporting rural investment and land-title formalization. This assistance improves conditions for inclusive, licit rural economic growth and fosters reconciliation between victims and ex-combatants.

**Promoting Resilience and Energy Security in the Caribbean:** Natural disasters make the Caribbean particularly vulnerable to economic and health shocks, limiting countries' ability to effectively mitigate the impact of future disasters. In 2019, USAID announced \$12 million to prepare for and recover from natural disasters. USAID also launched a five-year \$25 million *Caribbean Energy Initiative* to address systemic high electricity prices, frequently poor service, and reliance on expensive, imported fossil fuels.

**Great Power Competition:** China is a strategic competitor in LAC and Russia has expanded alliances, trade, relationships and security ties in the region. USAID programming focuses on: (1) strategic communications around USAID's sustainable development model; (2) advancing free-market, open, and enterprise-driven development that counters predatory Chinese investments; (3) rooting-out corruption, championing shared democratic values, and promoting citizen-responsive governance; (4) working with allies to save lives, strengthen the resilience of vulnerable communities, and spur COVID-19 recovery; and (5) strengthening human capital that benefits regional partners to become self-reliant.

**Engaging with Indigenous Peoples:** USAID implements programs in Brazil, Colombia, Peru, Paraguay, and Guatemala that engage indigenous peoples and their communities to protect and manage forest and biodiversity conservation, foster private sector engagement and promote innovation by utilizing science and technology. For example, in September 2020, USAID and the Department of State signed a Letter of Intent with the Government of Guatemala to prioritize dialogue, keep families together, and improve the standard of living among indigenous communities.

**Nearshoring:** Supply chain disruptions caused by COVID-19 have resulted in a surge in nearshoring, the return of some or all aspects of production to countries geographically closer to the U.S. Shifting supply chains is an opportunity for the LAC region, given factors such as geographic proximity to the U.S. market, cultural ties, and existing economic relationships.

**NOTES**

**BUREAU FOR LATIN AMERICA AND THE CARIBBEAN:  
DEMOCRATIC BACKSLIDING****INTRODUCTION**

Despite impressive advances towards democratization in most of the Latin America and Caribbean region, there is now evidence of democratic backsliding in many key aspects of democracy and governance, reflected as closing space for civil society, executive branch predominance with diminishing institutional checks and balances, election problems, and increased media censorship. As citizens have become increasingly knowledgeable and aware of their rights, their expectations for governance have increased and their level of satisfaction with existing conditions has declined. Over the last decade, polling shows citizens in the region express diminished trust in elections and higher perceptions of insecurity and worsening personal economic situations. Under such conditions, the region's decreasing satisfaction with and support for democracy should not come as a surprise.

The backsliding toward authoritarianism is of concern for many reasons. First and foremost, the U.S. Government supports the aspirations of all people for self-determination and for a government that guarantees basic human rights. The U.S. also believes that democracy, human rights, and rule of law are foundations for equitable and sustainable economic development. Democracies are also the U.S.' best partners in helping ensure global peace and security and in countering the malign influence of malevolent powers in the region. The slide towards authoritarianism also affects commercial relationships and trade, promotes instability in the region, harms the well-being of American citizens living abroad, and encourages irregular migration to the United States.

**LOOKING BACK**

Apart from Cuba and Venezuela whose authoritarian and repressive regimes receive considerable attention, many other countries in the region are backsliding on numerous key aspects of democratic governance. In February 2020, Guatemala passed a non-governmental organization (NGO) law establishing severe controls on NGO activity and authorizing the closure of NGOs if they do not comply. Guatemala's highest court provisionally suspended enactment of the law, and after some conflicting statements, the executive branch agreed that it would respect the court's decision. However, civil society fears that a similar version of the law may again be presented to the president soon.

Haiti fell 21 places on the World Press Freedom Index in 2020 due to the targeted harassment of journalists covering recent corruption scandals and related protests. In early 2020, Salvadoran President Nayib Bukele ordered 1,400 military officers to occupy the legislative assembly chambers to pressure legislators to approve a \$100 million loan for the security sector. On a more positive note, Ecuador backslid for over a decade until recently altering their trajectory.

USAID's Bureau for Latin America's (LAC) assessment of democratic backsliding is tied to decades-long polling in the region that gauges attitudes, norms, perceptions, and experiences. Vanderbilt University's Americas Barometer public-opinion research demonstrates support for democracy in LAC is at an all-time low. Whereas, in 2010, approximately 68 percent of the region's population saw democracy as the best form of government, in 2018-2019, that number dropped to 57 percent. Trends also show a drop in satisfaction with the way democracy works, bringing the region to a 25 year low.

USAID carries out democracy, human rights, and governance (DRG) programs in LAC to support democratic institutions, processes, and norms, even in politically restrictive environments. DRG programs in LAC support free and fair elections, accountable citizen-responsive governance, and basic rights and freedoms for the citizens of Latin America. In recent years, there has been an increased focus



on addressing the nexus of insecurity, corruption, and poor governance with increased violence and irregular migration to the United States. In addition, recent electoral crises in Haiti, Guyana, the Dominican Republic, and Bolivia reveal that the region still wrestles with this most basic democratic process. DRG programs have pivoted to prioritize those areas.

USAID is providing election-related assistance in eight countries slated to have elections between October 2020 and December 2021. These efforts aim to harness the integrity of these processes through assistance to election management bodies as well as support for independent election observations and parallel vote tabulations. The Agency also institutes robust anti-corruption programming by helping host countries to strengthen controls and transparency in their procurement systems and enhance their capacity to prosecute and adjudicate cases through the courts system.

Deeply rooted corruption contributes to weak democratic institutions and widespread impunity in LAC. As a result, crime and violence flourish. Citizen insecurity and corruption erode citizen trust and are closely linked to intentions to migrate. Responding to this environment, USAID is working with host governments and citizens to create opportunities for youth not only to reduce violence but to create the conditions for them to build their futures in their countries.

## **LOOKING FORWARD**

The LAC region continues to program in a number of complex operating environments, such as Cuba, Nicaragua, and Venezuela. In addition, through increased engagement in Ecuador, the Agency is sending a signal that it supports these countries' democratic transformations and stands by them against attempts towards authoritarian resurgencies.

USAID will participate in the design of the next Americas Barometer questionnaire in fall 2020 with the next polling round in 2021. The LAC Bureau also contributes to the DRG Center's Illuminating New Solutions and Programmatic Innovations for Resilient Spaces global award, which includes a Machine Learning component that will determine if a set of methods for training computers to learn from publicly available data could accurately detect patterns that enable predictions about malign authoritarian influence.

USAID will continue to support democratic forces in Venezuela aimed at keeping political space open so that Venezuelans are aware of the political, social, and economic conditions inside the country. Such work includes support to almost 50 civil-society organizations that build awareness of conditions, including human rights violations inside the country; independent media outlets that broadcast unbiased information to low and middle income families; and the democratic opposition.

USAID also supports a diverse sector of independent activists in Cuba, who continue to push for democratic freedoms, including religious freedom. The Agency provides basic needs assistance to political prisoners, other persecuted activists, and their family members, in an effort to help sustain their activism and offset pressure and hardships applied by the Cuban regime. Partners also work to increase the free flow of information to, from, and within the island, and to expose the realities of Cuba's decrepit institutions and human rights abuses committed against Cuban doctors and other workers.

USAID works with human rights defenders, pro-democracy organizations, and activists in Nicaragua. Looking towards the elections planned in November 2021, USAID is supporting the coalition of democratic actors who aim for an inclusive, free and fair electoral process.

**NOTES**

**BUREAU FOR LATIN AMERICA AND THE CARIBBEAN:  
COUNTERING MALIGN INFLUENCES****INTRODUCTION**

Against a backdrop of increasing Great Power Competition in the Latin America and Caribbean (LAC) region, USAID's work supports two primary objectives: ensuring that the United States remains the region's partner of choice, and countering malign activities insofar as they threaten hemispheric prosperity, security, and democracy. USAID's approach is informed by its broader regional strategy, which seeks to promote a hemisphere that is prosperous, secure, democratic, and receptive to U.S. leadership and values.

**LOOKING BACK**

For over a decade, there has been a dramatic increase in China's engagement in LAC as it has sought access to natural resources, raw materials, and commodities, and markets for its exports to fuel domestic growth. The United States remains the top trading partner for over half of the 34 countries in the region, and is the largest cumulative source of foreign direct investment in the region. However, Chinese state companies are investing heavily and aggressively pursuing regional participation in its One Belt One Road initiative, in which 19 LAC countries currently participate in. Predatory Chinese concessional loans for infrastructure investment, funding dozens of large-scale projects, including roads, ports, and dams, have also increased. The Inter-American Development Bank estimates that the infrastructure investment gap in the region is about 2.5 percent of gross domestic product, or \$150 billion per year. This makes Chinese concessional loans attractive, while simultaneously undermining the region's hard-won gains in transparency, rule of law, labor rights, and environment. Chinese investments frequently come with excessive debt, opaque terms, low-quality infrastructure, and environmental damage, while also crowding out local development with an influx of Chinese materials, equipment, and workers.

Only 15 countries worldwide maintain formal diplomatic relations with Taiwan, and nine of those are LAC countries.<sup>1</sup> Since May 2018, both the Dominican Republic and El Salvador have broken diplomatic relations with Taiwan and recognized the People's Republic of China, joining Panama, which did so in June 2017. Observers suspect enticements of Chinese state-directed lending, investment, or other assistance (e.g., election financing) led to these decisions. This pattern of Chinese influence reinforces the importance of USAID's continued engagement, especially in countries where Chinese influence is deepening, and in countries that may be subject to future increased influence.

Russia has also expanded alliances, trade relationships, and security ties beyond its long-standing ties with Cuba, Nicaragua, and Venezuela. Russia's total trade with the LAC region increased 44 percent since 2006, while Russian firms have made investments in energy in Bolivia, Mexico and Venezuela, and arms sales in Cuba, Nicaragua, Peru and Venezuela, among others.

**LOOKING FORWARD**

Drawing on overarching guidance from the Agency's Clear Choice Framework, USAID's Bureau for LAC is integrating strategic communications into its messaging and outreach efforts and incorporating Clear Choice principles into Country Development Cooperation Strategies (CDCSs) and activity designs. Currently, activities related to infrastructure, economic growth, environmental conservation,

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<sup>1</sup> The nine remaining LAC countries that recognize Taiwan are: Belize, Guatemala, Haiti, Honduras, Nicaragua, Paraguay, St. Kitts & Nevis, St. Lucia, and St. Vincent & the Grenadines.

governance, economic competitiveness, youth employment, and education aim to counter Chinese competition by offering host countries a more sustainable and transparent pathway to self-reliance. Similarly to other regional bureaus, LAC has created a repository of all activities that counter malign influence and incorporated indicators to track progress.

By December 2020, the Bureau for LAC, in partnership with the U.S. Southern Command, the Departments of State and Commerce, and the U.S. International Development Finance Corporation, will have developed a region-specific strategic communications playbook. USAID will work with its Missions to ensure that they are fully conversant with this strategic agenda and able to routinely incorporate these principles into messaging and communications products, new CDCSs, and other strategic documents.

USAID's Bureau for LAC is contributing to the Administration's *Growth in the Americas* ("America Crece") initiative to catalyze the private sector as the primary engine of growth to develop infrastructure in the LAC region. The focus is on improving the investment climate for all types of infrastructure, including energy, airports, seaports, roads, water, social, telecom, and digital networks. USAID is launching new efforts, such as the Caribbean Energy Initiative, to broaden energy access, reduce costs, and increase energy security in the region. USAID's efforts will be aligned with those of the Development Finance Corporation, which is expected to deploy at least \$12 billion in financing in the region.

The United States works with Latin American and Caribbean countries on information and communication technology issues, and our well-established concerns with Chinese companies focus primarily on their security implications, particularly with respect to emerging 5G networks. Most LAC countries are still focused on expanding 4G networks based on significant previous investments. Some, however, are eager to make space for 5G deployment and will hold spectrum auctions within the next year. With 5G in the LAC region still in its infancy, USAID has an opportunity to ensure that the region understands the risks of Chinese vendors and the availability of trusted alternatives. Chinese firms might offer attractive technology and pricing, but they create opportunities for the Chinese government to tap into – and exploit – data flows, including sensitive political, business, and military information. USAID is working with the Department of State to expand the *Digital Cybersecurity and Connectivity Partnership* to the region, modeled on the work the initiative has already accomplished in the Asia region. Under this initiative, U.S. government agencies promote open, reliable, and secure communications networks in the LAC region – one critical area where prosperity and security intersect. USAID's Bureau for LAC will work closely with USAID's Global Development Lab to deploy technical advisors to the region to advance cybersecurity and connectivity objectives and other strategic issues, such as 5G planning in the region.

With engagement and programs, USAID continues to support civil society, counter corruption, boost investigative journalism, strengthen oversight of procurement processes and tenders, and support regional democracy in LAC.

**NOTES**

**BUREAU FOR LATIN AMERICA AND THE CARIBBEAN:  
VENEZUELA****INTRODUCTION**

Since 2015, more than five million Venezuelans have fled tyranny and deprivation in their homeland—mostly to Colombia, Ecuador, Peru, and Brazil. Migrants left their homes and communities behind—often even their families—in search of lives without hunger, violence, and chaos. In many cases, these migrants made difficult decisions to leave their homeland to obtain an income in places such as Cucuta, Lima, and Boa Vista, allowing them to transfer small remittances back to their families who remained behind. The migrants live difficult, lonely, and often unsafe lives in their new settings. COVID-19 has further complicated their challenges.

Not only is the Maduro regime responsible for the millions of people forced to leave Venezuela in massive waves, but its malfeasance has caused a destabilizing effect for governments in the region. Countries receiving large numbers of migrants face substantial governance challenges and bear the onus of supporting Venezuelans in humanitarian need.

The global community recognizes that the Maduro regime is the cause of Venezuelans' suffering, and that the situation of Venezuelans within and outside their country cannot be resolved without a shift towards transition and democratic rule. USAID, with development assistance, works in partnership with the Venezuela Interim Government (VIG) to promote and facilitate a return to democratic rule.

Meanwhile the Agency continues to respond to the immediate humanitarian needs of fleeing Venezuelans, as well as provide a balanced mix of medium- and long-term development assistance to hemispheric allies carrying the migratory burden, most notably Colombia and Peru. Within Venezuela, USAID also provides humanitarian support to the millions who need immediate assistance.

**LOOKING BACK**

Venezuela is one of the highest priorities for USAID in the Latin American and Caribbean region and, indeed, the world. Between Fiscal Year 2017 and October 2020, the United States has provided more than \$1.2 billion in humanitarian and development assistance to address the crisis the Maduro regime has caused. This includes more than \$996 million in humanitarian and development assistance to Venezuelans who have fled the crisis to other countries throughout the region and the communities hosting them, as well as nearly \$279 million for Venezuelans inside Venezuela.

Neighboring countries struggle to provide basic necessities for their own citizens and the Venezuelans who now live within their borders. As a result of the COVID-19 pandemic, many migrants across the region have lost their mostly informal-sector livelihoods, been evicted from their homes or shelters, and have no safety nets to help them, all of which has exacerbated humanitarian and governance challenges. As governments in the region continue to struggle to accommodate the displaced Venezuelan population, they are also preparing for the arrival of additional waves of migrants as the humanitarian crisis in Venezuela worsens.

The U.S. Government has been a driver of support for Venezuelans who have had to flee their homeland because of the Maduro regime. In partnership with the governments of Colombia, Peru, Ecuador, Brazil, and others, USAID's humanitarian assistance has provided nutritious meals, health services, and clean water for approximately 943,000 Venezuelan migrants and refugees as of October 2020.

Development initiatives have included primary education and health-systems strengthening, improvement of government agencies' capacity to manage migration and socioeconomic integration, anti-xenophobia initiatives, human rights protection, access to justice, as well as vocational training linked to employment and entrepreneurship opportunities in the private sector. USAID's humanitarian and development assistance has been vital to saving lives and protecting those fleeing Venezuela, while also providing assistance to the communities that are generously hosting them.

In August 2019, USAID signed a Development Objective Agreement (DOAG) with the VIG that added \$117 million in development assistance. The DOAG funding expanded the Bureau for Latin America and the Caribbean's long-standing programs documenting human rights abuses, supporting civil-society watchdogs, bolstering independent media, promoting free elections, and supporting Venezuela's democratically elected National Assembly. It also allied USAID's work with the efforts of the Interim Government to educate and mobilize Venezuelans on the need to transition to democracy.

### **LOOKING FORWARD**

As of September 2020, the Maduro regime continues to abuse its citizens and utilize its security forces to maintain its hold on power. The country's humanitarian crisis and human rights situation continues to rapidly deteriorate. Without a transition, large numbers of desperate migrants will continue to challenge the capacity of countries in the region to assist and absorb them.

When a transition comes, the U.S. Government will be ready to help Venezuela recover politically and economically. On the "Day After," USAID is prepared to: provide advisors to re-establish key government institutions, prepare for national elections, and restart the economy.

When there is a return to democratic rule in Venezuela, the dire conditions in the country mean that humanitarian and development assistance will be required. If the Maduro regime continues in power it is likely that many more Venezuelans will flee. USAID will continue to support host-country governments to develop and implement systems to respond to migrants' socio-economic needs, including economic opportunities, access to services, and vulnerability to human rights violations, particularly in the context of COVID-19.

**NOTES**



**BUREAU FOR LATIN AMERICA AND THE CARIBBEAN:  
CENTRAL AMERICA—EL SALVADOR, GUATEMALA, HONDURAS****INTRODUCTION**

Dangerous levels of violence, lack of economic opportunity, and pervasive corruption and impunity continue to drive irregular migration from El Salvador, Guatemala, and Honduras to the United States. While USAID's assistance has made a tangible difference, challenges in addressing the drivers of out-migration remain, with a significant uptick in migration anticipated due to the immediate and second-order effects of the COVID-19 pandemic.

USAID and the Department of State work jointly to implement a strategy for U.S. foreign assistance designed to improve conditions in El Salvador, Guatemala, and Honduras and thus mitigate many of the root causes of migration. USAID programs address the security, governance, and economic drivers of irregular migration by combating rampant crime and violence, addressing corruption and impunity, disrupting the activities of transnational criminal organizations, and providing greater economic opportunity. These programs seek to foster an environment where individuals choose to remain in their home countries. As the COVID-19 pandemic exacerbated many problems in the region, USAID invested more than \$20 million in these countries to support infection prevention and control; case management; risk communication; and water, sanitation, and hygiene programs. The United States also provided nearly 1,000 ventilators to Central America, including El Salvador, Guatemala, and Honduras.

**LOOKING BACK**

In recent years, USAID has taken steps to retool its programs to put greater emphasis on addressing the drivers of irregular migration to the United States described above, while honing its focus geographically and demographically. This includes a multi-pronged approach to collect and use migration data for program decision making. Through a Memorandum of Understanding with U.S. Customs and Border Protection signed in March 2020, USAID has access to non-personally identifiable data, including city of last residence before migrating, for Central Americans encountered by U.S. Customs and Border Protection officials at the U.S. border. This data helps fill a critical gap in sub-national data on out-migration from Central America. USAID uses this data to further refine the geographic and demographic focus of its programs, and to monitor and adapt to changing migration-related dynamics. USAID also partners with both international and US-based organizations to collect and analyze demographic data on returnees as well as perceptions of the general population regarding migration. Further, USAID has piloted new program-level indicators measuring program participants' experiences with migration, migration attitudes and opinions, and program drop-out due to migration. Finally, USAID is including questions on migration-related outcomes as part of all relevant third-party independent evaluations. These efforts enhance the Agency's ability to design and implement programs tightly focused on migration and to strategically adapt based on more complete and timely data.

With respect to citizen security, USAID works in partnership with the Department of State's Bureau for International Narcotics and Law Enforcement to build individual, community, and institutional resilience to violence, especially when perpetrated by gangs or transnational criminal organizations. USAID's programs prioritize opportunities for youth to reduce the likelihood that they fall victim to crime or to recruitment into gangs and other criminal groups. USAID has taken effective practices from domestic and other regional settings—whether cognitive behavioral therapy, crime prevention through local design, family-based counseling, or focused deterrence—and carefully adapted these approaches to high-crime municipalities in Central America. In Fiscal Year 2019, USAID reached nearly 115,000 at-risk youth, primarily in high-crime urban areas, with social services and other support. Thanks in part to

these efforts, homicide rates have dropped dramatically in all three countries since 2015. In municipalities in which USAID works, homicide rates dropped between 40 and 73 percent.

Private-sector-led investment is key to ensuring long-term, sustainable progress, addressing the root causes of irregular migration, and supporting economic resilience during and after the COVID-19 pandemic. USAID plays a critical role in establishing the investment architecture for a long-term, flourishing investment climate. As countries become more self-reliant and their economies grow with a more energized private sector, families find more jobs and businesses have more local opportunities. Our programs support local businesses, help countries create the conditions for private investment and growth, strengthen food security among the poorest households, and broaden economic opportunities for people in their own countries. USAID also promotes good governance and accountable institutions as key building blocks for an attractive investment climate. In Fiscal Year 2019 alone, USAID enhanced local economies by boosting private-sector exports and domestic sales by more than \$140 million and helping businesses generate more than 30,000 new jobs.

USAID partners closely with the U.S. International Development Finance Corporation in Central America to source investment opportunities and accelerate the deployment of capital. In El Salvador, USAID identified 31 high impact projects for a total value of \$665.5 million for consideration by the DFC; USAID/Guatemala identified and developed at least 22 potential high-impact projects for a value of \$552 million; and USAID/Honduras developed a pipeline of deals to contribute toward a \$1 billion commitment between Development Finance Corporation and the Government of Honduras, including direct loans to agribusinesses and for large infrastructure projects totaling \$450 million. USAID leverages technical expertise and convening power to work with the U.S. Government and private-sector and industry associations in order to generate consensus and to develop and present investment opportunities for DFC financing.

Importantly, USAID also addresses systemic issues such as corruption and ineffective judicial systems, both of which give criminals the space to operate with impunity. In Fiscal Year 2019, USAID helped to strengthen the rule of law throughout El Salvador, Guatemala, and Honduras through support to over 400 civil society organizations, trained more than 1,000 human rights defenders, improved case management in 350 local courts, and trained nearly 4,000 judicial personnel.

## **LOOKING FORWARD**

USAID is well positioned to build on the progress made in recent years. However, the pervasive systemic issues of corruption, impunity, food insecurity, and gang violence will be challenges that will take years to overcome. USAID's successes must be seen in the light of the long-term focus that is required. While migration trends have declined, there are rising pressures that could cause more people to migrate. USAID must also prepare for set-backs caused by the immediate and second-order effects of the COVID-19 pandemic. The pandemic has severely impacted these countries' economies and exposed the fragility of their social safety nets; which was further exacerbated by the sudden decline in remittances, which are vital lifelines to many families in Central America, during the first six months of the pandemic. Food insecurity and youth unemployment are on the rise, as is gender-based violence, all as a result of the COVID-19 pandemic. In sum, these threats suggest a high risk of increased out-migration in the years to come.

Honduras will hold national elections in 2021. A central unanswered question is whether President Hernandez, whose brother was convicted in New York for narcotics trafficking, can and/or will run for a

third consecutive term. El Salvador will hold elections in February, which will likely lead to a dominant role of President Nayib Bukele's New Ideas party in the Legislative Assembly. President Bukele has demonstrated non-democratic tendencies on several occasions since his election in 2019, including sending federal troops into the Legislative Assembly in February. This has caught the attention of those watching the region with concern, including Congress and the international business community. In Guatemala, the fight against corruption will continue to be front and center in the coming year. The previous government disbanded the OAS-affiliated anti-corruption commission (CICIG), which has recently been replaced by a unit that reports to the Attorney General (FECI) and which receives insufficient support from the government. In addition, the Guatemalan Government and legislature have yet to select members of the judiciary, which must be replaced en masse every four years, including the Constitutional Court, but they have not been able to agree on a slate of magistrates. These issues, along with a possible increase in migration, will be the key issues in the coming year.

The threat of increased power competition also looms large in Central America, where China continues to make inroads in eroding Taiwan's previously dominant position. China has specifically targeted El Salvador and Honduras. In El Salvador, China hosted President Nayib Bukele in December 2019 in Beijing, where the Government of China made offers of support to El Salvador for infrastructure projects. The Government of China has yet to deliver on some of those promises, but it is clear they are eyeing a stronger relationship with El Salvador. In Honduras, the Chinese Embassy and Wahwei have reached out directly to mayors, offering to install 5G communication. USAID is well-positioned to support the subregion in its efforts to attract local as well as foreign direct investment, while building reliable and sustainable supply chains for the U.S. market.

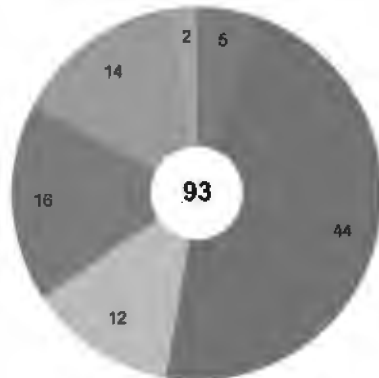
**NOTES**

# Bureau for the Middle East (ME)



Total Staff - Washington\*

- AD
- CS
- FS
- ISC
- FSL
- Other



Total Staff - Field\*

- FS
- FSN
- FSL
- PSC
- Other



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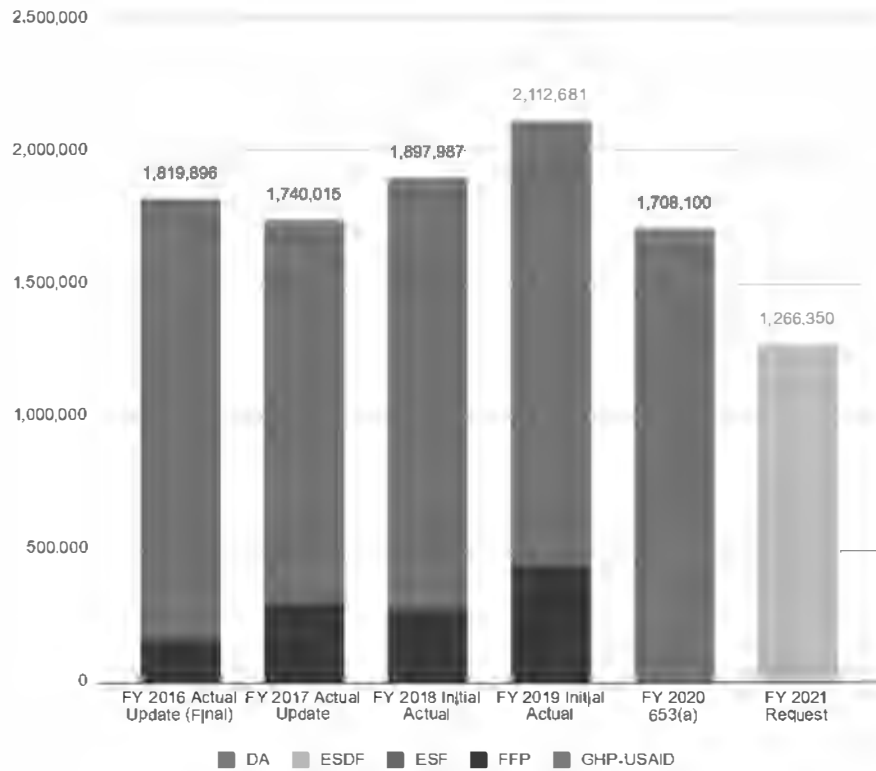
138

\*All staffing numbers provided by Bureau and accurate as of October 28, 2020

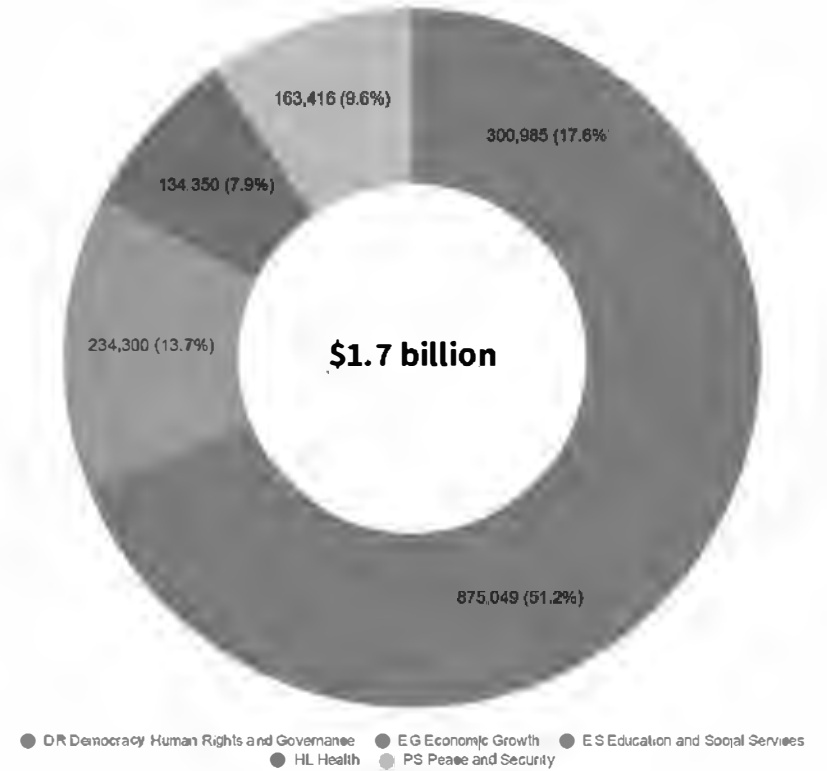
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# Bureau for the Middle East (ME)

**Program Budget Allocations, by Account - FY 2016-2020 and FY 2021 Request**  
(\$ in thousands)



**Program Budget Allocations, by Category - FY 2020 653(a)**  
(\$ in thousands)



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NOTE: These charts include funding in the following USAID-managed and partially-managed accounts: AECA, CCF, DA, DF, ESDF, ESF, FFP, GHP-STATE, GHP-USAID, HA, IDA, and TI. They do not include supplemental appropriations.

## BUREAU FOR THE MIDDLE EAST: BUREAU OVERVIEW

### INTRODUCTION

Nearly ten years after the Arab Spring, significant instability and social unrest persist throughout much of the Middle East. At the same time U.S. Government (USG) policy shifts have altered the landscape in which USAID delivers assistance. The new U.S. approach to the stalled Middle East peace process and the U.S. withdrawal from the Joint Comprehensive Plan of Action and maximum pressure campaign on Iran have changed regional dynamics. The recently announced accords between Israel, Bahrain, and the United Arab Emirates present the prospect of further normalization of relations between Israel and the Arab world. While the Defeating the Islamic State of Iraq and Syria (D-ISIS) fight successfully eliminated the territorial presence of ISIS, it remains a significant, if diminished threat, and the side-effect of the D-ISIS fight in Syria is unclear U.S. policy toward allies. Russia, China, Iran, and Turkey increasingly exercise their influence across the region with notable impacts in Syria, Iraq, Lebanon, Libya, and Yemen.

Despite popular protests across the region exposing the failure of authoritarian rule and elite capture, and signaling the potential for another Arab Spring, economic and political reforms are not broadly accepted by leaders as central to the region's decline or to its recovery. While the second and third order impacts of COVID-19 on economic stability garner the attention of most leaders, they have not as uniformly embraced the need to drive inclusive growth, create jobs, and provide effective public services. This is further complicated by the humanitarian crises born of political upheaval and replete with interference by malign actors, making meaningful development assistance more challenging. USAID's Bureau for the Middle East (ME) has navigated critical national security challenges, responded to evolving crises in the region, supported local stabilization and civilian demands for inclusive transition, maintained momentum where development trends are positive, and laid the foundation for future engagement. USAID's priorities in the Middle East and North Africa (MENA) fall within three areas: supporting core U.S. national security objectives, mitigating the human impact of ongoing conflicts in the region, and fostering inclusive development and reform.

### LOOKING BACK

As the Middle East has evolved during the past several years, so too has USAID's posture in the region:

- In August 2018, the White House decided to redirect funds intended to benefit Palestinians under the USAID West Bank and Gaza (WBG) program to other global priorities. To date, assistance to WBG has not resumed, with the exception of \$5 million provided in April 2020 to respond to the COVID-19 crisis. In January 2020, the United States released its Vision for Peace to end the conflict between the Israelis and the Palestinians.
- In Iraq, a skeletal in-country staff has endured multiple ordered departures while expanding programs to heal the trauma experienced by religious and ethnic minorities, broaden stabilization efforts in areas previously held by ISIS, and attract investment to ameliorate the Iraqi fiscal crisis exacerbated by the COVID-19 pandemic.
- USAID successfully reoriented its strategy in Jordan to support host communities struggling to manage the prolonged refugee presence while maintaining economic and social stability, now made more complicated by the COVID-19 pandemic.
- Earlier in 2020, USAID suspended all but life-saving assistance in Houthi-controlled areas of Yemen as a result of the Houthi political interference in assistance delivery. ME's development assistance will likely remain suspended in northern Yemen for the foreseeable future.
- In Tunisia, USAID opened a full-fledged mission in 2019 focused on assisting the country to consolidate fragile democratic gains, and ensure enduring economic reform.
- In Syria, with financial contributions from other D-ISIS coalition partners, USAID responded to geopolitical events and policy changes by rapidly adapting programs that successfully restored essential services, improved governance capacity, and supported

livelihoods. USAID's response continues to include a regional humanitarian response.

- USAID continued operating in a constrained environment in Libya focused on civic engagement, service delivery, fiscal transparency, and institution building at national and sub-national levels.
- In Lebanon, nationwide protests expressing growing discontent with the national government's will to enact the reforms necessary to prevent economic collapse created a space for USAID to hone its work with local municipalities and civil society.
- Increased engagement with the U.S. military through CENTCOM, AFRICOM and SOCOM has improved coordination at the activity level in conflict zones and at the strategic level overall.

USAID's Missions in the Middle East region have been at the forefront of developing third-party monitoring systems for work in non-permissive environments. The Bureau for the Middle East (ME) has also been developing best practices on assistance to religious and ethnic minority communities and broadening USAID's partner base through mechanisms like the New Partnership Initiative and leveraging the International Development Finance Corporation and the private sector, both of which would otherwise be far less engaged in countries embroiled in conflict. In order to meet operational needs in light of the unique staffing and security constraints in MENA, ME has increasingly relied on the Middle East Regional Platform (MERP) at the U.S. Consulate in Frankfurt, Germany to provide support services (i.e. contracting, legal, strategy, and technical assistance) that are not available locally. ME has also preserved the talent of 48 Foreign Service Nationals at the WBG mission through the execution of memoranda of understanding to assure their employment status in support of other missions and programs across the region.

## LOOKING FORWARD

ME must continue to balance the pursuit of development objectives with broader U.S. strategic interests. The continuing preponderance of authoritarian mis-rule across most of the region increases the importance of USAID's work with citizens, communities, local governments, the private sector, and civil society to consolidate U.S. political achievements. Several challenges loom ahead for the Bureau:

- Fluctuating budgets and shifting messaging have signaled to allies and others the U.S.'s deprioritization of the Middle East. Resources that enable targeted assistance to increase economic growth throughout the region will remain critical, particularly as countries cope with the impacts of COVID-19. Fostering trade, inclusive economic growth, increased foreign direct investment, and improved governance will be crucial to helping vulnerable countries recover, while aligning with the Journey to Self-Reliance and the Private Sector Engagement strategies.
- ME must be postured to take advantage of potential resolutions to long-standing conflicts in Libya, Yemen, and elsewhere, possibly leading to a relaunch of assistance programs in WBG.
- Lebanon stands at a precipice. Should the Lebanese seize this opportunity, USAID stands ready to push Lebanon to commit to structural reforms and root out corruption, while scaling up existing local municipal services and democracy and governance work to counter Hizballah and strengthen an increasingly vocal civil society.
- Since 2017, the White House has frozen most appropriated stabilization funds for Syria. Contributions for projects are nearly depleted. Unless funding for USAID programs is restarted and/or ME receives contributions from other donors, ME will have to make difficult decisions about stabilization programs that consolidate development gains made in liberated areas.
- ME programs have strong bipartisan support in Congress. ME needs to continue to nurture Congressional engagement to ensure favorable views of USAID's programs in the Middle East.

● (b)(5); (b)(5) - Deliberative Process Privilege



- ME will need to preserve its Washington-based technical capabilities to support missions and manage regional programs, while fostering a complementary relationship with the new technical bureaus established under Agency transformation.



**NOTES**

**BUREAU FOR THE MIDDLE EAST:  
FUNDS AND POLICY IN THE MIDDLE EAST AND NORTH AFRICA**

## **INTRODUCTION**

Over the past four years, there has been unprecedented uncertainty regarding the foreign assistance budgets for countries in the Middle East and North Africa (MENA). For some countries, budget requests were zeroed out; others, requests were cut in half; and yet for others, funding requests were both up and down. The challenges that result from these fluctuations are twofold. First, allies and partners have questioned U.S. foreign policy priorities and commitment to the MENA region. Second, the high degree of volatility in annual budget requests works against the Agency's operational model of a multi-year development strategy, making it difficult to plan for development results in a region of U.S. strategic interest. Fortunately, strong relationships with bilateral partners and a talented cadre of experienced in-country staff, along with Agency efforts to reduce bureaucratic requirements, have enabled USAID's Bureau for the Middle East Bureau to adapt and smooth the impact of the turbulence and uncertainty.

## **LOOKING BACK**

The MENA region's funding is, and historically has been, driven by political imperatives and U.S. foreign policy priorities. Since the Camp David Accords of 1978, which established an expectation for significant economic and security assistance for Egypt and Israel, USAID-managed funding levels in the region have been driven by and in support of U.S. national security interests. This has meant that there has seldom been much fluctuation in the annual budget request levels or large differences between the Administration's budget request and the amount appropriated by Congress. However, this has not been the case for recent requests under the Trump Administration.

For Syria, USAID's Economic Support Funds (ESF) funding dramatically decreased. In February 2018, the Trump Administration initiated a freeze on all unobligated Fiscal Year 2017 and Fiscal Year 2018 U.S. Government funds for Syria despite a policy to consolidate gains made through the Defeating the Islamic State of Iraq and Syria (ISIS) campaign. Funding was not requested for Syria in the Fiscal Years 2020 and 2021 requests, leaving USAID and the Department of State to solicit contributions from other donors to continue stabilization programs. In response, Congress appropriated \$40 million in Fiscal Years 2019 and 2020 in directives for Syria. However, the White House continues to require its approval before obligating funds for Syria, which is rarely granted. The lack of U.S. funding coupled with on-again, off-again troop withdrawal announcements have left allies confused. While initially willing to contribute to stabilization efforts financially and militarily, many Coalition partners are now awaiting clear policy direction from the United States. International Disaster Assistance (IDA) funds were not subject to these reductions and freezes, so the Bureau for Humanitarian Assistance continues to conduct a robust regional, humanitarian response.

In alignment with White House policy, USAID's program in the West Bank and Gaza has not received funds since Fiscal Year 2016. In August 2018, the Department of State and USAID directed more than \$200 million in newly-appropriated Fiscal Year 2017 funds originally planned for programs in the West Bank and Gaza to other global priorities. Following the passage of the *Anti-Terrorism Clarification Act* in October 2018, the Palestinian Authority notified the U.S. Government that, after January 2019, it would no longer accept any form of assistance specified in the *Anti-Terrorism Clarification Act* legislation. USAID directed partners in the West Bank and Gaza to cease implementation of programs effective on February 1, 2019, with the exception of the Israel-only conflict management and mitigation portfolio. Assistance to the West Bank and Gaza has not resumed, with the exception of \$5 million provided in April 2020, to respond to the COVID-19 crisis.

Iraq's budget has experienced the highest degree of fluctuation over the last several years. Following the drawdown of the U.S. presence in 2011, the bilateral assistance budget was zeroed out. With the arrival of ISIS and amid an economic crisis, USAID's funding for Iraq increased to over \$500 million in Fiscal Year 2017, including funding from the Fiscal Year 2017 Security Assistance Appropriations Act intended to support anti-ISIS activities in the region. In Fiscal Year 2018, the budget request amounted to \$300 million, though the actual amount programmed was \$244 million, and in Fiscal Year 2019 the State Department and USAID budget request for Iraq was only \$150 million. Alongside fluctuations in funding, the USAID footprint in Iraq has decreased; amid ordered departures due to security concerns in May 2019, USAID's presence dropped from 27 to eight U.S. Direct Hire staff within a matter of months. More recently, USAID received approval for up to 13 expatriate staff in country.

The relatively stable funding levels for Lebanon overshadowed a debate within the Executive Branch regarding USAID programming in the country. Lengthy and contentious policy deliberations delayed the submission of notification to Congress for Fiscal Year 2018 funding. Ultimately, the Department of State and USAID notified Congress and obligated funds, however, the situation underscored the diverse views across the State Department and USAID of the role of foreign assistance in asserting U.S. policy in the MENA region.

The Administration has also substantially cut request levels for Egypt, Morocco, and Tunisia, though Congress has continued to appropriate funding at relatively consistent levels in line with previous years. Both funding levels are public information and highlight the tensions across the branches of the U.S. Government.

## **LOOKING FORWARD**

That USAID's programs in MENA are political by nature is a given, and they will remain so. Accordingly, national security considerations beyond the manageable control of USAID will continue to drive foreign assistance budget requests for MENA, but the implications can be significant. Recognizing the political implications and messaging around fluctuations in the budget requests, engaging the interagency and Congress on the political and development impacts of the budget roller coaster, and adjusting internal budget and planning requirements especially where programs are challenged by the Agency's five-year operational planning model will be imperative to creating more stable development assistance to the region in the future. In recent years, Congressional, Administration, and State and USAID planning, reporting, and approval requirements have grown significantly. USAID and State leadership can control their own planning and reporting requirements, some of which have become overly burdensome and/or obsolete. The annual Operational Plan, which can take months to produce and approve, can run hundreds of pages in length, add little value to the planning process, and divert valuable time and staff resources from program oversight and implementation.

USAID's Bureau for the Middle East staff and leadership will continue efforts to minimize the burden on planning and execution of development programming where possible. The Bureau has taken a leading role in the Agency's streamlining initiative. Bureau leaders chair Agency efforts to reduce USAID design-to-procurement processes, and Bureau staff participate in Agency efforts to re-imagine project and activity design policy. In addition, the Bureau is a leader in Agency efforts to apply the New Partnerships Initiative approach to work directly with a more diverse range of USAID partners. As a result, Bureau contributions to new and continuing reform efforts are shaping Agency policy and bringing clarity and efficiency to how USAID "does" development.

**NOTES**

## BUREAU FOR THE MIDDLE EAST: UNIQUE OPERATIONAL REQUIREMENTS AND CHALLENGES

### INTRODUCTION

USAID's programs across the Middle East are affected by extensive political sensitivities, operational challenges, and legislative, regulatory and/or policy restrictions. While not exhaustive, the list of complicating factors includes: the presence of foreign terrorist organizations which, by law, USAID must ensure receive no "material support" from taxpayer dollars; working in "non-permissive environments" where security risk prevents staff from being on-the-ground; inadequate staff levels due to embassy space constraints and/or security risks; liquidity issues for implementing partners; periodic staff evacuations; uncertainty of budget levels; and targeted policy restrictions such as those on aid to Palestinians in West Bank and Gaza, among other factors. These issues affect USAID's programs in myriad ways, and they require many additional layers of approvals prior to and during program implementation to ensure legal and policy compliance, as well as a high degree of flexibility.

### LOOKING BACK

Importance of Regional Platform: USAID's footprint in the region remains highly constrained due to uncertainty, instability, inaccessibility, and/or insecurity which limit its ability to safely and effectively operate. In these non-permissive or limited-presence environments, country programs rely on support from the Middle East Regional Platform (MERP) in Frankfurt, established in 2015, which hosts critical-support operations (contracting, finance, legal, administrative, and technical) for eight of the Bureau for Middle East (ME)'s ten field missions, and is essential to USAID's ability to implement \$2.1 billion in assistance programs.

Risk Management: The addition of partner vetting programs in higher-risk countries has reduced risk of direct or inadvertent support to terrorism. USAID currently vets aid recipients in Iraq, Lebanon, Syria, and Yemen, where the risk of diversion warrants an additional level of scrutiny. Vetting includes checking potential recipients of assistance against available databases through the Federal Bureau of Investigation Terrorist Screening Center. (b)(5); (b)(5) - Deliberative Process Privilege

(b)(6)

Non-Permissive Environments: Third-party monitoring has been a critical investment to ensure the accountability and performance of USAID programs where routine monitoring is difficult for USAID staff, including because of security or logistical limitations (i.e. non-presence missions). Third-party monitoring capacities are being enhanced by adding remote capacity as the region adjusts to global changes in travel. USAID and its partners also face liquidity challenges in some countries where access to a bank and/or U.S. dollars, as well as being able to procure services, can be extremely difficult.

Staffing Constraints: Due to insecurity as well as insufficient space on embassy compounds, staff is frequently located off-site, across countries, platforms, and timezones, including in Libya, Syria, Iraq, and Yemen and Tunisia. When staff are able to be present in-country, they face strict restrictions on movements, thus affecting their ability to meet partners and government counterparts and personally monitor programs. Travel restrictions and lack of space often prevent temporary staff from being deployed to a country to offer surge support. In some cases, lack of access to USAID's network and poor information-technology connections create logistical challenges. Evacuations are also disruptive to program implementation. Since 2016, ME has endured four authorized and ordered departures (Istanbul, Iraq twice, and Lebanon) and then the Global Authorized Departure for COVID-19.

West Bank and Gaza (WBG): Trump Administration policy and the *Anti-Terrorism Clarification Act*, combined with the Palestinian Authority's refusal to accept *Anti-Terrorism Clarification Act*-implicated assistance, prompted USAID to end nearly all programming in WBG in early 2019. Ongoing projects were curtailed mid-stream and the remaining WBG staff has spent significant time and effort to close-out activities that were never completed. On December 20, 2019, the President signed the *Further Consolidated Appropriations Act, 2020*, into law, which includes what is colloquially referred to as the *Anti-Terrorism Clarification Act "fix,"* which lifts the legal restrictions on USAID providing funding to WBG. While U.S. law is no longer an obstacle to providing assistance to WBG, there are other legislative restrictions and statutory requirements that limit aid. Restarting assistance in WBG would require a reversal of current policy and a careful look at the various legislative requirements including but not limited to the *Taylor Force Act* and the *Prisoner Payment Reduction Act*.

Staff Retention: USAID's staff has demonstrated resilience in spite of morale issues associated with programs that have faced uncertainty or policy turmoil. To ensure continuity of operations and effective program implementation, ME developed a contingency planning framework, creatively deployed staff across platforms, and designed a unique staff-retention model in WBG. This model involves temporary Memoranda of Understanding with other USAID missions to employ 48 Foreign Service Nationals who otherwise would have been separated when the program entered a period of policy limbo. This enabled the Agency to retain the ability to scale back-up should there be a change in policy—a specific ask of the U.S. Ambassador to Israel. These Foreign Service Nationals have now been deployed across the region to support programs in other countries including Jordan, Iraq, Syria, Tunisia, Libya, Lebanon, and Yemen, and can quickly pivot to working on assistance to WBG should policy change.

Diversity: In June 2020, ME established the Middle East Diversity and Inclusion Working Group in order to affect change in the Bureau and recommend larger changes to the Agency through the Diversity Council with support from Bureau leadership. Specifically, the Working Group is organized to shift the Bureau's norms, culture, and policies to be more diverse and inclusive, take action in an inclusive process to move forward, and rebuild trust within the Bureau and Agency.

## **LOOKING FORWARD**

Given the significant operational challenges that will continue in the region and the lessons learned in the past four years, ME will consider the design of new contingency mechanisms and build on those that already exist. The Bureau will devote resources to staff retention and diversity and use the positive example set by the retention of the WBG staff as needed. Given a U.S. Government commitment to risk management, the Agency should decide how to position itself in the future. USAID could also examine new means to mitigate risk to alleviate some of the burden and constraints of work in non-permissive environments through various legal authorities. The Agency will also need to act on preserving the MERP footprint in Frankfurt even as the Embassy in Berlin seeks to reduce USG presence in Germany. ME has developed important relationships with other agencies including the Department of Treasury and the Central Intelligence Agency, which help the Bureau stay informed of the latest intelligence and security trends that may affect assistance. The information-sharing developed for Lebanon with the Department of Treasury could be replicated in other countries. ME has also been at the forefront of maintaining excellent relationships within the U.S. Government and participating in interagency meetings relevant to its countries.

**NOTES**

## BUREAU FOR THE MIDDLE EAST: CHALLENGES CREATED BY MALIGN ACTORS

### INTRODUCTION

Malign actors in the Middle East and North Africa (MENA) include designated terrorist organizations such as the Islamic State of Iraq and Syria (ISIS), al Qaeda and its affiliates; regional and parastatal actors like Iran, Hizballah, and Hamas; and global competitors Russia and China. (b)(6)

(b)(6)

(b)(6)

Despite the presence and influence of multiple malign actors in the region, particularly in Syria and Libya, USAID assistance denies space to hostile state and non-state actors and offers an alternative path for security, self-reliance, and economic opportunity.

### LOOKING BACK

ISIS and al Qaeda: While ISIS continues to be an insurgent threat in Syria and Iraq, since January 2017 U.S. efforts to combat ISIS have achieved some success. Through 2019, USAID enjoyed a sizeable stabilization budget of over \$100 million per year (shared with the State Department's Bureau for Near East Affairs and funded from donor governments after 2018) that, through the successful restoration of essential services and livelihoods, has shored up a tenuously maintained stability in Kurdish-held northeast Syria, despite U.S. policy shifts associated with the presence of U.S. troops in Syria. As budgets and donor contributions have dried up, Kurdish allies continue to express concern about their ability to counter ISIS in Syria, especially as new U.S. funds are directed toward Religious and Ethnic Minority populations outside areas of ISIS-related instability. USAID stabilization efforts to counter ISIS in Iraq include both REM and non-REM populations, enjoy greater coalition support, and benefit from the relative stability of a sovereign Iraqi government. However, Defeat-ISIS efforts by Iraq has also emboldened anti-U.S. Popular Mobilization Forces supported by Iran. Despite the growth of al Qaeda affiliates in northwest Syria, they remain largely contained within Syria at this time. In Yemen, although the threat from al Qaeda and ISIS has diminished, their participation in anti-Houthi forces is a serious concern.

Iran, Hizballah and Hamas: Iran and its proxy Hizballah remain influential political actors in Lebanon; however, the deteriorating economic situation compounded by the August 4, 2020, Beirut port explosion contributed to the August 10, 2020, resignation of the Hizballah-backed Prime Minister and Cabinet. USAID is exploiting this potential opening by strengthening municipal services in Lebanese Shi'a communities and encouraging moderate influences to emerge. Iran maintains influence across Iraq and among the anti-U.S. Popular Mobilization Forces, which continue to threaten U.S. and coalition personnel and stabilization efforts. Continued Iranian financial and military support to the Houthis in Yemen fuels tension with the Kingdom of Saudi Arabia and prevents a peaceful resolution to the conflict. Iran's patronage of the Assad Regime in Syria continues to threaten U.S. stabilization efforts in Deir ez-Zour. Finally, Hamas' influence in Gaza remains largely unchallenged.

China: China has increased investments while deepening social and political interventions in relatively stable countries to expand its influence. China invests heavily in Egypt, notably through construction of the country's New Administrative Capital (NAC) for government offices and foreign embassies, including the provision of 5G through Huawei for the NAC. China seeks to increase investment in infrastructure in Jordan, particularly to support desalination and shale oil extraction projects. Since its 2016 Joint Declaration with Morocco, China has expanded industrial and cultural cooperation and more recently is exploiting pandemic diplomacy to make further inroads. In Tunisia, 11 Chinese State-Owned Enterprises are seeking deals in infrastructure, telecommunications, and energy. China has financed a hospital, sports complexes, a canal, and a stadium in Tunisia which has garnered considerable popular support for



Beijing, Algeria and Lebanon are also on USAID's radar as countries where China is attempting to expand its influence. USAID works with Embassy teams to reinforce messaging on the implications of China's project designs in countries where USAID is present. For example, USAID showed the Government of Jordan the flaws of a Chinese financing proposal which led the project to be recompleted.

Russia: Russia, primarily through hard power, exploits governance and security vacuums evolving from regional conflicts and scaled-back U.S. engagement. In Syria, Russia dramatically expanded its influence since becoming militarily involved in 2015, exercising considerable control over the Assad Regime.

(b)(5); (b)(5) - Deliberative Process Privilege

(b)(6) Expanding its influence in Syria costs Russia economically due to U.S. sanctions and the increasing patronage costs of the declining Syrian economy. In Libya, Russia's ongoing military interventions and disinformation campaigns have prolonged the conflict and inhibited U.S. efforts to forge sustainable peace. The USG is working to expose online hate speech and disinformation in Libya. Russia continues to supply arms to Algeria and Egypt that, with U.S. sanctions implications, may complicate USAID assistance.

(b)(5); (b)(5) - Deliberative Process Privilege

### LOOKING FORWARD

Negotiating these numerous challenges is essential for the U.S. to counter the influence of malign actors in the region. Opportunities exist today that were absent four years ago. Maintaining the momentum from successful peace accords between Gulf states and Israel, the U.S. can pursue further opportunities of mutual benefit. Gains against ISIS can be consolidated with renewed U.S. investments in stabilization that may incentivize coalition partners to rejoin the effort. Iran and its proxies can be countered if the U.S. ramps up statecraft and assistance in areas of Lebanon, Syria, and Iraq, where Iranian influence is vulnerable. China's economic (and now pandemic) exploitation of states at peace can be countered with U.S. economic investments and assistance to improve governance. Russia's hard power gains can be countered by a redoubling of U.S. diplomatic and military resolve coupled with an investment in stabilization assistance. Finally, as a convener of regional allies the U.S. can work toward collective interests and exploit diverging interests with Russia, China, and Iran. USAID is well-positioned through its program presence and capabilities to enable the U.S. Government to seize these opportunities.

**NOTES**

**BUREAU FOR THE MIDDLE EAST:  
ARAB SPRING 2.0—FRESH THINKING ON THE CHALLENGES OF GOVERNANCE**

## **INTRODUCTION**

The resurgence of political uprisings that commenced in late 2010, known as the Arab Spring, continue to shape the Middle East and North Africa (MENA) with ongoing protests, conflict, instability, and unresolved grievances against unresponsive and static governments. Focusing on tenets of both stability and political inclusion, USAID's Bureau for the Middle East (ME) has responded to the region's transitions and instability by strengthening governance initiatives—electoral and political processes, local governance and service delivery, civil society, and atrocity prevention, among other governance reforms. More recently, the COVID-19 pandemic has compounded ongoing problems of regional conflict, intervention by foreign actors, sectarian strife, expanding authoritarian control, and deepening economic crises, further engendering discord between citizens and their governments. Political outcomes in many countries remain fluid and contingent upon governments' ability to respond to citizen demands. ME continues to be proactive on reform efforts and responsive to political shocks and stressors that emerge by identifying new opportunities to invest in inclusive governance. These interventions are realized through ME's programming in human rights, including protection of speech and expression by activists and journalists, combating gender-based violence, a new focus on improving digital security, expanding anti-corruption efforts at the national and local level, and ensuring the inclusion of women, youth, and religious and ethnic minorities across USAID's work.

## **LOOKING BACK**

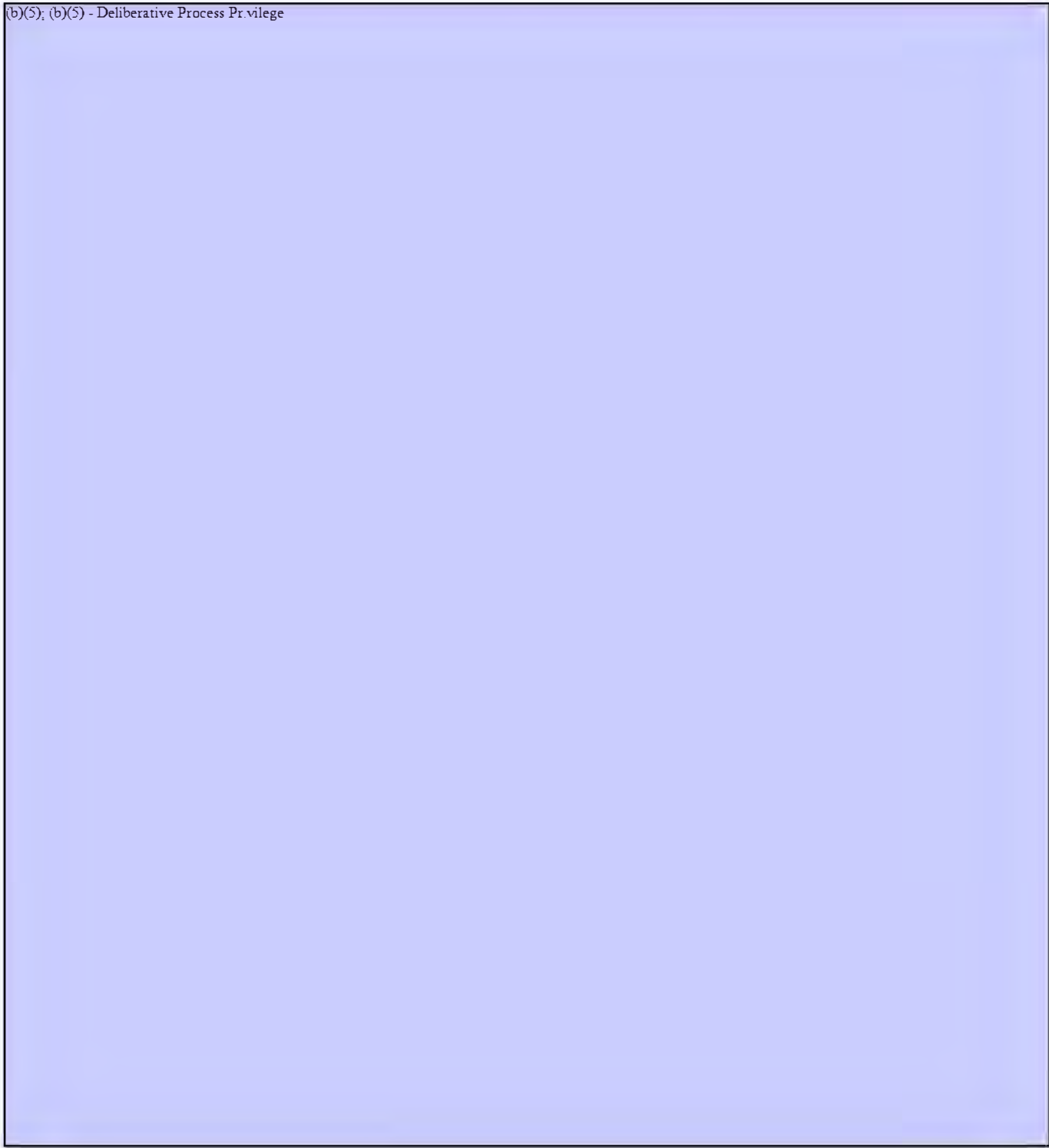
While some protests were temporarily resolved through modest government concessions to protesters or the removal of certain political leaders, others devolved into outright conflict and anarchy. In 2014, state collapse in parts of Syria and Iraq led to power vacuums that were filled by non-state actors and terrorist organizations such as the Islamic State of Iraq and Syria (ISIS). ME responded to these challenges through a focus on empowering responsible, local actors, particularly by programming in local governance and improving service delivery, elections and political processes, and civil society strengthening. One highlight of this era was USAID's successful support to Tunisia's peaceful transition to democracy by funding technical assistance for elections and decentralization. USAID also successfully supported legal changes in Morocco advancing civil society and decentralization; in Jordan, initiatives to combat gender-based violence were a result of calls for reforms. Since 2017, USAID has diversified its approach to the region through the *Presidential Religious and Ethnic Minorities Initiative*. This initiative has provided more than \$400 million to over 100 local, faith-based, and international organizations to implement activities that promote religious freedom, counter religious persecution, and protect the rights of ethnic minorities across the Middle East.

In more challenging regional environments, such as state fracture (Libya and Yemen) and varying degrees of institutional paralysis (Iraq and Lebanon), the consequences of missed opportunities due to political challenges have been the most striking trend in the region over the past decade. Despite these challenges, USAID has funded highly adaptable pilot programs in Libya, Syria, and Yemen to remain nimble in the face of ongoing conflict and political upheaval. The results of these pilots generally remained localized as conditions prevented scaling up.

(b)(5); (b)(5) - Deliberative Process Privilege



(b)(5); (b)(5) - Deliberative Process Privilege



**NOTES**

# Bureau for Conflict Prevention and Stabilization (CPS)

## BUREAU FOR CONFLICT PREVENTION AND STABILIZATION (CPS)

### CPS ENGAGEMENTS

### PROGRAMMING/FUNDING/TECHNICAL ASSISTANCE

<b>AFRICA</b> Angola ● Burkina Faso ●●● Burundi ● Central African Republic ● Cote d'Ivoire ● DRC ●● U.S. East African Command (EUCOM) U.S. Africa Command (AFRICOM) U.S. Indo-Pacific Command (INDOPACOM) Ethiopia ●● Ghana ● Guinea ●● Kenya ●●● Liberia ●● Lیبیا ●● Mali ●●●● Mozambique ●●●●● Niger ●●●● Nigeria ●●●● Republic of Congo ● Rwanda ● Senegal ●● Sierra Leone ●●	<b>ASIA</b> Afghanistan ● Bangladesh ● Indonesia ● Malaysia ● Nepal ●● Pakistan ●● Philippines ●● Sri Lanka ● Thailand ●● Timor-Leste ● Somalia ● South Africa ● South Sudan ●●● Sudan ●● Uganda ●● Zimbabwe ●	<b>EUROPE</b> Albania ● Armenia ● Azerbaijan ● Bosnia and Herzegovina ●●● Georgia ●● Kosovo ●● North Macedonia ●● Ukraine ●●	<b>LATIN AMERICA &amp; THE CARIBBEAN</b> Bolivia ●●● Colombia ●●●● Dominican Republic ●● Guatemala ● Haiti ●● Honduras ● Jamaica ● Peru ●	<b>MIDDLE EAST</b> Egypt ●● Iraq ●● Jordan ●● Libya ●● Morocco ●● Syria ● Tunisia ● West Bank and Gaza ●
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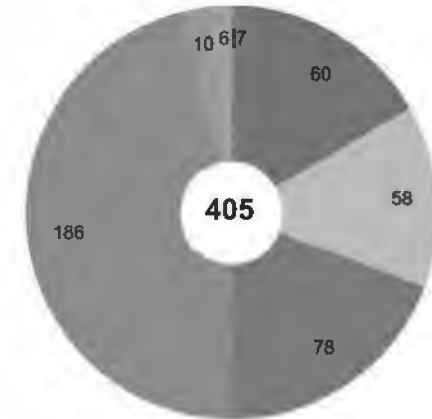
- Complex Crisis Field (CCF)
- Office of Transition Initiatives (OTI) programming
- Women, Peace, and Security (WPS) funds
- Center for Conflict and Violence Prevention (CVP) Reconciliation Fund
- CVP Technical Assistance

LAST UPDATED: AUGUST 2020

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Total Staff - Washington\*

- AD
- CS
- FS
- ISC
- PSC \*\*
- FSL
- Other



Total Staff - Field\*

- FS
- FSN
- FSL
- PSC
- Other



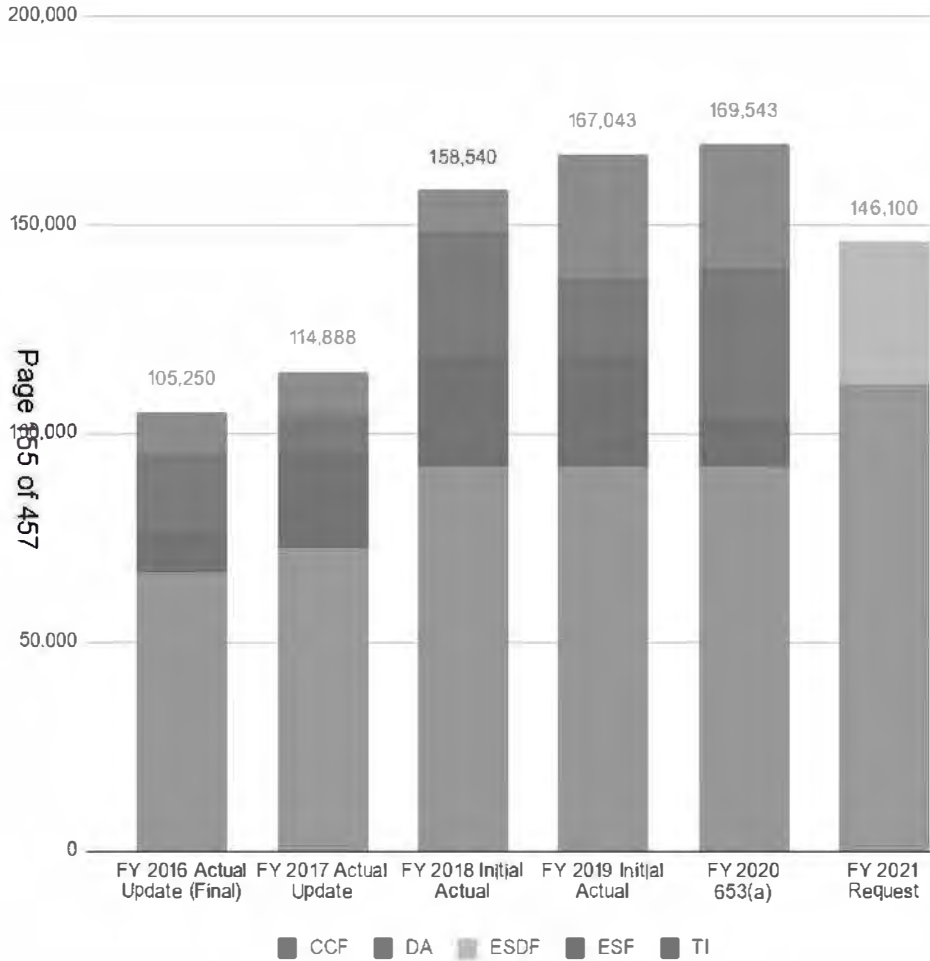
155

\*All staffing numbers provided by Bureau and accurate as of October 28, 2020

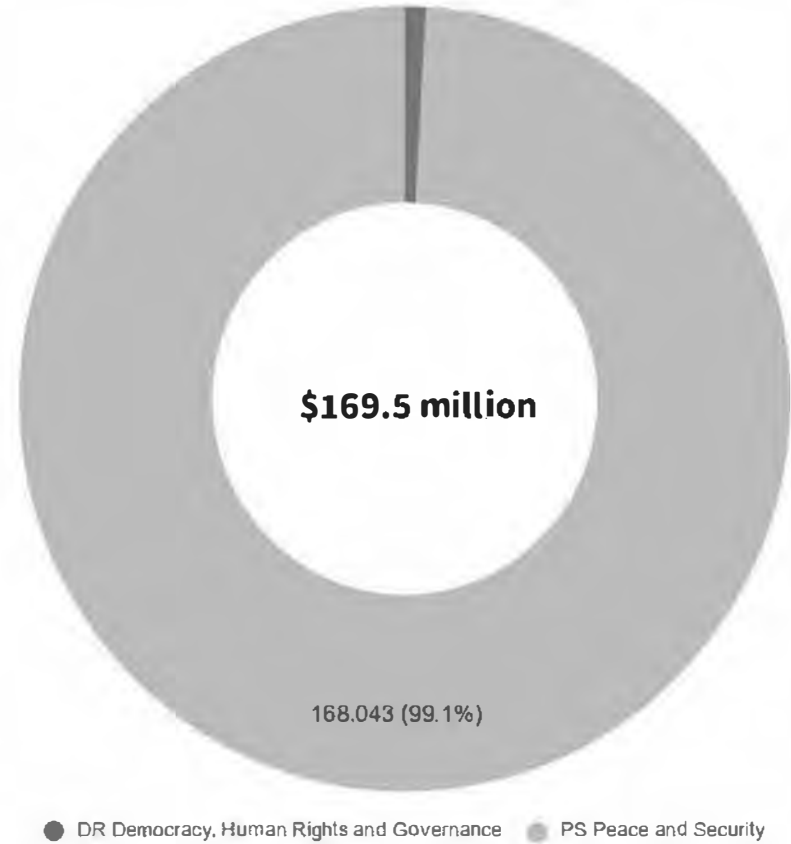
\*\*CPS notes that OTI has 39 Interim USPSCs with a "worldwide" place of performance and 14 Interim USPSCs with a Washington, DC place of performance. These positions are included in the Washington PSC staff count.

# Bureau for Conflict Prevention and Stabilization (CPS)

**Program Budget Allocations, by Account - FY 2016-2020 and FY 2021 Request\***  
(\$ in thousands)



**Program Budget Allocations, by Category - FY 2020 653(a)**



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\*CPS was not allocated funding until FY 2020. Funding in FY 2016-2019 was manually crosswalked from the DCHA Bureau.

NOTE: These charts include funding in the following USAID-managed and partially-managed accounts: AEECA, CCF, DA, DF, ESDF, ESF, FFP, GHP-STATE, GHP-USAID, HA, IDA, and TI. They do not include supplemental appropriations.

## BUREAU FOR CONFLICT PREVENTION AND STABILIZATION: BUREAU OVERVIEW

### INTRODUCTION

The Bureau for Conflict Prevention and Stabilization (CPS) is one of the newest bureaus at USAID, launched in July 2020 as part of the Agency's ongoing transformation. Composed of five offices managing \$270 million in program funds in around 60 countries, CPS enables USAID and the broader U.S. Government to intervene rapidly and flexibly in crisis or transition situations with several objectives: prevent conflict, abate ongoing violence, or seize a window of opportunity during a moment of societal change (e.g., a democratic opening or political awakening). The bureau provides timely capabilities to influence events in a support of U.S. foreign-policy objectives.

The creation of CPS coincides with an emerging consensus that the USG should explore new approaches to confront a range of similar yet distinct overseas objectives related to violence and conflict: countering violent extremism, abating risks emanating from fragile states<sup>1</sup>, preventing conflict, and stabilizing areas engulfed in violence. The United States has relied on military force and security cooperation as the primary ways to address these conflict-related matters, yet vulnerabilities to U.S. security and national interests stemming from extremist groups (al Qaida, the Islamic State), destabilized countries (Syria, Yemen), and fragile states (the Sahel) persist and grow. Consequently, Congress, the White House, and the broader Executive Branch are reassessing how the U.S. Government should apply diplomacy, foreign assistance, and defense capabilities. The imperative to identify new approaches finds its clearest expression in a series of recent concrete policy initiatives: the Global Fragility Act (GFA), The Report of the Commission on Unalienable Rights, USAID's efforts to counter violent extremism (CVE), and the Stabilization Assistance Review (SAR), among others. The heart of CPS' mission lies in providing USAID with solutions to these seemingly intractable problems.

CPS is designed to serve the field and regional bureaus, offering USAID's missions an array of intervention options. Traditional development activities frequently are the product of long-term strategies and rely on lengthy procurements; CPS provides quicker, adaptable interventions. This bureau serves as the Agency's fastest non-humanitarian response option for critical events and prides itself on "moving at the speed of relevance." Interventions take several forms: for example, the Office of Transition Initiatives (OTI) can establish in-country programming, rapidly supporting local organizations for a variety of purposes such as shaping the media landscape, promoting peace, or supporting democracy and local governments. The Center for Conflict and Violence Prevention funds reconciliation programs and assists USAID missions with adapting existing programs to better address conflict issues. CPS's Program Office manages flexible sources of funding that provide technical and funding support to missions working in complex emergencies and conflict areas. The Bureau also offers analytical capabilities to inform missions and embassies of conflict dynamics within their countries.

CPS is also home to the Office for Civilian–Military Cooperation (CMC), the unit responsible for maintaining USAID's working relationship with the U.S. military. While based within CPS, CMC is an Agency-wide tool. The office deploys senior staff in the Department of Defense's (DoD) geographic combatant commands (U.S. Central Command, U.S. Africa Command, etc.), in teaching capacities at the war colleges, and at the Pentagon. CMC facilitates conversations between senior DoD and USAID staff from all bureaus while serving as the day-to-day connection between USAID's staff and their military colleagues.

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<sup>1</sup> While abstract and malleable, a working definition of "state fragility" is "the vulnerability of a country or region to armed conflict, large-scale violence, or other instability, including an inability to manage transnational threats or other significant shocks". One knows it when one sees it.



## LOOKING BACK

CPS was created from offices that were previously housed under the former Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA)—a large bureau comprising humanitarian and non-humanitarian offices. With the transformation and the creation of CPS, the Agency seeks to elevate its role in conflict and security policies in part through giving the non-humanitarian offices their own bureau with dedicated senior leadership and invaluable administrative support.

Under the previous DCHA structure, the non-humanitarian offices operated somewhat independently, even if they were pursuing similar objectives in the same countries/regions. The creation of CPS allows dedicated attention from senior leadership and harmonized thinking, funding, and action on common policy objectives, including current policy priorities like the GFA, SAR, CVE, and others.

## LOOKING FORWARD

CPS anticipates that its mission of fostering peace, addressing violence, and stabilizing conflict-affected areas will remain a foreign-policy and national-security priority in the years ahead. As one example, the GFA, which Congress passed in 2019 with bipartisan support and President Trump signed into law, requires a ten-year strategy of preventing and stabilizing countries at risk of conflict. Further, years of large-scale military interventions with accompanying state-building have failed to produce ideal results, meaning a new approach relying on smaller-scale funds and fewer defense assets will likely remain the norm. As the USG seeks to contain and prevent threats to its security and interests in fragile and conflict situations, USAID's prevention and stabilization activities will play a more prominent role in the American response.

CPS has a modest budget and limited number of staff. Because the Bureau cannot work in every area at risk of violence or respond to every window of opportunity, thoughtful and determined prioritization will play an essential role. Where CPS does engage, the work of its foreign-assistance dollars alone will not determine success; rather, CPS's investments must be matched by sustained, concerted diplomatic pressure from the Department of State and engagement from the Department of Defense that goes well beyond the use of lethal force. CPS's success will be amplified as the departments of State and Defense make increased investments and deploy additional resources for the prevention of conflict and the promotion of peace. Likewise, within USAID, CPS will only succeed if it helps all parts of the Agency adapt programs and mindsets to anticipate and respond to conflict. CPS's true strength within USAID will be measured not by its budget figures, but by its ability to advance American interests by transforming the way USAID uses its assistance dollars in areas facing the risk or onset of conflict.

**NOTES**

**BUREAU FOR CONFLICT PREVENTION AND STABILIZATION:  
THE GLOBAL FRAGILITY ACT OF 2019**

## **INTRODUCTION**

In December 2019, President Trump signed the Global Fragility Act (GFA) into law. The legislation enjoyed bipartisan support, and Congress has directed the U.S. Government to address the causes of state fragility<sup>1</sup> and prevent/reduce violent conflict with the ultimate aim of advancing American security and interests. The Act includes this statement of policy: “It is the policy of the United States to seek to stabilize conflict-affected areas and prevent violence and fragility globally...”

Recent history has shown that fragile states and violent conflicts in remote parts of the world can have adverse consequences for the United States, such as al-Qaeda operating in Afghanistan, the rise of the Islamic State in war-torn Syria, societal fissures providing opportunities to adversaries in Iraq, or regional tensions destabilizing a U.S. partner like Ethiopia. Ignoring these fragile environments leaves the U.S. vulnerable to the consequences of unmitigated conflict. Simultaneously, large-scale military interventions accompanied by massive influxes of U.S. dollars (Iraq and Afghanistan) have failed to produce envisioned results. While the United States now views great power competition (e.g., an assertive communist China and a malign Kremlin) as the greatest threat to national security, the GFA elucidates Congress’s abiding concern over fragile states.

The Act requires the Executive Branch to develop a “comprehensive, integrated, ten-year strategy...to contribute to the stabilization of conflict-affected areas, address global fragility, and strengthen the capacity of the United States to be an effective leader of international efforts to prevent extremism and violent conflict.” It further stipulates that the strategy shall “focus on addressing long-term causes of fragility and violence.” The strategy, to be drafted by the departments of State and Defense, USAID, and the National Security Council (NSC), will likely go to Congress in late 2020.. In addition to the strategy, the GFA calls for the Department of State and USAID to select no fewer than five priority countries or regions when implementing the Act’s policy requirement. At least two countries/regions must emphasize prevention, meaning places where conflict has not yet erupted or state institutions are not yet too weak to manage potential violence. Since the earliest days of the Executive Branch’s work, USAID has advocated for identifying only five or six countries to remain focused and emphasized the importance of prevention. Country/region selections are due by December of 2020.

## **LOOKING BACK**

While the GFA is a recently minted policy, it is part of a growing trend within the U.S. Government to identify new strategies for preventing conflicts, promoting peace, and helping fragile states cope with the risk of violence. Prior to the GFA, the departments of Defense and State worked with USAID to publish the Stabilization Assistance Review (SAR), a strategy for the U.S. Government to leverage diplomatic engagements, defense, and foreign assistance to stabilize conflict-affected areas. The Act also draws inspiration from the Task Force on Extremism in Fragile States, an effort led by the United States Institute of Peace and directed by Congress to provide recommendations for how the U.S. Government should prevent the growing appeal of extremist groups in fragile states in ways other than lethal counter-terrorism measures. The GFA integrates the principles of the U.S. Women, Peace, and Security Strategy and the efforts of the White House-led Atrocity Early Warning Task Force.

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The SAR and Task Force on Extremism are just two examples of a growing consensus that the United States must draw on its foreign assistance, diplomatic, and non-lethal defense tools to reduce the risks from violent or fragile states. The GFA represents the Legislative Branch's endorsement and direction to find an alternative strategy that includes a serious effort to prevent conflicts from breaking out.

## LOOKING FORWARD

The GFA requires a Global Fragility Strategy (GFS) drafted by the Executive Branch, an interagency country-selection process, and implementation. This process began in early 2020, but it has required negotiations, trade-offs, and coordination among a diverse group of U.S. Government entities. By January of 2021, the NSC process may have completed the GFS and country selections.

Internally, USAID is taking a collective approach to address the first two mandates of the Act: writing the GFS and selecting priority countries. The Bureau for Policy, Planning, and Learning and the Bureau for Conflict Prevention and Stabilization co-lead an Agency-wide working group that coordinates USAID's contributions and represents USAID in the implementation discussion. USAID's regional bureaus inform these debates and are helping to decide which countries/regions the U.S. Government should prioritize. Once the priority countries/regions are chosen, regional bureaus and missions will develop strategies for the selected countries/regions and play a central role in the implementation of the Act in the field.

At the Executive Branch level, the NSC runs the GFA process, drawing in the departments of State, Defense, and the Treasury, along with USAID. The GFS designates the Department of State as the lead Federal agency for executing the strategy, USAID as the lead implementing agency for non-security assistance, and the Department of Defense (DoD) as a supporting player to manage and prevent conflict. While the Department of State has a role in foreign assistance, it is primarily responsible for using diplomatic tools to advance the GFA's strategic objectives within selected countries/regions. Similarly, DoD will have a unique role through assistance and its links to host-country security forces.

Recognizing that foreign assistance dollars alone cannot abate violence or address fragile states, USAID's assistance is only one component of a larger diplomatic, security, and assistance effort that pursues the explicit aims of GFA. As of August of 2020, USAID anticipates several challenges related to the Act's strategy and implementation. The Department of State has designated two units to co-lead their GFA process, and both offices (Office of Foreign Assistance and Bureau for Conflict and Stabilization Operations) manage foreign-assistance funds. Attention will be required within the interagency to ensure the maintenance of clearly defined roles and responsibilities, with State concentrating its efforts on diplomatic engagement, while USAID remains focused on foreign-assistance. This would avoid creating redundancies on USAID's management of assistance dollars. Similarly, DoD leadership does not see the GFA conforming with priorities laid out in the National Defense Strategy and therefore have not prioritized implementing the Act. These combined interagency challenges could weaken the implementation of the strategy and risks the USG not implementing the GFA as intended.

Finally, as an authorizing vehicle, the Act does not appropriate funds for implementing the GFA. The difference between authorized and appropriated funds within the Act has created confusion among advocacy groups and external stakeholders, who believe the Act did include new resources. Congress will need to clarify the funding or appropriate additional funds in future fiscal years if USAID is to expand its pool of resources in support of the GFA once priority countries/regions are selected.

**NOTES**

**BUREAU FOR CONFLICT PREVENTION AND STABILIZATION:  
USAID AND CIVIL-MILITARY COORDINATION**

**INTRODUCTION**

USAID and the U.S. Department of Defense (DoD) cooperate in several areas of mutual interest. Cooperation has grown closer in recent years as a result of joint policy goals, a maturing relationship, and placing staff physically within each other's facilities.

Both USAID and DoD seek a world that is safer for the United States, the American people, and American interests. While the two institutions have different means of advancing these goals, their work is increasingly overlapping in several areas: stabilizing countries in conflict, providing humanitarian assistance overseas, shaping public narratives, preventing violence that could imperil U.S. interests, and abating the growth of violent extremist organizations, among others. The U.S. Government has clearly articulated several of these shared goals in recent policy directions and authorizations, most notably the Stabilization Assistance Review (SAR), the Defense Support for Stabilization (DSS), and the Global Fragility Act (GFA).

USAID's Office for Civilian-Military Cooperation (CMC), housed in the Bureau for Conflict Prevention and Stabilization, plays a role in connecting critical parts of USAID development efforts with DoD. Through this office, USAID places development advisors at all of DoD's relevant geographic combatant commands (GCCs), as well as U.S. Special Operations Command (SOCOM). Physically located at the commands and the Pentagon, CMC's staff inform military leadership of USAID's capabilities, interventions, and plans within shared geographic spaces and national security priority areas, so that our foreign-assistance dollars can support broader American objectives where feasible. At CMC's office in Washington, commands reciprocate by providing USAID with a uniformed liaison officer who physically sits at USAID headquarters. Paired with a member of USAID staff, the military advisors are the commands' representatives to USAID and serve as DoD's voice to our bureaus and the Agency front office. In coordination with USAID's Bureau for Humanitarian Assistance (BHA), CMC also speaks to DoD audiences regularly to inform them of USAID's full spectrum of work, from humanitarian assistance to stabilization and longer-term development. These interactions establish a foundation for the relationship between the institutions. Internally, CMC provides training to USAID personnel on DoD operations and also manages the USAID faculty and long-term training programs with several of DoD's war colleges, in addition to a program which places DoD fellows within various USAID offices.

USAID's Civil-Military Disaster Operations Division (CMD), housed in BHA, manages USAID cooperation with DoD to prepare, plan for, and support the U.S. Government's response to international disasters. As the lead federal agency for international disaster coordination, BHA may request DoD assistance to support humanitarian relief operations when the U.S. military has a unique capability, typically as a last resort option. In Washington, CMD helps to coordinate DoD support via engagement with various DoD elements within the Pentagon, and with other civil-military humanitarian stakeholders within the U.S. Government. Through Humanitarian Assistance Advisors to the Military assigned to the GCCs, SOCOM, and relevant Joint Task Forces, BHA provides staff who exercise, engage, plan, and operationalize DoD support for the U.S. Government's international humanitarian assistance. Should DoD support be requested, these advisors are trained and equipped to quickly deploy to disaster areas to ensure smooth civil-military coordination in humanitarian response. Since 2004, USAID/BHA has used the Joint Humanitarian Operations Course (JHOC) to train the DoD on disaster response and to build and strengthen relationships between USAID and DoD staff. To date, BHA has conducted more than 1,000 training sessions throughout the DoD, reaching more than 25,000 DoD personnel.

## LOOKING BACK

USAID first established an office dedicated to civilian–military matters in the early 2000s, and cooperation in disaster response dates back further. Since the early aughts, the Agency’s relationship with DoD has grown closer due to joint policy objectives, common goals, co-located staff, mutual trainings, a [2015 policy on Cooperation with the Department of Defense](#), and a clear recognition that both organizations benefit from cooperation. This has proven especially true for certain parts of the U.S. military: special operations, stabilization and humanitarian affairs, the military’s civil affairs units, and in units dedicated to [countering violent extremism](#), among others. The relationship has flourished to the point that top USAID officials meet senior-level DoD civilian and uniformed personnel frequently, with USAID administrators traveling with four-star generals and Assistant Administrators participating in planning sessions with DoD leadership.

The growing relationship between USAID and DoD has not been without some contention. In the past, some USAID staff were skeptical of work with the military, viewing the role of DoD as antithetical to parts of USAID’s mission and questioned whether the Agency was sufficiently well staffed to be able to send detailees to combatant commands. Others saw USAID as a purely developmental (i.e. not a national-security) agency that pursues goals independent of DoD’s goals, while others feared the “securitization of aid,” in which defense priorities would set objectives for USAID. Over time, these fears have diminished or completely disappeared through a mutual acknowledgement that USAID is in fact part of the foreign-policy and national-security apparatus, while DoD recognizes that USAID’s expertise and programs can advance U.S. national-security interests that mutually reinforce DoD’s capabilities. Nevertheless, there will be times when USAID and DoD will differ in opinions or approaches, which emphasized the importances of establishing long-term relationships with DoD leadership rather than waiting to make introductions only at moments of disagreement or crisis.

## LOOKING FORWARD

Over the past decade, USAID has laid the foundation for a stronger relationship with DoD. The Agency has promoted itself as working with DoD across a spectrum of assistance, from immediate disaster response through stabilization in conflicts and including the promotion of longer-term development and prosperity. Through decades of joint overseas disaster relief efforts, USAID and DoD have developed best practices at the tactical, operational, and strategic levels that enhance the U.S. Government’s ability to lead as the partner of choice for international disaster response.

Within the U.S. Government, national-security and counter-terrorism experts increasingly argue for the United States to bring greater foreign assistance and diplomatic tools to bear to counter threats from [fragile states](#), [violent extremism groups](#), and other sources. Already, USAID and DoD have collaborated on how to best align hard security interventions with foreign assistance, but as the calls and policy directions articulating joint DoD–USAID cooperation expand, mutual success will depend on growing cooperation.

**NOTES**



**BUREAU FOR CONFLICT PREVENTION AND STABILIZATION:  
USAID'S PEACE AND SECURITY COUNCIL****INTRODUCTION**

The U.S. Government relies on USAID to confront a variety of issues with its foreign assistance dollars and technical expertise. A subset of USAID's portfolio relates to advancing peace and security in line with U.S. foreign policy interests. Peace and security refers to the universe of activities designed to prevent the outbreak, escalation, or recurrence of conflict and violence while fostering resilience and reconciliation. It includes issues such as countering violent extremism (CVE), preventing large-scale violence and atrocities, disengagement and reintegration, promoting the role of women in peacebuilding, addressing fragile states, and stabilizing areas engulfed in conflict.

These distinct-yet-related issues affect countries in all regions where USAID operates. With the broader U.S. Government looking to USAID to play a larger role in national security matters, it is all the more important for the Agency to coordinate resources in a fast and flexible manner. Such coordination allows USAID to more effectively respond to events as they occur, design and implement adaptive programming, collaborate with interagency colleagues, and support the field to prevent violent conflict.

However, this interrelated yet distinct set of peace and security issues creates a bureaucratic challenge. No single entity at the Agency oversees all efforts relating to peace and security programs. The regional bureaus and their missions fund interventions to address these issues within their geographic scope, but they have no natural links to other parts of USAID confronting related challenges. For example, USAID Missions in Latin America, sub-Saharan Africa, southeast Asia, and southern Europe must all confront violent extremist organizations (VEOs), yet those Missions lack a mechanism and resources to connect experts across regions and foster collaboration and learning. And while USAID has a Bureau for Policy, Planning, and Learning (PPL) and a Bureau for Conflict Prevention and Stabilization (CPS), these thematic bureaus support the regional bureaus but do not direct strategies for USAID's interventions in matters of peace and security. As a result, USAID has a number of missions working to prevent conflict and advance peace, supported by the regional bureaus, while PPL and CPS work on the same problems at a global scale. Adding a final layer of complexity, different bureaus and missions control different pots of funding without central coordination at USAID. Without a centralized forum, USAID's efforts to promote peace risk become disjointed, uncoordinated, and consequently less effective.

USAID established its Peace and Security Council in 2020 with the aim to solve this problem. The Council is an action-oriented forum that assembles representatives from all bureaus and offices that play a role in USAID's work to advance peace and security. Co-Chaired by CPS and a revolving regional bureau co-chair, the Council strives to build common understandings of policy objectives, share challenges and approaches, improve knowledge management, serve as a central nexus for Peace and Security matters (e.g., responding to taskers), and offer a formal discussion channel for all USAID staff who work on these issues. While the Council does not decide how bureaus and missions should program their funds, it is designed with several mechanisms to help make decisions and resolve disagreements.

The Council is composed at the working level by a range of highly-experienced non-executive staff, but should the need for higher-level decisions arise, the Council draws together Deputy Assistant or Assistant Administrators to reach consensus or break deadlocks. The USAID Front Office has also appointed an Agency Coordinator for CVE (usually the head of the CPS Bureau), who is empowered to decide which programs fall under CVE and which do not, an important distinction for reporting and spending requirements. There has been discussion of expanding the coordinator position to include wider peace and security issues, providing one Agency executive to guide policy matters.

## LOOKING BACK

The Peace and Security Council evolved out of USAID's CVE Sector Council, which the Agency created in 2018. The CVE Sector Council was created by USAID's CVE expert practitioners to be a more action-oriented and assertive body than its predecessor working groups. After months of consultation and design, the CVE Sector Council was born with a clearer mandate to advance USAID's CVE work in Washington; build ties with other parts of the U.S. Government working on violent extremism and terrorism; foster cross-pollination across regions and among experts; lead the international donor community on CVE issues; organize Agency-wide CVE workshops and trainings; and, most importantly, serve as the corporate decision-making body to help all parts of USAID use their resources effectively.

This improved CVE Sector Council quickly came to be acknowledged as a success. When the Department of State retooled its own CVE working group in 2019, its new structure closely mirrored USAID's council. By late 2019, the CVE Sector Council was one of the best examples at USAID of a coordination body that convenes a diverse set of bureaus and offices for taking decisions, sharing information, and planning for the future. However, that success created a new problem: areas of focus related to but separate from CVE—such as violence and atrocity prevention, state fragility, etc.—lacked a similar forum for addressing these issues, even while many of USAID's CVE experts also worked on these related challenges.

At the same time, there were significant internal changes within USAID as a result of Transformation, as USAID created the R3 family of bureaus to elevate USAID's work on crisis issues. Thus, there was a significant gap in internal Agency coordination on peace and security matters, which USAID established this Council to address.

## LOOKING FORWARD

In the summer of 2020, after ratifying the Peace and Security Council's Charter with all represented bureaus and independent offices at the working- and executive-level, the Council launched, broadening its coordination purview beyond CVE to include all matters of peace, conflict, and security that USAID addresses, while keeping the same action-oriented and collaborative spirit of the now-subsumed CVE Sector Council.

The timing was fortuitous—USAID has multiple policy initiatives underway that require the Agency's collective expertise be leveraged across regional and thematic bureaus on matters of peace and security. These include the Global Fragility Act, a new USAID CVE Policy, the Stabilization Assistance Review, and the U.S. Women, Peace, and Security Strategy, among others.

As the new Peace and Security Council comes online, the Council has three key priorities:

1. Firmly establish itself as an effective intra-Agency coordination platform; conduct outreach and stocktaking; and incorporate robust, transparent knowledge management. For the Council to provide value-add it will need to be responsive to the needs of its members and the bureaus/missions, and thus will need to continue to evolve in response to demand signals;
2. Organize broader peace and security-related workshops with key donor partners to provide thought leadership and discuss prioritization; councilmembers are currently planning a near-term, small-scale virtual CVE workshop with several donor partners; and
3. Better coordinate and align resources against priority issues through an Agency-wide workshop on broader issues of peace and security to, building and broadening on the past three Agency-wide CVE workshops.

**NOTES**

## BUREAU FOR CONFLICT PREVENTION AND STABILIZATION: COUNTERING VIOLENT EXTREMISM

### INTRODUCTION

USAID has significant experience Countering Violent Extremism (CVE), implementing programs and supporting efforts to prevent violent extremist organizations and terrorist groups (VEOs) from recruiting and radicalizing individuals to violent extremism (VE). As the U.S. Government's lead implementer of CVE programming, USAID contributes to U.S. national security by limiting the reach and ability of VEOs to threaten U.S. interests and by strengthening the resilience of our local partners. USAID has ongoing CVE programs across 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. USAID operates in both permissive and non-permissive environments in support of local governments and civil society, pushing back and denying space to VEOs such as Al-Qa'ida, the Islamic State of Iraq and Syria (ISIS) and its adherents, Boko Haram, and numerous other VEOs. The Department of State (DoS) has recently produced a new CVE definition, with which USAID's new CVE Policy aligns.

CVE refers to proactive actions to preempt or disrupt efforts by violent extremists to radicalize, recruit, and mobilize followers to violence and to address specific factors that facilitate recruitment and radicalization to violence. The purpose of USAID's CVE programming is to foster self-reliance in partner countries to prevent and counter the VEO challenges that threaten to derail their development and threaten U.S. national interests. USAID designs its CVE programs to 1) reduce the risk of recruitment into, and support for, VE and 2) build the capacity and commitment of partners in government, civil society, youth organizations, and the private sector to prevent and counter the violent extremist threats they face. USAID engages only where U.S. development assistance can have a meaningful impact in concert with our partners, and USAID aims to anticipate how VE will evolve and adjust accordingly.

### LOOKING BACK

USAID has long been an international leader in violence prevention and CVE, having produced the first-ever government [policy on CVE in 2011](#). USAID's CVE community of practice, under the leadership of USAID's CVE Coordinator, has since significantly reoriented, restructured, and reinvigorated itself. USAID published a new CVE Policy in April 2020, titled [Countering Violent Extremism Through Development Assistance](#), which builds on new evidence and lessons-learned of what works to prevent or counter ideologically motivated violence. USAID acknowledges that programming designed to strengthen and influence local institutions and communities in a systemic way is likely to have a greater effect on radicalization and recruitment to VE than programming designed to address an individual driver such as unemployment or illiteracy.

USAID restructured itself internally by consolidating disparate terrorism and CVE-focused structures into one CVE Sector Council (CVE SC) to contribute to improved intra-agency and interagency coordination and collaboration. USAID's expert CVE practitioners created the CVE SC in 2018 to be a more action-oriented, corporately-minded, and assertive body than its predecessors. USAID established the CVE SC with the mandate to advance USAID's CVE work in Washington, build ties with other parts of the U.S. Government working on VE and terrorism, foster an exchange of ideas across regions and among experts, lead the international donor community on CVE issues, organize Agency-wide CVE workshops and trainings, and serve as the corporate decision-making body to help all parts of USAID use their resources effectively. The CVE SC was so effective that in early 2020 the Agency's working-level requested the CVE SC be expanded to a wider range of related, but distinct, peace and security issues (i.e. atrocity prevention, stabilization, etc), culminating in the creation of USAID's new [Peace & Security Council](#), which will integrate CVE in a broader violence prevention architecture.

Under the leadership of the CVE SC, USAID adopted a more assertive posture in the interagency and among external donor partners on counterterrorism and CVE matters. USAID acknowledges it is more effective when collaborating with partners to influence and shape the collective approach to CVE and to contribute to building the prevention architecture called for in the 2018 National Strategy for Counterterrorism. USAID greatly increased its collaboration with DoS and Department of Defense (DoD), the National Counterterrorism Center (NCTC), and National Security Council (NSC). USAID has participated in wargames facilitated by U.S. Special Operations Command (USSOCOM), provided significant input into the Defeat-ISIS campaign, and was a key contributor in the NSC-led effort to create a new NSC policy process focused on Countering and Preventing Targeted Violence and Violent Extremism. Finally, USAID has taken a greater leadership role on CVE in the international donor community in collaboration with DoS, with the objective of burden-sharing with like-minded partners in order to deconflict in priority countries and help partner governments take ownership of and scale effective CVE interventions.

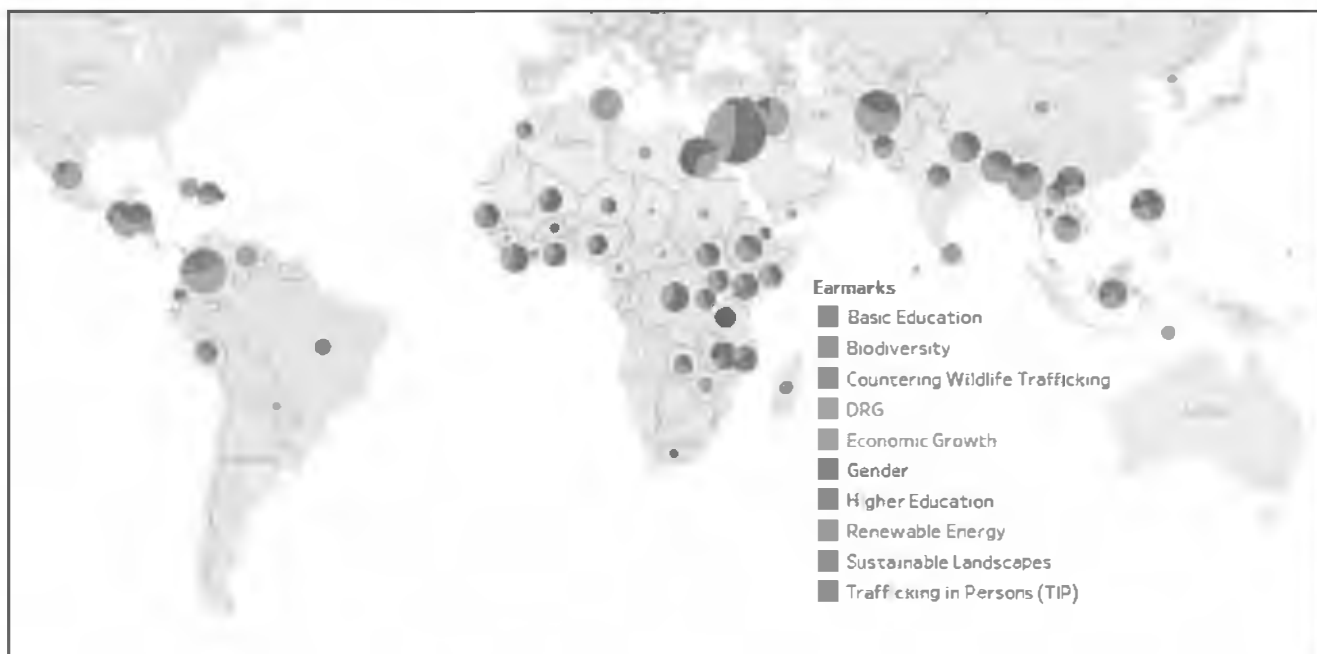
## LOOKING FORWARD

There are three main areas of focus for USAID's CVE community of practice in the coming years.

1. USAID's CVE team plans to integrate the approaches called for in the Agency's new CVE Policy and will continue to adapt in the time of COVID-19 to compete with VEOs. VEOs are capitalizing on the COVID-19 pandemic by 1) increasing attacks where government security is distracted; 2) blaming governments for the effects of COVID-19 and spreading disinformation; and 3) positioning themselves as service-providers responding to COVID-19 to gain popular support.
2. Focus on disengagement and reintegration of former affiliates and individuals loosely associated with VEOs. There is no place more illustrative of this need than Al-Hol camp in Syria. It is critical to develop programmatic approaches and collaborate to build a legal framework to responsibly cleave these individuals from VEOs.
3. As climate change continues to wreak unpredictable environmental and economic havoc, VEOs are certain to capitalize on opportunities, just as they have exploited COVID-19. It is critical to explore and prepare for linkages between environment, land use, and VE.

**NOTES**

## Bureau for Development, Democracy, and Innovation (DDI)



### Total Staff\*

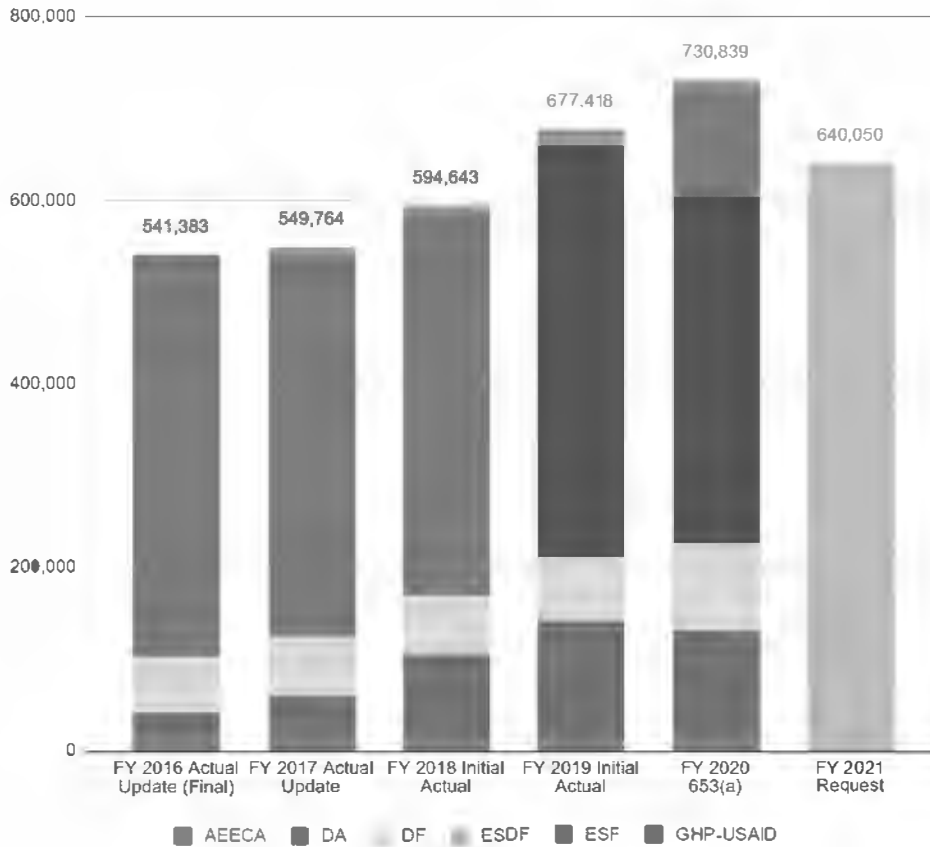
- AD
- CS
- FS
- ISC
- PSC
- FSL
- Other



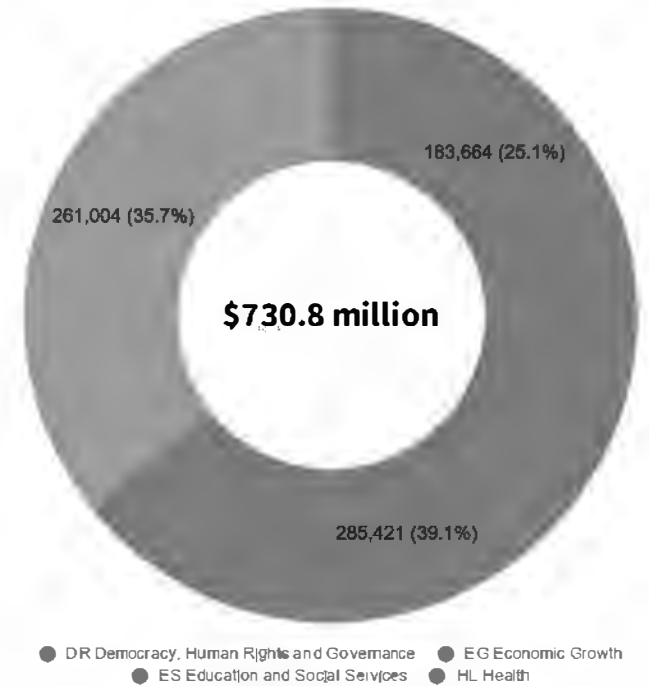
\*All staffing numbers provided by Bureau and accurate as of October 28, 2020.

# Bureau for Development, Democracy, and Innovation (DDI)

Program Budget Allocations, by Account - FY 2016-2020 and FY 2021 Request\*  
(\$ in thousands)



Program Budget Allocations, by Category - FY 2020 653(a)  
(\$ in thousands)



Sensitive but Unclassified (SBU) - For Internal U.S. Government Use Only

Sensitive but Unclassified (SBU) - For Internal U.S. Government Use Only

\*DDI was not allocated funding until FY 2020. Funding in FY 2016-2019 was primarily crosswalked from the E3 Bureau, DCHA Bureau, and LAB.  
NOTE: These charts include funding in the following USAID managed and partially managed accounts: AEECA, CCF, DA, DF, ESDF, ESF, FFP, GHP-STATE, GHP-USAID, HA, IDA, and TI. They do not include supplemental appropriations.



## BUREAU FOR DEVELOPMENT, DEMOCRACY, AND INNOVATION: BUREAU OVERVIEW

### INTRODUCTION

As of October 2020, the Bureau for Development, Democracy, and Innovation (DDI) is in the final stages of becoming operational. Once fully established, DDI will house USAID's technical expertise in democracy, economics, education, energy, environment, governance, human rights, infrastructure and market development, as well as cross-cutting development priorities, such as gender equality, innovation, technology and research, private sector engagement, partnerships with diverse organizations, including local and faith-based groups, and inclusive development. DDI will lead USAID's work reflected by 13 of the 17 metrics for the Journey to Self Reliance.

DDI will have an annual budget of approximately \$800 million, but it advises a global budget exceeding \$4 billion. DDI will become one of USAID's largest Bureaus, with a staff of approximately 740. DDI's organizational structure includes four Centers, five Hubs, and three Offices. Offices will keep DDI operating, coordinated, compliant, and continually improving. Centers will be sector-focused, whereas Hubs focus on cross-cutting, non-sectoral priorities. Both provide services to USAID missions such as designing and implementing programs to innovate, learn, and address emerging issues; and leading in the global development community. DDI will advise on key interagency priorities, lead development and implementation of many of the Agency's policies and strategies, as well as Congressional and Executive directives, shown below according to the respective Operating Unit:

**Center for Democracy, Human Rights and Governance:** Strategy on Democracy, Human Rights, & Governance; Counter Trafficking in Persons; Political Party Assistance; Urban Policies; and USAID's Strategy for Financing Self-Reliance

**Center for Economics and Market Development:** Economic Growth Policy; Employment Framework; Trade Capacity Building Policy; and USAID's Strategy for Financing Self-Reliance

**Center for Education:** USAID's Education Policy; and the International Basic Education Strategy

**Center for Environment, Energy and Infrastructure:** Biodiversity Policy; Environment and Natural Resource Management Framework; Construction Policy and Construction Risk Management; Tropical Forest And Coral Reef Conservation Act; Trillion Trees Initiative; and Toxic Chemicals, Ocean Plastics and Marine Debris Directives

**Innovation, Technology and Research Hub:** Principles for Digital Development; Digital Strategy; National Cyber Strategy; Higher Education Solutions Network; Development Innovation Ventures; Scientific Integrity Policy; and Scientific Research Policy

**Gender Equality and Women's Empowerment Hub:** Women's Entrepreneurship and Economic Empowerment Act; USAID Gender Equality & Female Empowerment Policy; Ending Child Marriage & Meeting the Needs of Married Children: The USAID Vision for Action; and the Women's Global Development and Prosperity (W-GDP) Initiative

**Inclusive Development Hub:** Advancing Protection and Care for Children in Adversity; A U.S. Government Strategy for International Assistance (2012-2023) as required by P.L. 109-95; LGBT Vision for Action: Promoting & Supporting the Inclusion of Lesbian, Gay, Bisexual & Transgender Individuals; Youth in Development: Realizing the Demographic Opportunity Policy; USAID Agency Disability Policy;

USAID Policy on Promoting the Rights of Indigenous Peoples; Leahy War Victims Fund; Wheelchair Program; Victims of Torture and Trauma; Disability Fund; and Displaced Children and Orphans Fund

**Private Sector Engagement Hub:** [Private-Sector Engagement Policy](#)

**Local, Faith and Transformative Partnerships Hub:** Center for Faith and Opportunity Initiatives Executive Order; Local Works and Cooperatives Directives; American Schools and Hospitals Abroad and Limited Excess Property Programs; and New Partnerships Initiative

**Office for Environmental and Social Risk Management:** Environmental Impact Assessments (Code of Federal Regulations, Title 22, Part 216); Strengthening the environmental performance of multilateral development banks (Title XIII of the International Financial Institutions Act)

## LOOKING BACK

The DDI Bureau is a result of USAID's [Transformation](#) and a merger of the former Bureau for Economic Growth, Education and Environment; the Global Development Lab; the Office of Democracy, Human Rights and Governance; the Office of American Schools and Hospitals Abroad; the Center for Faith and Opportunity Initiatives; and the Minority Serving Institutions Program. The efforts to initiate this reorganization began in November 2017 under the Transformation Task Team. The Bureau is expected to be operational beginning in November 2020.

Several factors influenced Agency leadership's decision to create the DDI Bureau. A 2014 report by the Office of the Inspector General found that USAID continually experiences shortages in personnel familiar with the Agency's guidelines, standards, and processes. USAID/Washington support to field Missions for design work, crosscutting and sector-specific learning, professional development, knowledge management, and other technical assistance was inconsistent and uncoordinated. The dispersal of experts throughout the Agency inhibited USAID's ability to broadly share and build on successes and promising programs. Further, the the Global Development Lab; the Office of American Schools and Hospitals Abroad; the Center for Faith and Opportunity Initiatives; and the Minority Serving Institutions programs were disconnected from mainstream programming and the Democracy, Rights, and Governance Center lacked an avenue to senior leadership to ensure its influence across the development spectrum.

The three-year reorganization process led to increased anxiety among staff, who frequently expressed frustration with what is perceived as lack of transparency. The Bureau Planning Team provided staff with opportunities to "build the Bureau they wanted to work in" through the establishment of working groups focused on key processes and issues such as client services, professional development, diversity, and inclusion. The work related to actual personnel decisions was within a small group of need-to-know individuals.

## LOOKING FORWARD

USAID leadership expects that DDI will provide better support to missions, while holding the Bureau's teams accountable for improving the design and implementation of the Agency's programs. DDI's success will be evident in the greater coordination among multidisciplinary experts, improved integration of cross-cutting priorities, and increased client satisfaction with the agility and impact that the new Bureau's structure enables.

**NOTES**

**BUREAU FOR DEVELOPMENT, DEMOCRACY, AND INNOVATION:  
FOSTERING PARTNERSHIPS WITH NONTRADITIONAL AND DIVERSE PARTNERS**

## INTRODUCTION

With USAID outreach as well as broadened interest in international development, a wide array of foundations, philanthropists, corporations, social investors, U.S.-based and host country non-governmental organizations are participating in international development for the first time. These diverse development actors can be a source of innovation, creativity, local leadership, and new resources. Despite this expansion, the majority of USAID's direct funding has remained within a small circle of large organizations. According to USAID's 2018 Acquisition and Assistance Strategy, the number of new partners has decreased consistently since 2011, with 60 percent of obligations going to just 25 partners and over 80 percent of obligations going to 75 partners, in Fiscal Year 2017.

In response, USAID is strengthening its ability to partner with nontraditional and diverse actors. In 2020, USAID launched the Local, Faith Based and Transformative Partnerships Hub (LFT Hub) in the Bureau for Development, Democracy, and Innovation (DDI). The LFT Hub's purpose is to:

1. Provide more coordinated and integrated support to the field on the creation of effective partnerships with nontraditional and diverse organizations including local, faith-based, and community organizations; schools and hospitals; minority-serving institutions; foundations; diaspora communities; cooperatives; and volunteer organizations; and,
2. ensure that USAID's programming leverages the unique capabilities and leadership of these partners to achieve development results and enhance U.S. public diplomacy.

To do this, LFT Hub brings together several Operating Units from across USAID, including:

- *American Schools and Hospitals Abroad*, which has strengthened more than 300 educational and medical institutions through partnerships between U.S. organizations and overseas institutions and has influenced public diplomacy around the globe since 1957;
- *The Center for Faith and Opportunity Initiatives*, which serves as a bridge to local community actors and faith-based organizations, lowering barriers to partnerships and strengthening USAID's capacity to engage with these groups;
- *The Office of Local Sustainability*, USAID's technical leader on locally-led development, providing staff with skills and resources to support local actors via its Local Works, Cooperative Development, and Peace Corps Small Project Assistance Programs;
- *The Minority Serving Institutions Program*, which focuses on increasing MSIs'—Historically Black Colleges and Universities, Hispanic Serving Institutions, and institutions serving indigenous Americans—awareness of partnership opportunities and enhancing solicitations and activities to increase MSI participation in USAID programs;
- *The New Partnerships Initiative*, which aims to diversify USAID's partner base by creating avenues for new, underutilized, and local partners to work with USAID and building more strategic relationships with the Agency's existing partners.

## LOOKING BACK

USAID has faced a range of challenges with nontraditional and diverse partnerships: funding and staffing limitations; the management burden of supporting partners that are unfamiliar with USAID processes and requirements; and the real and perceived risk from working with partners that are new to USAID's compliance regulations. Over the past four years, USAID has sought to address these challenges and diversify its partner base through several efforts, mainly through the New Partnerships Initiatives and the Center for Faith and Opportunity Initiatives.

### The New Partnerships Initiative

USAID launched the New Partnerships Initiative in 2019 as part of the Effective Partnering and Procurement Reform enhancements that are core to the Agency's Transformation process. The New Partnerships Initiative's goals are to: elevate local leadership via awards to local and locally-established partners and improved local-capacity development; foster creativity and innovation through partnerships with new and underutilized non-profit and private-sector organizations; and work with organizations that can leverage their own private (non-U.S. government) funding for development.

The New Partnerships Initiative uses a series of global and mission-designed solicitations tailored for new and underutilized partners and has streamlined processes and reduced barriers to entry for new and underutilized partners to be prime or sub partners. Since 2019, USAID has issued nearly two dozen New Partnerships Initiative awards and influenced other Agency awards to support new and underutilized partners or traditional partners that mentor new and underutilized partners. As examples, in June 2020, USAID announced a \$25 million New Partnerships Initiative award to improve maternal and child health in Tanzania and Liberia through a network of local partners, as well as \$4.4 million to respond to COVID-19. These awards reflect USAID's use of innovative awards, such as those involving co-creation or non-traditional mechanisms such as Broad Agency Agreements, to support local and new underutilized partners. The Agency required USAID missions to develop action plans for engaging new and underutilized partners, and launched the New Partnerships Initiative Incubator to develop resources to support new and underutilized partners to compete for USAID awards.

### The Center for Faith-Based Initiatives

The Agency has emphasized engaging faith-based organizations in its efforts to support diverse partners. Faith based organizations are often the "first in and last to leave" disaster areas and frequently have a long standing presence on the ground which has allowed them to earn community trust.. The Agency has faced several challenges partnering with faith-based organizations. Many smaller faith-based organizations lack the ability to navigate the U.S. government bureaucracy, and USAID staff often have a limited understanding of the legal parameters and principles governing work with faith-based organizations. USAID's Center for Faith-Based Initiatives provides Agency staff with tools, resources, and knowledge to meaningfully engage faith-based organizations, and convenes USAID leadership with faith and community organizations in dialogue on key priorities. The Center for Faith-Based Initiatives also represents USAID within the U.S. Government and international fora that address the intersection of religion and development, including international religious freedom. New resources to strengthen the Agency's commitment to partner with faith-based organizations are currently in development, and, in October 2020, the Agency's first-ever Evidence Summit on Strategic Religious Engagement will take place.

## **LOOKING FORWARD**

The incoming LFT Hub teams are currently coordinating to enhance USAID's partnership practices in a number of areas, including: mainstreaming innovative partnership approaches; improving grant monitoring systems to facilitate flexible awards; and upgrading Agency policies and procedures to support nontraditional and diverse partnerships. In the coming months, the Hub's main focus will be: establishing a LFT Hub strategy, standard operating procedures, and field support systems; integrating the LFT Hub's incoming staff; and mobilizing resources to support the LFT Hub strategy, including through cross-Hub knowledge sharing on nontraditional and diverse partners.

**NOTES**

**BUREAU FOR DEVELOPMENT, DEMOCRACY, AND INNOVATION:  
DEMOCRACY, HUMAN RIGHTS, AND GOVERNANCE ASSISTANCE IN A CHANGING WORLD****INTRODUCTION**

In both funding and expertise, USAID is a global leader in providing effective assistance for democratic governance and human rights protection. The Agency practices a citizen-centered approach to development that goes beyond technical and financial assistance to encompass strong development partnerships that advance country development strategies, placing equal value on promoting democratic and accountable governance and the dignity and rights of all individuals. USAID engages civil-society actors as well as public and private sector stakeholders at each stage in our development programming.

As USAID works to foster self-reliance, which includes strengthening democracy, human rights, and governance (DRG), the global context for democracy promotion has changed. After a period of unprecedented democratic expansion, democratic backsliding now threatens decades of progress. For the first time since 2001, there are more autocracies than democracies in the world, and these autocracies are more resilient than ever. There are 92 autocracies that are home to 54 percent of the world's population, and democratic backsliding is increasing in more established democracies.

The erosion of global democracy is characterized by growing authoritarianism, inequality, political polarization, and rural-urban divides within electorates that have crystallized into a loss of confidence in the system's ability to meet citizen needs. These forces are intensified by corruption and exploited by a new generation of autocratic leaders seeking to upend "establishment" politics. The decline has been fueled by alternative governance models promoted by the Governments of China and Russia as they engage in malign efforts to undermine democratic legitimacy and sovereignty worldwide.

This resurgent authoritarian influence destabilizes democracies by undermining governance standards, including legal and regulatory frameworks. It feeds upon corruption and erodes human rights while disregarding privacy norms, discrediting the media, and distorting open information flows. It is of grave concern that the Government of China has made clear its ambition to export an ideology that privileges centralized state control and is fundamentally hostile to free expression and association, religious freedom, open debate, privacy and independent thought.

The [COVID-19 pandemic](#) has stretched governments to the breaking point in terms of resources and capacity to protect their citizens, sustain access to quality public services, and mitigate negative economic impacts. Under the guise of protecting citizens from COVID-19, some states and political leaders have exploited the pandemic to extend malign influence, consolidate power, and restrict human, political, and civil rights. Governments have also used COVID-19 to justify restrictions on media reporting and access to information and to manipulate electoral processes in their favor. Upholding citizens' rights, including the rights of marginalized and vulnerable populations, is fundamental to a functioning democracy: COVID-19 destabilized democratic governments globally and so has disproportionately affected these groups. In this context, the pandemic has also accelerated the rise of digital authoritarianism, which utilizes censorship and surveillance systems accompanied by disinformation, causing a global decline in internet freedom.

Yet, while both resurgent authoritarian influence and the COVID-19 pandemic have accelerated democratic backsliding, there is also hope that a new era of democratic renewal may be beginning. A growing number of high-profile protest movements calling for greater accountability and political reform have emerged in Belarus, Hong Kong, Sudan, Armenia, Algeria, and elsewhere. Of note, data from [Varieties of Democracy](#) shows that the share of countries with substantial pro-democracy mass

protests rose from 27 percent in 2009 to 44 percent in 2019. Citizens are taking to the streets in unprecedented numbers to defend their civil liberties, to protect the rule of law, and to fight for free and fair elections.

Other positive signs since the onset of the pandemic include new opportunities for political opposition parties to participate in political processes; increased demands for government oversight, transparency, and reliable information; and new forms of digital participation and engagement, especially by young people and women. In this charged and competitive global context, USAID's strategic application of U.S. democracy assistance will have profound consequences for America and for the world.

## LOOKING BACK

USAID has supported the establishment and consolidation of inclusive and accountable democracies that advance freedom, human dignity, and development. Global efforts in the DRG sector, including programs that strengthen civil society, participatory governance, elections and political processes, human rights, and rule of law, have advanced two critical outcomes: 1) greater citizen participation and inclusion and 2) more accountable and effective institutions and leaders. USAID has encouraged the integration of DRG principles and practices into other development sectors to create more sustainable and just development outcomes while defending civil society in restrictive environments.

Through longstanding assistance to advance DRG goals, USAID helped foster the conditions necessary for progress towards democracy across the developing world, including in Bosnia, Georgia, Tunisia, Ghana, Senegal, Ethiopia, Kenya, South Africa, and Madagascar, Sri Lanka, Kyrgyzstan, Colombia and elsewhere. Despite the unprecedented challenges confronting democracy promotion efforts, a recent quantitative [study](#) by the University of Pittsburgh confirmed that USAID DRG assistance continues to achieve statistically significant, positive effects. USAID's DRG Center within the Bureau for Development, Democracy, and Innovation has guided USAID's largely field-based democracy promotion efforts. The DRG Center is on the cutting edge of Agency policy priorities and support for field missions, leveraging a global cadre of over 400 DRG officers and practitioners to address these evolving DRG challenges.

## LOOKING FORWARD

A major challenge for USAID will be to ensure that DRG resources are deployed to the right geographies, at appropriate levels, and in support of strategic priority interventions that will help to turn the authoritarian tide and continue to strengthen democratic reforms. USAID manages most of the more than \$2 billion in annual resources deployed by the U.S. government to advance democracy worldwide but is often constrained in its ability to direct resources to the most critical countries and challenges.

Windows of opportunity will continue to open and close. For example, increased citizen demand for accountable governance and the spread of technology that empowers all citizens is encouraging. Considering the challenges articulated and USAID's budget and expertise, the Agency is considering ways to increase its capacity to design and implement effective strategies that target regional and national reforms as well as emerging threats from disinformation programs, including digital literacy and programs targeting disinformation related to COVID-19. For example, rule of law programs can develop and uphold codes and standards that help governments and citizens to regulate emerging digital platforms and protect privacy rights. In addition, the Agency is continuing its efforts to integrate DRG principles throughout USAID programming to ensure that USAID investments are increasingly sustainable, while supporting the growth and effectiveness of democratic societies and states



**NOTES**

## BUREAU FOR DEVELOPMENT, DEMOCRACY, AND INNOVATION: USAID AND PRIVATE SECTOR ENGAGEMENT

### INTRODUCTION

The private sector plays an unprecedented role in creating and shaping opportunities that improve the lives of the people and communities that USAID supports. Private capital represents nearly 90 percent of financial flows to developing countries. The private sector creates nine out of ten jobs in the developing world, and provides an important pathway to self-reliance. It is the driving force behind new innovations that solve development problems. Only through collaborating with the private sector can USAID match the scale and complexity of challenges that countries face on their Journey to Self-Reliance.

To more deeply and sustainably engage with the private sector, USAID launched its first-ever Private Sector Engagement (PSE) Policy in December 2018, followed by the creation of the PSE Hub in the new Bureau for Development, Democracy, and Innovation (DDI). The Policy defined the Agency's next generation approach to PSE rooted in "enterprise-driven development" which calls for "aligning with private enterprises as co-creators of market-oriented solutions, with shared risk and shared reward." The creation of the Hub provides structural support to the Agency to fully implement the new Policy. The Hub is building the enabling infrastructure and creating the institutional conditions for successful scaling and mainstreaming of PSE programming across all operating units.

### LOOKING BACK

USAID has been a leader in the development community over the past two decades in partnering successfully with the private sector.

- Since 2001, USAID has brought the private sector into 2,300 partnerships, expected to leverage more than \$43 billion in non-U.S. government funds towards U.S. development objectives.
- USAID has unlocked \$5.5 billion in credit in over 80 countries through more than 500 loan guarantees (42 percent of recipients were first-time borrowers).
- Power Africa is among the largest public-private partnerships for development in history, and has leveraged about \$650 million into more than \$56 billion of commitments from more than 170 public- and private-sector partners to achieve its goals. The 124 projects that have reached financial close are worth more than \$22 billion. USAID has secured \$54 billion in private and public sector commitments for energy infrastructure since 2013 through Power Africa.
- USAID facilitated \$4.5 billion in investments and loans into the agriculture sector through Feed the Future, which spurred \$10.5 billion in agricultural sales for beneficiary farmers and small- and medium-enterprises. In Brazil, USAID played a catalytic role in establishing the Althelia Biodiversity Fund, a first-of-its-kind, award-winning private equity and impact investment fund that provides capital for businesses to make a transformational, positive impact in the Amazon.
- USAID is a lead partner of Project Last Mile, a pioneering public-private partnership between USAID, The Coca-Cola Company and Foundation, The Bill and Melinda Gates Foundation, the President's Emergency Action Plan for AIDS Relief, and The Global Fund to Fight AIDS, Tuberculosis and Malaria, which leverages the private sector expertise and the business intelligence of the Coca-Cola system to improve access to life-saving medicines through supply chain and strategic marketing support throughout the African continent.
- USAID's Neglected Tropical Disease programs distribute donated drugs valued at over \$26 billion, representing one of the largest public-private partnerships in the Agency. Six of the drugs needed to eliminate or control neglected tropical diseases are donated by pharmaceutical companies Eisai, GlaxoSmithKline, Merck & Co., Merck KGaA, Johnson & Johnson, and Pfizer.

USAID works with countries to forecast and efficiently distribute these donated drugs to target audiences, with a leverage of \$26 in donations for every tax dollar spent by USAID.

- **Prosper Africa** is a whole-of-U.S. Government initiative to substantially increase two-way trade and investment between the United States and the continent of Africa as part of the U.S. Government's efforts to counter malign influence from China and other rivals. First launched in December 2018 and formally rolled out in June 2019, Prosper Africa leverages the full suite of U.S. Government (USG) trade and investment services, while harnessing private sector resources and innovation to fuel sustainable economic growth and job creation in the United States and Africa. To date, Prosper Africa has directly facilitated more than 280 trade and investment deals through to completion across more than 30 African countries for a total value of over \$22 billion.
- Through the Indo-Pacific Strategy, USAID has played a key role in leveling the playing field for U.S. and domestic private sector through programs that improved the regulatory environment, addressed weak governance, strengthened the rule of law to enable the enforcement of contracts and intellectual property rights, expanded the fiscal space to enable governments to invest in the necessary hard and soft infrastructure needed for the private sector to flourish, addressed corruption, and developed appropriate human capacity.
- In the wake of COVID-19, a \$3 million USAID investment leveraged \$26 million from Moroccan and private-sector partners to finance Moroccan universities and a leading private sector virtual reality education company to co-design a center that uses augmented and virtual reality solutions to train the next generation of technical professionals.

While USAID has been engaging with the private sector for decades, the 2018 PSE Policy has institutionalized PSE as a core tenet of USAID's operating model moving forward, including:

- **USAID's Agency Priority Goal:** Expanding engagement with the private sector was elevated to one of the Agency's five priority goals.
- **PSE Action Plans.** 97 percent of operating units across the Agency have now developed and are implementing specific PSE Action Plans for advancing PSE in their programming and operations.
- **PSE Programming Tools:** New resources were developed to enhance PSE programming, including 35 contract and grant mechanisms available to staff specializing in PSE programming.
- **PSE Community of Practice:** The PSE Hub has cultivated an active PSE community of practice of over 1,900 staff members across 91 missions and Washington-based offices through which information is exchanged, capacity is provided and expertise is shared.
- **PSE Learning Agenda:** A robust learning agenda for PSE has been established, including tools for building the evidence base for PSE programming.
- **U.S. International Development Finance Institution Engagement and Support:** In order to ensure close collaboration between the DFC and USAID, a specific DFC support team has been established within DDI, and a network of more than 100 staff from every USAID mission and operating unit have been designated and trained as DFC liaisons to develop and implement a pipeline of financial transactions to support the private sector.

## LOOKING FORWARD

The opportunity for USAID to scale and mainstream private-sector engagement has never been greater. The private sector is as motivated as it has ever been to contribute directly to development as part of its operating model. In 2019, the Business Roundtable explicitly elevated environmental sustainability, ethical treatment of suppliers, and care of employees as core objectives equal to that of driving shareholder value. For USAID to seize this historic opportunity and scale PSE across all programs, sectors and operating units, USAID is focusing on: increasing institutional capacity; removing legacy bureaucratic barriers to effective PSE programming; developing and disseminating applied insight through meaningful data and evidence; developing and deploying next generation PSE tools and approaches; and demonstrating USAID's value addition to private-sector partners.

The Agency lacks a corporate data system to accurately manage, measure, and track the level and types of private-sector programming across the Agency, as well as data on corporate relationships and staff PSE capacity. USAID staff tend to rely on programming with traditional implementing partners rather than seeking out new private-sector partners.

**NOTES**

**BUREAU FOR DEVELOPMENT, DEMOCRACY, AND INNOVATION:  
USAID'S RELATIONSHIP WITH THE U.S. INTERNATIONAL DEVELOPMENT FINANCE CORPORATION**

## INTRODUCTION

The United States International Development Finance Corporation (DFC) is the new development finance institution of the U.S. Government. The DFC was created by the *Better Utilization of Investments Leading to Development (BUILD) Act*, which President Trump signed into law in October of 2018. The DFC consolidated the former Overseas Private Investment Corporation (OPIC) with USAID's Development Credit Authority (DCA) into the new DFC to spur private-sector investment, with an explicit statutory mandate to focus on lower-income countries and lower-middle-income countries. USAID's DCA program was its former credit guarantee program. The DFC's expanded set of finance products includes loans, loan and loan portfolio guarantees, political-risk insurance, and new authorities to make equity investments and provide technical assistance.

The *BUILD Act* also established several statutory linkages between USAID and DFC, most notably: the USAID Administrator is designated as Vice Chair of the DFC Board of Directors, and the USAID Administrator's concurrence is required for selection of the DFC's Chief Development Officer—a new position created to help ensure that the DFC maintains a focus on development and prioritizes activities in lower-income and lower-middle-income countries. Recognizing the importance of this position, USAID detailed to the DFC a Senior Foreign Service Officer, with almost 20 years of development experience and a deep institutional knowledge of both USAID and the broader interagency process, to serve as the DFC's first Chief Development Officer.

Throughout the process leading up to passage of the *BUILD Act* and its subsequent implementation, USAID has continually sought to create additional strong institutional linkages with the DFC, as described in more detail in a joint USAID-Overseas Private Investment Corporation [Coordination Report](#) submitted to Congress before DFC came into legal existence. The Agency's close partnership with DFC advances a number of USAID key policy priorities, including the [Journey to Self-Reliance](#), Private-Sector Engagement, [Prosper Africa](#), and [Clear Choice](#). USAID's partnership with DFC is managed primarily through the [Bureau for Development, Democracy, and Innovation \(DDI\)](#).

## LOOKING BACK

Since the DFC officially launched in January of 2020, USAID and DFC have worked closely to implement and expand upon institutional linkages. Some achievements to date include:

- **Mission Transaction Unit:** USAID and DFC worked closely to successfully transition USAID's DCA existing portfolio and staff to the DFC, including 175 active guaranties and 34 employees. That office is now known as the Mission Transaction Unit (MTU) and sits within DFC's Office of Development Credit. Perhaps uniquely within the United States Government (USG), the DFC's MTU staff are 100 percent dedicated to serving another agency, USAID. They are a one-stop-shop for any USAID mission or operating unit that wants to originate a transaction or access any of the DFC's enhanced set of financing products. As of August 23, 2020, the 70 USAID-sponsored transactions pending with the MTU would mobilize approximately \$1.2 billion to achieve development outcomes as a result of an initial investment of approximately \$26 million from USAID. Some of these transactions may include direct loans that could be structured as a negative or zero subsidy burden for USAID.
- **USAID's Network of DFC Liaisons:** USAID and DFC worked together to establish a network of "DFC Liaisons." This network consists of more than 100 USAID staff from among 95 missions and 23 Washington-based operating units, each of whom received a week of highly detailed, jointly designed training in how to work with the DFC. Each USAID operating unit now has a formally designated a DFC Liaison who serve as that unit's central technical contact with DFC for deal generation and implementation.

- **Field Manual:** USAID and DFC jointly developed an operations Field Manual to provide step-by-step instructions on how to develop and implement USAID-sponsored DFC transactions. Each USAID "DFC Liaison" received a full week's training on the procedures in this Field Manual, which was invaluable in enabling the two agencies to immediately begin working together after the DFC formally launched.
- **Staffing Exchanges:** USAID and DFC also established the Foreign Service Development Finance Fellows (DFFS) Program whereby USAID Foreign Service Officers (FSOs) who have served at least one tour overseas can seek to be assigned for a domestic tour of up to three years with the DFC. While working at the DFC, they will strengthen their knowledge of development finance by working on DFC transactions, which in turn will benefit USAID as those FSOs continue their career at USAID. Planning is underway to deploy the first cohort in late 2020 and a second cohort in mid-2021.

## LOOKING FORWARD

**Increased Deal Flow:** USAID plans to transfer more than \$21 million to DFC by Quarter 4 of calendar year 2020 to pay the cost subsidies needed for 14 USAID sponsored transactions that will mobilize approximately \$453 million in loans and guarantees. Additional transactions, which will require additional cost subsidies to be transferred, are anticipated later in the fiscal year. All of the current pipeline of loans, loan guarantees, and equity investments will support USAID's development objectives.

**Focus on Development Impact:** USAID must continue to work closely with DFC to help ensure that it maintains a focus on the development impact of its investments. We worked closely with DFC on its new Development Strategy, and USAID support can play a pivotal role in ensuring its successful implementation.

**Sovereign Loan Guarantees (SLGs):** To date, the U.S. Government has provided 20 SLGs to five countries (Israel, Egypt, Tunisia, Jordan, Ukraine, and Iraq). Some were paid off, and the current size of the SLG portfolio amounts to \$15.6 billion across 12 active bonds. By October 30, 2020, Jordan is expected to pay off one maturing SLG, and Israel will make a significant payment, reducing the overall SLG portfolio to \$13.9 billion and reducing the total number of active bonds accordingly. USAID historically issued and managed the SLGs for the broader U.S. Government, so the legal ownership of the portfolio currently is with USAID. This creates a large reputational risk for USAID, though it is worth noting that if a default occurs on an SLG, payments come from Treasury, not USAID. *The BUILD Act* had an option to transfer the existing SLG portfolio but no interagency agreement was reached on which agency or department should inherit and manage the existing portfolio and any new SLGs issued in the future. USAID's position remains that the Agency would like to transfer management of the SLG portfolio to either State or DFC, but any transfer to DFC would significantly impact DFC's new overall portfolio ceiling of \$60 billion and likely require additional legislative action.

**Potential Amendment to BUILD Act.** The National Security Council and DFC are working on new legal authority that, if enacted, would enable DFC to work in High Income Countries (HICs) such as Israel, Greenland, and several Small Island Developing States (SIDS) in the Caribbean and the Pacific, if such work is found to be in the "national security" or alternatively the "national economic security or foreign policy" interests on the U.S., as determined by either the President or the Secretary of State. Legislative vehicles under Administration consideration to request such legislative text would be the next National Defense Authorization Act and/or the next Omnibus budget or Continuing Resolution.

**NOTES**



**BUREAU FOR DEVELOPMENT, DEMOCRACY, AND INNOVATION:  
FINANCING SELF-RELIANCE: SUPPORTING PARTNER COUNTRIES TO FINANCE DEVELOPMENT  
SOLUTIONS**

## **INTRODUCTION**

Financing Self-Reliance (FSR) is a core component of USAID's strategic reprioritization under the Journey to Self-Reliance to help partners advance and sustain their own development. FSR is a cross-sectoral, systems-based approach to develop the capacities of partners to: 1) mobilize and manage public, private, and community resources efficiently, effectively, and with accountability; and, 2) create and sustain enabling conditions that foster trade and investment. Prioritizing USAID's development assistance to help partners finance their own development elevates economic governance.

The FSR initiative is based on the understanding that USAID's partner governments collect revenues from citizens, enterprises, and financial markets to fulfill their development responsibilities. Aligning available financial resources to a government's responsibilities is planned during periodic budget processes. Based on such budgets, funds are transferred to government branches (*e.g.*, ministries, departments) to finance the delivery of citizen services (*e.g.*, health care, education, citizen security). All layers of governments are accountable to governmental and civil oversight for the effective and efficient use of funds, which underscores the need for structured and transparent financial management systems throughout public institutions.

Equally important is a government's implementation and enforcement of enabling environments to facilitate investment in private enterprises, trade, and access to and availability of financial markets. Private enterprises are accountable to governmental and civil oversight, though not specifically for the management of their financial resources. Inherent in the functioning of the above mentioned systems is the participation of public, private, and civil society actors, as beneficiaries and as stakeholders.

FSR advocates a systems-based approach to identify root causes that inhibit the ability of our partners to access and administer financial resources to fund their own development priorities. Often, such causes stem from weak governance systems or perverse incentives that ignore known problems. The consequences of weak governance undermine service delivery, distort economic sectors, and encumber social development. Examples include: 1) limited budget and resource planning and execution capacities in Ministries undermining service delivery; and, 2) restricted oversight of government procurements, budget execution, and elites' business practices leading to mismanaged funds and malign influences.

## **LOOKING BACK**

To institutionalize FSR within the Agency, the FSR Working Group was created in 2019 and an Executive Director was appointed. Based in the Bureau for Development, Democracy, and Innovation (DDI) the Executive Director is responsible for implementing the FSR Initiative by: 1) managing the implementation of processes to institutionalize the FSR approach; 2) managing the use of FSR program funds in USAID centers, hubs, and offices; 3) coordinating communications within USAID and to external stakeholders; and, 4) ensuring cooperation between USAID centers, hubs, and offices to provide capacity-building and support to USAID Operating Units. The Executive Director is supported by his/her designated subordinate(s) and technical experts from across the Agency where each member represents their area of expertise while reporting to their respective centers, hubs, or offices. The Center on Democracy, Human Rights and Governance is responsible for: 1) domestic revenue mobilization; 2) public financial management; and, 3) fiscal oversight and accountability. The Center of Economics and Market Development is responsible for the Enabling Environment for Private Investment, and the Private Sector Engagement Hub houses Functioning Financial Markets.

In November 2019, USAID announced the first FSR incentive fund. 44 concept notes were submitted and 12 were selected for funding. To amplify the FSR initiative, the Administrator contributed \$10 million from the Development Assistance Reserve Fund for Fiscal Year 2019 to provide sufficient funds to finance the 12 concept notes valued at \$19 million. The FSR Working Group engaged in a co-creation process with each of the selected Operating Units to improve the effectiveness of the proposed activities.

Thus far, the FSR Working Group has been mainly focused on: 1) implementation of the Incentive Fund; (2) ensuring the principles of FSR are incorporated into each mission's Country Development Cooperation Strategy; 3) providing temporary duty travel technical assistance support to missions; 4) developing a virtual Introduction to FSR Course, in addition to three webinars, and a separate virtual FSR Summit; 5) the development of the Fiscal Year 2020 budget; and, 6) a communications strategy.

### **LOOKING FORWARD**

The future success of FSR relies upon the Agency's continued commitment to focus on a long-term strategy that gradually builds the capacities and commitments of partner countries to finance their own development. The requested budgets of \$100 million for Fiscal Years 2021 and 2022 will increase the chances of the FSR approach being more broadly adopted through a combination of more technical assistance provided to missions, more training courses, and potentially follow-on FSR incentive funds. Yet, given the time it takes to yield results for such a long-term approach to sustainable development, the Agency risks losing focus as the near-term effects of the pandemic endure. This drives more short-term thinking and responses geared toward addressing symptoms to problems like delivering humanitarian assistance instead of building the long-term capacities and commitments of partner countries to address their own development challenges.

**NOTES**

## BUREAU FOR DEVELOPMENT, DEMOCRACY, AND INNOVATION: PROTECTING VULNERABLE POPULATIONS

### INTRODUCTION

The COVID-19 pandemic has made clear that weak protection systems in low- and middle-income countries are insufficient to protect populations most vulnerable to the impacts of disasters and global shocks. Emergency situations such as the COVID-19 pandemic can dramatically exacerbate the marginalization, inequities, and discrimination faced by some populations. This includes, but is not limited to, women; children; youth; older people; indigenous peoples; lesbian, gay, bisexual, transgender, and intersex (LGBTI) people; persons with disabilities; and religious and ethnic minorities. When pre-existing marginalization and vulnerabilities are magnified, it is more difficult for those populations to access humanitarian and development assistance, and it puts them at greater risk of violence, exploitation, and abuse.

USAID's humanitarian assistance has a robust history of mitigating and responding to these threats, including sexual and gender-based violence; violence in the home; forced labor; abuse or neglect of children; and separation of families. However, protection programming and long-term investments in building local and national protection systems have not been as strong a focus within USAID's development assistance portfolio.

In response to COVID-19, USAID's increased funding to protect vulnerable populations has reinforced the need to mainstream protection concerns and use inclusive development approaches in all programming, to help ensure equitable access while minimizing the risk of violence, exploitation, and abuse. These approaches include: ensuring access to information and services in plain, simple, and affirming language; promoting ethical, targeted, and meaningful engagement; providing opportunities for leadership and decision-making to ensure that responses are inclusive without increased risks of violence, abuse, discrimination or negative health or economic outcomes; and adapting approaches to address the differential needs and capacities of individuals of different sexes, ages, abilities, and socio-economic and demographic groups, while also understanding the unique strengths of each group.

### LOOKING BACK

In the last four years, several new policies and programs have joined documents like 2012's *Ending Child Marriage and Meeting the Needs of Married Children: The USAID Vision for Action* and a suite of supplemental tools, all of which help elevate protection issues within development programmings. In 2018, USAID launched the Action Alliance for Preventing Sexual Misconduct (AAPSM) to increase efforts to prevent sexual exploitation and abuse and put the needs, rights, and well-being of survivors at the forefront of our efforts. In a milestone development, USAID released the first *USAID Policy on Protection from Sexual Exploitation and Abuse (PSEA)* in March 2020. In 2019, USAID launched the *Advancing Protection and Care for Children in Adversity: A U.S. Government Strategy for International Assistance (2019-2023)*, which outlines the U.S. Government's approach to investing in the development, care, dignity, and safety of the world's most-vulnerable children and their families. In 2020, USAID released a new *Policy on Promoting the Rights of Indigenous Peoples* to improve the impact and sustainability of USAID programs by ensuring USAID engages Indigenous Peoples as meaningful partners in development processes; safeguards them against harm; and enhances Indigenous Peoples' ability to promote and protect their rights, determine their own development priorities, and advance their self-reliance.

As vulnerable populations are at higher risk for poor mental health, in 2020, USAID created a new position, the Agency Mental Health and Psychosocial Support (MHPSS) Coordinator. Globally, mental health conditions impact almost 800 million people each year, and are the third leading cause of death

of youth. Yet more than 80 percent of individuals with mental health conditions do not receive the services they need. Addressing this gap is critical for USAID, as evidence shows that poor mental health affects people's ability to take advantage of opportunities in all aspects of their life, including health, education, and employment.

The USAID Transformation included the establishment of the Inclusive Development (ID) Hub within the Bureau for Development, Democracy, and Innovation, to promote the rights and improve the safety, well-being, and inclusion of marginalized and under-represented groups across USAID programs. While the ID Hub's mandate is broader than protection issues, by housing the Agency Coordinators and Advisors for Disability, Indigenous Peoples, LGBTI people, Youth, and MHPSS, as well as the U.S. Government's Special Advisor for Children in Adversity, the ID Hub will provide streamlined technical assistance to Missions on how to effectively include these populations in development programming; address the disproportionate lack of access to income, education, and basic services; and mitigate violence, exploitation, and abuse.

## LOOKING FORWARD

The new policies, initiatives, and structures mentioned above, in addition to existing resources, put USAID in a stronger position to more effectively address the protection needs of vulnerable and marginalized populations. Due to the dramatic increase in protection needs and other basic needs caused by the COVID-19 pandemic, USAID intends to pursue a more sustainable and holistic approach to investing in social protection systems and social service delivery. In a world filled with risks, quality social protection systems help individuals and families, especially the poor and vulnerable, cope with crises and shocks, find jobs, invest in the health and education of their children, and protect the aging population.

Key issues for USAID include:

- **Building a sustainable, robust social service workforce that can identify, assess, and provide services to vulnerable populations:** While USAID has invested billions in building health and education systems around the world, investments in social services for the most vulnerable have been comparatively small, and too often come through one-off programs. We need to promote a systems approach to the social service sector that is resilient to shocks and that includes engagement with Ministries of Social Affairs in partner countries on appropriate policy frameworks, financing, workforce development, and case management.
- **Developing an Agency-wide MHPSS strategy:** Mental health and trauma is addressed in a variety of USAID programs, but in a fragmented, uncoordinated way, and without dedicated funding. The MHPSS Coordinator is developing an Agency-wide MHPSS Strategy that will address foundational issues, such as building a qualified national workforce, incorporating mental health into health planning and financing, and addressing stigma around mental health conditions. This is a new area of focus for USAID that involves coordination across multiple Bureaus and will require the support of senior leadership if it is to continue.

**NOTES**

## BUREAU FOR DEVELOPMENT, DEMOCRACY, AND INNOVATION: WOMEN'S GLOBAL DEVELOPMENT AND PROSPERITY

### INTRODUCTION

The barriers preventing women from becoming equal economic actors are complex. Women make up half of the world's population, but they own only one-third of formally registered small- and medium-sized enterprises globally. They provide most of the world's unpaid child and elder care and more often work in insecure, low-wage jobs in the informal economy. In many countries, women are part of the agricultural workforce yet own just a fraction of land. Women are more likely to face legal barriers and other obstacles that limit their participation in the economy, and have less access to finance, markets, and property than men. Yet some of the largest returns in foreign assistance come from investments in women's economic empowerment, which can ultimately spur economic growth and contribute to global peace and prosperity.

To prioritize women's economic empowerment and underscore its links to U.S. national security, the Trump Administration established the Women's Global Development and Prosperity (W-GDP) Initiative on February 7, 2019, a whole-of-government approach to advancing women's economic empowerment globally, with ten U.S. Government Departments and Agencies<sup>1</sup> working toward the goal of reaching 50 million women by 2025. The Department of State serves as the lead Agency for W-GDP and is responsible for U.S. Government coordination and annual reporting.

Through W-GDP, USAID established the W-GDP Fund, which, in the first two years, provided \$200 million to USAID missions and operating units, participating U.S. Government Agencies, private-sector partners, and other organizations in more than 60 countries. It also worked with more than 450 partners to amplify its reach. Thus far, W-GDP has reached more than 12 million women, 9 million of which were direct beneficiaries of USAID programming. The W-GDP Fund is managed within USAID's Bureau of Development, Democracy, and Innovation (DDI), of which the W-GDP team deploys a pragmatic approach of scaling existing activities to achieve impact quickly combined with new interventions that contribute to sustainable results over time. These interventions enable women to be employed and promoted in well-paying male-dominated industries and assist women entrepreneurs to gain access to capital, land, and stronger supply chains.

W-GDP has three pillars: 1) Women Prospering in the Workforce; 2) Women Succeeding as Entrepreneurs; and, 3) Women Enabled in the Economy. These Pillars provide a framework and enable greater coordination among participating Agencies. Pillar 3 is core to achieving the other two, and incorporates traditional enabling environment work on laws and regulations and also addresses discriminatory norms in employer practices and society that restrain women's participation in the economy. Each participating Agency has an Action Plan for Pillar 3 that focuses on five areas of reform.

### LOOKING BACK

From the outset, USAID has led the design of W-GDP, as the principal drafter of documents and analyses that provided the foundation for the W-GDP Initiative. USAID continues to provide technical leadership and human and capital investment for the Initiative. As the primary implementing Agency focused on delivery in the field, USAID's reliable, innovative programming and thought leadership distinguishes it as a valuable partner to the White House, State Department, and others. The launch and implementation

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<sup>1</sup> Departments of Commerce, Labor, State, Treasury; the Inter-American Foundation, the Millennium Challenge Corporation, the Peace Corps, the U.S. Africa Development Foundation, USAID, and the U.S. International Development Finance Corporation.

of W-GDP demonstrate the Agency's ability to work effectively with the White House, U.S. Government partners, the private sector, and other stakeholders.

## **LOOKING FORWARD**

The primary funding for the Initiative is managed by USAID through the W-GDP Fund. USAID anticipates continuing to receive appropriated funds.

The W-GDP Fund continues to grow, enhancing USAID's opportunities to address a wide range of constraints to women's economic empowerment and build on positive lessons learned. The W-GDP team is evaluating the effectiveness of different approaches, and using evidence to adjust existing programs, expand proven solutions, and multiply impact in collaboration with the U.S. Government and private sector.

One of the top priorities through 2025 is to institutionalize women's economic empowerment programming, aligned with the W-GDP framework, within USAID's overall work. USAID has incorporated what worked well and lessons from the start-up phase to improve processes with missions, the private sector, and the interagency for smoother procurement, contracting, and implementation. USAID is well-positioned to lead the larger development community in creating opportunities for women to participate in the economy on an equal basis with men.



**NOTES**

**BUREAU FOR DEVELOPMENT, DEMOCRACY, AND INNOVATION:  
ADVANCING TRADE, GROWTH, AND ENTREPRENEURSHIP IN A  
POST-PANDEMIC AND INTERCONNECTED WORLD****INTRODUCTION**

Inclusive, sustained, and resilient economic growth is central to reducing poverty and dependency because it delivers the increased incomes and domestic resources that make developing countries self-reliant and better trade and investment partners for American firms. No country in recent decades has achieved economic success, in terms of substantial increases in living standards, without implementing policies that open trade and investment opportunities.

COVID-19 has resulted in a severe economic contraction that has exacerbated declines in international trade in goods and services. The World Bank expects emerging markets and developing economies to contract by 2.5 percent and projects losses of nearly \$800 billion in export revenue, resulting in 49 million people being pushed into extreme poverty. The World Trade Organization forecasts a 13-22 percent reduction in global trade in 2020. Micro-, small-, and medium-enterprises and entrepreneurs, which account for 95 percent of companies worldwide, struggle to stay in business, obtain finance, and maintain payrolls.

Post-pandemic, increased trade and investment assistance, supported by commercial legal reforms, are all the more critical to meet this objective. When developing country enterprises can equally participate in global value chains, e-commerce, and trade in services, they can increase access to foreign capital, technologies, and expertise. It is estimated that the gross domestic product of emerging economies could increase by more than \$3.5 trillion over the next ten years through the adoption of policies that enable digital financial services and competitive platforms for digital trade. Against this backdrop, market-led reforms as well as trade and investment facilitation, supported by more rapid adoption of digital platforms, will continue to be essential for economic growth.

**LOOKING BACK**

Trade facilitation and enabling environment reform are mutually beneficial investments. From 2007 to 2018, almost two-thirds of the growth in exports of U.S. goods occurred with USAID partner countries, supporting millions of American jobs. Much of this growth was driven by the expansion of global value chains into emerging markets, made possible in part through USAID assistance to make these countries more desirable investment destinations.

Since June 2019, USAID has played a leading role in the Prosper Africa Initiative, which leverages private capital to increase two-way trade and investment between Africa and the U.S. To date, Prosper Africa has directly supported more than 280 deals to close for a total of over \$22 billion. Supporting an effective enabling environment for investment requires a strong and transparent regulatory framework to create a more level playing field for all. Creating such an enabling environment is a key focus of the Indo-Pacific Strategy. Entrepreneurship is promoted through streamlining business licensing procedures, automation, open government procurement processes, as well as simplification of tax and customs procedures that otherwise raise the cost of doing business and trade. USAID initiatives support entrepreneurs in adapting product offerings, finding new markets, and digitizing delivery models. This assistance can help entrepreneurs survive pandemic shocks in overall demand, key inputs, and logistics for reaching markets. USAID continues to place a particular emphasis on women's economic empowerment, in part through support for women-owned small- and medium-enterprises to grow, hire employees, and trade internationally.

USAID is a leader in supporting developing countries' integration into a rules-based global trading system that allows the fair and reciprocal flows of goods and services that sharpens competition, motivates innovation, and expands economic growth. Overall, USAID has assisted nearly 30 countries to accede to the World Trade Organization and applied Agency expertise to enhance U.S. trade and investment opportunities. Achievements such as harmonizing technical specification standards and licensing work in Latin America have created \$100 million in regulatory burden savings for U.S. medical device exporters and introduced streamlined border processes, saving \$8.8 million in Colombia alone. USAID's Global Alliance for Trade Facilitation (GATF), a unique partnership of 27 U.S. and international private-sector firms and four other donors, is dedicated to international trade facilitation.

USAID has also been active in supporting bilateral and regional trade liberalization initiatives, including the newly launched U.S.-Kenya Free Trade Agreement negotiations. In close cooperation with the Office of the U.S. Trade Representative, USAID supports U.S. trade agreements with partner countries, such as the six-country U.S.-Central America-Dominican Republic Free Trade Agreement. USAID led the development of a new Border Academy for Guatemala, Honduras, and El Salvador. This collaborative capacity building effort is increasing the flow of goods and border cooperation. USAID also persuaded Ecuadoran trade officials of the merits of accepting U.S. Federal Motor Vehicle Safety Standards, reopening market access for American automobiles and auto parts. With sustained USAID support, Vietnam has reduced the average time to export from 22 days to just over four days, while reducing the time to import from 21 days to 5.5 days. Since 2002, Vietnam has grown from the 65th (\$580 million) to the 28th largest market (\$10.8 billion) for U.S. exports.

## LOOKING FORWARD

While COVID-19 will negatively impact government finances, integrated product and services value chains, and household incomes for years to come, USAID assistance can help build back countries that are more stable, resilient, and prosperous. The pandemic has slowed the growth of global value chains. Participation in the global trading system remains the best pathway to growth and development. Digital platforms will be more widely understood as a foundational element to post-COVID-19 economic recovery and as a link to global buyers, yet market access and enabling conditions for these types of investments are still lagging. Private-sector actors and international platform operators will play an important role.

USAID's convening ability allows U.S. firms to lead and showcase that American digital platforms and technologies are the clear choice for emerging markets. The e-Trade Alliance, a USAID-founded partnership with U.S., international and local businesses, including Etsy, PayPal, Visa, MasterCard, and Cargill, is advancing digital trade-enabled market development. Fitting squarely with USAID's core mission, this partnership is increasing businesses' entree into the global digital economy, accelerating growth, increasing revenues, reducing costs, fostering entrepreneurship and innovation, supporting the integration of global value chains, and enabling economies to be more inclusive. However, digital economies and their dependence on trade and investment-related funding have faced persistent challenges because USAID's budget is tightly constrained by earmarks. Trade and investment development assistance funding declined from \$216 million in 2009 to \$153 million in 2019. USAID has historically been the main venue to optimize the link between U.S. trade policy and development goals.

**NOTES**

## BUREAU FOR DEVELOPMENT, DEMOCRACY, AND INNOVATION: ENVIRONMENTAL AND NATURAL RESOURCE DEGRADATION

### INTRODUCTION

Stewardship of environmental and natural resources is critical to sustainable development, and the United States has provided long-standing support for environment programming through foreign assistance. Investments demonstrate American leadership and values by promoting self-reliance, safety, and security, and providing opportunities for U.S. businesses.

Environmental degradation endangers health, economic growth, security, and global stability. Thus, development will depend on countries' abilities to:

- increase resilience to natural disasters, from pandemics to extreme weather events and other climate-related shocks;
- transition to clean, low-cost forms of energy from all sources;
- improve land-tenure policies and natural resource use rights to create incentives for responsible management;
- protect biodiversity and reduce wildlife trafficking, while creating opportunities for ecotourism and other conservation enterprises;
- reduce deforestation and forest degradation, particularly in tropical forests, as well as promote natural forest and landscape restoration; and,
- reduce air, water, and soil pollution.

COVID-19 has demonstrated how interconnected human health is with the health of the planet. As a zoonotic disease—transmitted between animals and people—COVID-19 likely originated in a wildlife supply chain. During lockdowns, people have exploited natural resources to survive, such as using trees for firewood and wild animals for food, which paradoxically, further fuels environmental degradation and increases the risk of zoonotic diseases.

### LOOKING BACK

USAID's environment work is part of a whole-of-government approach and is driven by key legislation and Congressional directives, falling into two categories: natural environment and built environment, and two cross-cutting areas: climate change and environmental-risk management. The Bureau for Development, Democracy, and Innovation (DDI) provides oversight and guidance, while field missions program most funds,<sup>1</sup> based on country context and a strong focus on local capacity building and private-sector engagement.

For the natural environment, the Agency focuses on conserving biodiversity, combating conservation crime, improving land and resource tenure, and reducing land-based greenhouse gas emissions. This work is primarily supported by two Congressional directives: biodiversity (\$315 million) and sustainable landscapes (\$135 million). Programs support sustainable fisheries, improve management of protected areas, promote land and resource governance, address illicit artisanal and small-scale mining, reduce demand for wildlife products, and implement natural climate solutions. There are multiple sub-directives within the biodiversity directive and key legislation includes the *Eliminate, Neutralize, and Disrupt Wildlife Trafficking Act* of 2016.

For the built environment, the Agency focuses on renewable energy, urban resilience and service delivery, and reducing air, ocean plastic, and toxics pollution. This work is primarily supported by four

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<sup>1</sup>Funding amounts provided in the paper are all for Fiscal Year 2020.

Congressional directives: renewable energy (\$179 million), waste recycling (\$7 million), ocean plastic pollution (\$5 million), and toxic chemicals (\$7 million). Programs promote a more sustainable energy future, support improved waste management, remediate lead contamination, and reduce air pollution. Key legislation includes the *Save Our Seas Act* of 2018.

For climate change, the Agency addresses both climate adaptation and mitigation. The climate adaptation directive (\$177 million) focuses on reducing vulnerability to climate risks, while the renewable energy and sustainable landscapes directives, support countries to achieve low emissions development. This work is complemented by a robust approach to climate-risk management that is integrated into all non-emergency assistance programs.

For environment risk management, the Agency has environmental, social, and construction risk procedures, which examine, prevent, and mitigate program impacts, as well as climate-risk management processes, which assess and address climate risks to promote resilience.

While the Agency's environment portfolio is diverse, there are still challenges. The root causes and impacts of environmental degradation cut across sectors, yet responses do not come equally from all sectors. More can be done to move beyond stand-alone environment programming to expand efforts to safeguard the environment and natural resources upon which development depends. Further, ensuring staff embrace environmental-risk management processes and incorporate them into planning and implementation is necessary for optimal outcomes.

## LOOKING FORWARD

The Agency is well positioned to strengthen environmental sustainability under the Environmental and Natural Resources Management Framework, which provides a roadmap for working across sectors to improve environment and development outcomes. While the trends and threats seem daunting, the Agency can build off successful approaches that:

- **Unlock private investment:** The Agency promotes transparent competitive procurement for over \$13 billion of energy projects, partners with the \$1 billion Alliance to End Plastic Waste to invest in recycling and waste management infrastructure, and, under the One Trillion Trees Initiative, unlocks the potential of carbon markets for forest conservation and restoration.
- **Bolster technology and innovation:** The Agency supports traceability technologies that help address illegal fishing by tracking more than 4.4 million pounds of legally and sustainably caught seafood in Southeast Asia, develops low-cost mobile applications to empower communities to map and document their own land rights, and develops new methodologies to allow countries to monitor and respond to deforestation and forest fires in near real time.
- **Build local capacity:** The Agency builds law enforcement capacity, as in Niassa National Reserve in Mozambique where no elephants have been poached since May 2018, and supports communities to sustainably manage their natural resources, as in Madagascar where the first cycle of certified forest-friendly vanilla yielded nearly \$900,000 in sales.

**NOTES**

**BUREAU FOR DEVELOPMENT, DEMOCRACY, AND INNOVATION:  
CLOSING THE FINANCING GAPS IN EDUCATION****INTRODUCTION**

The global education sector faces twin crises—A learning crisis and financing crisis—And both must be tackled to achieve a world where education systems enable individuals to acquire education and skills needed to be productive members of society, the goal set forth in the [U.S. Government Strategy for International Basic Education](#). Sustainably financing and delivering services that improve learning and employment outcomes for all individuals is essential to meeting the challenges of the 21st century and achieving progress toward each country's self-reliance.

Education systems are often strained under the growing pressure of scarce financial resources, demographic changes, and growing enrollments. The Education Commission estimates that low- and middle-income countries will require \$3 trillion in annual education spending by 2030, a gap of \$1.8 trillion from current spending. COVID-19 is exacerbating this financing gap, as economic forecasts project declining real gross domestic product, leading to reductions in government revenue, governments reallocate education budgets to health, and significant shocks to remittances and household income result in less household spending on education. The majority of the financing gap will not be made up by donors, but rather decreased through domestic public finance expansion and reform, including increasing private-sector investment and innovative financing.

Globally, the education sector sees vast disparities in spending on education. Financing for education comes overwhelmingly from domestic governments and households, and while official development assistance (ODA) contributes significantly in low-income countries, aid allocated to education has remained largely stagnant since 2008, and has been far outpaced by health. Given the comparatively small role of ODA, most financing for education comes from domestic governments and households, though the proportion of contributions varies. Public financing for education comes overwhelmingly from governments, who struggle to mobilize additional resources and use existing resources effectively. Private financing includes all non-public financing for education, both domestic and international.

The education sector also faces a learning crisis. More than 617 million children and adolescents do not have minimum proficiency in reading or math, regardless of whether they attend school or not, while 303 million children between the ages of 5-17 are out of school. Impacts of COVID-19 on education exacerbate inequality, especially disadvantaging girls, learners with disabilities, people living in extreme poverty, and other marginalized groups. USAID recognizes that extending services to reach the most marginalized often requires additional financing resources, especially in crisis and conflict contexts.

Non-state schools—including not-for-profit, for-profit, faith-based, and community schools—already account for a significant proportion of enrollment in partner countries, upwards of about 80 percent in conflict and crisis contexts. Non-state schools enroll nearly 14 percent of primary school-age students in low-income countries and 24 percent in lower-middle income countries while in Africa, 21 percent of students are in these schools. Engaging non-state education is a tremendous opportunity to reach large swaths of school-age populations in partner countries. Further, they often fill a gap in public provision such as in providing education in conflict and crisis contexts and for children with disabilities. Partner country governments are eager to engage the non-state education sector in pre-primary, basic, higher education, and technical and vocational training.

COVID-19 has disrupted education systems around the world, forcing school closures and halting learning. These closures highlight the vulnerabilities and gaps plaguing education systems worldwide, and while financing is only one of these gaps, without adequate resources, education systems will



struggle to meet the challenges. Closing the financing gap requires engaging innovative financing solutions, non-state actors, multilateral financing initiatives, and improving the enabling environment.

## LOOKING BACK

USAID has a history of working with non-state schools and educators through pilot activities. Historical examples include: 1) USAID issued a Development Credit Authority guarantee to a local bank in Ghana to finance the construction and expansion of schools in the country; 2) supporting community-based education and accelerated learning centers in Afghanistan and Bangladesh; and, 3) supporting faith-based schools in Haiti. The current U.S. Government Strategy and 2018 [USAID Education Policy](#) took a forward leaning approach on innovative finance and non-state actors.

With this new mandate, in October 2019, USAID launched its new blended finance for education activity, CATALYZE EduFinance, a \$27.5 million, five-year program that develops partnerships to facilitate innovations in financing and service delivery that increase access to low-cost, quality education. CATALYZE EduFinance mobilizes blended finance – the strategic use of public funds to increase private-sector investment – to crowd-in private capital into non-state schools and education enterprises that focus on low-income and marginalized communities, including girls and children with disabilities, in partner countries. Private capital leveraged with USAID funding will help address the funding gap to respond to the global need for increased access to quality education. The program will identify, test, refine, and scale a pipeline of education investments in Zambia, South Africa, Rwanda, Tanzania, the Democratic Republic of Congo, and Latin America. It works closely with partner country governments to ensure there is political support for engaging non-state providers and ensure the non-state sector is regulated, included in data collection. CATALYZE EduFinance is also building an EduFinance Community of Practice to build the evidence base around private sector engagement in education; create opportunities for dialogue and training among government, private sector, and civil society; and share lessons and best practices on education finance and non-state education. Finally, it is building an investment platform to attract private investors into the education sector.

In addition, USAID is working within the Financing Self-Reliance framework to strengthen public sector education systems. The education sector faces significant challenges on the public finance side as well. These include very constrained fiscal space, returns to investments in primary education being slow to mature, and budgets often devoted entirely to recurrent costs (e.g. teacher salaries) rather than expanding or improving learning outcomes. Effective public financial management is critical to ensure that education finance is inclusive, effective, and sustainable to meet education challenges.

## LOOKING FORWARD

Closing the financing gap in the education sector is an enormous task, particularly post COVID-19. USAID's work holds great promise and is starting to build the knowledge capacities of USAID staff as well as leading and learning globally for the sector. The research base in innovative financing and non-state schools will need to continue to grow for programming to be guided by the evidence. Improved domestic resource mobilization along with the engagement of new financing actors through blended finance approaches, which have lagged behind in education compared to other sectors (*i.e.*, health and energy), will be necessary. USAID leadership through CATALYZE EduFinance offers the chance for more effective, sustainable, quality education for all.

Working with non-state actors and innovative finance requires balance and nuance, which USAID continually strives to achieve. Some education sector stakeholders have concerns about the non-state school sector, which will likely continue. Congress took note and requested a set of guidelines for work in this area. Taking these guidelines into account, USAID will need the flexibility to engage with diverse partners to meet the unique needs partner countries. And each partner, whether state or non-state, will be held to the same level of accountability, transparency, and quality.

**NOTES**

## BUREAU FOR DEVELOPMENT, DEMOCRACY, AND INNOVATION: SUPPORTING YOUTH POPULATIONS

### INTRODUCTION

Children and youth under age 30 represent over 50.5 percent of the global population, and in countries where USAID operates, this percentage reaches 78 percent. The growing youth population poses opportunities and challenges to USAID's development goals. When youth contribute to economic, social, and political life, they help USAID and countries meet joint development goals of reducing poverty, ensuring greater stability, and creating healthier societies. Alternatively, the lack of youth access to basic education, healthcare, employment, and engagement can lead to marginalization and susceptibility to extremism.

At the heart of USAID's youth efforts is an approach called Positive Youth Development, which ensures meaningful opportunities for youth aged 10-29 to promote positive change in their own communities and countries and to contribute to resolving issues. As a global leader in youth programming, USAID works across sectors, and in partnership with the rest of the U.S. Government, the private-sector, host governments, civil-society organizations, and faith-based organizations to assist youth in successful transitions from childhood into adulthood, as well as family strengthening.

Within USAID, the YouthCorps focuses on advancing policy and programming. The Agency Senior Advisor on Youth coordinates the YouthCorps, supports Bureaus and missions on Agency youth priorities, and works to improve the quality of youth program design. The Senior Champions for Youth group, composed of Deputy Assistant Administrators, provides policy and strategic positioning. Overseas, 82 missions have youth points of contacts coordinating efforts across sectors to engage youth and strengthen program design.

USAID integrates youth programming and leverages resources across all sectors. For example, in the education sector, the [USAID Education Policy](#) highlights youth as one of four priority areas. The democracy, human rights, and governance sector supports youth by promoting a continuum of civic education, engagement and leadership. The resilience and food security sector prioritizes youth empowerment and livelihoods through the [Global Food Security Strategy](#), supporting youth contributions to food systems and to drive agriculture-led growth and nutrition gains, including with private-sector engagement. USAID also works to address the cross-cutting issue of adolescent mental health, since untreated consequences of mental health are the third-leading cause of death for youth. USAID leads on HIV programming for orphans and vulnerable girls, linking them to treatment through the [President's Emergency Plan for AIDS Relief](#) prevention engagement activities for girls.

### LOOKING BACK

USAID's Youth in Development Policy guides USAID's programming toward an overarching goal: to improve the capacities and enable the aspirations of young people so they can contribute to, and benefit from, more stable, democratic, and prosperous communities and nations. In Fiscal Year 2019, USAID invested approximately \$259 million in youth-specific programming resulting in:

- 324,318 youth trained in soft skills and life skills;
- 443,479 youth completed workforce development programs; and,
- 67 percent of youth employed following participation in USAID workforce development programs.

USAID has achieved significant results under Youth in Development Policy while positioning youth as a key area for programming moving forward. Examples of progress include:

- Launch of Global LEAD, an Agency-wide initiative that supports the capacity and commitment of emerging young leaders to become partners in building self-reliant communities through civic engagement, education and leadership development.
- Integration of the Positive Youth Development approach into country strategies and activity designs, including training for over 500 USAID staff.
- Creation of virtual networks including: [www.YouthPower.org](http://www.YouthPower.org) reaching 108,000 users, and [www.YouthLead.org](http://www.YouthLead.org) engaging 7,500 young changemakers.
- Advocacy for programs such as the Young African Leaders Initiative, which has trained over 17,000 young adults in public management, civic engagement, and entrepreneurship while advancing American democratic values and fostering economic growth.
- Development of the YouthPower suite of mechanisms to facilitate procurement, new partnerships, and rapid response to changing contexts, including:
  - YouthPower 2 Annual Program Statement and Learning and Evaluation mechanism: allows missions to design cross-sectoral youth programming, including 21 missions and operating units in Fiscal Years 2019 2020.
  - Youth Excel, which supports new partnerships to increase the capacity of Youth-Led and Youth-Serving Organizations for implementation research.
- USAID implements the [President's Emergency Plan for AIDS Relief DREAMS](#) program in 15 countries, providing comprehensive HIV prevention services to 1.5 million young women ages 10-24 as of mid-Fiscal Year 2020.

## LOOKING FORWARD

Adolescents and youth are likely to bear the brunt of the global economic, political, and social crises as a result of COVID-19. The United Nations estimates that 91 percent of young people have been impacted by school closures and drop-out rates are expected to rise as youth must supplement family incomes. Youth unemployment is nearly triple the general population rate, and lack of engagement has left youth susceptible to illicit activity or extremist groups. Youth are well-positioned to lead the response in their communities and can contribute to mitigating the long-term health, economic, and social costs their generation may experience most profoundly. Considering the new global context, key areas to address moving forward are:

- How can USAID create incentives for cross-sectoral activities to support young people in improving outcomes in areas of education, employment, engagement, and health?
- How can USAID ensure an adequate number of dedicated youth-focused staff (both in Washington and overseas) to address the significant global challenges facing youth and to provide much needed technical support for development of new programming? How can USAID ensure comprehensive data collection needed to inform our efforts on youth integration and engagement?
- How can USAID leverage the Agency's New Partnership Initiative to support the capacity of youth-led organizations to become more equitable partners, as well as to strengthen a systems approach?

**NOTES**

**BUREAU FOR DEMOCRACY, DEVELOPMENT, AND INNOVATION:  
USAID'S INNOVATION, TECHNOLOGY, AND RESEARCH HUB****INTRODUCTION**

USAID's Bureau for Development, Democracy, and Innovation (DDI) has a mandate in original experimentation and innovation to revolutionize the development enterprise, with a focus on digital development, open innovation, and science and research. Building off past success, USAID will continue to work with missions and Bureaus to keep the Agency on the forefront of development by exploring scientific and technological innovations, integrating these into programming and policy, and applying the best tools and approaches to emerging priorities.

Open Innovation increases creativity, adds new partner opportunities, and expands the information horizon to achieve rapid leaps for transforming the international development enterprise through new tools, approaches, and theories. USAID, through challenges, prizes, and pay-for-performance award grants, has supported the ingenuity of new and local partners, yielding more than 800 innovations in over 100 countries.

DDI serves as the crucible for digital innovation that improves the efficacy, accountability, fiscal efficiency, and transparency within international development interventions. DDI leads implementation of USAID's Digital Strategy that aims to build a global digital infrastructure that fosters democracy, market capitalism, and individual freedom, while also safeguarding personal privacy and enhancing cybersecurity. When used to advance the principles of democracy and inclusivity, technologies such as artificial intelligence, machine learning, and digital data collection are driving deeper analytics, remote monitoring of activities, better decision-making, and more adaptive programming across USAID's development and humanitarian assistance efforts.

Scientific research is essential to keep USAID on the leading edge of the international development enterprise. DDI generates new knowledge across sectors and geographies to provide missions and Bureaus the most current discoveries that directly impact mission activities and enhance the likelihood of achieving desired development outcomes in Country Development Cooperation Strategies. Research ensures that USAID maintains global leadership in building data-driven, evidence-based development design and implementation.

Innovation, technology, and scientific research have proven integral to advancing U.S. national security priorities including emerging technologies, such as 5G, and artificial intelligence; countering malign influences; and building open, secure and inclusive digital ecosystems.

**LOOKING BACK**

USAID's new Digital Strategy is a critical and timely response to 21st century development challenges. It is essential that those with and without access to digital technologies, or who are coming online for the first time, in particular women and other underserved populations, are supported in the face of challenges such as digital divides, including those exacerbated by pandemics, cybersecurity threats, digital authoritarianism, financial exclusion, data breaches and/or misinformation and disinformation. DDI ensures that USAID and the U.S. Government coordinates to foster country self-reliance consistent with U.S. national security goals as outlined in the U.S. National Security Strategy, U.S. National Cyber Strategy and State-USAID Joint Strategic Plan.

Finding truly new approaches to development problems has proven difficult in the past. Prizes and challenges have provided new perspectives, partners, and approaches not readily offered by traditional

development initiatives. A focused effort to branch out from typical vendors and ideas led to the creation of the Development Innovation Ventures (DIV) program. Since 2010, DIV has used Open Innovation within a venture capital model to identify and support innovative solutions, investing \$129 million in over 200 innovations across 46 countries, impacting approximately 55 million beneficiaries with at least a five-to-one return on each dollar invested. Driven by both field mission and Bureau demands, USAID has provided technical assistance creating 11 Grand Challenges and 30 Challenge and Prize competitions resulting in almost 600 solutions tested in more than 100 countries. These competitions exhibit tremendous payoff in terms of leverage; \$154 million from USAID has leveraged \$465 million from partners and an additional \$1 billion from investors.

Continuously and consistently translating new scientific findings into development approaches is necessary to maintain USAID leadership. A lack of a formal forum for integrating research into development practices led to the establishment of the Higher Education Solutions Network. Through DDI, USAID has access to more than 100 academic and research institutions from throughout the U.S. and the world that can rapidly execute research requests from field missions and Bureaus. DDI has been institutionalizing the integration of science into development practice by providing a critical mass of research leadership, housing USAID's Chief Scientist, Chief Innovation Officer, and Chief Geographer. It is also the operating unit that hosts the USAID Research and Development Council.

## LOOKING FORWARD

The rise of digital authoritarianism in many parts of the world threatens economic and social development, country self-reliance and political stability, and U.S. national security. In the Great Power Competition, it is critical that USAID maintains and utilizes technological supremacy to combat malign efforts and foster inclusive, safe and open digital ecosystems.

USAID provides thought leadership regarding 5G investments, cybersecurity, data breaches and control, the use of facial recognition, advanced analytics such as artificial intelligence and machine learning applications, digital financial service control, and digital identity systems. International scientists are funded to work with U.S. researchers to improve development results in agriculture, education, public health, environmental conservation, disaster-risk assessment, and women's and girls' empowerment. Partnerships with higher-education institutions provide advanced analytics to national security priorities like Clear Choice, protection of religious and ethnic minorities, and human rights.

USAID has learned that innovation not directly aligned with mission experience as outlined in its Country Development Cooperation Strategy will not be widely adopted. The Digital Strategy and Agency Field Services Playbook will go a long way to address this challenge as these Strategies provide clear roadmaps and linkages to mission strategies.



**NOTES**

**BUREAU FOR DEVELOPMENT, DEMOCRACY, AND INNOVATION:  
COUNTERING TRAFFICKING IN PERSONS**

## **INTRODUCTION**

USAID has supported Counter-Trafficking in Persons (C-TIP) programs in over 81 countries and regions since 2001. In 2012, USAID launched a Counter-Trafficking in Persons (C-TIP) Policy to reinvigorate and further focus the agency's C-TIP efforts. The Agency is updating this policy as of October of 2020. For reference, below is a list of the legislation, initiatives, and coordinators that apply to this work:

## **LEGISLATION**

The **Trafficking Victims Protection Act (TVPA)** is the Federal statute that established the framework for the 3Ps approach to combat human trafficking: Protection, Prosecution, and Prevention. In the TVPA, Congress mandated the annual publication of the Department of State (DOS) Trafficking in Persons (TIP) Report, which evaluates and ranks foreign governments on their anti-trafficking efforts, including whether a government's laws prohibit and adequately penalize all forms of human trafficking and whether a government is making serious and sustained efforts across the 3Ps. The TIP Report places countries in one of four tiers (Tier 1, Tier 2, Tier 2 Watch List, and Tier 3) based on the extent of governments' efforts to meet the minimum standards. Tier 1 is the highest ranking and signifies that the government meets all minimum standards to address trafficking while Tier 3 is the lowest ranking. Every year, the DOS Office to Monitor and Combat TIP (J/TIP) gathers information to feed into the TIP report. J/TIP then ranks countries comparing their progress, or lack thereof, to the previous year.

A Tier 2 Watch List (WL) ranking means the government does not meet all the minimum standards but is making significant efforts to do so and either 1) the estimated number of victims is very significant or significantly increasing, and the country is not taking proportional concrete actions or 2) there is a failure to provide evidence of increasing efforts to combat severe forms of trafficking in persons, compared to the previous year. A country may remain on this tier for two years before needing an automatic downgrade waiver for the third year. This waiver can only be granted if the government has a C-TIP national action plan and is putting resources towards it. Absent the waiver and significant improvements in anti-trafficking efforts, a country will drop to Tier 3. A country may move up or down from one year to the next, depending on its annual performance. For countries that are listed on the Tier 2 Watch List for three years (two years and an additional year as a result of a presidential waiver) and are subsequently downgraded to Tier 3 but then later returned to the Tier 2 Watch List may be listed on the Tier 2 Watch List for no more than one year and then must move up to Tier 2 or will drop again to Tier 3.

Countries ranked as Tier 3 are governments that do not fully comply with the minimum standards to combat human trafficking and are not making significant efforts to do so. For all Tier 3 countries, the President issues a determination declaring whether U.S. Government assistance will be withheld, or whether he will grant a full or partial waiver to allow the assistance on the basis that it promotes the purposes of the TVPA or is otherwise in the national interest of the United States. Absent a waiver or other available authority (i.e. Democracy, Human Rights, and Governance and Transition Initiatives Notwithstanding authorities, lifesaving authorities, etc.), USAID cannot obligate or sub-obligate non-humanitarian, non-trade-related funds which provide assistance that benefits a Tier 3 host government during the relevant Fiscal Year. Likewise, USAID Front Office leadership may choose to prohibit previously obligated funds to continue benefiting these governments during the relevant Fiscal Year. See [here for country rankings and waivers \(2017-2020\)](#).

The annual Congressional Trafficking in Persons earmark for USAID is \$22,000,000. The earmark started in 2003 and is informed by the Trafficking Victims Protection Act 2000. The Bureau for Economic Growth, Education, and the Environment has led this reporting, and the new Bureau for Development, Democracy, and Innovation will lead in the future with assistance from regional bureaus, missions, and the Office of Budget and Resource Management.

## INITIATIVES

The President's Interagency Task Force to Monitor and Combat Trafficking in Persons (PITF) is a cabinet-level entity created by the Trafficking Victims Protection Act (TVPA) of 2000 (Pub. L. No. 106-386), which consists of 20 agencies across the Federal Government responsible for coordinating U.S. Government-wide efforts to combat trafficking in persons. In the United States, the PITF and the Senior Policy Operating Group, (SPOG) which consists of senior officials designated as representatives of the PITF, bring together federal departments and agencies to ensure a whole-of-government approach that addresses all aspects of human trafficking.

The U.S. Advisory Council on Human Trafficking is comprised of eight survivor leaders who bring their expertise and experience to advise and provide recommendations to the PITF to improve federal anti-trafficking policies. The Council was established on May 29, 2015 by section 115 of the Justice for Victims of Trafficking Act (JVTA), also known as the Survivors of Human Trafficking Empowerment Act.

## COORDINATORS AND J/TIP SECTIONS

Across USAID and within J/TIP, there are coordinators who carry out the work needed to meet the requirements set forth in this legislation and these directives:

### USAID

- Democracy, Rights, and Governance (DRG)/C-TIP Agency Lead: This is a new Administratively Determined/political appointee position. The DRG/C-TIP lead provides direction and vision for the Agency C-TIP portfolio; oversees integration and coordination of C-TIP programming throughout Agency; oversees implementation of policy; coordinates with DRG/CTIP staff and a network of C-TIP points of contact (POCs); collaborates with interagency leadership; represents USAID at events and meetings; and co-chairs the President's Interagency Task Force to Monitor and Combat Trafficking in Persons Senior Policy Operating Group.
- Regional bureaus C-TIP POCs: There is one C-TIP POC in each regional bureau (usually a DRG officer or Gender advisor). These individuals lead the USAID regional bureaus' designation, oversee C-TIP activities for the respective regional bureaus, liaise with missions on meeting requirements, and provide inputs into the Technical Budget Review and waiver requests.
- Missions C-TIP POCs: There is one Mission C-TIP POC in each mission (usually DRG officer or Gender advisor). These individuals lead mission designations, oversee mission C-TIP awards and PPR indicators, offer content for annual TIP reports, ensure interagency field coordination, and provide input on various taskers to the regional bureaus.

### Department of State

- Reports and Political Affairs Section: Creates the annual TIP Report
- International Programs Section: Provides and manages awards and strategies for programming
- Public Engagement and Intergovernmental Affairs Section: Raises public awareness and builds partnerships with stakeholders
- Resource Management and Planning Section: Provides management support for TIP Office

**NOTES**

**BUREAU FOR DEVELOPMENT, DEMOCRACY, AND INNOVATION:  
THE WOMEN'S ENTREPRENEURSHIP AND ECONOMIC EMPOWERMENT ACT**

## INTRODUCTION

On January 9, 2019, the President signed the Women's Entrepreneurship and Economic Empowerment (WEEE) Act, which includes two main components :

- 1) Section 3 requires USAID to ensure that all strategies, programs, and activities, regardless of sector, are shaped by a gender analysis and that gender equality and women's empowerment considerations are integrated throughout the program cycle. USAID complies with this section through the work of the Gender Equality and Women's Empowerment Office (GenDev) in the Bureau for Development, Democracy, and Innovation (DDI).
- 2) Section 4 makes significant changes to the Microenterprise Results Accountability Act of 2004 (MRAA), managed by the Private Sector Engagement Team in DDI. Section 4 expands historical support of micro-enterprises to also include small and medium enterprises (MSMEs) with access to finance, capacity building, and enabling environment. It also adds new programmatic areas of land and property rights and delineates "graduation approaches" as an evidence-based means to support the very poor. There is also a revised requirement for an annual report to Congress.

## LOOKING BACK

WEEE Act Section 3: USAID has a long history of working on gender equality and women's empowerment, including women's economic empowerment. GenDev, established in 1974, works in collaboration with a robust institutional gender architecture, in both Washington and in overseas missions, to promote gender integration across all programs and sectors. Over time, USAID developed and strengthened the tools and requirements intended to advance gender equality objectives, principally the Gender Equality and Female Empowerment Policy, currently being updated, and the ADS Chapter 205, "Integrating Gender Equality and Female Empowerment in USAID's Program Cycle."

WEEE Act Section 4: Since 2004, after the passage of the MRAA, the Agency has made significant strides in expanding the role of microfinance in development. Supporting microenterprises with access to credit was at one point a standalone intervention as part of economic growth programming. Over the last 15 years, Agency programming has transformed to incorporate microenterprise development in nearly all sectors. The most profound change in expanding access to finance—the main focus of the MRAA—has been the increased role of digital technologies. Digital platforms enable financial services providers to reach a greater number of customers more cost effectively, particularly in remote locations. It also promotes greater transparency and accountability through digital records. Access to digital payments saves time and increases personal security by not having to carry cash, which has an outsized effect for women and girls. Digitally-based pay-as-you-go systems, such as those for electricity and water, can increase access to those services for both poor households and MSMEs, who might otherwise have to qualify for a loan to procure their own system, which they would then have to maintain.

## LOOKING FORWARD

WEEE Act Section 3: The WEEE Act codified parameters and requirements for USAID's gender equality and women's empowerment work in all sectors. It lays out the objectives meant to guide USAID's gender equality and women's empowerment work: 1) Reduce gender disparities with respect to economic, social, political, educational, and cultural resources, wealth, opportunities, and services; 2) Strive to eliminate gender-based violence and mitigate its harmful effects on individuals and communities; 3) Increase the capability of women and girls to fully exercise their rights, determine their

life outcomes, assume leadership roles, and influence decision-making in households, communities, and societies; 4) Support activities that secure private property rights and land tenure for women in developing countries; and 5) Improve the access of women and girls to education.

Section 3 requires the integration of gender equality and women's empowerment across USAID's program cycle, in every sector to ensure that all strategies, programs, and activities, regardless of sector, are shaped by a gender analysis. The use of standard indicators as one measure of success, including sex-disaggregation of individual-level indicators.

Implementation of the WEEE Act is supported through GenDev to address the distinct needs of women and girls, men and boys in our multi-sector work around the globe. GenDev will continue to coordinate with a global network of more than 140 gender advisors and points of contacts (POCs) embedded throughout HQ and field offices with the shared goal of learning across borders to accelerate USAID's gender equality work worldwide. Under the Bureau for Development, Democracy, and Innovation (DDI), the Gender Hub will coordinate more closely with other sectors and cross-cutting-theme teams and provide more streamlined technical assistance and related services to USAID missions overseas.

To comply with the WEEE Act gender analyses requirement, GenDev has developed the first Agency-wide Gender Analysis Portal, a secure online database or repository of past and current analyses. The portal aggregates and compiles gender analysis by region, country, and sector across the Agency to better inform strategies, project and activity designs. The COVID-19 pandemic has exacerbated gender inequalities and reinforced the importance of gender analysis and incorporating findings in planning or adapting USAID's activities. In response, GenDev supports COVID-19 specific gender analyses for selected USAID missions.

Finally, in order to better enable USAID staff to integrate gender and advance gender equality goals, the Agency has developed and delivers an array of training courses, including for implementing partners; provides technical assistance on gender analysis, program design and evaluation; and continues to build programmatic resources for gender equality and women's empowerment work in various sectors.

WEEE Act Section 4: The WEEE Act passage in 2019 had a profound effect on USAID programming. Namely, the expansion of an annual Congressional directive to include small and medium enterprise in addition to microenterprise. The WEEE Act also mandated that 50 percent of resources for MSME go toward programs that affect the very poor and 50 percent of small and medium enterprise resources go toward programs that affect women owned, managed, and controlled enterprises. USAID will continue to seek more effective ways to generate, accurately capture, and report on data on micro, small, and medium enterprises across sectors and track the spending more closely; however, it is challenging to capture both the breadth and cross-cutting aspects of Section 4 of the WEEE Act. A Government Accountability Office Audit of the WEEE Act implementation is expected to be released in January of 2021. The audit is expected to call for additional measures and systems to track and report on the implementation of the WEEE Act requirements. USAID has already taken steps to improve reporting and compliance starting with the Fiscal Year 2020 report and will incorporate the WEEE Act requirements into Agency systems beginning with Fiscal Year 2021.

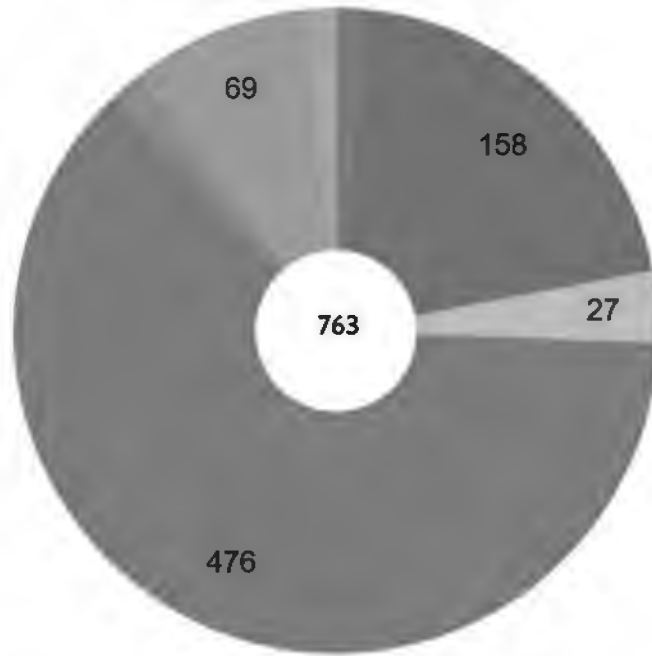
**NOTES**

# Bureau for Global Health (GH)



## Total Staff\*

- AD
- CS
- FS
- ISC
- PSC
- FSL
- Other



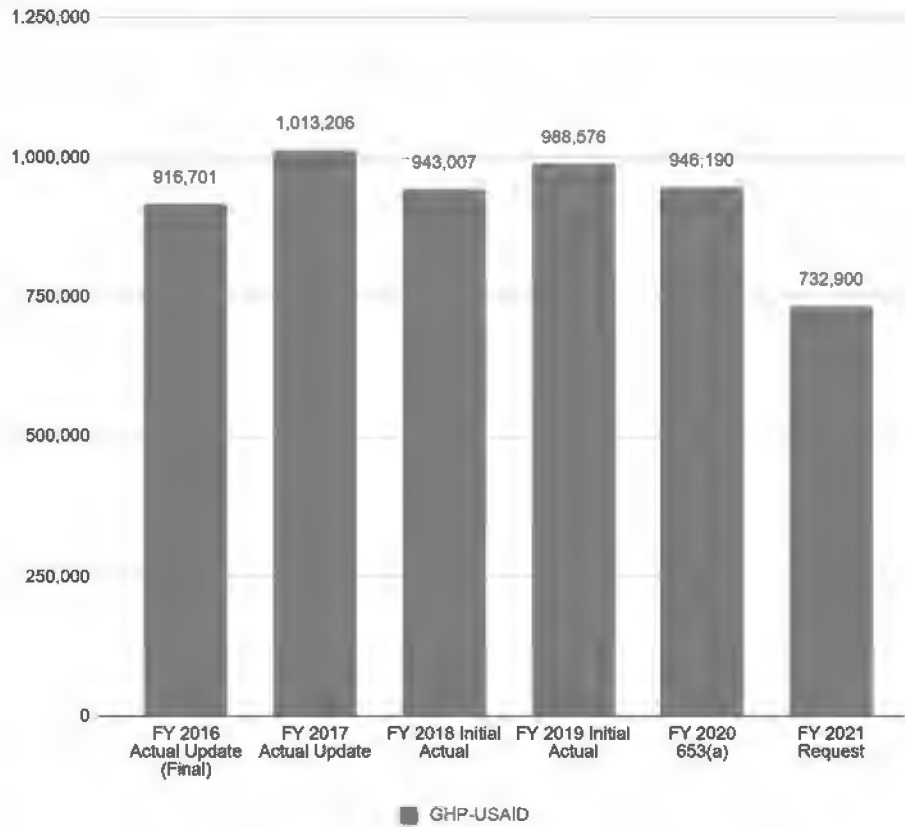
\*All staffing numbers provided by Bureau, and accurate as of October 28, 2020



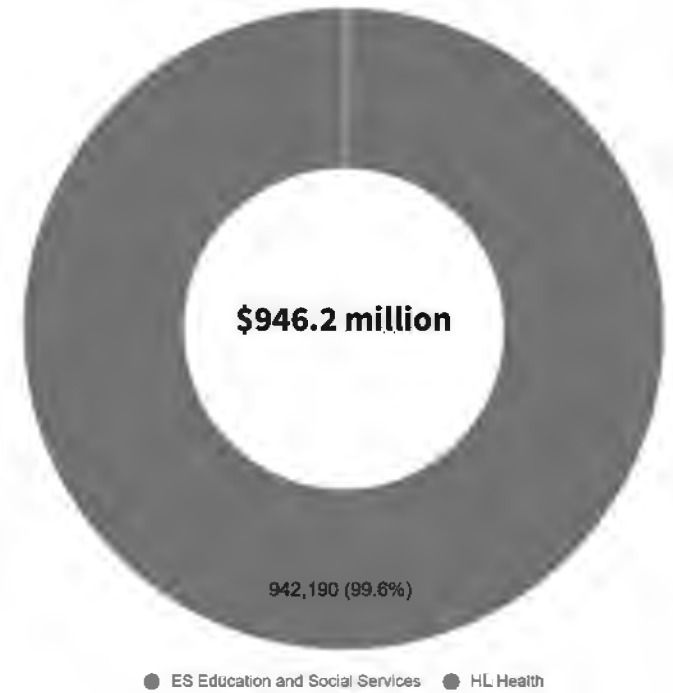
# Bureau for Global Health (GH)

Sensitive but Unclassified (SBU) - For Internal U.S. Government Use Only

**Program Budget Allocations, by Account - FY 2016-2020 and FY 2021 Request**  
(\$ in thousands)



**Program Budget Allocations, by Category - FY 2020 653(a)**  
(\$ in thousands)



Sensitive but Unclassified (SBU) - For Internal U.S. Government Use Only

NOTE: These charts include funding in the following USAID-managed and partially-managed accounts: AECA, CCF, DA, DF, ESDF, ESF, FFP, GHP-STATE, GHPUSAID, HA, IDA, and TI. They do not include supplemental appropriations.

## BUREAU FOR GLOBAL HEALTH: BUREAU OVERVIEW

### INTRODUCTION

The Bureau for Global Health's (GH) public health specialists provide essential technical assistance to USAID on long-standing and emerging health issues, provide leadership on global health programming and policy, and manage a range of contracts and grants used by USAID to support implementation of health development programs. GH also builds local capacity, improves global and local supply chains, and supports increased mobilization of domestic resources for health. GH's strategic goals are: 1) preventing child and maternal deaths; 2) controlling the HIV/AIDS epidemic; and, 3) combating infectious diseases, including tuberculosis (TB), malaria, neglected tropical diseases (NTDs), and pandemic threats such as influenza, Ebola, Zika, and COVID-19, while promoting resilient health systems.

### LOOKING BACK

**Saved lives and improved health.** Countries receiving USAID health assistance have achieved dramatically improved outcomes over the last 50 years. While the Agency cannot claim sole credit, it has played a critical role as the world's largest bilateral donor and technical partner in global health. In the countries USAID operates in, USAID health programs have helped save the lives of more than 100 million children since 1990, increased access to modern contraceptives by 32 percent, and leveraged \$26 billion in donated medicines to combat NTDs. With its partners, USAID has saved more than 58 million lives from TB, provided 18 million people with lifesaving antiretroviral treatments through the President's Emergency Plan for AIDS Relief (PEPFAR), and prevented over one billion cases of malaria through the President's Malaria Initiative (PMI). USAID focuses its health assistance on priority countries, and increasingly emphasizes integration across health elements in the Bureau and the field.

**Partnerships and collaboration.** The global health sector has become more complex over the last decade, with a growing number of U.S. Government agencies, donors, non-governmental organizations (NGOs), and other stakeholders operating globally. GH leverages resources and engages technically with a range of global institutions, such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, Family Planning 2020, GAVI, the Vaccine Alliance, the Stop TB Partnership, the RBM Partnership to End Malaria, and the Scaling-Up Nutrition Movement, as well as with the private sector.

**Policy implementation.** In May 2017, USAID began implementing the *Protecting Life in Global Health Assistance* (PLGHA) Policy following a January 23, 2017, Presidential Memorandum that directed the Secretary of State to implement a plan to extend the requirements of the *Mexico City Policy* to "global health assistance furnished by all Departments or Agencies." Two inter-agency reviews (2018 and 2020), found that the vast majority of foreign NGOs receiving U.S. global health assistance funding agreed to the PLGHA terms. The interagency has initiated development of a PLGHA contract clause through rulemaking that is currently before the Federal Acquisition Regulations (FAR) Council.

**GH Transformation.** In April 2019, as part of USAID's larger Transformation efforts, GH began a transformation with the goal of improving operational efficiency and addressing long-standing "pain points." Proposed structural changes to GH include elevating senior management oversight of the Agency's implementation of two major Presidential Initiatives, PEPFAR and PMI, consolidating organizational structures focused on innovation, data analytics, and resilient health systems, promoting integration, and aligning GH with the structural patterns and nomenclature of the other reorganized Bureaus under USAID's Transformation. This transformation as well as other reforms to streamline processes and increase efficiencies are pending Congressional approval.

**GH's role in Agency initiatives.** GH's current business model reflects Effective Partnering Procurement Reform, the New Partnership Initiative, Private-Sector Engagement, and the tenets of the Journey to Self-Reliance (J2SR), including a focus on how the sector addresses malign actors and provides a Clear Choice to partner countries. To enhance cross-Agency coordination, GH fills a leadership role on USAID's Leadership Councils for Nutrition, Resilience, and Water. The Bureau's system of integrated Country Support Teams provides effective technical and operational support to missions and is being replicated Agency-wide through the Agency Approach to Field Services.

## LOOKING FORWARD

**Save lives and improve health.** GH and its Sustained Crisis Response Team assumed most of the Agency COVID-19 Task Force's programming duties as the latter demobilized in September 2020. Beyond leading the Agency's direct response to COVID-19, GH remains focused on mitigating the impacts of COVID-19 on lifesaving essential health services, including HIV, TB, malaria, NTDs, maternal and child health, and family planning through virtual duty travel, development of operational guidance, and technical support to missions and implementing partners as they adapt country health programs in response to COVID-19. GH actively participates in the Agency's Over the Horizon strategic planning.

**Partnerships and collaboration.** The U.S. withdrawal from the World Health Organization (WHO) will become effective on July 6, 2021. Until that time, GH personnel continue to engage with WHO officials, events, and entities on specific, limited circumstances that advance normative work products.

**GH Transformation.** Pending Congressional approval, GH continues efforts to streamline processes and has launched working groups to prepare for other changes. If/when approved by Congress, the Bureau would develop a complete reorganization package to be submitted and cleared through Agency processes. Careful attention to change management principles and a commitment to mitigating stressful impacts on staff will be needed while executing the reorganization process concurrently with pandemic-induced extended telework and the Roadmap to Return.

**Workforce.** Serious staffing and management challenges complicate the achievement of GH's programmatic goals. Over the past decade, GH's portfolio has grown in complexity, as both the magnitude and number of budgetary earmarks and the visibility of initiatives it manages has increased. GH's inability to hire new Civil and Foreign Service staff in numbers commensurate with its budget has led the Bureau to address this shortfall by hiring staff through several institutional support contracts (ISCs) and agreements. There are many unintended consequences of this approach including unreasonable levels of supervisory, financial, and contract management responsibilities for the small number of direct-hire staff. Another Agency Transformation project, the Adaptive Personnel Pilot (APP), includes GH but has faced roadblocks and delays.

**Host-country partnership and sustainability.** GH's record of progress in achieving health outcomes and building strong and resilient health systems will be challenged over the near-term as partner countries respond to COVID-19. Stresses of the current pandemic response are likely to stall long-standing efforts to encourage budgetary commitments to health at both national and sub-national levels, as well as progress toward universal health coverage through a well-functioning mixed system of public, private, and not-for-profit health sub-sectors (under the rubric of the J2SR). GH remains poised to assist partner countries as they grapple with multiple challenges: tackling health financing, combating infectious diseases, and securing sustainable, equitable, and high-quality primary health care for their populations—all while responding to and recovering from the COVID-19 pandemic.

**NOTES**

## BUREAU FOR GLOBAL HEALTH: INCREASING RESILIENCE OF HEALTH SYSTEMS

### INTRODUCTION

Around the world, countries deliver health and healthcare to their citizens through a network that includes the public and private sectors, faith-based organizations, civil society, local and international non-governmental organizations (NGOs), and communities themselves. Health system resilience increases when this network functions together, optimizes resources, is shock-responsive and adapts as necessary to enable the whole population access to quality healthcare.

In 2012, USAID created the Office of Health Systems (OHS) in recognition of the growing importance of health systems strengthening (HSS) efforts. In 2015, the OHS issued the first Vision For Action in Strengthening Health Systems, defining a well-performing health system as one that achieves sustained health outcomes through continuous improvement of the six interrelated HSS building blocks: human resources for health, health finance, health governance, health information, service delivery, and medical products, vaccines, and technologies .

The Sustainable Development Goals in 2015, a renewed global declaration on Primary Health Care in 2018, and a United Nations General Assembly declaration on Universal Health Coverage in 2019 elevated recognition of the importance of health systems. The 2014-2015 Ebola epidemic in West Africa and the current global COVID-19 pandemic have put health system improvements and integrated, resilient health care at the forefront of the global health agenda. Within this agenda, it is understood that improving primary health care (PHC) is the engine for achieving universal health care and health access for all, including financial risk protection and access to quality essential healthcare services, as well as the availability of safe, effective, quality-assured, and affordable essential medicines and vaccines.

### LOOKING BACK

Over the past four years, USAID has advanced the field of HSS, leading and contributing to global momentum towards systems approaches, including the following advancements:

- *Incorporation of best practices in development* for programming HSS, such as the use of systems thinking and systems practice in design and implementation of HSS activities.
- *Focus on outcomes*, including shifting from project designs based on inputs to health systems to integrated designs based on health system outcomes to be achieved.
- *Explicit incorporation of communities* as a part of the system (not just a target of the system) and recognition that their participation through clearly-defined roles accelerates outcomes.
- *Conceptualization of resilient health systems* which build absorptive, adaptive and transformative capacity, and can withstand shocks.
- *Clear articulation* of the intersections between public health and health systems and strengthening systems beyond what is included in the Global Health Security Agenda.
- *Embracing the potential of digital solutions to strengthen systems* as a critical feature of any HSS activity.
- *Whole-of-society approach* to strengthening health systems through the inclusion of all entities, from community to national levels and across communities, public and private sectors.

In response to the global push for universal health care, USAID developed a framework further articulating the expected characteristics of health systems that achieve universal health care under the expanded definition noted above. Thus, high performing healthcare is characterized by USAID as being accountable, affordable, accessible, and reliable.

Over the course of three years, USAID's Office of Inspector General audited the Agency's global HSS efforts. The [audit report](#), issued in October 2019, found that the majority of HSS efforts across 11 missions focused on a single health goal, and that OHS provided technical assistance to missions based on limited available data about HSS activities. The report included three recommendations: 1) develop and disseminate guidelines to help each mission determine an appropriate balance between HSS activities and direct health interventions; 2) implement a mechanism to track HSS activities to identify all HSS activities across missions; and 3) identify and disseminate a set of indicators for missions to track HSS progress, such as implementation, achievement, and improvement at the country level.

In response to the audit recommendations, the Bureau for Global Health (GH) has worked to further define and track cross-cutting HSS activities in order to provide better support to USAID missions and continue to advance the overall field, including:

- GH developed and internally disseminated guidelines for programming cross-cutting health systems investments. GH also developed a Bureau-wide results framework which crosswalks GH priority objectives to the Agency's Policy Framework. Finally, OHS is updating the Health System Strengthening Vision for Action.
- GH instituted a new annual process to enable identification of all cross-cutting HSS activities. Ten percent of all GH funding goes toward cross-cutting health systems activities.
- OHS developed a new set of indicators to track Agency investments in HSS which were included for the first time in the Fiscal Year 2019 Program Performance Reports. OHS developed and piloted a tool to measure health system performance on the accountable, affordable, accessible, and reliable dimensions of the high-performing health care framework.

In response to the COVID-19 pandemic, USAID used OHS projects to rapidly mobilize interventions in more than 54 countries to strengthen health system preparedness and minimize the interruption of essential health services. These interventions focus on institutionalizing infection prevention and control practices, rebuilding communities' trust in the health system, and strengthening supply chain management, health policies and regulations, improving human resources, and ensuring sustainable and efficient financing for the health sector. In addition, OHS has led a GH working group on continuity of essential services in lower- and middle-income countries, issued technical and strategic guidance for USAID missions on approaches to building health system resilience while responding to the pandemic, and allocated significant staff support to the overall COVID-19 response effort. USAID's coordination across regional bureaus, GH, and missions alongside other development and local partners has resulted in the evolution of successful health system models and new innovations, especially in the context of the pandemic. Highlighting and sharing these best practices with the global health community through international knowledge-exchange platforms has facilitated collaboration efforts that efficiently advance health system resilience.

## LOOKING FORWARD

There is considerable global momentum behind the importance of health systems as a foundational component of health resilience, which presents the opportunity to exert U.S. leadership in this field. USAID will learn from and build upon our existing global leadership on building resilience to recurrent crises. HSS, however, is long-term in nature and as such is often obscured by funding limitations and urgent health problems, issues, and circumstances. Many of the tenets of the Journey to Self-Reliance are highly relevant. USAID will need to carefully balance the demands of its ongoing health priorities to enable OHS to lead in this area of development.

**NOTES**

## BUREAU FOR GLOBAL HEALTH: PREVENTING CHILD AND MATERNAL DEATHS

### INTRODUCTION

Globally, 295,000 mothers and 5.2 million children under five years old die each year—including more than 1 million deaths on the day of birth and a total of 2.4 million newborns who die in the first month of life, largely from preventable causes. USAID has been a global leader in maternal and child health for decades, and preventing child and maternal deaths (PCMD) is one of the Agency's top global health priorities. The Agency's investments seek to advance a common vision: ensuring women and children have the same chance of survival, regardless of where they are born. In 2012, USAID, along with the United Nations Children's Fund, and the Governments of India and Ethiopia, convened the Child Survival: Call to Action to catalyze global commitments to maternal and child survival. In 2014, the Agency presented a bold roadmap to end preventable child deaths in a generation. This target, and a similar one for maternal mortality, are now enshrined as two of the health targets for the Sustainable Development Goals. USAID's flagship annual report on PCMD, [Acting on the Call](#), analyzes progress and offers a vision for accelerating advancement towards this ambitious goal.

### LOOKING BACK

USAID's PCMD programs focus on [25 priority countries](#), which together account for more than two-thirds of maternal and child deaths. Country selection criteria includes the severity and magnitude of maternal and child mortality, government commitment to health, and the potential to leverage other U.S. government (USG) programs, as well as those of other partners and donors. Interventions and program priorities vary depending on country context and key drivers of mortality. Country programs apply cost-effective, proven interventions. These efforts benefit from multilateral, private sector and non-government partnerships, and coordinated global health expertise in community health systems, social and behavior change, implementation research, gender, and monitoring and evaluation. By implementing an integrated approach to PCMD that includes maternal and child health, voluntary family planning, nutrition, immunization, water, sanitation, and hygiene (WASH), and malaria programs, USAID helped 84 million women and children access essential, often lifesaving, health care in 2019 alone.

Despite impressive progress in reducing maternal mortality over the past 25 years, more than 800 women die each day from preventable causes related to pregnancy and childbirth, primarily in lower- and middle-income countries. These causes include severe bleeding, high blood pressure and infections during pregnancy, at the time of birth, and in the period after birth. Over the last four years, USAID has helped over 13 million women deliver their babies safely with a skilled birth attendant in a health facility. The top three causes of newborn deaths—preterm birth complications, intrapartum related events, and infection—can be prevented and/or mitigated with access to high-quality services. To accelerate efforts to save maternal and newborn lives, USAID's PCMD efforts focus on improving equitable access to maternal and newborn care before, during and after childbirth. Recognizing that voluntary family planning has important implications for maternal health, USAID also supports access to a broad range of family planning methods to help avoid unintended pregnancies and plan and space pregnancies to occur at the healthiest time of their lives. Approximately one-third of maternal deaths could be prevented annually if women who did not wish to become pregnant had access to modern contraception. Additionally, to address the majority of deaths of children under-five, USAID focuses on strengthening child health platforms to prevent and treat leading causes of death, such as pneumonia and diarrhea.

One critical element of our PCMD efforts is immunization, which prevents an estimated 2-3 million deaths each year. However, challenges in achieving optimal coverage remain as every year, 19 million



infants worldwide are not reached with basic vaccinations. To reach these children and protect communities around the world from the spread of infectious diseases, such as measles, USAID leads USG engagement with Gavi, the Vaccine Alliance (Gavi). Since 2001, USAID has contributed almost \$2.8 billion to Gavi, helping 73 lower-income countries immunize more than 822 million children and save more than 14 million lives. In 2020, USAID announced a new \$1.16 billion commitment to Gavi over Fiscal Years 2020-2023. To complement our investments in Gavi, USAID provides bilateral assistance to strengthen national immunization programs. USAID's immunization work also includes a 20-year commitment to global polio eradication efforts. The recent declaration of a wild polio-free African continent was a major achievement. However, Polio remains endemic in Afghanistan and Pakistan, and vaccine-derived poliovirus outbreaks continue to occur in multiple countries.

Malnutrition is an underlying cause of an estimated 45 percent of deaths of children under five. USAID's nutrition investments focus on the prevention of all forms of undernutrition, with an emphasis on the "1,000 day window of opportunity" from pregnancy through a child's second birthday, which is a particularly critical period of physical and cognitive development. Additionally, USAID's WASH programs are often integrated with maternal and child health programs to increase access to safe and sustainable water and sanitation services. The Bureau for Global Health (GH) participates in the Agency's Nutrition and Water Leadership Councils, led by the Bureau for Resilience and Food Security in order to elevate these subsectors, enhance intra-agency coordination and maximize joint efforts.

In 2020, USAID established the MOMENTUM suite of innovative awards to holistically improve maternal and child health and voluntary family planning in partner countries. MOMENTUM builds upon existing evidence, catalyzes new ideas and partnerships, and more flexibly meets country and sub-national needs. Current awards include projects for strengthening routine immunization, addressing fragility and resilience, capacity development and global technical leadership, strengthening private healthcare delivery, as well as monitoring, evaluation, and adaptive learning. Additional awards are anticipated.

## **LOOKING FORWARD**

Hard-won gains in maternal, newborn and child health are at risk during the COVID-19 pandemic. Some countries have suspended or limited essential care as health services and infrastructure are strained and fear dampens community demand. An estimated 80 million infants are at increased risk of measles and other vaccine-preventable diseases due to disruptions in immunization services. The secondary effects of the pandemic on household incomes and food security may increase the number of children suffering from wasting by 6.7 million. Some countries have adopted resilient and innovative methods to ensure safe primary health services, including shifting service delivery when feasible to the community level and rapidly resuming routine immunization. Vital funding and preparation for the introduction and roll-out of a safe and effective COVID-19 vaccine will demand strong global and country-level partnerships to ensure doses reach all in need. USAID expertise and collaboration with Gavi and other global platforms will be crucial in this effort. In the meantime, the protection of the health workforce from COVID-19 is critical to sustaining and strengthening services for women, newborns, and children.

The coming decade will build on progress since 2012 and adopt more effective approaches to addressing the unfinished agenda that remains. The last mile of progress will need to address intractable systematic and governance failures, in addition to technical, educational and behavioral issues. USAID will implement innovative approaches, focused efforts, greater partner government commitments and more tailored solutions. To that end, GH is leading the development of a new, five-year roadmap to

**NOTES**

**BUREAU FOR GLOBAL HEALTH:  
PRESIDENT'S EMERGENCY PLAN FOR AIDS RELIEF**

## **INTRODUCTION**

USAID's HIV/AIDS program has been at the forefront of the global HIV response since 1986, leveraging strategic partnerships and global health expertise to help control one of the world's most serious public health challenges. As a principal implementer among the five agencies implementing the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), which President Bush launched in 2003, USAID provides support to 52 countries. USAID's total annual portfolio for HIV/AIDS is approximately \$3.3 billion (including contributions to the Global Fund and the Joint United Nations Programme on HIV/AIDS, managed by approximately 1,000 PEPFAR-funded full-time equivalents in-country and 376 full-time equivalents in Washington). The U.S. Global AIDS Coordinator and U.S. Special Representative for Global Health Diplomacy leads PEPFAR and heads the Office of the Global AIDS Coordinator at the State Department. The Bureau for Global Health (GH) works closely with State and other PEPFAR partners.

USAID's approach to HIV/AIDS provides global leadership to advance HIV epidemic control and sustainability, supports country-led efforts for long-term sustainability and results, and applies science, technology, and innovation to support the implementation of cost-effective, cutting-edge, sustainable, and appropriately integrated HIV/AIDS interventions at scale. USAID aims to achieve and sustain HIV/AIDS epidemic control by achieving the globally recognized 95-95-95 targets: 95 percent of people living with HIV know their HIV status, 95 percent of people who know their status receive treatment, and 95 percent of people on HIV treatment strengthen their immune system to lower the likelihood of passing on infection.

Through PEPFAR, USAID has more than 6.2 million people currently enrolled on antiretroviral therapy (ART)s, with 2.8 million receiving multi-month dispensing of ART to facilitate retention and adherence to this life-saving therapy. Concurrently, USAID provided HIV testing and counselling to 167 million people and identified 7.6 million new HIV cases. In addition, through USAID support, 6.2 million men received voluntary medical circumcisions, more than 5.6 million orphans and vulnerable children received care and support, and 2.4 million babies were born HIV-free to HIV-positive mothers. Through USAID support, 1.5 million ART patients have received preventive tuberculosis therapy, over 190,000 have received pre-exposure prophylaxis (PrEP) to prevent HIV, and more than 260,000 healthcare workers received training to deliver HIV and other health services. Additionally, each year, more than 1.2 million individuals in key populations—those most at risk of contracting HIV—are reached with HIV prevention interventions through USAID support.

## **LOOKING BACK**

PEPFAR is the largest commitment by any nation to combat a single disease. Bipartisan Congressional support and renewed U.S. presidential commitments have contributed to its success. Since its establishment, PEPFAR programming has helped increase the numbers of people living with HIV (PLHIV) receiving ART, from 50,000 in 2003, to more than 15.6 million individuals by the end of Fiscal Year 2019. In 2018, Congress passed the *PEPFAR Extension Act of 2018*, which extended PEPFAR's authorization from Fiscal Years 2019 through 2023. USAID has and will continue to play an integral role in working towards the goal of a country-owned and sustained response.

During the past four years, USAID leadership, particularly in the Office of HIV/AIDS, has reasserted the Agency's strengths and advanced multiple PEPFAR priorities. Each year, the U.S. Government works with country stakeholders to develop a PEPFAR Country Operational Plan (COP) to guide programming and resource allocations. Each COP is rigorously reviewed by USAID and the Department of State, with

the Coordinator providing final approval. In line with the J2SR and EPPR, USAID has embraced PEPFAR's goal of accelerating funding to local partners. In the past two years, local partner awards increased by 85 percent, representing partnerships with 76 new local organizations for a total of over \$770 million under management by 180 local partners. USAID expects to meet PEPFAR's 70 percent global local partner funding goal by FY 2023. Government-to-government agreements have increased. All of these efforts require considerable support from across the Agency; a PEPFAR Oversight Board in Washington helps to ensure strategic engagement from the Management Bureau/Office of Acquisition and Assistance; from the General Counsel; from the Office of Human Capital and Talent Management; and from the Agency Front Office. GH supports the field to ensure that implementation is successfully meeting performance goals at the country and subnational levels and ensuring programs are tailored to the country context through the use and appropriate interpretation of data. 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. These demands have required transformation of certain USAID business processes and ways of doing business; the results, however, demonstrate the impact of such concerted efforts.

## **LOOKING FORWARD**

PEPFAR is strengthening efforts in countries, intensifying focus on those people and age groups that must be reached in order to achieve global targets for epidemic control. There has been a shift toward targeted case finding through focused testing approaches, including index testing (HIV testing for partners and family members of known PLHIV). To sustain the more than 15.6 million people currently on ART through PEPFAR, and to ensure treatment for the more than 38 million PLHIV, USAID programming prioritizes client-centered services. Greater support is needed for uptake and adherence of PrEP, voluntary medical male circumcision, and programming for vulnerable populations, such as OVC, adolescent girls and young women, and key populations, including people who inject drugs, men who have sex with men, transgender people, and sex workers. Amidst the COVID-19 pandemic, USAID PEPFAR investments strengthened lab capacities in Nigeria, for viral load and specimen transport, which are now being leveraged for COVID-19 diagnostics. Additionally, in Kenya, USAID has supported the Ministry of Health to leverage and expand existing HIV data systems for COVID-19 surveillance and data analytics. These are key examples of how USAID PEPFAR investments are not only vital to fighting the HIV/AIDS epidemic, but also to build sustainable structures and systems to protect against future health threats.

GH is leading an effort to develop and execute the first-ever USAID Agency-wide plan for achieving and sustaining HIV epidemic control. GH has conducted more than 80 internal and external interviews, and has completed 'country profiles' for seven PEPFAR program countries. GH has developed a draft framework identifying areas to emphasize and improve, as well as areas to invest and build to position the Agency for sustained epidemic control and best optimize USAID's wider health and development portfolios. Funded by PEPFAR, USAID's Sustainable Financing Initiative for HIV/AIDS over the past years has supported increased sustainability of the HIV response by promoting shared financial responsibility with host country governments. Increased programmatic investments are planned to expand current efforts for leveraging domestic resources, public financial management, innovative financing, and total market approaches for expansion of access to care through the private sector. Next steps include developing specific examples of focus areas in preparation for the USAID planning meeting to develop and finalize COP Fiscal Year 2021 in November 2020.

**NOTES**

**BUREAU FOR GLOBAL HEALTH:  
PRESIDENT'S MALARIA INITIATIVE**

## INTRODUCTION

President George W. Bush created the U.S. President's Malaria Initiative (PMI) in 2005, when malaria was almost certainly a death sentence for most poor children in Africa. Strong, sustained bipartisan leadership from Congress, reflected in incremental increases in malaria appropriations since the initiative began, has allowed for significant expansion of PMI's program reach from the originally planned 15 to now 27 partner country programs in Africa and Asia's Mekong region. The George W. Bush Administration, subsequently reinforced by Congress in 2008 with the passage of the *Tom Lantos and Henry J. Hyde Global Leadership against HIV/AIDS, Tuberculosis, and Malaria Act*, established the U.S. Global Malaria Coordinator at USAID and mandated USAID to lead PMI in coordination with the Centers for Disease Control and Prevention (CDC). The Agency has delivered on and surpassed expectations by recording historic reductions in malaria deaths and illness in partner countries. Simultaneously, PMI has documented remarkable financial and program efficiencies, including major reductions in unit costs for essential malaria commodities such as anti-malarial drugs and insecticide-treated bednets, and in deploying data-driven approaches such as sub-national targeting of malaria interventions for greatest public health impact.

## LOOKING BACK

After more than 15 years of PMI's leadership in the malaria fight, malaria elimination is considered a realistic, long-term goal. In collaboration with partner countries, PMI has helped save more than seven million lives and prevented more than a billion cases of malaria globally with hundreds of millions of people having benefited from PMI's life-saving malaria prevention and treatment interventions. Since 2006, in countries where PMI works, malaria case rates have declined by 27 percent and death rates by more than 60 percent. PMI's interventions have not just contributed to reductions in malaria illness and deaths but have also been a major driver of reductions in mortality in children under five in PMI partner countries in Africa. In large part because of progress against malaria, a child has a better chance of survival now than at any other point in history; quite literally, PMI is saving lives.

PMI's investments have been focused where malaria's impact is greatest. Since malaria's impact is especially damaging to the poorest, PMI has reached into rural and underserved communities in sub-Saharan Africa where malaria flourishes. It has equipped women, children, and families with information and tools to protect themselves from malaria and provided them with access to fast-acting medicines to cure malaria if infected. PMI has brought much-needed attention to monitor and address drug-resistant malaria in Asia's Mekong region, advancing progress towards regional 2030 elimination goals. PMI has led efforts to monitor for emergence of drug resistance in African countries and worked proactively with countries and global partners to plan for introduction of the newest anti-malarial drugs where indicated. Malaria interventions have been among the most cost-effective public health efforts, providing consistently high return on investment, resulting in education gains, and contributing to economic prosperity. PMI's Annual Report provides detailed results and profiles PMI's comprehensive impact.

*U.S. Global Malaria Coordinator Authorities and PMI's Implementation Approach: The 2008 Hyde-Lantos Act* established the U.S. Global Malaria Coordinator Position at USAID. The Coordinator, appointed by the President, has "*primary responsibility for the oversight and coordination of all resources and international activities of the USG relating to efforts to combat malaria.*" The Coordinator reports directly to the USAID Administrator and has direct authority over PMI programs, policy, staffing, and reporting, including a mandate to ensure coordination of all U.S. Government assistance efforts for

malaria among all relevant executive branch agencies and multilateral institutions—analogue to the authorities of the Global AIDS Coordinator at the State Department. USAID is the lead agency for PMI, with CDC as the key interagency partner. USAID Missions implement PMI programs. PMI harnesses expertise across the whole of government with a single U.S. Government team working together at headquarters and in the field and speaking with one voice with partner countries. The U.S. Government, through PMI and U.S. contributions to the Global Fund to Fight AIDS, Tuberculosis and Malaria, is the largest financier of global malaria efforts and the major driver of global successes and impact in the fight against malaria. PMI and the Global Fund work in a complementary, coordinated, and mutually reinforcing manner to support national malaria control program-led efforts. In addition to funding, PMI brings critical technical assistance and capacity building to countries through PMI staff and partners on the ground.

## LOOKING FORWARD

Malaria is no longer the leading cause of death among children in Africa, in large part due to PMI's success. However, Africa still bears the largest malaria burden with roughly 213 million cases and 380,000 deaths each year, accounting for 93 percent and 94 percent of the world's total, respectively. The tenacity of malaria means that we must develop new tools to stay ahead of both the parasite and the mosquito vectors which are both constantly evolving and adapting. Well-documented resistance to medicines in Asia's Mekong region and widespread resistance to insecticides already threaten efforts. To combat this threat, PMI will continue to invest in monitoring drug and insecticide resistance and assisting countries to adopt and introduce the newest drugs and insecticide-based tools. PMI will continue to partner with the global malaria community to inform investments in next generation malaria tools and innovations. PMI will continue to aggressively expand country digital health infrastructures to strengthen malaria surveillance at all levels of the health system, invest in mobile health platforms for community health workers that link directly to the national health information system, and invest in data integration and analysis efforts in order to have near real-time data to drive programmatic planning and evidenced-based decision-making. PMI will continue to invest in capacity building of health care workers to effectively deliver malaria prevention and treatment interventions. Finally, given that a core element of successful malaria programming is ensuring a stable supply of quality, essential malaria commodities, PMI will continue to prioritize investments in essential malaria commodity procurement and delivery and in strengthening supply chains within PMI supported countries.

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**BUREAU FOR GLOBAL HEALTH:  
COMBATING INFECTIOUS DISEASE AND PREVENTING PANDEMICS**

## **INTRODUCTION**

Infectious disease threats have the potential to endanger lives and disrupt economies, travel, trade, and the food supply. Outbreaks do not respect national boundaries and can spread rapidly, jeopardizing the health, security, and prosperity of the United States. It is in the national security interest of the United States to strengthen global health security and mitigate the risk of infectious disease outbreaks.

The increase in the number of naturally occurring outbreaks over the past 15 years (e.g. (coronavirus illnesses: severe acute respiratory syndrome (SARS), Middle East Respiratory Syndrome (MERS), COVID-19), influenza, Ebola, Zika, and Rift Valley fever) and the risk posed by an accidental or deliberate release of pathogens highlights the critical need for robust prevention, detection, and response mechanisms. Livestock and wildlife are common vectors of infectious diseases that can easily spillover to humans and cause widespread outbreaks, or pandemics in the case of COVID-19. Achieving global health security requires a sustained, coordinated, multisectoral approach that incorporates an understanding of the linkages between human, animal, and environmental health.

## **LOOKING BACK**

Scores of infectious diseases have threatened humankind: malaria, HIV, tuberculosis (TB), and neglected tropical diseases (NTDs), and emerging infections like Ebola, H5N1 avian flu, Zika, SARS, and MERS.

## **LOOKING FORWARD**

For decades, USAID has been a leader in the control and prevention of infectious diseases. USAID-funded programs have achieved tremendous success in the fight against TB, NTDs, pandemic influenza, and other emerging threats. The global community faces ongoing endemic disease threats and an increased frequency of emerging outbreaks driven by surging populations, environmental degradation, and globalized travel. Working with ministries of health, livestock, and the environment, in addition to 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 (USG) entities. USAID appreciates the collaboration with the Centers for Disease Control and Prevention (CDC) across program areas, and USAID staff engage with CDC daily. But ongoing challenges exist with the collaboration, including the management and use of USAID obligated funds, deobligation of USAID funds to CDC, and issues with oversight, reporting and coordination. USAID and the Bureau for Global Health commit to efforts to improve engagements.

**Tuberculosis:** USAID leads the USG's global TB efforts by working with other USG agencies and partners around the world to reach every person with the disease, cure those in need of treatment, and prevent the spread of new infections and the progression to active TB disease. USAID's new TB business model, the Global Accelerator to End TB, increases commitment and builds capacity of governments, civil society, and the private sector to accelerate countries' progress in achieving the 2018 United Nations target of diagnosing and enrolling an additional 40 million people on TB treatment by 2022 and ultimately, ending TB. Through the Accelerator, USAID continues to improve care and strengthen TB services, as well as provide diagnostics and drugs in the fight against TB. To address the specific challenges of multidrug-resistant tuberculosis patients, USAID is expanding the availability of new multidrug-resistant tuberculosis drugs and regimens to save lives, as well as investing in pivotal clinical trials. USAID's global TB efforts have achieved significant results. Since 2000, USAID and its partners

have saved more than 58 million lives. Since 2014, USAID has worked with its partners to successfully treat 12.2 million people with TB, including 330,000 individuals with drug-resistant, and helped achieve a 44 percent reduction in TB-related deaths across 23 priority countries.

**NTDs:** NTDs are characterized as a set of parasitic and bacterial infections, which impact the lives of more than 1 billion people in poor and marginalized communities, and cause disability, disfigurement, and stigma, ultimately impairing people's ability to engage in school or work to their full potential. USAID works alongside country governments and public and private partners to map where disease persists, provide treatments, evaluate progress, and build a sustainable in-country response. USAID has supported the delivery of more than 2.8 billion treatments to prevent and treat five of the most prevalent NTDs to more than 1.4 billion people across 25 countries. Every dollar invested by USAID in NTDs leverages \$26 in pharmaceutical donations. As a result, 10 countries have eliminated at least one NTD. NTD control and elimination interventions are widely considered good value for money, as they are relatively inexpensive and highly effective. Since its establishment in 2006, USAID's NTD program has leveraged a total of \$26.1 billion in donated drugs. Over the next five years, USAID will support 700 million treatments made possible with \$6 billion in donated drugs. With USAID's support, by 2025, 15 additional countries will have eliminated at least one NTD as a public health problem.

**Global Health Security (GHS):** At a time when many people around the world are living in closer proximity to animals, the vast majority—more than 70 percent—of new, emerging, or re-emerging diseases originate from animals (termed “zoonoses.”) These threats have manifested themselves over the past two decades in the form of both epidemic and pandemic outbreaks—SARS in 2003, H1N1 influenza in 2009, Ebola since 2014, and COVID-19 since 2019. USAID's GHS Program—which is aligned with the USG Global Health Security Strategy—works to strengthen the capacities of partner countries to prevent avoidable outbreaks, detect infectious disease threats early, and respond rapidly and effectively when outbreaks occur. GHS focuses on building capacities across 11 technical areas that are critical to addressing the threat of zoonotic and other epidemic-prone infectious disease threats. USAID works collaboratively with other USG partners in countries that are highly vulnerable to infectious disease threats and/or represent hotspots where the risks of spillover, amplification, and spread of zoonoses is greatest. All GHS activities are grounded in a “One Health” approach that brings together the animal, human, and environmental health sectors to address the burden of disease. These investments strengthen public health systems—efforts crucial to saving lives and building resilient local partners and allies—and build the knowledge base necessary to better understand, prevent, and mitigate the spillover of zoonotic pathogens to human populations and the spread of antimicrobial resistance generated from livestock. USAID also collaborates with interagency partners in supporting the Global Health Security Agenda (GHSA 2024) international initiative which brings together more than 70 countries and organizations to strengthen global health security and promote epidemic and pandemic preparedness.

**PREDICT Project:** In 2009, USAID launched the PREDICT project to strengthen the understanding of known and unknown viruses with pandemic potential and the factors that promote their movement between animals and people. Following its second five-year cycle with a one-year extension, PREDICT-2 ended in September 2020. Several new and ongoing projects will apply, at the country level, the data collected by PREDICT to address the greatest risk factors that lead to viruses spilling over from animals to humans. Strategies to Prevent Spillover (STOP Spillover) was launched in September 2020 and represents a critical next step in the evolution of this work. In addition, a project focused on the detection and characterization of unknown viruses is in design as of October of 2020.

**NOTES**

**BUREAU FOR GLOBAL HEALTH:  
GLOBAL HEALTH SUPPLY CHAIN****INTRODUCTION**

From the most remote rural health posts to major health centers and hospitals, reliable access to test kits, essential medicines, and other health supplies—and their appropriate use—is a critical underpinning of public health. Since its first contraceptive purchase in 1968, USAID's Bureau for Global Health (GH) has worked to ensure that quality-assured, effective health commodities reach patients and improve lives. Agency investments have grown to support the President's Emergency Plan for AIDS Relief and the President's Malaria Initiative, while continuing to serve family planning and reproductive health, maternal and child health and nutrition, and other health programs and to respond to infectious disease outbreaks. In Fiscal Year 2019, GH delivered 1,563 different products valued at almost \$720 million to 63 countries. GH also strengthens country systems to independently serve clients today and tomorrow.

GH's support has resulted in transformative impact. National supply chain systems once managed relatively few health products out of antiquated warehouses with paper ledgers. Currently these systems manage thousands of products through commercial-grade warehouses with electronic information systems. Governments are outsourcing warehousing and distribution to the private sector while strengthening their capacities for oversight and regulation.

Nigeria had fewer than 10,000 patients on antiretroviral treatment. Today, there are approximately one million people living with HIV on treatment. This increase would not have been possible without GH's efforts to make the needed commodities available and strengthen systems to deliver them. Worldwide, the Agency's work to ensure that patients can access and safely use the health products they need has saved millions of lives and improved livelihoods. The Agency remains committed to managing and supporting systems that perform better, are more efficient, and minimize risk.

**LOOKING BACK**

Early in 2016, GH's lead global health supply chain contractor faced challenges to manage and operate a consolidated supply program for the Agency's health elements. There was widespread attention, including from Congress, the Office of the Inspector General, and mass media, on performance declines. Aggressive GH oversight and the introduction of reforms to improve predictability in lead times for orders led to significant improvements starting in 2017. Overall, on-time delivery for commodity orders to the field has been sustained at or above the target level of 80 percent since late 2018.

GH has also provided technical assistance to strengthen supply chain and pharmaceutical systems in over 30 countries. This assistance increasingly focuses on developing the capacities of institutions and individuals to be self-reliant in managing country systems. GH encourages governments to play a stewardship role for commodity supply through greater utilization of the private sector. GH has promoted such technical innovations as: intelligent forecasting of country needs for health commodities; dynamically adjusting distribution routes in response to changing conditions; using control tower technologies for end-to-end visibility across supply chain actors and collaborative management of commodities; and, improving regulatory processes to efficiently promote market access for quality-assured, safe, and effective products.

COVID-19 has posed special challenges to ensure supplies for ongoing programs and rapidly implement COVID-19-specific programs. GH was directed to procure nearly \$200 million in ventilators and consumables to support clinical management of COVID-19. An additional \$60 million is anticipated to

procure oxygen-generation equipment and technical assistance to ensure adequate access to commodities critical for respiratory support for COVID-19 patients. GH also has helped country systems to manage COVID-19 related supplies through support to establish emergency response committees, adapt supply chain information systems, and expand availability of tools that have been developed by the Agency for responding to infectious disease outbreaks. GH has implemented adaptations in its supply management for ongoing programs, such as greater flexibility to rapidly secure limited shipping space, to help ensure products continue to reach GH-supported countries and the populations that need them. The pandemic has highlighted these vulnerabilities. While GH has worked systematically to diversify its producers of finished products, these producers are themselves reliant on relatively few suppliers for active pharmaceutical ingredients and key starting materials.

## LOOKING FORWARD

GH is applying the experience and lessons of the past four years to future programs. Looking ahead, GH will build on the investments of the past, while transforming how it invests to drive self-reliant, client-centered systems to maximize and sustain product availability, quality, and affordability, and achieve better health outcomes. A new program design is underway in which GH will:

- segment supply chains to meet unique patient/population needs and product characteristics;
- accelerate utilization of private-sector capabilities to improve supply chain efficiency and client experience;
- re-focus technical assistance to support governments' shift from acting as supply chain operators to being stewards for commodity availability and security, relying on functional and efficient regulatory and oversight systems;
- increase visibility to the point-of-service to strengthen demand planning, optimize operations, and promote appropriate use of products by providers, pharmacists/dispensers, and consumers;
- use contract terms to incentivize performance of Agency implementing partners; and,
- proactively monitor and mitigate risks to ensuring supply of affordable, quality-assured, safe, and effective products to clients.

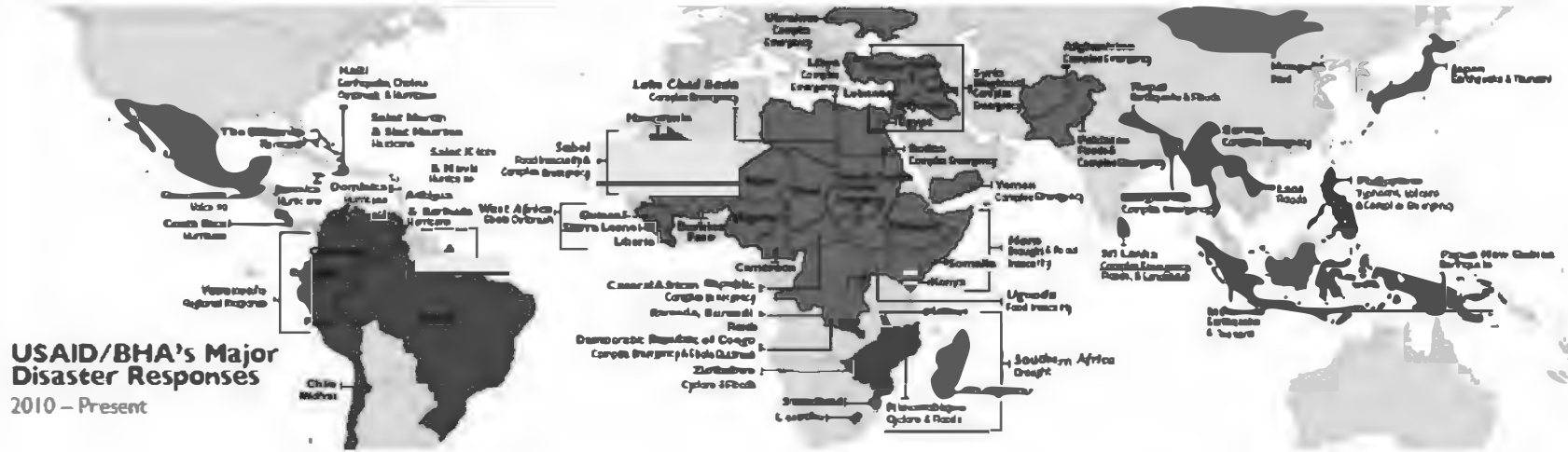
GH will leverage the growing commercial sector capacities in many low- and middle-income countries. Greater integration and partnership with existing systems through shifts in procurement, distribution, and other elements of pharmaceutical management to support in-country capacity will improve resilience, visibility, accountability, and innovation. Moving forward, a priority will be building strong, in-country, private-sector markets and increasing the management and governance capacity of local leadership to manage, not operate, supply chains.

GH will continue to diversify the supply base for products that it procures to promote healthy markets and minimize risk. GH will extend beyond finished product suppliers to incentivize a broader supply base for key starting materials and active pharmaceutical ingredients. GH will further strengthen its global partnerships to develop and introduce new products, increase market visibility, and where appropriate support locally-established manufacturers, wholesalers, and distributors. These investments will accrue benefits for GH's supply programs and for countries as they increasingly assume responsibility for commodity financing and procurement.

Through these future investments, GH will further its longstanding leadership for health commodity delivery and security and ensure continued progress towards a day when its commodity support and technical assistance are no longer needed for people to be able to obtain the health products they need.

**NOTES**

# Bureau for Humanitarian Assistance (BHA)



**USAID/BHA's Major Disaster Responses**  
2010 – Present

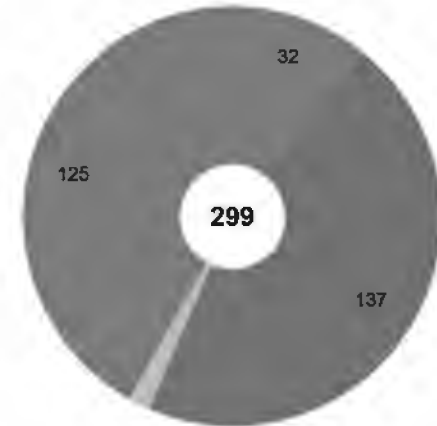
**Total Staff - Washington\* \*\***

- AD
- CS
- FS
- ISC
- FSL
- Other



**Total Staff - Field\***

- FS
- FSN
- FSL
- PSC



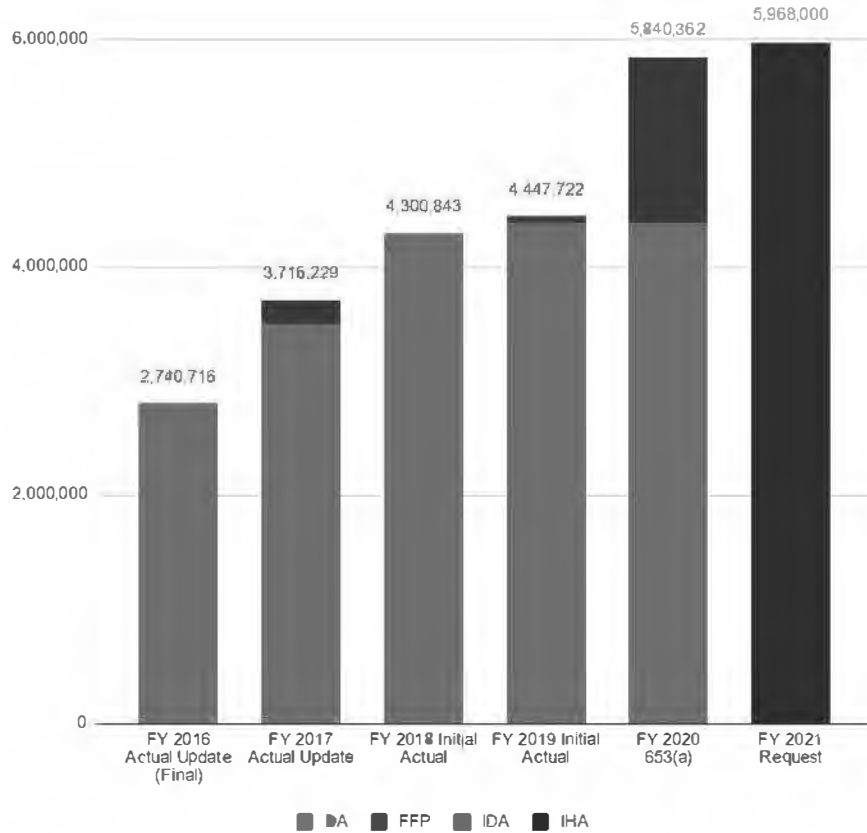
Sensitive but Unclassified (SBU) - For Internal U.S. Government Use Only

\* All staffing numbers provided by Bureau and accurate as of October 26, 2020  
 \*\* Does not include BHA's Surge Roster, which is currently 147 people on standby

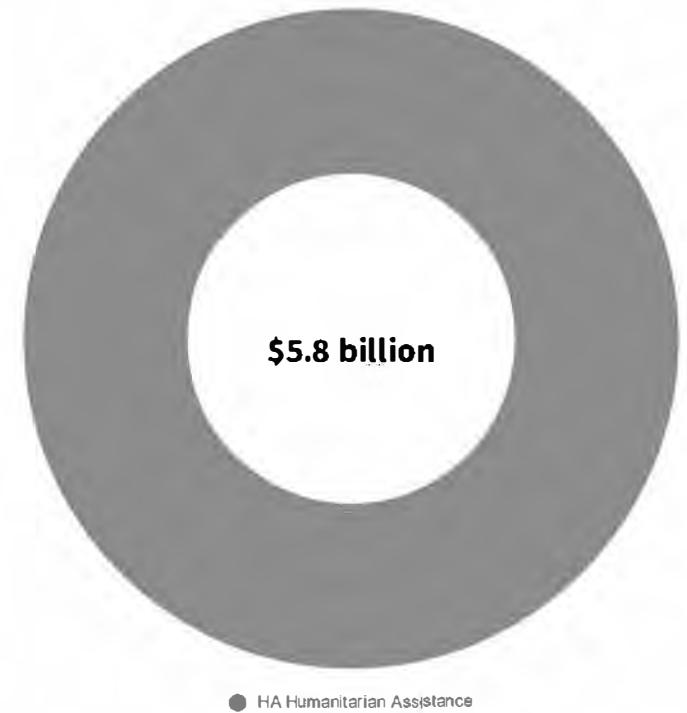
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# Bureau for Humanitarian Assistance (BHA)

Program Budget Allocations, by Account - FY 2016-2020 and FY 2021 Request\*  
(\$ in thousands)



Program Budget Allocations, by Category - FY 2020 653(a)  
(\$ in thousands)



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\*BHA was not allocated funding until FY 2020. Funding in FY 2016-2019 was manually crosswalked from the DCHA Bureau. Note that the FACIS Info system shows a negative balance for FFP in FY 2016 not displayed here. The negative balance reflected the adjustment to show accurate country/regional levels while still remaining within the topline control.  
NOTE: These charts include funding in the following USAID-managed and partially-managed accounts: AECA, CCF, DA, DF, ESDF, ESF, FFP, GHP-STATE, GHP-USAID, HA, IDA, and TI. They do not include supplemental appropriations.



**BUREAU FOR HUMANITARIAN ASSISTANCE:  
BUREAU OVERVIEW****INTRODUCTION**

The Bureau for Humanitarian Assistance (BHA) provides life-saving humanitarian assistance—including food, water, shelter, emergency health care, sanitation and hygiene, and essential nutrition services—to the world’s most vulnerable and hardest-to-reach people. BHA is the lead federal coordinator for international disaster assistance, harnessing the unique capacities of other U.S. Government (USG) entities to effectively respond to natural disasters and complex crises around the world.

Established on June 5, 2020, as a result of USAID’s Transformation, BHA brings together the vast expertise and resources of USAID’s Offices of U.S. Foreign Disaster Assistance (OFDA) and Food for Peace (FFP)—each with more than half a century of experience—into one influential humanitarian voice, enabling USAID to deliver assistance more efficiently and effectively. BHA takes a holistic approach to humanitarian assistance, providing assistance before, during, and after a crisis—from readiness and response to relief and recovery. BHA does more than respond to disasters. It builds on USAID’s humanitarian investments and supports early recovery efforts that restore and protect basic systems and services. It invests in risk reduction activities that mitigate and reduce risks associated with chronic and recurrent hazards. It builds the resilience of people, communities, countries, and systems by helping them mitigate, adapt to, and recover from shocks and stresses in a way that reduces chronic vulnerability and facilitates inclusive growth.

BHA achieves its mandate in coordination with affected populations and within USAID and the U.S. Government, donor and host governments, public international organizations, local and international non-governmental organizations, civil society, and the private sector.

**LOOKING BACK**

Humanitarian needs have steadily increased in recent years, with an estimated 168 million people in need of assistance in early 2020, the highest figure in decades. Humanitarian crises are longer, with the average lasting nine years, and attacks against aid workers and facilities increasingly hinder access to populations in need. By the end of 2019, conflict had internally displaced nearly 46 million people, an all-time high, and more than 5 million had been displaced by disasters. Against this backdrop, the direct and secondary impacts of the COVID-19 pandemic have drastically expanded needs and deepened food insecurity, particularly among already vulnerable populations in existing humanitarian contexts.

The USG remains the leading humanitarian donor globally, through its funding from BHA and the State Department’s Bureau of Population, Refugees, and Migration (State/PRM), with which USAID faces some collaboration challenges. In 2019, USG humanitarian funding totaled \$9 billion, including \$6 billion in BHA funding. BHA was the single largest donor to key humanitarian agencies, such as the United Nations (UN) World Food Program, the UN Office for the Coordination of Humanitarian Affairs, and the UN Children’s Fund.

BHA responds to an average of 75 disasters in more than 70 countries every year. New and worsening crises, sudden onset natural disasters, and protracted conflicts continued to drive humanitarian needs. From 2017 to 2020, BHA staffed 14 Response Management Teams (RMTs) and 13 Disasters Assistance Response Teams (DARTs). With crises growing in complexity and length, recovery and resilience efforts under BHA take on a particular importance as the transition from relief and recovery is not linear and development finance takes time to come on line.

Throughout its responses, BHA leverages the expertise and talent of other USAID and interagency colleagues to bolster preparedness and response capabilities, including among local actors. In addition, it continues to coordinate with other donors to adopt strategic burden-sharing measures and disaster risk reduction initiatives aimed at enhancing self-reliance and resilience at local and national levels.

Through the New Approach to Relief strategy, USAID and State work to improve the efficiency and effectiveness of USG humanitarian assistance through four goals: increase donor burden-sharing, optimize internal coherence of USG humanitarian assistance, drive reforms in the UN, and enhance relief-development coherence. As part of this effort, Secretary Pompeo and former USAID Administrator Green established the Humanitarian Assistance Steering Council (HASC), a senior-level body of USAID and State officials to provide overall accountability and direction for humanitarian assistance.

## LOOKING FORWARD

COVID-19 is likely to have lasting impacts on the humanitarian system for years to come. The pandemic will continue to exacerbate humanitarian needs, increase access issues and operational costs, and lead to developmental backsliding, as well as affect how assistance is delivered and financed. This expansion of needs is illustrated by the Famine Early Warning Systems Network May 2020 estimate that 113 million people in the 46 most food insecure countries would face crisis levels of food insecurity and require emergency food assistance in 2020, representing a 25 percent increase from pre-COVID-19 estimates.

In 2021, BHA, in line with the humanitarian community, will incorporate COVID-19-related needs into regular programming through efforts aimed at preventing, preparing for, and responding to the immediate public health, protection, nutrition, and food security impacts of COVID-19 for the most vulnerable populations. Country-specific programming will also support efforts to alleviate the second-order humanitarian consequences of the COVID-19 pandemic and shore up government mitigation efforts for the most vulnerable populations.

BHA will continue driving the humanitarian reform agenda, with a focus on improved coordination, joint needs analysis, and reduced management costs, and ensuring the momentum of recent reforms made under the Grand Bargain, an agreement between donors and humanitarian organizations to improve how humanitarian assistance is financed and delivered, are not lost and will play a critical role in helping bridge the growing gap between needs and resources.

USAID is the lead federal agency providing humanitarian assistance to Internally Displaced Persons (IDPs), and BHA will continue to play a key role in improving protection and assistance to this vulnerable population. The USG, including BHA, played a lead role in establishing the UN Secretary-General's High-Level Panel on Internal Displacement in October 2019 to draw attention to and forge durable solutions for internal displacement situations and protection and assistance to IDPs. Continued engagement with the panel and key stakeholders will encourage proactive, actionable outcomes from the Panel's work to promote predictable, effective assistance for displaced populations.

BHA leadership will remain essential as humanitarian needs are likely to continue to outpace available resources for the foreseeable future. Funding requirements soared in 2020, with an estimated global humanitarian appeal of \$28.8 billion and an additional \$10.3 billion for COVID-19 needs. USG efforts to increase donor burden-sharing, work with new partners in innovative ways, and improve aid effectiveness will be crucial to addressing this gap. In collaboration with USAID and U.S. Government colleagues, BHA will continue to pursue improved linkages with USAID development projects to help reduce reliance on humanitarian assistance, where possible.

**NOTES**

**BUREAU FOR HUMANITARIAN ASSISTANCE:  
DISASTER RESPONSE PROCESS****INTRODUCTION**

USAID's Bureau for Humanitarian Assistance (BHA) continually monitors global hazards, identifies potential areas of humanitarian need, and stands ready to respond when disaster strikes. BHA responds when: 1) there is evidence of significant unmet humanitarian needs; 2) U.S. humanitarian assistance will save lives, reduce suffering, and mitigate impact of emergencies; 3) the affected country requests or will accept U.S. Government (USG) assistance; and, 4) responding aligns with USG interests and objectives.

When a disaster strikes, BHA humanitarian experts in the region coordinate with in-country USG colleagues and humanitarian partners to determine the scope and scale of the disaster. If the U.S. Ambassador determines that a USG response is appropriate and warranted, the Ambassador can issue a Declaration of Humanitarian Need (DHN), requesting up to \$100,000 in initial relief assistance. BHA will provide this immediate assistance to a humanitarian partner via the U.S. Embassy or the USAID Mission in the affected country to locally purchase and distribute relief supplies or to support other humanitarian programs. The DHN also paves the way for additional BHA support.

Based on the magnitude of the disaster and the host country's response capabilities, BHA will determine if additional USG assistance is needed to meet the required needs. BHA often deploys regional staff or assessment teams to the affected country to assess disaster impacts and humanitarian needs. BHA staff conduct damage assessments, coordinate with other donors, monitor and report on humanitarian needs, determine the need for relief commodities, coordinate with post on overall USG relief efforts, and work closely with United Nation (UN) agencies, Red Cross and Red Crescent societies, non-governmental organizations (NGOs), and public international organizations (PIOs). If BHA regional staff determine that additional USG assistance is appropriate, BHA can draw upon various disaster response options. These include the provision of food and relief commodities from BHA's strategically-located stockpiles worldwide and additional disaster funding for NGOs, UN agencies, and other PIOs.

BHA may provide operational and technical assistance if the type and complexity of the disaster merits. BHA has the capability to deploy urban search-and rescue (USAR) teams in response to sudden-onset disasters that are equipped to perform physical, canine, and electronic search operations; conduct rescue operations in all types of structures; provide medical treatment for injured victims encountered during operations; and perform structural integrity assessments. BHA can also deploy chemical, biological, radiological, nuclear, and explosive experts to provide technical assistance on humanitarian issues as necessary. For wildfire responses, BHA can deploy wildfire experts to provide technical expertise in wildfire suppression and deploy personal protective and firefighting equipment.

As the lead federal coordinator of international disaster response, BHA can also request support from other USG agencies when their unique capabilities are required for BHA's response. For example, BHA may request U.S. military support when civilian first-responder capabilities are overwhelmed and the unique capabilities of the U.S. Department of Defense (DoD) can expedite relief efforts during urgent situations. While the U.S. military is not usually an instrument of first resort in responding to humanitarian crises, it can be called upon to support civilian relief agencies as part of USG disaster relief efforts when other options do not exist. BHA maintains interagency agreements with a number of Departments and Agencies to pull in support for humanitarian response, when needed. BHA has civil-military humanitarian assistance advisors at all geographic combatant commands to liaise and provide subject matter expertise to senior DoD leadership when DoD is supporting a BHA response.

If the disaster requires a significant USG humanitarian response, BHA may activate components of its Response Management System (RMS), a systematic, proactive approach to guide BHA's organization, structures, procedures, and best practices for responding to international disasters. Based on response requirements, BHA can deploy an RMS-derived, field-based Disaster Assistance Response Team (DART), which leads and coordinates the USG humanitarian response. The DART assesses and identifies humanitarian needs, sets response priorities, coordinates with humanitarian partners, and determines the USG response to the disaster. Upon activation of a DART, BHA will initiate a Washington, D.C.-based Response Management Team (RMT) in one of BHA's four operations centers to support DART field operations and relief activities. The RMS provides detailed activation procedures for activated teams.

During a disaster response, BHA works closely with the Mission Disaster Relief Officer (MDRO), a focal point at missions for disaster-related information, planning, and activities affecting the host country. The MDRO serves as the primary point of contact for BHA staff. The MDRO should be familiar with host government disaster capabilities and potential humanitarian assistance partners and continually liaise with BHA regional staff to ensure information flow related to evolving disaster situations.

The Foreign Assistance Act of 1961, as amended, allows the President to provide disaster assistance, "notwithstanding any other provision of this or any other Act," which would otherwise prohibit or restrict aid to selected countries due to reasons such as economic sanctions. BHA also has "borrowing authority" of up to \$50 million in funds from a USAID Regional Bureau(s). If Congress provides supplemental funding for the disaster that required "borrowing" to happen, the Agency can elect to pay funding back (or not) to the Regional Bureau.

BHA maintains robust staff, resource, and systems readiness to respond to disasters. BHA has on-call rosters for both the DART and RMT, ensuring the Bureau has staff prepared to activate on short notice. A comprehensive workforce response readiness system prepares staff to serve on DARTs and RMTs through training, response leadership development, mentoring programs, and the use of position task books. Deploying team members can draw from BHA's caches of field communications equipment, remote location and field kits, and DART uniforms, depending on the needs of the response. BHA also manages a robust surge staffing program, including an in-house surge staffing pool, as well as agreements with several USG agencies to detail additional staff when necessary. BHA tracks staff and resource availability and qualifications through a responder portal.

## **LOOKING BACK**

Past disaster response data show staffing challenges as the greatest barrier to response team performance. Current efforts, such as integrated workforce management and the 21st Century Response project, ensure BHA has qualified and trained staff to address the needs of the response.

## **LOOKING FORWARD**

After a large-scale disaster response, BHA, as a learning organization, conducts an after action review of the response to identify challenges and successes and determine how the Bureau can improve response processes. These lessons learned are fed back into the RMS and applied through revised guidance. With the recent transition to BHA, through a data-driven approach, the Bureau is refining the RMS to more efficiently support all large-scale responses, including long-term complex emergencies, and further integrate food assistance and where appropriate improve coherence with longer term resilience and development investments.

**NOTES**

**BUREAU FOR HUMANITARIAN ASSISTANCE:  
USAID'S LEADERSHIP AND INTERAGENCY COORDINATION ON HUMANITARIAN ASSISTANCE**

## **INTRODUCTION**

USAID is the lead federal coordinator for U.S. Government (USG) international disaster assistance, an authority derived from the Foreign Assistance Act of 1961, as amended, which gives the President the authority to appoint a Special Coordinator for International Disaster Assistance. The President has designated the USAID Administrator to this role, and the Bureau for Humanitarian Assistance (BHA) supports the Administrator in this capacity. The Bureau's responsibility is outlined in USAID's Operational Policy Automated Directives System, which notes that "BHA fulfills the role of USAID as the lead USG Agency for responding to emergencies and disasters overseas with both food and non-food emergency assistance."

BHA delivers interagency leadership in three broad areas: disaster response, technical expertise, and policy guidance. First, BHA is the entity the White House looks to when a major humanitarian event occurs overseas, as BHA responds to an average of 75 crises in 70 countries every year and has the capacity and expertise to respond rapidly and effectively. Second, BHA provides technical leadership through staff who possess expertise in technical sectors, including water, health, shelter, and nutrition. Third, BHA helps lead discussions on USG policy issues that affect international humanitarian equities.

As lead federal coordinator, BHA harnesses the unique capabilities of other USG entities, when needed, to effectively respond to natural disasters and complex crises around the world. The need for a certain unique capability will depend on response needs identified by BHA's disaster experts. For example, it might take the form of a BHA request for airlift support from the Department of Defense (DoD) when commercial air services are not available, or a request for technical assistance from the Department of Energy if a response involves nuclear material.

To integrate unique capabilities into disaster responses at short notice, BHA maintains steady state relationships with federal agencies that have a role in international humanitarian policy and develops partnerships with agencies that have mandates and resources that can enhance disaster operations.

## **LOOKING BACK**

The humanitarian relief landscape has changed dramatically in the last decade. The number of global crises has grown, and the nature of emergencies is more multifaceted, given their lengthening scale, scope, and duration. The magnitude, political complexity, and protracted nature of these emergencies posed challenges to the USG's traditional humanitarian response capabilities.

The creation of BHA—which became operational on June 5, 2020—removed the distinction between planning and programming for food assistance, provided by the Office of Food for Peace, or FFP, and non-food assistance provided by the Office of U.S. Foreign Disaster Assistance, or OFDA. This consolidation of capabilities has enabled BHA to elevate and unify its humanitarian voice in the USG interagency—strengthening USAID's role as lead federal coordinator for international disaster assistance.

BHA's regular interagency engagement has continued and expanded workstreams started under OFDA and FFP. This engagement takes a number of forms, including: information sharing, delivery of formal training, convening of interagency forums, staff exchanges, and formalized partnership agreements.

Information sharing is one of BHA's primary lines of effort. BHA publishes and distributes information products during active responses and steady state operations, including public fact sheets, humanitarian

updates, and program maps. BHA hosts interagency calls and briefings to provide situational updates, coordinate with USG partners, and identify potential gaps in response efforts. BHA also maintains the USG International Disaster Response and Assistance Authorities Database, an online resource open to USG interagency colleagues, which catalogs agencies that can respond to international disasters and notes their capabilities. Furthermore, BHA hosts a quarterly USG International Disaster Response and Disaster Risk Reduction Forum, which convenes interagency leadership to discuss humanitarian issues.

BHA offers humanitarian assistance and disaster response training courses to USG staff to broaden awareness and understanding of humanitarian assistance and its core principles, the humanitarian system, and the USG role in humanitarian assistance. BHA courses emphasize that during a response, BHA will identify any needs that require the unique capabilities of interagency partners and then “pull” those partners into the response, rather than having agencies “push” to be included in a response.

BHA shares technical support with interagency partners via staff exchanges that embed interagency personnel at BHA, and vice versa. Agencies that have staff at BHA include the National Oceanic and Atmospheric Administration, the U.S. Forest Service, and the Centers for Disease Control and Prevention (CDC). BHA has staff embedded at a number of DoD Combatant Commands; at the U.S. Missions to the United Nations in New York, Geneva, and Rome; and at the CDC. BHA also has formalized partnerships with a number of USG agencies via interagency agreements, which enable USAID to procure and leverage the unique capabilities of USG partners when needed, and memoranda of understanding (MOU), which record intentions, roles, and responsibilities between BHA and other agencies.

While BHA has a strong relationship with key interagency partners, getting agencies to wait to be “pulled” into a response has been a challenge. BHA has additionally not always been able to maintain full visibility of the international humanitarian activities undertaken by USG agencies, which has raised concerns about the potential duplication of USG efforts. Moreover, as international crises have become more complex, BHA has, at times, disagreed with other agencies about where their roles end and BHA’s begins. BHA’s efforts to address these issues are ongoing. Improved collaboration with the Department of State’s Bureau for Population, Refugees, and Migration remains a priority, as we work to implement the MOU, signed in January 2020, and promote more effective and efficient operational coordination.

Recent humanitarian responses have shown the state of USG coordination, led by USAID, is strong. During the Lebanon Explosion in August 2020, DoD delivered 11 pallets of critical emergency relief supplies to Beirut at BHA’s request. The USG response to the 10th Ebola outbreak in the Democratic Republic of the Congo (DRC)—driven by close coordination between BHA and CDC—helped end that outbreak on June 25, 2020, though the 11th DRC Ebola outbreak remains ongoing.

## **LOOKING FORWARD**

The trend of increasingly complex and protracted mega-crises is likely to continue. Violence and insecurity around the world are causing a record number of internal and cross-border displacements, and COVID-19 has added an additional layer of operational constraint to USG humanitarian responses. Extensive interagency coordination—both in Washington, D.C., and overseas through field teams and their close working relationships with USAID missions and U.S. Embassies—has enabled USAID to respond to large international crises. For example, USAID will participate in a broad interagency tabletop exercise in early 2021 to imitate USG response in the event of a humanitarian crisis. USAID will need to continue to adapt and incorporate lessons learned to respond to new crises and meet growing needs.



**NOTES**

**BUREAU FOR HUMANITARIAN ASSISTANCE:  
VENEZUELA REGIONAL HUMANITARIAN RESPONSE****INTRODUCTION**

Deteriorating economic and political conditions—characterized by hyperinflation—in Venezuela have decreased households' access to food, medicine, health care and other basic services, and income-generating opportunities. This crisis has contributed to increasing humanitarian needs and triggered an outflow of Venezuelans to neighboring countries, primarily to Colombia, Peru, Ecuador, and Brazil. Nearly 5.1 million Venezuelans have left Venezuela since 2014, while approximately 7 million Venezuelans inside the country are in need of immediate humanitarian aid.

In 2020, this humanitarian crisis has been exacerbated by the onset of the COVID-19 pandemic. Since its onset, nearly 100,000 Venezuelans have returned to Venezuela from Colombia and neighboring countries due to economic hardship under national quarantine measures.

USAID's Bureau for Humanitarian Assistance (BHA) began responding to the Venezuela regional crisis in Fiscal Year (FY) 2018, initially providing assistance in neighboring countries to support migrants, refugees, and host communities, and shortly thereafter assistance to vulnerable Venezuelans inside the country. The United States is the single largest donor of humanitarian assistance for the Venezuela regional crisis, providing nearly \$611 million since FY 2017 to help Venezuelans inside Venezuela and across the region, as well as the communities hosting them. BHA's nearly \$341 million in humanitarian assistance is provided through both public international organizations and international and local non-governmental organizations (NGOs). This humanitarian assistance is meeting urgent needs, stemming the spread of infectious diseases, and supporting vulnerable Venezuelans in Venezuela and across the region with critical health, water, and food assistance. Specifically, BHA funded more than \$43 million in programming inside Venezuela, and more than \$298 million for the Venezuela regional crisis response in Colombia, Peru, Ecuador, and Brazil, as of September 2020.

**LOOKING BACK**

BHA's humanitarian response to the crisis has focused on providing humanitarian assistance to save lives and alleviate suffering among the most vulnerable populations inside Venezuela as well as among affected populations, including host communities.

Programming in Venezuela has largely focused on three sectors: health; water, sanitation, and hygiene; and food assistance. In 2019, BHA's efforts to vaccinate nearly 9 million children inside Venezuela against measles helped control the outbreak and lead to a 96 percent decline in measles deaths compared to 2018.

In regional countries, BHA has focused on food assistance, health, and direct cash assistance that allows families to purchase what they need most from local markets, whether that is food, household items, personal hygiene supplies, or a place to stay. Partners are supporting community kitchens to provide hot meals, providing vouchers and cash transfers to purchase nutritious food from local stores, and distributing ready-to-eat food baskets for families in transit.

BHA and its partners have faced many challenges in responding to this crisis. From the beginning, the Maduro regime has denied the severity of the crisis and has consistently impeded or outright prevented operations of humanitarian organizations in Venezuela. NGOs have no regular mechanism in Venezuela to legally register their organizations, obtain staff visas, or gain safe access to populations in need. Additionally, security personnel affiliated with the Maduro regime have regularly harassed humanitarian

organizations. These issues, coupled with the country's persistent fuel shortage and poor infrastructure, make it difficult for humanitarian partners to respond safely and at a scale to meet the needs created by this crisis.

Despite advocacy efforts to encourage burden-sharing, the United Nation (UN)'s appeal for the regional response—led by the Office of the UN High Commissioner for Refugees and the International Organization for Migration and the inside Venezuela response, led by the UN Office for the Coordination of Humanitarian Affairs, remain severely underfunded. While other donors are making small contributions, and have recently increased their contributions to support COVID-19 interventions, this crisis has not garnered the international support other crises such as Syria have.

Finally, BHA has been coordinating with the State Department Bureau of Population, Refugees and Migration (PRM) on the response. For the Venezuela response, BHA and PRM have recently begun utilizing a January 2020 Memorandum of Understanding to adjust U.S. Government programming, implementing a phased, multi-year process to prevent duplication of programming in areas where both Bureaus operate inside Venezuela as well as in the regional response.

## **LOOKING FORWARD**

BHA has identified several areas of concern: namely, the prolonged nature of this political and economic crisis without a solution in sight, and the interrelated issues of reverse migration trends during the COVID-19 pandemic, likely increases in outflows from Venezuela over time, insecurity in Venezuela and in border areas, growing food insecurity, and public health risks.

In the last several months, an increasing number of Venezuelans have returned home from neighboring countries due to loss of income or eviction resulting from COVID-19. The UN projects that by the end of 2020, approximately 240,000 Venezuelans who had previously fled could return to their country. However, this is likely temporary; when the COVID-19 situation improves, a much larger outflow of Venezuelans back to neighboring countries is expected. Conditions inside Venezuela are not safe nor conducive to large-scale assisted returns. Returnees also face stigmatization due to a strong perception, fueled by the Maduro regime, that COVID-19 cases are primarily imported to Venezuela. Those formally crossing into Venezuela are required to stay in Maduro regime-run quarantine shelters, which are overcrowded, unclean, and pose health and protection risks such as gender-based violence. Returnees also cross through informal points, which present serious protection concerns due to the presence of armed actors and risk of trafficking. BHA is concerned about Venezuelans returning to a complex humanitarian crisis in a country already marked by failing social services, potentially exacerbating health risks.

In addition, the regime has taken advantage of the pandemic to increase its authoritarian grip on the country, making it difficult to conduct independent needs assessments to inform real conditions on the ground. Despite this, the onset of COVID-19 has led to several openings—for one, members of the National Assembly and the Maduro regime's Ministry of Health reached an agreement in summer 2020 to collaborate on COVID-19 response efforts to combat the outbreak in Venezuela.

BHA is hopeful that the humanitarian space will broaden, and that the UN World Food Program will begin operating inside Venezuela. BHA continues to advocate for humanitarian organizations to have full and unhindered access to reach people in need.

**NOTES**

**BUREAU FOR HUMANITARIAN ASSISTANCE:  
SYRIA / MIDDLE EAST CRISIS HUMANITARIAN RESPONSE**

**INTRODUCTION**

Since March 2011, the Syrian regime has engaged in a campaign of systematic violence and intimidation to quell what was initially a peaceful protest movement calling for a democratic transition of power. The mounting civilian casualties gave rise to an armed resistance movement that continues to challenge the regime's military forces. The Assad regime, as well as international and non-state pro-regime forces, continues to use missiles, artillery, chemical weapons, and airpower to strike cities and civilian populations in an attempt to defeat the opposition and terrorize the civilian population. Due to these violent activities, at least 500,000 people have been killed in the conflict with an estimated 6.6 million people internally displaced in Syria and more than 5.5 million Syrian refugees.

USAID's Bureau for Humanitarian Assistance (BHA) began responding to emerging humanitarian needs in February 2012. BHA activated a Disaster Assistance Response Team (DART)—consisting of staff in Hungary, Iraq, Jordan, Kuwait, and Turkey—and a Washington, D.C.-based Response Management Team (RMT) to support the DART in 2013. BHA continues to maintain the DART and RMT and works closely with implementing partners to provide life-saving humanitarian assistance across international borders and conflict lines.

Of an estimated 11.1 million people in need of humanitarian assistance inside Syria, approximately 9.3 million are classified as food insecure. Priority humanitarian needs identified by USAID technical experts and partners are protection (e.g., psychosocial support, case management, and referrals), food, medical care, clean water, and relief commodities, among others. Needs are expected to persist as long as the conflict continues. In the past six years, the destruction wrought by the Islamic State of Iraq and Syria (ISIS) has exacerbated humanitarian conditions, particularly in the eastern part of Syria. Populations remain displaced and in need of humanitarian assistance in these areas following the territorial defeat of ISIS in early 2019. The growing prevalence of COVID-19 countrywide has further compounded humanitarian needs and relief organizations' capacity to respond.

While Economic Support Funds for Syria have dramatically decreased due to the policy priorities of the Trump Administration, to date, the United States has contributed more than \$12 billion in humanitarian assistance to support persons affected by the conflict inside Syria, and refugees and host communities in neighboring countries. BHA-funded relief efforts—including the provision of health care, emergency relief commodities, protection activities, shelter and settlements support, and water, sanitation, and hygiene interventions—continue to support approximately 5 million vulnerable people throughout Syria. U.S. government humanitarian assistance is provided strictly with the goal of saving lives and alleviating human suffering.

**LOOKING BACK**

In 2019, aerial attacks and ground fighting among multiple military and armed actors contributed to the worsening conflict, increasing civilian deaths and adversely affecting humanitarian conditions. In northwest Syria alone, airstrikes and shelling—including military operations by the Governments of the Russian Federation and the Syrian Arab Republic—displaced more than 900,000 people from December 2019 to March 2020. In March 2020, the Governments of Turkey and the Russian Federation negotiated a cease-fire that continues to hold despite relief actors reporting an increase in hostilities along conflict frontlines.

Through funding to 26 programmatic partners, including United Nations (UN) agencies and non-governmental organizations (NGOs), BHA operates across three geographic hubs consisting of northwest Syria, northeast Syria, and Syrian government-controlled territory. Since the implementation of USAID humanitarian assistance programming in Syria, programming in the country has evolved due to changing needs on the ground.

UN agencies, which play a significant role in the large-scale procurement and delivery of humanitarian supplies, rely on authorization from the UN Security Council (UNSC) to provide assistance into Syria from neighboring countries. Between 2014 and 2019, the UN received approval to use four crossings from Iraq, Jordan, and Turkey. In July 2020, the UNSC re-authorized only one UN cross-border access from Turkey, Bab al-Hawa, for one year due to Russia and China's multiple refusals to reauthorize additional points. To maintain the same beneficiary reach in the northwest, UN agencies now need to cross insecure areas between Idlib and Aleppo governorates, navigate several checkpoints, and negotiate with various armed opposition groups to reach northern Aleppo. NGOs are critical to relief operations and are not affected by UNSC authorizations, but lack the capacity to take on UN activities in addition to their existing programs. As a result of reduced UN crossings, providing adequate services and supplies in northeast and northwest Syria is challenging.

## **LOOKING FORWARD**

2021 will mark a decade of conflict in Syria. Local and regional armed conflict across the three geographic hubs of northwest Syria, northeast Syria, and Syrian government-controlled territory will persist apace. The collapse of the Syrian economy and severe devaluation of the Syrian Pound, in tandem with the COVID-19 pandemic, will cause an increase in acute humanitarian needs in the next year and beyond. BHA will continue to prioritize life-saving humanitarian assistance across all three geographic hubs. While humanitarian assistance for the emergency food, health, WASH, and shelter sectors remains a significant focus for the humanitarian response, durable livelihood programs require increased prioritization. Adding to the plight of Syrians, the protection crisis—in the form of gender-based violence, indiscriminate attacks on civilian infrastructure, and direct violations of basic human rights—is expected to intensify. Absent a genuine political compromise, the Syrian conflict and its grave humanitarian consequences will endure.

The presence of COVID-19 and the lack of capacity to address the severe rise in cases through a comprehensive public health response will further exacerbate the humanitarian crisis in the near term. As a result of these dynamics, it can be predicted that humanitarian access to the most vulnerable populations will be restricted or outright curtailed. In conjunction with ongoing program activities, BHA will additionally prioritize contingency planning and capacity building initiatives for NGOs in procurement, logistics, and coordination until the next UNSC cross-border vote on July 10, 2021.

**NOTES.**

**BUREAU FOR HUMANITARIAN ASSISTANCE:  
YEMEN HUMANITARIAN CRISIS AND RESPONSE****INTRODUCTION**

Yemen remains the world's largest humanitarian crisis, with continued conflict, deteriorating macroeconomic conditions, COVID-19 and cholera outbreaks, severe food insecurity, and the collapse of essential services resulting in high levels of humanitarian need throughout the country. The United Nations (UN) estimates that 24.3 million people—or 80 percent of Yemen's population—required humanitarian assistance as of May 2020, and millions of people remain internally displaced. Even more people are projected to require emergency food assistance by December 2020, as continued currency depreciation and macroeconomic shocks contribute to rising food prices. Meanwhile, the unmitigated spread of COVID-19 in Yemen has led to the health system's effective collapse since April, straining access to health care services amid Yemen's ongoing cholera outbreak, the world's largest ever recorded.

Between 2004 and early 2015, conflict between the Republic of Yemen Government and Al Houthi forces adversely affected more than 1 million people and repeatedly displaced populations in Yemen. During 2014 and 2015, the southward advancement of Al Houthi forces led to renewed and escalated conflict and increased displacement, further exacerbating humanitarian conditions. Subsequently, the Kingdom of Saudi Arabia (KSA)-led Coalition began airstrikes against Al Houthi and allied forces in March 2015, marking the beginning of the current conflict and humanitarian crisis. Prior to and throughout the conflict, Yemen has remained the least developed and poorest country in the Middle East, ranking 177 of 189 countries on the UN Development Program's Human Development Index as of 2018.

Clashes continue to result in civilian casualties, prompt displacement, and damage and destroy critical infrastructure, while parties to the conflict routinely impede humanitarian operations. As of May 2020, bureaucratic impediments to relief operations were adversely affecting an estimated 9.1 million people in Yemen, including Al Houthi constraints impacting more than 7.6 million people in northern Yemen. In addition, insecurity and Al Houthi bureaucratic impediments have prevented UN personnel from accessing and repairing the Safer oil tanker off the coast of Al Hudaydah Port. This dilapidated oil tanker is more than 46 years old and in need of repair. If compromised, the Safer tanker could leak more than 1.1 million barrels of oil into the Red Sea—more than four times larger than the 1989 Exxon Valdez spill—resulting in economic and environmental catastrophe for several Red Sea countries and halting international trade through the Bab-el-Mandeb Strait.

In recent years, conflict has intermittently impeded the flow of food, fuel, and other essential commodities into Yemen. Yemen depends on imports for an estimated 90 percent of its needs, with approximately 80 percent of imports passing through Al Hudaydah and Al Saleef ports, which remain under Al Houthi control. Any prolonged disruption to imports—particularly food—due to Coalition or Houthi interference would have catastrophic consequences for the population, likely resulting in famine conditions as the economy worsens. During the last economic crisis in late 2018—when access to reserves dried up, import financing contracted, and the Yemen Riyal (YER) crashed—food and fuel prices rose and humanitarian needs increased across all sectors. The YER stabilized after the KSA injected \$2 billion into the Central Bank of Yemen. As of August 2020, the exchange rate of the YER to the U.S. dollar breached the 800:1 mark, depreciating to an all-time low and surpassing the level reached in 2018.

USAID scaled up its humanitarian assistance in Yemen following the escalation of conflict and resultant increase in humanitarian needs in 2015. Since Fiscal Year (FY) 2015, the U.S. Government (USG) has provided more than \$3 billion in humanitarian assistance to Yemen for UN and international



non-governmental organization (INGO) programs, including nearly \$2.8 billion from the Bureau for Humanitarian Assistance (BHA). In FY 2020, the USG has provided more than \$560 million for the Yemen response, including approximately \$539 million from BHA, making the USG the response's top donor.

## LOOKING BACK

Despite extensive advocacy efforts by donors, INGOs, and UN agencies, Al Houthi officials in northern Yemen continue to interfere in relief operations by impeding critical needs assessments, imposing extreme bureaucratic demands, obstructing monitoring and oversight activities, and threatening the safety and security of aid workers. In particular, Al Houthi interference forced the UN World Food Program to temporarily suspend food assistance in Sana'a City from June to August 2019 and, later in fall 2019, the UN reported that Al Houthi regulations were preventing the delivery of humanitarian assistance to an estimated 4.3 million people. Meanwhile, USAID conducted a separate analysis, determining that Al Houthi-imposed impediments were preventing the full implementation of approximately \$65 million in USAID FY 2018-2019 humanitarian awards.

Due to the continued Al Houthi-imposed constraints on humanitarian operations, USAID partially suspended INGO awards in northern Yemen in March 2020, while continuing life-saving food assistance, nutrition, and water, sanitation, and hygiene programs that can be conducted with limited Al Houthi interference. Under the suspension, USAID continued to fund operational costs for INGO partners, ensuring they are available at required staffing levels to rescale programs quickly in the event aid obstructions cease and/or humanitarian conditions deteriorate significantly.

As of August, the 2020 UN Yemen Humanitarian Response Plan was only 24 percent funded and the funding shortfall is a significant obstacle to the response. The UN Humanitarian Coordinator flagged that due to a dire lack of funding, 30 percent of the UN's programs have scaled back and additional programs will be reduced or shuttered.

## LOOKING FORWARD

USAID anticipates ongoing analysis of the necessity and impact of the partial suspension of awards in northern Yemen. INGO partners continue to vocalize their frustration with the suspension—through formal and informal channels—as well as their desire for USAID to reverse its decision.

BHA will continue to invest time in trying to improve the humanitarian context in Yemen while coordinating efforts with the [Bureau for the Middle East](#). It is important to note that even after deciding to continue the suspension, the USG is providing more humanitarian funding than any other donor in 2020. USAID and the USG will continue to advocate for principled humanitarian action and increased burdensharing across all humanitarian donors. USAID has demonstrated its commitment to growing needs in Yemen and will continue to do so.

**NOTES**

## Bureau for Resilience and Food Security (RFS)



### Total Staff\*

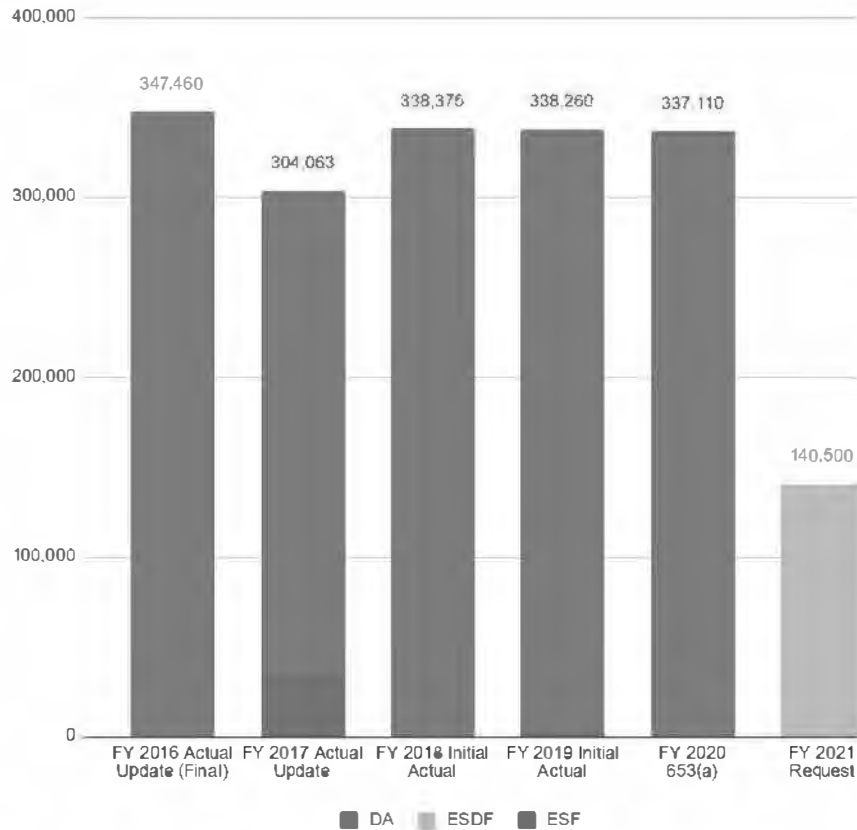
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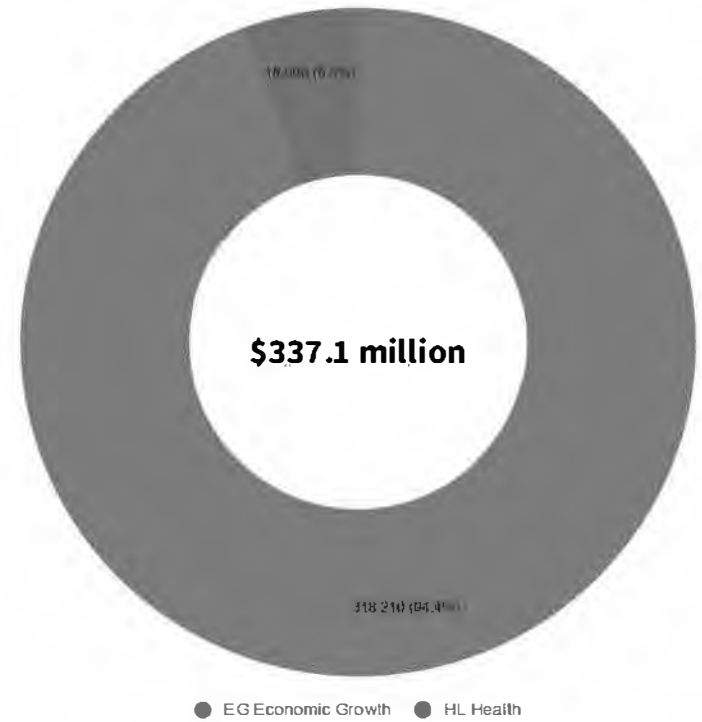
\*All staffing numbers provided by Bureau and accurate as of October 28, 2020

# Bureau for Resilience and Food Security (RFS)

**Program Budget Allocations, by Account - FY 2016-2020 and FY 2021 Request\***  
(\$ in thousands)



**Program Budget Allocations, by Category - FY 2020 653(a)**  
(\$ in thousands)



Sensitive but Unclassified (SBU) - For Internal U.S. Government Use Only

Sensitive but Unclassified (SBU) - For Internal U.S. Government Use Only

\*RFS was not allocated funding until FY 2020. Funding in FY 2016-2019 was manually crosswalked from RFS and the E3 Bureau.  
NOTE: These charts include funding in the following USAID-managed and partially-managed accounts: AECA, CCF, DA, DF, ESDF, ESF, FFP, GHP-STATE, GHP/USAID, HA, IDA, and TI. They do not include supplemental appropriations.

## BUREAU FOR RESILIENCE AND FOOD SECURITY: BUREAU OVERVIEW

### INTRODUCTION

After decades of progress, the trend of undernourished people reversed course in 2014, and has been gradually increasing since. COVID-19 threatens to accelerate this increase. Today, almost 690 million people suffer from hunger. The world is also falling behind on targets for reducing undernutrition, threatening the life-long economic and social potential of hundreds of millions of children. The numbers for water and sanitation are equally stark—one-third lack safe drinking water, over half lack safe sanitation, and, by 2050, 52 percent of the world's population will be living in water-stressed regions. These problems are so fundamental to human existence that they will continue to undermine global development, peace, and security until resolved.

USAID's Bureau for Resilience and Food Security (RFS) leads the global development community in tackling root causes of food and water insecurity and malnutrition. It is the home to USAID's leadership on agriculture and food security, nutrition, water and sanitation, and resilience. Through partnerships with U.S. Universities, non-governmental organizations, the private-sector, and host countries, RFS generates and scales solutions that help reduce extreme poverty, hunger, and child stunting and wasting through local leadership, ownership, and investments. RFS shapes solutions to strengthen capacities and commitments of countries to address their own development challenges. RFS-generated technologies, resource management practices, and policies underpin enormous human progress across many developing countries and regions. Through its work on resilience, RFS also helps prevent shocks and stresses from reversing hard-won development gains, including in areas where recurrent crises result in repeat, large-scale emergencies.

RFS brings together three sectors: agriculture-led growth, nutrition, and water, sanitation and hygiene, as well as a multi-sector approach to resilience to help partner countries strengthen the foundations for long-term development and ultimately improve self-reliance. The Bureau is responsible for delivering on two legislative initiatives: the [\*Global Food Security Act\*](#) and the *Water for the World Act*, both of which direct many of the Bureau's objectives and priorities. The *Global Food Security Act* authorizes [\*Feed the Future\*](#), the U.S. Government's global hunger and food security initiative. RFS, as the U.S. Government lead of Feed the Future, is charged with overseeing implementation of U.S. Global Food Security Strategy. The *Water for the World Act* authorizes the RFS' \$450 million annual Water for the World portfolio.

RFS is structured to provide technical leadership and expert support to USAID missions within its areas of responsibility. It includes:

- Four Centers of world-class technical leadership: 1) Agriculture-Led Growth; 2) Resilience; 3) Nutrition; and, 4) Water Security, Sanitation and Hygiene. These Centers provide resources and services from across the Agency to missions.
- Two Communities of Practice for cross-cutting priorities: 1) private-sector engagement; and, 2) research.
- Three USAID Leadership Councils: 1) the Nutrition Leadership Council; 2) the Resilience Leadership Council; and, 3) the Water Leadership Council. These formal internal structures provide high-level coordination and integration of critical development efforts where resources and decision-making are spread across USAID.

RFS' leadership includes the Feed the Future Deputy Coordinator for Development and the USAID Global Water Coordinator, Resilience Coordinator, Chief Scientist for Food and Agricultural Development, and Chief Nutritionist.

## LOOKING BACK

RFS was established in March 2020 as part of USAID's Transformation, and it merged the former Bureau for Food Security, the Agency's Office of Water, and the Climate Adaptation team to build on their strengths and create more integrated programming. The Bureau for Food Security established and institutionalized Feed the Future in the wake of the 2007-2008 food-price crisis; the initiative has generated large, population-scale improvements in poverty reduction, food-security, and nutrition.

RFS builds on Feed the Future's pioneering efforts in engaging the private-sector, particularly the U.S. private-sector, and continues the legacy of investment in research that has dual benefits for both developing countries and the United States. RFS also builds on the strong legacy of the Office of Water, which exceeded targets by reaching 53.7 million people with access to safe drinking water and 37.8 million people with improved sanitation from 2008-2019.

One significant challenge has been maintaining the Agency's focus on these development priorities in the face of pressure to respond to crises, particularly COVID-19. Agriculture, nutrition, and water, sanitation, and hygiene take sustained and focused action to produce lasting results.

## LOOKING FORWARD

RFS is focused on the dual objectives of improving services and support to field missions while increasing the Agency's influence on the global stage. To magnify its impact, RFS will prioritize increasing public- and private-sector investment in food security, nutrition, and water, sanitation, and hygiene. RFS will also continue to lead the Agency and development community in accountability for results and learning, including an U.S. Government monitoring and evaluation system for Feed the Future.

COVID-19 has underscored the importance of strengthening resilience through development and humanitarian programming, as well as the critical need for joint humanitarian and development responses to shocks, stresses, and emerging threats. Building on the positive results from leading USAID's cross-Agency resilience efforts, RFS will continue to champion breaking down silos between sectors and between humanitarian and development spheres to address complex development challenges.

RFS has undertaken an initiative to improve its diversity, equity, and inclusion as it has ramped up hiring efforts. In 2020, the Bureau established a Diversity Council and has pursued a number of outreach and external engagement opportunities to expand awareness of its work and opportunities to join the Bureau among historically marginalized communities.

**NOTES**

## BUREAU FOR RESILIENCE AND FOOD SECURITY: THE GLOBAL FOOD SECURITY ACT AND FEED THE FUTURE

### INTRODUCTION

Feed the Future, led by USAID, is America's initiative to combat global hunger. The initiative brings partners together from across the U.S. Government<sup>1</sup>, private-sector, and civil society to address the root causes of hunger, poverty and malnutrition by boosting agriculture-led growth, resilience, and nutrition, especially among mothers and children.

Launched in 2010 in the wake of the devastating 2007-2008 food-price crisis, Feed the Future has helped millions of people in vulnerable communities around the world. With a focus on smallholder farmers and women, USAID and partner organizations have reduced hunger and malnutrition, increased incomes through agriculture, and created economic opportunities both on and off the farm. FTF is an effective development model that delivers results, including:

- 5.2 million more families living free from hunger.
- 3.4 million more children living free from stunting.
- 23.4 million more people living free from poverty.
- \$3 billion in financing unlocked for farmers and agribusinesses.
- 1,000 innovations developed and deployed.
- Over \$730 million in loans unlocked for women and their businesses.

The U.S. Congress passed the *Global Food Security Act* in July 2016, and reauthorized the Act in October 2018. The *Global Food Security Act* confirmed the fundamental importance of U.S. agriculture and food-security assistance to reducing global poverty and hunger and codified Feed the Future's proven approach. The *Global Food Security Act* mandates a comprehensive, strategic approach for U.S. foreign assistance to developing countries to reduce global poverty and hunger and malnutrition. The U.S. agencies participating in Feed the Future developed the whole-of-government Global Food Security Strategy in October 2016, which draws on the unique skills, resources, and knowledge of the U.S. Government, as well as input from partners throughout the private-sector, academic institutions, and civil society.

COVID-19 is changing the global context in which Feed the Future operates. In addition to health effects, the pandemic is devastating economies and eroding incomes and job opportunities. Measures put in place to curb the spread of COVID-19—quarantines and restrictions on the movement of people and goods, including food and agricultural inputs—have increased food insecurity and malnutrition. Absent intervention, it is estimated that the impacts on food security and incomes will result in an additional 100 million people falling into extreme poverty and long-lasting hunger in 2020 alone. Women and girls are disproportionately affected. Feed the Future is responding by leveraging its programs and partner networks to support small- to medium-sized enterprises, stabilizing local food supplies, ensuring food markets are safe and continuing to function, and building resilient food systems.

### LOOKING BACK

Over the past ten years, Feed the Future has made steady gains in creating a more food-secure world, achieving measurable impact in reducing poverty, hunger, and malnutrition. Feed the Future implementation has been guided by the Global Food Security Strategy, with adjustments based on

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<sup>1</sup> FTF interagency partners include: USAID, Department of State, Department of Agriculture, Department of the Treasury, Millennium Challenge Corporation, Department of Commerce, International Development Finance Corporation, Peace Corps, African Development Bank, U.S. Geological Service, and the U.S. Trade Representative.



evidence obtained throughout its implementation. The most significant change has been the elevation of resilience as a central element of the initiative's approach. Over the past four years, the initiative has improved the integration of U.S. Government resource streams across agriculture, nutrition, water, sanitation, and hygiene to strengthen resilience in Feed the Future target countries. The USAID [Transformation](#) created three structures within USAID to coordinate on key aspects of Feed the Future, including Leadership Councils to address nutrition, resilience, and water, sanitation, and hygiene, given the contributions to related outcomes addressed through other bureaus, such as the Bureau for Global Health. Integrating resilience into Feed the Future's food-security programming has increased self-reliance and reduced the need for humanitarian assistance, saving lives and money in the long-term.

The development and implementation of the Global Food Security Strategy required the initiative to revisit the initial list of 19 Feed the Future focus countries. Using the targeting criteria in the *Global Food Security Act*, the U.S. Government designated 12 target countries<sup>2</sup> to focus resources and programming. Feed the Future's results in the target countries are measured by poverty and stunting outcomes. The initiative's target country set was downsized to conform to the substantially reduced Fiscal Year 2018 President's Budget Request (-46 percent) from the Fiscal Year 2017 enacted budget. However, each of the last three enacted foreign assistance budgets has included a funding level commensurate with prior years, with an earmark of \$1.005 billion for USAID's contribution to the Feed the Future initiative.

## LOOKING FORWARD

2020 marks a milestone moment for Feed the Future as the initiative turns 10 and looks to a new decade of action. USAID expects Congress to consider *Global Food Security Act* reauthorization in 2021. In anticipation of reauthorization, RFS will lead an interagency process in 2021 to refresh and update the Global Food Security Strategy based on new evidence and key lessons learned. This process has the potential to reinvigorate U.S. Government engagement, which has diminished over the past year. It also provides an opportunity to engage with Feed the Future's external partners, including Congress. As the severe and long-term impact of COVID-19 on food security evolves, the Feed the Future partners in the U.S. Government can incorporate efforts to mitigate impacts, speed recovery, and build toward a more resilient future into the refreshed Global Food Security Strategy to ensure USAID continues to lead progress in sustainably reducing poverty, hunger, and malnutrition in the decade ahead.

Congress and external stakeholders are eager to see the Feed the Future target country list revisited in 2021. As part of the Global Food Security Strategy refresh, RFS will lead an U.S. Government process to review the target country list in order to maximize impact and ensure taxpayer resources are targeted based on data-driven analysis. The selection process will be informed by a comprehensive assessment of the available evidence on the structure and efficacy of existing FTF programs. If additional target countries are not designated, USAID risks significant funding flowing to non-strategic countries that do not meet the targeting criteria outlined in the *Global Food Security Act* and Global Food Security Strategy.

The United Nations Food Systems Summit aims to define the global food security and nutrition agenda for the next decade. In the period leading up to the Summit, which will occur in late 2021, RFS will be fully engaged to ensure that Feed the Future's objectives of reducing poverty, hunger, and malnutrition remain at the forefront of the Summit outcomes.

<sup>2</sup>The 12 FTF Target Countries are Bangladesh, Ethiopia, Ghana, Guatemala, Honduras, Kenya, Mali, Nepal, Niger, Nigeria, Senegal, Uganda.

**NOTES**

## BUREAU FOR RESILIENCE AND FOOD SECURITY: WATER FOR THE WORLD

### INTRODUCTION

A growing global water and sanitation crisis stands to increase disease, undermine economic growth, foster insecurity and state failure, and reduce the capacity of countries to advance priorities that support U.S. national interests. One-third of the global population lacks safe drinking water, over half the global population lacks safe sanitation, and by 2025, nearly two-thirds of the global population may face water scarcity. A National Intelligence Estimate on water concludes that water challenges—droughts, poor water quality, floods—will increase the risk of instability and state failure, exacerbate regional tensions, and distract countries from working with the United States on important policy objectives. Water and sanitation are critical for a healthier, safer, and more prosperous world.

Never has this been more clear than in the midst of COVID-19. Three billion people cannot wash their hands at home. Around the world, a primary directive to prevent the spread of COVID-19 is the same: wash your hands. However, in developing countries already lacking access to reliable water in homes, communities, healthcare facilities, markets, and schools, this simple task is not possible. In addition, measures to stop the spread of the virus are severely straining existing water and sanitation systems, putting millions of people at risk of losing access to these essential services.

The Water for the World (WFTW) portfolio positions the Agency to address and mitigate the impacts of these urgent challenges. Authorized by the *Water for the World Act* of 2014 and its predecessor, the *Water for the Poor Act* of 2005, the WFTW portfolio is bolstered by long-standing bipartisan Congressional support, a hard appropriation of \$450 million annually, and a bipartisan International Water and Sanitation Congressional Caucus that launched in September 2020.

### LOOKING BACK

In 2017, USAID and the Department of State released the first whole-of-government Global Water Strategy. The WFTW Act requires the Global Water Strategy to be updated every five years through 2032. Through the Global Water Strategy, USAID seeks to increase the availability and sustainable management of safe water and sanitation for the underserved and most vulnerable. The Agency is on track to provide more than 15 million people with sustainable access to safe drinking water services and eight million people with sustainable access to sanitation services by 2022.

The WFTW Act requires the Administrator to annually designate High Priority Water for the World countries using a data-driven process. The current 18 countries have country plans, as required, that seek to maximize the impact and long-term sustainability of water and sanitation investments. WFTW investments have also been instrumental in advancing cross-cutting Agency priorities in private-sector engagement, gender, and Clear Choice.

Recently, the Agency's WFTW portfolio underwent a significant change as part of the Agency's Transformation. Previously led out of the Bureau for Economic Growth, Education and Environment, the portfolio moved into the new Bureau for Resilience and Food Security (RFS) in March 2020. During the Transformation, Congress and external stakeholders expressed concern that the WFTW portfolio would not retain its statutorily-required focus on access to water and sanitation, nor be treated as a co-equal initiative to Feed the Future in the new RFS Bureau. To address these concerns, RFS took steps to elevate the WFTW portfolio, including establishing a new, standalone Center for Water Security, Sanitation and Hygiene to coordinate WFTW implementation Agency-wide, as well as establishing an

Agency-wide Water Leadership Council, chaired by the RFS Global Water Coordinator (a senior leadership position required by the WFTW Act) and with representation from all regional and pillar bureau Deputy Assistant Administrators. The WLC is the first senior-level body in the Agency's history that exists to coordinate a whole-of-agency approach to water security, sanitation and hygiene. Since its inception in 2019, the WLC has released a whole-of-USAID guidance on Strategic Approaches to water, sanitation, and hygiene and COVID-19, the Agency's first Water for the World Research Agenda, and has approved the recommendations to the Administrator on the statutorily required annual WFTW High Priority Country designations.

## LOOKING FORWARD

While the establishment of the WLC and the Center for Water Security, Sanitation and Hygiene represent significant structural improvements to the WFTW portfolio, critical challenges remain. In Washington, water staff are dispersed across different Bureaus creating both a coordination challenge and an opportunity for collaboration among equities in water and sanitation. In addition, there is no backstop for water in the Foreign Service and there is still the need for a greater number of senior-level Foreign Service Nationals to achieve the field staff capacities that are required by the goals of the WFTW Act. Furthermore, global shocks such as COVID-19 and climate variability demand improved coordination of emergency water, sanitation, and hygiene investments (led by the Bureau for Humanitarian Assistance) with the longer-term, development-oriented WFTW portfolio. Another challenge is long-standing Congressional and stakeholder concern about large geographic allocations of water and sanitation funding to countries, such as Middle East countries, which have different needs, compared to countries in Sub-Saharan Africa and Asia, and which do not meet the prioritization criteria in the WFTW Act, which is focused on access. Given that the Middle East has most of the world's water-scarce countries, it is important to adjust the prioritization criteria so access as well as water-scarcity levels are both factored into the determination of need. In the interim, some of the Middle East countries have been defined as Strategic Priority Countries. Attribution of Middle East water programming to satisfy the WFTW spending requirements is the subject of an ongoing audit by USAID's Office of the Inspector General.

As global shocks and stresses like COVID-19 and climate variability alter the development landscape, investments in water and sanitation have never been more critical. Conflict, climate, and disease stressors act as impact multipliers of existing vulnerabilities in the water sector, with implications for national security. Global needs on water and sanitation far outstrip available resources, meanwhile the Agency will continue to build on existing efforts while expanding additional priorities:

- Increasing **partnership** with host-country governments, the private sector, and civil society to accelerate progress while preventing loss of hard-won gains in increasing access to water and sanitation. Promising new partnerships with private-sector partners, like LIXIL (formerly American Standard), stand to magnify our impact.
- **Responding to evidence** calling for investment in higher levels of professionalized water and sanitation services. Without piped water in homes and addressing water scarcity, lives and economies remain at risk.
- **Prioritizing the Agency workforce on water and sanitation.** Without a Foreign Service Backstop on water missions must be equipped with Foreign Service Officers and Foreign Service Nationals who can respond to future water challenges.

**NOTES**

**BUREAU FOR RESILIENCE AND FOOD SECURITY:  
RESILIENCE AND CLIMATE ADAPTATION****INTRODUCTION**

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.” Put simply, resilience is the ability to manage adversity and change without compromising future well-being. As such, resilience is necessary for communities and countries to emerge from vulnerability to self-reliance.

USAID’s approach to strengthening resilience is tailored to the specific conditions facing the individuals, families, communities, and countries USAID is targeting. It accounts for both the specific risk factors in a given situation as well as the sources of resilience that can be reinforced to help communities and countries to mitigate, adapt to, and recover from shocks and stresses. This approach requires well-coordinated efforts across multiple sectors, such as agriculture, environment, nutrition, water and sanitation, health, education, and finance. Deeply collaborative coordination across sectors, humanitarian and development efforts, and public and private sector actors is one of the innovative design and implementation features of USAID’s resilience work.

USAID is a global leader in developing and operationalizing resilience policy and programming in a broad spectrum of development contexts. All of the environments in which USAID works are increasingly prone to shocks and stresses, ranging from climate change and the increasing frequency and intensity of droughts and floods, to price shocks, health shocks, environmental degradation, population growth and movement, political turmoil, state fragility, and outright conflict. The impact of COVID-19 in places already experiencing droughts, locusts, and conflict exemplifies the compound nature of these shocks and stresses and the threat they collectively pose to backsliding on development gains, including reducing hunger, poverty and malnutrition.

**LOOKING BACK**

Building resilience to recurrent crises emerged as a USAID priority following large-scale drought emergencies in the Horn of Africa and Sahelian West Africa in 2011-2012. These recurrent crises are extremely costly in terms of lost lives and livelihoods, losses to national and regional economies, and the unsustainable cost to the U.S. Government of responding with large-scale humanitarian assistance in the same places time and time again. Consequently, USAID fundamentally shifted its approach to address chronic vulnerability and recurrent crises as a development priority rather than as a perpetual humanitarian risk.

The results seen confirm the effectiveness of this shift in approach. It is estimated that over the long-term, each \$1 invested in resilience in areas of recurrent crises result in over \$3 in reduced losses and humanitarian need. USAID’s comprehensive resilience programs in the Ethiopia lowlands enabled households to maintain food security in the face of the historic 2016 drought. Even during a single moderate drought year like 2018, the savings associated with these investments in terms of averted humanitarian needs (\$22 million) far outstrip the cost of the investment itself (\$13.8 million). Similar benefits have been demonstrated in the Sahel where USAID’s agricultural investments in areas of recurrent crises are successfully lifting beneficiaries out of extreme poverty and providing high value for taxpayer dollars in one of the most challenging risk environments in the world.

To inform resilience policy and programming, USAID has made significant progress building an evidence base on the most important sources of resilience. Broadly, these can be categorized as protecting and

diversifying livelihoods, strengthening social and economic systems, and building human capital to mitigate, adapt to, and recover from shocks and stresses, including climate change, conflict and COVID-19.

Over the last four years, USAID has taken steps to institutionalize resilience and make it core to the Agency's work. In 2019, the USAID Transformation converted the Resilience Leadership Council from an *ad hoc* structure to a formal coordination mechanism, bringing together senior-level decision makers across the Agency to set budget, policy, and geographic priorities around resilience. The Resilience Leadership Council approved seven additional priority countries for the resilience to recurrent crisis focus in 2019, bringing the total to 14 (Burkina Faso, Democratic Republic of the Congo, Ethiopia, Kenya, Haiti, Malawi, Mali, Mozambique, Niger, Nigeria, Somalia, South Sudan, Uganda, and Zimbabwe). USAID's Transformation further created the Bureau for Resilience and Food Security (RFS) in 2020 and integrated climate-change adaptation expertise and staff into its Center for Resilience.

### **LOOKING FORWARD**

It is estimated that as a result of the direct and secondary impacts of COVID-19 over 100 million additional people will descend into poverty and chronic hunger, with many remaining there in 2021 and beyond. Additionally, climate change and conflict will continue to drive increased frequency and intensity of shocks and stresses that result in costly humanitarian crises and cause backsliding on an array of development gains.

**NOTES**



**BUREAU FOR RESILIENCE AND FOOD SECURITY:  
NUTRITION****INTRODUCTION**

Undernutrition causes 45 percent of deaths in children under five. For those children who survive undernutrition, their cognitive and physical development can be impaired, undermining their future potential. The role of nutrition in saving lives and safeguarding development makes it foundational to all sectors in which USAID works.

USAID's work on nutrition is informed by over five decades of global leadership on nutrition as well as experience implementing programs throughout the world. Delivering good nutrition requires action across health, food, and social safety net systems, as well as through humanitarian response. To leverage capacity and influence across these sectors, the Agency developed a [Multi-Sectoral Nutrition Strategy](#), which emphasizes maternal nutrition, optimal breastfeeding, dietary diversity, hygiene, and the delivery of nutrition services in routine health care.

USAID's [Transformation](#) elevated nutrition with the creation of the internal Nutrition Leadership Council (NLC). The NLC coordinates across the Bureaus for Humanitarian Assistance, Global Health, and Resilience and Food Security (RFS) to strengthen results-oriented programming and support field missions. The NLC is chaired by the Chief Nutritionist in RFS, a position established by the Administrator in 2020 to oversee nutrition vision and strategy. The effectiveness of this structure has been demonstrated by USAID's response to [nutrition in the context of COVID-19](#). USAID also provides leadership and support for the U.S. Government-wide [Global Nutrition Coordination Plan](#). As lead coordinator of the Feed the Future initiative, USAID is responsible for achieving the nutrition priorities of the *Global Food Security Act*.

**LOOKING BACK**

The publication of the seminal *Lancet* series on maternal and child undernutrition in 2008, in conjunction with the global food price crisis of 2007-2008, galvanized attention and increased financial resources at global and national levels for food security and nutrition. The series underscored the magnitude of the burden on infant and child mortality and well-being and diagnosed the global nutrition system as "broken." It focused attention on the 1,000-day window of opportunity from conception to a child's second birthday when good nutrition is the most vital and has a life-long impact. It also influenced the prioritization of nutrition within Feed the Future and catalyzed the launch of the global Scaling Up Nutrition movement in 2010, the adoption of World Health Assembly nutrition targets in 2012, and the first Nutrition for Growth Summit in 2013, all of which have benefited from USAID leadership.

As a result, countries have made tangible progress in reducing stunting and wasting and increasing breastfeeding. In areas where Feed the Future works, stunting has declined 32 percent on average. In 2018, USAID reached more than 28 million children under five and over 6.9 million pregnant women with quality direct nutrition interventions. USAID is a major contributor to management of acute malnutrition, with support to the United Nations Children's Fund alone enabling treatment of over two million children over the last two fiscal years.

However, as of 2019, global progress has not been adequate to meet the 2025 World Health Assembly targets or the 2030 targets of the Sustainable Development Goals for stunting, wasting, low birth weight, and exclusive breastfeeding. Despite significant accomplishments in reducing iodine deficiency—driven in part by USAID leadership—and Feed the Future's progress in reducing stunting,

overall around two billion people worldwide suffer deficiencies in one or more essential vitamins and minerals. The cost of safe, nutritious food remains a major constraint to improving diets of infants and young children and pregnant and lactating women, as evidenced by only 18 percent of children 6-23 months in low- and middle- income countries receiving a minimum acceptable diet. Additionally, an estimated 420,000 deaths per year result from unsafe food. The *2019 Global Burden of Disease Report* published in *The Lancet* in October of 2020 reaffirms the centrality of nutrition in achieving development goals: “The leading Level 2 risk factor for attributable DALYs globally in 2019 was child and maternal malnutrition...”

Despite the gravity of the current challenge, USAID and its partners in the global nutrition community have gained valuable insights and experience to make progress in reducing malnutrition. USAID now has increased knowledge of what works across sectors to drive nutrition outcomes, better quantification of the costs to deliver programs, a robust set of examples of taking interventions to scale, strong consensus on measurement that matters, and stronger global coordination and accountability mechanisms. USAID’s own internal architecture is seen as a model among donors. Most importantly, there have been an increasing number of examples of strong leadership and coordination from governments of countries with high burdens of malnutrition, which bring their own resources, together with those of donors, the private sector, the United Nations, and civil society.

## LOOKING FORWARD

2021 will be a crossroads of either backsliding on nutrition gains or leveraging key moments and new knowledge to accelerate progress. Opportunities in 2021 include the third phase of the Scaling Up Nutrition Movement, the United Nations Food Systems Summit, the second U.S. Government Global Nutrition Coordination Plan, and the third Nutrition for Growth Summit. USAID’s leadership is more important than ever, not only because the Agency is one of the largest donors to nutrition, but also because a number of other donors who have traditionally been leaders in the field are distracted by respective internal changes. To take advantage of the opportunities in 2021, USAID will continue to leverage its influence with key partners, including the Governments of Japan and the UK, the World Bank, the European Union, the Bill and Melinda Gates Foundation, and the Eleanor Crook Foundation, as well as U.S. research institutions and U.S.-based civil society organizations, and most importantly deep engagement with governments of countries with high burdens of malnutrition. USAID has identified micronutrients, maternal nutrition, children’s diets, management of acute malnutrition, and improved metrics as key areas for concerted efforts to accelerate progress on nutrition.

COVID-19 is creating unprecedented risks to nutrition that are expected to result in increased malnutrition and child deaths. It is disrupting the systems that families rely on to deliver good nutrition (health, food, livelihoods, social protection, sanitation, humanitarian assistance). The potential for backsliding on political momentum and investment could impede progress for years, yet, at the same time, decades of USAID investments in resilience are mitigating the impacts. Many of these innovations can be used in the future to accelerate progress. The pandemic is bringing global attention to the fragility of health systems, food systems, and social protection programs, and to the consequences of social and health inequities that persist for the most vulnerable. USAID’s leadership in responding to and building back from the COVID-19 pandemic can help to design these systems to deliver their full potential for nutrition impact. The Board for International Agricultural Development (BIFAD), concluded in its [September 14th public event](#) that “USAID’s strong leadership and influence are essential to increase investment in and political commitment to nutrition, especially in advance of the UN Food Systems Summit and the Nutrition for Growth Summit, both scheduled for 2021.”

**NOTES**

**BUREAU FOR RESILIENCE AND FOOD SECURITY:  
RESEARCH AND INNOVATION FOR A FOOD-, NUTRITION-, AND WATER-SECURE  
WORLD**

## **INTRODUCTION**

Hunger, malnutrition, and the extreme poverty and poor sanitation that accompany them remain among the most compelling development challenges of the 21st century. Hunger and malnutrition (including child stunting) are concentrated in major food producing rural areas, where people depend on agriculture for their livelihoods, but production and market constraints limit productivity and income gains. The World Bank's 2019 "Harvesting Prosperity" study confirmed that agricultural growth is by far the most effective means of reducing extreme poverty and food insecurity in developing regions. An equally significant finding is that agricultural growth in poor countries raises both rural and urban dwellers out of poverty by both driving demand for locally-produced goods and services and by making foods more affordable to low-income consumers.

The *Global Food Security Act* (2016, reauthorized 2018) recognizes the role of research in addressing major risks related to pests, diseases, and climate shocks. Unlike in more advanced economies, application of science and technology has lagged, especially where low-income, smallholder farm families predominate. Agricultural and food systems where USAID works often rely on crop varieties or livestock breeds that are vulnerable to threats along with inadequate water and soil fertility management, as well as inefficient markets with high rates of post-harvest loss. Nutritious diets that provide critical vitamins and minerals remain unaffordable for many, and food safety risks are high.

USAID's Bureau for Resilience and Food Security (RFS) research portfolio is designed to generate a pipeline of technologies, tools, and approaches to enable food and agriculture systems to transform to meet future challenges. Agricultural research is a highly cost-effective means of developing scalable solutions to widespread problems. Rates of return approaching 40 percent place it near the top of all development investments. Increased exports and jobs, technology spillovers, health and nutrition, and global and U.S. security benefit from USAID's agricultural research and development investments. Congress included a directive for \$142.2 million in funding for agricultural research in USAID's Fiscal Year 2020 appropriation.

American scientific institutions and ingenuity are at the forefront of the RFS research agenda, which draws on the expertise of U.S. universities (that lead USAID's 21 Feed the Future Innovation Labs), the U.S. private sector, U.S. nonprofits, and U.S. Government scientific agencies. The Consultative Group on International Agricultural Research (CGIAR) is a key collaborator. USAID's funding for the CGIAR leverages investment from other bilateral development partners and the World Bank at the rate of six to one. USAID also works closely with the U.S. Department of Agriculture, National Science Foundation, National Institutes of Health, and other agencies in leading the implementation of the *Global Food Security Act* Research Strategy.

## **LOOKING BACK**

RFS research investments have resulted in significant achievements, including the generation and scaling of transformative innovations with accompanying publicly available datasets, enhanced capacity of local institutions for sustainable global innovation system gains, and development of strategic partnerships to leverage investments. Since the launch of Feed the Future in 2010, USAID has supported the development of more than 1,000 technologies, practices, and approaches from lab bench to market. A number of these have been taken up by entities that are scaling and commercializing them, including the private sector.

The innovations generated from Feed the Future research are generating impacts on the ground, having demonstrably improved the lives of smallholder farmers. During the 2016 El-Nino drought in Africa, five million farm families were able to survive the shock because they were growing drought-tolerant maize developed through USAID-supported research and marketed by the private seed sector. RFS investments in CGIAR wheat improvement programs, coupled with support for scaling from USAID's Mission in Addis Ababa, were critical to the more than doubling of wheat yields in that country, thereby reducing dependence on food aid and significantly reducing extreme poverty.

The Feed the Future research portfolio also helps drive diversification into nutrient-rich commodities, including legumes, horticulture, fish, and livestock, and identify other opportunities for improving nutrition and food safety. Research efforts at the production systems level address soil and water conservation, develop improved crop and livestock management practices, and identify opportunities for producers to adopt innovative technologies, practices, and tools to achieve environmentally and economically sustainable and resilient outcomes. Research also drives innovation to improve the impact of agriculture and food systems on nutrition. Across RFS research programs, gender equity and generation of economic opportunity and resilience are critical aspects of success. In addition to consulting the user community throughout the research process, RFS also developed a public-facing [website](#) that allows missions, implementing partners, the private sector, and other scaling entities to find robust information on innovations that are ready for uptake. Successful adoption of just a few critical innovations yields significant returns on investment.

## LOOKING FORWARD

Before the end of 2020, RFS will release its Water Security, Sanitation, and Hygiene Implementation Research Agenda to support the USAID Water and Development Plan, which will direct resources to expand the evidence base for design and implementation of effective water security, sanitation, and hygiene development programming. RFS is also co-leading the development of a renewed Global Food Security Research Strategy with the U.S. Department of Agriculture, along with other U.S. Government research agencies, a process that will build on accomplishments and also take into account new challenges and opportunities.

RFS is applying lessons from the past, notably that innovations must be designed with the needs of end-users in mind. To increase uptake of innovations, RFS is developing a strategy to improve technology transfer and adoption as well as establishing a coordination hub in West Africa.

In 2020, RFS created an Aligned Team for Agricultural Threats to provide technical leadership and support for research that addresses emerging pests and diseases, which are a threat not only to development objectives, but to America's continued security and prosperity. RFS is designing a new Feed the Future Innovation Lab on Current and Emerging Threats to Crops, helping to leverage the best science to address major pest and disease problems that undermine food security. New Feed the Future research is also underway against major constraints to livestock in Africa. And, as the world grapples with COVID-19, RFS and its research partners are closely engaged with those in the health and environment sectors in One Health-oriented programming to mitigate shocks and lessen the likelihood of future epidemics.

**NOTES**

## BOARD FOR INTERNATIONAL FOOD AND AGRICULTURAL DEVELOPMENT OVERVIEW

### INTRODUCTION

**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 (Title XII). Specifically, Section 298 of the Act instructs the President to establish a permanent Board for International Food and Agricultural Development (BIFAD).

**Mission/Purpose:** BIFAD’s mission is to assist the USAID in the administration of programs authorized by Section 297 of Title XII, including 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 are described in its charter, which does not list all duties enumerated in the Title XII legislation (procurement-sensitive pre-award reviews are excluded). BIFAD also implements an annual award for scientific excellence in a Feed the Future Innovation Lab. The current charter will require renewal prior to the termination date of March 2021. BIFAD duties include:

- 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 that 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 non-governmental organizations, 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,
- advising the Administrator on any and all issues as requested.

**Meetings:** The Board charter anticipates at least two public meetings per year. The Board meets monthly in executive session for administrative planning meetings.

**Reports/Recommendations:** Title XII Section 300 requires the President to transmit an annual report to Congress by September 1 detailing pertinent Title XII activities carried out during the preceding Fiscal Year and a projection of programs and activities for next five fiscal years. This report may also contain the separate views of the Board with respect to any aspect of the programs under Title XII. BIFAD work products during the current Administration have included annual Title XII Reports, two studies, 12 public meetings, and five sets of findings, conclusions, and recommendations to the Agency head. BIFAD’s reports, studies, and meeting minutes can be found on the BIFAD website.

Recent areas of focus have included rural youth employment, resilience measurement and analysis, agriculture and food security in conflict-affected settings, engaging the private sector to achieve nutrition outcomes, and COVID-19’s impacts and effective responses in the areas of food security and nutrition. Over the next year, the Board will advise USAID on supporting the COVID-19 food security and nutrition response and recovery, programming investments that will accelerate agricultural sector

productivity to support country self-reliance, innovations in access to finance, and renewing the U.S. Government's Global Food Security Research Strategy. BIFAD will schedule a Congressional event to disseminate its report, *How the United States Benefits from Investments in Agricultural and Food Security Investments in Developing Countries*.

## COMPOSITION

**Requirements:** The Board reports to the USAID Administrator and comprises seven presidentially-appointed members, of which no fewer than four are selected from U.S. universities, as defined in the Title XII statute Section 296(d).

**Membership:** The Board Chairperson is presidentially-appointed. Members selected from universities serve in a representative, not an individual, capacity. Terms are established by the President at the time of appointment. As provided in the charter and in a White House memorandum from 1987, Board members may continue to serve after the expiration of their terms until the President has appointed a qualified successor. As of July 2020, all seven membership positions have expired, although six of the members continue to serve. One of the four university members has resigned and has not been replaced. BIFAD also has an Administrator-approved Membership Balance Plan, a General Services Administration best practice for federal advisory committees under the Federal Advisory Committee Act.

## SUPPORT

The Board's support is managed by a full-time BIFAD Executive Director (GS-15) who serves as the Designated Federal Officer in the Bureau for Resilience and Food Security (RFS). Other members of the Bureau and staff in the Agency contribute to supporting BIFAD on an as-needed basis. Administrative support for meetings and studies has been provided by a support agreement implemented by the Association of Public and Land-grant Universities that will end in December 2020. A follow-on BIFAD support contract is being procured that starts in November 2020. The Federal Advisory Committee Act requires annual reporting of full-time equivalents and Board expenditures.



**NOTES**

## OFFICE OF BUDGET AND RESOURCE MANAGEMENT: OFFICE OVERVIEW

### INTRODUCTION

Established in 2010 as the corporate program budget office, USAID's Office of Budget and Resource Management (BRM) is an independent office within the Office of the Administrator, and leads core program budget functions, resource planning, and engagement on budget-related policy issues. BRM also serves as the primary advocate for USAID equities and resources in coordination with the Administrator, and a source for data-driven budget analysis to inform resource allocations and implementation in support of USAID bureaus, missions, and programs. BRM is also responsible for the creation of USAID's Development and Humanitarian Assistance Budget Request, which outlines the priorities and goals of the Administrator and the Agency, as well as the development of the execution of appropriated program resources.

### LOOKING BACK

As USAID's central program budget office, BRM has grown steadily from a few positions in 2010 to 28 positions, including Civil Service, Foreign Service, and Institutional Support Contractors. In 2006, when the former Bureau for Policy, Planning, and Coordination was abolished, all central budget positions were transferred to the State Department ([see Authorities](#)). BRM is organized into three teams focused on the Agency's core program budget functions: formulation, execution, and integration. These teams are staffed by analysts who provide technical assistance and guidance on budget cycles and processes to the program and budget offices within assigned regional or sectoral bureaus/offices. BRM is also an important partner for program and financial management offices at the field Mission level.

BRM leverages its position as the Agency's central program budget office to guide the resource planning for accounts that are fully and partially managed by USAID (\$24.5 billion in Fiscal Year 2020) and carry out the following core functions:

- **Formulation:** Based on extensive input from Bureaus and field missions, BRM prepares the USAID Development and Humanitarian Assistance Budget Request that informs the President's Annual Budget Request to Congress.
- **Execution:** With the Department of State's Office of Foreign Assistance (State/F), BRM jointly prepares the report to Congress detailing how appropriated funds are allocated (known as the "[653\(a\) report](#)"). USAID leads the allocation of USAID fully-managed funds, such as the Development Assistance and USAID Global Health Programs, to align its funds with strategy and USAID priorities. BRM coordinates closely with State/F to align resources with regional, country-specific, and sectoral priorities across the Department.
- **Centralization of Program Budget Processes:** To protect USAID equities while balancing resource requirements, BRM oversees centralized budget processes on sensitive budget issues, such as the Trafficking Victims Protection Act, Agency reprogrammings, allocation of the Administrator's Reserve Fund, Emergency Responses such as COVID-19 and Ebola, and responses to potential rescissions.
- **Reprogramming:** BRM in partnership with program officers, Controllers and financial management staff in field Missions critically analyzes pipelines, makes recommendations to reprogram funds and seeks to prevent funding gaps, ensuring support for USAID priorities.
- **Financial Management:** BRM issues guidance and works with program and financial management staff in the bureaus and the field Missions to monitor the timely obligation of funding by USAID missions and bureaus, improve the financial management of USAID resources and avoid funds expiration.

BRM has developed relationships within the U.S. Government needed to advocate for, justify, and defend USAID's program budget. BRM coordinates closely with State/F to align resources towards USAID's highest priorities and unmet funding needs, and also engages with the White House's Office of Management and Budget and National Security Council to strategically align resources to achieve overarching national security goals. BRM also defends the annual Budget Requests and justifies how appropriated funds have been allocated by USAID to Congress.

## LOOKING FORWARD

BRM will continue to advocate for and prioritize resource allocations for USAID priorities, and will continue to quickly adapt to address emerging and ongoing issues.

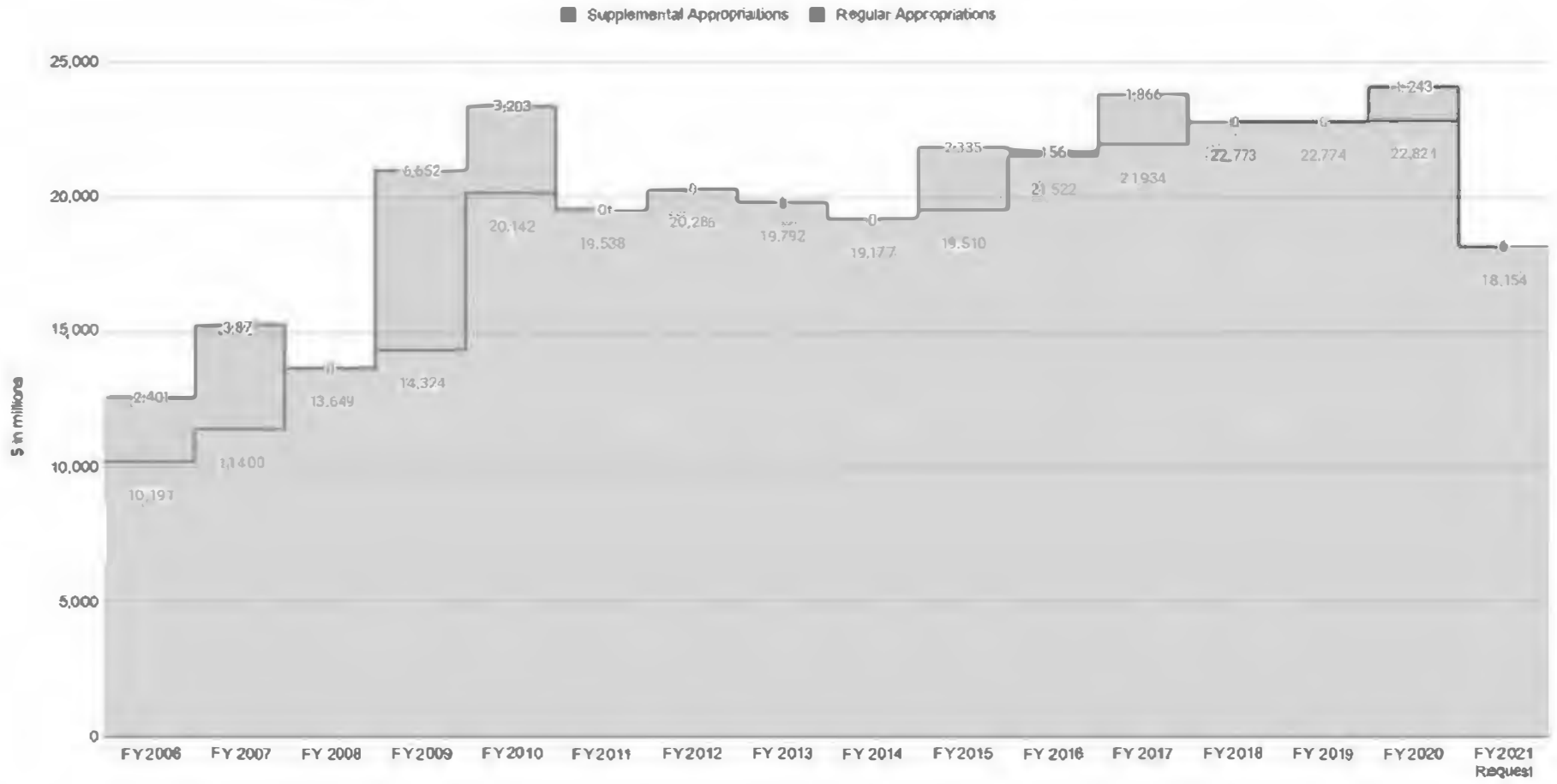
### Emerging Issues:

- **Increased Congressional Directives:** Congress has increased the number of earmarks and directives in the *Department of State and USAID Appropriations Act*, which limits USAID's ability to align resources with performance, strategic planning, or policy. In Fiscal Year 2020, 94 percent of USAID development funding is Congressionally "earmarked," compared to 84 percent in Fiscal Year 2015.
- **Efficiency:** BRM is proactively tracking obligations and engaging with Bureau and Mission leadership to identify and implement solutions for the more expeditious obligation of funds once appropriated and to streamline budget processes. In addition, BRM is actively participating in State/F's Amplify Foreign Assistance Working Groups focused on streamlining budget processes.
- **Integration:** BRM has established an integration team that will work with the Bureaus for Policy, Planning, and Learning and Management to link budget decisions with policies and strategies, including both Operating Expense and program funds.
- **COVID-19 Pandemic Response:** Budget functions were transitioned from the COVID-19 Task Force to BRM, which is now the lead for handling day-to-day COVID-related budget functions, managing new program supplemental funding for the pandemic, and leading U.S. Government coordination on budget issues.

### Ongoing:

- **Authorities:** The Agency's ability to make strategic budget decisions is constrained by USAID's lack of program budget authority. This inhibits the Agency's ability to shift resources quickly to strategically align them with the Agency's development goals and needs of Missions and Bureaus.
- **Budget Trends and Hydraulics:** Because USAID's partially- and fully-managed resources have been relatively stable over the past few years, budget increases in one area are frequently made at the expense of another. These tradeoffs in a zero-sum environment make it difficult to resource unanticipated crises while maintaining consistent strategic commitments to development programming.
- **Strengthening Relationship with State/F:** BRM is the counterpart to State/F. BRM prioritizes strengthening this relationship and working with F to ensure that overall USAID corporate priorities are reflected through a unified Agency position on budget, consistent with other Department and Agency roles across the Federal Government.

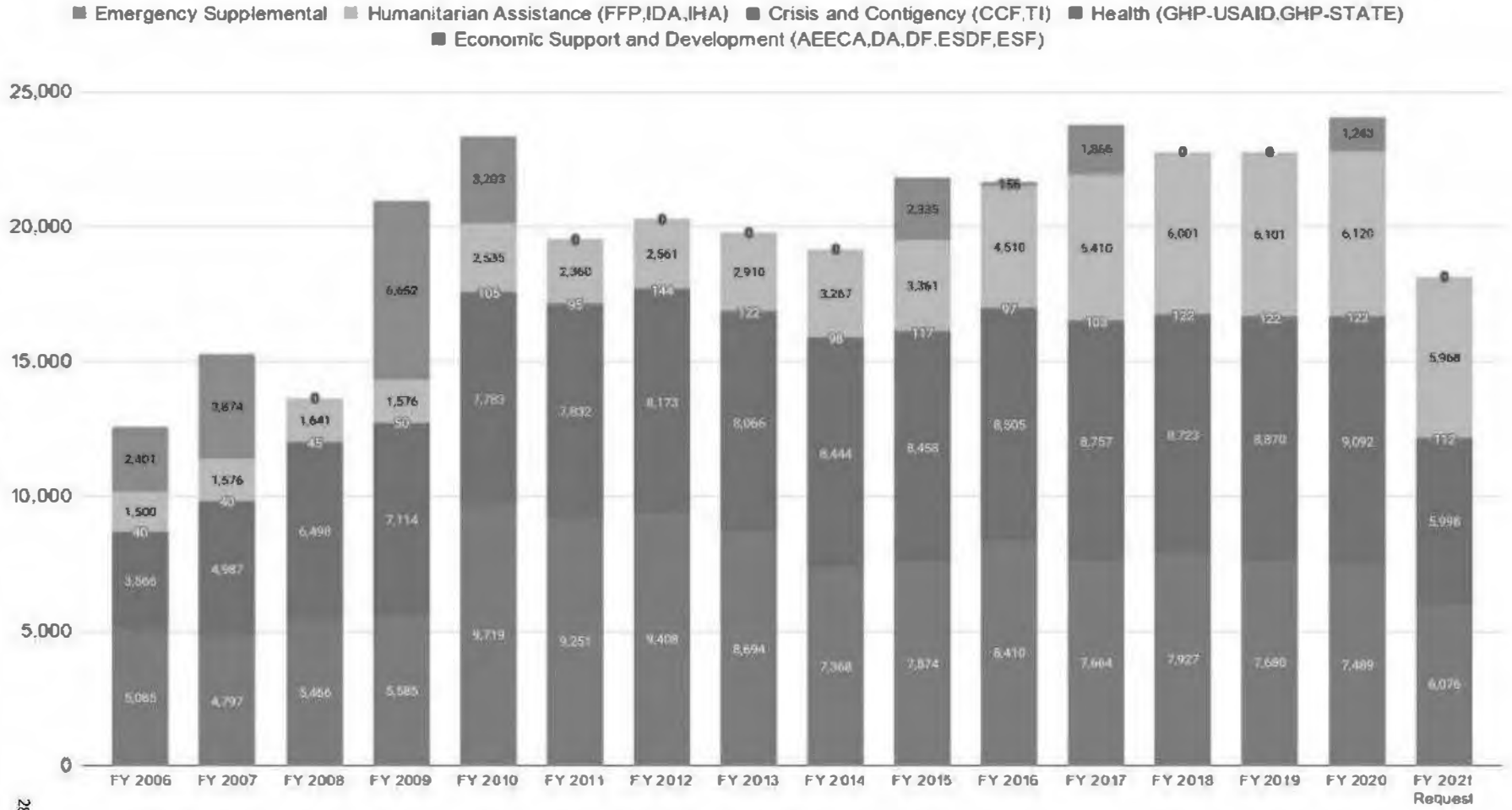
### USAID Managed and Partially-Managed Program Accounts (FY 2006-2021)



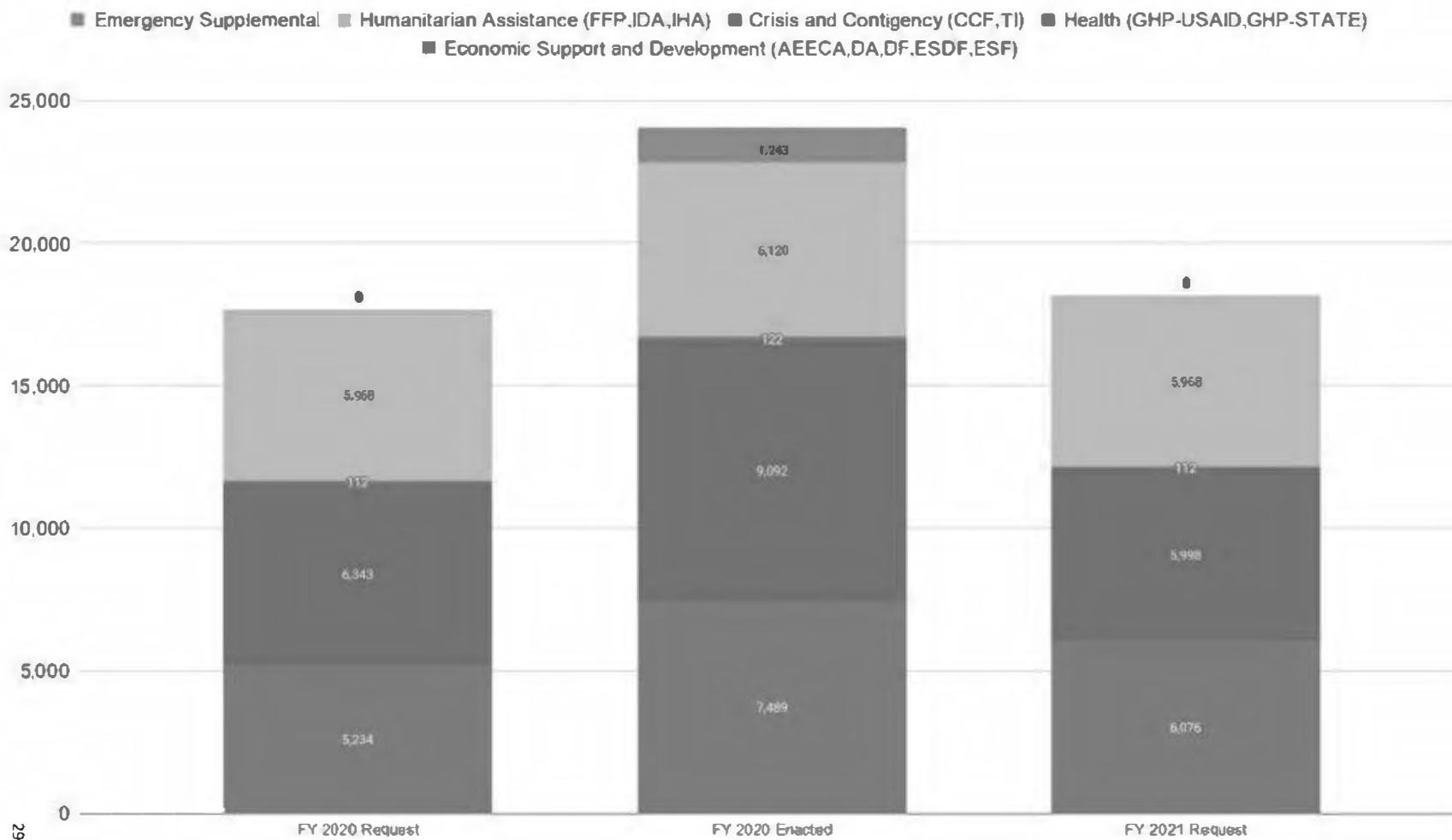
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## USAID Managed and Partially-Managed Program Accounts (FY 2006-2021)



### USAID Managed and Partially-Managed Program Accounts (FY 2020-2021)



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**NOTES**

**OFFICE OF BUDGET AND RESOURCE MANAGEMENT:  
EVOLUTION OF BUDGET AND PLANNING**

## INTRODUCTION

One of the most significant evolutions across USAID was the creation of the Department of State's Office of Foreign Assistance (State/F) and the dissolution of USAID's long-standing Bureau for Policy, Planning, and Coordination in 2006. At that time, State/F was designated as the lead for the coordination of U.S. foreign assistance and assumed the role of providing strategic direction, and authority over program resource allocations for both the State Department and USAID. In 2010, USAID's Office of Budget and Resource Management (BRM) and the Bureau for Policy, Planning, and Learning (PPL) were created to reinstitute the management of program funds and policy within USAID and re-establish USAID as the preeminent development agency.

## LOOKING BACK

	USAID's long-standing Bureau for Policy, Planning, and Coordination (PPC), which led the management of program funds and Operating Expenses (OE), was dissolved to consolidate foreign assistance policy and budget (including staff) under State/F. The majority of the Bureau staff and positions were moved to State/F from USAID.
2006	A Deputy Secretary of State was dual-hatted as USAID Administrator and the Director of Foreign Assistance with the ability to make budget decisions for both economic and security assistance on behalf of the Secretary of State.
	Remaining Bureau for Policy, Planning, and Coordination functions 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; and the Office of Development Partners.
2009	The Secretary of State canceled the role of the Administrator as the dual-hatted head of State/F, and re delegated program budget authority to the Director of Foreign Assistance at the Department of State, with a rank equivalent to an Assistant Secretary.
2010	The Office of Budget and Resource Management (BRM) at USAID was established to formulate, justify, and oversee the execution of USAID's program budget, and represent the interests of the USAID Administrator and the Agency.
	The Bureau for Policy, Planning, and Learning (PPL) was established to formulate and implement development policy and oversee the Agency's strategic direction.
2018	USAID proposed the creation of a new Bureau for Policy, Resources, and Performance as part of USAID's <u>Transformation</u> to better align the Agency program and OE resources with policy. The proposal would consolidate BRM, PPL, M/MPBP/Budget (USAID's central operations budget office) from the Bureau for Management (M), and parts of the U.S. Global Development Lab (the Lab) into one Bureau, similar to the original creation of PPC.

The dissolution of PPC and the fragmentation of USAID's budget processes limited the authority of the USAID Administrator and the ability to function as an independent Agency. Without a central budget office, and authority over program and OE budgets, similar to other Agencies across the Federal



Government, USAID's ability to systematically deploy resources to support USAID strategies, priorities, and goals was reduced. The delegation of authority over program resources to State/F altered the posture of USAID budgeting and policy, and the Director for Foreign Assistance assumed the authority to act on behalf of the Secretary of State with respect to all foreign assistance including for development and humanitarian assistance. Overall, these actions minimized the Administrator's role in the direct allocation of resources to carry out development policy. The establishment of BRM and PPL in 2010 has allowed USAID to reassume and consolidate policy and budget-related activities previously dispersed throughout the Agency:

- **Advocacy:** BRM and PPL have been able to advance Agency policy and resource requirements through a strong, unified voice in the inter-agency, in particular with the National Security Council and the White House's Office of Budget and Management.
- **Integration of Policy and Budget:** BRM and PPL have more closely aligned policy and budget for resource planning. Budget scenarios for strategic planning documents, such as the Country Development Cooperation Strategies, have been integrated into the program budget cycles and used to inform budget requests and allocations for countries and sectors.
- **Strategic Alignment of Resources:** BRM has established review sessions with the Office of the Administrator for key budget deliverables such as the annual USAID Development and Humanitarian Assistance Budget Request, and the resource allocations for appropriated funds (i.e. "the 653(a) process"). This provides the opportunity for the Office of the Administrator and Bureau Leadership to discuss resource requests, strategies, and foreign policy goals for the region or sector to inform funding levels.
- **Streamlining Budget Processes:** BRM and PPL represent USAID on the Amplify Foreign Assistance Working Group to redesign operational plans led by State/F. BRM is also working to streamline our budget processes to more quickly program funds to Missions and Bureaus.

## LOOKING FORWARD

BRM and PPL have made significant progress in re-establishing the link between program, policy, and budget. However, challenges and opportunities remain:

- **State/F:** State/F retains authority over functions that are internal to USAID, and essential to the ability of USAID to effectively manage resources and achieve results, which USAID has the experience to manage itself. Addressing this structural imbalance would enhance the Agency's ability to make evidence-based and strategic budgetary decisions. State/F also continues to staff its offices and teams with USAID-funded positions, many of which tend to advocate for Department of State priorities. These positions were created at State/F when PPC was dissolved, but the positions never returned to USAID. There is no system in place to rotate the USAID staff serving at State/F back to USAID headquarters to keep those positions encumbered with staff who are rooted in current USAID policy and development priorities.
- **Continued Integration of Program and Operating Expenses:** The program budget is overseen by BRM while the Bureau for Management (M) oversees OE. This split management arrangement, which was established due to the dissolution of PPC, creates a less efficient alignment of OE, staffing, and program resources to meet shifting programmatic needs. BRM and the M Bureau continue to conduct joint, zero-based budgeting exercises and engage in other forms of collaboration throughout the budget cycle as needed.

**NOTES**

**OFFICE OF BUDGET AND RESOURCE MANAGEMENT:  
USAID BUDGETARY AUTHORITIES**

## INTRODUCTION

Prior to 2006, The Bureau of Policy and Program Coordination (PPC) at USAID had the authority and responsibility for the Agency's budget and strategic planning. In 2006, PPC was dismantled and the Department of State's Office of U.S. Foreign Assistance (State/F) was created with delegated budget authority for State and USAID program/foreign assistance resources. Due to that change, USAID no longer controlled the strategic allocation or management of resources for development. In 2010, USAID established the Office for Budget and Resource Management (BRM) to restore USAID's ability to manage core budget functions and to advocate for USAID's development priorities, though with limited budget authority over the allocation and management of resources for USAID. Because the USAID Administrator does not have overall budget authority over USAID's core development and humanitarian accounts, he or she cannot present a comprehensive development and assistance budget directly to the Secretary, but must instead go through State/F.

## LOOKING BACK

The creation of BRM and the Bureau for Policy, Planning and Learning (PPL) in 2010 has rebuilt Agency capacity to align resources with strategy and performance. However, the majority of associated budget authorities have remained with State/F. While USAID is an independent agency and has accountability and responsibility for management, oversight, and reporting of its development and humanitarian programming and goals, USAID does not have the full corresponding authority to manage these resources. This is in stark contrast to other independent agencies programming U.S. foreign assistance, such as the Millennium Challenge Corporation, Peace Corps, and the U.S. African Development Foundation as well as with budgetary relationships elsewhere in the Federal Government.

- **Joint State and USAID President's Budget Request:** With the devolution of PPC, USAID also lost the ability to send an independent Budget Request to the Office of Management and Budget (OMB) and Congress. Beginning with the Fiscal Year 2008 President's Budget Request, State and USAID combined their requests. Other independent agencies, such as the Millennium Challenge Corporation, the Peace Corps, and all agencies across the Department of Health and Human Services (DHHS), prepare and submit their own budget submissions to OMB and Congressional Budget Justifications (CBJs) to Congress. USAID prepares a comprehensive USAID Development Budget, which the Agency sends to State/F to request funding for USAID priorities. State/F makes the final decision on development funding, which is now in competition with funding for other State Bureaus. The USAID request is then combined with that from State, and submitted to OMB, without clear delineation of USAID managed resources and priorities. Since 2004, the joint budget has further complicated alignment of budget and strategy by requesting that USAID and State produce a Joint Strategic Plan, though there is no requirement to do so.
- **The 653(a) Report:** Section 653(a) of the Foreign Assistance Act of 1961 mandates the President to report to Congress, on an annual basis, funding allocations by foreign country and category of assistance within 30 days of Congress appropriating certain funds. BRM and the State Department jointly manage the analysis and allocation of the Appropriations, and the process for determining corresponding resource allocations and preparing the 653(a) report. For the past several years, BRM has developed initial 653(a) straw-man levels of USAID-managed funds within the 30-day Congressional requirement that are also strategically aligned with the Agency's development policy. However, the negotiation with the State Department has resulted in a significant delay of obligations to the field. For example, the Fiscal Year 2020 653(a) report

took 178 days to submit to the Hill, and the Fiscal Year 2019 653(a) report took more than 200 days, despite the 30-day requirement. Direct and clear delegated authority over all USAID-managed funds could significantly accelerate this process.

- **Approval of USAID Operating Plans:** State/F created Operational Plans (OPs) in 2008 to detail how Bureaus and Missions will obligate resources. OPs for USAID Bureaus and Missions are negotiated at two levels. First, at the mission level, where USAID drafts the OP and relevant agencies and departments clear. Then, the OP receives a Washington-level review and approval through State/F, rather than through USAID structures and leadership, even for Operating Units that are funded entirely from accounts wholly managed by USAID. Many of these OPs are hundreds of pages long and significantly delay the ability to obligate apportioned USAID funds. State/F has created an Amplify Foreign Assistance Working Group to redesign operational plans that include participants from USAID (BRM, PPL, and regional and pillar bureaus).
- **Approval of Apportionments:** Apportionment requests for USAID program accounts (i.e. requests for access to development appropriated funds) to OMB and the distribution of these as allotments for obligation by USAID bureaus were transferred to and have remained at State/F with the elimination of PPC. USAID's Bureau for Management directly requests apportionments from OMB and allots funds for the USAID Operating Expense and Capital Investment Fund accounts over which the Administrator has full authority. However, USAID program funds must be requested through State/F.
- **Approval of Reprogrammings:** The USAID Administrator does not have the authority to approve reprogramming and other detailed budget execution actions within certain program accounts (i.e. USAID Global Health Programs (GHP-USAID), Assistance for Europe & Eurasia and Central Asia (AEECA), Development Assistance (DA) or Economic Support Funds (ESF)), limiting the ability of the Agency to quickly adjust to changing resource needs. USAID field missions have little discretion and must draft and submit to State/F memos requesting approval to reprogram even minor, non-controversial programming. These actions are approved by State/F and require close and frequent coordination. USAID did retain approval authority for contingency accounts (e.g., Transition Initiatives (TI), Complex Crises Fund (CCF)) and emergency funding (e.g., International Disaster Assistance (IDA), Food for Peace Title II). The 2010 Quadrennial Diplomacy and Development Review specifically called for USAID to approve funding memos and reprogrammings at the country level for USAID core accounts, but this has not been implemented.
- **Extended Period of Availability:** Most domestic federal agencies are appropriated one-year funds and must obligate all funds directly into awards during the fiscal year of appropriation before the funds expire. In contrast, most USAID program funds (i.e., DA, ESF, AEECA, and GHP-USAID) are appropriated for two or more years. Section 7011 of State and USAID's annual Appropriations Act extends the period of availability of these program funds for an additional four years when obligated within their initial period of availability. This still applies if funds are obligated during their initial period of availability and later deobligated. These deobligations (referred to as "recoveries") remain available for obligation after that initial period. This extension allows for the flexibility needed by the Agency to utilize all appropriated funding and address unmet funding needs as they arise without the need to request supplemental appropriations from Congress.

- **Bilateral Agreements:** Many USAID Missions have established bilateral grant agreements with host country government counterparts via a mechanism referred to as a Development Objective Assistance Agreement (DOAG). A DOAG is a strategic document (outlining USAID's programmatic goals and objectives), a legal agreement (setting forth the terms and conditions of our assistance), and an obligating instrument. Missions initially obligate funding into DOAGs and then make sub-obligations for specific activities (e.g., contract, grant, or cooperative agreement) to implementing partners. Any unexpended funds in an activity under a DOAG can be repurposed for new activities consistent with the objectives laid out in the DOAG without State/F approval. A single DOAG can allow USAID Missions to quickly and efficiently obligate and strategically direct hundreds of millions of dollars. (Funding managed by USAID/Washington Bureaus or in countries where USAID does not have a bilateral agreement with the partner government is generally unilaterally obligated directly to an implementing partner).

## LOOKING FORWARD

Barring significant changes to the existing budget process and authorities, BRM will continue to work closely with State/F to make incremental improvements to the existing budget process. Thus far, USAID has made concerted efforts to strengthen its role in the budget process to support USAID development priorities and improve coordination with interagency stakeholders.

**NOTES**

**OFFICE OF BUDGET AND RESOURCE MANAGEMENT:  
IMPACT OF DIRECTIVES ON USAID PROGRAM FUNDS**

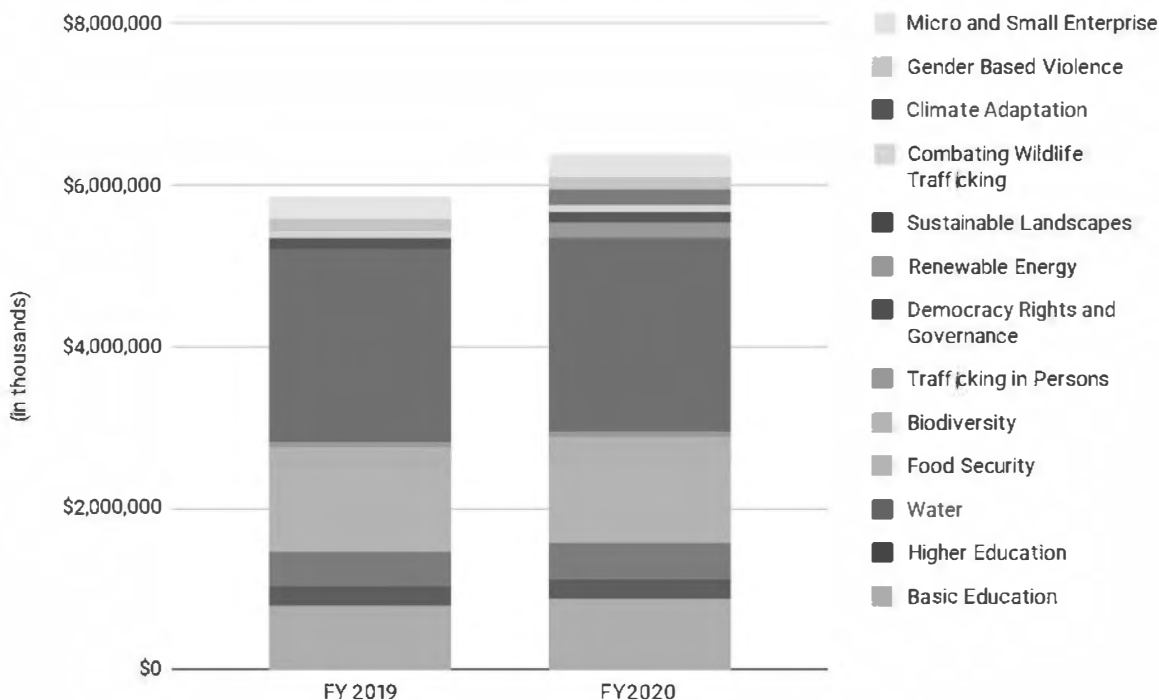
**INTRODUCTION**

Congress has historically expressed its development and foreign policy priorities through directives in the final Appropriation bill and the accompanying Statement of Managers. “Soft directives” are an expression of Congressional intent but are not legally binding, while “hard directives” are legally-binding and must be met in the Fiscal Year 653(a) report to Congress and adhered to throughout the life cycle of the funding.

**LOOKING BACK**

The total number and scale of Congressional directives have significantly increased in recent years. Congressional directives are generally for specific types of sectoral programming or for specific country levels. The Fiscal Year 2020 Appropriation bill directs an additional \$516 million in global sectoral directives compared to the Fiscal Year 2019 Appropriation, with a total of \$6.4 billion in sectoral directives across all fund accounts. At the same time, country-level directives increased by \$419 million across all regions, with the number of countries with topline directives increasing from 34 to 46. In addition, the Global Health Programs account continues to be fully directed to health Program Areas (e.g., Tuberculosis, Malaria, Nutrition). Overall, Congressional directives exceed the appropriated budget, which requires USAID to double and triple-count country and/or sectoral directives to meet legal requirements.

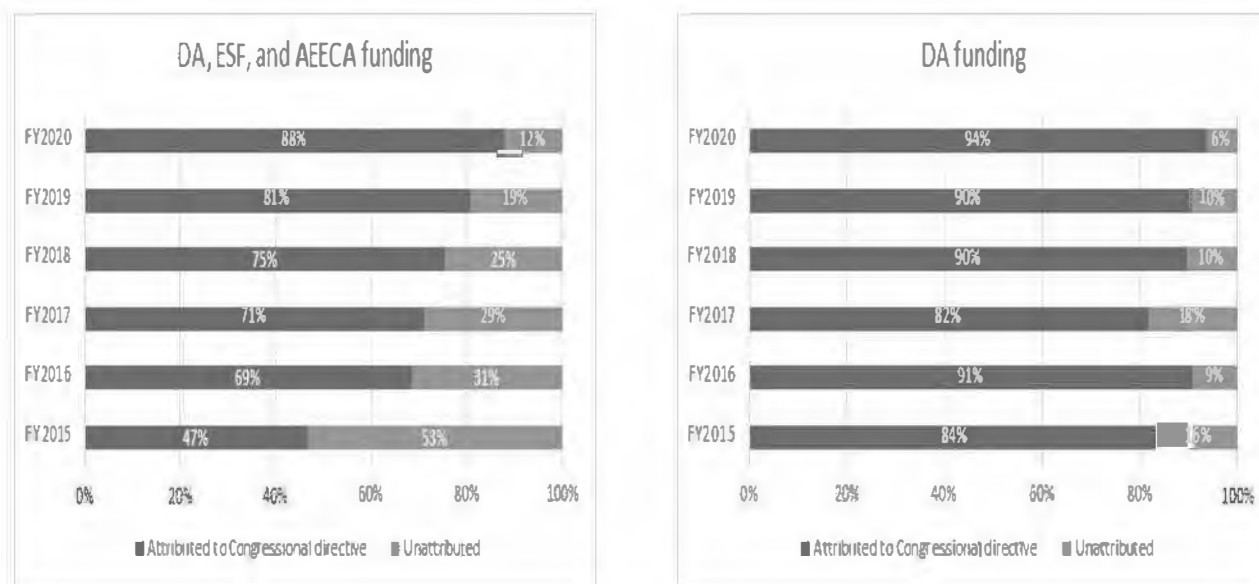
**Comparison of non-Health Congressional Sector Directives for Fiscal Years 2019 and 2020**



**Congressional directives significantly limit State and USAID’s ability to program funding based on need, evolving strategic priorities, or to respond to emerging opportunities and threats. As the State-USAID foreign assistance budget allocations are developed jointly and USAID programs are generally more appropriate for sector directives, USAID shoulders a greater directive burden. In particular, the**

Development Assistance account, which is wholly managed by USAID, has seen a sharp decrease in discretionary funding, and in many cases, missions and bureaus are not allocated any discretionary funding. In the Fiscal Year 2020 653(a), of the 86 Operating Units allocated DA resources, 61 of them, or 71 percent, have Development Assistance fully allocated to sectors or other programs. The growth of directives has also limited USAID’s ability to make strategic programming decisions across sectors—and country topline levels have been reduced for countries that were not otherwise Congressionally-directed. For example, due to the increase in restricted funds, funds available for broad economic growth programs have decreased. The growth of Congressional directives also limits USAID’s ability to set aside funding in a Global Reserve to respond to needs and opportunities that may arise outside of the regular budget planning process.

**Comparison of Congressionally-Directed Funding: Fiscal Year 2015 653(a) to 2020 653(a)**



*Note: Attributed totals include both soft (“should”) and hard (“shall”) Congressional directives from the State and Foreign Operations Appropriations bill for each Fiscal Year. Economic Support Fund and Assistance to Europe, Eurasia, and Central Asia (AEECA) totals include funds appropriated to base and Overseas Contingency Operations (OCO), as appropriate. The Development Assistance (DA), ESF, and AEECA accounts are used to meet most non-health directives.*

**LOOKING FORWARD**

While the large size and number of directives have had the unintended consequence of undermining the Agency's ability to formulate and implement coherent country and regional strategies, it is critical to note that the increase in Congressionally mandated directives is in response to Hill concerns on draconian cuts to USAID programs in each President Budget request since Fiscal Year 2017, proposed rescissions, funding pauses (i.e. WHO), and suspension of assistance to countries (Ethiopia most recently.). Appropriated funds with more flexibility would allow USAID to target resources in alignment with mission needs and priorities, but achieving that flexibility will require continued engagement and dialogue with Congressional committees.



**NOTES**

**OFFICE OF BUDGET AND RESOURCE MANAGEMENT:  
STRATEGIC ALIGNMENT AND INTEGRATION**

## INTRODUCTION

This paper covers two distinct but related issues: (1) strategic alignment of policy priorities and development objectives with program budget; and (2) integration of program and administrative and Operating Expense budgeting.

## LOOKING BACK

**There are significant challenges to strategic alignment.** USAID's development programming priorities and objectives are articulated and approved through development policy and the program cycle (e.g. Country Development Cooperation Strategy, or CDCS). Strategic objectives articulated in Agency development policies and CDCS development objectives should be the main driver of USAID budget requests and allocations. This is often not the reality. Budget formulation processes and guidance can constrain USAID's ability to articulate budget requests that match its development objectives. Mission Resource Requests, which are submitted by Missions to inform the annual President's Budget Request, are the primary building block for the budget formulation process. However, the funding levels to be requested in the Mission Resource Requests are controlled through guidance issued by the Department of State's Office of Foreign Assistance.

**Formal budget requests have not matched strategic ambition.** Resource requests are often not correlated with strategy. USAID Budget Requests are 20 percent lower than actual appropriated levels and even significantly lower than CDCS budgets. To illustrate, USAID's Office of Budget and Resource Management (BRM) analyzed budgets<sup>1</sup> from nine missions with recently-approved CDCSs<sup>2</sup>. (There is a stark contrast between the budgets of missions with approved country strategies and the amounts requested in the Fiscal Year 2021 President's Budget Request and in their Fiscal Year 2022 Mission Resource Requests. Of the nine USAID missions, the Fiscal Year 2021 President's Budget Request proposes significant reductions—nearly 50 percent or more—compared to their CDCS budget levels for the majority of these missions.)

**Appropriations can constrain flexibility and the ability to align resources with strategy.** Looking at actual appropriated levels, USAID's ability to align program budget allocations to mission strategy and development objectives is constrained.<sup>3</sup> Most missions' actual budget allocations in Fiscal Year 2020 varied widely from their CDCS budget levels, ranging from 25 to 300 percent higher to 20 to 90 percent lower than CDCS levels. This misalignment and volatility can negatively affect USAID and partner countries' efforts to effectively plan for and achieve development results.

**Planning and allocation of Operating Expense (OE) funds is separate from program budgeting.** Within USAID, the program budget is overseen by BRM, while the Bureau for Management (M) manages the OE Budget. This split was created with the abolishment of the Bureau of Policy, Planning and Coordination and the creation of State/F, and has led to a disconnect between program and OE budgeting. It is

<sup>1</sup> Analysis focuses only on these core USAID managed and partially-managed accounts: Assistance for Europe, Eurasia and Central Asia (AEECA), Development Assistance (DA), Economic Support and Development Fund (ESDF), Economic Support Fund (ESF), and Global Health Programs - USAID (GHP-USAID).

<sup>2</sup> There are additional recently-approved CDCSs, but their budgets are not available in FACTS Info for analysis at this time. The nine Missions included in this analysis are all that is available in FACTS Info as September 2020. These are: Colombia, Ethiopia, Georgia, Jamaica, Peru, Philippines, Rwanda, Ukraine, and Zambia.

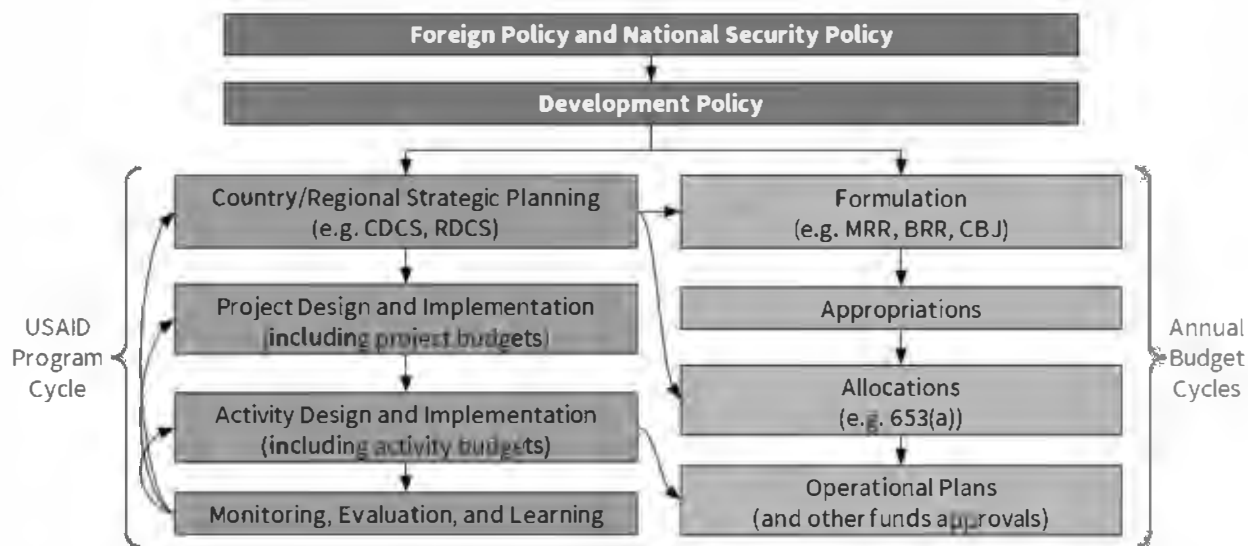
<sup>3</sup> Congressional directives, in particular, constrain USAID's ability to strategically allocate funds by reducing the degrees of freedom in decision-making. See the "[Impact of Directives on USAID Program Funds](#)" paper for additional details on this subject.

difficult to ensure that operational resources are aligned to meet shifting programmatic needs; for example, the program and OE budgets are allocated at different time periods, yet both fund staff across nearly 90 Missions, with OE funding almost 5,400 staff and program funding approximately 4,000 staff as of the end of Fiscal Year 2019.

**LOOKING FORWARD**

Strategy should drive the program budget—not the other way around. Operational resources should also align with and be driven by strategic goals and programming objectives.

**USAID Program Cycle Connections to Budget Cycles**



BRM has established an Integration team to better link and improve coherence among policy, strategy, operations, and budget. BRM has also started to include the CDCS budget in the system for tracking foreign assistance budget levels, FACTS Info, to analyze the data as more strategy budgets are approved. A more unified structure—with consolidated leadership, staff, and capacity—should be considered to further resolve the disconnection among development policies and strategies, program budgets, the Operating Expense budget, and performance functions. In addition, an opportunity exists with the upcoming USAID/State Joint Strategic Plan to build in more USAID-only Objectives that can form a more useful basis for outlining Agency strategic priorities to help inform budget formulation and allocation.

The annual OE Budget supports the implementation of the USAID Program Cycle by covering the salaries and benefits of permanent Civil Service and Foreign Service employees. The allocation of the U.S. direct-hire workforce is determined by the Agency's Interim Strategic Workforce Plan. In the *Further Consolidated Appropriations Act, 2020* (P.L. 116-94) under the heading "Operating Expenses," Congress established permanent personnel levels for USAID of 1,850 Foreign Service Officers and 1,600 Civil Service staff. The OE budget also funds: 1) overseas operations; 2) Washington operations; and, 3) central support activities such as information technology operations and maintenance, rental payments for Washington physical real property, human resources cost centers for training and personnel support, and other general support costs. M Bureau is responsible for formulating, justifying and executing the Agency's OE budget resources.

Once an appropriation is enacted, the M Bureau follows an established process to set salaries and benefits and other direct cost allocations for Washington, overseas, and central support operations. M Bureau gathers requirements from all operating units to formulate an annual OE operating year budget (OYB). A proposed OE OYB is presented to the USAID Administrator for approval within 45 days of the enactment of an OE appropriation. Once the USAID Administrator approves the OE OYB, the Agency transmits a Congressional Notification with the OE Operational Plan showing planned obligations for salaries and benefits and other direct costs allocated by overseas operations, Washington operations, and Central Support.

**NOTES**

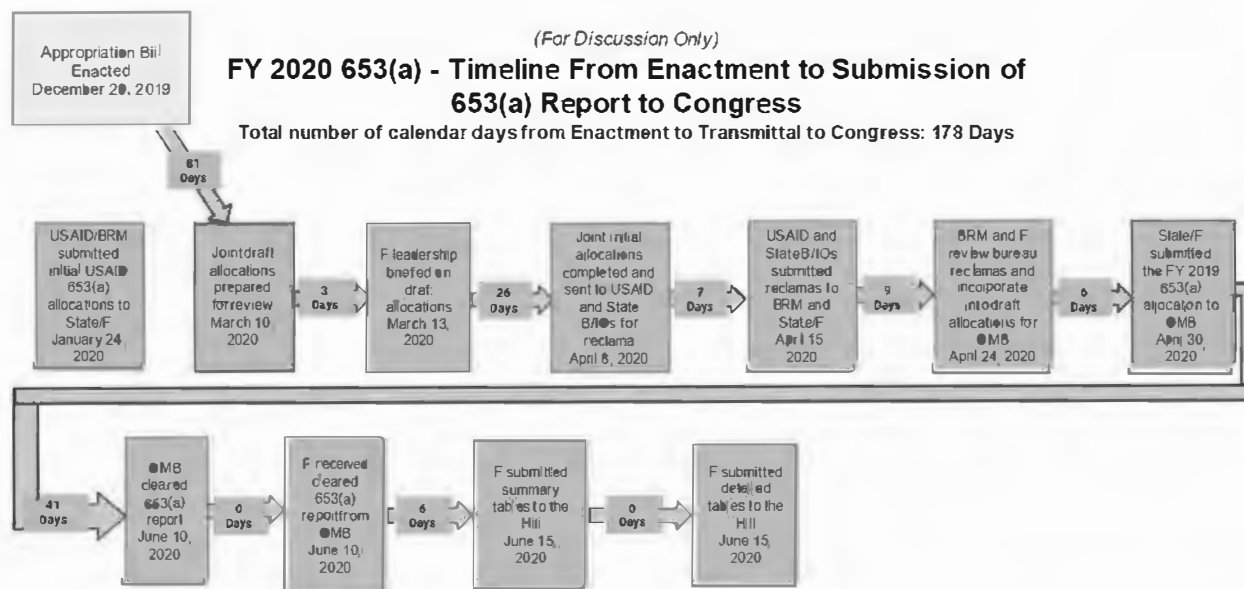
**OFFICE OF BUDGET AND RESOURCE MANAGEMENT:  
PROGRAM BUDGET EXECUTION PROCESS**

**INTRODUCTION**

This paper focuses on the actions and processes necessary to support implementation of development programming and obligate program funds to USAID missions and operating units (OUs). It identifies key areas in the program budget execution process that affect timing of funds availability and suggested areas for reform and improvement, with the aim of maximizing the window of opportunity for making obligations.

**OVERVIEW**

**Appropriations:** Congress has increasingly delayed enactment of the annual State, Foreign Operations, and Related Appropriations Acts (SFOAA) beyond the start of the fiscal year. Recent appropriations have generally been enacted three to seven months after the start of the fiscal year. The last time Congress enacted an SFOAA on or prior to the start of the fiscal year was 1997. The later the enactment of appropriations, coupled with increasingly extended timelines to develop the 653(a) report and pre-obligation requirements such as required OP approvals and Congressional notifications, has reduced the time USAID has to obligate funds, because most program fund accounts expire after two years of initial availability. Therefore, the efficient execution of the budget process is critical.



**Allocations:** Section 653(a) of the Foreign Assistance Act of 1961 requires the President “..,notify the Congress of each foreign country and international organization to which the United States Government intends to provide any portion of the funds under such law and of the amount of funds under that law, by category of assistance, that the United States Government intends to provide to each.” Once the President signs an appropriation bill or full-year Continuing Resolution, State and USAID develop initial 653(a) allocations through an often lengthy process of analysis and negotiations between State and USAID. The Office of Management and Budget (OMB) must also review 653(a) allocations before they are transmitted to Congress. The Fiscal Year 2019 653(a) took almost nine months to complete, and the most recent Fiscal Year 2020 653(a) process took approximately six months, despite the requirement in Section 653(a) that the submission to Congress must occur within 30 days of the President’s signing of the appropriations legislation.

**Operational Plans and Funds Approvals:** Once 653(a) allocations are finalized and submitted to Congress, OUs begin developing Operational Plans (OPs) that describe the use of funds by activity and their alignment with country strategies, administration priorities, and Congressional directives. State/F created the OP review process, which is not a legal requirement to obligate funds, as a requirement in order for USAID to obligate. OPs are typically written at the field, primarily by USAID mission staff, cleared through relevant agencies and departments at post, and signed off on by the Ambassador. The production and clearance of OPs is a labor-intensive process requiring many weeks of effort by numerous staff and redirects the energies of Mission personnel away from program design, implementation and monitoring. Stakeholders in the relevant OUs in Washington then review the final draft of the OP, revise it if necessary (typically by sending back to missions), and submit to State/F for approval. Where there are significant policy issues, OPs may be delayed, sometimes requiring input at the highest leadership levels of both State and USAID. Approximately 120 OPs include USAID programming, and because the documents are hundreds of pages long, it can take months for State/F to approve them all.

**Congressional Notifications:** Once the OP is approved, USAID submits the Congressional Notification (CN) to Congress to inform them of the intention to obligate funds for a specific purpose. Each CN is subject to a standard 15-day waiting period before clearance. In some cases where activities or OUs are subject to political sensitivities, CNs may be put on “hold” by Congress, pending further conversations with State and USAID. USAID cannot obligate funds until the CN has been released by all Committees.

**Holistic Budget, Program Cycle, and Procurement Planning:** In addition to these budget execution steps, operating units must complete program cycle (e.g., analysis and design) and procurement (e.g., acquisition and assistance) requirements prior to obligating funds. While this paper focuses on budget execution, all three of these areas must connect to effectively and efficiently obligate and disburse funds.

## LOOKING FORWARD

**Streamlining Processes:** The Office of Budget and Resource Management (BRM) has actively worked to streamline the 653(a) process by developing initial allocations for USAID-managed funds, such as development and global health assistance. Additional work could be done to establish clear roles and responsibilities across USAID and State/F. BRM is also actively collaborating with State/F and USAID operating units to streamline the OP process and optimize the level of detail required.

**Monitoring and Tracking Obligations:** BRM tracks and reports on expiring unobligated program funds to ensure that they are obligated in a timely manner before the end of the fiscal year. BRM has also developed Agency-wide key dates and targets to obligate expiring program funds. BRM also plans to continue pipeline (i.e., obligated but unexpended funding) reviews to identify potential sources of funding to reprogram for unmet needs or Administration priorities.

**NOTES**



**OFFICE OF BUDGET AND RESOURCE MANAGEMENT:  
BUDGET PRE-OBLIGATION CHECKLIST**

USAID program funds are subject to numerous legal requirements that the Agency must fulfill prior to the obligation and/or expenditure of funds. This Legal Requirements Summary Checklist identifies key legal requirements that should be addressed and documented prior to the obligation and/or sub-obligation stage, with the exception of additional context- and country-specific requirements. For the more general steps in program budget execution (e.g., allocations and approvals) see the Budget Execution Process paper.<sup>1</sup>

<b>Legal Requirement</b>	<b>Obligation (Bilateral and Unilateral)</b>	<b>Sub-Obligation</b>
<b>Fiscal Year Statutory Checklists<sup>2</sup></b> <ul style="list-style-type: none"> <li>● Country Level Statutory Review</li> <li>● Activity Level Statutory Review</li> </ul>	Required <sup>3</sup>	Resident Legal Officer or General Counsel to determine if a new checklist is required
<b>Illustrative budget providing a reasonably firm estimate of the cost to the U.S. Government.</b>	Required	Required
<b>Initial Environmental Examination (IEE)/Threshold Determination</b> (see <u>ADS Chapter 204 Environmental Procedures</u> )	Required, although OU, in consultation with the Bureau Environmental Officer (BEO) could defer	New activities must fall within the scope of existing IEE or amendment is required
<b>Congressional Notification (CN)</b>	Required	New activities must fall within the scope of CN
<b>Funds Availability</b> (see <u>ADS Chapter 601 Funding Source Policy</u> )	Required	Required
<b>Foreign Assistance Act (FAA) Section 611(a) adequate planning</b> (see <u>ADS Chapter 201 Program Cycle Operational Policy</u> )	Required	Statutory requirement met prior to obligation
<b>Approval by an authorized official</b> (see <u>ADS Chapter 103 Delegations of Authority</u> )	Required	OUs may tailor approval procedures to needs
<b>Gender Analysis</b> (see <u>ADS Chapter 205 Integrating Gender Equality and Female Empowerment in USAID's Program Cycle</u> )	Required, although for a bilateral agreement, could be deferred	Required
<b>Terrorism Financing Risk-based Assessment (RBA)<sup>1</sup></b>	Required, although for a bilateral agreement, could be deferred	Required
<b>Climate Risk Screening Executive Order 13677 of 9/23/2014</b>		Required as of October 1, 2016

<sup>1</sup> The MOC Subcommittee on Streamlining Design-to-Procurement is currently developing a number of standardized and automated pre-obligation checklists for eventual Agency-wide use. These checklists will help to better align design and procurement through streamlined, inclusive program design and bring clarity and efficiency to the pre-obligation process.

<sup>2</sup> While the Statutory Checklists and Risk-based Assessments are not, strictly speaking, legal requirements, they are tools designed to ensure compliance with legal requirements and thus included here.

<sup>3</sup> Unless the Regional Legal Officer or General Counsel approve an exception.

**NOTES**

## THE EXECUTIVE SECRETARIAT: OFFICE OVERVIEW

### INTRODUCTION

The Executive Secretariat (ES) functions as the coordination and communications mechanism for the Office of the Administrator (AID/A), both with USAID and in the interagency. It is the authoritative channel for official communications and transmission of documents between USAID, The White House, and the greater U.S. Government, including, but not limited to, the Departments of State, Defense, and Homeland Security, and the National Security Council (NSC). ES, led by the Executive Secretary, comprises three teams: National Security Coordination, Liaison, and Operations. The Liaison and Operations teams are led by each team's respective Deputy Executive Secretary.

#### The ES National Security Coordination Team

The National Security Coordination Team provides expertise and guidance to elevate and institutionalize USAID's role in national security and interagency fora. The team increases the Agency's capacity to act on and affect high-level policymaking in national security through engagement with the NSC.

The National Security Coordination Team ensures the transmission of information on behalf of USAID to The White House, NSC, State, and other national-security agencies; coordinates the compilation of information regarding significant events of foreign policy and public diplomacy for the Front Office (FO); and conducts or coordinates security policy research and analysis to ensure the Agency responds properly to formal reports.

#### The ES Liaison Team

The ES Liaison Team coordinates deliverables and executive correspondence to and from AID/A:

- The daily briefing books, which provide briefing materials for the Agency Principals (Administrator, Deputy Administrator, and Agency Counselor);
- Action and Informational memorandum to the AID/A Principals and other appropriate executive correspondence;
- Requests for clearances from Agency leadership on briefing materials, action memorandum, and interagency materials, including NSC papers;
- The drafting and distribution of Summaries of Conclusions to Agency staff following Front Office meetings; and,
- The staffing of AID/A Principals on official foreign and domestic trips.

The ES Liaison Team also advises AID/A on administrative processes; serves as the Agency's institutional record in accordance with guidelines set by the National Archives and Records Administration (NARA); maintains consistency and uniformity across the Agency's high-level materials; and conveys guidance and decisions provided by AID/A to Bureaus and Independent Offices (B/IOs). The ES Liaison Team provides consultative services to B/IOs on new and established processes as well as content for executive-level correspondence.

#### The ES Operations Team

The ES Operations Team provides administrative and management services to approximately 100 individuals in AID/A and the units housed within it, including the Agency Counselor's Office; Office of the White House Liaison; Office of Budget and Resource Management; and the Center for Faith and Opportunity Initiatives. Additionally, the ES Operations Team is the administrative home for USAID employees who are detailed to the NSC, managing the selection of employees for details, coordinating the Administrator's approval of details, and providing funding (as required).

Administrator's Initiative Fund

The Administrator's Initiative Fund (AIF), currently \$3 million each Fiscal Year, finances the Administrator's operational priorities. B/IOs may submit requests to ES for funds from the AIF with a description of the activities or programs the funding would support. With the Administrator's approval, the Central Finance Office in the Bureau for Management disburses the funds.

Transportation

The motor pool team consists of two drivers who provide executive transportation and courier services for the Agency Principals.

Classified Materials

ES manages one of the Agency's three Sensitive Compartmented Information Facilities (SCIFs), secure communications, and intelligence support classified up to Top Secret/Sensitive Compartmented Information (TS/SCI) and Special Access Program information. The Front Office SCIF is reserved for Principals. ES also manages Front Office safes, where information is stored up to Secret classification.

**LOOKING BACK**

To improve the quality of documents and ensure Principals are prepared for their meetings, we adapted our standard templates to relay the most critical and relevant information the needs and desires of the Agency Principals. ES updated its internal website to display the templates as Google Documents, showing changes in real time, along with sample correspondence to guide drafters. To better align USAID products in tone and style, ES also hired a copy editor, who reviews all Front Office documents and updates the new Agency-wide Style Guide. Led by the copy editor, ES published writing tools and offered training on using plain language. To provide consistent guidance to B/IOs, ES implemented monthly training to the Agency on best writing and clearance practices for working with ES and AID/A. To increase communication with drafters, ES updated standard operating procedures for analysts to regularly attend Bureau Senior Staff meetings in order to increase the communication flow to/from ES and B/IOs. ES has strived to provide clear, concise, purposeful briefing materials in a timely manner to FO principals despite challenges from B/IOs in meeting deadlines and identifying sensitive topics. Further, ES has lacked sufficient staff for coverage at the TS/SCI level to meet mission-critical needs.

**LOOKING FORWARD**

To continue improvements to the clearance process, ES will work with Principals on preferred document format and language and will continue to engage with B/IOs through attendance at Senior Staff meetings and through designated ES points of contacts in B/IOs. To increase customer satisfaction among B/IOs, ES will provide specialized training specific to each B/IO on areas for improvement and growth. ES will continue to pursue a new Agency correspondence records-keeping infrastructure, compliant with NARA requirements and functional with the Google suite, to replace the outdated Agency Correspondence Tracking System system. ES will continue working with the Office of Human Capital and Talent Management to change the security clearance requirement for all Program Analysts to TS/SCI to ensure sufficient coverage. To establish open communication and develop interagency working relationships, ES will develop a staff exchange program with other agency Executive Secretariats. The National Security Coordinator's team will continue to work on a white paper which will identify opportunities in USAID's security infrastructure, human capital development, and interagency engagement to ensure USAID is fully supported as a national security agency.

**NOTES**

## THE EXECUTIVE SECRETARIAT: WORKING WITH THE NATIONAL SECURITY COUNCIL

### OVERVIEW

Although USAID is not a statutory member of the National Security Council (NSC), the Agency has a regular and significant presence. USAID has become a respected voice in policy making by actively arguing for development that supports national-security objectives and serving as the interagency lead on humanitarian assistance, for example, Countering Malign Kremlin Influence, the Women's Global Development and Prosperity Initiative, and the Ebola Response.

The Executive Secretariat (ES) is the primary interlocutor for NSC meetings at the Deputy Administrator and Administrator-level. As such, ES is the main point of contact for counterparts at the NSC Executive Secretariat and for meeting invitations, and the Office coordinates the preparation of materials and provides recommendations to the USAID Front Office on attendance. ES handles an average of ten to 15 NSC meetings at the Deputy Administrator and Administrator-level each month.

### MEETING STRUCTURE

The President defines the U.S. Government's system for national-security policy development and decision-making (*i.e.*, the NSC) via Presidential action at the beginning of his or her Administration. Historically, this Presidential action establishes five levels of NSC meetings to develop and coordinate interagency policy and advise the President. It also states which Departments and Agencies will hold statutory or nonstatutory membership. By design, the NSC will elevate issues not resolved in working-level, interagency meetings (*i.e.*, Policy Coordination Committee meetings or below) for decision by higher levels of U.S. Government leadership (*i.e.*, Deputies, Principals, or NSC meetings). U.S. Government leadership use these meetings to provide initial guidance to the U.S. Government on Administration strategies and policies. Because Principals and Deputies have defined decision-making authorities over their Departments and Agencies, issues already agreed on in the interagency may still be elevated to secure official approval or endorsement. Fast-breaking and urgent issues will often immediately proceed to a higher-level meeting.

- The President (or rarely, the Vice President) chairs NSC meetings, with the participation of Principals of Departments and Agencies that are invited by name. These meetings usually present final recommendations to the President for decision. The USAID Administrator, on average, attends zero to five meetings per year. USAID is rarely granted a plus one, or additional participant, to "backbench" these meetings.
- The Assistant to the President for National Security Affairs (the National Security Advisor) chairs **Principals Committee Meetings (PCs)** with participation expected from Executive Departments and Agencies and other Senior Officials ("Principals"). PCs normally resolve disagreements from lower-level U.S. Government meetings and discuss final recommendations for the President. The USAID Administrator attends an average of one PC per month. USAID is regularly granted one additional participant to these meetings.
- **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. According to National Security Presidential Memorandum-4, USAID is a named regular attendee of these types of meetings and is one of the few sub-Cabinet-level agencies to hold a regular seat. The USAID Deputy Administrator attends an average of ten to 15 DCs per month. USAID is regularly granted one additional participant to these meetings.

- A Senior Director at the NSC chairs **Policy Coordination Committee Meetings (PCCs)** with the participation of Assistant Secretaries/Assistant Administrators. ES does not handle these meetings, which are not processed through the NSC Executive Secretariat; participation is determined by Bureaus. In theory, these meetings should inform and direct the DC process. In the past, USAID Bureaus have reported to ES, or a separate NSC-focused team, when the NSC schedules PCCs and sub-PCCs and the submitted participant for tracking purposes on behalf of the Office of the Administrator.
- A Director at the NSC chairs **Sub-Policy Coordination Committee Meetings (Sub-PCCs)**, which are working-level meetings and the means by which the interagency develops initial consensus on national security policy. Department and Agency participation may occur at any level. These meetings are not handled by ES nor processed through the NSC Executive Secretariat.

Additionally, the NSC may transmit **“Paper” DCs and PCs** to Departments and Agencies through ES channels. Generally, these are requests for concurrence with an NSC policy recommendation. ES routes Paper DCs and PCs through the relevant USAID Bureaus for a recommendation on USAID’s official response before securing Administrator or Deputy Administrator approval and ES transmittal back to the NSC. Paper PCCs and paper sub-PCCs can also occur at the Bureau level. Please note that the frequency of all engagements will fluctuate with each Administration.

#### **CURRENT DETAILEES TO THE NSC (as of September 2020)**

The staff of the NSC comprises political appointees, term direct-hires, and detailed staff from U.S. Government Departments and Agencies. USAID currently has five staff members detailed to the NSC.

<b>Name</b>	<b>Grade</b>	<b>B/IO</b>	<b>NSC Office</b>	<b>Start Date</b>	<b>End Date</b>	<b>Months</b>
Eric Rudenshiold	15	ASIA	Dir Central Asia	10/2018	1/20/2021	28
Kevin Brownawell	15	OAPA	Director for Pakistan	1/2020	1/06/2021	12
Daniele Nyirandutiye	FS	AID/A	Dir S. African Affairs	5/2020	5/26/2021	12
Christopher Steel	FS	HCTM	Dir. HRights, Democ., & Conflict	6/2020	6/07/2021	12
Joseph Foltz	FS	ME	Dir. Humanitarian Affairs	8/2020	8/20/2021	12

#### **LOOKING FORWARD**

With the growing number of protracted crises and challenges, development and humanitarian assistance have become even more vital as national-security tools between foreign policy and defense, and USAID has become a sought-after voice to provide data-driven input on a wide range of issues; therefore, it is USAID’s upmost imperative to maintain and expand its presence at the NSC and in these interagency discussions—leveraging its expertise and resources—to speak to these equities consistently and provide the U.S. Government the greatest impact.

Given a majority of NSC-related decisions are made at the PCC or sub-PCC levels, it is important to continue to request that USAID Bureaus report on the discussions, positions, and outcomes of these meetings. This will ensure USAID input at the PCC or sub-PCC levels does not run counter to Agency policy and other Administration priorities that Agency Front Office is tracking. This can also provide Agency Front Office another channel to advocate for USAID participation in a PC or DC, if the Agency has not been extended an invitation by the NSC.

NSC detailees provide important insight on the ever-changing dynamics of the NSC, and they can serve as USAID advocates and interlocutors in meetings and discussions USAID would otherwise not have access to or be aware of. It is recommended that the Agency maintains purposeful communication with its NSC detailees so they can provide input and report back when necessary.

**NOTES**



**THE EXECUTIVE SECRETARIAT:  
OFFICE OF THE ADMINISTRATOR OPERATIONS**

## **INTRODUCTION**

Each Office of the Administrator Principal (Administrator, Deputy Administrator, Counselor, Chief of Staff, and Associate Administrator) is supported by a team of staff who help manage his or her day-to-day needs and long-term planning. Typically, each Principal has a Special Assistant and an Executive Assistant.

Beyond this personal staff, there are teams that handle strategic scheduling, speechwriting, travel, and paper flow for all Principals, working closely with each Special Assistant and Executive Assistant.

## **SUPPORTING A PRINCIPAL**

The Special Assistants and Executive Assistants respond to the Principal's immediate needs at any time, day or night. Support staff for each Principal handle the following tasks:

- **Scheduling:** Maintain the Principal's calendar and oversee the process of coming to and conveying scheduling decisions (see Scheduling section for more detail).
- **Staffing:** Guide the Principal through his or her day by setting up engagements and ensuring engagements begin and end on time, staff the Principal during meetings and events, and ensure follow-through on commitments arising during meetings or directly from the Principal.
- **Paper Flow:** Obtain clearances on memoranda, obtain and provide preparatory materials for meetings (see Paper Flow section for more detail).
- **Other Administrative Tasks:** Conveying sensitive messages to internal and external leadership, maintaining a list of points of relevant points of contact outside of USAID, and other miscellaneous tasks.

## **DAILY OPERATIONS AND SCHEDULING**

Executive Assistants typically serve the scheduling function for a Principal, though the Administrator typically has more than one scheduler. Schedulers have two primary functions: day-to-day calendar management and overseeing the approval of new engagements (events or meetings) for the Principal.

The scheduler or scheduling team is responsible for ensuring that the Principal is where he or she needs to be at all times. This can include escorting guests into the office and beginning a meeting, pulling the Principal out of meetings, and breaking up meetings when they are scheduled to end. This also includes setting up phone calls and setting up the camera and microphone for virtual events.

Additionally, the scheduling team maintains a Google Calendar for the Principal that contains all engagements. An important aspect of the calendar is invitees to meetings: only those listed as invitees on a calendar invitation are allowed to attend.

Typically, the formal scheduling approval process applies to events and external meetings, while internal meetings and briefings are handled more informally.

The informal scheduling process occurs between the Principal and scheduling team, and can include 1:1 meetings with staff, phone calls, internal briefings, and similar engagements. The formal scheduling approval process is more detailed and involves formal submission, review, and response for all invitations, whether they originate externally or in a USAID bureau or independent office.

1. A Bureau or Independent Office (B/IO) receives an invitation or proactively creates an event or meeting.
  - a. When the Front Office receives an invitation directly, the scheduling team, via the ES Appointments inbox, tasks a B/IO with providing a recommendation.
2. The B/IO submits a completed scheduling request form to the scheduling team.
  - a. There are three types of forms: meeting requests; event requests; and video requests.
3. The scheduling team presents all requests during a weekly Long-Term Strategic Planning meeting with key Agency Leadership (Chief of Staff, Senior Advisors, Deputy Chief of Staff, Assistant Administrator for the Bureau for Legislative and Public Affairs [LPA]) and all Front Office support staff. The group provides feedback and a recommendation.
4. The scheduling team presents the requests to the Principal, who approves, declines, or defers the requests.
  - a. For declines or deferrals, the scheduling team responds either to the B/IO or directly to the organizer on behalf of the Principal.
  - b. For approvals, the scheduling team schedules the engagement and starts the formal process for preparatory materials (for meetings, this includes tasking ES with briefing materials; for speaking engagements, this includes tasking the Speechwriting team with remarks).

The Director for Scheduling emphasizes the strategic, long-term aspects of the scheduling process in addition to the day-to-day management of the other schedulers. The Director of Scheduling is responsible for modifying existing processes, training new schedulers, ensuring adherence to the established process, maintaining a long-term calendar of events and travel up to six-months out, and presenting this calendar during the long-term planning meeting.

#### **PAPER FLOW TO THE FRONT OFFICE**

Each Principal receives a large number of briefing and decisional documents each day. The substance of these documents originates in the bureaus, independent offices, and missions, and the Executive Secretariat's (ES) Liaison team ensures that the process for assigning, clearing, receiving, editing, and delivering these documents is well organized and efficient.

Agency Leadership will receive several types of correspondence every day, including the following formal correspondence:

- Action Memoranda are decisional documents for your approval or disapproval. Action memoranda include a recommendation.
- Informational Memoranda are short, informative documents that require no decision.
- Briefers or Annotated Agendas help prepare the Principal for meetings and events. Each new Administration works with ES to customize his or her briefing templates to best fit the needs of all Principals.

It is the responsibility of Special Assistants and Executive Assistants to obtain clearance from Principals on action memoranda and to maintain daily communication with the ES Liaison Team to ensure that action memoranda are reviewed on schedule and that the appropriate briefing materials are assigned well in advance of the date for which the Principal requires them.

In the past, ES has provided the Administrator and Deputy Administrator with both hard copy and electronic briefing books at the Front Office's request. All briefing materials are final and included in the books by close of business the day prior.

## **TRAVEL**

Agency Leadership travels regularly to participate in conferences, conduct site visits, meet with partner governments, and for other purposes as necessary. These trips contribute greatly to Principals' understanding of USAID's work in the field; boost Mission morale; provide opportunities to celebrate USAID's work in the press and social media; and build relationships with partner governments, organizations, and implementing partners.

The Travel Strategy and Logistics Team, often referred to as the "Trips Team," supports travel by Agency Leadership. The Trips Team team serves as the liaison between the Agency Front Office, Regional Bureaus, and missions when planning and executing travel. In most cases, the Trips Team spends four to six weeks planning a trip and is responsible for working with the appropriate individuals in the Agency to make arrangements for all logistics, briefing materials, and budget considerations for a trip. At a mission's request, the Trips Team sends a staff member to advance the trip to provide additional support. A Trips Team member also typically accompanies Agency Leadership on multi-country trips to serve as an overarching control officer. Under normal circumstances, the Trips Team supports between one and three trips per month, including domestic travel.

## **PREPARATIONS FOR SPEECHES AND EXTERNAL ENGAGEMENTS**

While technically funded out of the Bureau for Legislative and Public Affairs, the Speechwriting team functions as an element of the Front Office. The Speechwriters are responsible for the written content for speeches, opening remarks before high-level conversations, formal responses to moderated questions during panel discussions, scripts for pre-recorded videos, cover letters for major Agency reports, and formal statements during Congressional testimony.

Speechwriter involvement begins when the scheduling team confirms Principal participation in an event with formal remarks. The schedulers meet with event organizers and the Speechwriting Team to establish the nature of the Principal's participation and the run-of-show. The Speechwriting team then requests that the appropriate USAID bureau or independent office produce bullet points, fact sheets, and a background narrative, collectively called "building blocks." The Speechwriting team converts these building blocks into draft remarks, then requests clearance from the appropriate bureaus and independent offices. Once the remarks are clear, the Speechwriting team submits them to the Principal, who typically discusses and reviews them ahead of the event and may request that the Speechwriting team make revisions.

For this process to work optimally, the Speechwriting team should participate in long-term planning meetings and scheduling meetings, be closely integrated with the schedulers, and have at least two weeks from the confirmation of an event to the date of the event to draft and finalize remarks.

**NOTES**

## THE ADVISORY COMMITTEE ON VOLUNTARY FOREIGN AID OVERVIEW

### INTRODUCTION

The Advisory Committee on Voluntary Foreign Aid (ACVFA) was established by Presidential Directive on May 14, 1946, by President Harry S. Truman in a letter to the Secretary of State and is governed by a renewing charter with the purpose of serving 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, and to assure a vital role for the voluntary sector in the formulation and execution of foreign-assistance programs.

ACVFA's scope is to consult with, provide information to and advise 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; and to foster public interest in the field of voluntary foreign aid and the activities of private and voluntary organizations. Per its charter, ACVFA is expected to hold two public meetings annually. However, over the course of the last decade, it has usually held three public meetings a year. Current practice is to aim for quarterly business and public meetings so as to demonstrate a commitment to greater engagement. ACVFA serves indefinitely, on a continuing basis, subject to biennial renewal as required under the *Federal Advisory Committee Act* of 1972. The current charter terminates on April 21, 2021, and will require renewal prior to its expiration.

ACVFA produces sets of recommendations and reports on topics that range from Monitoring and Evaluation, Local Capacity-Building, Utilizing Private Sector Engagement to Support the Journey to Self-Reliance, 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](#).

### COMPOSITION

According to its charter, ACVFA comprises no fewer than 15 and no more than 30 members appointed by the USAID 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 statutes of conflict of interest. They serve two-year terms, which may be renewed for a maximum of three terms. ACVFA members are almost always the CEOs and/or Presidents of organizations with rare exceptions, providing senior-level input and engagement with the Administrator. The ACVFA Chair is designated by the USAID Administrator. The Administrator may also designate a Vice-Chair if desired.

As of November 2019, 24 out of 30 possible slots were filled. . Current members represent a diverse group with over half coming from nonprofits and the remainder from foundations, for-profits, academia, and the private sector.

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 continued throughout the Obama Administration, but was not implemented during the Trump Administration.

## **SUPPORT**

Per its charter, ACVFA reports to the USAID Administrator and is supported by staff in the Office of the Administrator. The ACVFA Executive Director manages the Committee and serves as the Designated Federal Officer of the Committee and is responsible for all aspects of the committees' and subcommittees' meetings. Per its charter, and historically, the committee has required 1.5 staff persons, though it is usually supported by one dual-hatted Administratively Determined employee. The current Executive Director position is an Administratively Determined position.

From the mid-1970s through 1992, ACVFA was backstopped out of the Bureau for Democracy, Conflict, and Humanitarian Assistance, which at the time, was the predominant interface for private voluntary organizations in the Agency, in line with ACVFA's original narrower focus. During the transition from the Bush to Clinton Administrations, a USAID InterAction Task Force recommended elevating ACVFA to a Secretariat in the Office of the Administrator. This move reflected 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 private voluntary organization community to a broader and more diverse stakeholder community. ACVFA 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 since the Clinton Administration.

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 and the costs required for staff support. The annual operating costs in dollars and persons is \$150,000.

**NOTES**

**OFFICE OF THE GENERAL COUNSEL:  
OFFICE OVERVIEW****INTRODUCTION**

The primary role of the Office of the General Counsel (GC) is to advise, counsel, and serve the Agency through its 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. GC also takes pride in the quality of its customer service—#1 amongst all service functions in the Agency based on the annual Customer Service Survey since its inception—as well as the felt experience of employees in the office—#1 in the Agency on the Federal Employee Viewpoint Survey.

**LOOKING BACK**

GC has occupied a central role in many of the Agency's most important initiatives over the past few years. To highlight just a few, GC provided crucial legal support in high-profile Agency actions, such as addressing the needs of displaced Syrians and responding to the COVID-19 pandemic. GC also guided Agency staff through statutory and regulatory requirements relating to sanctions and material support to terrorists and revised Agency policy and procedures on partner vetting. GC co-led the launch of the Administrator's Action Alliance to Prevent Sexual Misconduct to address issues in the workplace as well as relating to programs. GC was integral in advancing the Journey to Self-Reliance, drafting policies, procedures, and templates relating to Private-Sector Engagement, and spearheading reforms in furtherance of the Effective Partnering and Procurement Reform initiative. GC played an instrumental role in supporting the Agency-wide reorganization. GC supported the Agency's implementation of the Presidential Memo on Protecting Life in Global Health Assistance (2017), including leading the U.S. Government (USG) effort to promulgate a new Federal Acquisition Regulation rule, and ensured compliance with the Establishment and Free Exercise Clauses of the First Amendment of the Constitution while advising on the revision to the Agency's rule on participation by religious organizations. In the field, RLOs negotiate critical bilateral 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. RLOs are typically key members of the mission's senior management team and provide legal input on a wide range of issues including design and implementation requirements; labor law, ethics, and procurement integrity rules; FOIA and Congressional inquiries; and much more. GC represented the Agency in administrative fora and in conjunction with the Department of Justice in federal courts for all litigation matters.

**LOOKING FORWARD**

**COVID-19:** In support of the Agency's operational and programmatic functions in response to the COVID-19 pandemic, GC attorneys in Washington and RLOs overseas advise on a wide range of issues. Operational issues include guidance on personnel issues, including rules regarding authorized departures, emergency and sick leave, privacy, and workplace flexibility. GC is also advising officials on legal requirements and restrictions relating to programming, including country restrictions, reprogramming of funds, and emergency flexibilities relating to acquisition and assistance. GC also supports colleagues on issues raised by the Government Accountability Office and ongoing Office of the Inspector General audits.



**Legal Innovation and Supporting Reforms:** 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 its statutory/regulatory framework with cutting-edge modalities, 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. GC has also spearheaded a number of policy reforms in furtherance of the Agency’s Effective Partnering and Procurement Reform initiative, increasing the use of pay-for-results mechanisms, lowering barriers to entry for organizations new to USAID by demystifying the use of Broad Agency Announcements and advancing the New Partners Initiative.

**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. An additional challenge in many of these countries is the presence of groups or individuals sanctioned by the Treasury Department’s Office of Foreign Assets Control or entities designated as Foreign Terrorist Organizations. Violations of sanctions or statutes prohibiting material support to terrorist organizations 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 Law and Compliance:** 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.

**National Defense Authorization Act Section 889 Compliance:** Section 889 of the 2019 *National Defense Authorization Act* (NDAA) prohibits the USG, inc. contractors, and recipients, from “entering into, or extending or renewing, a contract with an entity that uses any equipment, system, or service that uses covered telecommunications equipment or services” produced by Huawei, ZTE, Hytera, Hikvision, and Dahua and their subsidiaries as a “substantial or essential component of any system, or as critical technology as part of any system.” USAID is in the process of implementing the Section 889 statute, the interim Federal Acquisition Regulation Rule, and the relevant revisions to 2 CFR Part 200. GC has played and will continue to play a critical role in ensuring Agency compliance with these requirements.

**Negotiations with Public International Organizations on Standard Provisions:** GC recently opened negotiations with USAID’s major United Nations and other public international organization recipients to significantly revise existing or introduce several new standard provisions in its funding agreements to

further enhance accountability and program results. These revised or new provisions incorporate best practices to increase transparency and accountability for our investments, including preventing terrorist financing, prevention of and reporting on allegations of sexual exploitation and abuse, and reporting requirements for financial mismanagement.

**Preventing Sexual Exploitation and Abuse:** GC continues to serve in a visible way to advance the Action Alliance for Preventing Sexual Misconduct (AAPSM). GC played a critical role in developing the Agency's first ever Policy on Protection from Sexual Exploitation and Abuse and will continue efforts to operationalize it through new contract and agreement requirements for our implementing partners. GC has also engaged heavily in a new comprehensive Automated Directives System chapter designed to prevent and address internal workplace sexual misconduct at USAID and in establishing new screening measures for our workforce as part of the hiring process.

**Litigation and Enforcement:** 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.

**NOTES**

**OFFICE OF THE GENERAL COUNSEL:  
LEGISLATIVE FRAMEWORK AND DELEGATIONS OF AUTHORITY**

### **BASIC STRUCTURE OF LEGISLATION**

The *Foreign Assistance Act* (FAA) from 1961 provides a basic statute for USAID 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.

### **AUTHORITY TO PROVIDE ASSISTANCE**

The FAA 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 which typically fall within two categories: 1) prohibitions regarding the eligibility of countries to receive all or some assistance; and 2) prohibitions regarding the type of assistance that can be provided.

In the first category are, for example, prohibitions on aid to certain countries that are designated as terrorist states and/or that have severed diplomatic relations with the United States, etc. Examples include Cuba, Iran, and Syria. Depending on the language of the prohibition, aid may be barred 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, such as 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 Executive Order (E.O.) 12163 relating to the administration of foreign assistance programs, and amendments to the Department of State 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. E.O. 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 Economic Support Fund 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 USAID 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. Neither President Obama nor President Trump 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 unless they are specifically appointed by the President to be the Acting Administrator pursuant to the Vacancies Reform Act. This Memorandum will need to be updated once the Transformation of the Agency is complete.

## **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, 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, the Development Finance Corporation, 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. The annual foreign assistance appropriations act also serves 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 to meet emergency food needs, notwithstanding any other provision of law. Title II also authorizes provision of nonemergency food assistance. 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 the Office of Management and Budget and to 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*. In addition to amendments relating to such matters as progress reviews and transparency, the 2011 Act 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 many additional statutes which apply to USAID as well as to the rest of the U.S. government. One category deserves special mention: Congressional attempts over the past quarter-century to hold the Executive Branch more accountable, especially in the financial area, and, more recently, information security. Examples include the *Inspector General Act* (1978), the *Chief Financial Officer Act* (1990), the *Federal Managers Financial Integrity Act* (1992), the *Government Performance and Results Modernization Act* (2011), the *Federal Information Security Modernization Act* (2014), and the *Modernizing Government Technology Act* (2017). 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.

**NOTES**

**OFFICE OF HUMAN CAPITAL AND TALENT MANAGEMENT:  
OFFICE OVERVIEW****INTRODUCTION**

The Office of Human Capital and Talent Management (HCTM) is an Independent Office led by the Chief Human Capital Officer, who serves as a core member of USAID's Senior Leadership Team. HCTM employs 208 staff who manage the entire employment cycle for Foreign Service and Civil Service employees; develop strategies and policy initiatives to proactively address workforce issues and constraints; provide training and career development services; oversee performance evaluation and promotion; and offer staff counseling and wellness support. HCTM consists of the following 10 offices: Center for Performance Excellence; Center for Professional Development; Employee and Labor Relations; External Outreach and Strategic Recruitment; Foreign Service Center; Human Capital Services Center; Operations; Overseas Human Capital Initiatives; Staff Care; and, Workforce Planning, Policy, and Systems Management. HCTM executes an annual budget of \$70 million in support of the USAID workforce members and their eligible family members. HCTM staff frequently advise and consult with the Administrator, Deputy Administrator, and Agency Counselor on USAID-wide human resources-related issues.

HCTM is responsible for hiring, training, deploying and retaining the Agency's diverse workforce of 1,691 Civil Servants, 1,705 Foreign Service, and 4,720 Foreign Service Nationals, in 87 countries, in coordination with and with technical assistance from the Bureaus for Management, Policy, Planning, and Learning, and other bureaus. HCTM also reports data on 1,140 U.S. Personal Services Contracts, 105 Participating Agency Service Agreements, and 42 Fellows. HCTM plays a pivotal role in achieving the vision of the Journey to Self Reliance by hiring, developing, and deploying an agile and mobile workforce, modernizing its performance management system, and optimizing the talent of Foreign Service Nationals in a culture of respect, learning, and accountability. HCTM's ability to develop a workforce that is innovative, entrepreneurial, capable of managing risk, and adept in engaging private-sector partners is critical to helping partner countries on their own development journeys while advancing U.S. national security and economic prosperity. Meeting these heightened expectations depends on developing a strong cadre of senior managers and building stewardship and operational skills for a workforce of nearly 10,000 employees, working to accomplish our mission around the globe.

**LOOKING BACK**

USAID is undergoing a historic internal reorganization affecting most of its Washington staff. HCTM is a key player in the Agency's restructuring efforts. Further, budget constraints over the past several years have limited USAID's ability to hire both Civil and Foreign Service employees, but this changed in Fiscal Year 2020 with Congress' significant increase in funding for new hires. Consequently, HCTM is implementing a major initiative to hire staff to address the global shortfall of U.S. Direct Hires across the Agency.

HCTM is implementing the Transformation Strategy to fundamentally change how USAID provides services to our 21st century workforce. Transformation priorities include the implementation of customer-focused service standards; inclusion of Foreign Service National perspectives throughout the process; implementation of new Foreign Service performance management, promotion, and assignment processes; redesign of USAID's workforce planning system; replacement of legacy systems with state-of-the-art technology solutions; clean-up of employee data; and, creation of innovative learning opportunities.



HCTM's highest priorities are recruiting, hiring, and onboarding diverse talent across the Agency; implementing the Agency's restructuring; and, building both a comprehensive and strategic workforce-planning capability that supports the entire workforce, irrespective of hiring mechanism. Through Transformation HCTM is focused on designing and implementing new, flexible personnel practices and systems so that the Agency's workforce can focus on the mission, rather than outdated and burdensome personnel processes. In addition, HCTM began revitalizing its workforce planning and people analytics. HCTM continues to strive to overcome past challenges in terms of employee satisfaction.

## **LOOKING FORWARD**

In 2020 and beyond, HCTM will continue the reforms begun under the Transformation, maturing processes already developed and overhauling the way HCTM provides human resources services to the Agency. HCTM will continue its efforts on recruiting, hiring and onboarding diverse talent and is committed to reaching required hiring levels and then meeting and maintaining its funded General Service and Foreign Service hiring levels. HCTM will continue to rebuild its own staff, both through General Service and Foreign Service mechanisms as well as contracted staff. Key Human Resource Transformation priorities for 2020 and 2021 include further development of the employee portal LaunchPad, advancements in strategic workforce planning including mechanisms for ensuring technically informed human resources decision-making (particularly with regard to backstops with internal control functions), transformation of the Agency's onboarding process, advancements in the Agency's approach to recruiting and hiring, and performance management reforms.

**NOTES**

## OFFICE OF HUMAN CAPITAL AND TALENT MANAGEMENT: HUMAN RESOURCES TRANSFORMATION

### INTRODUCTION

In 2016, USAID launched a five-year Human Resources (HR) Transformation Strategy to support the human resources and talent management needs of its current and future workforce. HR Transformation also underpins broader Agency Transformation efforts, and has made substantial progress to date in reforming how USAID pursues HR operations and service delivery.

In order to transform USAID's HR, the Agency used the findings of an Agency-wide HR assessment to inform an HR Transformation Action Plan. Its proposed reforms and operational changes are broad in scope, covering all HR services. The resulting HR Transformation Strategy focused on three critical objectives, each with a set of intermediate results to be achieved: 1) establishing efficient customer-focused HR operations; 2) strengthening talent management and workforce planning; and, 3) building a culture of accountability, wellbeing, and inclusiveness. The Human Capital Framework under USAID's Automated Directive System 401, reinforces these objectives through its policy directions. Together with the HR Transformation Strategy and Action Plan, these Agency directives provided the roadmap for much-needed change.

### LOOKING BACK

Since 2017, significant progress has been made, both operationally and in improving the quality of service delivery. Major examples include:

**Launchpad: the New HR Service Delivery Portal:** Responding to significant concerns raised in the HR assessment, HCTM identified streamlining and digitizing HR systems as essential to improving the employee experience with HR services. Launchpad, an on-line one-stop portal, debuted in 2018 giving USAID employees a customized view of their data and a platform to request and receive HR services. Examples of services employees now receive through Launchpad include the following:

- Employee Profile - the My HR DATA page consolidates data into one easy-to-understand view for employees, increasing transparency and accountability.
- Moments that Matter - through this interactive interface, employees can navigate HR tasks related to milestones such as changes in family status and preparing for retirement.
- My HCTM Requests - introducing greater transparency into HR processes, HR requests can be tracked by service requesters and HCTM staff through the entire lifecycle of a ticket.
- Assignment and Bidding Tools - Foreign Service Officers can now easily view worldwide available positions, contact Mission personnel and organize bidding preferences. Getting to Post - this tool prompts HR Specialists and Foreign Service Officers with tasks that require their action to facilitate transfers from one country to another.

**HCTM Contact Center:** A Contact Center was established to support employees on any HR-related question or issue. The full-time Contact Center communication team received more than 39,000 HR cases through LaunchPad between August 2019 and August 2020, and maintained an average monthly survey score for customer timeliness and resolution of 4.4/5 over the past year.

**Development of Workforce Planning Analytical Tools:** USAID plans to expand the use of workforce data analysis to project workforce trends, guide planning and decision-making, and study specific issues related to its workforce. The first analytical tool developed and is now in testing is a model to assist in allocating Foreign Service positions among overseas posts.

**Access to Data for HR Decision-Making and Service Delivery:** Through the creation of on-line dashboards in Launchpad, HCTM leadership and staff now have access to timely data to manage workload, respond to employee requests and oversee teams. Data access has strengthened USAID compliance with the Office of Personnel Management's Human Capital Framework and improved HCTM's collaboration with Agency stakeholders, using workforce data to make decisions and promote collaboration around human capital management.

**Workforce and Talent Analytics:** USAID's Data Warehouse provides a single source of truth for personnel data and reporting. Six data sources have been successfully integrated into the Warehouse. USAID decision-makers can see data on the entire workforce in one place, enabling automated reporting and effective Agency-wide workforce planning. Workforce and Talent Analytics tools draw from the Data Warehouse to develop tables and reports used in workforce planning and Agency reporting. The Data Warehouse also tests and implements business rules created to improve data accuracy and standardization across HCTM's HR information-technology systems.

**Foreign Service Performance and Promotion Management Reform:** USAID redesigned the policies surrounding Foreign Service Performance Management, incorporating key processes into Launchpad. FSOs now have quarterly conversations with their supervisors about work priorities and performance and use Launchpad to enter their annual accomplishment records. When FSOs are eligible for promotion, their supervisor, peers and subordinates complete a review of their core skills that is used by the Promotion Boards to assess readiness. FSO feedback on these changes has been positive.

## LOOKING FORWARD

The initial HR Transformation five-year time horizon ends in October 2021. At that time, USAID expects to have substantially improved the HR customer experience and will be able to sustain an efficient, customer-focused HR operation with 70 percent of personnel actions automated. Next steps include:

**Defining the Next Frontier for HR Transformation:** During 2021, HCTM will identify the next generation of reforms needed to further reinforce, deepen and improve USAID's HR operations and service delivery, and better meet the professional development needs of its world-wide workforce. Anticipated areas of focus include how best to establish sustained contracted technical support for basic HR operations, and more emphasis on strategic planning and workforce development.

**Building Leadership Skills:** The Agency has identified a leadership philosophy and the desired attributes of leaders at all levels. Future work will further incorporate this philosophy into Agency-wide training programs and performance expectations. In addition, the Agency will identify gaps in leadership through analytics and recruit and develop leaders to meet the future demands of international development.

**Strengthening Workforce Planning:** As USAID devotes greater resources to strategic workforce planning, analytical tools will be integrated into decisions about workforce composition, hiring priorities, career-pathing and professional development for employees in all categories. Further elaboration of Talent Analytics tools will underpin better workforce planning and staff development initiatives.

**Expanding Launchpad Capabilities:** As examples, a new Onboarding process for new U.S. Direct-Hires will provide a more efficient experience and is estimated to save HR employees over 11,000 hours annually, compared to the current manual processes. To respond to COVID-19, a Mission Personnel

Tracker was built to collect and report in real time on the location status of overseas American staff and their family members. Post-COVID-19, this tool will be adapted for use with future evacuations.

**Institutionalizing the Agency Approach to Field Services:** As Bureaus become legally established and moved toward operationalization, there is the need to maintain focus on change management and communications to support staff. The ultimate change management goal of the reorganization is to support and enable staff to adopt and ultimately embrace changes. The RMU, in consultation with Bureau points of contacts, developed an Agency Restructure Change Management Plan, which is a linear, phased model that each Bureau progresses through. An important aspect of change management will be the successful implementation of the Agency Approach to Field Services which will ensure that Transformation remains field-focused.

**NOTES**

**OFFICE OF HUMAN CAPITAL AND TALENT MANAGEMENT:  
WORKFORCE PLANNING, POLICY, AND SYSTEMS MANAGEMENT****INTRODUCTION**

Human Resources (HR) Transformation includes Workforce Planning Strengthened to Enable Effective Staffing and Employee Mobility. Rebuilding this capacity also aligns with what the Office of Personnel Management proposes as a strategic Workforce Planning process. USAID's workforce planning capability supports the identification, deployment, and management of the optimal workforce mix for the Agency. USAID's workforce planning seeks to bolster the Agency's impact, as well as to coordinate and harmonize among staffing categories to ensure USAID's global workforce is best-positioned to fulfill U.S. foreign policy objectives. This also involves an effort to create a capacity in the Agency for People Analytics, or Human Resource Analytics, which uses analytics to identify, attract, develop, and retain talent.

Workforce Planning is particularly challenging at USAID as a result of the variety of human resource systems and hiring mechanisms. The two main data systems used for workforce analysis and planning are managed by external agencies: the Department of State manages USAID's Foreign Service National personnel system and the National Finance Center is one of the shared service providers managed by the U.S. Department of Agriculture for federal agencies. Accurate, quality data is one of the most critical challenges for analyzing and managing USAID's workforce.

**LOOKING BACK**

Workforce Planning was hindered from 2016 to 2019 with the loss of the Workforce Planning model used to allocate staff along with a corresponding high turnover and loss of staff in the Workforce Planning division in the Office of Human Capital and Talent Management. Even with the previous Workforce Planning model, USAID lacked a full, sustainable system to support comprehensive workforce planning. As captured in 2003 and 2010 audits, USAID's corporate workforce planning has primarily focused on U.S. Direct Hires (USDHs) (the Civil Service (CS) and Foreign Service (FS)) rather than comprehensive workforce planning, despite a growing number of non-direct-hire staff. Workforce planning has been primarily decentralized, which provides flexibility, but fails to ensure the most effective use of the workforce. Human resource professionals across the Agency are using "cuff" systems and tools to manage workforce planning and have limited access to workforce data.

In 2018, the Office of Human Capital and Talent Management contracted with Deloitte to assist with rebuilding workforce planning and workforce analytical capabilities. In 2019 and 2020, USAID increased staffing in the Workforce Planning division. The rebuilding effort focused on creating a workforce strategy, a workforce analytics tool, a Workforce Planning model, and a Workforce Planning governance structure. The Fiscal Years 2020-2022 [Interim Strategic Workforce Plan](#) issued in February 2020 was the first strategic workforce plan since 2010, both of which were required by Congress. The Plan provides the Agency's vision for strategic Workforce Planning and analytics in support of the Agency Transformation and the recruitment, hiring, and onboarding of the talent required to achieve USAID's Mission. The Plan allocated the Agency's Operating Expense-funded Civil Service and Foreign Service positions, articulated the plans for USAID's overseas footprint, and included a plan to guide future Workforce Planning efforts. The Plan, however, does not address the allocation of program-funded direct-hires, including Foreign Service Limited appointments and the Presidential Emergency Plan for AIDS Relief-funded Civil Service staff. These staffing categories have increased in size over the past four years. USAID developed and piloted the Talent Analytics tool, a workforce-planning module that also replaces a manual calculation with an automated system recommending the number of promotions for the Foreign Service. USAID also piloted a new model for allocating Foreign Service Officers overseas.

The Bureau for Management uses the Plan's Civil Service and Foreign Service allocations to develop budget recommendations during the annual Operating Expense Operating Year Budget process. The Bureau for Management also uses these allocations when formulating out-year budgets, including the Agency's annual budget submission to the Office of Management and Budget and Congressional Budget Justification. The Plan levels inform budget levels and the allocation of other direct costs for all operating units. The Bureau for Management also relies on the Workforce Planning to project annual direct-hire attrition levels, which is used to establish the Operating Expense Operating Year Budget.

## LOOKING FORWARD

The regular development of a Strategic Workforce Plan, along with the monitoring and possibly evaluation of USAID goals in that plan, will help ensure alignment of our workforce with Agency priorities and provide clear guidance to Agency staff. This will also add value to Agency efforts to identify and implement policies, systems and practices that improve representation of racial and ethnic minorities, women, and people with disabilities in USAID's workforce. USAID is now at the point of using data to inform decision-making for comprehensive workforce planning across hiring mechanisms.

**Workforce Strategy:** HCTM plans to replace the Interim Strategic Workforce Plan with a new four-year strategy that aligns with the Human Capital Operating Plan. This new Strategic Workforce Plan will include broad Agency engagement and set out definable goals and metrics to monitor progress.

**Workforce Analytics:** USAID will deploy Talent Analytics as a workforce-planning module with direct access to our personnel data that will feature interactive dashboards, automated reporting, and ad-hoc reports. Talent Analytics will be deployed in phases beginning in October through December 2020 with the Office of the Administrator, the Management Bureau, the Latin American and Caribbean Bureau and Missions within the Latin American and Caribbean region. Two more rollout phases of three months each are planned to start in January 2021. Talent Analytics will continue to evolve over the next two years, which will improve our data-driven, targeted workforce-planning incrementally with each iteration. The successful deployment of Talent Analytics could address many challenges to Workforce Planning. Access to this tool, along with regular training of staff, will enable Workforce Planning at the Mission, Bureau, and Independent Office level. Access to, and usage of, data among human resource professionals across the Agency will create the opportunity for increased data corrections. If adoption is unsuccessful, the result could be an expensive tool with inaccurate and unreliable data, which eliminates the ability to do accurate comprehensive workforce planning.

**Workforce Planning Model:** The new model is focusing first on collecting additional data from overseas Missions in October 2020 with the plan to use the model to produce initial recommendations on the allocation of Foreign Service Officers overseas. USAID is working on the methodology for modeling the Washington direct-hire workforce and other mechanisms. Continued refinement and advancements in the model will enable data-based decision-making along with data-based justifications for the right staffing levels and staffing mechanisms for the Office of Management and Budget and Congress.

**Workforce Planning Governance:** Workforce Planning governance provides tools for Agency-wide workforce planning and clear rules and processes for workforce analysis, planning and decision-making. The current plans include a senior-level review and decision-making process to weigh workforce allocation recommendations produced by HCTM. USAID is also producing a series of Agency policies,



**NOTES**

**OFFICE OF HUMAN CAPITAL AND TALENT MANAGEMENT:  
FOREIGN SERVICE NATIONAL ENGAGEMENT AND EMPOWERMENT****INTRODUCTION**

Foreign Service Nationals (FSNs) are typically citizens of USAID host countries, who are hired to work as staff of USAID Missions located in their country of residence. The professional support and leadership of USAID's FSNs are indispensable in advancing the Agency's mission worldwide. USAID's 4,720 FSNs represents around 75 percent of field staff and 48 percent of USAID's total global workforce. FSN staff have vital insights into the partner country, leveraging development opportunities, and advancing self-reliance. They provide technical expertise, along with consistency and institutional memory, when American staff typically spend four years or less in each country. FSNs play important roles in nearly all aspects of USAID's work overseas, often more cost-effectively than Americans.

The strength of FSNs directly contributes to the agility of the overall workforce. The ability of FSNs to engage actively in decision-making enhances USAID's ability to achieve development impact. FSNs often come from high-level positions in their home countries, and many go on to important development roles when they leave USAID, including in the highest levels of government and the private sector. Investing in FSN skills and empowering them to lead at all levels ensures USAID's long term success worldwide.

In 2014, USAID established the global FSN Advocacy Council (FSNAC) to champion and advance FSNs and model the core values of excellence, integrity, respect, empowerment, inclusion, and commitment to learning. In demonstrating these core values, the FSNAC promotes more active involvement of FSNs in strategic direction and operations. USAID's Office of Human Capital and Talent Management (HCTM) and Regional Bureau representatives work closely with the FSN Advocacy Council representatives who are elected to two-year terms by their FSN peers, and USAID Mission leadership work with the FSNAC's representatives in their countries to support FSN staff and advance the Council's priorities. The FSNAC ensures that FSN issues are represented at the highest levels of HCTM, Regional Bureaus, the Agency, and Missions, in Washington and in the field. The Administrator conducts periodic meetings with the Council, and, in 2018, established the Global FSN Recognition Day.

**LOOKING BACK**

Empowering FSNs and leveraging their talent have been critical priorities for USAID over the past four years. The Agency's Transformation included a "Leveraging FSN Talent" project as a critical element, which the FSNAC played a leading role in conceptualizing. An important principle guiding the effort was the critical role of FSNs in our partner countries' Journey to Self Reliance (J2SR), as no element of USAID's workforce has a greater understanding of or stake in the J2SR than FSNs. The FSNAC established five pillars for action in support of their priorities and USAID's transformation:

**Compensation and Benefits:** The FSNAC advocated for greater equity across missions and staff categories by improving local compensation practices that increase resilience and productivity of FSNs. USAID developed resources including webinars to provide clarity on policies, and shared best practices on telework, salary advances, compensatory time for travel, and other significant benefits.

**Communication and Inclusive Collaboration:** The second pillar sought to enhance FSN empowerment and inclusion by improving communication and collaboration in all directions. The Administrator's Front Page now publishes an FSN spotlight story every other month. The COVID-19 Task Force updates include an "FSN on the Front Lines" segment. These stories highlight the importance of FSN expertise and commitment for their own countries' J2SR.

**Talent Management and Empowerment:** This pillar sought to advance and leverage FSNs' unique skills to strengthen Agency capacity, contribute to their individual and their countries' development, and guide partner countries toward self reliance. In response to chronic perceptions of inequities in training, a team conducted a review of more than 25 best practices from all regions and created a model for training guidance for USAID missions that offers a minimum level of training and professional development opportunities for all staff categories. The FSNAC requests that the minimum elements and standards be applied globally to ensure a fair, equitable, and transparent training approval process.

**Security and Wellness:** The fourth pillar was established to improve FSN security and wellness beyond mission walls, in recognition of the dangers faced by FSNs outside of work in many partner countries. A team conducted a global FSN survey on security issues to identify four priority actions for USAID's Security Working Group and develop a corresponding work plan.

**Skills and Leadership:** The fifth pillar aimed to ensure that FSNs have the skills, resources, and opportunities for effective implementation of Transformation and Agency goals, including the J2SR. A team worked with HCTM to develop a course called Cultivating the Leader Within. The team also developed a training module for the orientation of new Foreign Service Officers on working with FSNs.

## LOOKING FORWARD

USAID can further leverage the talent of FSN colleagues through ongoing efforts to build skills through increased leadership opportunities, and by reinforcing the active engagement of the FSNAC by advancing its pillars. USAID's ability to recruit and retain the best talent in partner countries will depend on continued commitment and ability to support FSN colleagues and address their major challenges.

HCTM will continue to advance FSN initiatives and build on accomplishments. Examples include: increasing virtual and in-person FSN fellowship and exchange programs; increasing a warrant program for FSN procurement professionals; increasing the fill rate of FSN positions; establishing more standard position descriptions and career path opportunities for mission-critical occupations in health and other technical sectors; promoting leadership opportunities for FSNs at all levels; increasing the number of FSN-13 (highest grade) positions and other senior level opportunities; scaling the delivery of the "Cultivating the Leader Within" learning opportunities for FSNs; creating financial stability and financial contribution plans for FSNs; and improving respectful and inclusive collaboration and communication between Foreign Service Officers and FSNs, including through formal training.

With the prospect of continued economic hardships in partner countries resulting from COVID-19, USAID anticipates continued disappointment by FSNs in local compensation and benefits and a need to find better solutions. Safety and wellness are also likely to be increasing concerns. Further progress in both of these areas will be key to retaining staff and excelling as an organization. The challenges of COVID-19 have also presented opportunities for increasing workplace flexibility for FSNs, including expanding telework, which are not included in most local compensation plans outside of COVID-19 arrangements. COVID 19 may present an opportunity to find cost efficiencies and better work life approaches for FSNs.

In order for FSN initiatives to be successfully implemented, there are several policy revisions that will require negotiation with the Department of State, including local compensation plans and benefits, high-level (FSN-13) exception grades, and hiring and retaining FSN staff. Currently, USAID is unable to

## NOTES

**OFFICE OF HUMAN CAPITAL AND TALENT MANAGEMENT:  
VISION FOR STAFF AND LEADERSHIP DEVELOPMENT****INTRODUCTION**

USAID is committed to enhancing learning and promoting leadership development for its staff. The Office of Human Capital and Talent Management (HCTM) is now focusing on institutionalizing a culture of continuous learning that does not rely solely on formal coursework to educate USAID's workforce. In addition to exploring new platforms for learning, there are present-day resources that could be more fully utilized and expanded to meet this goal.

**LOOKING BACK**

USAID, through HCTM's Center for Professional Development, continues to offer a wide range of leadership and educational opportunities to USAID's workforce that include but are not limited to supervisory training, Mission Director seminars, USAID leadership programs, and a multitude of professional and technical certification courses. In addition, management, supervisory, and leadership training courses are supported through USAID's contract with the Federal Executive Institute, and additional courses in leadership are available both through the Massachusetts Institute of Technology with future expansion to Harvard University, and the International Advancement Program by the University of Denver and the Aspen Institute.

USAID continues to support its workforce through coaching and mentoring, and expanding existing programs like mentoring to missions. USAID is also currently piloting a Manager-Certification Course to build a leadership pipeline that focuses on educating leaders at all levels of the organization. The Manager-Certification Course will address the new skill sets required when moving from leading staff to leading other leaders.

**LOOKING FORWARD****Shifting Our Way of Learning**

The present-day pandemic environment shifted the learning and instructional platforms from the classroom setting to the virtual environment. While virtual learning allows the organization to continue delivery of pertinent training and learning, it can come at a tremendous cost as it requires an increased level of effort to facilitate and may require decreasing the number of participants in a session, or integrating breakout sessions, in order to adhere to effective adult learning methodologies. USAID's ability to leverage trained, direct hire staff will allow the Agency to experience significant advantages over time as civil servants change positions and Foreign Service officers rotate to follow-on assignments equipped with the knowledge and skills to facilitate leadership development instruction within their bureau, office, or mission, as they serve as Leadership Ambassadors.

Presently, leadership development instruction is delivered by leveraging numerous contractual mechanisms and interagency agreements. Although HCTM's Center for Professional Development CPD leverages commercial vendors and the Federal Executive Institute for instructional delivery, the courseware and curriculum are USAID proprietary and property.

**Expanding on What Already Exists**

The Department of State Foreign Service Institute (FSI) courses that USAID staff typically take are foreign language instruction, the Security Overseas Seminar (mandatory), and retirement planning. However, USAID could make better use of FSI offerings such as: area studies (focused on geographic regions); diplomatic leadership; interagency effectiveness; cable writing; diplomatic protocol; and crisis

management. In response to COVID-19, FSI has converted many of its courses into a virtual classroom setting, which makes them more accessible to staff outside of the Washington, D.C. area. This revision may bring longer term accessibility for USAID participants, though that is yet to be seen.

USAID's access to the learning and other resources at FSI provides another opportunity to improve leadership and other skills at all levels of the USAID workforce. USAID enjoys a good working relationship with FSI, where all of the Institute's 800+ courses are open to USAID employees for a fee. Studying with colleagues from other foreign affairs agencies gives USAID staff a broader perspective and helps to build interagency networks. At the same time, it helps colleagues from other agencies to understand the importance of development and self-reliance in our foreign policy and national security. FSI leadership is open to input from USAID to ensure a development perspective and relevance to USAID staff.

### **Increasing Leadership Opportunities for All**

The Cultivating the Leader Within (CLW) course was designed as part of a learning continuum for the professional development of USAID's diverse and global workforce. It focuses on mid-career and lower-level staff. Previously, there was no leadership training available for lower-level Foreign Service National (FSN) and Civil Service (CS) staff. The purpose of this new course is to cultivate leaders within our FSN and CS workforce who have not yet reached the level of seniority that would allow them to access existing leadership training. As USAID continues to promote the Agency's Leadership Philosophy belief to "develop leaders through continuous learning and regular coaching and mentoring," the course will enable participants to identify leadership strengths, identity, and values to build upon while in the USAID workforce. Upon completion, participants will create a leadership plan for continued development of leadership knowledge and skills in the workplace.

The Agency's FSN Fellowship Program is another example of the Agency's provision of leadership opportunities for FSN staff and is considered to be the leading professional development opportunity for the Agency's FSN cadre. The FSN Fellowship Program offers mutual benefits for USAID and for all USAID FSN staff to apply technical knowledge and professional work experience in temporary rotational assignments in USAID/Washington and overseas missions. The FSN Fellowship program builds capacity and provides leadership opportunities for FSNs. In addition to HCTM, bureaus and independent offices across the Agency also offer targeted and sector-specific training and professional development opportunities to the field and Washington staff.

## NOTES

## BUREAU FOR LEGISLATIVE AND PUBLIC AFFAIRS: BUREAU OVERVIEW

### INTRODUCTION

The Bureau for Legislative and Public Affairs (LPA) is responsible for managing and coordinating USAID's external affairs and internal messaging. LPA serves as USAID's central point of contact with Congress, the media, interested stakeholders from the international development community, host-country audiences, USAID's workforce, and the American people regarding the Agency's international development programs and policies. In exercising this leadership role, LPA works closely with the Agency's Bureaus and Independent Offices, as well as its Federal Advisory Committees.

### LOOKING BACK

LPA has transformed the way USAID communicates publicly by improving the quality of content, better alignment of external and internal messaging, a proactive press office, and greater audience engagement. LPA has elevated its communications efforts around the Agency. The massive undertaking of the Agency's Transformation needed to be communicated clearly and efficiently. LPA ensured that all stakeholders including Congress were abreast with all developments through the USAID Transforms messaging campaign.

LPA also ensured that the Agency highlighted the *Journey to Self-Reliance* with its host country governments and our partners to foster stable, resilient, and prosperous countries that are more self-reliant and prioritize enduring partnerships. This dynamic and impactful messaging was provided to communicators regionally through training and strategic communications.

USAID brands programs and activities globally to ensure populations in partner countries know assistance is provided by the United States. In 2019, LPA led an Agency wide effort to update its branding and marking policy. The updates provided resources for USAID staff and partners to ensure branding compliance across our more than 5,000 contracts with partners across the globe.

LPA has continued to maintain strong bipartisan support for USAID in Congress in spite of a challenging environment.

### LOOKING FORWARD

**Sustaining Strong Bipartisan Support on Capitol Hill:** USAID will be facing changes in Congressional leadership in the House of Representatives and will need to work towards resolving a number of issues that will carry over into 2021.

**Telling USAID's Story:** The Agency's decentralized communications structure, with LPA in the lead and communicators in the Bureaus and Missions, poses a challenge for delivering a consistent message. LPA addresses this challenge by proactively driving communications to promote a unified USAID voice. LPA's communication efforts increase awareness and knowledge about USAID's work by: 1) developing and providing guidance on Agency top messaging and priorities and sharing resources and tools with Agency communicators to promote messaging in a unified voice; 2) supporting Agency Front Office priority communications and travel to ensure alignment with overall outreach efforts; and, 3) producing content to better tell the USAID story and engage external audiences.

USAID has made great progress in developing and implementing a compelling, consistent message by developing Agency-focused campaigns and producing stories that humanize USAID's work.



Communication products focus on USAID's recipients and their stories. Most recent stories include: The Cucuta Doctors, The Pottery Maker, Selma Votes, Nepal's Democracy Defender, and Aberu's Saving Plan. To break through a crowded communications environment, LPA often produces special campaigns/initiatives around key priorities and uses a visual storytelling approach. Most recent campaigns include Democracy Is and America Acts.

Public Affairs provides guidance to Agency communicators through manuals, guidelines, weekly playbooks, and toolkits that highlight priority messaging, campaigns, stories, and social media content. Public Affairs oversees the Development Outreach Coordinators (DOC) program, which trains and coordinates the work of Mission communicators, many of whom are Foreign Service Nationals. LPA is leading a pilot in six countries to create a communications backstop in the U.S. Foreign Service. Within LPA, the Office of Public Engagement manages the Administrator's public outreach and interaction with nongovernmental organizations, private-sector partners, and the international development community, and includes the Agency's Protocol and Special Events team.

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.

**Communicating with USAID's Workforce:** LPA continues to expand internal communications services to our 11,000-strong workforce, providing staff with better access to information on Agency priorities, tools for doing jobs effectively, and a voice in shaping Agency initiatives and messages. Through enhanced field-Washington and Mission-Mission collaboration, LPA seeks to leverage the collective experiences of USAID's workforce to achieve shared goals. The Agency intranet continues to be an important tool for facilitating internal communication and learning. Both the internal and external websites will be redesigned and upgraded in 2021.

**Branding USAID Programs and Activities:** Beneficiaries of U.S. aid receive billions of taxpayer dollars of foreign assistance every year, and in light of that, USAID has statutory and regulatory requirements to brand its programs and activities to ensure that recipients know assistance is provided by the United States. Across the many countries in which USAID works, data shows a majority of people recognize USAID's brand, associate it with the American people, and have a positive perception toward it. USAID's brand is a critical component of the U.S. Government's foreign policy objectives, showcasing the important role soft power plays in our national security. In 2020, LPA updated USAID's branding and marking policy outlined in Automated Directives System 320. The updates provided resources for USAID staff and partners to ensure branding compliance in the field. In 2019, LPA filled a critical gap by creating the Senior Advisor for Brand Management civil service position that had not existed previously. However, LPA should consider whether additional staff should be dedicated to branding compliance. The Office of the Inspector General is conducting a global audit on USAID's branding and marking policy and will publish key findings and recommendations. In 2020, the National Security Council proposed a potential Executive Order that would create one universal identity for all foreign assistance across the federal government. If issued, LPA will need to focus significant resources to updating the federal regulations and policies to implement the executive order as well as provide training, resources, and design files (including translations) to staff and partners across the globe.

## NOTES

**BUREAU FOR LEGISLATIVE AND PUBLIC AFFAIRS:  
TOP LEGISLATIVE ISSUES FOR THE AGENCY****INTRODUCTION**

LPA coordinates the Agency's legislative engagement and manages the relationships with oversight Committees to accomplish the following: securing Congressional appropriations, providing information to Congress related to legislation, managing the Agency's response to Congressional oversight requests, and advising the Administrator and the Agency regarding the status of pending legislation and related concerns of Members of Congress.

**Approach:** LPA has built on the Agency's historic bipartisan approach to Congress and maintained strong relationships on both sides of the aisle with all of our core four oversight Committees—the Senate Foreign Relations Committee (SFRC), the House Committee on Foreign Affairs (HFAC), the House Committee on Appropriations, Subcommittee for the Department of State, Foreign Operations and Related Programs (HACFO), and the Senate Committee on Appropriations, Subcommittee for the Department of State, Foreign Operations and Related Programs (SACFO). This is despite an often acrimonious relationship between Congress and the White House on a number of foreign policy matters that impact USAID. However, due to strong bipartisan support and strong relationships with the appropriations Committees, USAID's budget levels and authorities have remained largely intact in spite of deep cuts requested by the Office of Management and Budget (OMB) in every President's budget request since 2017 to the latest request in 2020. Similarly, LPA has been successful in working with SFRC to confirm USAID nominees to Presidentially Appointed and Senate confirmed positions, despite a difficult Senate environment for nominees. On the authorizing side, there have been fewer legislative initiatives that have directly impacted USAID but several key pieces have passed notably legislation to authorize the Development Finance Corporation and the *Global Fragility Act*. At the same time, an ever growing number of congressional notification, consultation, and reporting requirements strain systems.

LPA has ensured a posture of cooperation, respect, and responsiveness to the oversight Committees which has enabled the Agency to maintain its funding levels and authorities. In particular, LPA has ensured that the Administrator and leadership have regular outreach with key Members and senior staff, working to resolve contentious issues within the Agency's control amicably and have ensured that communication with oversight Committees is timely, responsive, and transparent.

**Leadership Changes in the New Congress:** The next Congress (which will go into session on January 3, 2021, and be known as the 117th United States Congress) will usher in new leadership on the Democrat side for HFAC and HACFO as Chairwoman Nita Lowey (HACFO) and Chairman Eliot Engel (HFAC) leave office. This is a significant change in the leadership of State and USAID's oversight Committees as both Lowey and Engel have served on these Committees for well over 32 years. State and USAID over multiple administrations have benefited from their leadership and commitment to the institutions and their priorities, in turn, have shaped foreign policy and development priorities at both institutions and as a result, USAID has responded in kind to high levels of funding and key authorizing legislation.

At this time, it is unclear who will take over the vacant leadership positions of these two powerful Committees. While it is expected that many of the committee staff that LPA has strong ties with will remain and serve under the new leadership, it is not certain. It is imperative that LPA take a proactive approach to building strong relationships with the new Committee leadership both through Agency leadership engagement and staff level relationship management. On the Senate side, LPA is not expecting changes to oversight Committee leadership unless Democrats take control of the majority of the Senate.

(b)(5); (b)(5) - Deliberative Process Privilege

## NOTES

**BUREAU FOR LEGISLATIVE AND PUBLIC AFFAIRS:  
CONGRESSIONAL COMMITTEES WITH USAID OVERSIGHT: THE “CORE FOUR”**

**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: countering Chinese influence around the world; global health (the President's Emergency Plan for AIDS Relief; Gavi, the Vaccine Alliance, etc); ocean plastics; anti-corruption; and biodiversity and sustainability. 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; Power Africa; women’s issues; wildlife trafficking; and climate change.

**Chairman - Lindsey Graham (R-SC)**

(6)

USAID Priorities: USAID’s contribution to national security and countering violent extremism and countering China; public-private partnerships; democracy, human rights, and governance sector. The majority staff follow East Asia very closely, particularly Burma and Cambodia, and have been a strong advocate for the Indo-Pacific Strategy.

**Ranking Member - Patrick Leahy (D-VT)**

USAID Priorities: global health, human rights, climate change, and country ownership. Senator 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 non-governmental organization development business. Senator Leahy led the effort to normalize relations with Cuba and has criticized USAID’s work in Cuba and other closed societies in the past. The minority staff 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)**

The retirement of Nita Lowey will mark the end of an era for the House Appropriations Committee, but HACFO’s focus on USAID’s funding and staffing levels will certainly continue under a new chair. Issues of current bipartisan interest include: national security, Middle East and Israel/West Bank Gaza issues; wildlife trafficking, Northern Triangle, and global health.

**Chair - Nita M. Lowey (D-NY) retiring in January 2021**

(6)

USAID Priorities: basic education, global health (in particular HIV/AIDS and COVID), family planning & reproductive health, gender equality, Haiti, USAID hiring and operations. While retiring subcommittee (and full committee) Chair Nita Lowey may be most personally associated with her steadfast support for basic education programs, she has also been a vocal advocate for programs on global health, reproductive health, childhood development and nutrition programs, and others. The subcommittee includes members focused on democracy programs—particularly legislative strengthening programs—and Central America and anti-corruption programs.

**Ranking Member - Hal Rogers (R-KY)**

(b)(6)

USAID Priorities: Afghanistan, American Schools and Hospitals Abroad, Colombia, combating international narcotics, conservation, Malawi, higher education, countering malign influence of China, Iran, and Russia. In addition, the subcommittee has substantial Member interest in USAID's agricultural efforts and USAID's relationship with the new Development Finance Corporation.

### **Senate Foreign Relations Committee (SFRC)**

(b)(5); (b)(5) - Deliberative Process Privilege

(b)(5); (b)(5) - Deliberative Process Privilege SFRC continues to be focused on the response to COVID-19, countering Russian and Chinese malign influence, and nuclear security. Regional issues of particular focus include: Venezuela, Syria, Yemen, the Indo-Pacific and Eastern Europe. Historically, 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.

#### **Chairman - Jim Risch (R-ID)**

(b)(6)

USAID Priorities: the U.S. Government approach to pandemic response, women's economic empowerment, conservation programming, and Eastern Europe.

#### **Ranking Member - Bob Menendez (D-NJ)**

(b)(6)

USAID Priorities: oversight and accountability, democratic governance, human rights, humanitarian response, global food security, health systems strengthening, ocean plastics, and diversity of the USAID workforce. Senator Menendez takes particular interest in USAID programming in Latin America and is increasingly focused on issues that impact the USAID workforce, including diversity of the workforce and the ongoing/proposed Transformation.

### **House Foreign Affairs Committee (HFAC)**

HFAC has been engaged on issues relevant to USAID including the international response to the COVID-19 pandemic, implementation of the *Global Fragility Act*, countering China, the Indo-Pacific Strategy, monitoring and evaluation in foreign assistance, branding, assistance efforts in sub-Saharan Africa, the provision of humanitarian assistance in Yemen and Syria, support for Sudan's political transition, and programming in the Northern Triangle.

#### **Chairman - Eliot Engel (D-NY) retiring in January 2021**

(b)(6)

USAID Priorities: Sudan, Kosovo, Northern Triangle, global

#### **Ranking Member - Michael McCaul (R-TX)**

(b)(6)

USAID Priorities: Countering China, the Sahel, Global Fragility Act, Northern Triangle, branding, monitoring and evaluation of foreign assistance.

## NOTES



**BUREAU FOR LEGISLATIVE AND PUBLIC AFFAIRS:  
THE SENATE CONFIRMATION PROCESS**

The Senate Foreign Relations Committee, currently led by Chairman Jim Risch (R ID) and Ranking Member Bob Menendez, oversee the confirmation process for all USAID Presidentially-appointed and Senate-confirmed (PAS) positions, as well as the commissioning and promotion of USAID's Foreign Service Officers. The Bureau for Legislative and Public Affairs leads the Senate confirmation process for the Agency.

**PAS CONFIRMATION PROCESS**

Per Section 624 of the *Foreign Assistance Act* of 1961 and 5 USC §§ 5313-5315, USAID has 12 Presidentially-appointed, Senate-confirmed positions: one Level II PAS (Administrator), one Level III PAS (Deputy Administrator), and 10 Level IV PAS (Assistant Administrator) positions. This is a statutory cap. The USAID Inspector General is also a PAS, but that nomination process is handled by the Office of the Inspector General, and that position does not count towards the Agency's cap.

(b)(5): (b)(5) - Attorney Client Privilege

Currently, the 11 USAID PAS positions are allocated as follows: Administrator, Deputy Administrator, Associate Administrator for Relief, Response and Resilience, 8 Assistant Administrators (in the following Bureaus: Africa; Asia; Europe & Eurasia; Latin America and the Caribbean; Middle East; Global Health; Legislative and Public Affairs (LPA); and Economic Growth, Education, and Environment.) As of this writing, one PAS position, the Assistant Administrator for Asia, remains unencumbered, although the nomination is pending. The AA/LPA PAS is a privileged nomination, meaning that it has a streamlined confirmation process, the most significant difference being that the nominee does not have a confirmation hearing..

(b)(5): (b)(5) - Attorney Client Privilege

LPA works with the Senate Foreign Relations Committee (SFRC) and Senate leadership to confirm nominees. LPA leads a confirmation team composed of policy, press, legal, and legislative affairs representatives and, as 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. It is important to note that a variety of delays and obstacles may arise during the confirmation process, such as the following: objections to the qualifications of a nominee, unresolved issues with the Administration's policy related to a particular nominee, or reasons completely unrelated to the nominee (including the Senate calendar, partisan gridlock, or deprioritization among Administration nominees). Below is a basic outline of the PAS confirmation process.

Over the course of the Trump Administration, the timeframe for Senate confirmation of USAID PAS nominees has ranged from 67 to 352 days (221 days on average). However, the initial nominations of the twelve PAS positions took an average of 687 days, with the first nomination, for Administrator, coming 111 days after inauguration, and the last nomination 1,279 days after inauguration. See Figure 1 for greater detail on Trump Administration nominees and Figure 2 for greater detail on initial Obama Administration nominees.

### **Steps Toward PAS 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; biographical sketch; statement of functions and responsibilities; predecessors list; publications and speech transcripts). LPA facilitates clearances from USAID's General Counsel and the White House on the Committee Questionnaire. When this paperwork is finalized, LPA submits the package to SFRC for review. The Office of Government Ethics (OGE) submits the nominee's OGE-278 (Public Financial Disclosure Report) and the USAID Office of the Inspector General (OIG) conducts a name check and submits the results to SFRC. SFRC will not consider a nomination, or schedule a confirmation hearing, until all paperwork has been submitted in full from USAID/LPA, OGE and USAID's OIG, reserving the right to delay the nominee staff interview until paperwork is complete. The White House handles the nominee's SF-86 (Federal Bureau of Investigation Security Clearance Questionnaire).
2. **SFRC Staff Review of Paperwork.** SFRC staff will review paperwork and send any questions to LPA. The nominee and his or her 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 ensure the nominee receives a substantive briefing book and then coordinate internal briefings for the nominee. These briefings should be done in advance of any meetings with Congress. The confirmation team will also schedule meetings with senior staff within USAID and the Administration, as appropriate. Simultaneously, LPA will work with a nominee to prepare written and oral testimony, prepare a likely question and answer document for hearing preparations, 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. Historically, the USAID Administrator has received his/her own hearing, while other USAID nominees have been on a panel with Department of State nominees. In advance of a hearing, LPA will offer courtesy visits with members of the SFRC 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. This step is not applicable to AA/LPA as the nomination is considered privileged.

7. **Questions for the Record.** Senators have a certain amount of time (traditionally until the end of that 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. This step is not required for the AA/LPA, as AA/LPA is a privileged nomination.
8. **SFRC Business Committee Meeting Vote on Nomination.** SFRC schedules a "business meeting" to review and vote out nominees as well as consider 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. This step is not required for the AA/LPA, as AA/LPA is a privileged nomination, but SFRC does have to affirmatively relay to the Senate Cloakroom that all of the Committee's questions and requests for information have been fulfilled.
9. **Floor Consideration.** When voted out of Committee, a nomination will be added to the Executive Calendar for floor consideration. If needed, 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. If needed, in coordination with the White House, LPA will work to ascertain any insights regarding the nomination, including concerns from Senators who may wish to put a hold on the nomination. Should a hold occur, 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 conjunction with the White House, aim 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. Historically, USAID nominees have been confirmed by voice vote as part of a unanimous consent nomination package, along with other nominees under SFRC jurisdiction. Recorded votes are sometimes necessary, most recently for former USAID Administrator Gayle Smith, on November 30, 2015.
11. **Presidential Attestation and Swearing In.**

## **USAID FOREIGN SERVICE OFFICER COMMISSIONING AND PROMOTION CONFIRMATION PROCESS**

LPA works internally with USAID's Offices for Human Capital and Talent Management (HCTM) and General Counsel (GC) and externally with SFRC to confirm Foreign Service Officer nominees. LPA becomes involved in the Foreign Service Officer (FSO) Commissioning and Promotion confirmation process after the President officially sends the promotions and commissioning to the Senate. After Senate confirmation, the responsibilities for the FSO promotion and commissioning lists transfers back to HCTM from LPA. The Senate has considered approximately 20 USAID FSO promotion and commissioning lists during the 115th and 116th Congresses. USAID's OIG Foreign Service lists are handled by the OIG. Below is a basic outline of the USAID FSO commissioning and promotion confirmation process.

### Steps toward FSO Commissioning and Promotion

1. **Nomination by the President.** The President submits the USAID promotion and commissioning lists to the Senate for consideration. Foreign Service promotions, Senior Foreign Service promotions, and commissioning lists are typically submitted separately. It is common for several FS lists to be pending at once.
2. **SFRC requests that USAID provide a vetting letter on the FSO promotion or commissioning list.**  
(b)(2)
3. **Submission of Vetting Letter to SFRC.** LPA transmits the vetting letter to SFRC for the pending promotion/commissioning list. The OIG also separately submits investigation information to SFRC, if applicable. SFRC will not consider the nominations until the vetting letter has been transmitted.
4. **Completion and Submission of the Committee Questionnaire (Only for Senior Foreign Service Career Minister nominees).** SFRC requires that USAID FSO nominees to the highest USAID foreign service rank–Career Minister–complete the Committee Questionnaire that is required for PAS positions. No other paperwork beyond the Committee Questionnaire and vetting letter is required. LPA typically works with the Senior Foreign Service Career Minister nominees directly to complete the Committee Questionnaire. HCTM typically requests the nominees fill out the Committee Questionnaire earlier in the nomination process, but it will need to be updated and notarized. LPA submits the Committee Questionnaire to SFRC.
5. **SFRC Staff Review of Paperwork.** SFRC staff will review the vetting letter and Committee Questionnaire (if applicable) and send any questions to LPA. If necessary, a FSO nominee will work with LPA and GC to satisfactorily answer any questions SFRC may have about the vetting letter or Committee Questionnaire. On rare occasions, SFRC staff will ask to speak to the FSO nominee, a process LPA facilitates with GC guidance. On even rarer occasions, if significant concerns about a nominee remain, SFRC may choose to separate the promotion list into two lists, putting the individual in question on a separate list.
6. **SFRC Business Committee Meeting Vote on Nomination.** SFRC schedules a “business meeting” to review and vote out nominees as well as consider pending legislation. FSO promotion and commissioning lists are routinely and regularly included on business meeting agendas. At the business meeting, FSO nominations are typically considered en bloc by voice vote with other State and USAID FSO lists. LPA attends and notifies HCTM about the result of the Committee’s proceedings.
7. **Full Senate Vote.** Military and Foreign Service promotions and commissionings, including for USAID FSOs are routinely and regularly confirmed by the Full Senate by unanimous consent. After Senate confirmation, the responsibilities for the FSO promotion and commissioning lists transfers back to HCTM from LPA.

**Figure. 1 Trump Administration: Timeframes for Nomination and Confirmation of Initial USAID PAS Nominees Post-2016 Transition**

Position	Administration Nominee	Nomination Date	# of Days Inauguration to Nomination	Confirmation Date	# of Days Nomination to Confirmation	# of Days Inauguration to Confirmation
<b>Nominated and Confirmed</b>						
Administrator	Mark Green	5/10/2017	111	8/3/2017	86	196
AA/E&E	Brock Bierman	10/16/2017	270	12/21/2017	67	336
Deputy Administrator	Bonnie Glick	4/12/2018	448	1/2/2019	266	713
AA/ME	Mike Harvey	6/28/2018	525	1/2/2019	189	713
AA/LPA	Richard Parker	7/31/2018*	558	5/23/2019	297	854
AA/LAC	John Barsa	11/13/2018*	663	5/23/2019	192	854
AA/GH	Alma Golden	4/4/2019*	805	3/20/2020	352	1156
AA/E3	Michelle Bekkering	4/11/2019	812	12/19/2019	253	1064
Associate Administrator for Relief, Response and Resilience	Jenny McGee	10/17/2019*	1001	8/6/2020	295	1295
AA/AFR	Ramsey Day	1/6/2020	1082	8/6/2020	214	1295
<b>Nominated but Pending Confirmation</b>						
AA/Asia	Sutapa "Sue" Stricklett	7/21/2020	1279			
			<b>Average: 687</b>	<b>Average: 221</b>		<b>Average: 848</b>
* Date of original nomination. Nomination was either withdrawn at the end of the 115th Congress or the end of the 116th Congress, Term 1 and renominated in the next term.						
<b>Nominated but Withdrawn before Confirmation</b>						
AA/AFR	Johnathan Miller	1/18/2018	364	n/a		
AA/DCHA**	Mark Montgomery	6/20/2018	517	n/a		
AA/Asia	Mina Chang	9/28/2018	617	n/a		
**The PAS slot for AA/DCHA was reallocated to the Associate Administrator/R3 position due to the USAID Reorganization.						

**Figure. 2 Timeframes for Nomination and Confirmation of Initial USAID PAS Nominees Post-2008 Transition**

<b>Position</b>	<b>Initial Administration Nominee</b>	<b>Inauguration to Nomination</b>	<b>Nomination Date</b>	<b>Confirmation Date</b>	<b>Nomination to Confirmation</b>	<b>Inauguration to Confirmation</b>
A/AID	Dr. Rajiv Shah	294	11/10/2009	12/24/2009	44	338
AA/LAC	Mark Feierstein	478	05/13/2010	09/16/2010	108	586
AA/ASIA	Nisha Biswal	538	07/12/2010	09/16/2010	66	604
DA/AID	Donald Steinberg	562	08/05/2010	09/29/2010	55	617
AA/ DCHA	Nancy Lindborg	562	08/05/2010	09/29/2010	55	617
AA/E&E	Paige Alexander	615	09/27/2010	12/22/2010	86	701
AA/E3	Eric Postel	664	11/15/2010*	03/03/2011	108	772
AA/ME	Mara Rudman	758	02/17/2011	09/13/2011	207	965
AA/GH	Ariel Pablos Mendez	783	03/14/2011	06/30/2011	108	891
AA/AFR	Earl Gast	986	10/03/2011	3/29/2012	169	1155
AA/LPA	T. Charles Cooper	1330	09/11/2012	01/01/2013	112	1442
	<b>Average</b>	<b>688</b>		<b>Average</b>	<b>102</b>	<b>790</b>

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

## NOTES

**BUREAU FOR LEGISLATIVE AND PUBLIC AFFAIRS:  
USAID'S PRESS AND PUBLIC AFFAIRS**

## **INTRODUCTION**

USAID's Bureau for Legislative and Public Affairs (LPA) coordinates outreach and information programs across the various sectors of American audiences, host-country audiences, the media, non-governmental (NGO) and private voluntary organizations, international development companies, think tanks, universities, the private sector, and diaspora communities. LPA serves as the liaison between the Agency and the American people, and supports USAID communications and outreach activities in more than 100 countries around the world.

## **VISUAL STORYTELLING**

With a rapidly evolving, visually-focused communication environment, LPA engages target audiences using visual assets and featuring "heroes" from the field in stories like: *The Pottery Maker*, *Selma Votes*, *Nepal's Democracy Defender*, *Aberu's Saving Plan*, and *Faces of the Venezuelan Crisis*. These stories are housed on USAID's YouTube channel and featured in USAID's Storytelling Hub and Medium platforms with an accompanying written narrative. LPA's distribution plan maximizes reach and effectiveness. By introducing storytelling as a way to humanize USAID's work and explain its impact, LPA has been able to produce content to better tell the USAID story that aligns with U.S. Government (USG) messaging.

## **CONTENT PLATFORMS**

USAID currently has three primary story platforms: 1) Medium for blogs; 2) *Exposure* for photo essays; and 3) *Storytelling Hub* for written content with professionally produced video and photography, a five-time Addy award-winning platform that showcases multimedia stories like *Justice for Kosovo*, *The Vanilla Connection*, *Maggie Reaches for her Dreams*, and *Affiong's Secret Sauce*.

## **KEY CAMPAIGNS AND INITIATIVES**

To break through a crowded communications environment, LPA produces special campaigns and initiatives around key priorities. A campaign is a well-messaged, researched, integrated communications strategy that leverages multiple platforms, both proactively and reactively, for maximum reach and engagement to key audiences. Most recent campaigns developed are *Democracy Is*, which highlights USAID's investments in democracy work around the world, and *America Acts*, which features the USG's response to COVID-19 and global health investments.

## **BRANDING USAID'S WORK GLOBALLY**

Beneficiaries of U.S. aid receive billions of taxpayer dollars of foreign assistance every year, and in light of that, USAID has statutory and regulatory requirements to brand its programs and activities to ensure that people know the assistance is provided by the United States. In countries in which USAID works, data shows a majority of people recognize USAID's brand, associate it with the American people, and have a positive perception toward it. In 2020, LPA updated USAID's branding and marking policy. These provided resources for USAID staff and partners to ensure branding compliance in the field. They also ensure additional oversight in approval of waivers to our branding requirements, if marking with the USAID logo would pose a risk to safety or security.

In 2020, the National Security Council proposed a potential Executive Order that would create one universal identity for all foreign assistance across the federal government. If issued, LPA will need to



focus significant resources to updating the federal regulations to implement the Executive Order and provide training, resources, and design files (including translations) to staff and partners globally.

Additionally, the Office of the Inspector General is conducting a global audit on USAID's branding and marking policy and will publish key findings and recommendations.

### **DEVELOPMENT OUTREACH & COMMUNICATIONS SPECIALISTS: USAID'S VOICE IN THE FIELD**

Development Outreach and Communications Specialists (DOCs) are an integral part of a USG communications apparatus that assert U.S. leadership and influence globally. Working alongside Mission Directors and Department of State Public Affairs Officers, DOCs lead and shape strategic communications around a Mission's activities and programs to effectively meet foreign aid programmatic objectives to reach a range of audiences—local governments, youth, women, and rural populations—that the USG has deemed critical to development, diplomatic, and national security goals.

LPA oversees the DOC Program by providing the global network of 160 DOCs with capacity building and support, including: annual training, online peer-learning platforms, communications guidance and tools to ensure the DOC network is equipped to communicate with in-country audiences. LPA also advises missions on DOC team composition, communications budgets, and communications strategies.

### **INTERNAL COMMUNICATIONS AND WEB MANAGEMENT**

LPA's Internal Communications team promotes an engaged and informed workforce. LPA facilitates internal communications by overseeing USAID's intranet, hosting the Administrator's monthly call with Mission Directors, publishing a bi-weekly *Front Page* newsletter, organizing live-streamed USAID Town Hall meetings, and overseeing a Washington based leadership seminar series featuring Mission Directors and senior Foreign Service Nationals. LPA also manages the Agency's internal and external web platforms. Relying on continuous metric analysis and user engagement data, LPA's continually evaluates and refines both, and as such, will upgrade both websites in 2021.

### **PUBLIC ENGAGEMENT**

LPA oversees all public engagements of the Administrator and the Deputy Administrator and clears all written materials for publication on matters of official concern to USAID. LPA advises the Administrator and senior officials regarding strategic external engagement opportunities, clears on opportunities for the Deputy Assistant Administrator-level and above, develops events and activities that generate support for USAID's mission, and ensures appropriate protocol for senior-level and/or diplomatic engagements.

### **PRESS**

Pursuant to statute, USAID's Press Office is part of the Department of State's Bureau for Public Affairs and staffed by Department of State employees, whilst operationally reporting to the USAID Assistant Administrator for LPA. LPA funds the Press Office, but the Department of State is responsible for hiring actions and staff salaries. The Press Office is composed of a Press Director/Spokesperson, Deputy Press Director, and up to six Press Officers. The Press Office manages media strategy and engagement for USAID and serves as the sole liaison to the media. The Press Director manages media strategy and engagement for the Administrator and travels with the Administrator when trips include a media

## NOTES

## BUREAU FOR LEGISLATIVE AND PUBLIC AFFAIRS: STAKEHOLDER GROUPS OVERVIEW

USAID partners with a robust community of implementing partners, policy and advocacy organizations, private-sector partners, and other stakeholders who are vocal advocates for U.S. foreign assistance. Leadership from across the Agency engages regularly with these major stakeholders to discuss policy priorities and key programming, advance mutual understanding and institutional learning, and educate key audiences on the return on investment U.S. taxpayers receive from USAID programming. USAID's participation in stakeholder public events amplifies USAID's policy priorities to external audiences, and garners critical support from stakeholders, Congress and the public.

Some of the key stakeholder groups include:

**InterAction:** InterAction is an alliance organization of over 180 nongovernmental organizations (NGOs) working around the world, many of them USAID direct partners. InterAction serves as a convener and thought leader to mobilize its members to think and act collectively. USAID regularly funds a significant portion of InterAction's Humanitarian Policy and Practice Group, and meets with members to discuss issues relating to policy development.

**The Professional Services Council:** The Professional Services Council is a trade association of more than 400 small, medium, and large companies, many of whom have contracts with USAID. Members represent the full range of the ~~government~~ services sector, and the trade association helps shape public policy, leads strategic coalitions, and works to build consensus between ~~government~~ and industry. USAID regularly meets with members to brief them on issues related to policy development and implementation.

**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 for America's civilian-led tools of diplomacy and development. USAID regularly engages with its leadership and members with the primary goal of advancing understanding of and support for U.S. foreign assistance at local and national levels.

**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 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 the U.S. can play this role more effectively, efficiently, and transparently.

MFAN has been a strong supporter of USAID's Transformation, endorsing efforts to strengthen policy and budget functions, increase accountability and transparency, and focus USAID's approach around the Journey to Self Reliance. Most recently, MFAN hosted an Over the Horizon roundtable and provided recommendations for the Agency's consideration.

**Advisory Committee On Voluntary Foreign Aid (ACVFA):** ACVFA was established by Presidential directive after World War II to serve as a link between the U.S. Government and private voluntary organizations active in humanitarian assistance and development work overseas. The Committee brings together USAID and private voluntary organization officials, representatives from universities,

international nongovernmental organizations (NGOs), U.S. businesses, and government, multilateral, and private organizations to foster understanding, communication, and cooperation. Bi-annual meetings between USAID and ACVFA focus on a wide range of issues that affect the relationship between the official foreign assistance program and the private voluntary community and the impact of their work. Following these deliberations, ACVFA provides recommendations to the USAID Administrator.

**Center for Global Development:** The Center for Global Development promotes changes in policies and practices of donor countries and institutions to reduce global poverty and inequality, and 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.

**Society for International Development - Washington (SID-W):** SID-W is an international network founded in 1957 to serve as a global forum dedicated to sustainable economic, social and political development. Individual and institutional members include development professionals from NGOs, the private sector, bilateral and multilateral institutions, think tanks, embassies, and universities. USAID regularly participates in SID-W organized briefings on a range of international development issues, including briefing members on changes to organizational structure and policies when appropriate.

**Center for Strategic and International Studies (CSIS):** CSIS is a bipartisan, nonprofit policy research organization dedicated to advancing practical ideas to address the world's greatest challenges. Most recently, CSIS hosted an Over The Horizon roundtable, and provided expert input into several specific recommendations.

**Humentum:** Humentum is a membership association of 330 international nongovernmental organizations and sector experts in the international development and relief community working together to achieve global impact. USAID regularly briefs Humentum members, most recently on the reorganization of the Bureau for Humanitarian Affairs and USAID's plan for developing new Emergency Application Guidelines.

## NOTES

## BUREAU FOR POLICY, PLANNING, AND LEARNING: BUREAU OVERVIEW

### INTRODUCTION

The Bureau for Policy, Planning and Learning (PPL) shapes USAID's development policy and programming to ensure the Agency's work is grounded in evidence and reflects the most advanced thinking in international development. PPL manages internal and external responsibilities that include: 1) defining development policy, priorities, and good practices for the U.S. Government that support partner country Self-Reliance and align with U.S. national security priorities; 2) strengthening partnerships with donors, emerging economies, and multilateral organizations to advance U.S. national interests; 3) guiding the Agency's Program Cycle to promote evidence based programming that adapts based on learning, partnership, and innovation; 4) expanding and deepening a culture of evaluation, learning, and accountability for Agency-wide performance, while increasing responsiveness to the Office of Inspector General and the Government Accountability Office; and, 5) advancing thought leadership, representation, and sharing best-practices related to knowledge management, evaluation, and learning.

### LOOKING BACK

PPL was established in 2010, and has been essential to executing the Agency's core functions and setting its strategic vision. Over the last four years, the Agency has focused on the 'Journey to Self-Reliance' (J2SR), a monumental effort to reorient USAID's strategy, partnership models, and program practices to achieve greater development outcomes and work toward a model when foreign assistance is no longer necessary. To further the J2SR, USAID works with host-country governments and partners to foster stable, resilient, and prosperous countries that are increasingly able to manage their own development journeys, and prioritizes enduring partnerships. In 2019, PPL led the Agency's release of its third Policy Framework that articulates how the Agency's J2SR approach directly contributes to the United States' National Security Strategy and the Department of State and USAID Joint Strategic Plan.

PPL operationalized the J2SR and the Policy Framework to guide the Agency's investments toward effective and sustainable goals. PPL's Offices for Strategic and Program Planning and Learning, Evaluation and Research provide guidance and enhance staff capacity on strategic planning, design and implementation, and apply monitoring, evaluation, and other approaches to build and use evidence for continuous learning and adapting as part of USAID's Program Cycle. PPL streamlined the Program Cycle in 2019 and 2020 to reduce the administrative burden on field missions, and to allow more time to focus on driving development strategy forward. Through this revised, more concise policy guidance, USAID has established a shorter strategy development process, a streamlined approach to project and activity design, and removed duplicative monitoring, evaluation, learning, and planning requirements.

PPL led the Agency's implementation of the *Foundations for Evidence-Based Policy Making Act* (Evidence Act) to improve how USAID builds and uses evidence to learn and adapt programs and ensure efficient use of foreign assistance resources. Home to USAID's Statistical Official and the Agency Evaluation Officer, PPL is responsible for the Evidence Act, required Agency-wide Learning Agenda, Agency Evidence Capacity Assessment, and Agency Evaluation Plan. PPL also leads efforts to improve how we track, measure and communicate Agency-wide performance towards strategic objectives. At the same time, PPL supports Agency compliance with other important legislation such as the *Government Performance and Results Act*, the *Foreign Aid Transparency and Accountability Act*, and the *Program Management Improvement Accountability Act*. In addition, PPL created an Agency Knowledge Management and Organizational Learning Officer and started the process of establishing Agency-wide knowledge management and organizational learning standards, staffing, and policy guidance.

PPL is leading on policy initiatives in response to the Great Power Competition and competing development approaches, like those promoted by China and Russia, that impact the U.S. Government's foreign-policy goals and inhibit countries' progress along their Journeys to Self-Reliance. To address this challenge, PPL led the development and implementation of the Agency's Clear Choice Framework that seeks to demonstrate to partner countries that USAID supports countries' on their Journey to Self-Reliance, and does not seek a relationship of dependency. PPL supports Bureaus and missions in implementing regional, sectoral, and country Clear Choice strategies to help partner countries confront malign actors who seek to undermine economic liberalization, reverse democratic development, and weaken sovereignty.

Since early 2020, the COVID-19 pandemic has not only had an extraordinary effect on the Agency's work—including those of its partners and beneficiaries—but it also threatens to affect progress on the positive development gains the Agency has seen over the last few decades. While the USAID COVID-19 Task Force managed near-term challenges, PPL's Office of Policy leads the Over-the-Horizon Strategic Review, a Task Force comprised of senior leadership and career staff across the Agency, to position USAID to more effectively respond to the medium- to long-term impacts of COVID-19 through both development and humanitarian assistance.

Over the last few years, PPL also strengthened USAID's corporate relationships with bilateral donors and multilateral organizations to promote policy alignment, enhance long term partnerships and burden-sharing, and increased its oversight over such programs to improve their efficiency and effectiveness. PPL's engagement in various multilateral fora, such as the United Nations, the Organization for Economic Cooperation and Development, the Group of Seven and Group of Twenty, advances U.S. policy and development priorities. PPL also led the Agency on development finance policy, including the reporting of Official Development Assistance and negotiating and supporting the launch of a new measure of foreign assistance.

In its current structure, USAID's policy, strategic planning, budget, and program-performance functions are spread among five different Bureaus and Independent Offices. Under the Transformation effort, USAID proposed a new Bureau for Policy, Resources and Performance (PRP) to better-align USAID's development policy, resource-management, and program-performance functions. Recently, PPL also welcomed new units to measure partner countries' self-reliance, and to unify the Agency's policy response across multilateral organizations.

## **LOOKING FORWARD**

While the establishment of the PRP Bureau is pending Congressional approval, several coordination and performance functions within PPL's current scope have already migrated or will migrate to PPL in the near future. PPL will focus on staffing and resourcing these new functions, along with several other new and high priority responsibilities such as Clear Choice, Over the Horizon, the COVID-19 Task Force transition, Agency Knowledge Management and Organizational Learning, performance audit management and programmatic risk management, professional development for award manager, and new legislative requirements stemming from the Evidence Act. PPL will continue to operationalize the Journey to Self-Reliance and enhance the Agency's leadership and effectiveness by aligning development policy, resource management, and evidence-based programming to advance the Administration's development and humanitarian assistance objectives.

## NOTES



**BUREAU FOR POLICY, PLANNING, AND LEARNING:  
USAID DEVELOPMENT COOPERATION AND ENGAGEMENT****INTRODUCTION**

The development cooperation landscape has changed dramatically over the last two decades, and continues to evolve rapidly. Official Development Assistance (ODA) provided by bilateral donors to developing countries has steadily increased; adjusted for inflation, ODA in 1990 was \$80.9 billion compared to \$150.2 billion in 2019, but is eclipsed by other financial flows to developing countries including private investment and remittances. In the last ten years there has also been an increase in the number of new donors establishing bilateral aid programs, as a means to use development cooperation as a tool for foreign policy.

As the world's largest bilateral development agency, the USAID provides distinct leadership in this landscape, contributing to the global development policy agenda and helping to shape norms and standards for bilateral donors. Navigating this complex environment is challenging, and requires the Agency to weigh trade-offs and make strategic choices regarding which priorities to elevate, with which partners, and in which fora. Many factors impact how effectively USAID is advancing its leadership agenda, including the degree to which Agency and Administration development policy priorities are clearly articulated, the strength of various USAID and U.S. Government coordination processes, and the level of political capital and resources the Agency dedicates to elevating and strengthening USAID's influence.

**LOOKING BACK**

Over the last four years, USAID has refocused its engagement with global development partners in a number of ways. This included reprioritizing strategic relationships with key bilateral donors, multilateral organizations, and other development cooperation partners. The Agency sought to reinforce its existing partnerships with Indo-Pacific donors, signing new collaboration frameworks with Australia and the Republic of Korea, and supporting interagency initiatives with Japan. Outside of the Indo-Pacific region, the Agency also focused on the growing role of the People's Republic of China in international development.

Similarly, the Agency sought to bring a stronger strategic focus to its wide-ranging engagement with multilateral organizations. On average, the Agency disburses \$5-6 billion per year to international organizations, many of whom rank among the Agency's largest implementing partners, in particular in fragile and conflict affected states. The Agency leads U.S. government engagement with both the World Food Programme and the United Nations Office for the Coordination of Humanitarian Affairs, and actively participates in the governance of several other United Nations agencies. The Agency also performs regular technical and policy engagement with multilateral partners, both at headquarters and in the field, with Agency staff located at the U.S. Missions to the United Nations in New York, Rome, and Geneva, and at the U.S. Mission to the Organisation for Economic Co-operation and Development in Paris.

Over the last four years, USAID introduced new policies and processes designed to help coordinate and, at times, centralize this engagement. On the programmatic side, new policy guidance clearly articulated that activities with multilateral organizations should be "the exception, not the rule" for Agency programming.<sup>1</sup> Nevertheless, total Agency disbursements to multilateral organizations remained relatively constant during this period. On the policy side, the Agency introduced a new process to

<sup>1</sup> Automated Directive System (ADS) Chapter 308, Agreements with Public International Organizations.

centralize the review and clearance of multilateral policy documents, both to build coherence and strengthen the Agency's role in shaping U.S. government multilateral priorities and negotiating positions. The Agency has also worked to navigate changes in the Administration's posture toward the World Health Organization and the United Nations Population Fund, with whom the Agency previously worked closely, particularly on health and humanitarian issues.

Across all international fora and with all international partners, USAID promoted the overarching goal of ending the need for foreign assistance through its new model of assistance, the *Journey to Self-Reliance*, and its underlying principles related to building country capacity and commitment, while also seeking to advance other global priorities in international venues including, but not limited to:

- **Great Power Competition:** encouraging wider recognition and public messaging on the negative impacts of the Chinese and other malign actors' approach to development, and working to encourage key bilateral donor partners to align with USAID's posture towards the People's Republic of China.
- **Preventing Sexual Exploitation and Abuse:** elevating USAID's leadership role in addressing sexual exploitation and abuse in the development and humanitarian assistance context, positioning the Agency as a global leader, pursuing like-minded donor political commitments, and pushing multilateral partners to adopt new policies and reporting requirements.
- **The Indo-Pacific Strategy:** strengthening engagement with Indo-Pacific partner countries, development partners and regional organizations, working to pursue alignment on shared priorities of free, open, and prosperous region, and offering alternatives to Chinese low-standard, debt-strapping investments.
- **Transparency and Effectiveness:** promoting transparency, accountability and evidence-based programming as a means to achieving development cooperation effectiveness.

## LOOKING FORWARD

The international development architecture continues to evolve, requiring traditional bilateral aid agencies to rethink their roles in the wider sustainable development landscape. Many bilateral donors have repositioned their development programs to emphasize their own national security and economic interests, reframing poverty alleviation through that lens. USAID was an early adopter in this repositioning, and continues to be a global leader in related approaches, such as private sector engagement, civil-military cooperation, and development innovation. The Agency can leverage this expertise and leadership as it continues to address the increasing presence of the People's Republic of China and other malign actors in international development cooperation.

The Agency will also explore how it works with multilateral organizations, and its role in informing and advancing U.S. government multilateral priorities. The Agency will continue to rely on the comparative advantages of multilateral organizations such as the World Food Programme, the Agency's largest implementing partner and recent recipient of the Nobel Peace Prize. Concurrently, the Agency is considering the implications of the U.S. withdrawal from the World Health Organization on USAID health and humanitarian programming and technical engagement.

## NOTES

## BUREAU FOR POLICY, PLANNING, AND LEARNING: USAID'S PROGRAM CYCLE

### INTRODUCTION

The Program Cycle is USAID's operational model for achieving development results in a given country or sector, and it links together the fundamental components of the Agency's programming from a country's strategic planning, project, and activity design and implementation to monitoring and evaluation to collaborating, learning, and adapting (CLA). It also ensures that the Agency's program planning, design, implementation, and assessment processes are aligned with budget and resources in support of U.S. development objectives, including the Journey to Self-Reliance (J2SR). This guidance operationalizes Agency policy priorities through best practice in evidence-based strategic and program planning, implementation, monitoring, evaluation and learning.

### LOOKING BACK

Managed by the Bureau for Policy, Planning and Learning's (PPL) Offices for Strategic and Program Planning (SPP) and Learning, Evaluation and Research (LER), USAID's Program Cycle Policy was established in 2016 as Chapter 201 of USAID's Automated Directive System (ADS), replacing three previous chapters with a single chapter that integrates planning, assessing and learning. The Program Cycle is based on four primary principles: applying analytic rigor to support evidence based decision-making; managing adaptively through continuous learning; promoting sustainability through local implementation and financing; and using a range of approaches to achieve results. Program Cycle components include: country strategic planning; project and/or activity design and implementation; monitoring, evaluation; and collaborating, learning and adapting.

PPL has built staff capacity to implement the policy through several channels: classroom and online training; templates and additional guidance (toolkits); online platforms for USAID staff (ProgramNet) and partners (Learning Lab); communities of practice to facilitate peer to-peer learning; and by providing direct technical assistance to USAID's Bureaus and missions.

To learn and continuously improve, PPL created a Program Cycle learning agenda that drew from a variety of data and feedback from engagement with USAID units, and created regular pause and reflect moments to consider what was and was not working. Together with the Agency's development of the overall J2SR framework, this learning was used to inform a complete revision and streamlining of the Program Cycle Policy in 2019 and 2020. The streamlined guidance to operationalize the Program Cycle and integrate self reliance was issued in phases between September 2019 and September 2020. PPL is now supporting Agency staff to understand and implement the changes. The major changes are described below for each Program Cycle component.

**Strategic Planning:** Over 45 missions will have completed strategies by December of 2020 based on the updated Program Cycle guidance that former Administrator Green established. Through this process, and through annual portfolio reviews, USAID's missions ensure Country Development Cooperation Strategies (CDCSs) support country Self-Reliance and take into account changing country context, including those due to the COVID 19 pandemic. Similar strategies are prepared for regional programs. The current strategic planning guidance outlined in ADS 201 and issued in December of 2019 reduced the time it takes to complete a CDCS from a range of 18-24 months to less than a year.

**Project Design and Implementation:** Projects (the intermediate level of design that is intended to link higher-level strategies with eventual "activities" procured to advance strategic objectives) are now optional, and a tool missions can decide to use when appropriate (as may be the case for missions with

particularly complex strategies and large-scale programs). If a mission opts to do a project, the documentation has been significantly streamlined, and the amendment process has been eliminated. Any required analysis can be done where it makes most sense based on a mission's subjective assessment and is not required at both the project and the activity levels.

**Activity Design and Implementation:** Activity documentation has been updated to allow for obligation approval through Activity Approval Memorandums. The Activity Monitoring, Evaluation and Learning (MEL) Plan is revised to meet legislative requirements and ensure lessons on improving award management are incorporated into the guidance. Working closely with the Management Bureau's Office for Acquisition and Assistance, PPL is also redesigning the Agency's approach to the professional development of Agency staff who manage awards, known ~~federal government wide~~ as Contracting Officer Representative or Agreement Officer Representative (COR/AOR) to better provide industry-leading quality design, oversight, and management of USAID's activities (usually operationalized as contracts and grants).

**Monitoring, Evaluation and CLA:** PPL significantly reduced duplication across monitoring, evaluation and CLA planning requirements: the mission's Performance Management Plan is shorter and better aligned with strategy learning priorities, and a project-level MEL Plan is no longer required even when missions opt to design projects. Evaluation requirements were updated to better-match new project and activity guidance, while the monitoring, evaluation and CLA requirements were brought up to date with legislation such as the *Foundations for Evidence-Based Policymaking Act*, and with USAID's updated award management, risk-management and data-management processes.

The changes to each Program Cycle component should reduce timelines from start to finish for Program Cycle planning, implementation and assessment. The reduction in bureaucratic steps and hurdles for USAID missions is intended to free up staff time for more active management of USAID activities.

**Shifts due to COVID-19:** PPL's Program Cycle Capacity Building approach—centered on training on strategy development, program design, and learning—will adjust to operating constraints caused by the COVID-19 pandemic. The training approaches will be adapted to shift classroom courses to online or virtual live offerings where appropriate, and updated to reflect Program Cycle revisions.

## LOOKING FORWARD

As an outcome of USAID's Transformation, a proposed Bureau for Policy, Resources and Performance (PRP) to align USAID's development policy, resource-management, and program-performance functions, and house new units to measure partner countries' self-reliance, strengthen donor coordination and unify the Agency's policy response to multilateral organizations, is pending Congressional approval. If and when approved, the PRP Bureau will include an *Office for Program Cycle Policy and Support* to unify these functions under one office. Staff from PPL's Offices for SPP and LER, and teams from the Global Development Lab will be brought together to build Agency Program Cycle capacity. SPP and LER will work closely together to implement the Program Cycle until the new proposed *Program Cycle Office* may be established.

## NOTES

## BUREAU FOR MANAGEMENT: BUREAU OVERVIEW

### INTRODUCTION

The Bureau for Management (M Bureau) spearheads several critical operational functions for the Agency. The Bureau leads the Agency's efforts in the areas of acquisition and assistance award management, business process improvement, alignment of foreign assistance spending with results, and delivery of innovative 21st century solutions to intractable problems.

The M Bureau workforce provides overall management services in five core functions: 1) finance; 2) information technology; 3) administrative services; 4) procurement; and 5) operational policy, budget and performance. In addition, the M Bureau facilitates the Washington Real Estate Strategy, coordinates the Agency's operating environment, leads cybersecurity and data management, and sustains the Agency restructuring via the Restructuring Management Unit, as part of the Transformation. Most recently, the M Bureau assumed a number of new functions including the Agency Approach to Field Services (AAFS) and Effective Partnering and Procurement Reform.

### LOOKING BACK

The M Bureau has maintained leadership in securing operational and functional effectiveness in an ever-changing landscape while keeping USAID ahead of important technologies, securing necessary resources, and implementing mechanisms that enable the Agency's work. Credit for most accomplishments belongs to the Bureau's employees who provide award-winning value to the Agency; their excellence has been recognized Government-wide with awards from Gears of Government and Certificate of Excellence in Accountability Reporting, and with four "A" grade Federal Information Technology Acquisition Reform Act Scorecard successes. USAID is consistently among the top performing agencies on government wide benchmarking on acquisition metrics. To reach these milestones, the M Bureau has focused on customer-service delivery, modernizing Agency practices, and defining relationships with partners.

**Customer Service Delivery:** Using data from internal and external sources such as the Federal Employee Viewpoint Survey and the M Bureau-led Customer Services Survey, the M Bureau has integrated recommendations and action plans into its processes to improve customer service. The M Bureau has increased access and training to important tools to strengthen USAID's virtual and collaborative environments like Google Hangouts and the USAID Data Literacy Curriculum, Secondary Metrics Compendium search feature, and interactive Financing Self Reliance (FSR) Dashboard. Modernizing systems that impact daily operations has included scheduled updates to procurement and accounting systems as well as completing phase four of the six phase budget modernization project to revamp Operating Expense budget processes by Fiscal Year 2022. The M Bureau's initiatives to increase operational preparedness with Government-furnished devices and the move to cloud computing facilitated the swift pivot to telework at the onset of the COVID-19 pandemic.

**Modernizing Agency Practices:** As the pace of change quickens, the Agency must be nimble and have innovative tools and guidance to be responsive. The M Bureau orchestrates and refines the Automated Directives System (ADS), the body of USAID operational policy that codifies Federal rules and regulations, and governs the Agency's business practices. In the past four years, the M Bureau has had a hand in reshaping Agency policy to align Agency priorities across operational series such as acquisition and assistance procedures, management support, and budgeting and finance. Implementing a more innovative and flexible platform for responsibly delivering assistance through local government systems and partners, the M Bureau has worked closely with the Bureau for Policy, Planning, and Learning (PPL) to increase engagement with donors. The M Bureau is leading the effort to meet Office of Management and Budget requirements for Enterprise Risk Management, which emphasizes integration of risk

management into the Agency's development models and programs. The M Bureau has made significant progress in improving audit responsiveness and integrating recommendations that increase organizational acuity and effectiveness. Internal business-process reviews revealed important insights into areas ripe for institutional strengthening that will become part of the M Bureau's operational excellence agenda. The Bureau's proactive work in Partner Vetting has positioned the Agency as leaders in a field when most Federal agencies have hesitated to define approaches.

**Collaborating with Our Partners:** Reshaping partner engagement has been a strong theme for the Agency in the last four years and has touched each partner audience, from implementing and private-sector partners to host-country governments. The Agency's Transformation has sharpened the focus on partner engagement as a critical element of procurement reform and fostered the creation of collaborative tools, like the New Partnerships Initiative, led by the M Bureau and PPL, and engagement of more than 50 partners via nearly two dozen awards world-wide. The M Bureau recently developed research services to enhance due diligence in the contract and agreement award process when considering a formal partnership with the private sector. In alignment with the Journey to Self-Reliance, the M Bureau also produces the Country Roadmaps, in collaboration with PPL. Moreover, the financial management Memorandum of Understanding between USAID and the GAO Center for Audit Excellence has reinforced capacity development for Supreme Audit Institutions (SAI) in partner countries.

## LOOKING FORWARD

Priority initiatives looking forward include hiring new staff and aligning workforce skills and expertise to the M Bureau's work and functions; maximizing Operating Expense resources; modernizing systems and workspaces; and integrating Transformation initiatives. The Bureau will invest renewed energy into strategically planning operational preparedness of the management platform. Operations will need to innovate, modernize or consolidate some of its aging models to navigate varying political, economic and social climates. M Bureau staff will lead those changes.

**Elevating Effectiveness:** As the future calls on the Agency to confront uncertain realities, the M Bureau will elevate its preparedness and restructure continuity of operations strategies to position the Agency for unexpected changes. In tandem with the Offices of Security and Human Capital and Talent Management, the M Bureau constitutes the operations steering group to align operational functions. Likewise, the COVID 19 Taskforce transitioned to the temporary Readiness Unit before its final destination as the Critical Coordinating Structure within the M Bureau. These structures coordinate across the Agency for nimble responses whenever the next circumstance calls for an immediate pivot. The M Bureau provided remarkable flexibility within days in response to the pandemic and a forward-looking vision ensures that level of flexibility is institutionalized. Modernization efforts also will remain a high priority as budgeting is refocused and the M Bureau consolidates disparate information-technology systems and balances accessibility with cybersecurity and vulnerabilities from malign influences. Continuous innovation and training on collaborative tools for the Agency as it shifts from lower value to higher value work will grow in importance. The Partner Vetting Program will refresh aging regulations and modernize its core system to maintain the Agency's leadership position in vetting across the U.S. Government.

**Workplace and Workforce Innovations:** Important shifts in the workplace and workforce are already underway and will continue to rise as the M Bureau aligns employees with the right disciplines and leverages their expertise to create greater capacity, even when not under emergency conditions. The M Bureau will explore a regional platform review of backstop (controller, procurement, and executive officer) surge support to consider new models for service delivery and cross functional solutions. While the Washington Real Estate Strategy has consolidated leases, bringing multiple offices into a common space, reducing the physical footprint, and creating long-term cost savings, updated telework policies and practices will further complement workplace shifts. The Agency Approach to Field Services will engage more with field employees on identified needs and all staff stand to benefit from an anticipated mentorship program.



## NOTES

**BUREAU FOR MANAGEMENT:  
WASHINGTON REAL ESTATE STRATEGY****INTRODUCTION**

While USAID's Mission is focused overseas, having a modern workplace that maximizes staff productivity and morale in Headquarters is essential. The Agency is currently in the middle of an innovative, ten year project—the Washington Real Estate Strategy (WRES)--to modernize its Headquarters' footprint. The goal of the WRES is to create flexible, collaboration-oriented workspaces that maximize staff mobility and emphasize employee wellness, while meeting the Office of Management and Budget (OMB)'s goals of reducing the federal real property footprint. The WRES facilitates the Agency's requirement to transition to electronic records, as physical moves often serve as a forcing function to appropriately manage paper records and consider how to digitize existing paper processes. The WRES is governed by an Executive Steering Committee chaired by the Bureau for Management, with representatives from the Office of Security. All of USAID's domestic leasing and construction is implemented by the General Services Administration (GSA).

This year, the Agency decommissioned its space in three leased buildings, reducing its overall footprint and consolidating over 1,800 staff in a new USAID Annex building that achieved a LEED Gold rating. This space consolidation was planned to coincide with a staff laptop refresh, providing half of the Agency with new, PIV-enabled laptops that avoided the need to move a large amount of desktop equipment. This hardware refresh, combined with the Agency's cloud-based strategy, greatly facilitated the Agency's pivot to mandatory telework at the beginning of COVID-19.

USAID's space utilization rate of 169 square feet per person is one of the most aggressive across the U.S. Government. The WRES design principles include plans for flexible spaces that are designed for mobility, including touchdown spaces to facilitate desk-sharing and telework. Overall, the Agency's response to the COVID 19 pandemic has not changed the approach to workspace but rather fits in with the WRES design standards that emphasize flexibility of space and mobility.

The Agency has recently proven that it can effectively accomplish its mission, particularly in domestic Headquarters, via telework. Going forward, post-pandemic, this may mean that as the Agency increases its U.S. Direct Hire workforce, USAID will not seek additional leased space but rather can rely instead on increased telework arrangements. Because the Agency has already decommissioned three leases this year, there are no current plans for further lease reductions because of COVID 19. However, incorporating telework more aggressively into the Agency's swing space strategy for moves related to the Ronald Reagan Building (RRB) Renovation is a new strategy. In the next decade, USAID will continue to analyze the effectiveness of telework and workspace utilization in order to determine if further lease reductions are possible. The Agency will also assess the impact of WRES, including such approaches as desk sharing and small per person space allocation, on employee morale and productivity.

**LOOKING BACK**

In 2016, the U.S. Government initiated the federal *Reduce the Footprint* mandate to increase the efficiency of government workspace utilization and reduce the cost of domestic U.S. Government-owned and -leased buildings. At that time, USAID had one of the lowest employee satisfaction with regards to workspace of the U.S. Government. Fragmented office operations in four locations, with outdated workspace not designed for high occupancy, was driving down employee morale. In response to the new mandate, USAID established the WRES to consolidate its primary operations.

To realize this commitment, in 2016, the Bureau for Management established new space standards and policies, and implemented a dual-track WRES plan. The objective of Track 1 of the WRES was to consolidate fragmented leased office space in the other buildings outside of the RRB into a 20 year replacement lease in a single modern building. Track 2 was planned to upgrade and renovate the 22-year old, inefficient, low-quality space in the RRB. Guided by the WRES, USAID completed a *Real Property Efficiency Plan* and submitted it to OMB in September, 2016. USAID continues to work with both GSA and OMB to track the Agency's progress in meeting the requirements of the *Reduce the Footprint* mandate.

Each year since the inception of the WRES, USAID has dedicated funding to make continued progress in the two tracks. To implement Track 1, the Agency leased a newly constructed building, the USAID Annex (UA). From January 2018 through January 2020, the Bureau for Management outfitted the UA, creating a multi-use internal conference facility as well as workspace for 1,830 employees of the Bureaus for Management and Global Health, and the Office of Small and Disadvantaged Business Utilization. Track 2 involves a 10-phase, multi-year renovation of the RRB. USAID is now nearing completion of **Phase 3** which is renovating half of the 2nd floor and **Phase 4**, creating a new conference center in USAID's portion of the RRB mezzanine.

## LOOKING AHEAD

The WRES will enter an important and busy period in the next four years to finish the RRB Renovation by 2025. While potentially disruptive, completing the Renovation is necessary to upgrade essential ventilation systems and avoid perceived space inequities among the workforce. Change management is an essential part of the WRES to communicate the benefits of the initiative.

In the fall of 2020, the Agency will initiate **Phase 5** of Track 2, to renovate the RRB's entire 4th floor. In summer 2021, at the completion of the 4th floor renovation, the Bureau for Europe and Eurasia, and the Offices of Security, Human Capital and Talent Management, and Civil Rights and Diversity will occupy the renovated space and USAID will begin **Phase 6**, renovating the remaining half of the 2nd floor, creating new space for the Bureau for Africa. **Phase 7** will involve renovation of the 8th floor, which will house a new Administrator's suite, the Executive Secretariat and the Bureau for Legislative and Public Affairs, the Offices of the General Counsel and Budget and Resource Management and the leadership of USAID's Office of Inspector General. It is tentatively planned that **Phase 7** would begin concurrently with initiation of **Phase 6**, in summer 2021, with the new Administrator's suite ready by summer 2022. **Phase 8** is planned to begin in summer 2022 and will entail renovation of the RRB's 6th floor and run for a projected twelve months. The planned design and occupancy of **Phase 8-10** (which involve the 6, 3 and 5th floors) will include revisions of the original renovation plan that reflect the Transformation's organizational changes and establishment of new Bureaus. Once RRB renovations have been completed, the Agency expects to turn back to GSA the lease of lower quality, but equally costly, space on the lower "B" levels of the RRB, which will yield savings to the Agency in annual rent costs. The renovation is scheduled to be completed in 2025.

Building Name	USAID Domestic Portfolio		Type
	Rentable Square Feet	Usable Square Feet	
Ronald Reagan Building (RRB)	748,928	532,853	[OA] Federally owned office
USAID Annex 500 D Street, SW	349,701	307,452	[OA] Private lease office
Federal Center (SA 44) 400 C Street, SW	59,822	42,566	[OA] Private lease office
Temporary Swing Space - 1717 Pennsylvania Ave, NW	32,747	26,382	[OA] Private lease office
Crystal Drive - Washington Learning Center	50,029	42,306	[OA] Private lease office
Fullerton Center Warehouse	14,131	13,904	[OA] Private lease warehouse
Continuity of Operations (COOP) site	3,553	3,553	[Direct] Private lease 383

## NOTES

**BUREAU FOR MANAGEMENT:  
CYBERSECURITY, INFORMATION TECHNOLOGY INVESTMENTS, AND DATA MANAGEMENT**

## **INTRODUCTION**

Information technology (IT) is among the most vital investments supporting USAID, and allows the Agency to adapt to ever-changing opportunities and challenges.

Functionally, the Office of the Chief Information Officer reviews and prioritizes all requests and demands for IT support services; ensures USAID has access to cutting-edge technologies; develops, implements, and maintains the Agency's strategic and operational IT planning; and, modernizes IT infrastructure to support organizational efficiencies and the delivery of USAID's mission. Additionally, the Office of the Chief Information Officer ensures the Agency's compliance with all government-mandated laws and regulations governing information technology, cybersecurity, and privacy. The Agency's Chief Information Security Officer, Chief Privacy Officer, Senior Accountable Official for Supply Chain Risk Management and Chief Data Officer reside in the Office.

USAID was one of two "A" ratings on the Federal Information Technology Acquisition Reform Act (FITARA) Scorecard 10.0 (along with the Government Services Administration), which was released on August 3, 2020. USAID is the only Agency to receive four overall "A" ratings on FITARA Scorecards (January 2017, November 2017, December 2019, and July 2020) from the Oversight and Reform Committee of the U.S. House of Representatives, and has consistently received "A" grades for: 1) incremental development; 2) transparency and risk management; 3) the consolidation and optimization of data centers; and, 4) software licensing.

## **LOOKING BACK**

The Office of the Chief Information Officer has focused on transforming how the Agency conducts business with its stakeholders and partners to better help accomplish USAID's mission, making substantive progress in several key areas. For example, USAID is a leader in the Federal Government in data center optimization as a result of its intensive effort to improve operational efficiency. USAID has also invested in the target capability areas of mobility, collaboration, cloud computing, application modernization, enterprise information and data management, and information technology security.

Recently, the Office of the Chief Information Officer played a pivotal role in supporting the Agency's COVID-19 response. Within the initial days of mandatory telework in March 2020, the Office of the Chief Information Officer was able to move nearly all of USAID's global workforce to a telework status. Further, the Office has continued to work with overseas Missions where telework is difficult or not a regular work modality, leveraging connectivity options such as Virtual Desktop Infrastructure, a cloud productivity suite of mail and collaboration tools, and mobile and cloud strategies to keep USAID's work moving forward.

## **LOOKING FORWARD**

The Office of the Chief Information Officer continues to explore opportunities to leverage state-of-the-art technologies that create an enabling environment for USAID to respond more efficiently, manage more effectively, and make decisions that are informed by sound evidence. Current efforts include: developing the Development Data Commons, a standardized, enterprise-wide approach to drive mission-critical objectives with data and evidence, and learn from our rich history of past results; standing up USAID's Artificial Intelligence Development Team to identify and pilot potential artificial intelligence use cases within the Agency; making significant investments in tools and platforms

that will continue to help secure our networks and data globally, such as Continuous Diagnostics and Mitigation, Identity Credential and Access Management and implementing a Zero Trust security model; and, continuing the response to and management of legislative and Federal mandates, such as the prohibition on the use and acquisition of “covered” technologies under of Section 889 of the *John S. McCain National Defense Authorization Act* for Fiscal Year 2019, which has a significant impact on USAID’s operations.

## **CYBERSECURITY**

A focus on cybersecurity remains central given USAID’s significant cyber footprint, the increasing use of mobile and agile technologies in an interconnected world, and the large number of data collection efforts of USAID and its implementing partners. Maintaining a strong cybersecurity stance and reducing risk requires investing in cybersecurity; creating a culture of strong cybersecurity awareness; and transforming the USAID hiring process to enable M/CIO to better recruit, hire, and retain qualified personnel with high-demand cybersecurity skills.

The Office of the Chief Information Officer developed a *USAID Cybersecurity Strategy* to address these and other issues and position the Agency for the future. The strategy outlines three goals that align with the *USAID IT Strategic Plan* by focusing on the following: solution delivery in a timely, secure, and integrated manner; information technology innovation to position USAID as a leader among Federal agencies; and streamlined and more efficient operational excellence. The Office of the Chief Information Officer also established a series of cross-cutting themes that include enhancing customer experience, improving information management and services to support data-driven decisions, and strengthening protections against IT security and privacy threats, among others. The Office of the Chief Information Officer will also continue to mature its Cybersecurity Supply Chain Risk Management Program to promote the confidentiality, integrity, and availability of Agency data.

For the Fiscal Year 2020 Federal Information Security Modernization Act (FISMA) Audit, USAID has recorded strong results, including the following:

- USAID achieved a perfect 10 out of 10 Cyber Cross Agency Priority goals, the highest grade possible, for the 3rd straight year. This earns USAID the designation of “Managing Risk,” which is the highest designation.
- USAID received a Level 4 FISMA Metrics Rating, which designates USAID as having an “Effective Cybersecurity Program.”
- USAID recorded a strong 3.8 out of 5.0 OIG FISMA Metrics Maturity Score, an increase over 2019’s solid 3.4 score.

## **IT INVESTMENT**

Over the past three years, USAID has taken several steps to implement the Modernizing Government Technology Act, specifically the establishment of an IT Working Capital Fund. The Agency embraces the benefits an IT Working Capital Fund will provide to continue modernizing and strengthening its IT platforms and services. USAID senior leadership has worked with the Office of Management and Budget to have the proposed transfer-authority language for USAID’s IT Working Capital Fund included in the President’s Budget Request for Fiscal Year 2021, and supports the inclusion of the provision in the subsequent appropriations bills.

To date, USAID has not been granted the necessary legal budget-transfer authority necessary to fully utilize an IT Working Capital Fund.

A critical IT investment at USAID is the Development Information Solution, which is a web-based Agency-wide portfolio management system designed to capture one cohesive narrative -- from development strategy to results. The Development Information Solution, designed in conjunction with the USAID program lifecycle, streamlines workflows and increases efficiency by reducing the burden of data management and automating regular tasks. Specifically, the Development Information Solution is designed to meet the need for high quality, real-time data by integrating program funding, awards, contracts information, and development results in one single platform to inform evidence-based decision-making. Currently, the Development Information Solution performance management module is being deployed globally. As of October 2020, there are roughly 2,000 USAID users and 1,000 implementing partners using the Development Information Solution at different capacities worldwide.

## **DATA MANAGEMENT**

USAID and the international development community recognize the positive potential for a “Data Revolution” to transform their work. In addition, transparency and accountability are characteristics of resilient, democratic societies like the United States and of the societies that USAID seeks to foster abroad. They are also hallmarks of the Foundations for Evidence-Based Policymaking Act and Federal Data Strategy.

Accordingly, USAID is 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 such as the Development Information Solution, aimed at strengthening the Agency’s ability to make data-driven decisions; catalyze partnerships; and increase transparency through the public release of data.

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 redaction, sensitive data can be pieced together to identify people and communities and may be put to malign use by local actors and others who view the provision of aid as a threat to their interests. For these reasons, as data is collected and readied for public release, “responsible data,” privacy, and cybersecurity are equally critical concerns.

## NOTES



**BUREAU FOR MANAGEMENT:  
STEWARDSHIP OF RESOURCES AND TAXPAYER FUNDS: AUDIT AND RISK MANAGEMENT**

**INTRODUCTION**

Audit and risk management are top tier priorities for USAID's leadership and for USAID's Bureau for Management as the Agency carefully manages taxpayer funds. Reporting directly to the USAID Administrator, USAID's Chief Financial Officer manages the Office of the Chief Financial Officer located in the Bureau for Management in accordance with the responsibilities conveyed by the *Chief Financial Officer Act* of 1990. The Chief Financial Officer leads the Agency in oversight and development of USAID worldwide financial management policies, programs, financial systems, and guiding USAID's global controller network. Major enterprise financial management products and efforts include the Agency's financial reporting system, Phoenix; the Agency's financial statements published in the *Agency Financial Report*; managing audits performed by the USAID Office of the Inspector General and U.S. Government Accountability Office; and, leading the Agency's program on Enterprise Risk Management as the Chief Financial Officer is the Agency's Senior Accountable Official for Enterprise Risk Management. Additionally, the Chief Financial Officer is the Senior Accountable Official for the Digital Accountability and Transparency Act and responsible for validating and certifying the Agency's financial data for inclusion in the Federal government's USA Spending.gov website.

The Bureau for Management leads USAID in meeting government wide initiatives managing taxpayer funds including Category Management, a key Agency Priority Goal and Cross-Agency Priority Goal within the President's Management Agenda. Under Category Management, USAID must streamline purchasing common goods and services to eliminate redundancies, increase efficiency, and deliver more value and savings from the Government's acquisition programs under the Office of Management and Budget memorandum M-19-13. USAID's approach to use Category Management for manpower, training and other appropriate contracts will enable contract and agreement officers to focus their time on Co-Creation, Private Sector Engagement, and the New Partnerships Initiative. The Bureau for Management develops and executes an Operational Excellence Agenda that informs continuous improvements of operations-an internal consulting practice to improve management operations and produce actionable recommendations responsible offices and staff can implement to increase time spent on high-value work. Further, the Bureau for Management also supports risk mitigation and addresses incidents of both fraud, waste and abuse and sexual exploitation and abuse making recommendations to USAID's Suspending and Debarring Official on whether future U.S. Government funds should be entrusted to implementing partners. These research and analytics based recommendations, consider whether implementing partners have the appropriate internal controls to guard against misconduct and manage risk sufficiently.

**LOOKING BACK**

For the last four years, the Office of the Inspector General provided a clean audit opinion on the Agency's financial statements. As the result of Chief Financial Officer-coordinated efforts, USAID closed Office of the Inspector General recommendations on the Agency's \$131 million Fund Balance with Treasury Account. The Fiscal Year 2016 signing of a Memorandum of Understanding between USAID and the GAO Center for Audit Excellence established a partnership in capacity development activities for Supreme Audit Institutions in partner countries. In Fiscal Year 2017, the Administrator approved an Enterprise Risk Management governance framework and an initial Agency Risk Profile in accordance with OMB Circular A-123. Subsequent Enterprise Risk Management activities, in addition to internal control assessment activities performed by the Bureau for Management, all support the Administrator's signed annual Statement of Assurance. The resultant *Agency Risk Appetite Statement* featured updates from the worldwide Enterprise Risk Management and, by Fiscal Year 2020, the risk appetite statement was updated to highlight risks associated with the COVID-19 pandemic. The creation of leadership reports tracking open audit recommendations increased transparency and accountability for backlogged recommendations, further strengthening the Agency's financial position. The Chief Financial Officer

managed an annual average of 680 Office of the Inspector General and Government Accountability Office open audit recommendations in Fiscal Years 2019 and 2020 helping the Agency close an annual average of 465 recommendations in that time.

The studies included on the Operational Excellence Agenda, prompted USAID to optimize Agency operational performance by streamlining processes; mitigating Agency risks of fraud, waste, and abuse; and increasing operational policy effectiveness. Since 2017, the Bureau for Management has completed seven corporate management assessments reviewing the senior obligation and alignment review process, enterprise risk management, and the tracking of allegations of sexual exploitation and abuse committed by implementing partners. Approximately 83 percent of 103 accepted recommendations are either in-progress or complete. USAID continued to successfully adopt Category Management. USAID surpassed its Office of Management and Budget directed goal in the area of Spend Under Management and has also seen a growth in the adoption and use of the government-wide Best In Class solutions.

USAID continues to strengthen the award management process with policy updates supporting Agreement/Contracting Officers to act independently without inappropriate influence on award or award-administration decisions; enhanced system controls to ensure complete critical award documents by the time of obligation; establishing the Bureau for Policy, Planning, and Learning as the institutional home for Agreement/Contracting Officers Representatives; and collaboration between the Bureau for Management and the Office for Human Capital and Talent Management for joint input in Foreign Service Officer assignments resulting in policy revisions with greater coordination in assignment decisions for backstop staff.

## LOOKING FORWARD

Forward focus is on continuing to improve audit results and risk management and providing effective stewardship over funds entrusted to USAID. The Chief Financial Officer will continue reporting to the Administrator on financial management matters working to enhance stewardship of taxpayer resources in collaboration with USAID in order to: maximize the use of resources through a broad risk management approach; mitigate programmatic, strategic, and fiduciary risks; incorporating emergency response planning and accessing the COVID-19 response through the use of the Agency Risk Profile. In addition, the Chief Financial Officer will: engage with partner accountability organizations to strengthen audit capacity; modernize the financial system, Phoenix; automate certain voucher payments; apply data analytics to the Agency's financial statements; and identify future leaders for the Bureau for Management.

The Agency moved over \$20 billion through Acquisition and Assistance (A&A) mechanisms in Fiscal Year 2020. The A&A Strategy outlines the key changes USAID is making to become more innovative, transparent, and strategic in stewarding U.S. taxpayer investments. This strategy helps partners by prioritizing programs that: show measurable impact; incentivize reform; diversify USAID's partner base; foster local capacity building; mobilize domestic resources; and, leverage private sector resources, including their expertise. This strategy, coupled with the Effective Partnering and Procurement Reforms, provide a clear path for USAID to protect and effectively utilize taxpayer resources.

USAID also will prioritize the Operational Excellence Agenda and internal consulting services based on: strategic priorities, risk and audit management assessments, potential cost savings, shifting from low value to higher value work, and other factors for appropriate stewardship of taxpayer investments. In addition, USAID anticipates additional steps to leverage the capabilities of Category Management, through which USAID can benefit from efficiencies and improve effectiveness while providing better stewardship of taxpayer dollars. This action will be accomplished through internal USAID advocacy and engagement, and leveraging federal "best practices" in the application of Category Management solutions. Further, USAID will explore additional opportunities to use Federal benchmarking and other data sources to promote efficient and effective Agency operations.

## NOTES

**BUREAU FOR MANAGEMENT:  
CRITICAL COORDINATION STRUCTURE****INTRODUCTION**

Elevating effectiveness and operational readiness is one of the Bureau for Management's (M Bureau) key initiatives. As part of its focus on continuous process improvement, M Bureau has applied lessons learned from the COVID-19 pandemic to elevate emergency response coordination and communication, and strengthen Continuity of Operations (COOP) and Task Force readiness, by recommending the creation of the Critical Coordination Structure (CCS). The leadership of the CCS would report directly to the Assistant Administrator of the M Bureau. The proposed organizational structure and functions will take responsibility for continuing to manage the COOP response to COVID 19 and be prepared to support the Agency's response to any additional COOP incident or Task Force requirement. In September 2020, the Agency successfully transitioned COOP authorities and management from the COVID-19 Task Force to the Readiness Unit. The Readiness Unit will deactivate in coming months and transition responsibilities to the M Bureau CCS, should the Acting Administrator approve the plan.

**LOOKING BACK**

As the COVID-19 pandemic unfolded in early 2020, the Agency had in place staffing, organizational, and functional structures that applied lessons learned from the Ebola response, including those captured in the Office of the Inspector General (OIG) report *Lessons From USAID's Ebola Response Highlight the Need for a Public Health Emergency Policy Framework*. However, that staffing was not adequate to deal with an unprecedented challenge: the simultaneous global disruption of operations and global need for a USAID programmatic response. Based on the Ebola experience, in January 2020, USAID approved staffing and established a Task Force Readiness Unit (TFRU), the operational policy for which the Agency had recently set out in ADS 112. Due to the unprecedented challenge outlined above, USAID established the COVID-19 Task Force to manage COOP and the programmatic response, and coordinate associated communications and policy innovation. The COVID-19 Task Force, following the guidance of the OIG audit recommendations and ADS 112, organized operations by functional area (programmatic, communications, financial management, etc.) as defined ADS 112.

While the Task Force managed the overall COOP response, M Bureau continued to manage and innovate in its functional areas of responsibility for procurement, information technology, logistics, and operational budget, policy, and performance. It also detailed Subject Matter Experts and leadership to the Task Force.

**LOOKING FORWARD**

The M Bureau CCS proposal would result in a more robust Task Force Readiness and COOP staffing structure to elevate leadership understanding of COOP responses and responsibilities. The CCS would be a matrixed organization within the M Bureau and would report through the Director of the Office of Management Services, who would be dual-hatted as Operations Management Coordinator for the Assistant Administrator for the M Bureau. The CCS would be staffed with 14 permanent positions, a combination of direct hire and contract staff, and could surge to 22 positions through additional contract staff. The CCS would be expected to be fully operational by January 1, 2021. The CCS would continue active management of the ongoing COVID-19 response and learning. In addition, the CCS would focus on the areas for operational improvement in task force readiness, COOP plan scenario testing and training, and longer-term process review and modification to allow for COOP operational responses through existing and enhanced technology, tools, policies, and procedures.

## NOTES

**BUREAU FOR MANAGEMENT:  
RESTRUCTURING MANAGEMENT UNIT OVERVIEW****INTRODUCTION**

USAID is aligning its framework and foundation to remain dynamic, impactful, and capable of operationalizing its vision to end the need for foreign assistance. Through USAID's Transformation, the Agency is positioning its structure, workforce, programs and processes to effectively advance national security and support host-country partners on their Journey to Self-Reliance (J2SR). The Bureau for Management's Restructuring Management Unit (RMU) is responsible for overseeing the transformation of USAID's structure, and serves as a central point of coordination and information regarding the reorganization under the auspices of the Bureau for Management (M) to collaborate with the Offices of the General Counsel and Human Capital and Talent Management (HCTM). The RMU is also responsible for keeping the Office of the Administrator informed of the status of any reorganization challenges. The RMU is a temporary organization that will be dissolved once restructuring activities are completed.

**LOOKING BACK**

On August 31, 2018, USAID submitted nine Congressional Notifications to Congress outlining its proposed Washington-based structural reforms; seven of which have been approved by Congress. The proposals included streamlining Agency Coordinators, the creation of the Bureaus for Resilience and Food Security (RFS); Humanitarian Assistance (BHA); Conflict Prevention and Stabilization (CPS); Development, Democracy, and Innovation; Policy, Resources and Performance (PRP); and changes to the Bureau for Asia, Bureau for Management, and Office of the Administrator.

The RMU leads the restructuring Bureaus through legal establishment and operationalization. A Bureau is considered to be legally established upon the Administrator's approval of the Bureau's capabilities, functions, substructure, and other required management-directed changes. The Bureau is considered operational once the Chief Human Capital Officer in HCTM has approved the staffing assignments for the new Bureau and engaged with the two USAID Unions: the American Federal Government Employee for civil-service employees, and the American Foreign Service Association for foreign-service employees, on impact and implementation. A number of changes take place over time to maintain essential functions related to people, systems, funding and processes. These implementation steps are managed by the M Bureau, HCTM, and the Office of Budget and Resource Management.

RFS, BHA, CPS, and the new Bureau Asia became operational in Fiscal Year 2020. RFS, BHA and CPS form the Relief, Response and Resilience (R3) Bureaus structure, reporting to one Associate Administrator, created under the Office of the Administration transformation. The integrative approach of R3 represents a breakthrough in forming a more robust and comprehensive link between mitigating and responding to crises and sustainable development. The full implementation of the R3 Bureaus, DDI, Asia, and the Office of the Administrator, in which newly operationalized bureaus are integrated into the Agency funding systems, is expected to be completed in Fiscal Year 2021.

**LOOKING FORWARD****Congressional Notifications**

There are two Congressional Notifications that remain on hold: PRP and M Bureau. Additionally, following consultation with the Office of Budget and Management, staff, stakeholders and Congress, USAID has submitted three Congressional Notifications in the Fall of 2020 to propose changes to the Bureau for Global Health, the Office of Security, and a new Congressional Notification for the M Bureau, which are pending clearance from Congress. These Congressional holds represent a challenge to the

RMU's ability to finish the work for which it was created. Decisions will need to be made on how and whether to pursue the release of these holds.

The PRP, M and GH Congressional Notifications remain on hold with various committees. PRP currently has 5 holds which are primarily tied to a Congressional preference that the Bureau be led by a Presidentially-Appointed Senate Confirmed (PAS). USAID has filled all of its existing PAS position and is unable to action this request without the addition of a new PAS position. The Agency may also be able to place a PAS in this position by transforming an existing PAS slot once there is a vacancy. PRP is held pending the Agency's meeting the hiring targets included in its Fiscal Year 2019 appropriations.

The original M Congressional Notification included incorporating HCTM and the Office of Security. The Agency is no longer seeking this consolidation. USAID has requested a partial release on two elements of the M Congressional Notification focusing on movement of the performance audit function from M to the Bureau for Policy, Planning, and Learning and the movement of the reasonable accommodation from the Office of Civil Rights and Diversity to HCTM. Once the partial approvals are released, the M Congressional Notification will be withdrawn and replaced with a more streamlined Congressional Notification.

The reasons for the hold on the GH Congressional Notification are not clear. However, the Agency continues to brief and respond to questions posed by congressional staffers.

#### **Movement of Technical Staff**

The Agency plans to rebalance U.S. Direct Hire staff with technical functions between Technical Bureaus and Regional Bureaus to clarify the roles and responsibilities of Regional Bureaus in technical work. Moving technical staff will allow Regional Bureaus to focus on elevating development within the U.S. Government and managing program interventions that are critical to advancing region-wide development and removing or mitigating external constraints to growth that will help USAID's partner countries advance on their Journeys to Self-Reliance. By clarifying Regional Bureau roles, USAID is eliminating confusion, avoiding unnecessary duplication, and allowing Regional Bureaus to focus on core responsibilities of leading development in respective geographic regions and for Technical Bureaus to focus on global technical leadership and programming. The rebalancing will begin with Operating Expense-funded staff in Fiscal Year 2021. Program-funded staff would be moved later in the fiscal year.

#### **Restructure Change Management**

As Bureaus became legally established and moved toward operationalization, there became an increased focus on change management and communications to support staff. The ultimate change management goal of the reorganization is to support and enable staff to adopt and ultimately embrace changes incurred by the change. The RMU, in consultation with Bureau points of contacts, developed an Agency Restructure Change Management Plan. This is a linear, phased model that each Bureau progresses through. As Bureaus are made operational, it is important that the Agency focus on the final stage of that model: reinforcement, which encompasses assessing and working to make changes last.

## NOTES



**BUREAU FOR MANAGEMENT:  
PARTNER VETTING**

## INTRODUCTION

Partner vetting is an enhanced due diligence measure that assists USAID in complying with a range of legal requirements to mitigate risk and safeguard U.S. foreign assistance from diversion to organizations or individuals posing a threat to national security. USAID employs a range of other risk mitigation measures worldwide. When those are deemed to be insufficient to mitigate risk, USAID may apply vetting if the Deputy Administrator approves its use. The core focus of vetting is counterterrorism—to mitigate the risk of inadvertently providing support or benefit to an entity or individual that is engaged in or supports terrorism. Through vetting, USAID checks the names and other personally identifying information of Key Individuals and organizations against public and non-public databases. USAID Office of Security (SEC) vetting analysts (S); (b)(5) - Deliberative Process Privilege evaluate the nature of any information regarding potential awardees and make a recommendation to the bureau or mission managing the award as to the eligibility of those awardees. The final determination is made by the cognizant regional or functional bureau, independent office (B/IO), or mission.

The Deputy Administrator serves as the Senior Agency Vetting Official (SAVO) and has oversight of the Agency's governance, operations, policies, and programs. The Management Bureau—through the Central Vetting Group (CVG) in the Bureau for Management's Office of Management Policy, Budget and Performance (M/MPBP)—is the lead for a range of centralized vetting functions. It serves as the secretariat to the SAVO, Executive Council on Partner Vetting (an Assistant Administrator-level advisory body), and Vetting Working Group. It also manages the integration of vetting in the acquisition and assistance process, oversees policy development, identifies information technology requirements and guides system development, and leads interagency policy coordination. B/IOs and missions oversee and manage vetting programs that fall within the administrative scope of their operating units. They have primary responsibility to assess the risk of diversion of foreign assistance and recommend the initiation of vetting at the country program level, or on a more narrowly tailored basis, to mitigate that risk. SEC screens proposed and existing awardees, certain sub-awardees, and other key individuals against public and non-public databases. Currently, USAID has vetting programs applicable to all activities conducted in West Bank/Gaza (WBG), Lebanon, Syria, Iraq, Afghanistan, Pakistan, and Yemen. Of these, only WBG is congressionally mandated in annual appropriations statutes. USAID established the vetting requirement for the others as a matter of policy based on risk.

## LOOKING BACK

USAID partner vetting in its current form took shape through evolution in the WBG assistance program, where USAID has conducted vetting for approximately 20 years. Over time, USAID has worked to strengthen its vetting governance, policies, procedures, programs, and operations and expanded vetting programs to countries of highest risk. (S); (b)(5) - Deliberative Process Privilege

Beginning in 2011 with

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in Afghanistan, the USAID incrementally expanded vetting to the other locations. Between 2012 and 2017, USAID and the Department of State implemented a Congressionally mandated joint pilot to assess the extent to which counterterrorism vetting adds value as a risk mitigation tool, and if so, the circumstances under which vetting should occur. The pilot generated findings that largely confirmed the approaches USAID and State had already established. USAID and State coordinate but have independent vetting programs. USAID has been the thought leader in vetting civilian assistance and has provided guidance and tools to State. Continuing to exercise leadership, USAID—unique among foreign

assistance agencies—has developed an operational policy chapter on partner vetting that, as of October 2020, is in the Office of the Administrator for the Acting Administrator’s approval.

Since it began tracking these figures around 2015, USAID estimates it has prevented more than \$800 million from supporting or benefitting people and entities that do not meet USAID vetting requirements in relation to U.S. national security or the foreign policy interests of the United States. This risk mitigation has allowed USAID to continue to work in the highest-risk environments

## LOOKING FORWARD

USAID has made great progress over the last four years in solidifying governance, standardizing policies and procedures, and identifying areas of focus for future effort. Key issues going forward are:

- Automated Directive System (ADS) Rollout: If the ADS chapter is approved, the Bureau for Management will brief the Agency, Implementing Partners, Congress, the Office of the Inspector General, and the Government Accountability Office.
- Public Rulemaking: The action memo with the ADS chapter that is with the Front Office also recommends engaging in public rulemaking to revise the Agency’s vetting regulations to provide greater consistency between vetting programs and to formally adopt vetting policy changes.
- (b)(5); (b)(5) - Deliberative Process Privilege

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## NOTES

**OFFICE OF CIVIL RIGHTS AND DIVERSITY:  
OFFICE OVERVIEW****INTRODUCTION**

The Office of Civil Rights and Diversity (OCRD) is an independent office reporting to the Administrator, and its Director is the Agency's Equal Employment Opportunity (EEO) Official and Chief Diversity Officer. The Office is responsible for USAID's EEO Program and Diversity and Inclusion functions. To fulfill these program functions, OCRD administers the Agency's EEO complaints, anti-harassment, alternate dispute resolution, affirmative employment, and reasonable accommodations programs, including the development of related policy, training and information dissemination. OCRD also provides technical and advisory assistance and develops and conducts comprehensive, integrated, and strategic programs, such as the Employee Resource Group program, and activities that are critical components of USAID's human resource strategy, and identifies policies, programs and practices to promote diversity and remove barriers to equal employment opportunity within USAID.

These programs are mandated and guided by federal law, regulation, directive, executive order or memorandum, and/or Agency policy, and reflect the Agency's commitment to a workplace free of discrimination and harassment. They further foster a workforce that is diverse, inclusive and equitable, in which USAID values and recognizes the contributions of all employees as vital to driving innovation and forging strong relationships with stakeholders to contribute to the success of USAID's mission and initiatives.

**LOOKING BACK**

Recent years have been years of rebuilding and re-engagement for OCRD. Prior to 2018, OCRD struggled to meet its mandated responsibilities with a small, incomplete staff and few budgetary resources. A lack of resources resulted in lack of capacity to serve the workforce and Agency at a satisfactory level. However, Agency leadership re-focused its attention on OCRD, approving staff increases that doubled the number of positions from 13 to 26 employees and allocated increased funding, from less than \$550,000 to more than \$2.5 million, which enabled OCRD to develop and implement more robust programs.

With additional staff and budget, OCRD has reduced the EEO and harassment complaints backlog to zero, has increased timeliness in the complaint processes, established and administers Alternative Dispute Resolution and Affirmative Employment Programs, and developed and offered EEO, anti-harassment, reasonable accommodations, and diversity and inclusion training.

In the past four years, OCRD has published a new Automated Directives System (ADS) Chapter (111) on Reasonable Accommodations, drafted a new ADS Chapter (114) on the Agency's Anti-Harassment Program, and provided technical assistance and subject matter expertise for the drafting of the new ADS Chapter (113) on Preventing and Addressing Sexual Misconduct. The Office has also developed a process for establishing teams to facilitate listening sessions and discussions on relevant current events, such as the killing of George Floyd and to provide an avenue for engagement on topics ranging from workforce diversity to sexual harassment to social justice and workplace bullying. Additionally, OCRD has restarted the Agency's Executive Diversity Council, co-chaired by the Deputy Administrator and OCRD Director, with membership at the Assistant Administrator and Independent Office Director-level, to ensure Agency leadership is informed of and can be accountable for the Agency's EEO Program requirements and diversity and inclusion efforts. Finally, OCRD has established a Barrier Analysis Working Group composed of stakeholders across USAID who will collaborate with OCRD to identify

barriers to equal employment and propose recommendations to adapt, adopt or retire Agency policies and practices to reduce and remove those barriers.

## **LOOKING FORWARD**

OCRD expects to continue building its capacity to conduct critical program functions and advise and assist the Agency in becoming a model EEO Program, increasing diversity in the workforce, and fostering an inclusive and equitable workplace free from discrimination and harassment. Reasonable Accommodations staff are focused on revising the relevant sections of the Agency's ADS Chapter 111 Procedures for Providing Reasonable Accommodation for Individuals with Disabilities to update the role of the Reasonable Accommodation Program Manager as a technical advisor making recommendations for supervisors and management to RA decisions; and reviving the reasonable accommodation case management system implementation initiative.

Diversity and Inclusion staff are focused on creating frameworks for Agency-wide utilization and scaling-up technical assistance and outreach throughout the Agency to support implementation of the USAID Diversity and Inclusion Strategy mandated in Executive Order 13583; guiding, supporting and collaborating with the Agency's approved Employee Resource Groups to ensure all members of USAID's workforce are celebrated and recognized for their achievements and contributions; standing up the Agency's Affirmative Employment Program to ensure USAID identifies and addresses barriers to equal employment opportunity; and partnering with Bureaus, Independent Offices and Missions to provide technical and advisory assistance that enhances their capacity to support and advance diversity and inclusion throughout the Agency.

The 2019 MD-715 Report on the Agency's EEO Program status and the 2020 Government Accountability Office (GAO) Report, USAID: Mixed Progress in Increasing Diversity, and Actions Needed to Consistently Meet EEO Requirements, the Agency has more work to do to address deficiencies in its EEO Program and increase diversity in its workforce. While USAID has addressed a number of deficiencies identified in the MD-715 Report and all four recommendations in the GAO report, OCRD continues to collaborate with the Office of Human Capital and Talent Management and other stakeholder offices to resolve deficiencies, address gaps, and identify opportunities to improve.

## NOTES

**OFFICE OF CIVIL RIGHTS AND DIVERSITY:  
BUILDING A MODEL EQUAL EMPLOYMENT OPPORTUNITY PROGRAM**

## **INTRODUCTION**

The U.S. Equal Employment Opportunity Commission identifies six essential elements that serve as the foundation upon which an Agency model equal employment opportunity (EEO) program is built: 1) demonstrated commitment from Agency leadership; 2) integration of EEO into the Agency's strategic mission; 3) management and program accountability; 4) proactive prevention of unlawful discrimination; 5) efficiency; and, 6) responsiveness and legal compliance.

USAID's Office of Civil Rights and Diversity (OCRD) is responsible for carrying out the functions of the Agency's EEO Program, which includes the following: administering the EEO and Harassment Complaints Programs, including development, training and monitoring of collateral duty EEO Counselors; overseeing the Alternate Dispute Resolution Program; and managing the Affirmative Employment Program. OCRD's EEO Program responsibilities include advising Agency management officials and staff on EEO and related federal laws, regulations, directives, and Agency policies; developing EEO and related policy, programs, training and information; providing technical and advisory assistance to Agency leadership about EEO Program functions and requirements; overseeing and managing USAID-approved Employee Resource Groups; and developing strategies and identifying policies, programs and practices to promote diversity and remove barriers to equal employment opportunity within USAID.

## **LOOKING BACK**

With additional staff positions and budget allocated to OCRD over the past two years, OCRD has begun building a solid foundation for the Agency's Model EEO Program. OCRD's EEO Program technical and subject-matter experts have removed case backlogs and addressed severe timeliness issues in administering the EEO Complaints process; established an Agency Anti-Harassment Program and drafted a related Automated Directives System (ADS) Chapter (114), anticipated to be published in Fiscal Year 2021; stood up an Alternate Dispute Resolution Program, including developing training and educational information to increase the use of mediation; and developed and began implementing the Agency's Affirmative Employment Program, including establishing a Barrier Analysis Working Group composed of a wide-range of Agency stakeholders to identify and address barriers to equal employment opportunity.

## **LOOKING FORWARD**

OCRD expects the USAID workforce, Congress and the public to continue its heightened focus on issues of workplace discrimination and harassment (especially sexual harassment), as well as workforce diversity. OCRD's challenge is to continue increasing capacity to ensure greater effectiveness and efficiency across the EEO Program functions. An additional challenge is a nagging lack of credibility about OCRD throughout the USAID workforce that arose due to OCRD's past program deficiencies, despite the fact that those deficiencies are, for the most part, resolved.

To meet Agency challenges of workplace discrimination and harassment, OCRD is undertaking a number of actions:

- Drafting ADS 114 Anti Harassment Program to bring the Agency into compliance with EEO requirements (publication expected by the end of 2020).
- Providing more robust training for managers and supervisors regarding their EEO responsibilities.

- Conducting EEO counseling in a timely manner, issuing acceptance/dismissal letters, conducting investigations and issuing Final Agency Decisions throughout the EEO complaint process.
- Providing training, including refresher training to, and engaging more regularly and comprehensively with collateral duty EEO Counselors.
- Establishing an Alternative Dispute Resolution Program and ensuring all employees, including supervisor and managers know about the program and its benefits with regard to resolving complaints.
- Posting the Agency's No FEAR Act Report of EEO complaint data on the Agency's internal and external websites as required.

In addition to the actions above, OCRD is conducting the following efforts to address issues of diversity in the Agency's workforce:

- fully staffing the Agency Affirmative Employment Program to collaborate closely with the Office of Human Capital and Talent Management (HCTM), and other stakeholders who develop and implement Agency policies, programs and practices that can impact equal employment opportunity;
- establishing and leading a barrier analysis working group within USAID composed of HCTM and other stakeholders to identify Agency policies, programs, and/or practices where modifications would reduce barriers to equal employment opportunity throughout the employment cycle— from recruitment to selection, development, recognition and promotion;
- disseminating program information to senior Agency leaders for their engagement and support developing action plans to reduce and remove barriers to equal employment opportunity;
- revising ADS Chapter 111 "Reasonable Accommodations Program" to update the role of the Reasonable Accommodation Program Manager as a technical advisor making recommendations for supervisors and management on reasonable accommodations decisions;
- re-starting the Agency's Executive Diversity Council, co-chaired by the Deputy Administrator and Director of OCRD and composed of Bureau and Independent Office heads to provide Agencywide leadership for initiatives and investments to enhance workforce diversity and inclusion; and,
- partnering with Bureaus, Independent Offices and missions to provide technical and advisory assistance that enhances their capacity to increase diversity in USAID's workforce.

A review of USAID's 2019 MD-715 Report on the Agency's EEO Program and the GAO's 2020 Report, USAID: Mixed Progress in Increasing Diversity, and Actions Needed to Consistently Meet EEO Requirements demonstrates the challenges remaining in building a model EEO Program. While USAID has addressed a number of deficiencies identified in the MD-715 Report and all four recommendations in the GAO report, OCRD continues to collaborate with the Office of Human Capital and Talent Management and other stakeholder offices to resolve deficiencies, address gaps, and identify opportunities to improve.



## NOTES

**OFFICE OF CIVIL RIGHTS AND DIVERSITY:  
AGENCY WORKFORCE DEMOGRAPHICS**

## INTRODUCTION

The U.S. Equal Employment Opportunity Commission (EEOC) requires federal agencies, in accordance with Management Directive (MD) 715, to annually review, analyze and report on their Equal Employment Opportunity (EEO) programs and related federal employee workforce, i.e., United States Direct Hire (USDH), data in the MD-715 Report. It is important to note that the EEOC focuses on the U.S. Civil Service, however, USAID has more Foreign Service than Civil Service employees.

While USAID's Office of Human Capital and Talent Management (HCTM) is responsible for the personnel systems and related collection and storage of personnel data, including EEO demographic data (race, ethnicity, sex, disability status), the Office of Civil Rights and Diversity (OCRD) is responsible for developing and submitting a publicly available annual report about the Agency's workforce to the EEOC. The most recent report on the demographic data of USAID's USDH employees is presented in the workforce data tables as part of the Agency's Fiscal Year 2019 MD-715 Report. The tables summarize the Fiscal Year 2019 USAID USDH permanent workforce demographics on the basis of ethnicity, race, sex, and disability status.

Below are selected instances of underrepresentation of racial and ethnic minorities, women and/or employees with disabilities from OCRD's analysis of USAID's Fiscal Year 2019 USDH senior leadership demographic data:

### Senior Foreign Service (SFS)

- Minorities<sup>1</sup> represented 18.42 percent of the Senior Foreign Service (SFS), below the permanent workforce benchmark of 37.04 percent (gap: 18.62 percent).
- Black/African American representation was 11.8 percent, below the permanent workforce benchmark of 21.11 percent (gap: 9.31 percent).
- Asian American representation was 3.29 percent, below the permanent workforce benchmark of 8.41 percent (gap: 5.12 percent).
- Hispanic/Latino representation was 3.29 percent, below the permanent workforce benchmark of 6.30 percent (gap: 3.01 percent).
- American Indian/Alaska Native was 0.00 percent, below the permanent workforce benchmark of 0.51 percent (gap: 0.51 percent).
- Women represented 49.34 percent of the SFS, below the permanent workforce benchmark of 54.48 percent (gap: 5.14 percent).
- People who have a disability (including a targeted disability) represent 0 .66 of the SFS, below the federal goals of 12.0 percent (disability) and 2.0 percent (targeted disability).

<sup>1</sup>Hispanic, Black/African American, Asian, Native Hawaiian/Other Pacific Islander, American Indian/Alaska Native, or two or more races.

### Senior Executive Service (SES)

- Women comprised 46.15 percent of USAID's SES corps, below the permanent workforce benchmark of 54.48 percent (gap: 8.33 percent).
- People who have a disability (including a targeted disability) represent 7.69 percent of the SES, below the federal goals of 12.0 percent (disability) and 2.0 percent (targeted disability).

## LOOKING BACK

The June 2020 Government Accountability Office Report, "USAID: Mixed Progress in Increasing Diversity, and Actions Needed to Consistently Meet EEO Requirements," demonstrates that USAID's overall

diversity improved between Fiscal Years 2002 to 2018 with the proportion of minorities in USAID's permanent USDH workforce increasing from 33 to 37 percent—including a rise in the proportion of Hispanics from 3 to 6 percent— however, the proportion of African Americans fell from 26 to 21 percent. And, racial and ethnic minorities are underrepresented in higher ranks at USAID. During this period, the overall proportion of women increased from 51 to 54 percent, reflecting an increase in the proportion of women in the Foreign Service.

In Fiscal Year 2019, USAID's workforce was composed of nearly 3,400 permanent and temporary USDH (Civil Service and Foreign Service) employees and approximately 1,100 U.S. Personal Services Contractors, in addition to thousands of non-US Personal Service Contractors (Foreign Service or Cooperating Country Nationals and Third Country Nationals) and Institutional Support Contractors.

OCRD analyzes demographic data to inform Agency leadership, including managers and supervisors, about the status of the Agency's efforts to increase workforce diversity. Additionally, OCRD conducts data analysis to identify underrepresentation of racial and ethnic minorities, women and individuals with disabilities in USAID's direct hire workforce throughout the employment cycle. Once it is clear where there is underrepresentation, OCRD leads a barrier analysis process to identify and then address barriers to equal employment opportunity.

## **LOOKING FORWARD**

As OCRD continues to improve its programs and develop new processes, the Affirmative Employment Program will lead a Barrier Analysis Working Group composed of stakeholders from across the Agency to identify barriers to equal employment opportunity in policies, programs, and practices and recommend modification to, adoption of new or retirement of current policies to reduce and remove those barriers. Reducing and removing barriers to equal employment opportunities for job applicants and current employees at all ranks, in different employment categories, etc. will increase USAID's diversity.

OCRD plans more robust and targeted data analysis of various aspects of the employment cycle (selection, promotion, awards, etc.). Additionally, because the Agency and OCRD have long-recognized that meeting the EEOC's baseline requirements to analyze and report on USAID's USDH workforce demographic data results in an incomplete picture of the USAID workforce, OCRD plans to expand its demographic data analyses beyond those baseline EEOC requirements. USDH federal employees constitute just over a third of the Agency's workforce. While USAID, like other federal agencies, does not have access to Institutional Support Contractor demographic data, HCTM collects U.S. Personal Services Contractor demographic data.

## NOTES

**OFFICE OF CIVIL RIGHTS AND DIVERSITY:  
USAID DIVERSITY AND INCLUSION STRATEGIC PLAN (2020-2023)**

## **INTRODUCTION**

USAID is committed to fostering an inclusive workplace to ensure the Agency's diverse workforce fully contributes to the success of USAID's mission. In accordance with Executive Order 13583—*Establishing a Coordinated Government-Wide Initiative to Promote Diversity and Inclusion in the Federal Workforce*, USAID's Chief Human Capital Officer is responsible for enhancing employment and promotion opportunities within the Agency, as well as development and implementation of the Agency Diversity and Inclusion Strategic Plan, in collaboration with the Directors for Equal Employment Opportunity and Diversity and Inclusion. However, as the Office of Civil Rights and Diversity (OCRD) is responsible for performing the Agency's Equal Employment Opportunities and Diversity and Inclusion program functions under Automated Directive Systems Chapter 101, OCRD continues to facilitate the development of and updates to USAID's Diversity and Inclusion Strategic Plans as it has done since the Executive Order became effective in 2011. These plans articulate the Agency's commitment to Diversity and Inclusion and identify Agency-wide goals and actions to achieve three goals: 1) improved and enhanced diversity throughout USAID; 2) enhanced culture of inclusion and equity for everyone in the workplace; and, 3) strengthened accountability for promoting and sustaining a diverse workforce and an inclusive Agency culture.

OCRD is the responsible Office for managing the Agency's Diversity and Inclusion Strategic Plan. Critical stakeholders include the Office of Human Capital and Talent Management, senior Agency leadership and the Employee Resource Group Leadership Council. USAID's Diversity and Inclusion Strategic Plan 2017-2020 plan was updated during 2020 and approved by the Agency's Executive Diversity Council, which is chaired by the Deputy Administrator and whose members are Agency senior leaders. OCRD expects the current USAID Diversity and Inclusion Strategic Plan (2020-2023) to be disseminated to the USAID workforce by the end of 2020.

## **LOOKING BACK**

The previous USAID Diversity and Inclusion Strategic Plan [2017-2020] had several challenges, including the lack of a robust implementation plan, unclear delineation of responsibility across the Agency, and the absence of a formal monitoring and evaluation plan. While the document articulated USAID's commitment to diversity and inclusion; the workforce was generally unfamiliar with it; the Agency did not reference it regularly; and without a robust implementation plan, it fell short as a guiding document for USAID and individual members of the workforce. OCRD recognized these challenges and realities, which were used as foundational motivations for updating the plan and broadly engaging a wide range of stakeholders in the development of the 2020-2023 Strategic Plan.

The development of the new Strategic Plan was devised with three objectives in mind: 1) operationalizing goals and strategies across a wide variety of hiring mechanisms; 2) leveraging advancement through pragmatic approaches; and, 3) creating shared responsibility across all levels of the organization to advance and sustain diversity and inclusion. OCRD guided the update in close partnership with the Employee Resource Group Leadership Council and in collaboration with other Agency stakeholders.

This process included a comprehensive gap analysis, compilation and analysis of data sources across the Agency and Federal Government related to diversity and inclusion, key stakeholder interviews, focus groups, listening sessions open to all staff and consultations with Agency executives and bargaining unit representatives. From these efforts, initial goals and strategies were formulated and key themes

emerged. OCRD consulted directly with the Executive Diversity Council, and members of the Council served in advisory roles in revising and updating the strategic plan. This inclusive, employee-driven process spanned approximately one year.

## **LOOKING FORWARD**

Looking to the future, OCRD anticipates the updated USAID Diversity and Inclusion Strategic Plan (2020-2023) will be disseminated to the USAID workforce by the end of 2020. In the meantime, OCRD continues to refer to the previous strategic plan, and goals and strategies identified in the future strategic plan, to inform and advise senior leadership and other critical stakeholders about increasing diversity and fostering inclusion across the Agency. The future USAID Diversity and Inclusion Strategic Plan adheres to the requirements outlined in Executive Order 13583 and is tailored to the organizational context and needs of the USAID workforce. The future USAID Diversity and Inclusion Strategic Plan will be accompanied by an implementation plan, which is under development. Additionally, the Agency will implement a monitoring and evaluation plan, also under development, to measure its progress in achieving the stated goals.

## NOTES

**OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION:  
OFFICE OVERVIEW****INTRODUCTION**

USAID's *Journey to Self-Reliance* serves as the cornerstone of the Office of Small and Disadvantaged Business Utilization's (OSDBU's) foundation to increase U.S. small business contracting opportunities in support of the Agency's mission. OSDBU currently houses two outreach and advocacy programs: the Small Business Program and the Minority Serving Institutions program. OSDBU has oversight authority for the performance of USAID in meeting its U.S. small business goals, as negotiated with the U.S. Small Business Administration. It is also responsible for advocating on behalf of minority-serving institutions in accordance with the White House Initiatives as directed by Presidential Executive orders. The Minority Serving Institutions program includes Historically Black Colleges and Universities, Hispanic Serving Institutions, Tribal Colleges and Universities, Asian American Pacific Islander Native Alaskan Serving Institutions, and Alaskan Native American Indian Serving Institutions. OSDBU is led by a member of the Senior Executive Service who reports to the Deputy Administrator, and has a staff of 13 direct-hire civil service employees.

**LOOKING BACK**

USAID's progress in its small business program over the past several years has been a success. In Fiscal Year 2008, the Agency brought new leadership into OSDBU to improve its performance. At the time, USAID was struggling and receiving "F" grades in the Small Business Administration's annual Small Business Procurement Scorecard that is issued to each of the 24 Chief Financial Officers Act Agencies. OSDBU developed and launched an internal Small Business Goaling Program for Washington Bureaus and Offices and with the support of senior leadership and through enhanced transparency and accountability, the Agency's performance improved significantly. USAID's Scorecard grade improved steadily, from an "F" in Fiscal Year 2009, to an "A+" in Fiscal Year 2014. In subsequent years, the Agency has continued to perform at higher levels, with notable increases in dollar obligations to U.S. small businesses increasing every year since.

USAID's small business goals are based on historical accomplishments and are set at levels which provide maximum practicable opportunities for small businesses to compete on Agency procurement actions. OSDBU negotiates the Agency's official goals with the Small Business Administration every year and those goals are in turn communicated throughout USAID. Internal goals are set for USAID Bureaus and Independent Offices with acquisition obligations greater than \$5 million. Accomplishments are communicated at senior staff meetings and commitment to small business utilization is included in Senior Executives performance plans.

Prior to Fiscal Year 2016, the Agency's goaling program included only domestic awards. In FY 2016, the Small Business Administration implemented a new government-wide rule which expanded the small business goals to include all acquisitions worldwide. This more than doubled USAID's goaling baseline since USAID awards the majority of its acquisitions obligations overseas. In response, OSDBU increased its engagement with overseas missions, assigned two staff members to work strictly with missions, expanded its small business training program for Contracting Officers, Contracting Officer Representatives, and technical staff, and conducted temporary duty travel trainings to more than 30 missions over the past five years. In FY 2018, as a result of a Congressional directive, OSDBU expanded the small business goaling program to include mission-level targets which are now negotiated with approximately 60 missions worldwide. OSDBU also organized and hosted two major small business outreach events overseas; in South Africa in November 2016, and in Frankfurt, Germany, in March 2020.



As a result of these advocacy efforts led by OSDDBU, USAID more than doubled its mission awards to small businesses over the past four years.

During Fiscal Years 2017 through 2019, USAID's small business accomplishments averaged approximately 14 percent of its prime contract awards to small businesses. For the past four Fiscal Years the Agency's goal for prime contracts to small businesses was set at approximately 12 percent, while the Government-wide goal was 23 percent. USAID is able to negotiate a lower goal than other agencies since more than half of contract dollars are awarded outside of the continental U.S. and these awards are not subject to the small business provisions of the Federal Acquisition Regulations. The Agency has continued to receive high marks on the Small Business Administration scorecard, achieving a "B" grade each of the past two years, and its worldwide dollar and percentage obligations to small businesses have increased every year since. Overall dollar obligations to U.S. small businesses increased from \$136 million in Fiscal Year 2010 to \$808 million in Fiscal Year 2019.

In addition to the expansion of the small business goaling program to the missions, the Agency implemented two initiatives that served to improve small business utilization: Effective Partnering and Procurement Reform and the Senior Obligation Alignment Review process. USAID's procurement reform efforts are aimed at increasing collaboration, co-design, and co-financing approaches to promote innovation and the diversification of the Agency's partner base to result in more empowered partners and results driven solutions. The Reform Effort produced the New Partnerships Initiative which houses the field-driven Small Business Applied Research Program, a program which was designed to expand USAID's access to emerging technology, products, services, and scientific applications developed by U.S. based small businesses. Additionally, the Senior Obligation Alignment Review process increased transparency, accountability, and engagement with senior leadership in the review of certain proposed, high-dollar-value awards and the OSDDBU Director's clearance is required for these awards. OSDDBU engagement in this process has led to significant increases in prime and subcontracting opportunities for small businesses on major awards.

During the past four years, USAID's Minority Serving Institutions program primary objectives were: 1) to expand outreach activities to increase institutional awareness of USAID development challenges and partnership opportunities; and, 2) work collaboratively internally to identify methods favorable to partnerships with minority-serving institutions. In Fiscal Year 2019, \$583 million was awarded to all U.S. based institutions of higher education; \$116 million was attributable to USAID's partnerships with, or engagement of, minority-serving institutions in U.S. foreign-assistance activities. This figure represents 19 percent of USAID's awards to all U.S. based institutions of higher education. The total awards to historically black colleges and universities were \$94 million, or 82 percent of awards to all minority-serving institutions.

## **LOOKING FORWARD**

In Fiscal Year 2021, OSDDBU plans to: 1) continue to update Agency-wide small business program policies and procedures; 2) enhance its training program to include more individual small business topics; and, 3) continue to shift to a virtual platform for the majority of its activities. Further, OSDDBU will continue to focus on engaging with overseas missions, and increase collaborative teaming arrangements to plan and host overseas activities to engage mission staff. Finally, to address the Agency Approach to Field Services OSDDBU will reorganize its office to meet the needs of field staff, and to accommodate newly established Bureaus. As part of USAID's Transformation, the Minority-Serving Institutions program will

**Attachment 1**

**Agency for International Development  
FY2019 Small Business Procurement Scorecard**

FPMR NG Prime Contracting Data as of Feb. 20, 2020  
eSRS Subcontracting Data as of Mar. 20, 2020

**Prime Contracting Achievement:**

	2018 Achievement	2019 Goal	50.05% 2019 Achievement <sup>1,2</sup>
Small Business	14.08%	1250%	14.80% (S\$07.7M)
Women Owned Small Business	4.45%	500%	5.55% (S\$02.8M)
Small Disadvantaged Business	7.69%	500%	7.38% (S\$02.7M)
Service Disabled Veteran Owned Small Business	0.35%	300%	0.38% (S\$0.9M)
HUBZone	0.43%	300%	0.58% (S\$1.5M)
Small Disadvantaged Business	4.30%	500%	5.30%
Service Disabled Veteran Owned Small Business	1.10%	300%	0.50%
HUBZone	0.50%	300%	0.70%

**15(k) OSDBU Compliance Requirements**

**Requirements Scores:**

0.0 = No; 0.5 = Partial Credit; 1.0 = Yes

Requirements Scores	Peer Review Score
15(k) Office and Director Experience	1.00
15(k)1 Director Title	1.00
15(k)2 Compensation and Seniority	1.00
15(k)3 Reporting (Head of Agency or Deputy Head)	1.00
15(k)4 Implementation and Execution of Business Development	1.00
15(k)5 Identify and Address Bundling of Contracts	1.00
15(k)6 Provide Assistance on Payments	1.00
15(k)7 Supervisory Authority	1.00
15(k)8 Assign Small Business Technical Advisors	1.00
15(k)9 OSDBU Cooperation and Consultation	1.00
15(k)10 Recommendations to Contracting Officers	1.00
15(k)11 Activity Conversion	0.00
15(k)12 Advise CAO and SPE	1.00
15(k)13 (Optional) SBC and Contracting Specialist Training	1.00
15(k)14 Receive Unsolicited Proposals	1.00
15(k)15 Exclusive Duties and Title	1.00
15(k)16 Congressional Reporting	1.00
15(k)17 Respond to Undue Restriction Notifications	1.00
15(k)18 Purchase Card Summary Data Review	0.00
15(k)19 Vendor Compliance Educational Training	1.00
15(k)20 Subcontracting Plan Review	1.00
<b>Total:</b>	<b>19.00</b>

## Attachment 1-Page 2: USAID FY 2019 Small Business Procurement Scorecard

### Number of Small Business Prime Contractors Comparison

7.60%

increase in number of SB primes by 10% or more = 1.3  
 increase in number of SB primes by 5% or more but less than or equal to 10% = 1.2  
 increase in number of SB primes between 0% and less than or equal to 5% = 1.1  
 No change in the number of SB primes (Change = 0%) 0% increase; 0% decrease (no change) = 1.0  
 Decrease in number of SB primes by more than 5% but less than or equal to 5% = 0.9  
 Decrease in number of SB primes by 5% or more but less than or equal to 10% = 0.8

	2018 Count	2019 Count	2019 Performance
Small Business	327	327	1.00
Women Owned Small Business	114	102	0.90
Small Disadvantaged Business	189	166	0.88
Service Disabled Veteran Owned Small Business	26	22	0.85
HUBZone	30	20	0.67
		<b>Score:</b>	<b>3.80</b>

#### Prime and Subcontracting Grading Scale:

- A+ < 100% but ≥ 120%
- A < 120% but ≥ 100%
- B < 100% but ≥ 90%
- C < 90% but ≥ 80%
- D < 80% but ≥ 70%
- F < 70%

### Comments:

#### Grade of Agency:

In FY 2019, the U.S. Agency for International Development (USAID) awarded the highest dollars and percentages ever in prime contract obligations to U.S. small businesses worldwide, and significantly exceeded its overall small business (SB) goal. The overall increase also demonstrates USAID's commitment to meet the goal for each socio-economic program. The Agency met its Women-Owned Small Business (WOSB) goal, and for the sixth consecutive year it exceeded its small disadvantaged business (SDB) goal. However, the Agency did not meet its HUBZone and Service Disabled Veteran Owned Small Business goals, though there were increases in each category. With regard to subcontracting, USAID achieved its FY 2019 SB, SDB, and WOSB goals. As in previous years, the Agency continues to balance small business goal achievement with its mission to support in-country local partners on their journey to self-reliance. USAID's challenge is unique because approximately two thirds of its contract dollars are awarded overseas, where small business regulations (FAR Part 19) do not apply.

In accordance with reporting and public notification requirements of the Small Business Act, the department awarded prime contracts to Puerto Rico businesses in the amount \$2,181,941. For purposes of determining compliance with the goals for procurement contracts this amount has been double counted to \$4,363,881 and is reflected in the Fiscal Year 2019 Scorecard.



## NOTES

## OFFICE OF SECURITY: OFFICE OVERVIEW

### INTRODUCTION

The Office of Security (SEC) protects USAID personnel and critical facilities through comprehensive and forward thinking security solutions that enable USAID to achieve its mission. SEC serves as the USAID focal point on security matters and operating agreements when dealing with the heads of all security, intelligence, and law enforcement agencies and offices throughout the Federal Government. As an Independent Office within USAID, SEC is responsible for:

- monitoring and coordinating issues impacting safety and security of USAID personnel, partners, and facilities 24/7;
- providing intelligence analysis support for leadership decision-making and national security policy implementation;
- (S); (b)(5) - Deliberative Process Privilege
- maintaining effective physical security systems, armored vehicles, preparedness training, and security communications to support USAID's global operations;
- providing oversight on counterintelligence, insider threats, and information security matters; and,
- performing personnel security investigations and adjudications to grant security clearances to USAID personnel.

Security and safety are paramount for every aspect of USAID's work, yet crime, terrorism, civil disorder, and biological and natural disasters threaten personnel, family members, and facilities around the world. SEC is responsible for determining and assuring the adequacy of security countermeasures to counter potential terrorist attacks against USAID facilities and personnel overseas. SEC provides assistance, coordination, and consultation on all security related functions to USAID's Bureaus and Independent Offices (B/IOs), and provides guidance, training, and outreach to USAID employees on security overseas. SEC also provides operational security issues, armored vehicles, and communications systems. The *Omnibus Diplomatic Security and Antiterrorism Act of 1986* (Public Law 99-399), the *Secure Embassy Construction and Counterterrorism Act of 1999* (PL 106-113), and security standards promulgated by the *U.S. Overseas Security Policy Board* (OSPB - Presidential Decision Directive/NSC-29) mandate the implementation of these programs.

### LOOKING BACK

SEC has transformed from a mostly physical security-focused office to one that proactively supports USAID's overseas operations and develops initiatives outside traditional security programs. New initiatives include a Personnel Recovery Program, a Partner Liaison Security Office (PLSO), the establishment of the official use of the Global Entry program for USAID employees, and doubling SEC's training (b)(5); (b)(5) - Deliberative Process Privilege ]

SEC recognized security and preparedness training as a crucial aspect for USAID's humanitarian and development success. For example, SEC developed training programs for the Ebola response in the Democratic Republic of Congo, for operating in specific countries—including Syria and South Sudan, for responding to sexual harassment, and for traveling during the COVID-19 pandemic. SEC also created a robust Personnel Recovery Program to prepare, train, and equip USAID employees and management to respond to the threats associated with isolation.

SEC created PLSO operations in Kenya, Nigeria, Afghanistan, Pakistan, Bangladesh, Nepal, Colombia, Guatemala, Haiti and Jordan to liaison and facilitate communications between USAID's implementing partners and their respective missions. This approach enables partners to enhance the use of and publicly share available security information to better inform their own security. Liaison activities include maintaining coordination with pertinent in-country entities such as the United Nations, international non-governmental organizations, host governments, and other international donors to collectively share and aggregate security information among partners working in the same environment.

SEC significantly increased its intelligence support in the last three years. By refining the focus of SEC's intelligence analysts from providing threat information to strategic intelligence USAID leaders can make more informed decisions on programming. ]

(b)(6)

(b)(5); (b)(5) - Deliberative Process Privilege

## LOOKING FORWARD

SEC's overseas programs are where the 'rubber meets the road' for keeping all USAID's overseas locations safe, and ensuring the missions successfully operate in austere and hostile environments. SEC assesses and mitigates terrorist threats to USAID's personnel and facilities by maintaining physical, technical, and procedural security, and providing security training to staff. The rate of security incidents and attacks has increased over past decades, as have the variety of attacks, technologies, and planning and processes that terrorists use. New plans and security countermeasures are necessary to prevent these attacks. In the near future, the top threats could originate from a type of terrorist attack unknown to security professionals today. SEC will remain agile to meet emerging requirements and well-integrated with partner organizations to keep pace with the increasingly complex security needs to mitigate threats of terrorism and protect national-security information against espionage.

SEC will continue to prioritize and integrate operational support to the Agency. The COVID 19 pandemic demonstrated the need to change the Agency's approach to managing operations. SEC was on the forefront of the Agency's COVID-19 Task Force, and, as a result, SEC received resources to stand up a Command Center, which included civil service employees and funding for institutional contractors. SEC will institutionalize the Command Center capability to provide leadership situational awareness of global activity and assist staff with emerging safety and security issues.

SEC is also in the early stages of developing a holistic Travel Risk Management (TRM) program which includes security services for temporary duty travelers between locations until arrival in the U.S. or at a Post and fall under Chief of Mission authority. SEC is procuring a contract that will provide personnel and resources which offer around-the-clock geographic location tracking of USAID employees on official temporary duty overseas and provide crisis, security, and emergency services. The Command Center will play a crucial role in monitoring these services.

SEC will continue to mature its intelligence support capabilities in two key areas. First, SEC will continue to expand its strategic analysis production and outreach to enable informed decision-making on national security matters. Next, SEC will expand its national security vetting program to support new requirements, including supply chain risk management, and increase its collaboration with other Intelligence Community components.

## NOTES



**OFFICE OF SECURITY:  
SECURITY CLEARANCE PROCESS AND OVERVIEW**

**INTRODUCTION**

USAID is one of the few Federal Agencies authorized by the Office of the Director of National Intelligence (ODNI) to grant security clearances. The Office of Security (SEC) is responsible for conducting personnel security and suitability investigations to determine the security eligibility of applicants, USAID employees, and personal services contractors. The Director of Security is the designated Senior Agency Official responsible for managing and implementing a personnel security program that investigates, adjudicates, and grants security clearances. This authority enables SEC to devote the necessary investigative resources to meet specific Agency hiring priorities.

Legislation and several Executive Orders stipulate requirements for the USAID's Personnel Security Program. All direct-hire individuals and personal services contractors employed by USAID must have a personnel security background investigation completed to determine eligibility to access USAID facilities, networks, and national security information. SEC also conducts background investigations on institutional support contractors working under unclassified contracts for the purposes of facility access. When an applicant, employee or contractor requires access to classified national security information, that individual must be granted a security clearance at the proper level to access information. SEC reviews and analyzes investigations of employment candidates, employees and others seeking access to USAID to ensure that granting an individual access to classified information is consistent with the interests of national security.

USAID has approximately 8,000 active clearance/access holders. SEC has the authority to determine eligibility and access for Top Secret, Secret, Confidential information and Homeland Security Directive-12 Badging and Credentialing to USAID's facilities and network.

SEC coordinates directly with the Central Intelligence Agency, who is the approving authority for USAID employees who require access to special access programs or sensitive compartmented information, of which currently 570 employees hold.

**LOOKING BACK**

The Edward Snowden and Aaron Alexis cases highlighted the need for security clearance reform within the Federal Government. These serious incidents illustrated the importance for a process to continuously evaluate individuals occupying high-risk positions. In 2012, the ODNI issued new Federal Investigative Standards to allow for a standardized approach to conducting background investigations. The standards applied to all individuals seeking to work for or working on behalf of the Executive Branch, and accounted for counterintelligence, security, and suitability concerns. ODNI required agencies with delegated authority to fully implement the new Federal Investigative Standards by October 2017, expand efforts to continuously evaluate and monitor those with a security clearance, and utilize an automated mechanism to meet reporting requirements.

SEC successfully implemented the new standards by October 2017, and made significant improvements to its personnel security program. Of note, SEC made multimillion dollar improvements to its Security Investigations Database, one of the Agency's named high-value asset systems. The improvements to Security Investigations Database provided the capability to transmit electronic security files, automate and interface with investigative providers, such as the Federal Bureau of Investigations, automatically ingest the security form completed by an applicant,

automation of the submission of badge requests and functionality to randomly identify cleared employees for enrollment into the continuous evaluation program. Enhancements to Security Investigations Database allowed for improved timeliness and quality of USAID's investigations, led to the SEC continuously meeting the ODN's mandated investigative timelines and allowed the Agency to meet hiring goals.

As a U.S. Government customized software solution, SEC shared the coding for the Security Investigations Database with the Department of State's Diplomatic Security Personnel Security Section, (S); (b)(5) - Deliberative Process Privilege

(S); (b)(5) - Deliberative

This also enabled SEC and Diplomatic Security the ability to share personnel security information and improve processes that impacted acceptance of previous investigations from both agencies.

## LOOKING FORWARD

SEC's focus moving forward is to conduct timely background investigations that meet the federal investigative standards and support USAID hiring goals. In Fiscal Year 2021, the priority remains to complete all investigations and adjudications in accordance with timelines established by Public Law 108 458: *Intelligence Reform and Terrorism Prevention Act of 2004*, which stipulates 90 percent of initial Secret clearances should be completed within 74 days and 90 percent of all Top Secret clearances should be completed within 114 days. Failure to satisfy the investigative objectives outlined in the above cited law jeopardizes the Agency's ability to carry out its foreign-policy objectives and the continuation of the Agency's delegation of investigative authority. To support timely investigations, staffing and continuous vetting of cleared employees continues to be a priority.

SEC will further develop the Security Investigations Database to allow for interfaces with external trusted investigative providers to obtain automated investigative results. Additionally, SEC will coordinate with USAID's Office of Human Capital Talent Management (HCTM) to track incoming and current employees along with potential changes in their hiring mechanisms. This approach will ensure all cleared employees possess the correct security clearance level according to the public trust and sensitivity levels designated in their position descriptions.

In 2019, the Office of Personnel Management assessed the suitability determinations of SEC and HCTM. (S); (b)(5) - Deliberative Process Privilege

## NOTES

**BUREAU FOR FOREIGN ASSISTANCE:  
BUREAU OVERVIEW****INTRODUCTION**

The Bureau for Foreign Assistance (FA) is the USAID portion of the Department of State's Office of Foreign Assistance, the foreign assistance coordination office referred to as State/F. Within the hybrid structure, the FA Bureau promotes USAID-State coherence across foreign assistance, including in the following functions: policy development and coordination; budget formulation and execution; strategic planning; performance monitoring and evaluation; and data analytics and information systems. The unique structure reflects the intertwined reality surrounding foreign assistance resources and USAID policy. FA Bureau staff ensure that decision making in State/F considers and is reflective of USAID's perspective, within the overall context of the Secretary of State's foreign-policy priorities. The Director of Foreign Assistance, as delegated by the Secretary of State, oversees allocation, and approval of most State and USAID foreign assistance resources; however, USAID implements a majority of economic, health, and humanitarian foreign assistance.

The USAID employees in State/F make up the FA Bureau and the head of the FA Bureau is a Senior Leadership Group Career employee, who reports directly to the Deputy Administrator. The head of the FA Bureau also serves as the Managing Director of State/F's largest team responsible for planning, performance management, and information-technology systems. USAID has career employees in every State/F office, as well as a senior-level advisor to the Director of Foreign Assistance, who serves as an advocate on USAID's budget priorities. There are 44 USAID employees approved for the FA Bureau, of which 33 are currently in-place. Additionally, nine contract staff are funded through operating expenses.

**LOOKING BACK**

There have been significant changes in the structure of the FA Bureau, the budget, and policy processes at USAID and State over the past four years leading to complex challenges and opportunities.

With respect to the FA Bureau structure, the number of USAID staff at F has evolved, with impacts for USAID. Generally, over the first five to seven years of State/F, USAID staff made up half or more than half of the total staff at F. Due to the hiring freeze for USAID at the beginning of the Trump Administration and the subsequent Hiring Realignment and Review Board process, the FA Bureau saw 30-40 percent of its USAID positions remain unfilled. In response, the Director of Foreign Assistance shifted a number of critical positions from USAID career positions to State career positions, including the Resources and Appropriations Coordinator, who has leadership across USAID and Department of State on the budget formulation, justification, and execution function. While new USAID positions have been provided to the FA Bureau, the impact on the leadership opportunities for USAID personnel in FA and in providing the development perspective to the budget process have been diminished. The Director of Foreign Assistance and the FA Bureau lead are working closely to fill these positions and ensure USAID's perspective is fully accounted for through collaborative performance management and budget processes and hiring the new Senior Advisor for USAID to elevate and ensure USAID's voice in the process.

Regarding budget, over the past year, USAID and State/F have significantly improved the process of allocating funding by country and obligating funding. Even greater improvement in both areas is needed to show USAID and State's joint interests in sound financial management and ensuring funding gets to the field as quickly as possible. Challenges remain though. The President's Budget Requests have deviated significantly from the Congressional appropriations, and the amount of Congressional direction

over the foreign assistance budget has increased significantly, limiting the Administration's ability to respond to priorities and emerging challenges. Internally, the complexity of ensuring allocations meet Congress' increased earmarks has meant that several stages of the budget process have been delayed, including the preparation of the annual budget allocation by country to Congress (653a), which precedes making funds available to missions. In addition, the Office of Management and Budget has twice initiated the process of rescinding expiring funding in Fiscal Years 2018 and 2019. The Secretary of State and others ultimately intervened on USAID's behalf and the funds were not rescinded as planned.

For policy coordination, USAID's participation in State/F functions have bridged USAID, State, and other U.S. Government Agencies in a way that has been beneficial to USAID. For example, State/F led implementation work on the Protecting Life in Global Health Assistance policy, ensuring that other Agencies, such as the Centers for Disease Control, implemented restrictions on health funding in the same way as USAID. State/F has also played a key role in the Humanitarian Assistance Steering Committee and developing the Global Fragility Strategy. State/F regional team leads also serve integral parts of the USAID regional bureau teams and attend the weekly regional bureau leadership meetings.

## **LOOKING FORWARD**

The relationship between FA Bureau and the rest of USAID can continue to improve and ensure that USAID FA employees are truly part of USAID. The FA Bureau is already a part of the weekly USAID Senior Management Meeting, Management Operations Council, Diversity and Inclusion Council, Executive Committee on Risk and Internal Controls, and the Over the Horizon effort. However, gaps exist in incorporating working-level staff in the overall USAID framework and recurring operations. For example, the FA Bureau will be represented at the Agency's Special Award Council for the first time in several years. Further integration of the FA staff with USAID benefits all of USAID's efforts.

As the FA Bureau and its staff become better integrated into USAID, it will have a critical impact on upcoming areas of shared collaboration. While some processes have worked effectively over the past year and before, the upcoming Joint Strategic Plan 2023-2027, Fiscal Year 2022 budget development, and the Fiscal Year 2021 allocation process are all opportunities to continue to improve USAID's perspective in joint processes. The Joint Strategic Plan process will require significant collaboration with the White House and between the State Department and USAID. The policies, approaches, and metrics for the next Joint Strategic Plan demand clear milestones and timelines to develop.

In Fiscal Year 2022, the President is required to submit a budget to Congress between the first Monday in January and the first Monday in February. While a budget was submitted to the Office of Management of Budget in mid September 2020, there are a number of outstanding questions that require close coordination between USAID and State/F. These joint processes require USAID and State to work in unison in defense of shared priorities. Outstanding questions that will need resolution in this specific budget include ensuring that USAID's staffing and operations are funded, the impact of COVID 19 on programming as well as the need to prepare for future pandemics, and the request and implementation for the Global Fragility Strategy.

Finally, on the allocation of Fiscal Year 2020 resources, State/F, with support from USAID, significantly improved the process last year with USAID's assistance, cutting nearly 70 days from the process. Congress requires the allocation report within 30 days of the President's signature of the appropriations bill. Given the complexity of the appropriations act, such a timeline is practically impossible to meet. State/F and USAID must continue to strive towards a submission within 60 days of signature, a significant gesture of the benefits of close collaboration between USAID and State/F, for Fiscal Year 2021 resources.

## NOTES

**BUREAU FOR FOREIGN ASSISTANCE:  
DEPARTMENT OF STATE'S OFFICE OF FOREIGN ASSISTANCE AND USAID'S RELATIONSHIP AND  
HISTORY**

## **INTRODUCTION**

In 2006, the Bush Administration created the Department of State's Director of Foreign Assistance position, dual-hatted as the USAID Administrator, to consolidate foreign assistance budget, policy, and planning functions under a single entity. Over time, USAID and the Department of State's Office of Foreign Assistance (State/F)'s dynamics on these functions have evolved considerably, depending on the vision of the current Administration, organizational structures, and leadership styles.

Regardless of the various configurations, the Director of Foreign Assistance exercises considerable policy and budget authority over USAID, while the USAID Administrator maintains significant autonomy over the agency's day-to-day operations. The desire for greater autonomy over Agency resources by USAID leadership has been a consistent drumbeat, while the Secretary of State continues to prioritize exercising authority over foreign assistance. Current State/F leadership has demonstrated advancement of the beneficial collaboration between State/F and USAID, regardless of the organizational framework.

## **LOOKING BACK**

Since its creation, State/F's relationship with USAID has been guided by its overall mandate—to ensure coordination across the broad range of U.S. foreign assistance. This coordination largely has been seen through a budget lens, as Secretaries of State have continued to delegate authority to State/F to approve the allocation of foreign assistance funding and to coordinate foreign assistance more broadly.

Beyond budget authorities, however, the State/F-USAID relationship has been impacted by the organizational structures in place to carry out foreign assistance functions. To many in the development community, the 2006 creation of the Director of Foreign Assistance and State/F signaled USAID's diminished role in budget and policy functions, a message further emphasized by the retirement of USAID's Policy, Planning, and Coordination Bureau. USAID, however, subsequently re-established these capacities in 2010, as called for by the Obama Administration's *Presidential Policy Directive on Global Development and the Quadrennial Diplomacy and Development Review*. USAID created the Office of Budget and Resource Management (BRM) to coordinate internal budget planning and advocacy. While not delegated any specific budget authorities from the Secretary of State or Administrator, BRM became an essential actor both within USAID and with State/F, improving the relationship and ensuring that USAID's corporate views and budget complexities are accounted for. BRM also has assisted in the management of budget authorities already designated to the Administrator. Likewise, USAID created the Bureau for Policy, Planning, and Learning (PPL) to take leadership on USAID planning and policy functions, and still coordinate on joint tasks such as the quadrennial Joint Strategic Plan, annual performance reporting, and other performance management functions that cut across both State and USAID. In general, the working relationship between BRM, PPL, and State/F has been strong and mutually reinforcing.

The relationship has also been impacted by the leadership structure of State/F. In its history, the Director of Foreign Assistance has been at different times a dual-hatted USAID Administrator, a career Senior Executive Service employee, and a State Department Administratively Determined employee. Secretaries of State across Administrations have also changed both the reporting structure and role of USAID and State/F in the foreign assistance process, but ultimately, they have endorsed and supported the hybrid approach of State/F. Specifically, the existence of a second Deputy Secretary with specific oversight of management and resources versus just one Deputy Secretary has impacted how State/F

interacts with the USAID leadership. Each of these models of leadership and Secretaries' approach have changed how State/F and USAID interact.

Close coordination with State/F has benefited USAID's development leadership and budget and performance management processes. For example:

- All USAID funding memos are now submitted through BRM, ensuring that BRM has visibility on all funding coming from USAID.
- State/F hired a Senior Advisor who focuses on USAID to advise the Director of Foreign Assistance on development issues and ensures a USAID perspective in the budget process.
- For COVID-19, State/F allocated over 99 percent of the fully- and partially-managed assistance to USAID.
- State/F ensured that USAID jointly developed all foreign assistance guidance, supplemental strategy, and processes for COVID-19.
- State/F and USAID developed a collaborative process on the Congressionally-directed Countering China Incentive Fund. USAID was integral to developing the proposal guidance, the key issues to fund, and the review process to ensure USAID's equities are fully represented.
- State/F supports USAID's efforts to promote the Journey to Self Reliance and the related Country Roadmaps, which included supporting the distribution of the Roadmaps to countries where USAID does not have a presence, as well as briefings to State on the Roadmaps.
- Promoted cross-agency reviews of trends, progress, and alignment of policy to programs through strategic sector reviews help USAID and State to link data to budgets.

## LOOKING FORWARD

USAID has a significant interest in shaping the future of the relationship with State/F. Ultimately, it will be shaped by the Secretary of State and USAID Administrator working together to determine the respective budget and performance management functions of each, but there is much USAID can do within the current framework. The Director of Foreign Assistance has tremendous latitude and impact on the State/F and USAID relationship. Clear and close coordination will be critical going forward.

In addition, there are areas where State's links to diplomacy and convening power can be used to forward USAID's ends more deliberately.



## NOTES

**BUREAU FOR FOREIGN ASSISTANCE:  
IMPROVING AND AMPLIFYING THE FOREIGN ASSISTANCE PROCESS****INTRODUCTION**

The Department of State's Office of Foreign Assistance (State/F), driven by feedback from USAID, has undertaken a process improvement effort referred to as Amplifying Foreign Assistance (AFA). AFA is designed to better align the budget and planning processes to strategy, use data to inform decision-making, and cultivate a strong network of interagency partners to deliver effective and efficient foreign-assistance programming. State/F expects to work closely with USAID on this effort, with the common goal of delivering impactful and strategic foreign assistance.

AFA was developed to help address the ever-evolving changes surrounding foreign assistance, both overseas and Washington. Budget and performance management have been impacted by new laws, updates in technology, and better oversight and management of taxpayer resources. At the same time, moving money to the field and into the hands of implementers has become increasingly challenging, and is an imperative metric to improve as USAID faces increased global threats and challenges. Likewise, leadership expectations are high, with a demand for increased engagement and clear insight into the lifecycle of every foreign assistance dollar.

**LOOKING BACK**

Over the past three years, USAID-State/F have convened several different reform discussions to collectively identify and prioritize ways to improve U.S. foreign assistance. As part of former Secretary of State Tillerson's Joint Redesign effort, USAID and State had detailed a future-state for foreign assistance, in which recommendations were developed to better align resources to strategy, as well as to clarify the roles and responsibilities within State and USAID regional bureaus, posts and missions in the field. Some key reforms identified have been within USAID's management control, while others have been within State/F's control. USAID has implemented many of these recommendations within USAID's Transformation, while State/F incorporated several recommendations into its ongoing AFA reform effort.

AFA creates a structure to manage and track reform initiatives within State/F and provides focused workstreams across a number of joint USAID and State Department issues to implement changes to five priority areas: 1) designing budgets that flow from strategy and reflect performance inputs; 2) getting foreign-assistance funds to the field more quickly; 3) increasing the use of data in foreign assistance decision making; 4) strengthening the foreign assistance workforce (State only); and, 5) improving U.S. Government coordination and engagement around foreign assistance. Underpinning each priority area is needed enhancements to FACTS Info, the multi-agency informational technology system that assists in the performance management process across all foreign assistance agencies.

In the past year, AFA has already achieved results that design budgets to flow from strategies and incorporate performance metrics. AFA implemented first-ever strategy review summaries for mission and bureau resource requests. These summaries emphasized the importance of annual strategy reviews and requested users to provide narratives that linked strategic objectives with performance data. The review summaries articulated to State/F and USAID leadership how—and if—strategy reviews were conducted to make better-informed resource decisions. Responses also provided insights into which missions and bureaus needed additional support for incorporating performance metrics to measure program success against strategic objectives.

To get assistance dollars to the field more quickly, AFA published its first funds approval guidance update since 2011. The document provides instructions and updates to foreign-assistance practitioners to ensure faster approval of funding requests, meaning critical in-country assistance programs can be implemented more quickly. To complement this effort, AFA also began streamlining how funds are approved by enhancing the FACTS Info database system. Based on USAID stakeholder feedback, AFA built new system modules, enhanced existing features, and established business rules that strengthen data collection methods. This started the process for turning a once-stagnant product into a living dashboard that captures actual funding levels for domestic and overseas stakeholders.

As process reforms develop, AFA will continue prioritizing consultations and collaboration across State/F, stakeholders external to F, including budget stakeholders, the Department of State, and USAID's budget, information technology, and policy staff. USAID's engagement and perspective is particularly sought in four areas: strategic planning, designing budgets that flow from strategy, expediting funding to the field, and improving the operational planning process.

## LOOKING FORWARD

The impact and benefits of AFA lie ahead of State and USAID. Between now and Fiscal Year 2022, the following are the desired outcomes:

- Designing budgets that flow from strategy: 1) budgets are linked with, and driven by, U.S. foreign policy objectives; 2) missions and bureaus use strategies as a management tool to inform decision-making; and, 3) performance data is used to inform budget requests.
- Getting funds to the field faster: 1) reduction in volume of low-value tasks; 2) streamlined budget planning that decreases the amount of time between appropriation and approval of funds; and, 3) full integration of the funds approval process in FACTS Info.
- Increasing use of data in foreign assistance decision making: 1) data supports a culture of evidence-based decision-making in the foreign assistance community; 2) improved data governance; and, 3) improved connectivity among budget, finance, and performance management systems.
- Improving U.S. Government coordination and engagement around foreign assistance: 1) shared unity of purpose around U.S. foreign policy objectives; and, 2) improved interagency coordination.
- FACTS Info system enhancements: an information technology system that effectively manages foreign assistance funds and standardizes processes across the U.S. Government, better tracks approved funding, and improves the tracking of earmarks and directives.

Most important to USAID, AFA aspires to resolve long-standing challenges in helping to link USAID's strategy process, for example, with the budget process to visualize and track the alignment of strategy and budget. If properly leveraged, AFA gives USAID experts the ability to shape some of the core deficiencies that have existed in the foreign assistance process for some time and ensure that USAID has a full voice in its future and approach.

## NOTES

## THE OFFICE OF INSPECTOR GENERAL: OFFICE OVERVIEW

### INTRODUCTION

USAID's 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's OIG derives authority from the *Inspector General Act* of 1978, as amended. OIG recommends improvements through its audit work, and issues investigative reports that may provide the basis for criminal, civil, or administrative action against Government employees, contractors, and grantees. OIG works from its Washington, D.C., headquarters, 12 overseas offices—4 regional hubs and 8 sub-offices.

Since its establishment in 1980, OIG has received oversight authority for USAID and three other foreign assistance agencies—the Millennium Challenge Corporation (MCC), the U.S. African Development Foundation, and the Inter-American Foundation.<sup>1</sup> In addition to audit reports and investigative updates, OIG issues semiannual reports to Congress summarizing its results, quarterly reports on certain overseas contingency operations, an annual top management challenges report highlighting significant vulnerabilities USAID must address to effectively and efficiently carry out its mission, and other reports such as advisories alerting Agency management to risks that may require immediate attention to avoid or mitigate harm to individuals or financial loss. When identifying and prioritizing its work, OIG considers factors such as stakeholder needs and interests, alignment with OIG strategic goals, program and project funding levels, U.S. financial and security risks, and overall U.S. diplomatic goals.

In Fiscal Year 2020, OIG received a \$75.5 million appropriation, with access to another \$1 million for audits, investigations, and activities related to COVID-19 oversight, and approximately \$4.5 million in reimbursements for MCC audits and investigations. OIG has 388 approved full-time equivalent staff, which includes MCC staff, Foreign Service Nationals, and contractors. OIG relies on both Civil Service and Foreign Service auditors, analysts, investigators, and other specialists in Washington, D.C., and around the world who are held accountable for meeting the highest professional standards.

### LOOKING BACK

In late 2015, after 4 years of operating under an Acting Inspector General (IG), USAID's OIG had a new Presidentially-appointed and Senate-confirmed IG, who conducted a critical review of OIG's operations and identified opportunities to substantively strengthen its oversight scope and execution. In early 2016, the IG announced and began implementing initiatives (captured in OIG's 2017 Reform Plan) to undertake work that meaningfully informs U.S. foreign-assistance planning and implementation; strengthen office wide quality assurance; and improve staff capacity through hiring, training, and development. With independence as its grounding principle, OIG has become a high-performing organization—one that provides comprehensive, timely, and risk-based assessments of USAID programs and operations that inform policy and decision making.

Under OIG's current leadership, OIG audits and investigations—which historically aimed to identify shortfalls and wrongdoing in individual USAID programs and projects—have increasingly targeted strategic-level priorities to reveal systemic causes of activity-level problems at specific missions. With

<sup>1</sup> USAID OIG provided oversight of the Overseas Private Investment Corporation until it merged with some USAID functions to become the U.S. International Development Finance Corporation, which established its own Inspector General.

added rigor to planning and prioritizing, OIG audits and investigations target high-risk and high-dollar initiatives and have identified crosscutting concerns related to vetting and overseeing implementers, public international organizations, and third-party monitors; coordinating response efforts with the Department of State, the U.S. Centers for Disease Control and Prevention, and other Federal agencies; assessing staffing capacity and staff capabilities; and managing financial and information technology resources. OIG has also taken proactive steps to widen its oversight safety net, coordinating intensively with oversight offices across the international donor community; providing on-site fraud awareness briefings for Agency, contractor, and grantee staff posted around the world; and establishing fraud hotlines and reporting requirements. These comprehensive actions have enabled OIG to provide solutions that link headquarters-based strategies to field-level implementation.

To support this work, OIG revamped its operations and processes and created cross disciplinary teams composed of headquarters and field staff from all OIG units. To support these teams, OIG consolidated 11 largely independent overseas offices into 4 strategically-located hub offices and 8 sub-offices. Streamlining operations allows heads of audit, investigations, and management to be involved in every operational aspect; encourages collaboration across OIG units; helps ensure staff are tactically assigned to foreign posts; and builds in inclusivity and employee engagement in decision-making and buy in. These and other realignments have increased OIG efficiency, cost savings, and employee satisfaction.

## **LOOKING FORWARD**

In 2021, OIG will continue to target foreign-assistance operations and programs with high-risk, high-dollar, and cross-cutting implications, while using its operational flexibility and improved capacity to address unanticipated requirements and challenges, such as those created by COVID 19.

As U.S. foreign assistance agencies respond to changing country conditions and sudden crises, OIG must make calculated choices about staff assignments, budgeting, and planning. OIG's 5-year strategic and annual audit and investigation oversight plans describe how OIG's oversight and support functions align to meet long and near-term goals in the complex U.S. foreign assistance environment. OIG continually assesses staff skills and addresses any gaps to ensure it has the technical expertise necessary to critically evaluate foreign assistance operations and programs, make informed and actionable recommendations, and identify and put an end to criminal activity.

While foreign assistance activities carried out in nonpermissive areas can present substantial oversight challenges, these settings also create opportunities for OIG to expand partnerships with international counterparts to help mitigate the exposure of U.S. foreign assistance dollars to potential fraud, waste, and abuse. These collaborations have increased accountability in aid programs where corruption and the risk of exploitation are extremely high. OIG will continue to take advantage of these opportunities.

As part of its commitment to enterprise risk management, OIG will continue to build on its already strong stakeholder support and consider agency leaders' views on perceived risks, management weaknesses, and program vulnerabilities, weighing their input with OIG knowledge and expertise. OIG will also continue to notify Agency leadership of significant threats to program effectiveness and integrity, as well as reach out and respond to Congressional committees to gain their perspectives on pressing challenges across U.S. foreign assistance programs. Through ongoing stakeholder input on OIG's work, OIG has created a culture of continuous improvement to most effectively serve the American people.

## NOTES

**OFFICE OF THE INSPECTOR GENERAL:  
USAID's TOP MANAGEMENT CHALLENGES**

As part of its mandate to provide independent oversight, USAID's Office of Inspector General (OIG) prepares an annual statement summarizing USAID's most serious challenges and its progress in addressing them. Pursuant to the *Reports Consolidation Act* of 2000 (Public Law 106-531), OIG provides this statement to USAID for inclusion in the Agency financial report. OIG also posts the statement on its public web site and notifies the Office of Management and Budget and Congressional committees with jurisdiction over U.S. foreign assistance programs. Based on recent audits and investigations, OIG identified four top management challenges for USAID in Fiscal Year 2020—challenges that OIG does not anticipate will substantively change in 2021:

**Managing Risks Inherent to Providing Humanitarian and Stabilization Assistance:** The flow of billions in assistance dollars in crisis environments creates prime opportunities for fraud and diversions of U.S.-funded goods to the black market or, in some cases, to terrorist groups. USAID continues to adapt its approach to managing these risks and address the complexities when short term humanitarian responses evolve into a protracted presence. Notably, USAID has taken action to better ensure that implementer-, criminal-, and terrorist-related risks are identified, evaluated, and addressed in Agency response plans. USAID has also taken action to close gaps in responding to emerging health crises and protecting beneficiaries from exploitation and abuse. However, continued diligence, training, and monitoring will be critical to implementing a risk management culture—especially as USAID responds to emerging crises such as the economic and political turmoil in Venezuela and the latest Ebola outbreak in parts of Africa. Any operational deficiencies will continue to expose USAID programs to significant risk from those who seek to exploit USAID's vulnerabilities—particularly in the nonpermissive environments the Agency often works in.

**Strengthening Local Capacity and Improving Planning and Monitoring To Promote Sustainability of U.S.-Funded Development:** The long-term success of U.S. foreign development depends on host-country commitment to growth. However, countries often lack capacity to build local skills and ensure public- or private-sector participation and backing to continue development activities and services after U.S. involvement ends. This has been the case with USAID's \$9.5 billion Global Health Supply Chain-Procurement and Supply Management project. Since 2016, OIG investigations and joint operations with local authorities have revealed that host governments have been unable or unwilling to strengthen warehousing, security, and commodity distribution systems—allowing bad actors to steal life-saving medicines and medical supplies. Weaknesses with planning and monitoring have also undermined the outcomes of Power Africa, Haiti reconstruction, and other USAID development projects. While USAID continues to take action to assess and mitigate risk and build accountability, significant sustainability risks remain.

**Reconciling Interagency Priorities and Functions To Efficiently and Effectively Advance U.S. Foreign Assistance:** U.S. foreign assistance frequently involves multiple Government agencies, donors, and host governments, each having its own authorities, priorities, and strategies for advancing shared interests. USAID has seen how operating without clearly-defined policies and procedures at the start has impeded multi-agency efforts like Power Africa and the U.S. Ebola response. While USAID actions have the potential to improve interagency coordination, the Agency will continue to be challenged to plan for and adapt to agencies' shifting priorities, budgets, and staffing to further U.S. foreign policy and national security objectives.

**Addressing Vulnerabilities and Implementing Needed Controls in Agency Core Management Functions:** USAID's ability to carry out its mission and safeguard Federal funds depends on the integrity



and reliability of its core business practices and systems. Without them, other safeguards—no matter how well they are designed and implemented—will not work effectively. While USAID has taken noteworthy actions to strengthen its controls over core management functions and bring its financial and information systems into compliance with strict Federal requirements, the Agency continues to work to instill rigor in its awards, financial, information, and human capital management.

In regards to COVID-19, in June 2020, the Pandemic Response Accountability Committee issued a report that identified agencies' top challenges in responding to the pandemic. USAID's OIG reported the following:

**Managing Risks to Humanitarian Assistance amid a Public Health Emergency:** USAID's Administrator issued a global disaster declaration to permit the use of humanitarian assistance for COVID-19 relief. While the Agency plans to prioritize these funds for its ongoing humanitarian assistance programs, the pandemic could tip the fragile settings in which these programs tend to operate into full-blown crises. The significant risks that USAID encounters in crisis environments—risks that keep aid from reaching intended beneficiaries—may be compounded by the pandemic. For example, diversions, product substitution, and other illicit schemes involving USAID emergency assistance for those in most acute need may increase with a surge in the global demand for life-saving goods and services.

**Maintaining Responsibilities for Planning, Monitoring, and Sustaining Development:** The pandemic changes the landscape for USAID programming aimed at helping countries become self-reliant. For example, the pandemic's effects on recipient countries may affect the suitability of USAID's development sustainability plans—from corporate-level strategies to award-specific assumptions. Revisiting and quickly updating these plans, some of which have been years in the making, may present challenges where strategies no longer fit the COVID-19 context. At the same time, any changes to work plans and award files must be appropriately documented to hold implementers accountable for carrying out projects, programs, and activities—a challenge for USAID before COVID-19. In addition, global health supply chains, which play a central role in the COVID-19 response, may experience additional risks if USAID, host governments, and local partners struggle to cope with the outbreak and maintain inventory controls while working to correct problems like poor warehouse management and black-market sales.

**Maximizing Stakeholder Coordination for a Global COVID-19 Response:** COVID-19's global reach requires unprecedented coordination among a range of stakeholders around the world. Challenges in reconciling the distinct missions of U.S. government agencies and other stakeholders are likely to translate to the global COVID-19 response, particularly when roles and responsibilities are not clearly defined and the ability to act is beyond USAID's immediate control. Because the U.S. response plays out alongside that of other governments, public international organizations, and the private sector, ensuring effective coordination across donors, leveraging the work of international organizations, and tapping private-sector resources and expertise remain critical.

**Addressing Vulnerabilities and Implementing Needed Controls in Core Agency Management Functions:** COVID-19 further strains the Agency's award, financial, and personnel management, as well as its information-technology systems and security. In delivering on the imperative for swift response to the pandemic, USAID must continue to meet expectations that its efforts are managed through effective systems and subject to prudent controls.

## NOTES

**OFFICE OF THE INSPECTOR GENERAL:  
USAID'S OIG OVERSIGHT OF USAID AND OTHER AGENCIES**

While the USAID Office of Inspector General focuses much of its oversight attention on USAID, it also oversees three other U.S. foreign assistance agencies: the Millennium Challenge Corporation; U.S. African Development Foundation; and the Inter-American Foundation.

USAID's OIG previously oversaw the Overseas Private Investment Corporation—an organization that merged with other USAID functions to become the U.S. International Development Finance Corporation, which became operational in December 2019. An Inspector General for DFC was appointed in mid-2020, with USAID OIG assuming primarily an advisory and support role to assist the DFC IG in establishing his office and hiring staff in the coming months<sup>1</sup>.

OIG's independent and objective audits and investigations are mandated by statute or other requirements, conducted at the request of Congress and other stakeholders, or are performed at OIG's discretion based on its assessments of risk and its determination of where its work could have the greatest impact. OIG assesses and monitors foreign aid and development activities and, where appropriate, recommends actions for improving agency programs and operations and safeguarding taxpayer funds. OIG generally reports its findings to Congress and the public as well as to the reviewed agency.

OIG conducts or oversees three basic types of audits:

**Performance Audits:** Performance audits assess the efficiency and effectiveness of U.S. foreign assistance programs and operations, which can include their internal controls and compliance with laws, regulations, and Agency guidance. These audits provide information to improve program operations, facilitate decision-making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

**Attestations and Assessments:** Attestations include examinations, reviews, and agreed-upon procedures reports that are conducted in accordance with applicable standards. Assessments systematically identify and evaluate risks that could facilitate or impede the achievement of particular objectives and are conducted in accordance with internal policies and procedures.

**Financial, Information Technology, and Non-Federal Audits:** These audits help ensure accurate and transparent financial reporting, the security of information-technology assets, and the proper use of travel and purchase cards. OIG verifies that agencies are doing the accounting that is required and upholding the accountability principles that guide all Federal Agencies. OIG also oversees mandated audits that are performed by contracted independent public accounting firms, such as financial statement and information security audits.

OIG's investigative unit reviews each allegation of fraud, waste, abuse, and other gross misconduct that it receives through its Hotline or other communication, and conducts investigative follow-up with the organization or individual against which the allegation is made, the complainant, or both if warranted. Based on the outcome of this follow-up, OIG may initiate an investigation to evaluate and pursue possible criminal, civil, or administrative remedies. In conducting an investigation, OIG may work with its law enforcement counterparts in other Federal agencies, with other governments' local law enforcement, or both. At the conclusion of an investigation, OIG prepares and refers to the appropriate

<sup>1</sup> As of fall 2020, USAID OIG continued to perform some functions in consultation with the DFC IG, as the DFC IG office remained unstaffed.

agency or law enforcement entity a report summarizing the facts of the investigation. OIG may also report its findings on cases involving a false or unsubstantiated allegation to the affected agency and other parties, as appropriate.

In conducting investigations, OIG relies on all authorities afforded by law, including the authority to request documents and access employees under the terms of the contract or grant, or via subpoena authority granted under the *Inspector General Act of 1978*, as amended.

**Oversight of USAID:** Established through the *Foreign Assistance Act* of 1961, USAID leads development and humanitarian efforts around the world. With headquarters in Washington, D.C., and missions globally, USAID works with private voluntary organizations, indigenous organizations, universities, the private sector, international agencies, other governments, and other U.S. Government agencies.

OIG oversees USAID's broad and complex operations and programs—which aim to combat the spread of disease, address food insecurity, promote democratic reform, support economic growth, and assist countries recovering from disaster and periods of conflict—to help ensure implementers and other contractors make good on their commitments to provide beneficiaries the assistance they need, protect beneficiaries from sexual exploitation and other abuse, safeguard USAID-funded goods from tampering or diversion, and exercise rigorous discipline in using and overseeing USAID funds. Any concerns that OIG identifies through its audits and investigations are directed to the USAID Administrator or the appropriate USAID office head.

**Oversight of the Millennium Challenge Corporation (MCC):** 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's OIG responsible for MCC oversight.

OIG performance and financial audits of MCC and investigations of alleged misconduct relating to MCC help ensure MCC furthers its mission to promote economic growth, open markets, and improved living standards in select countries. OIG has dedicated personnel responsible for these activities and an Agency-specific hotline that allows individuals to report MCC-related complaints directly to OIG.

USAID's OIG raises any identified concerns directly to MCC's President and Chief Executive Officer, and to its board of directors, which includes the USAID Administrator. OIG meets semi-annually with the board's audit committee and participates in semi-annual committee meetings.

**Oversight of U.S. African Development Foundation (USADF) and the Inter-American Foundation (IAF):** In 1999, Congress directed USAID's OIG to oversee USADF and IAF<sup>2</sup>, which award grants to promote local growth and development in Africa and Latin America and the Caribbean, respectively.

Given each Agency's relatively small size and budget and region-specific focus, most of OIG's oversight work related to these Agencies seeks to affirm the integrity of their information technology and financial systems. However, OIG also conducts periodic performance audits that identify areas for improvement in each agency's programs. OIG may also investigate misconduct allegations related to USADF and IAF that it receives through its hotline, and the IG has a direct relationship with each Agency's President and Chief Executive Officer.

<sup>2</sup> *Admiral James W. Nance and Meg Donovan Foreign Relations Authorization Act* (P.L. 106-113, App. G).

## NOTES

**OFFICE OF THE INSPECTOR GENERAL:  
THE LEAD INSPECTOR GENERAL FRAMEWORK AND OVERSIGHT IN  
OVERSEAS CONTINGENCY OPERATIONS**

**THE LEAD INSPECTOR GENERAL FRAMEWORK**

In 2013, Congress amended the *Inspector General Act of 1978* to provide for a Lead Inspector General (IG) for oversight of overseas contingency operations and U.S. responses to certain foreign conflicts and crises<sup>1</sup>. Under the law, the Departments of Defense and State IGs and USAID's IG are to coordinate oversight of such operations based on their respective Agencies' responsibilities (defense, diplomacy, or development). For each overseas contingency operations, the Council of Inspectors General on Integrity and Efficiency (an independent Federal entity composed of Offices of the Inspector General (OIG) selects a Lead IG from among the three to direct joint planning and reporting activities and to ensure effective, comprehensive oversight of the operation.

**ADVANTAGES OF THE LEAD IG OVERSIGHT MODEL**

Congress crafted the Lead IG framework in legislation as an alternative to the use of "special IGs" in international crisis settings. 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. In contrast, the Lead IG framework capitalizes on each OIG's expertise, including skill and proficiency in specific areas; extensive knowledge of agency operations and programs; and independent, established support functions in areas like information-technology and human capital systems. Also, unlike under the special IG model, each Agency OIG retains oversight responsibility for its respective Agency's programs and activities. For USAID, this means only USAID's OIG examines Agency programs and operations.

Under the Lead IG framework, the USAID and the Departments of State and Defense IGs apply their offices' experience, knowledge, and capabilities to the oversight challenges at hand. Routine engagement across OIGs on overseas contingency operations oversight plans, and 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.

Required quarterly reports on high-stakes operations provide a comprehensive snapshot of U.S. Government aims, challenges, and responses that get at significant policy and programmatic developments, major changes in the operating environment, and topline barriers to implementation and results. These 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 all pertinent agency funds, programs, and activities.

The Lead IG's authority to retain temporary personnel, which can be delegated to the other participating IGs, allows each office to expand their existing audit, investigative, and reporting capacity at the start of an overseas contingency operation and scale back on staffing as an operation winds down.

**USAID OIG AND THE LEAD IG FRAMEWORK IN PRACTICE**

Since the Lead IG framework was established, USAID and the Departments of Defense and State's OIGs have provided oversight of seven overseas contingency operations. Of the five recent overseas

<sup>1</sup> A contingency operation is defined in 10 USC §101(a)(13).

contingency operations, Lead IG responsibility for three—Operation Pacific Eagle-Philippines, Northwest Africa Counterterrorism, and East Africa Counterterrorism—each of which focused on interagency efforts to respond to the threat of Islamic State of Iraq and Syria (ISIS) or al Qaeda affiliates, sunsetted at the end of Fiscal Year 2020, with final reporting on them in October and November 2020.<sup>2</sup>

The other two recent overseas contingency operations will remain a continuing focus for Lead IG oversight in Fiscal Year 2021:

- Operation Inherent Resolve was launched in 2014 to defeat ISIS and to set the conditions for follow-on operations to increase regional stability. The strategy to defeat ISIS includes military operations, as well as support for local security forces, diplomacy, governance, humanitarian assistance, and stabilization programs.
- Operation Freedom’s Sentinel began in 2015 and has two complementary missions: the U.S. counterterrorism mission against al Qaeda, ISIS–Khorasan, and their affiliates in Afghanistan; and U.S. military participation in the North Atlantic Treaty Organization-led Resolute Support Mission to develop the capacity of the Afghan security ministries and to train, advise, and assist the Afghan security forces.

For both operations, the Department of Defense IG serves as the Lead IG for the operation and works with the Department of 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.

For example, earlier this year, USAID OIG’s Global Strategy and Overseas Contingency Operations Office released a classified advisory titled: “Limits in Vetting and Monitoring of National Security Information Pose Risks for USAID Humanitarian Assistance and Stabilization Programs.” The advisory identified vulnerabilities in USAID’s humanitarian assistance vetting and pointed to limitations in the Agency’s monitoring of national-security information critical to ensuring that aid is not subject to diversion to terrorist entities.

<sup>2</sup> Lead IG oversight of two other overseas contingency operations—Operation United Assistance related to the U.S. Government’s West Africa Ebola response, and Operation Yukon Journey, a classified counterterrorism in the Middle East—sunsetted in prior years.

## NOTES



**OFFICE OF THE INSPECTOR GENERAL:  
SIGNIFICANT PUBLIC REPORTS ANTICIPATED IN 2021**

## INTRODUCTION

USAID's Office of the Inspector General (OIG) reports findings, conclusions, and recommendations in publicly-issued written products. Among these, OIG's performance audits assess programs and operations, contribute to public accountability, and respond to Congressional inquiries. OIG also publicly reports annual top management challenges and semiannual summaries to Congress of OIG's audit and investigative work. In 2021, the following reports are anticipated to be published:

- **USAID's Resilience in the Sahel Enhanced (RISE) Activities**, assessing the extent to which USAID designed and monitored the implementation of RISE I activities to align with its resilience policy goals and the extent to which USAID incorporated lessons learned from RISE I into RISE II.
- **Local Partner Participation Initiatives in USAID's Presidential Emergency Plan for AIDS Relief (PEPFAR) Programs in Africa**, describing the extent to which USAID's PEPFAR budgets are on track to meet the goal for local partner funding, assessing the extent to which USAID's Agencywide strategy has prepared the Agency to increase PEPFAR funding to local partners while addressing risks, and assessing the extent to which selected USAID missions in Africa followed Agency guidance designed to achieve the goal for PEPFAR local partner funding while addressing risks.
- **The Role of Ventilators in USAID's COVID-19 Response**, determining USAID's practices for assessing needs and priorities during public health emergencies and assessing the extent to which the practices employed to determine the use and allocation of ventilators during the COVID 19 pandemic differed from these practices.
- **USAID's Response to the Venezuela Regional Crisis**, assessing the challenges USAID faces in responding to the Venezuela regional crisis and USAID's management of fraud risks in its humanitarian response to the crisis.
- **USAID's Initiative Against Sexual Exploitation and Abuse**, assessing USAID's actions to prevent sexual exploitation and abuse and USAID's process for responding to allegations of sexual exploitation and abuse.
- **USAID's Contract Termination Practices**, assessing USAID's policies and procedures guiding foreign assistance contract terminations and the extent to which contracting officers are following USAID policies and procedures in terminating foreign assistance contracts.
- **USAID's Branding and Marking**, determining the extent to which USAID has policies and procedures to comply with statutory branding and marking requirements and the extent to which USAID provided information and oversight to ensure implementers complied with branding and marking requirements.
- **USAID's Compliance with the Senator Paul Simon Water for the World Act of 2014**, determining if USAID designated high priority countries consistent with the criteria and indicators in the *Senator Paul Simon Water for the World Act of 2014*, identifying challenges

USAID encountered when allocating funding to high-priority countries in accordance with the Act, and determining to what extent USAID provided information according to Congressional directions.

- **USAID's Efforts to Counter Malign Kremlin Influence**, determining the extent to which USAID applied risk-management principles in the design of its framework for countering malign Kremlin influence in Europe and Eurasia and the extent to which USAID has integrated countering malign Kremlin influence into country strategies for Europe and Eurasia.
- **USAID's Human Capital Hiring Mechanisms**, assessing whether any gaps exist in USAID's policies, procedures, and plans that could affect its ability to meet Congressionally-mandated staffing goals, and assessing to what extent USAID is actively identifying and targeting Agency-wide skill gaps.
- **Data Quality in Selected PEPFAR Programs in Africa**, assessing the extent to which USAID has designed and implemented internal controls over the collection, verification, and reporting of PEPFAR data, and assessing the extent to which USAID has identified the effects of the COVID-19 pandemic on its internal controls over PEPFAR data quality and what it is doing to mitigate those effects.
- **USAID's Financial Statement**, expressing an opinion on whether the financial statements as of September 30, 2020, were presented fairly, in all material respects and evaluating USAID's internal control and USAID compliance with applicable laws and regulations.
- **Federal Information Security Modernization Act of 2014 for Fiscal Year 2021**, determining whether USAID implemented an effective information security program.
- **USAID's Privacy Program**, assessing key elements of USAID's privacy program.
- **USAID's Development Information Solution (DIS)**, assessing to what extent USAID is on track to achieve selected performance goals of DIS, an Agency-wide portfolio management system.
- **USAID's Humanitarian Crisis in Yemen**, determining to what extent USAID is learning and adapting to changing response conditions in how it organizes and funds those efforts, and determining to what extent USAID is using new policies and processes in the context of another intractable war-like situation, and if the Agency learned lessons from Syria.
- **USAID's Management of Cost Share**, assessing USAID's oversight of its cost share arrangements for selected missions.
- **The Impact of USAID's Mission to Egypt's Higher Education Program on Creating Capabilities Demanded by Egypt's Businesses**, assessing to what extent USAID's Mission to Egypt's Higher Education Program improves the capabilities of Egypt's workers.

- **USAID's Use of Alternative Monitoring Platforms for Selected Missions in Asia**, assessing the extent to which selected missions in the Asia Region use this information to manage and mitigate their risks for the environments where their activities are being carried out.
- **USAID's Mission Capabilities in Response to COVID-19**, assessing the pandemic's effects on USAID operations and USAID's attempts to mitigate these effects.

In addition, OIG anticipates publicly issuing the following significant reports: 1) Top Management Challenges; 2) Semiannual Reports to Congress; 3) Quarterly Reports on Overseas Contingency Operations; and, 4) COVID-19 Informational Briefs.

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