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# **The Operational Plan & Performance Report**

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**Tools for Success in  
Foreign Assistance Reform**

Fall 2007

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# Our goal:

Update the foreign assistance partner community on:

- the foreign assistance reforms;
- the revisions that have taken place over the summer and resulted in modified policies and procedures for completing Operational Plans for FY 2008; and
- the guidance for Performance Reports on FY 2007.



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# **Foreign Assistance Reform Effort**

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# Foreign Ops Accounts (FY2008 Request)

- Approximately 35 different “150 Accounts”
- Appropriations through both regional (e.g. FSA, SEED) and functional/global accounts (e.g. PKO, Andean Counterdrug Initiative)
- Approximately \$25.5 billion total – less than 1% of total annual U.S. appropriations



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# Examples of Foreign Ops Accounts (FY2008 Request)

- Foreign Military Financing (FMF) - \$4.54b
- Economic Support Funds (ESF) - \$3.32b
- Global HIV/AIDS Initiative (GHAI) - \$4.15b
- Child Survival & Health (CSH) - \$1.56b
- Development Assistance (DA) - \$1.04b
- Migration & Refugee Asst. (MRA) - \$773m
- International Narcotics Control & Law Enforcement (INCLE) - \$634m



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# List of Foreign Ops Accounts

<b>Account Acronym</b>	<b>Full Account Name</b>
ACI	Andean Counterdrug Initiative
CRF (requested)	Conflict Response Fund
CSH	Child Survival and Health Programs
DA	Development Assistance
DCA	Development Credit Authority
DF	Democracy Fund
ERMA	Emergency Refugee & Migration Assistance
ESF	Economic Support Fund
FMF	Foreign Military Financing
FSA	Assistance for the Independent States Of the Former Soviet Union
GHAJ	Global HIV/AIDS Initiative (coordination, not approval authority)
IDFA	International Disaster/Famine Assistance
IMET	International Military Education and Training
INCLE	International Narcotics Control and Drug Enforcement
IO&P	International Organizations and Programs
MCC	Millennium Challenge Corporation (coordination, not approval authority)
MRA	Migration and Refugee Assistance
NADR	Nonproliferation, Anti-Terrorism, Demining and Related Programs
PKO	Peacekeeping Operations
SEED (AEEB)	Assistance for Eastern Europe And the Baltic States
TI	Transition Initiatives



For a description of accounts, please visit: <http://spp.rm.state.gov/uploadedFiles/usfarg.pdf>.

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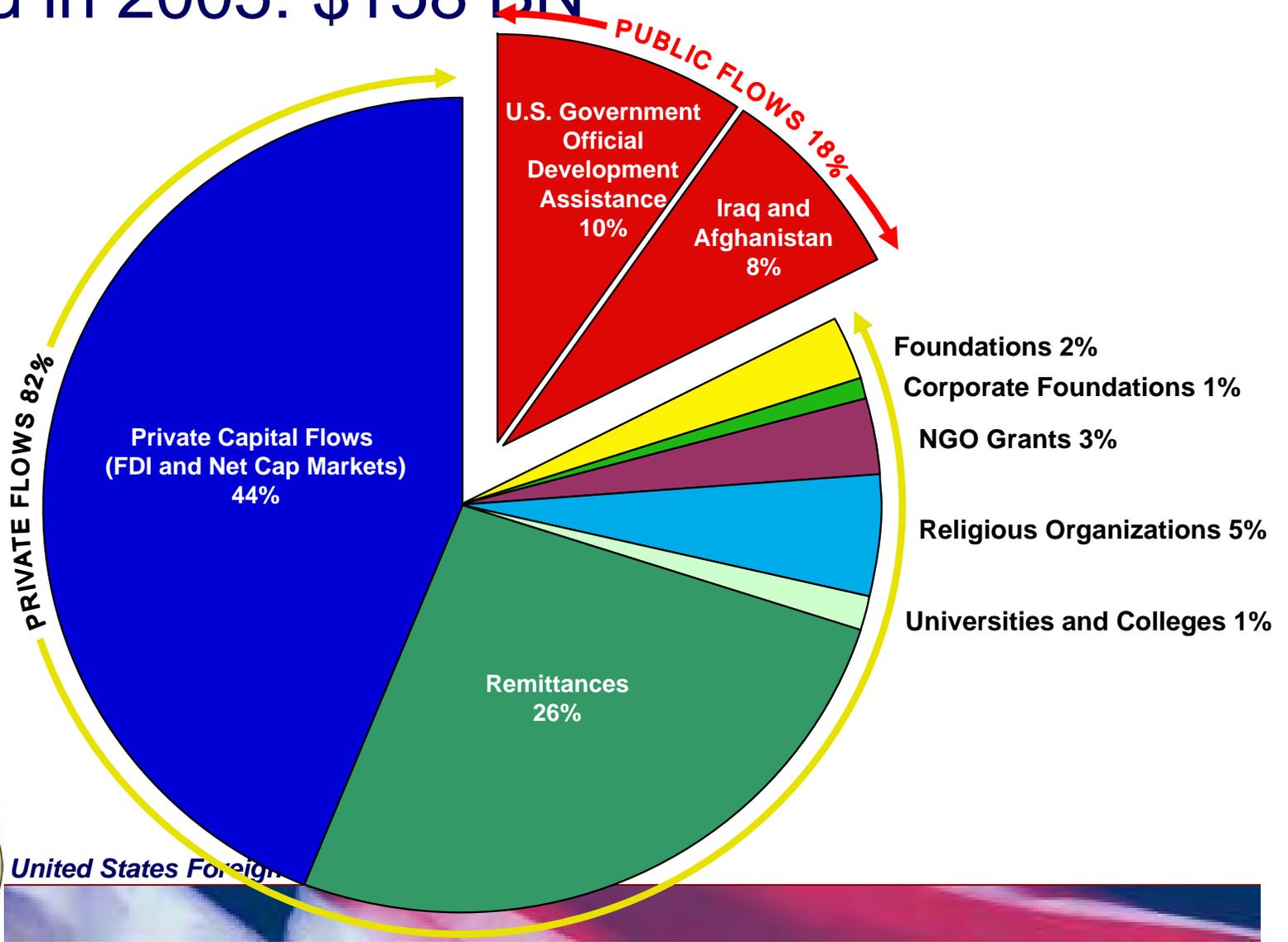
# Facts and Figures

- Of 192 Operating Units (field and Washington offices receiving FA funds) the top 10 receive 65% of the FA budget (excluding GHAI).
- Of the 156 countries receiving FA funds, the top 10 receive 73% of the FA budget (excluding GHAI).
- 1/3 of budget went to Stabilization Operations and Security Sector Reform; the next 1/3 went to Humanitarian Assistance, health, and counter narcotics; the final 1/3 went to 20 elements including democracy and economic growth



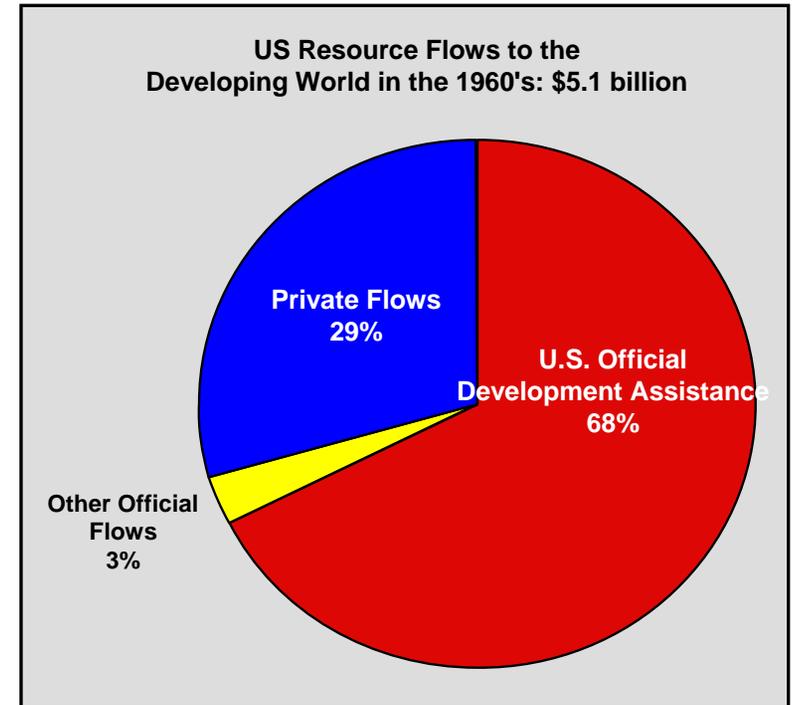
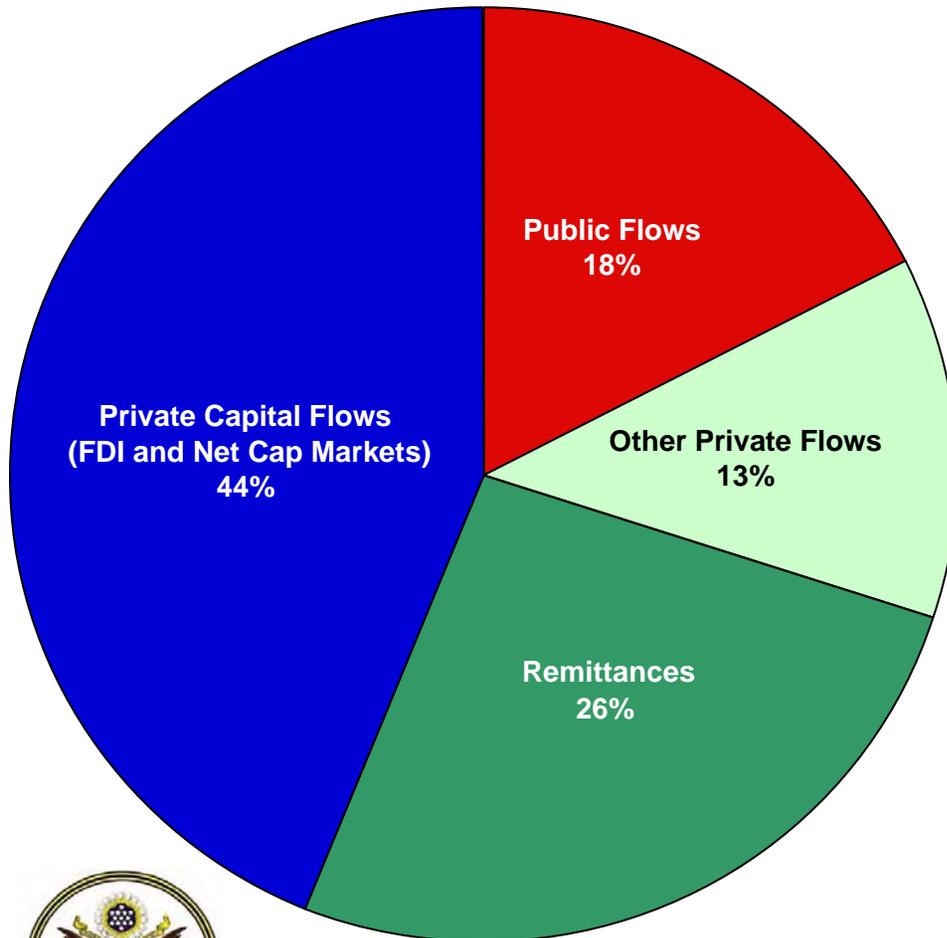
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# US Total Resource Flows to the Developing World in 2005: \$158 BN



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USAID, January 2007

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# Why Coordination of Foreign Assistance?

- Limited role of Policy Coordinating Committees (PCC)
- Continued ‘stove-piping’ of accounts
- Result: outside of exceptional cases (EUR/ACE, MEPI, Afghan Coordinator), *no central coordinating bodies*



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# Objectives of Foreign Assistance Reform

- Foreign Assistance Reform builds on best practices across the USG to improve:
  - Strategic Direction;
  - Performance Accountability;
  - Transparency in the use of funds; and
  - Information Systems.
- Fully integrate State/USAID planning processes



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# Priorities for New Leadership in F

- Streamlining
- Rationalizing
- More transparency



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# Office of the Director of U.S. Foreign Assistance (F)

Created in January 2006 to:

- Ensure foreign assistance is used as effectively as possible to meet broad foreign policy objectives
- More fully align foreign assistance activities carried out by State and USAID
  - Convey through common language and definitions foreign assistance activities, budgets and performance
- Demonstrate responsible stewardship of taxpayer dollars



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# Office of the Director of U.S. Foreign Assistance (F)

- Has authority over State and USAID foreign assistance funding and programs
- Directs consolidated policy, planning, budget and implementation mechanisms
- Provides guidance on foreign assistance delivered through other USG entities, such as Millennium Challenge Corporation (MCC)



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# Office of the Director of U.S. Foreign Assistance (F)

- One entity—the Office of the Director of U.S. Foreign Assistance (F)—now responsible for the foreign assistance budget, planning, and implementation across State and USAID.
- This enables the USG to:
  - Increase coherence;
  - Leverage resources for greater impact;
  - Improve communication and share best practices.



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# Strategic Direction

- Focus Washington on setting strategic direction and priorities:
  - Foreign Assistance Framework sets overall goal and priority objectives.
  - New Budget process begins with the Secretary outlining foreign assistance priorities in a resource-constrained environment.
  - Operating Units get high level (Program Area) direction from Washington.



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# Transformational Diplomacy Goal

- Foreign assistance aims to achieve transformational diplomacy:

**“To help build and sustain democratic, well-governed states that respond to the needs of their people, reduce widespread poverty and conduct themselves responsibly in the international system.”**



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# Strategic Direction:

## Five Objectives of the Transformational Diplomacy Goal

- Peace & Security
- Governing Justly & Democratically
- Investing in People
- Economic Growth
- Humanitarian Assistance



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# Strategic Direction: Country Categories

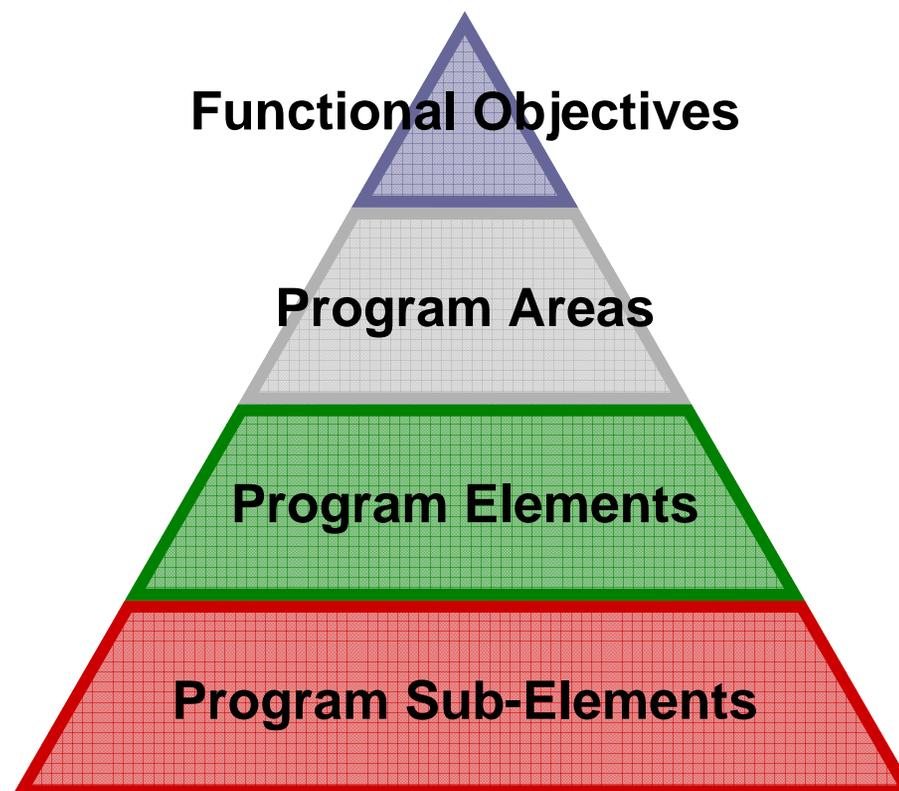
- Categorizes countries based on shared characteristics
  - *Rebuilding Countries*
  - *Developing Countries*
  - *Transforming Countries*
  - *Sustaining Partner Countries*
  - *Restrictive Countries*
- Intended to focus assistance so it addresses circumstances unique to each category
- Provides way to measure progress along continuum and to “graduate” countries from one category to the next
- No direct correlation between budgets and categories



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# Strategic Direction:

## Foreign Assistance Standardized Program Structure



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# **FY 2008 Process for Completing Operational Plans & Performance Reports**

# What is due each deadline?

- Nov 15th 2007
  - Performance Indicators (actual and targets for FY 08) and Narratives
  - Agency Specific Reporting Requirements (primarily USAID)
  - Budget Distribution (FY 2008 funds)
- April 30<sup>th</sup> or 30 days after the 653(a) concluded
  - Implementing mechanism data
  - Targets for FY 09
  - Planning Narratives
  - Update to Performance Information, as needed



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# What is FACTS?

- Foreign Assistance Coordinating and Tracking System—used to collect data for the Operational Plans and Annual Performance Reports
- A central data repository to facilitate country level planning, monitoring, and data management
- An internet-based, password protected system to be accessed only by USG personnel
- System Administrators in each country/operating unit will control access
- System will be considered “sensitive but unclassified” and confidentiality agreements will be required
- The system has undergone the Certification & Accreditation process through USAID
- Allows USG to quickly respond to questions from Congress, the White House, the public, and our many foreign assistance stakeholders



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# Operational Plans

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# The Role of the Operational Plan: Captures Tactical Implementation of Strategic Direction

- Key business tool and practice
- Detailed proposal for activities and partners to be funded and results to be achieved
- Instrument for collecting standardized data about foreign assistance programs



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# Operational Plan Purpose

- Provides a comprehensive, interagency picture of how foreign assistance resources received by an Operating Unit will be used to support the foreign assistance objectives and the Transformational Diplomacy goal
- Answers 5 questions:
  - Who receives U.S. foreign assistance?
  - How much assistance do they receive?
  - What activities are being undertaken?
  - What are the expected results of these activities?
  - How do those results advance U.S. foreign assistance objectives and the Transformational Diplomacy goal?



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# Operational Plan

What it will be used for:

- More fully align foreign assistance activities carried out by State and USAID
  - Convey through common language and definitions foreign assistance activities, budgets and performance
- Thus collects standardized data -- both budgetary & performance -- on ***planned*** foreign assistance programs

What it is NOT used for:

- The Operation Plan is NOT a performance report, financial management tool, accounting system, MIS, Strategy Document, etc



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# Operational Plan – Who?

- FY 2007, Operational Plan pilot year
  - 67 “fast-track” countries
  - All of USAID
  - 128 total Operational Plans
- FY 2008, full implementation
  - All Operating Units that implement foreign assistance programs with funding from the 150 accounts
  - 192 Operating Units – 156 countries, 12 regional platforms, 24 State and USAID headquarters bureaus/offices



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# Operational Plan – Phase I

due 11/16/2007

- Requirements:
  - Budget Distribution
    - Operating Units given preliminary allocations, by account and Program Area/(Program Element for IIP)
    - Operating Units then distribute the allocations, by USG Agency, to the Program Sub-Element level
- Optional:
  - Budget Distribution Reclama
- Phase I information is used in 653(a) consultations with Congress



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# Operational Plan – Phase II

due 4/30/2008 or 30 days after 653(a) consultations

- Requirements:
  - Overview Narratives – Operating Unit, Program Area, Program Element
  - Indicators/Targets – FY2008 and FY2009
  - Auxiliary Resources – estimated leveraged funding
  - Implementing Mechanism details – partner names, planned funding amount, narrative, expected sub-partners
  - Other info – target populations, key issues, component areas
- Phase II information will be used to answer the 5 questions outlined in the purpose.



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# Operational Plan

What happens to them?

- Put into centralized database – Foreign Assistance Coordination and Tracking System (FACTS)
- Reviewed in Washington, approved by Director of Foreign Assistance



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# Performance Report

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# What is the Performance Report?

The 2007 Operational Plan submitted in Feb. 2007 contained only planning data. F now needs to go out to collect the following:

- Actual Performance Data for FY 2007
- Performance Narratives to support the data included above.



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# Performance Report Purpose

- Capture the results that have been achieved in each Operating Unit by the end of FY 2007.
- Information used Agency-level documents
  - Annual performance plan – performance data included in CBJ this year
  - Annual financial report
  - Other sector specific reports, as needed



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# Performance Report – Who?

- FY 2007 - Only Operating Units that completed FY 2007 Operational Plans
- FY 2008 (due in November 2008) – All Operating Units that complete FY 2008 Operational Plans



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# Performance Report – Phase I

due 11/16/2007

- Requirements:
  - Performance Narratives – Operating Unit, Program Area, Program Element, Key Issues
  - Indicator/Results – for FY 2007
    - Program Element level standard indicators
    - All sources of USG funding used to produce the results
  - Indicator/Targets – update FY 2008
- Agency specific, as applicable:
  - Environmental Compliance
  - Disability Report
  - Initiative to End Hunger in Africa
  - Global Development Alliance

Evaluations



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# Performance Reports – Phase II

due 4/20/2008 or 30 after 653(a) consultations

- No requirements
- Operating Units will have the opportunity to update information as needed



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# Questions?

- For more information on Foreign Assistance Reform and Operational Plans and Performance Reports, please visit:

[www.state.gov/f](http://www.state.gov/f) (public website)

[FGeneralInquiries@state.gov](mailto:FGeneralInquiries@state.gov)



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# Additional Assistance

[F\\_OPPrGuidance@state.gov](mailto:F_OPPrGuidance@state.gov)



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