

FY 2006 Annual Report Guidance

September 30, 2005

MEMORANDUM FROM

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We are pleased to transmit the attached Annual Report Application Guidance for Fiscal Year 2006. This marks the fifth year USAID will use the Annual Report to collect and analyze program and resource information for a variety of purposes, including the Congressional Budget Justification (CBJ), the Agency's Performance and Accountability Report (PAR), and our Annual Budget Submission (ABS). In addition, the Office of Management and Budget now requires that performance data linked to the budget request be part of the Annual Budget Submission. The Annual Report application has become the Agency's primary program reporting document; it is critically important for a number of budget and performance reporting requirements. In addition, the Annual Report application is one of the tools of the Agency's strategic management reform and as such serves as the operational plan for all units. **Due to the importance of the information collected in the Annual Report, PPC will advise senior management of all Missions that fail to fully meet the requirements herein.**

This Annual Report collects information for a variety of overlapping purposes. For example, the information we collect for the CBJ is also part of your full Operational Plan. In fact, all portions of the Annual Report are part of your Operational Plan with a few limited exceptions such as the reports on Minority Serving Institutions, Public Private Alliances, and Global Climate Change.

As part of the State-USAID Joint Strategic Plan (JSP), a framework has been designed to serve as the basis for both organizations' annual budget submissions and performance plans at the Agency, Bureau, and Mission levels. Information in this year's Annual Report application addresses this framework. At the same time that USAID missions are submitting information in the Annual Report application, Embassies will be working on their FY 2007 Mission Performance Plans. It is therefore important for missions to coordinate closely with State counterparts to ensure consistency in the level of resources requested in the respective plans, as well as in the allocation of resources to strategic goals and objectives.

At the same time we are making progress in implementing the "White Paper" as USAID's strategic framework for bilateral foreign aid. We have reached agreement with State for the core goals of the White Paper to be included in the forthcoming revision and update of the Joint Strategic Plan. We are very close to completing and issuing a policy paper that will formally establish the White Paper goals and principles as USAID policy. Finally, we have proposed and drafted an "International Development Strategy for the United States" that incorporates the White Paper goals, for interagency consideration and review.

While you will find the majority of the Annual Report Application familiar, the following are some items we would like to highlight as new this year in the FY 2006 Annual Report Application:

- Program component common indicators;
- Persons with Disabilities data table;

- Emphasis coding has moved from the budget SO appropriations table to the SO narrative section;
- With the new strategic management process, the AR serves as the operating unit's Operational Plan;
- This AR answers the Administrator's request by collecting more detailed information about evaluations;
- Minor additions and changes to the Workforce section have been added;
- This AR will allow us to collect information on implementing mechanisms in response to input from the Mission Director's Conference.

Unfortunately, the budget levels for FY 2006 will not be available until FY 2006 appropriation legislation is enacted. We are cautiously optimistic that the Agency will receive the FY 2007 passback in November 2005, resulting in FY 2007 levels shortly thereafter. As soon as FY 2006 and/or FY 2007 levels are known, we will share them with you and provide further guidance.

Given these uncertainties, it is nonetheless critical that you submit your information in the Annual Report application by December 16, 2005 to allow for preparation of our FY 2007 CBJ. Our ability to accurately reflect your relative needs will depend very much upon your ability to provide accurate, timely, and measurable performance and budget information.

Thank you for your assistance in this important and valuable exercise.

Point of Contact: Any questions concerning this memorandum or the guidance may be directed to Parrie Henderson in PPC/SPP at 202-712-5672.

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FY 2006 Annual Report Guidance

September 30, 2005

Introduction

This message provides detailed guidance to USAID Operating Units on the preparation of their FY 2006 Annual Report (AR) Application. This report encompasses five fiscal years of data, each due according to the dates indicated as follows:

	Provide Data for Fiscal Years as Indicated				
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
FY 2004/2005 Actual Budget Data	12/16/2005	12/16/2005			
FY 2006 Control Budget Data			12/16/2005		
FY 2007 & 2008 Request Budget Data				12/16/2005	02/01/2006
Planning Information			12/16/2005	12/16/2005	02/01/2006
Performance Reporting		12/16/2005			
Coding		12/16/2005	TBD	TBD	
Workforce Planning		12/16/2005	12/16/2005	12/16/2005	02/01/2006
Performance Targets			12/16/2005	12/16/2005	02/01/2006

Please understand that USAID has no control over when the FY 2006 appropriation is passed, when the FY 2007 passback figures are received from OMB, nor the deadline for submission of the FY 2007 CBJ. These events impact the budget scenario, and USAID/W is aware that this makes completion of the AR application by your Operating Unit more difficult.

Many of the changes that we are making this year are responding to feedback from the missions and from Washington. Please see [Supplemental Reference](#) 12 on page 23 for an after-action review of the FY 2005 Annual Report.

What's new this year's Annual Report application:

- It introduces “program component common indicators” and integrates them with the indicators formerly collected in the Performance Measures Table. Common Indicators should be part of the SO teams' PMP.
- It responds to the critique from the field that the application could be better organized.
- It includes the Agency's annual call for data on Persons with Disabilities.
- Emphasis coding has moved from the budget SO appropriations table to the SO narrative section.
- It serves as the operating unit's Operational Plan.
- It collects more detailed information about evaluations.
- It includes minor additions and changes to the Workforce section.

- It will allow us to collect information on implementing mechanisms in response to input from the Mission Director’s Conference.

The information your Operating Unit will be reporting is used for many purposes as indicated below.

	FY 2007 CBJ	Reports to the Hill	Program Assessment Rating Tool	Performance & Accountability Report	Joint Performance Plan	Annual Budget Submission	BPBS	Regional Frameworks
FY 2005 Actual Budget Data	•			•	•	•	•	
FY 2006 Control Budget Data	•						•	
FY 2007 & 2008 Request Budget Data					•	•	•	
'08 Planning Information					•		•	•
Narratives	•	•	•				•	•
Performance Reporting	•	•	•	•				
Performance Targets	•		•		•	•	•	
Coding		•						
Workforce Planning			•	•	•	•	•	•

Organization of this Guidance

This guidance is divided into two parts: 1) the sections that describe what is contained in the AR application, and 2) the sections that provide greater detail on how to comply with this guidance, including Bureau-specific guidance and the annexes. The guidance this year is more closely aligned with the layout of the Annual Report application.

Each descriptive section gives Operating Unit management the broad overview and rationale for the information required. It does not provide the detailed guidance for completing the requirements. The annexes provide the details to prepare the individual sections of the Annual Report application.

PART A: Description of AR Sections

I. Budget Tables

There are 12 basic data tables required for program, operating, and workforce expenses, for Global Climate Change countries, public-private alliances, minority serving institutions, implementing institutions, and persons with disabilities. All budget data is in \$1000's U.S. If you need to add an SO prior to entering budget data, see section II.A.1. SO Profile Table, on page 8.

We anticipate that multiple transmissions of the database will be necessary to capture all data for the budget cycle. Initial budget data (FY 2005 through FY 2007) will be due by December 16th. Once the control numbers for FYs 2006 and 2007 have been determined, your bureau will provide these levels to you and the budget data can be revised and retransmitted. Your bureau will notify you when to submit your FY 2008 request data, but it will be submitted in conjunction with the MPP process on February 1, 2006 and must be coordinated with your embassy.

For the MPP, State Department requires that all country team members supply an additional out-year of budget and workforce data. However, we are not including an FY 2009 table for this purpose. If you need to prepare FY 2009 projections for your MPP, consult your bureau regarding the levels to use.

For Washington Operating Units, the Agency push to harmonize the AR database with Phoenix has required that we create databases for each Operating Unit in Washington, rather than merely for each Bureau. Washington Bureaus will have to complete separate OE and Workforce tables for each Operating Unit in the Bureau. For definitions of budget categories (e.g. obligations v. appropriations) requested in the following tables, please see [Supplemental References](#) on page 23 or refer to the glossary of budget terms provided in the application.

A. U.S. Financing

The U.S. Financing table is the only table that requests obligation and expenditure data instead of appropriations data. It appears with each Data Sheet in the CBJ. Operating Units are requested to fill out the portions reflecting actual obligations and expenditures before completing any other table, as information here will feed into the SO Appropriations Table. Bottom portions of the U.S. Financing Table, in turn, will be filled in automatically from the SO Appropriations Table. Operating Units need only complete these tables for SOs which will be receiving funding in FY 2006 and/or FY 2007.

B. SO Appropriations

(Program Request by SO). This section breaks out each SO by the Agency's pillar/sector areas. These tables must be filled out for each of FYs 2006 to 2008. FY 2005 data will be pre-populated with what we have in the current database. **Operating units are responsible for updating these levels to reflect their final FY 2005 control levels.** All tables should reflect either appropriation levels or request levels; do not include obligations data here. Separate years and accounts are generated using drop-down menus. For the out-years, please use the FY 2007 control and FY 2008

request tables for your main data entry. Instructions for use of alternate tables varies by bureau; please see bureau specific guidance for details.

End-of-FY pipeline data is calculated as starting-year pipeline plus carry-over plus new appropriations less estimated SO expenditures. End-of-FY pipeline for one year will then become the starting year pipeline for the next FY. Given Agency and OMB interest in pipeline oversight, and to address ADS 602, particularly sections 602.3.6 and 602.3.7 on program management as applied to proposed funding levels, it is critical that Operating Units adjust SO expenditures based on any adjustments made to the appropriation levels.

When Operating Units request program funds for each SO, the level requested should include estimated/anticipated program funded ICASS costs. Regional Bureaus are also reminded to request funds accordingly when preparing regional SO submissions where annual program ICASS requirements are not met through bilateral programs.

Supplemental Appropriations. Operating Units receiving supplemental appropriations need to complete an additional sub-table to account for those funds. Access this sub-table through the "Supplemental Appropriations" button on top of the main SO Appropriations screen. For each SO that received supplemental funding, specify the name of the supplemental and the amount. Note that doing this does not affect the entries on the main screen; the supplemental table merely records the portion of the total appropriation for a given SO that was derived from one or more supplemental.

Emphasis Area Codes: To make it easier for SO teams to complete, the tables for these codes have been moved to the SO Narrative section. See page 15 for detailed information on how to complete this reporting requirement. However, program budget officers will be able to view the emphasis codes through the Appropriations tables.

C. Workforce Planning

USDH and non-USDH Staffing Requirements. This section covers all categories of personnel that are reported in e-World. Indicate the actual level for the end of FY 2005 and the request level for FY 2006-2008. For FY 2005-2007, this is due December 16, 2005. FY 2008 Workforce Planning request levels will be submitted along with FY 2008 budget request and performance targets as part of the MPP process (February 1, 2006). These data are essential for the Agency to do adequate workforce planning which includes designing the Foreign Service recruitment plan so that it meets the Agency's future needs. For requested levels, it is crucial that each operating unit consider the work that needs to be done and the skills needed to do it, rather than the backstops or employment categories (e.g. USDH, FSNPSC, USPSC, etc) of the employees currently on board. In other words, the staff requirements that you report for FY 2006 - FY 2008 request levels must reflect the "to be" mission, not the "as is" mission. For FY 2007, there will be two columns, one with the FY 2007 request level that is prepopulated and another that will be an "adjusted target level" based upon the program funding levels (control) provided by the bureaus.

Changes to get to the "To Be" organization include the mix and the numbers of employees by Backstop and by employment mechanism. For example, if you need to convert positions currently

designated as **USPSC, TAAC, CASU, or RSSA/PASA** etc to USDH due to the nature of the work, then report them as USDH for the out years (FY 2006 on or whenever you think the conversions should happen). Discuss these changes in your narrative giving the number and type of positions you believe should be converted to USDH and why.

New this year. Workforce data must be updated to identify ICASS-funded staff, CASUs, NEPs/IDIs above ceiling (i.e. training positions), GHAI (S/OGAC) funded staff, MCC funded staff, MEPI funded staff, and FSLs for FY 2005-2007. For FSL positions, you must also enter support costs in the appropriations field for the current year - *excluding salary and benefits*. HIV/AIDS staff previously identified separately should be included along with the rest of your OE workforce levels.

USDH Staffing Requirements: Show the USDH in each occupational backstop as of the end of FY 2005 - FY 2008. Requested levels, FY 2006 - FY 2008, must reflect the Mission's "to be" organization and not the status quo.

- For FY2006-FY2008, the requests should match the position requirements for the Operating Unit's Strategic Plan without regard to the backstop of the current incumbent.
- GDO positions should be listed under the backstop that reflects the primary discipline of the position, e.g., BS-50, BS-40. Only Democracy and Governance positions should be reported as BS-12.
- RUDO positions were converted to BS- 40.
- For the Foreign Service Limited (FSL) special program that began in FY 2004 and is commonly known as the "85", please make sure that these show **as program funded**.

Non-USDH Staffing Requirements: Show the number of non-USDH by category and the occupational backstop that most closely reflects the work being done.

[Guidance Annex I](#) on page 34 provides specific guidance on complying with this requirement as well as detailed instructions for completing the table.

D. Operating Expenses for Overseas and Washington Operating Units

Show the proposed use of OE and trust fund resources by resource category for the FY 2006 estimate, FY 2007 target, and FY 2008 request levels. For FY 2008 OE and trust fund resources, the target level should be straight-lined from your FY 2007 allocation. The FY 2008 request should reflect an amount that takes into account the base and increases. **All amounts are to be reported in thousands of dollars.** Compute ICASS levels as follows: FY 2006 ICASS requirements should equal FY 2005 bills inflated by 6.8 percent; FY 2007 ICASS requirements should equal the FY 2006 estimate inflated by 6.5 percent; and the FY 2008 ICASS requirement should equal FY 2007 estimate inflated by 6.5 percent.

Over the course of the last year, the M Bureau asked that a function be added to this table to allow M to record greater detail under each Object Class Code. The data captured there is similar to what you might collect in cuff records. Although it is not mandatory to use this section of the AR, M has found it very useful and we wanted to call you attention to it in the event that it might prove to add

greater facility to the AR allocation within your Operating Unit. To add detail to an Object Class Code, go to that code and on the right side of the screen you will see a button labeled Activities. Click there to further break out the object class code, noting the specific plans for how the funds will be used. For an example, see Supplemental Reference 16 on page 23 for screen shots.

E. ICASS Reimbursement Table

This table should be used by overseas operating units that are or will be an ICASS service provider. This table should reflect the amount the Agency will be reimbursed for services provided. Include costs associated with providing services to OE-funded operations, USAID program operations and other customer agencies on post. Note that the first line of the Table is for Washington-Funded Salaries and Benefits. If a USDH allocates time between providing ICASS services and providing non-ICASS support, report the estimated salaries related to ICASS on this line. Staff that is funded through the ICASS WCF is reported through the workforce table as well - see [Guidance Annex I](#) on page 34 for details.

F. Controller Operations

In the same format as the overseas OE table, this table should reflect only those costs associated with the office of the controller at overseas missions.

G. Trust Fund and FSN Voluntary Separations

For use only by overseas missions, this table shows (a) availability of local currency trust funds and (b) deposits to and withdrawals from the FSN voluntary separation account. Note that if an overseas unit shows obligations under object class 12.1 on the OE table for FSN voluntary separation (FSN direct hire or FSN PSC), then the FSN voluntary separation portion of this table must be submitted. The OE totals on this table must match the total FSN voluntary separation amounts for FSN direct-hire and FSN PSCs on the OE table. Also, provide the exchange rates used in computing the dollar equivalent of local currency trust funds. This information is required in the Agency's Budget Justification.

H. Global Climate Change

The GCC reporting requirement is mandatory for those missions, Regional Offices, and Washington-based programs that attribute financial resources toward the Agency's Global Climate Change Program, and will be used to construct the Agency's annual Global Climate Change report for Congress. Each operating unit with a GCC program must complete by December 16, 2005, the GCC budget table contained in the AR database, which requests data on obligations by country, strategic objective, and fund account for activities conducted in FY 2005, as well as estimates for FY 2006 and FY 2007.

Note: There are other reporting requirements that must be completed. Please see the Other Agency Reporting Requirements section on the GCC on page 37.

I. Minority Serving Institutions

In compliance with Presidential Executive Orders, each federal agency is required to submit individual annual plans and FY 2005 performance reports on the agency's actions to increase the participation of Minority Serving Institutions (MSIs) in federally-sponsored programs. These reports are submitted to the Secretary of Education and the Office of Management and Budget (OMB). MSIs are institutions of higher education in the United States, which either historically or currently have an ethnic minority student enrollment of more than 25 percent. MSIs consist of Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs) and Tribal Colleges and Universities (TCUs).

Each Bureau is requested to report in the AR application detailed information concerning:

- The activities and the amount of funding awarded in FY 2005 to MSIs, via contracts, grants, and cooperative agreements, as well as subordinate and third-party arrangements under these funding instruments.
- Funding for long- and short-term training, internships, fellowships, conferences, and seminars involving these institutions.
- Bureau/office FYs 2006, 2007 and 2008 plans to increase the participation with MSIs via contracts, grants, and cooperative agreements, as well as subordinate and third-party arrangements under these funding instruments.

Included in the MSI Annual Report database for your information are the lists of Minority Serving Institutions (HBCUs, HSIs and TCUs). Additional information on MSIs is available on USAID's internal MSI website (<http://inside.usaid.gov/MSI/>).

J. Global Development Alliance

All Agency Operating Units must report on public-private alliances to document: (i) the extent to which Public-Private Alliances are being used in on-going Agency programs, (ii) the range of alliance partners and partner types currently participating in Agency-funded alliances; and (iii) the nature and amount of partner contributions which are being leveraged in support of USAID program objectives. This information is routinely requested by various external audiences; it is also needed for internal assessment of the Agency's progress towards mainstreaming the GDA business model. See [Guidance Annex II](#): Public-Private Alliances on page 37 on GDA Precepts.

K. Disability Report

All Agency Operating Units must report on several disability-related issues including the efforts that they are making to remove barriers to the participation of people with disabilities (PWDs) in the operating unit's activities. Last year, this request for information was included in the SO Level Narrative Checklist, but this year, Agency Operating Units will respond to 4 disability-related questions located in the budget tables section of the AR.

L. Implementing Mechanisms

This table has been created as a one-time stopgap measure to collect information not yet possible through existing systems. This information is required to respond to questions from the Administrator, the Department of State, and Congress. This section depends on being able to pre-populate a table with actual obligations by instrument from the Agency's general ledger. Thus, this section will not be available to you when you first receive the application, but should be available on-line some time in mid-November after reconciliation of the general ledger. For each obligation over \$50,000, you will be asked to select from simple pre-populated dropdown menus the contract number or ID, the implementer, the type of implementing mechanism, the type of activity, the sector, and one Program Component. We recognize that multiple sectors and program components could be used, but we ask that you only choose one. As this is a new section, do not hesitate to direct questions to PPC.

II. Narratives

As was done last year, the AR Application Narrative section is organized by SO-level information and Operating Unit-level information.

A. Strategic Objective Level Narrative

1. Strategic Objective Profile Table

This table is the same as found in last year's Annual Report. It is designed to collect information about an SO in one place, and it will be used to populate other portions of the application. In this table you will be able to add SOs, perform several other linkages, and certify your SOs. Please note if you are adding an SO as yet unapproved, the first three digits of the SO number will be your country code and the last 3 digits will be XXX or YYY, etc.

Note, that Missions receiving Millennium Challenge Account (MCA) threshold money may create separate SOs for these funds. Because of their agreements with the MCC, Missions would not have to report on, request, or notify these funds through the CBJ or AR. Missions choosing to create a separate, stand-alone SO for MCA funds would only have to fill out the workforce and budget tables in the AR application.

a. Strategic Objective Linkages

In this table are the required linkages to the Performance Goals of the Joint State/USAID Strategic Plan. For each SO against which you expended funds in FY 2005 and beyond, please select the performance goal that best links to your SO. Two categories "Cross-cutting" (entries here are *limited* to Program Support objectives, PD&L objectives, and certain types of special initiatives *only*), and "Erroneous Entry" (for SOs that, for example, were mistakenly entered and should probably be deleted from the system) are included so that all SOs can be accounted for.

Resources (program, OE, workforce) within an SO must be linked to the one primary performance goal through the link you establish here. Therefore, when you prepare your resource request budget tables, it is imperative that you consult with the embassy to ensure that the appropriate link has been chosen in this section. However, we are allowing Operating Units to select a secondary linkage again this year, to better explain program impact. 21% of SOs used this feature.

b. Strategic Objective Certification

These linkages are critical for compiling the Agency's statement of net costs required by law. Thus, once you have finished linking your SOs, the Annual Report application contains a certification feature. When all the Operating Unit's SOs are ready for certification, the designated user will select the option that it is "ready to certify." The application will then generate a list of the mission's SOs as a Word document in a certification report, "Certification of SOs to Agency Performance Goal Linkages," which will include the SO number, SO name, performance goal title, and date of initial obligation. The following certification statements will appear at the bottom of the table:

Today (day of week), (date), I, (insert Mission Director's name), certify that the listed SOs are properly linked to Agency performance goals.

As Mission Director, I agree that sending this document from my USAID e-mail account to Bradford Greene, PPC/SPP ([brgreene@usaid.g](mailto:brgreene@usaid.gov)), satisfies the requirements of an electronic signature.

The mission director will then send the table as an e-mail attachment from his computer to Bradford Greene (brgreene@usaid.gov). When the Operating Unit's e-mail certification is received, an entry will be made in the Annual Report application that the certification has been received in PPC [This guidance overrides ADS 201.3.7.1]. This certification is required to satisfy audit recommendation 1 of Report #0-000-04-001-C, November 14, 2003.

c. Strategic Objective Status

For new SOs for which there may be no performance data, select "new in FY '05" (defined as first obligation in FY 2005) or "new in FY '06-'07" from the drop down box so that we know not to expect past performance data (but, to the extent possible, please complete the SO indicator table (see section I.B.6 below) with baselines and targets for these new SOs). If you have a program support objective (which also has limited reporting requirements per ADS 201.3) please select that option from the drop-down menu. If in the final years of expenditure, please select "final year of expenditure in 'FY 05" or "final year of expenditure in FY '06".

d. Strategic Objective Type

If you use a SOAg to implement the SO, even if you also use direct implementation as well, please check the “SOAg” box.

2. The CBJ, Performance, and Planning Data

In the Annual Report After-Action Review, we heard your calls for more logic to the layout of the Annual Report Application. Most of the changes we’ve made this year to the Application are contained in this section. Notice the substantive change in the format of the SO narrative section. This page of the application now contains cells for entering your SO-indicators, selecting your program components, entering your common indicators, entering area emphasis codes, and entering your results frameworks. Operating Units will discuss past performance and future plans for the Strategic Objective, in terms of results achieved, host-country commitment, strategic planning, and implementation deficiencies. This information will be used for Agency decision-making on programs and resources and will be included in Bureau- and Agency-level reporting documents (BPBS, the APP, the PAR, and the OMB Performance Assessment Rating Tool.). When completing information in the database, do not populate fields which do not apply (i.e. **Do not write N/A in responses to performance measures.**)

a. Strategic Objective Indicators¹

*****We recommend that you start here so that you know what indicators you will need to discuss in your SO narrative. This section is required but will not be posted on the external web site. Operating Units must complete an indicator table for each SO for which it is still expending funds, unless the results are captured under successor SOs. An e-mail was sent from PPC on January 11, 2005 reminding Operating Units to set written targets for all indicators that would be used to determine whether each SO exceeded, met, or did not meet its targets [ADS 203.3.8.4 (second bullet) and 203.3.8.]. The indicators in the table **must** be the indicators that the mission selected in January 2005 and against which performance was to be measured. If you failed to select indicators in January, state this in your covering statement and give a reason. SO indicators will be prepopulated for SOs that existed last year. You may use them, but you will also be able to add new ones and/or delete ones no longer used.

If the indicators presented demonstrate that, overall, the SO failed to achieve its objectives the OU **must** include a discussion in its SO narrative section explaining the relationship between the indicators and the objective and what will be done to overcome the difficulties in the future.

For new SOs for which there may be no performance data (first obligation in FY 2005 or FY 2006), to the extent possible, enter the indicators you will use next year to measure SO performance, and the corresponding baselines and targets.

¹ These are not necessarily the same as the common indicators – these are taken from the missions PMP and were selected in January of 2005.

A number of Operating Units had difficulty with this section, so see [Guidance Annex III](#) on page 38 for further instructions on how the indicator table should be filled out and the SO performance narrative examples from the FY 2005 AR in the Supplemental Reference 2 on page 23.

b. Strategic Objective Narrative

Overall: For all years (FY05, FY06, FY'07 and FY08), you must also relate your SO activities to the list of standard program components. Choose program components from a drop down list provided in the AR that best fit your SO. [Note: You will not be able to select program component common indicators until you have selected program components here]. Dividing the SO into program components may make it difficult to talk about program integration and crosscutting themes. To the extent possible, discuss program synergies, cross-cutting themes, and integration in the SO overview and in the Operating Unit's Program Performance Summary (section I.A.3 above). Last year was the first year the Agency used Program Components. This year, the Agency underwent an extensive process of reviewing the Program Components, resulting in some changes. A new list of Program Components and Program Component definitions is included in Supplemental Reference 17 on page 23. Additional information on Program Components is included in Guidance Annex IV on page 38. When you describe your program by program component, think of them as "what we did (PC = Strengthen Civil Society) to achieve our result (IR = Citizens Have a Greater Voice)."

CBJ Datasheet: The CBJ datasheet consists of the following sections. Each of these sections has its own "button" in the application this year, giving you a separate "text box" to enter your narrative for that section. Please be sure to remember, however, that the CBJ datasheet is still limited to two pages, so be sure to keep the program component sections short, particularly if you have selected multiple components to describe your SO.

1. CBJ Strategic Objective Summary

In no more than one short paragraph, summarize the USAID program for the Strategic Objective.

2. FY 2006 CBJ Inputs, Outputs and Activities

This portion of the narratives is required for the CBJ. The description of the FY 2006 program should include unambiguous statements of how the funds "will" be used. Emergency programs may have to use uncertain language for both years.

Describe your program by program component and include the approximate amount of funds you intend to devote to that program component by fund account. Please note that the dollar totals by account and program component should total to those contained in the data sheet header (and which are carried forward from the SO appropriation tables). In the application, we have provided a table to help you keep track of the amount by program component so that it equals the total SO amount. In this table you will need to click on the component (by component number which can be found in brackets to the right of the program component name), choose the appropriation, and the amount. However, the program won't automatically enter that figure into your narrative; you will have to retype it into the cell where you describe what you are doing by program component.

Keep your program component descriptions short, especially if you have many program components for your SO, since there is still a two page limit for each CBJ datasheet. You will be given one “text box” per component to enter your description for each program component. Be sure to view and/or print the entire CBJ datasheet for each SO to check the page length. If it prints longer than two pages, then you will need to delete some text to meet the two page limit.

Development Credit Authority (DCA) references can be included in the CBJ. Projected DCA funds will continue to show in the original funding account in the SO Appropriations tables (i.e., they will not show as DCA, but as DA) since the funds have not yet been transferred, but the text can include statements such as “USAID anticipates transferring \$x,000 to DCA to...” Barring special provisions of the law (see [Guidance Annex VII](#) on page 45), further notification would not be required if such references are included here. This will result in significant time savings as you proceed to obligate funds for your DCA activities.

If you have stated prior year unobligated amounts in your header, break out where they will be used by program component. If these carryover funds are being used for the same purpose previously notified as their intended use, mention of this use here merely provides a fuller explanation of how you plan to use the funds in your header. It is not a renotification. If instead, the planned use of carry over funds differs from the use intended when they were last notified, this CBJ does serve as a renotification and the affected SO should show as one being renotified in the CBJ.

For each program component, please describe in terms understandable by the general public how the funds being requested will be spent, (i.e., five training courses) and the immediate impact to be achieved with these resources (e.g. we expect to train over 100 judges in court administration). Do not use general statements such as, “USAID/Freedomi will provide *support* to NGOs.” Tell us what *kind* of support. Although P.L. 480 resources are not included in the financial tables, please discuss P.L. 480 inputs, outputs, and activities and a brief description of the contribution and effectiveness of these resources to achievement of the objective and to enhanced food security in the country. Do not include P.L. 480 budget figures in the text.

If instead of creating a separate SO for your MCA funds, you have chosen to integrate them with your existing SOs to create synergies with existing activities or to avoid duplication, operating units should treat threshold programs the same way we treat P.L. 480 funds in the CBJ datasheets. Do not list the amount of funding in the CBJ datasheets to prevent giving the wrong impression that USAID is requesting and notifying MCA funds. Instead, broadly mention how these funds contribute to their SOs: “USAID will use MCA funds to support anti-corruption efforts...”

If this is an ongoing program, list the principal contractors and grantees, also known as primes, and their major subcontractors or subgrantees, also known as subs, by program component. Distinguish clearly which are primes and which are subs. Note: If there are many contractors/grantees/subcontractors/subgrantees, list the principal implementers (you need not list all of them). If the same primes and subs are used in all program components simply state that they are the same for each component.

These Data Sheets constitute formal Congressional Notification of USAID’s intent to obligate FY 2007 resources for the activities and purposes described therein unless the Congress otherwise

requires separate notification. The CBJ thus becomes the basis for all future notifications. As agreed with the Appropriations Committees, FY 2006 funding levels published in the FY 2006 CBJ continue to serve as notifications for ongoing programs, unless there has been a modification that would require renotification in this year's FY 2007 CBJ. If there have been such changes, please describe them here in a manner that clearly states what is different.

If a program received supplemental funds in FY 2005 and FY 2006, corresponding narratives should be mentioned in the Data Sheet. Also, Missions could mention supplemental funding received in FY 2005 when such funds have enabled the start-up of a specific activity and when FY 2006 New Obligating Authority (NOA) funding will continue for this activity.

3. FY 2007 CBJ Inputs, Outputs and Activities

The description of the FY 2007 program may indicate a degree of remaining uncertainty about precise implementation plans (e.g., by saying that funds are “to be used” or “may be used,” or that USAID “plans to use,” etc.), otherwise, the guidance above for FY 2006 applies to this section as well.

As the preceding two years of information make up the Data Sheet for the CBJ, not more than two pages for each SO, covering both FY 2006 and FY 2007, may be submitted. You need to verify the page length by printing or viewing each data sheet. Please include all SOs for which you plan to obligate resources in FY 2006 or FY 2007. Do not submit a Data Sheet for SOs for which you are not requesting any funds.

4. CBJ Strategic Objective Performance and Results

In no more than one short paragraph (you have provided detailed performance information in Section B.2 above), highlight USAID progress to date toward the principal results to be achieved through this program. Then, excluding emergency programs, describe what end-state we can expect with successful completion of this SO. If this is a follow-on SO, summary performance information on the old SO may be stated here.

END OF CBJ DATASHEET.

Other Narratives: A full Operational Plan includes both past performance as well as future plans. The CBJ datasheets will address a portion of this requirement, but the following sections on FY 2005 performance and FY 2008 planning are also part of the Operational Plan. For Operating Units with new Strategy Statements, you may use these sections to add detail about your strategy that was not possible to include in the Strategy Statement due to page limitations. Missions may also use this space to discuss how challenges or opportunities encountered in FY 2005 will affect programmatic choices or the direction of their strategy in FY 2006 and FY 2007.

5. FY 2005 Performance Overview

In this section, provide a well described background overview of the issues and the USAID programs funded to address problems identified. Clearly discuss the problems, activities, challenges, and results achieved. Indicators in the tables should be referenced and explained.

6. FY 2005 Strategic Objective Performance

Two to four pages per SO. This section will not be posted on the Agency external web page. Operating Units are encouraged to provide unclassified, but candid, detail on their SOs. Discuss each program component in detail utilizing, where relevant, the Guidance Annex VI on page 44 that contains a checklist of elements that should be included in an SO narrative discussion. For SOs that link to the “cross-cutting” performance goal no program components will be required. It is not required that you discuss the common indicators for the program component in your text.

In addition to discussing the topics found in the checklist, Operating Units must discuss all SO indicators, explaining progress on meeting targets for the SO-indicators you included in the indicators table. If the SO did not meet the targets presented in the SO indicator table, Operating Units *must* describe the management and/or budgetary steps they are taking to address this situation. If the assessment shows that the SO consistently fell short or consistently exceeded targets, state what steps are being taken to address this situation. In cases where the target failed to be met, the discussion should address the specific causes of failure, and not give generic statements, such as ‘the targets were overly-ambitious.’ Likewise, an explanation should be supplied for those indicators which have greatly exceeded their targets for two or more consecutive years. An explanation should indicate either the reason that targets have not been adjusted or the reason it is not possible to adjust them. If poor performing grantees/contractors were involved in this assessment, indicate what is being done (without naming the implementer). Operating Units should indicate how this year’s assessment compares with prior years.

In cases where an “old” SO is still expending funds, or where an SO has been replaced by a “new” SO in the same sector, Operating Units must still report on the old SO but may do so in an abbreviated fashion. Operating Units must report on Presidential Initiatives under the appropriate Strategic Objective and clearly indicate the results achieved.

7. FY 2008 Plan Overview

In no more than one short paragraph, summarize the USAID program. This section is not due until your FY 2008 information is submitted coinciding with the submission of the MPP on February 1, 2006. The summary of the FY 2008 program may indicate a degree of remaining uncertainty about precise implementation plans.

8. FY 2008 Plan

This section should be one to four pages per SO. This section is not due until your FY 2008 information is submitted coinciding with the submission of the MPP on February 1, 2006. Please describe the FY 2008 program for which you are requesting resources. Organize the description by program component and include illustrative activities you plan to undertake. A drop-down menu of the Agency program components is available in the AR application. If you plan to revise an SO by adding new components or make major modifications within a component, explain how that decision is responsive to changing circumstances within the country, or changing priorities from Washington, and if applicable, specify what may be reduced or eliminated. For the activities you’ve proposed in each program component, please state the immediate impact to be achieved (e.g., we expect to train over 100 judges in court administration), and the longer-term results expected.

If you described in your covering statement the efforts being made to identify new local and U.S. partners, especially non-traditional USAID partners, please discuss here how non-traditional partners will be integrated into the Mission's Operational Plan. The Agency increasingly sees public-private alliances, faith-based partners, and Diaspora as a critical way for USAID to expand development success with declining resources and promote collaboration rather than duplication and inconsistencies.

c. Common Indicators for the Program Components

As you select program components in each of the sections above, you will then be able to enter common indicators. Completion of this table will provide information that fulfills the Agency's Government Performance and Results Act (GPRA) reporting requirements. The information will be used within the first week of your submission to populate the FY 2007 Joint Performance Plan (JPP) with FY 2005 data. Thus we must receive all submissions on time. The data will also be used in the Performance and Accountability Report (PAR), to provide information to use in the OMB PART, and to report on the Agency's common Program Components.

The Common Indicators for the Program Components have been combined with the Performance Measures from previous years. Operating Units with programs to which new indicators apply have a one-year grace period before being required to report if they are not organized to collect this new data. All Operating Units, however, are required to answer all "yes/no" questions for a chosen Program Component. If an indicator does not apply to your program, answer "no" to the question. If there is no "yes/no" question, and an indicator does not apply to your program, do not answer it. See Guidance Annex IV for more on this.

For measures that you do report on now, or can report on in the future, you must also enter targets for FY 2006 and FY 2007 at this time. At the time that your 2008 resource request is due you will also be asked to supply FY 2008 targets for these performance measures on the grounds that these are the results you intend to achieve with the resources you are requesting. These targets are important because they are required for the Joint Performance Plan.

Additional information on Common Indicators is included in [Guidance Annex IV](#) on page 38 Global HIV/AIDS Initiative focus countries see additional guidance in [Annex V](#) on page 42.

d. Emphasis Area Codes

Coding is the Agency's effort to attribute dollars to particular efforts for the purpose of providing information to interested parties. Primary and secondary emphasis coding will be collected for FY 2005 - 2007. For the December 16 submission only FY 2005 coding is required. PPC recognizes that in order for FY 2005 coding to be accurate, all sector and appropriation control levels must be provided to missions. After the FY 2005 coding has been reviewed and the FY 2006 653(a) and FY 2007 CBJ Request Levels have been approved, instructions will be provided for completing the coding for FY 2006 and FY 2007.

On the primary coding tab, the values entered for each sub-sector will appear, together with the primary codes associated with that sub-sector. Last year the system required primary coding to be

completed as sub-sector levels were changed. Realizing that coding is often performed as a later step, typically with the help of technical personnel, it is no longer necessary to complete primary coding whenever a sub-sector level is changed. Once these levels are set, you should consult with technical staff to determine the coding levels and enter them at that point. Note that in separating the setting of sub-sector levels and primary code values we are not relaxing the coding requirement. At any point you can determine which sub-sector levels have inconsistent primary coding by clicking the “Check Codes” button on the main SO Appropriation screen. After pressing “Check Primary Codes” the fiscal years and appropriations whose codes need to be revisited will appear in red. Additionally, a check will be performed to highlight incomplete coding before the database is submitted to Washington. Entries in the primary code can not exceed 100%.

The secondary codes are entered in a similar manner. However, dollars may be assigned to more than one secondary code and entries may add up to more than 100% of the total for a given SO. Although it may be possible to select many secondary codes, please select only those codes that are the most representative of the program.

Compliance on secondary coding was very disappointing last year. As a result, we are unable to provide Congress, the White House, and OMB with the information they need about our programs and the lack of data requires ad hoc requests to the field each time the information is needed. Technical staff in the mission, who best understand their programs, must work with the Washington pillar and regional bureau staff, as well as with PPC staff, who best know the levels the Agency is working against, to come up with realistic budget attributions and then enter that data into the application or convey it to the individual who is entering the information into the application. See the Coding Definitions and Contacts in [Supplemental References](#) 11 on page 23 for a list of codes and definitions.

e. Strategic Objective Results Frameworks

Results frameworks are still a critical part of the development hypothesis of your SO. They are now part of the Operational Plan and not the Strategy Statement. Results Frameworks outline your theory of how development is expected to proceed in your country and provide a context for your choice of program components. As discussed in ADS 201.3.11.4, Operating Units have the option in certain circumstances to alter Results Frameworks without consultation with USAID/Washington, but must indicate where these changes were made. To keep records current in Washington, Operating Units must provide their revised Results Frameworks. The Results Frameworks should include the SO statement, SO-level performance indicators, and intermediate results statements (as many as are necessary to communicate the development hypothesis behind the SO).

3. Strategic Objective Close-out Report

USAID must have information on what has been accomplished over the life of an SO, specifically what is now different as a result of USAID’s efforts relative to what we had intended to achieve. Where the SO is no longer being implemented, Operating Units MUST prepare a “close out” report, per the guidance in ADS 203.3.11. Please include in the report a discussion of whether the SO close-out is related to graduation from one “White Paper” predominant goal to another (see

draft “White Paper” policy paper, <http://ppc.usaid.gov/index.cfm?fuseaction=ucOffices.All&officeIndex=1>). Generally, close-out reports are done as part of the Annual Report. If it is not possible for you to include the close out report in this year’s Annual Report, then Operating Units must state in their covering statements when the close out report will be submitted. Work with your Washington program office to set this date.

B. Operating Unit Reporting

1. Operating Unit Covering Statement (Cover Memo in the application)

Missions should use the covering statement to alert management to major issues affecting the Mission and advise on progress towards Bureau management goals articulated in the Regional Frameworks. The covering statement can also be used to communicate and request approval for significant changes in the Mission’s programming, budget level, staffing, etc. Limit the Covering Statement to no more than three pages.

The covering statement is not intended for distribution outside the Agency and will not be posted on the Agency’s website. It will be distributed to USAID employees and sent to the Development Experience Clearinghouse for archiving. Classified material should only be reported via classified media.

The covering statement should address critical issues or changing circumstances. The memo should include the following in discrete sections: (1) proposed changes to the strategic statement if any (If there are none, state this.); (2) minor changes to the strategic statement made during the FY at the discretion of the Operating Unit; (3) major resource issues; (4) the list of SOs that the Operating Unit will be notifying this year in the CBJ (See [Guidance Annex VII](#), page 45 for the limitations on using the CBJ for notification); (5) what efforts are being made to identify new local and U.S. partners, especially nontraditional USAID partners; and (6) a web address for the mission. The memo should also include, as appropriate, changes in country commitment that would justify Washington consultations or a change in the strategic plan. See ADS 201.3.11 for information on when consultation with Washington is required prior to making changes in an approved strategic statement. Be sure that all evaluations undertaken in the past year are submitted to the USAID Development Experience Clearinghouse. Evaluations can be submitted online at: <http://www.dec.org/submit.cfm>

As per guidance sent out on July 8, 2005 by the Administrator, evaluations will once again become a mandatory requirement for this Agency. In this Annual Report we ask that you report in a new section of the covering statement (in the text box) the following information about evaluations conducted in FY 2005 and planned in FY 2006-FY 2007: (1) the SO title, (2) the level at which the evaluation was conducted (SO, IR, or Activity), (3) the name/title of the evaluation, (4) the cost of the evaluation, (5) the year in which the evaluation was/will be conducted, and (6) the number of USAID mission employees on the evaluation team. Although we are asking for you to provide this information in a narrative box, you will want to structure your input in the form of a list with tabs between each entry. See the example below:

SO TITLE	LEVEL	NAME OF THE EVALUATION	COST	YEAR	NUMBER OF US MISSION EMPLOYEES
123-456	Activity	OTC Accessibility in Freedomi	\$15,000	2005	0
123-789	SO	Smaller, Healthier Families	\$25,000	2006	2

2. *Operating Unit Country Overview for the Congressional Budget Justification*

The Congress and OMB have asked us to change the format for this section. The bulk of the burden for meeting their new requirements will be on Washington, not on you. The Country Overview will be reduced to two very short paragraphs written by your operating units, supplemented by tables generated from you budget data, which will be completed in Washington. These two sections together must not be greater than one half of one page.

- a. **The Challenge:** Identify the key objective of the program in your country (e.g. to increase economic growth by 3.0% in five years by targeting impediments to growth). List the impediments you have identified to reaching that goal (e.g. OU has deduced that HIV/AIDS, natural resources and democracy challenges prevent the economy from achieving this growth). State what USAID is doing to address the challenges and the principal ways you are doing this (e.g. USAID is using a commodity import program to leverage changes in the environment sector, several grants and contracts to...)
- b. **Other Major Donors:** List the major Bilateral Donors and the major Multilateral Donors working in the country.

For assistance in completing the CBJ portions of the Annual Report, see the internal website at <http://CDIE.USAID.gov/ar> or on the external web site at <http://www.dec.org/partners/ar>. Global HIV/AIDS focus countries please see [Guidance Annex V](#) on page 42. [see Robbin Boyer PPC/SPP on what needs to be included in this years' AR that was left out of the FY 2005 AR] For pillar bureau Operating Units, this is your Program Overview.

3. *Operating Unit Program Performance Summary*

In preparing this section, please refer to collected well-written examples from last year included in your application or on the internal website at <http://CDIE.USAID.gov/ar> and on the external website at <http://www.dec.org/partners/ar>. Both sections below are required.

- a. **Program Narrative (FY 2005).** Limit this section to two to four pages. The Program Narrative will be posted on the Agency's external website. In this section, submit ONLY unclassified, nonsensitive information that can be shared with the public. [Guidance Annex VIII](#) contains the Program Performance Summary Checklist (page 48), which provides information that may be included in this section where appropriate. In describing its program, each Operating Unit should also report on cross-cutting activities in areas of special interest to the Agency, such as gender mainstreaming, anticorruption, and conflict-sensitive programming. If you have an additional website, please put this at the end of this section. For operating units in the Europe

and Eurasia Bureau utilizing AEEB and FSA account funds there is specific separate guidance on the content and format for this section that must be followed. See the E&E Bureau Specific Guidance in part II of the annual report guidance.

- b. Environmental Compliance. Limit this section to one page or less. This section will not be posted on the external website. Mandatory contents for this section are contained in Guidance Annex IX on page 49.

Between August 2004 and July 2005, the USAID external website received 26,568 hits for this publicly available FY 2004 Program Performance Summary information. Please write FY 2005 program narrative accordingly.

4. *Operating Unit FY 2008 Resource Request Narrative.*

This section of the Annual Report initiates the Agency's budget formulation process for the FY 2008 budget cycle. Your bureau will notify you when to submit this FY 2008 request, which will be submitted in conjunction with the MPP process on February 1, 2006 and must be coordinated with your embassy.

This section should be from two to five pages. This section will not be posted on the external website, but will be made available to USAID personnel on the intranet. Sharing of information contained in this section outside the Agency constitutes a violation of OMB Circular A-11. Please see [Guidance Annex X](#): Resource Request Checklist on page 49 for additional assistance with the sections below.

- a. Rationale and Justification: Over time it may be necessary to adjust an SO(s) in a Strategy Statement or Strategic Plan. Factors that precipitate a change include development progress or regression, shifting foreign policy priorities, a change in country commitment, or natural disaster. In the FY 2008 plan you will describe, by SO, what you are doing to adjust your strategy statement to respond to such factors. In *this* section of the AR, summarize those adjustments that affect your budget request, such as: your program is subject to earmarks, directives or initiatives; you are pursuing unanticipated public-private alliances; you are in an MCA eligible country or an MCA threshold country; you have been designated a Global HIV/AIDS Initiative Focus Country; your program's predominant "White Paper" goal has changed; or new activities are being undertaken in response to a conflict vulnerability assessment.
- b. Pipeline: Explain any inconsistencies between actual pipeline levels and Agency forward funding policy presented in ADS Chapter 602. Describe corrective actions being taken, exceptions to the forward funding policy being requested by the Operating Unit, and how pipeline levels projected through the planning period will be consistent with the forward funding policy.
- c. Decommittments: Deobligations and Decommittments (MACS terminology for "de-sub-obligations"). Unliquidated obligations must be monitored to ensure that balances are deobligated when no longer needed for the purposes for which they were initially obligated.

Provide a statement on how your Operating Units will handle de-obligations as well as decommitments from contracts and grants under a SOAG.

- d. OE and Workforce: Provide a narrative justification for all resource requirements for OE and Workforce for FY 2008 including for the implementation of PEPFAR, PL 480, MCA and MEPI. Identify cost increases that are uncontrollable regardless of program changes. This will provide a basis for justifying increases in support budget levels to the Department of State, OMB and Congress. Discuss significant deviations from your workforce template ceiling and OE controls.
- e. Program-funded Personnel and Support: Please provide a narrative description of your anticipated use of program-funded staff, including the Foreign Service limited appointments, from FY 2005 (already passed) through FY 2008.
- f. Management of Government Resources: Discuss highlights or any steps being taken to assess management of your operations, and to identify major changes designed to improve management efficiency. In this discussion, please include the subcomponents that fall under the Management of Government Resources Program Component and specific amounts of money used to undertake these activities.
- g. Management Assessments: Report on actions taken to implement recommendations from any management assessments that have been conducted.

PART B: Specific Guidance

I. Submission Requirements, Format, and the Application

- A. WHAT TO SUBMIT. All portions of the Annual Report will be submitted through the same application as last year. Use of this application is mandatory.
- B. WHO SHOULD SUBMIT. All Operating Units are required to submit complete Annual Reports unless they do not need program funds and/or OE funds after FY 2005. Those OUs that do not need funds after the current year should submit a review of the results they have achieved per applicable sections of Section I above. Non-presence programs with defined country-level Strategic Objectives are also required to submit a separate Annual Report. Washington Program Offices will identify the OUs responsible for preparing these Annual Reports.
- C. PROHIBITION ON FORMATTING. Do not include any graphics, tables, text boxes, bullets (you may substitute dashes for bullets), or photographs in your narratives. The Annual Report Application will allow you to generate a Word document for printing and viewing purposes. This document may also be saved to a file at which time you may add photographs, tables, text-boxes, and graphics for any purpose the Operating Unit deems appropriate.
- D. FORMAT. The required font, margins and headings are built into the Annual Report application. Do not even *attempt* to reformat them. We regret that this application does not

allow you to use foreign letters or accents; this is a technical limitation of the database, not a policy issue.

- E. EDITING. Operating Units are required to use the editing instructions in Supplemental Reference #7: “USAID Editing Instructions”. The Editing Instructions are available at <http://www.dec.org/partners/ar>.
- F. ACRONYMS. Operating Units should avoid acronyms wherever possible, as they are not necessarily known by USAID/Washington, by Congress, or the general public. Operating Units are required to spell out acronyms the first time they are used in each CBJ data sheet and should do this in all narratives.
- G. CONFLICTING GUIDANCE. Cases of conflicting or unclear supplementary guidance should be reported to Parrie Henderson-O’Keefe, PPC/SPP, phenderson@usaid.gov, and copied to your Regional Bureau for resolution.
- H. WHEN TO LOOK FOR YOUR APPLICATION. The application will be sent as soon after September 30th as possible, but if you have not received it by October 20th, there may have been a problem with transmission and you should contact ARApp@dec.cdie.org as soon as possible.

The application will be sent as an e-mail attachment to OU system administrators for installation. The application will be sent to one system administrator only because of its size. Installation instructions will be included in the email message. However, unlike last year, updates to the version of the application, if necessary, will be transmitted to each Operating Unit via Web services, and transmission of each Operating Unit’s data will be submitted back to AID/W via Web services from a selection on the main tool bar found at the top of the application. One or two missions will still have to communicate via e-mail through the entire process.

For planning and coordination purposes, the program office and budget office contact persons will be sent an email message informing them as to when the application was sent to the system administrator. In response to greatly increased reporting requirements for coding below the SO level, Operating Units should decentralize reporting of SO budget data by also having the application installed with SO team leaders or activity managers.

Operating Unit program officers, program budget analysts and/or controllers will be contacted with specific information on how to use the application. Specific instructions for filling out the application, as well as a description of the improvements that were made to the application from last year, are available from the website: <http://CDIE.USAID.gov/ar>. Although we are using the same application as last year, improvements and updates have been made that may require additional updates and modifications. We are making every effort to keep these to a minimum.

- I. PRIOR YEAR DATA. The application will be pre-populated with some prior year budget data as well as each Operating Unit’s list of Strategic Objectives based on the SO submitted in last year’s Annual Report.
- J. SUBMITTING YOUR APPLICATION. Submit only the electronic application. Do not

send MS Word documents, MS Excel files or password-protected documents. Once your Operating Unit has finished entering information, the application is to be returned to the same location in Washington via the web services function included in the application. DO NOT send the application to any other address. DO NOT send it to your desk officer or anyone in PPC. All country applications will be consolidated for each Bureau and forwarded to that Bureau.

Your first contact for questions on any part of this guidance, including questions about this application, should be directed to your bureau contacts as designated in the Bureau Specific Guidance. However, e-mails sent to your bureau contacts may copy the application programmers at <mailto:ARApp@dec.cdie.org>. In emergencies, phone inquiries on technical aspects of the narrative portions of the application can be directed to Chris Nagle at 301-562-0641 extension 104; questions regarding how to run or install the application can be directed to Dennis Nagle at extension 150. Before calling for assistance, first try to leave the application and re-enter it to see if the problem still exists.

K. APPLICATION BASICS.

- 1) **Spell checking:** Right click your mouse on any text field box in the narrative section of the application to perform spell checking.
- 2) **SO Title change:** To change a SO title, go to the “Tools” menu on the opening screen and select “Change Strategic Objective Name.”
- 3) **Expand text box:** To expand the size of any text field box in the narrative section, double-click inside the box. This will also give you access to editing features such as copy and paste, spell checking, and file saving.

Page count: The two-page limit on the CBJ Datasheets and Country Overview are imposed in order to limit the size of the Budget Justification to be sent to Congress. Either view or print the CBJ Datasheets and Country Overview sections to determine whether you have exceeded the page limit.

- 4) **Context-sensitive Help:** Help is always available from within the application. You can “Click on the “Help” button” found within each section of the application to access context-sensitive help. Each section or table of the application, such as the U.S. Financing Table, CBJ Datasheet, etc. will have help applicable to that section only. You can also obtain a full copy of the Annual Report Guidance, the example CBJ submissions, example performance and budget narratives, the program components and common indicators with definitions, and notes on new releases of the application if necessary from the main toolbar “Help” menu section.
- 5) **Footnotes:** The US Financing table includes the option of adding one or more footnotes describing an SO's special circumstances. These footnotes will appear in the US Financing documents produced in Washington for the CBJ. Any supplemental

appropriations entered in the SO Appropriations table will also appear on CBJ documents - both in the Program Summary and US Financing tables.

- 6) **Printing:** Reports generated from the narrative annual report sections will print all required sections regardless of whether they have been completed. Optional sections will only be printed if they have been filled out. This should assist users in determining whether they have completed all required sections of the annual report.
 - 7) **Results Framework Table:** This year the application will once again be prepopulated with last year's results frameworks if they were included with your AR submission last year.
 - 8) Please refer to the Annual Report Application Guide for further details on the application. A copy of this guide will be emailed to the program and budget contact person in each Operating Unit and will also be available from the Annual Report website.
- L. SUPPLEMENTAL REFERENCES. The following information on Annual Report preparation is available on the Intranet web page at <http://CDIE.USAID.gov/ar>. Partners will be able to access Annual Report guidance and related support materials at the following external website: <http://www.dec.org/partners/ar>. All Supplemental References will be available by October 30, 2005.

- 1) Example CBJ submission
- 2) Example Performance Narratives and Budget Narratives from FY2005 AR
- 3) Joint State/USAID Strategic Plan
- 4) User Help Guide for Application
- 5) Policy on Description and use of Child Survival and Health funds
- 6) Glossary of commonly used terms in this guidance
- 7) USAID Editing Instructions
- 8) Guidance on the New Monitoring & Reporting System Requirements for HIV/AIDS Programs
- 9) Expanded Response Guide to Core Indicators or Monitoring and Reporting on HIV/AIDS programs
- 10) ABS FY 2006
- 11) Coding Definitions and Contacts
- 12) After-action review of FY 2005 AR
- 13) Business Model Review
- 14) Interim Guidance on Strategic Planning
- 15) "White Paper"
- 16) Screen Shots of Object Class Code
- 17) Agency Program Components and Common Indicators

Frequently Asked Questions and clarifications/additions to this guidance will be posted at: <http://CDIE.USAID.gov/ar> and <http://USAIDResults.org>.

II. Bureau Specific Guidance

A. Africa Bureau

The AR/OP describes how the Strategic Framework for Africa will be achieved through the implementation of AFR operating unit strategy statements.

Submission Information: REDSO/ESA will be expected to submit Annual Report data for REDSO, Burundi, Djibouti, and Somalia. Guinea will be expected to submit Annual Reports for Guinea and Sierra Leone. DRC will be expected to submit Annual Reports for DRC and the Central African Regional Program for the Environment. South Africa will be expected to report on the Regional HIV/AIDS Program (RHAP) - 690-019).

FY 2007 Alternative: Operating units that wish to propose a different mix of FY 2007 resources are encouraged to submit an alternate FY2007 request, once the actual FY2007 CBJ request level is known. The FY2007 alternate should be submitted at the same time as the FY2008 request. The Bureau has found these alternative submissions to be useful tools when setting the actual operating year budget once an appropriation is signed.

2008 Request Parameters: Given that 2006/2007 will be transitional years for budgeting according to the new Africa Bureau Strategic Framework, missions will be provided guidance separately at a later date regarding FY2008 funding request parameters.

U.S. Financing Tables: It is the Operating Unit's responsibility to adjust the "Future Obligations" section of the U.S. Finance Table so that the Estimated Total Cost reflects the authorized life of SO ceiling for each SO.

Performance Reports: Missions are also encouraged to report on 1) the results of cross-sectoral programming, in achieving the Goals and Objectives of the Strategic Framework for Africa, 2) the impact of programs directed towards strategic issues, extractive industries, counter terrorism, governance, youth and urbanization, 3) the impact of addressing Gender and HIV/AIDS as cross cutting themes, 4) the impact of any programs in emerging areas (higher education, workforce health, environmental health, and non-communicable diseases, and 5) how the tools of GDA, ICT and conflict sensitive programming are enhancing impact.

SO level narratives should also include more detailed justification than was possible in the strategy statement including how the different parts of the results framework will lead to achievement of the objective, how strategic issues are being addressed, how gender and HIV/AIDS are included and what measures are being taken to counter backsliding.

Success Stories: Missions are asked to submit success stories directly to the LPA "Telling Our Story" Database, in the format required by this system. Please send copies of these stories to the Africa Bureau at abic@dis.cdie.org. Any additional stories that do not fit into the LPA format can also be sent to the ABIC success story database. The Bureau seeks gender success stories, e.g., activities with clearly stated gender objectives, and innovative use of gender tools to improve the

condition of women and men. They will be included in the Bureau's new gender publication called "Kinzoni".

Preparation Questions: Operating units with general questions about Annual Report preparation should contact their POSE Backstop: Lisa Ortiz, East Africa; Ruth Buckley, West Africa; Richard Strickland, southern Africa. Questions about program resources or CBJ sections should be directed to AFR/DP/PAB, Carrie Johnson or Paul Knepp. Questions about OE should be directed to Bureau Controller, John Avila. Workforce questions should be directed to AFR/AMS, Merle Mukai.

B. Asia Near East Bureau

AR Submission Information: RDM/A is responsible for Annual Reports for all programs that they manage. This entails reporting on the performance of old SOs and closing them out when appropriate. RDM/A is responsible for preparing a separate country overview for Burma. The remaining Annual Report for Burma can be rolled into RDM/A's established SOs. RDM/A will also need to clearly state in the country overview where additional information can be found regarding this program in the CBJ. RDM/A must be prepared to provide performance reporting information by country as needed by USAID/W. Given the Bureau's intent to open Missions in Vietnam and China in FY 2007, RDM/A is also responsible for a separate CBJ and resource request beginning with FY 2007 for Vietnam and China. FY 2005 performance for Vietnam and China/Tibet can be reported under RDM/A's established SOs. Finally, RDM/A is responsible for including SARI/Equity in its Annual Report under SO 486-001.

India is responsible for the Annual Report for SARI/Energy (under South Asia Regional code 398). Egypt's Office of Middle East Programs (OMEP) will submit an Annual Report for the new Middle East regional program, except for OE and Workforce which will be reported by Egypt's bilateral AR. East Timor and Iraq Missions will have access to the AR Application in order to submit their Annual Reports directly.

Tsunami AR Submission Information: The Annual Report for the regional tsunami SO 498-045 will be completed and entered by ANE/SPO with information and guidance from tsunami-affected Missions. To help this process run smoothly, we have outlined the following responsibilities for ANE and the tsunami-affected Missions (RDM/A, Indonesia, India, and Sri Lanka):

- 1 Not Applicable - CBJ, 08 SO Plan, Resource Request, Cover Memo, and Country Overview
- 2 Performance Narrative and Environmental Compliance - Each tsunami-affected Mission needs to submit a 3/4 page (in Arial 10 font) performance narrative for tsunami activities funded under SO 498-045. Each tsunami-affected Mission also needs to submit a brief statement regarding the status of environmental compliance. This performance narrative and environmental compliance statement should be e-mailed to Debra Banks (ANE/SPO) **by December 2.**
- 3 Indicators - ANE/SPO will get the needed indicator information from the Tsunami Tracker on the ANE Intranet. All tsunami-affected Missions should make sure that these indicators are as complete and current as possible **by December 2.** Please do not forget to set targets for FY 2006 and FY 2007.
- 4 Budget Tables - ANE/SPO will enter the budget information in collaboration with Debbie

Kennedy-Iraheta.

- 5 Workforce Planning Table - Each tsunami-affected Mission should include staff dedicated to managing activities and/or funds under SO 498-045 in their OU's workforce planning table. Please denote that these positions are funded under SO 498-045.

All tsunami-affected Missions should keep the activities funded under SO 498-045 separate from tsunami-related activities funded with Mission OYB. In a Mission's CBJ datasheet for an Education SO, for example, please do not discuss plans to rebuild schools with funds from SO 498-045. However, Missions should discuss activities related to the tsunami, like rebuilding schools, in that CBJ datasheet if the funds are coming out of the Mission's OYB. The same rule applies to reporting performance and results.

Performance Indicators and Narratives: Under the new strategic planning process, the Annual Report serves as the 3-year Operational Plan. ANE will review the Missions' Annual Reports in early 2006. Primarily, ANE will review the Program Component Indicators and SO Indicators for FY 2005 (actuals) and FY 2006/2007 (targets) and the corresponding performance narrative. There must be a direct relationship between performance indicators and the performance narrative. If the Mission's performance indicators show that targets were not met, the narrative should not say that performance exceeded expectations, but should rather explain why results were not achieved. FY 2006 and FY 2007 targets should be adjusted to take into account FY 2005 actuals.

Pay particular attention to the Agency's Program Component Indicators as it is expected that each Mission will provide FY 2005 actuals and set targets for at least one indicator under each selected program component. This data is particularly important to the Bureau as it can be aggregated to tell a story at the Bureau or even the Agency level.

Take care when entering the data into the tables. Empty cells and data entry errors lead to incorrect performance scores, potentially affecting budget decisions. The Bureau will be using the scores derived from the SO Indicator Tables in the review of each SO. The scores may also be used in the Bureau's budget allocation process.

It is important that performance data (FY 2005 actuals and FY 2006 & FY 2006 targets) is submitted by the December 16, 2005 deadline. During the week of December 19th, this data will be sent to State for inclusion in the Joint Performance Plan (JPP). If Missions do not submit performance data by the due date, their data is not included in the JPP, greatly reducing the impact USAID appears to be having in the region.

Covering Statement: ANE/SPO will review the covering statement and forward critical issues and requests to ANE's front office. ANE/SPO will respond to issues requiring formal approval with a cable by late March.

Link with ANE Framework Priorities: In your narratives, Missions are asked to highlight ANE priorities: Jobs for the 21st Century, Launching a Blue Revolution, Training Future Leaders, Making National Governments Work, and Winning the War Against Terrorism. Look to the Agency's Regional Framework for ANE for further guidance.

Workforce Planning: Missions must complete the Workforce Planning Tables as requested in the AR Guidance. The Bureau and the Agency use this information for workforce and OE planning and allocation decisions. Failing to complete this information accurately is disadvantageous for your Mission.

Emphasis Coding: Each Mission is expected to complete both primary and secondary emphasis coding. Please pay particular attention to secondary emphasis coding as this is often overlooked.

FY 2008 Resource Request: Missions will submit their FY 2008 Resource Request in February to coincide with the MPP process on February 1, 2006. The Bureau will provide Missions with additional guidance in January 2006 regarding submission of the FY 2008 Resource Requests. Missions must submit requested budget and performance narratives/targets for FY 2008 by the deadline, as this critical information will be used to develop ANE's FY 2008 budget request. Since performance targets are used to justify budget requests, Missions that fail to submit targets by the March deadline risk losing funding.

Editing: It is imperative that Missions adhere to the Editing Instructions, available at <http://www.dec.org/partners/ar>. Please pay particular attention to the 2 page limit on the CBJ Datasheets as the AR Application will not count pages this year. Make sure your CBJ Datasheets are concise and clear to an external audience (no USAID-speak). ANE/W does not have sufficient staff to re-write CBJs. Submissions needing extensive editing will be sent back to the Mission.

Preparation Questions: General Annual Report questions should be directed to Monica McQueary and Shannon Green of ANE/SPO. For program budget questions, please contact Bob Hudec (ANE/SPO). For OE questions, please contact Yvette Hart (ANE/SPO). For workforce planning, please contact Andrew Luck (ANE/AMS).

C. *Europe Eurasia Bureau*

E&E Bureau Guidance for the Program Narrative Section of the Annual Report's Operating Unit Program Performance Summary

For some time the E&E Bureau Program Office has been trying to work with EURACE to enable much of the USAID requirement for the SEED and FSA reports to be met by narrative in USAID's annual report. Now the Coordinator's office has agreed to clarify its narrative requirement and has proposed content that largely tracks that called for in the program performance summary of USAID's annual report and a format which if utilized in that section of the AR will permit the narrative to be cut and pasted into the SEED/FSA report without re-drafting by the operating units. Therefore, in order to meet both USAID's needs and provide the narrative content USAID usually provides for the U.S. assistance priorities sections on democratic reform, economic reform, and social reform sections (EURACE advises that this year economic and social reform will be covered separately) of the SEED or FSA reports, E&E Bureau operating units utilizing AEEB or FSA funds must follow the guidance below for part (a), the Program Narrative section of the Operating unit Program Performance Summary. Use the following format and include the content called for.

Program Narrative (FY 2005). Limit this section to two to four pages. The Program Narrative will be posted on the Agency's external website. In this section, submit ONLY unclassified, nonsensitive information that can be shared with the public.

I. Democratic Reform

- A. Country Situation: What were the country's areas of progress and key challenges *in democratic reform* in FY 2005? How has the country's commitment to reform changed for better or for worse? Be sure to mention if the country is vulnerable to conflict or crisis.
- B. U.S. Assistance Priorities: In the area of democratic reform, what was the focus of U.S. assistance in addressing key challenges or reinforcing areas of progress described above?
- C. Program Performance (**centerpiece of the report**): What were the most notable program results in the area of democratic reform? How did these results address challenges, issues and U.S. priorities? If the country is vulnerable to crisis or conflict, how have you been dealing with it? Also...
- In which areas can program performance be further improved? How? Ensure to stress if program performance has been affected by country conflict or crisis.
 - If relevant, what was the extent and effectiveness of coordination between the U.S. and other foreign donors (particularly EU) on assistance strategy and programs to promote Euro-Atlantic integration?

II. Economic Reform Assistance

Notes: (1) Please use the same structure noted above; (2) Economic Reform could include programs in energy and the environment.

III. Social Reform and Humanitarian Assistance

Notes: (1) Please use the same structure noted above; (2) "Social Reform" could include programs in education and health.

IV. Other Programs of Significance

Notes: Use the same structure noted above, programs in this section include anti-corruption, and anti- trafficking in drugs and persons, customs, and counter-terrorism.

E&E Bureau Guidance on Other Aspects of the Annual Report

To assist the E&E Bureau in a timely submission of the Annual Report, the Budget Planners (Sheila Cunningham for Europe and Pat Brown for Eurasia) will be sending each mission SO control levels for FY 2004 and FY 2005 in mid-October 2005. The E&E Program Office requests that the missions submit the application with their FY 2004 and FY 2005 appropriation data by pillar/sector under the SO Appropriation Table no later than November 12, 2005. Please ensure that the Global Climate Change table ties to the SO Appropriation table (attribution and Emphasis Area Coding). The Microenterprise data (attribution and Emphasis Area Coding) in the SO Appropriation table should also tie to the MRR database. The transfers will be entered here in Washington.

For FY 2006 and FY 2007, the budget planners will send a special excel table that allows each mission to break out their SO budget by functional area. The alternate FY 2007 and 2008 budget tables should not be completed in the AR data base.

Questions about budget levels should be addressed to Sheila Cunningham (AEEB) and Pat Brown (FSA). Questions about OE and workforce tables should be directed to Mario Rocha/Audrey Doman. Questions about the overall Annual Report should be directed to Jeff Evans.

D. Latin America and Caribbean Bureau

In your narratives, missions are asked to emphasize Bureau priorities, especially trade, anticorruption, and alternative development, where appropriate. Look to the Agency's Regional Framework for LAC for further guidance. LAC Program Analysts have found that when the AR narrative incorporates the results from the performance tables, it contributes greatly into informing the budget decision making process. When the narrative and tables are not consistent, performance analysis is much more challenging, making budget decisions favorable to the Missions much more difficult. The performance tables need to be complete and consistent with tables sent in prior years. This allows the program analysts to see the historical trends. In last year's AR many of the tables were incomplete and missing data from previous years.

Format. Please pay particular attention to the Agency's list of official SO titles and numbers. If you have any questions on this please contact Sue Hill in LAC/SPO.

Editorial Guidance. Pay close attention to the editorial guidance (Supplemental Reference #7) and share it with **all** drafters of the narrative sections.

Missions are asked to consult with ADS 201.3.11.1 and the LAC/SPO database (see http://inside.usaid.gov/LAC/docs/lac_so_detail1.rtf) to determine if planned obligations are within authorized levels for the life of each Strategic Objective. If the Mission anticipates the need for an increase in authorized levels beyond the Mission's authority, the amount of the proposed increase and purpose should be stated in the covering statement.

Budget. FY 2008 Alternative Budget: in addition to the FY 2008 base budget (which will reflect mission priorities at the Bureau control levels), LAC missions are requested to complete the FY 2008 Alternative Budget. For the FY 2008 Alternative, use a budget increased no more than 10% from the FY 2007 level, assume there are no earmarks or other restrictions, and structure the budget to reflect the mission's priorities. That is, Missions should avoid putting the increase in all sectors and programs equally, but should rather focus on one or two programs that the Mission believes are of the highest priority. Missions should also highlight in the Resource Request Narrative, the rationale for the proposed increases, and indicate how performance influenced those decisions. The Bureau has found these alternative submissions to be very useful tools when preparing the BPBS, determining priorities, and in informing other budget decisions.

Performance Measurement. The Bureau strongly urges Missions to complete all the coding and as many Agency-wide indicators as are relevant to the program - especially those listed in the Regional Framework for LAC.

On the U.S. Financing tables, it is the missions' responsibility to adjust the "Future Obligations" amount so that the Estimated Total Cost reflects the authorized life of SO ceiling for each SO. Authorized life of SO ceilings can be found on the intranet at http://inside.usaid.gov/LAC/docs/lac_so_detail1.rtf. The budget should also reflect the missions PD&L needs for upcoming assessments that do not fall within the sectors of your current Strategic Plan (See ADS 201.3.3.5). The Bureau will notify PD&L needs on the mission's behalf and reduce the mission's OYB accordingly.

Preparation Questions. Operating Units with general questions about Annual Report preparation should contact Donald Soules. For questions regarding program resources or PD&L contact Janet Rudasill-Allen. For questions regarding OE resources contact the LAC Bureau Controller.

E. Democracy, Conflict and Humanitarian Assistance Bureau

DCHA/FFP: In addition to all requirements described in the main guidance, the following DCHA Operating Units should prepare additional tables as described below.

DCHA/FFP: Prepare and submit the dollar and metric ton tables, including FY 2004 Final Program Levels, FY 2005 Final Program Levels, FY 2006 Estimated Level, and FY 2007 requested levels. These tables are not part of the Annual Report Database and should be completed with the software DCHA/FFP has utilized to create them in the past. These tables are due to DCHA/PPM on December 16, 2005, and will be shared with the regional bureaus.

DCHA/OTI: Prepare and submit the following two tables both due to DCHA/PPM on December 16, 2005(*):

- a) The table listing country programs managed by OTI, showing obligated funding levels implemented for FY 2004 and FY 2005 and planned for FY 2006 and FY 2007 that will follow the TI section of the Central Programs Annex.
- b) The table covering fiscal years 2004-2007 and breaks out actual or proposed transition assistance funding levels by country that is included in Summary Tables of the CBJ.

DCHA/OFDA: Prepare and submit the "Major Disaster Responses by Country and Regional Totals" table for FYs 2004 and 2005 that will follow the IDFA narrative in the CBJ. This table is due to DCHA/PPM on December 16, 2005.

DCHA positions overseas will be reported by the Missions. For positions which will be overseas, but the location is currently unknown, check DCHA Overseas from within the FFP, OFDA, or OTI Workforce Screens. For any questions specifically on this request, contact Jeff Kramer, PPC/RA.

Preparation questions: Each Operating Unit's backstop from all DCHA/PPM Teams (Administrative, Budget and Program) can be located on the intranet at <http://inside.usaid.gov/DCHA/PPM/index.htm>. If you have any questions or issues, do not hesitate to contact your DCHA/PPM support.

III. Other Agency Reporting Requirements

For the topics below, except for the GCC budget table and data on results achieved through public-private alliances, you will be asked to submit information separately from the Annual Report according to the deadlines established below.

A. Global Climate Change (GCC)

The GCC reporting requirement is mandatory for those missions, Regional Offices, and Washington-based programs that attribute financial resources toward the Agency's Global Climate Change Program, and will be used to construct the Agency's annual Global Climate Change report for Congress. In addition to meeting the reporting requirements listed on page 6, each operating unit with a GCC program must submit by December 16, 2005, its responses via the GCC On-line Reporting Database provided by the EGAT bureau. The guidance for using the GCC On-line Reporting Database and the website information will be provided to GCC technical officers and their program officers directly by Keya Chatterjee, who may be contacted regarding questions on GCC reporting requirements: kchatterjee@usaid.gov.

B. Security Requests

The Office of Security (SEC) will send a cable on or about March 1, 2006 to request USAID security program funding requirements from all missions. This will require that USAID Operating Units state their anticipated security requirements (e.g. facility expansion or relocation, armored vehicle and communication system needs, and anticipated number of background investigations to be conducted). USAID Directors will be required to provide a comprehensive security assessment of their missions. None of the mandatory security assessment is to be sent with the Annual Report Application. Please make preparations for this eventuality as you prepare your resource request. Questions regarding this reporting requirement should be sent to rstreifert@usaid.gov.

C. Microenterprise

The Microenterprise Results Reporting (MRR) system -- website www.mrreporting.org -- will continue to be the official mechanism for Agency collection of microenterprise data. Electronic submission of FY 2005 obligation data and obligation projections for FY 2006 and FY 2007, along with institutional contact data, is due December 16, 2005. Institutions with continuing agreements drawing down earlier funding and institutions that received USAID obligations in FY 2005 will be expected to submit institutional data. Institutional data will be requested from USAID partners in early February 2006 allowing for the close of fiscal years ending in December. For additional information, contact Stacey Young in USAID's Office of Microenterprise Development. None of the MRR is to be sent with the Annual Report. Please note, however, that the following microenterprise information will be requested in some parts of the Annual Report: SO Narrative (when applicable), Performance (when applicable), and Results.

D. HIV/AIDS Programs

Currently, all countries are under the President's Emergency Plan for AIDS Relief. However, there are fifteen focus countries under the Emergency Plan. They are: Botswana, Cote d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam, and Zambia. The ADS will be updated shortly to reflect this change.

Countries have different reporting requirements depending on whether they are Emergency Plan focus or non-focus countries. To avoid duplicative reporting, starting in FY 04, the fifteen focus countries will report directly to the Office of the Global AIDS Coordinator (OGAC) per a) The President's Emergency Plan for AIDS Relief Indicators, Reporting Requirements and Guidance, April 14 2004, and b) Emergency Plan Annual Report Guidance, draft August 24, 2004.

For the operating units with non-focus AIDS programs, The Guidance on the New Monitoring and Reporting System Requirements for HIV/AIDS Programs, 2003 is still valid. Non-focus countries are required to report annually against the indicators in the Common Indicators table to the extent that such reporting is feasible. Per the ADS, they should also conduct Data Quality Assessments once every three years on the HIV/AIDS indicators they report to Washington. The guidance for non-focus countries is in progress. In the meantime, consult with GH/OHA for additional guidance.

E. Success Stories

Please submit your success stories through USAID's web-based tool for story collection, <http://www.usaid.gov/stories/about.html>. At the time you submit stories, copies of your submissions should also be sent to the program offices in your respective bureaus. Stories are collected in 5 specific formats: Success Story, Case Study, First Person, Before and After, and Photo and Caption. Each story should focus on the impact of USAID assistance on an individual or small group benefiting from USAID assistance. Guidance on the structure of each of these 5 formats is available at <http://www.usaid.gov/stories/about.html>. Operating Units are encouraged to submit success stories throughout the year, but for Operating Units that have not done so recently, LPA would like you to submit FY 2005 success stories by December 16, 2005.

F. Presidential Initiatives

Though Operating Units should report on Presidential Initiatives under the appropriate Strategic Objective and clearly indicate the results achieved, Operating Units participating in Presidential Initiatives must also report twice a year via the Online Presidential Initiative Tracking System (OPIN). HIV/AIDS focus countries see Annex V on page 42.

G. Trade Capacity Building (TCB)

The TCB reporting requirement is mandatory for those missions, Regional Offices, and Washington-based programs that attribute financial resources toward trade capacity building activities. Data is collected annually by on-line survey in June or July for the current fiscal year only. It is used to respond to inquiries from Congress and the Executive Branch Agencies, as well as requests from the Organization for Economic Cooperation and Development (OECD) for information on USG TCB activities. In addition to statistical data, the TCB survey collects information on success stories, including summaries of new TCB activities and important milestones. Guidance for responding to the TCB on-line survey will be provided to Mission and Operating Unit points of contact by EGAT in June. The TCB Database website (<http://quesdb.cdie.org/tcb/index.html>) includes TCB survey results since FY 1999 including narrative descriptions of all TCB activities. Specific questions should be directed to Tracy Quilter at tquilter@usaid.gov.

H. Biodiversity and Forestry

Biodiversity and forestry reporting requirements are mandatory for those missions, regional offices, and Washington-based programs that attribute financial resources toward biodiversity and/or forestry activities, and will be used to construct the Agency's annual Biodiversity and Forestry report(s) to Congress (past year reports can be found at http://www.usaid.gov/our_work/environment/forestry/forest_pubs.html and http://www.usaid.gov/our_work/environment/biodiversity/usaid_pubs.html). Further guidance will be provided shortly to technical and program officers on the information required, or you may direct inquiries to the biodiversity forestry report account at biodiversity_report@usaid.gov. Your response is needed by December 16, 2005.

I. Title XII Report on Agriculture

The Title XII Report to Congress is required under P.L. 94-161 and its amendments P.L. 95-424, P.L. 96-53, and P.L. 106-373. The Report is due to Congress September 1 each year for the previous fiscal year.

The report provides data, which is collected from bureaus by April 1, on Agency-wide agriculture activities' accomplishments with a particular focus on Title XII (U.S. university-led) activities and Agency initiatives. Data is also aggregated on fiscal year agriculture obligations from both regional and central bureaus. Success stories and agriculture obligations are collected from the Annual Report database and, within EGAT, from CTOs. The obligation tables and achievements are then cleared by the appropriate bureaus before the report is finalized. Point of contact: Susan Thompson, EGAT/AG, sthompson@usaid.gov.

IV. Washington Review

While there is no prescribed format for review of the Annual Report, PPC has found that the following are best practices:

- Review all covering statements. Ask: Can issues raised in the Covering statement be addressed with information supplied in the Annual Report? If so, then there may be no reason to conduct a formal review of the AR. If not, it may be necessary to organize a review with Operating Unit representation. Sector or technical review teams and Sector Councils will be reviewing the Annual Report for the following purposes: 1) for general understanding of field programs, both bilaterally and in a global context; 2) to provide sector performance information for the Bureau Program and Budget Submission (BPBS) and Agency Annual Budget Submission (ABS) to OMB.
- During the completion of Bureau reviews of the Annual Report, PPC also suggests that each Bureau analyze and review the progress of mainstreaming public-private alliance building as a business model within its programs. Upon request, the GDA Secretariat is willing to assist the Bureaus in this review process. The process would capture lessons learned and identify institutional constraints and areas where further technical assistance and/or policy and business changes would be appropriate in order to fully mainstream public-private alliance building as a means to deepen development impact in USAID programs.
- Technical offices are asked to refrain from reviewing Annual Reports until they are posted on the Annual Report Database website on CDIE.

Bureaus will review and respond to issues raised in the Annual Report covering statement and in the Annual Report immediately following the Bureau Program and Budget Submission reviews, or as soon as the necessary information to respond becomes available, unless other arrangements are worked out. At a minimum, missions will receive an e-mail reporting when covering statement issues will be addressed. The bureau will acknowledge via e-mail in a timely manner whether it approves or disapproves of any modification to the strategy proposed in the cover statement.

V. Annexes

Guidance Annex I: *Workforce Sub-table on Cost Accounting*

Last year we expanded the level of detail requested in the area of workforce and program support planning. The information collected has allowed us to, among other things, (1) plan our Agency's workforce needs, (2) develop data tables to assist in our long-range cost-to-program planning, (3) respond to the five areas of the President's Management Agenda, (4) estimate the amount of program funding that is used for administrative purposes, (5) justify requests for additional OE resources to support supplemental and other unforeseen program funding, and (6) respond more quickly to the requests of the State Department's MPP.

Data Entry Changes: As we did last year, the table will be populated with last year's entries, so it will only be necessary to modify the table where plans have changed. In order to help differentiate multiple positions of a particular backstop, you may record a "Position Name" to aid in identifying each position. Note that AID Washington will not make any use of the information recorded here; it is simply provided as a way to make data entry easier. Realizing that operating units may choose to identify their positions differently, the naming scheme used is left up to you. However, privacy concerns dictate that you do *not use a position name that may reveal the identity of the person currently holding a position*. Names, social security numbers, and the like should not be used. Again, the use of this identifier is voluntary and you may choose to use it for some backstops and not others. Finally, as an additional way to review the table, it includes totals by backstop for each year, as well as grand totals.

Entering a Position: For each position in your operating unit, press the "Add" button next to the position's backstop, then select a funding and employment type. For USDH positions you will be prompted for service and grade, otherwise you will enter the cost of the position as described below. If the position was filled on September 30, 2005, check the appropriate box - these positions should correspond to those reported in the September 30, 2005 staffing pattern. For 2006-2008, check those years where you anticipate having a staffing requirement. The information in the out-year tables will clearly be estimates for budget planning purposes ONLY. Nonetheless, your compliance on this is critical to the Agency.

Assigning Staff to Strategic Objectives: To respond to the Presidential Management Agenda and requirements from OMB, the Agency is working towards measuring activity-based costs and this section of our data collection contributes to that goal. Toward that end, for the past two years we have asked that sector management staff be assigned to the strategic objectives toward which they work. For positions that indirectly support multiple SOs, you can set up "Standard SO

Assignments” using the button on the top left. Here you can specify, for example, that one SO occupies 40% of the position’s time, while three others occupy 20% each. This breakout is then applied across all positions that have the “Use standard SOs” checked - and this is checked by default. Any changes made to the standard SOs later will be reflected by all positions that use them. The standard SO assignments cannot be used for sector management positions.

Some positions require work involving SOs associated with more than one operating unit. In these cases, click the Bureau SO button on the bottom of the screen. Using this, you can divide the positions’ time across all SOs in your bureau.

DCHA funded staff: A number of positions are based in overseas missions but are funded by DCHA. Enter these positions as you would the others, but use the drop-down box to select DCHA OTI Overseas, OFDA Overseas, or FFP Overseas.

OE-funded Non-USDH Staff Costs: Enter the costs of the salaries and benefits of OE-funded staff only - do not enter the loaded costs.

ICASS Working Capital Funded (WCF) Staff Costs: Enter the cost of the salaries and benefits of staff funded through the ICASS WCF only - do not include any support costs in this figure.

Program funded USDH: Enter the service and grade as you would for OE funded USDH. In addition, enter all program funded administrative costs associated with the position. Note that this number should include support costs *only*, and exclude salary and benefits.

GHAI (S/OGAC) funded staff: New this year. The drop-down box for funding type now includes GHAI funded, which is the account used for funding from the State Department’s Office of the Global Aids Coordinator (S/OGAC). This should be selected for positions funded by S/OGAC, which requires approval as part of the country operating plan. Most positions will be 100% GHAI funded, however, if a position is split funded, pick GHAI funded if more than half of the funds come from GHAI.

MCC funded staff: New this year. The drop-down box for funding type now includes MCC funded, which is the account used for funding from the Millennium Challenge Corporation (MCC). This should be selected for positions funded by MCC. Most positions will be 100% MCC funded, however, if a position is split funded, pick MCC funded if more than half of the funds come from MCC.

MEPI funded staff: New this year. The drop-down box for funding type now includes MEPI funded, which is the account used for funding from the Middle East Partnership Initiative (MEPI). This should be selected for positions funded by MEPI. Most positions will be 100% MEPI funded, however, if a position is split funded, pick MEPI funded if more than half of the funds come from MEPI.

Program-funded Staff Costs: To determine the true cost of doing business, operating units must report all program-funded administrative costs. Please allocate all program-funded administrative costs (using annualized averages) to program-funded staff for FY 2007. Administrative costs

include both contract and non-contract costs. Contract costs cover salaries and benefits and non-contract costs cover all staff support costs, including costs not directly attributable to individual personnel. See the list below for the types of costs to include as a program-funded administrative cost.

Contract Costs

- 1 Salaries and benefits - basic pay, pay comparability, FICA/Medicare employer portion, bonuses (i.e., X-mas), special allowances, medical plan, overtime
- 2 Other contract benefits - life insurance, health insurance, medevac insurance

Non-Contract Costs

- 3 Non-contract benefits
 - Severance pay
 - Travel - site visits, R&R, home leave, training, conferences, assignment/repatriation
 - Training and conference fees
 - Per-diem
 - Transportation - HHE, UAB, POV (arrival/departure)
 - Office equipment/furniture
 - Residential lease
 - Residential furniture
 - Residential maintenance and renovation
 - Post differential
 - Separate maintenance allowance
 - Education allowance
 - Cost-of-living adjustment
 - Security guard services (if not included in ICASS)
 - Utilities (water, gas, electricity)
 - Advertisement (for position vacancy)
 - Miscellaneous (i.e., physical exams, unused annual leave, funeral benefits, awards)
- 1 Support costs allocated to staff
 - Office rent
 - ICASS
 - Telephone
 - Electricity
 - Office/information technology supplies
 - Vehicle fuel and maintenance
 - Xerox maintenance contracts
 - Credit card administration
 - Janitorial services

- Other costs
- 2 Support costs not allocated to staff
- Vehicles
 - Warehouse space
 - Other costs

Guidance Annex II: *Public-Private Alliances*

All Agency Operating Units are requested to submit reporting on public-private alliances as a means of documenting: (i) the extent to which Public-Private Alliances are being used in on-going Agency programs, (ii) the range of alliance partners and partner types currently participating in Agency-funded alliances; and (iii) the nature and amount of partner contributions which are being leveraged in support of USAID program objectives. Such data are routinely requested by various external audiences and are also needed for internal assessment of the Agency's progress in mainstreaming the GDA business model.

For the FY 2006 Annual Report all USAID Operating Units are required to fill out the Global Development Alliance Template found in the Annual Report home page for each alliance that it manages in which funding was obligated in FY 2005. Templates have been pre-populated with data from FY 2002, FY 2003 and FY 2004 for which the GDA Secretariat had information.

What are the criteria that determine whether an activity is a Global Development Alliance and should be reported as such?

To be reported as a Global Development Alliance, an activity must meet the following threshold criteria:

- a. It must be a public-private alliance in which the total of USAID resources (from all sources) committed over the life of the alliance activity is leveraging at least an equal or greater amount of total partner resources; and
- b. Beginning in FY 2003, this partner contribution must include private funds (see definition below) at least equal to 25% of the value of the expected USAID resources.

In addition to these leveraging criteria, GDA alliances should also exhibit the following characteristics:

- a. Joint planning and problem definition;
- b. Shared risks and responsibilities;
- c. Ideally, though not necessarily, new partners and/or innovative approaches.

What resources get counted toward partner contributions in calculating the leverage ratio of an alliance?

The resource contributions expected from GDA partners may include both public and private funds, and may be provided in cash or in-kind contributions. Public resources contributed to an

alliance may come from other USG agencies, state and local governments or governmental agencies, bilateral and multilateral institutions, and foreign governments or governmental agencies. Private resources would include contributions from private companies, foundations, universities, NGOs (if raised from non-public sources), private individuals, and any other non-public source.

Instructions included below define the information requested for each field in the GDA reporting template:

Alliance Name: Official name of the public-private alliance.

Sector: Primary Sector for the alliance activities.

Start year: Fiscal Year the alliance began.

Expected Duration (Years): Expected number of years the alliance will be funded by USAID.

Countries in Alliance: Countries where the alliance has had or will have activities. If the alliance is global in nature, please include the regions where it has activities.

USAID Alliance Manager Contact Name: Identify the USAID employee who manages the alliance.

Add Partner: Click the Add Partner tab to open another window to fill out the name of the alliance partner and select the type of organization of the alliance partner.

Alliance Objective and Results Achieved: Summarize the alliance objective and report any results achieved to date under the alliance from its inception or start year. For alliances that have been in existence for multiple years, it is requested that 2005 results be separated from prior year results.

Obligations for All USAID Operating Units: Enter FY 2005 *real dollar* amounts for all USAID Operating Units contributing to the alliance. Please note that real dollar amounts should be entered, the table is not in 000's. If there are FY 2003 and FY 2004 obligations for this alliance it should be pre-populated by the GDA Secretariat and these numbers will be grey in color and *will not* be able to be changed. If you do want to update FY 2003 and FY 2004 obligation amounts please e-mail the information and the request to Manpreet Anand, manand@usaid.gov.

Partner contributions: Enter total partner contributions for cash and in-kind which were contributed to the alliance in FY 2005, *report cash and in-kind separately*. If these contributions were reported in FY 2003 or FY 2004 please do not report the contribution in FY 2005.

Projected Funding for the Life of the Alliance (Including Future Years): Enter the sum total obligations for FY 2002, 2003, 2004 and 2005 plus the estimated future year(s) contributions from USAID. Also, enter the sum total for FY 2002, 2003, 2004, and 2005 plus the estimated future year(s) partner *cash and in-kind* contributions.

If you have questions or would like to provide additional information on an alliance please send it to Manpreet Anand in the GDA Secretariat, manand@usaid.gov

Guidance Annex III: *The SO Indicator Table*

The FY 2005 country model examples of the performance narratives contain examples of the method of performance information collection. Please examine them closely.

SO performance assessments will be done in Washington as part of the spring budget process. You will be submitting two pieces of information that will contribute to the assessment. First, you must

include the actual indicators against which you decided to evaluate your SO performance. Second, you will be asked to rate the importance of each indicator, based on how well the indicator characterizes the achievement of the SO at its current stage. Use a scale of one (1) to five (5), with a five representing an extremely relevant indicator and a one signifying an indicator that is not very relevant at this time.

What should you consider when determining an indicator's relevance in capturing SO progress? ADS 203.3.4.2 on Characteristics of Good Performance Indicators may provide you with useful guidance. One factor might be the "age" of your SO. For example, early in the life of an SO, indicators at the activity or Intermediate Result level might have a score of 5, whereas an indicator at the SO-level - for which you would expect to see little impact early on - might get a score of 1. On the other hand, late in the life of an SO, the SO-level indicator should be expected to get a high score of 5, since presumably that indicator measures whether or not the SO is likely to be achieved. At that point, an indicator at the IR or activity level should probably receive a lower score.

You are also requested to provide a base year (from which you are initially comparing progress against) and base year data. The base year should be four numbers (i.e. 1997, NOT '97) and the base year data must also be a numerical value (follow examples of good indicators below).

Another factor that could possibly affect the score of an indicator is whether or not the indicator is direct or a proxy (see ADS 203.3.4.2 a). Direct indicators might warrant a higher rank (say, a five) than a proxy indicator (with a rank of one). This would be left to the discretion of the OU.

The point is that we hope to establish some measure of data validity: how closely do the indicators measure what they are supposed to measure (that being the "problem solved" as articulated in the SO). Some indicators may be ranked equally, but all should not be.

You will also be asked to indicate the direction of progress for your indicator. This was new last year and there was some confusion, but it allows us to know the expected direction of progress. In the indicator table, if the direction of progress is expected to be positive, for example, you expect the number of loans to *increase*, enter a "+" sign in the row for that indicator. On the other hand, if the direction of progress in the indicator is expected to be negative, for example, you are aiming to *reduce* the number of maternal deaths, enter a "-" in the row for that indicator.

Rules for data entry into the indicator table:

1. One indicator per line and one observation per cell. Do not enter multiple observations into one cell. For example, if your Operating Unit tracks male, female, and total, this represents THREE indicators with only one observation each year for each of them.

Example of a good entry:

Total enrollment (000's)	550
Female enrollment (000's)	220
Male enrollment (000's)	330

Example of a bad entry:

Enrollment (male, female and total in 000's)	550/220/330
--	-------------

2. Specify the unit of measurement in the indicator title not in the data entry cell.

Example of a good entry:

National Gross Enrollment Rate at primary level (Grades 1 - 8) (%) 15

Example of a bad entry:

National Gross Enrollment Rate at primary level (Grades 1 - 8) 15%

3. If you reference a source, do that in the indicator title, not in the data entry cell.

Example of a good entry:

Number of Children receiving DPT in region A (000's) (Source: DHS) 20

4. Translate qualitative indicators into numerical codes. If you feel that you cannot, then please simply enter in the “actual” column a 1 if you met your target or a 0 if you failed to meet it. The application will ONLY allow numbers to be entered into the target and actual cells of the table. If an observation is Not Applicable, LEAVE THE CELL BLANK, DO NOT USE NA!

Examples:

Indicator	Target	Actual
Tax law passes parliament (pass=1, fail=0, partial=.5)	0	1
Tax law passes parliament (drafted=1, negotiated=2, Brought to floor=3, passed=4)	1	1

5. The indicator and data observations must make sense. Examples of bad indicators:

Indicator	Target	Actual
New Judicial Codes Adopted by National Assembly (The indicator suggests a numerical outcome whereas the observations are qualitative and unexplained)	PC approve	PC partial
Mandatory Training of Newly Appointed Judges (What is the target? What does “Training” mean?)	Training	Yes

Failure to follow these rules will require USAID/W to reject improper indicators and may result in an inaccurate assessment of an SO's performance or an assessment that contradicts the SO performance narrative.

Guidance Annex IV: *Common Indicators for the Program Components*

Operating Units should think of the data in their PMPs as falling into two categories: those for managing their SOs and those for reporting. The indicators contained in the Common Indicators for the Program Components table fall into the second category. To assist you in completing this table, we are including indicator definitions and/or examples. Once an indicator is selected, you can click on an indicator definition button which will provide the definition and/or example for that indicator (when available). In addition, the Supplemental References on page 23 include a list of Program Components, Common Indicators and definitions.

Other Performance Measures. The shape of an Operating Unit's portfolio should drive the indicators on which it reports, not vice versa. This year, if an Operating Unit portfolio addresses a Program Component and does or can use one of the indicators included in the list of Performance Measures to measure performance against the SO or intermediate results for that SO, the Operating Unit must report data for that indicator. For example, if an OPU has an environmental objective addressing improved land management, and it does or can use (as a progress measure) the number of hectares under improved management, it must report that number. However, if the OU's portfolio does not address the particular subject, or the indicator is not appropriate for reporting progress against the mission's SO, it is NOT required to report against it. For example, if a land-locked country does not have a coastal or marine aspect to its environment program, the OPU is NOT required to report on the coastal/marine indicator. When reporting on an indicator, the column labeled "Description of the OPU Response..." should be used to provide any necessary additional information about the answer provided, for example, to describe the tools used for conflict-related programs by the mission or to elaborate on an answer. Exceptions to reporting on an indicator are, (1) if the indicator is one that is new to the operating unit and the Operating Unit has not been collecting it, or (2) if a data quality assessment (DQA) has not been done on the indicator within the last three years (please note, DQAs do not apply to yes/no questions). If you select a Program Component to describe your program, at a minimum you MUST respond to yes/no questions. If an indicator title has changed slightly from last year, please see the Indicator Dictionary for instructions on how you should respond to that indicator.

This year we are asking for your targets for FY06 and FY07 by December 16th. The purpose of this effort is to come up with aggregate Agency targets, not for examining your individual performance. You must complete those targets for the indicators for which you have submitted FY05 data if you plan to continue in this area in FY06 and FY07, and for those indicators for which you may not have FY05 data (you've never collected it before but could, or you have not done a DQA), but will for FY06 and FY07. The data you submit here will be aggregated with all other missions providing data. Narrative targets, e.g. "we anticipate our country will reach WTO status 4 by FY07," will be assessed individually for the aggregate story that they tell. At the time that your 2008 resource request is due you will also be asked to supply '08 targets for these performance measures, on the grounds that these are the results you intend to achieve with the resources you are requesting.

All indicators reported in the AR must have had a data quality assessment (DQA) done within the past three years, as described in ADS 203.3.5. This applies to both the Common Indicators table

and any other indicators the mission uses to determine whether an SO is meeting targets. A DQA reports the degree of confidence that the Operating Unit has in the quality of data it is reporting; it does NOT imply that the Operating Unit is vouching for the accuracy and reliability of all data reported and it does not imply that the indicator is valid for measuring the performance of the SO. Please see ADS 203.3.4.2 and ADS 203.3.5.1 for the differences between characteristics of good performance indicators versus data quality standards. Operating Units, however, MUST be fully candid in disclosing all known limitations of the data they present in this Annual Report. If no DQA has been done on a particular indicator, then Operating Units must not report it, and must not use it to determine whether targets have been met. For Global HIV/AIDS Initiative Focus Countries, until further notice, the only indicators on which you must have DQAs are those in the Common Indicator table that overlap with the indicators being collected by S/OGAC.

To the extent possible, Operating Units should report only Fiscal Year 2005 data. If the data you report is for a calendar year or other period, this MUST be noted. Some indicators specify that they should be stated as “cumulative” rather than “annually.” For an indicator like “hectares protected,” in one country we may protect 100,000 hectares, but that figure doesn’t change over several years. Thus the annual figure would look like zero, so the cumulative figure is more appropriate to use. Similarly, “Number of firms using Internationally Accepted Accounting principles as a result of USAID assistance (cumulative) in FY05.” We hope that the firms that used IAA in FY04 will continue to use it in FY05, and that we will add more firms in FY 06 and FY07, but expressing the cumulative figure means more than the annual addition.

All performance information provided in this section of the AR must be plausibly attributable to USAID assistance. See ADS 203 for a discussion of issues concerning attribution. In brief, even if the contribution of other actors to a given result was greater than that of USAID, but still the result would not have occurred without USAID's efforts, it is legitimate to assert that this result is "plausibly attributable" to USAID assistance. In these situations, the narrative should briefly state USAID's contributions, e.g., “in a multi-donor effort supporting primary education to 40,000 children, USAID assisted by designing a gender-sensitive, knowledge-based curriculum.”

To the extent possible, field missions should report data reflecting direct USAID assistance (e.g., number of hectares under approved management plans in districts receiving USAID assistance). Some data, by its nature, will be at the national level, such as when missions use Demographic and Health Survey (DHS) or other national survey data. Whenever necessary, missions should specify in the Data Quality column of the Common Indicators table the level (national or sub-national) at which they are reporting.

If you have a country program addressing fragility, please note that under each Program Component you will find an indicator question that you must respond to. This question provides the opportunity to explain each indicator chosen under that Program Component in terms of how it addresses fragility. This is part of how the Agency will be able to provide a different story for how and why your programming choices are addressing fragility, rather than traditional development.

Guidance Annex V: *The President’s Emergency Plan for AIDS Relief Focus Countries*

Congress has asked for annual reporting from State's Office of the Global AIDS Coordinator (S/OGAC) on USG progress under the Emergency Plan, with the expectation that results from all USG bilateral program resources, regardless of originating account (Global HIV/AIDS Initiative, USAID's Child Survival and Health, State Dept. accounts and HHS's Global AIDS Program), would be incorporated. S/OGAC has asked focus countries to submit their FY 2005 accomplishments using standard indicators (See The President's Emergency Plan for AIDS Relief: Indicators, Reporting Requirements, and guidelines for Focus Countries, July 29 2005) on December 3. For all other bilateral program reporting purposes, S/OGAC will ask implementing partner agency headquarters to mine current systems - such as this AR -- for the necessary information on results achieved in FY 2005. To the extent possible, we have reduced the reporting burden on focus countries. If you are a Global HIV/AIDS Initiative focus country, please follow the guidance below. Further guidance concerning FY 2005 reporting will be forthcoming. If you are NOT a focus country, please continue to follow the standard guidance of this AR.

CBJ Data Sheet: S/OGAC will be justifying the HIV/AIDS request and notifying the Hill of our intent to obligate funds. Thus no datasheet is required in our CBJ for stand-alone HIV/AIDS SOs. For "wrap-around" SOs in focus countries - SOs that include other health issues, education, economic growth, etc. along with an HIV/AIDS component - please continue to submit a datasheet for your SO describing the activities, but for the HIV/AIDS component, please list the component and state: "See the State Department Congressional Budget Justification, Global HIV/AIDS Initiative section, for a discussion of this program." Recognize that this sheet does not constitute notification for your HIV/AIDS activities within the SO.

Two-to-Four-Page Program Performance Summary: When addressing the HIV/AIDS portion of your program, please state: "See the State Department Office of the Global AIDS Coordinator report for a discussion of this program, <http://www.state.gov/s/gac/>."

Resource Request Narrative: Please follow the guidance in section I.A.4.

SO Program Component Indicators: Last year Vietnam was selected late as the 15th Focus country and was exempted from the focus country reporting requirements but this year they must adhere to the same reporting requirements as the others.) Global HIV/AIDS initiative focus countries are NOT required to report on the HIV/AIDS indicators in this table. You will be providing your indicator data through the Global HIV/AIDS initiative FY 2005 Annual Progress Report. Please send a copy of the indicator data you will provide as input for the country-level reporting on the Global HIV/AIDS initiative Annual Progress Report to John Novak (GH/OHA). Though Data Quality Assessments (DQA) are not required for the indicators submitted to the AIDS coordinator, Focus Countries must conduct DQAs on the indicators being collected for S/OGAC that *overlap* with the indicators in the USAID AR Common Indicators Table.

SO Profile Table: Please include your HIV/AIDS SO in this table so that the SO can be properly certified.

Strategic Objective FY 2005 performance: For "wrap-around" SOs in HIV/AIDS Initiative Focus Countries, report indicators for the non-HIV/AIDS portion and USAID/W will take responsibility

for getting the HIV/AIDS indicators from S/OGAC for your program for our evaluation. Guidance Annex VI on indicators above provides additional guidance for this section.

Coding: Both focus and non-focus countries will have to do detailed coding according to the S/OGAC guidelines. Focus countries will report to OGAC and non-focus countries to USAID/W.

All other resource table requirements stand as written in this guidance and must be followed by focus countries:

Workforce: All GHAI-funded staff and workforce associated with implementing HIV/AIDS programs **MUST** be entered in the Workforce table. See Guidance Annex I for specific instructions.

Strategic Objective Appropriations: include budget data for current and future budget years.

Finance Tables: include obligation data

Guidance Annex VI: SO Level Narrative Checklist

USAID/W has in interest in the following information where relevant to your program.

Requirement	Check
<p>Achievement/Impact Discuss the key achievements/short-falls of the SO for this reporting period by program component. Describe how FY05 performance has affected the direction you are taking the program in FY06.</p>	
<p>What is the impact of host country commitment and performance on program performance? Has host country commitment/performance changed over the life of the objective or are any changes anticipated that might affect performance?</p>	
<p>Discuss in this section, as appropriate, the performance of activities funded by mission field support transferred to pillar bureaus and Development Credit Authority resources. (NOTE: the requirement for discussion of the performance of such activities does not imply that field missions are to assume responsibility for management of and/or all reporting on these activities. In preparing this portion of the Annual Report, field missions should consult with pillar bureaus and with DCA to describe accurately the performance of such activities)</p>	
<p>Effectiveness Discuss what management changes (to staff, to an activity, to an implementer, etc.) you made over the past year as a result of performance. Discuss candidly constraints your Operating Unit faced and how they have been addressed. What did you do to make the program work better? Given those changes, what are the expected accomplishments over the next reporting period, i.e., what are overall prospects for progress through FY 2006, including actions to overcome factors impeding progress?</p>	

Have you addressed any strategic planning and implementation deficiencies? Are there any considerations that prevent you from managing for results?	
USG Requirements Where Title II and dollar-funded activities are integrated to support one or more strategic or special objectives, include a brief description of the contribution and effectiveness of P.L. 480 resources to enhanced food security in the country, as it will form the basis of the Agency’s performance assessment for integrated programs. Indicate if data, such as nutritional status, is provided to strengthen this assessment.	
For a comprehensive monitoring of assistance to Internally Displaced Persons (IDPs), all Operating Units with programs supporting IDPs are required to include a brief report, and depending on available information, include: (1) estimated number of IDPs assisted, (2) funding level and type (DA, CSH, etc.), (3) areas/sectors of assistance.	
Relay any critical gender issues and/or dynamics. What gender factors are critical to the achievement of the SO? How does the program mainstream gender? How will gender biases, where applicable, be improved?	
Presidential and Bureau Initiatives reported under the appropriate Strategic Objective? Results achieved with the Presidential Initiative funding clearly indicated?	
All Operating Units implementing activities with conflict-designated monies must provide specific reporting on these activities. Operating Units are urged to also report on the extent to which they are implementing <i>Category One, Two</i> and/or <i>Three</i> activities with resources other than those specifically set-aside by the Agency for conflict activities. See Supplemental Reference 13 for additional information.	
Coordination/Alliances Discuss any GDAs or other leveraged public-private alliances your Operating Unit is currently participating in, identifying the key partners participating in the alliance, results being achieved by the alliance and their relationship to the SO, and the value-added being contributed by the partners.	

Guidance Annex VII: Summary of Notification Guidelines

The following information is provided to assist you in determining when the CBJ can/cannot serve as notification.

The FY 2007 CBJ **can** serve as notification of FY 2006 and FY 2007 funding in the following circumstances: a new SO; an increase in fiscal year funding (above 10 percent for DA, CSH, ESF, AEEB, and FSA); an increase of \$5 million or more for life of SO; addition of a new account for funding; and substantial change in SO purpose or activity.

The CBJ **cannot** serve as notification for programs that are subject to separate notification by legislation. The Appropriations Committees use the phrase “subject to the regular notification procedures of the Committees on Appropriations” to denote those programs which require special notification. This means that inclusion of a project or activity in the CBJ is not sufficient to satisfy

prior notification requirements for those countries, programs, or activities, as the case may be, which the Appropriations Act (and its accompanying Statement of Managers or “SOM”) specifically makes “subject to the regular notification procedures of the Committees on Appropriations.” Separate notifications will need to be submitted to Congress to satisfy this additional notification requirement.

The following is a list of special notification requirements contained in the FY 2005 Consolidated Appropriations Act and the SOM, and are subject to change once the FY 2006 appropriations act is enacted.

- prior to obligating Development Credit Authority funds for the cost of modifying any guaranteed loans under the Act or prior Acts (unchanged from FY 2004);
- prior to obligating funds to open a new USAID overseas office or mission of USAID (unchanged from FY 2004);
- prior to obligating any funds appropriated to the Capital Investment Fund (unchanged from FY 2004);
- prior to obligating Economic Support Funds (ESF) to provide assistance to the National Democratic Alliance of Sudan to strengthen its ability to protect civilians from attacks, slave raids, and aerial bombardment by the Sudanese Government forces and its militia allies (unchanged from FY 2004);
- prior to obligating ESF funds for a Middle East Financing Facility, Middle East Enterprise Fund, or any other similar entity in the Middle East (unchanged from FY 2004);
- prior to obligating any funds appropriated to the Andean Counterdrug Initiative (ACI) for demobilization/reintegration of members of foreign terrorist organizations in Colombia (for FY 2005 this is a new requirement);
- prior to obligating funds pursuant to the authority in Section 508 of the Act to resume assistance to a country whose duly elected head of government has been deposed by military coup if a democratically elected government subsequently has taken office, or if the assistance is being provided to promote democratic elections or promote public participation in democratic processes (unchanged from FY 2004);
- prior to obligating funds under the heading “Assistance for the Independent States of the Former Soviet Union” for the Russian Federation, Armenia, Georgia, and Ukraine (Section 517; unchanged from FY 2004);
- prior to obligating funds for Liberia, Serbia, Sudan, Zimbabwe, Pakistan, or Cambodia (Section 520; the Democratic Republic of the Congo is removed from the FY 2004 list);

- prior to obligating funds for democracy programs specified in Section 526 of the Act (*e.g.*, programs for the People’s Republic of China, Hong Kong, and “countries with significant Muslim populations”) (unchanged from FY 2004);
- prior to using the interest earned on local currency accrued to a nongovernmental organization as a result of economic assistance provided under Title II of the Act and placed in an interest bearing account (Section 528; for FY 2005 this is a new requirement);
- prior to obligating funds for any cash transfer or nonproject sector assistance using Development Assistance (DA) or ESF, as well as prior to waiving the separate account requirement for nonproject sector assistance (Section 529; unchanged from FY 2004);
- prior to the distribution of any assets resulting from the liquidation, dissolution, or winding up of an Enterprise Fund under Section 530 of the Act (unchanged from FY 2004);
- prior to obligating funds for Burma under Section 531 of the Act (unchanged from FY 2004);
- prior to obligating funds to combat trafficking in persons (Section 534(a); unchanged from FY 2004);
- prior to obligating DA funds to American educational institutions for programs and activities in the People’s Republic of China relating to the environment, democracy, and the rule of law (Section 534(l); for FY 2005 this is a new requirement);
- prior to obligating funds under Section 536(a) for nongovernmental organizations for assistance to countries that would otherwise be prohibited from receiving assistance (unchanged from FY 2004);
- prior to obligating reprogrammed funds withheld as a result of unpaid parking fines and penalties and unpaid property taxes owed by foreign countries (Section 543; the FY 2004 requirement is expanded to include unpaid property taxes);
- prior to obligating funds transferred to Child Survival and Health Programs Fund (CSH) from International Organizations and Programs (IOP) by operation of Section 560 of the Act. (for FY 2005 this is a new requirement);
- prior to obligating funds for certain community-based police assistance under Section 564 (this is expanded authority from FY 2004);
- prior to obligating in excess of \$45,000,000 in International Disaster and Famine Assistance (IDFA) and Transition Initiative (TI) funds for assistance for Sudan outside of the Darfur region. This notification must be provided not less than five days prior to

obligation (Section 569; for FY 2005 this is a new requirement and is in addition to the notification procedures required for Sudan in Section 520); and

- prior to any proposed increase or decrease to the amounts available for the programs and accounts contained in the tables in the SOM (Section 595; this is a new requirement).

Guidance Annex VIII: Program Performance Summary Checklist

Requirement	Check
Is the Program Performance Summary written for an external audience (i.e. Agency web-page)	
<p>Achievement/Impact</p> <p>What is the country setting? Has country commitment or performance changed significantly? Who are the beneficiaries of USAID resources and how are they benefiting? How does your program address a specific interest, problem, or need? How is it designed to make a unique contribution to addressing the interest, problem, or need? Please answer this last question in the context of other USG and other donor efforts.</p>	
<p>What are the key achievements of the program for this reporting period? At their discretion, Operating Units may also choose to mention presidential initiatives and Global Development Alliances (GDA), including how alliances affect the choice of programs, and how they are integrated into programs as a way of involving private partners in USAID’s development agenda.</p>	
<p>Challenges/Effectiveness</p> <p>What are the most important challenges your Operating Unit has faced and how has it dealt with them? In the discussion, indicate if your country is showing vulnerability to conflict or crisis, or is not climbing out of it.</p>	
<p>Integrated Programming</p> <p>Where possible, describe program synergies, program integration, and cross-cutting themes that demonstrate how development resources work in combination to achieve results, within and across SOs.</p>	
<p>When stand-alone, non-emergency Title II resources do not contribute directly to a strategic or special objective, Operating Units are asked to make note of stand-alone programs by addressing briefly (1) the contribution of these resources to food security in the country; and (2) the effectiveness of the programs supported with these resources in achieving results agreed upon in the relevant Development Activity Proposal (DAP).</p>	
<p>What are the gender implications of your program and how does your program address gender disparities?</p>	

Guidance Annex IX: Environmental Compliance

ADS 203.3.8.7 requires all SO Teams, as part of their annual report, to submit the status of their environmental compliance. Specifically, SO Teams must ask each of their CTOs to: (1) report to the SO Team Leader on the status of the implementation of the approved 22 CFR 216 document in place on each of their projects; (2) indicate whether they actively managed their activities according to the terms and conditions in their approved 22 CFR 216 determination during the year and whether its conditions, if any, were met; and (3) indicate whether any steps were taken or are needed to bring the activities into full compliance, including any possible amendments to the 216 decision document. Depending on the nature of the activities the CTO is managing and the terms of the approved 22 CFR 216 document in place, the CTO can make this a very simple but considered statement or it could require greater detail. However, even in the case of a simple response, the CTO must provide at least a simple sentence that describes how they actively managed their 22 CFR 216 requirements during the year. Once the SO Team Leader has these statements from all of their CTOs, the SO Team Leader summarizes the 22 CFR 216 compliance status for the SO for the year in a few sentences covering the process CTOs used to actively manage their 216 compliance for the year, the overall compliance level, any issues that arose, and any need for follow-up. For any questions or additional information, please contact [Jim Hester](mailto:jhester@usaid.gov) (EGAT/ESP) jhester@usaid.gov.

Guidance Annex X: Resource Request Checklist

USAID/W has in interest in the following areas when relevant to your program.

Requirement	Check
<p>Rationale and Justification Explain how subsequent to strategic plan approval, significant unexpected changed circumstances (note: these were to be mentioned in the covering statement), such as country commitment and performance, need, stability, other donor support, or U.S. foreign policy interests, have affected your FY 08 request for funds.</p>	
<p>Advise how program performance has affected your budget request. If you are not pursuing public-private alliances, please explain what problems exist that impeded your ability to pursue this resource-leveraging approach and any other relevant factors.</p>	
<p>If you have the option of requesting the type of funds, explain the choice of funds to be used, particularly ESF v. non-ESF. Operating Units should consider how the intended use reflects the intended purposes of the various funds. How do these choices reflect relate to the predominant “White Paper” goal and any secondary “White Paper” goals, thereby reflecting strategic budgeting? Use ESF levels consistent with the MPP and indicate how these resources will be used.</p>	
<p>Indicate how you will meet important earmarks, directives, and Presidential initiatives. Indicate where non-developmental USG interests affect the requested funding level, so that these activities would be responding to a Global Issue or Special Concern (Goal 5 of the “White Paper”).</p>	

<p>Identify those resources that are planned for public-private alliances. What are Operating Unit plans for developing public-private alliances and what is the impact on your budget request? Explain how leveraged resources will be brought to the alliance activity and how effectiveness will be monitored and evaluated. When in-kind resources are part of the public-private alliance, indicate the cash value of the contribution. If management of programs requires relatively higher staffing or OE in relation to USAID program funds due to the nature of GDA alliances, please explain.</p>	
<p>Pipeline and Performance Where applicable, specifically state how performance and pipeline have affected your budget request, especially for SOs not meeting expectations and repeated poor performers. Provide examples where pipeline analysis has been used to inform budget decisions.</p>	
<p>Decommitments Both ongoing and expired obligations and commitments should be reviewed to identify unexpended balances that are no longer needed. Planned decommitments should be considered in resource requests. See ADS 621.3.9 621.3.12, and 621.3.15 for information related to the review and deobligation of unexpended balances. The Deobligation Guidebook, internal mandatory reference to ADS 621, Obligations, provides detailed guidance on the deobligation process for bilateral program-funded obligations in paragraphs V.C.1 and V.C.2.</p>	
<p>OE and Workforce Explain how the configuration of Operating Unit staff relates to the Operational Plan and what adjustments, if any, are required for a better fit. Address outstanding management issues and provide a timetable for resolving those issues. Identify and quantify recurring security costs, and guard cost increases related to terrorism (physical, chemical, biological). For missions where there are no current plans for a new Embassy compound, identify the cost of moving staff from high-risk buildings to buildings that meet security standards Describe any outstanding issues for mission expansions or closures and related costs, if any. Identify FSN pay or other non-pay issues promulgated by USG, other government and non-government initiatives. Identify the needs and plans for the use of regional service platforms and how these platforms could be expanded. Describe the impact of Phoenix implementation on Controller operations and resource needs.</p> <p>Discuss the relationship between the program request and OE and staffing requirements, including “critical” staffing requirements, and justify resource requests (workforce and OE) that exceed control levels (target level). The allocation of OE resources frequently does not correspond to changes in program allocations. Operating Units should address such inconsistencies as Bureaus will be asked to justify anomalies.</p> <p>Reminder: The Agency recognizes that to manage resources leveraged under the GDA approach, it may be valid to allocate staff and OE out of proportion to the</p>	

<p>USAID resources allocated to that effort. Please address those cases where the OPU or bureau has determined it is advantageous to allocate increased staff to manage activities involving relatively low USAID funding where significant other resources are involved.</p>	
<p>Program-funded Personnel and Support</p> <p>This narrative should relate to the tables in section II: Resource Tables --- and --- and describe the different general functions of program-funded staff, i.e., USPSCs, local hire FSN, PASA, CASU, TAACS, reported in the “Quarterly USAID Worldwide Staffing Pattern Report.” In particular, discuss how program-funded staff are aligned with OE-funded staff within the mission for overall program management and detail any anticipated changes to the program-funded staffing levels envisioned within FY 2006. Describe any other anticipated uses of program funds that support mission operations or oversight. This information is critical to determining Agency total administrative costs and how to fund them. Questions regarding this reporting requirement may be directed to Diana Fernandez, PPC/RA.</p>	