



**Department of State/  
Agency for International Development**

**Joint Management Council**

***Business Plan for Management Collaboration***

**January 21, 2004**

**Prepared by the Department of State's Office of Strategic and  
Performance Planning, Bureau of Resource Management**

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- A. State/USAID Joint Management Council Charter**

## **I. Introduction and Background**

The U.S. Department of State (State) and Agency for International Development (USAID) share the same strategic goals and a common mission: to create a more secure, democratic, and prosperous world for the benefit of the American people and the international community. To help align and achieve the diplomatic and development priorities of the President, Secretary of State, and USAID Administrator, our two agencies have come together to build a common management foundation. The newly established Joint Management Council (JMC) is helping to guide and oversee our collective management efforts.

### **A. Purpose of Business Plan**

The purpose of this Business Plan for Management Collaboration (Business Plan) is to:

- Summarize JMC working group priorities, proposed actions, and collaborative benefits (Section II);
- Present Executive Committee findings and recommendations (Section III); and
- Provide an implementation timeline (Section IV).

### **B. State/USAID Strategic Plan**

In September 2003, State and USAID submitted a joint Strategic Plan for FY 2004 – 2009 to Congress and the President that stressed the importance of fully aligning our foreign policy and development assistance to support the President's National Security Strategy and Management Agenda. The Strategic Plan outlined our common mission, values, and goals, such as working together to promote stable political and economic conditions that prevent terrorism from flourishing, advancing sustainable development, and combating the scourges of poverty and HIV/AIDS.

The Strategic Plan also included a separate management section that committed State and USAID to create more integrated management structures to execute our joint goals, support our employees, increase operational efficiencies, and reduce redundancies and costs for the taxpayer.

### **C. Joint Management Council**

To ensure effective coordination and collaboration, the Strategic Plan recommended establishing joint management and policy councils. State and USAID recently adopted a charter (see Appendix A) that created the Joint Management Council and outlined how seven functional working groups would address the management areas referenced in the Strategic Plan. The charter also established an Executive Committee, co-chaired by the Under Secretary of State for Management and USAID Deputy Administrator, and a Secretariat to help guide implementation, oversee execution of resulting policies and programs, and coordinate activities with the Joint Policy Council.<sup>1</sup>

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<sup>1</sup> The consolidated Joint Policy Council priorities are presented in a separate document.

## II. Implementation Plan Summaries

Seven working groups prepared implementation plans that addressed the following management areas of collaboration outlined in the State/USAID Strategic Plan:

- Resource Management;
- Management Processes;
- Information and Communication Technology;
- E-Government;
- Facilities;
- Security;
- Human Capital; and
- Rightsizing<sup>2</sup>.

These plans provided background on previous collaboration, highlighted benefits and obstacles, and discussed key action items. The working groups presented their priority issues to the Executive Committee on December 1, 2003. The implementation plans are summarized below.

### A. Resource Management

The Resource Management working group, co-chaired by Sid Kaplan (State) and Jon Breslar (USAID), addressed the following areas of collaboration in their implementation plan:

- Budget and Planning Cycles;
- Annual Performance Plans; and
- Program Administrative Costs.

Provided below is an overview of the key collaboration issues, summary of proposed actions, and review of implementation benefits.

#### 1) **Budget and Planning Cycles**

**Overview** – State and USAID historically have followed somewhat different timelines to collect budget, planning, and performance information for submission to Congress and OMB, and have been collecting information and data that does not easily crosswalk between the agencies and programs. Aligning the budget and planning schedules will ensure that State and USAID make policy and program decisions with full input from both agencies.

**Proposed Actions** – State and USAID agree to adopt a more synchronized planning schedule and will implement the following steps over the next six months:

- December 2003 – Synchronized data call issued for FY 2006 budgets and mission plans.

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<sup>2</sup> Rightsizing initially was included in the Human Capital working group, but State's Office of Management Policy (M/P) is now addressing this issue. Rightsizing issues as they relate to USAID have been included in this document.

- January/February 2004 – Better coordinated submissions for the President’s FY 2005 Budget.
- March 2004 – Coordinated guidance sent to bureaus on the structure and content of State’s Bureau Performance Plans and USAID’s Bureau Program and Budget Submissions.
- April 2004 – Improved process for agreement on program budget levels prior to Senior Review presentations, beginning around May 15.

**Benefits** – Better synchronization of budget and planning cycles will facilitate collaboration in determining policy and program priorities and strategies at the mission, bureau, and agency-level. Common cycles also will help ensure congruency between State and USAID resource requests for foreign assistance programs.

## 2) Annual Performance Plans

**Overview** – State and USAID presently prepare and submit separate annual performance plans to Congress and OMB. Given that State and USAID now operate under a joint Strategic Plan, the agencies are analyzing whether it is feasible to develop a joint annual performance plan. The feasibility of a joint performance plan is made more complex by recent OMB guidance that requires more integrated performance plans and budgets within each agency.

**Proposed Actions** – State and USAID have agreed to analyze the feasibility of developing a joint annual plan over the next several months:

- January 2004 – Develop draft work plan to consider coordination/integration options.
- March 2004 – Develop and present recommendations.

**Benefits** – Collaboration on a joint annual plan would promote discussion on how best to leverage each organization’s strengths and expertise to achieve common goals, and would inevitably increase effectiveness and efficiency through more integrated program execution.

## 3) Program Administrative Costs

**Overview** – USAID has determined that its operating expenses are inadequate to support growing program requirements. The current framework for funding USAID operating expenses impedes the agency’s ability to match administrative resources to unplanned changes in program size, produces a lack of transparency in the total cost of administering programs, and distorts staffing decisions on the basis of funding source. A revised approach to provide administrative costs would need State, USAID, OMB, and Congressional agreement on which accounts, and at what levels, resources will be budgeted for USAID program administration.

**Proposed Actions** – State and USAID agree to develop a joint approach over the next six months to consider feasible options:

- December 2003 – Draft work plan.
- January 2004 – Completion of administrative rate pilot for Asia and Near East (ANE).

- March 2004 – Validation of ANE model by other bureaus and completion of survey of administrative rate charge best practices by comparable agencies and organizations.
- April 2004 – Development of proposal for agency-wide administrative rate change.
- May 2004 – Inclusion of administrative rate change approach in FY 2006 budget planning for State and USAID.

**Benefits** – A common approach for financing USAID administrative costs would simplify funding for such costs and ensure adequate resources are available for proper program oversight to achieve joint objectives. If additional resources are not budgeted, USAID’s proposed solution would impact the level of resources available to carry out State’s programmatic objectives.

## **B. Management Processes**

The Management Processes working group, co-chaired by Frank Coulter (State) and Mark Kneidinger (USAID), addressed the following areas of collaboration in their implementation plan:

- Financial Management Systems;
- Administrative Support (ICASS);
- Acquisitions and Assistance;
- Competitive Sourcing; and
- Small Business Procurement.

Provided below is an overview of the key collaboration issues, summary of the proposed actions, and review of implementation benefits.

### **1) Financial Management Systems**

**Overview** – State and USAID are collaborating on a Joint Financial Management System (JFMS). The goal of JFMS is to use a shared financial management platform that supports both State’s Global Financial Management System (GFMS) and USAID’s Phoenix System. The common application will utilize separate databases for State and USAID and manage all domestic and overseas financial management activities starting in FY 2006.

**Proposed Actions** – State and USAID continue to make significant progress on this highly complex, technical joint effort, with implementation scheduled for October 2005. The working group for this project pre-dates the establishment of the JMC and will continue their extensive coordination and planning activities, and specifically address the following key items:

- Analyze software license agreements for savings.
- Conduct analyses relating to technical infrastructure and hosting issues.
- Assess impact of USAID’s new procurement system on the deployment of JFMS.

**Benefits** – The benefits of collaboration include improved service and efficiency, and decreased maintenance and licensing costs. Specifically, JFMS will enable joint planning, testing, hosting,

training, reporting, user support, 24x7 operations, and co-licensing of application and systems software.

## 2) **Administrative Support (ICASS)**

**Overview** – In the interest of adding value and reducing cost to the taxpayer in the delivery of administrative support services at overseas posts, State and USAID will jointly review overseas administrative support operations at four overseas posts. This review will be achieved through identifying opportunities to improve service and eliminating wasteful and/or unnecessary duplication wherever “win-win” business value results. In cases where parallel service providers are most appropriate, the status quo will be maintained.

**Proposed Actions** – State and USAID recently signed a Memorandum of Understanding (MOU) that authorizes a shared services study to assess parallel/duplicative services at several missions. Specifically, the working group will focus on the following key steps:

- Engage contractor, identify teams, and visit posts.
- Present recommendations to Executive Committee.
- Prepare and plan for pilot (if approved).
- Undertake 6 - 12 month pilot.
- Review and evaluate pilot results.
- Implement appropriate changes.

**Benefits** – Rationalizing administrative costs overseas has the potential to enhance service, decrease costs, and reduce overseas staffing for the USG, State, and USAID. The shared services study will clarify these benefits and assumed costs, and will recommend the most equitable approach going forward.

## 3) **Acquisitions and Assistance**

**Overview** - State and USAID rely on contracting and assistance programs to provide infrastructure for their diplomatic and development activities. The working group is analyzing options to develop a common procurement and assistance system fully integrated with the State/USAID Joint Financial Management System.

**Proposed Actions** – Specific tasks for the next three to nine months include:

- Prepare gap analysis of the functional requirements of the Momentum financial management system.
- Identify common grants solutions.
- Develop joint systems plan to include MOU, detailed execution plan, joint business requirements, and cost and schedule impacts.
- Prepare and submit a joint OMB Exhibit 300.

**Benefits** – Benefits of a common procurement system could include: reduced costs for purchase of goods and services; reduced acquisition processing times; reduced systems costs; improved

mission program oversight and reporting; and improved planning and workload management. These benefits and associated costs will be addressed in the joint systems plan.

#### **4) Competitive Sourcing**

**Overview** – Although State and USAID are looking for ways to collaborate on competitive sourcing issues, the working group maintains that State and USAID use different management methodologies, have already engaged different contractors to support competitive sourcing efforts, and have different inventories of commercial activities. The group states, therefore, that there is minimal collaborative opportunity.

**Proposed Actions** – The working group does not consider competitive sourcing to be an area of major cooperation. No specific actions are proposed other than continuing informal communication and cooperation.

**Benefits** – Collaboration could help both agencies identify and adopt best practices and reduce overhead should opportunities exist for future combined management activities.

#### **5) Small Business Procurement**

**Overview** – State and USAID are addressing how to collaborate to increase opportunities for small business participation in both agencies' procurement programs. Small business programs are mandatory for domestic procurements, but optional for overseas missions. Separate record keeping is required for reporting.

**Proposed Actions** – The working group will continue to assess joint opportunities and will specifically address collaboration on "Vendor Profiles" and training.

**Benefits** – Collaboration could present "a single face" to small businesses, thus streamlining small business access to both agencies. Joint training could reduce costs. The benefits of increased collaboration need to be weighted against increased implementation costs.

#### **6) Other - Asset Management and Domestic Crisis Management**

The working group plans to convene a meeting with appropriate parties to determine areas of collaboration in domestic emergency planning and asset management. Discussions have already begun on a number of issues related to domestic emergency management.

## C. Information and Communications Technology (ICT)

The ICT working group, co-chaired by David Ames (State) and John Streufert (USAID), addressed the following areas of collaboration in their implementation plan:

- Common use of Networks, Servers, and Infrastructure and
- Consolidated Technical and Operational Support.

Provided below is an overview of the key collaboration issues, summary of the proposed actions, and review of implementation benefits.

### 1) **Common use of Networks, Servers, and Infrastructure**

**Overview** – The ICT working group recently completed its short-term goal of establishing a pilot project to provide direct connection between State’s OPENET and USAID NET, making both networks available to domestic users from each agency. The group is assessing other means to increase collaboration involving communication platforms.

**Proposed Actions** – The working group outlined several key collaboration areas:

- Provide access worldwide to OPENET and USAID NET.
- Increase USAID access to State’s classified network systems.
- Assess feasibility of using State’s integrated message systems (SMART) for USAID.

**Benefits** – Real-time and secure communications are vital for State and USAID to work together. Access to each other’s Intranets will facilitate information sharing.

### 2) **Consolidated Technical and Operational Support**

**Overview** – The ICT group is considering ways to consolidate technical and operational support.

**Proposed Actions** – The working group is addressing the following options:

- Establish a joint help desk for technical support.
- Develop a common support contract for Network/IT services.
- Develop plan for a joint Network Operations Center.
- Assess feasibility of one enterprise license.
- Consider common approach to automate software distribution and IT security testing

**Benefits** – Rationalizing technical and operational support should provide costs savings and improve service.

**3) Other** - The ICT group also briefly addressed collaboration on a joint Enterprise Architecture (EA), but the E-Government working group is charged with overseeing EA. The ICT group also briefly addressed planned collaboration on a joint acquisition system, which is being addressed by the Management Processes working group.

## **D. E-Government**

The e-Government working group, co-chaired by Ambassador James Holmes (State) and Mark Kneidinger (USAID), addressed the following areas of collaboration in their implementation plan:

- Enterprise Architecture;
- IT Capital Planning and Investment; and
- Knowledge Management.

Provided below is an overview of the key collaboration issues, summary of the proposed actions, and review of implementation benefits.

### **1) Enterprise Architecture**

**Overview** – State and USAID established a working group last year to develop a common Enterprise Architecture (EA) to support major business and technology requirements. The group developed and submitted the first joint EA to OMB at the end of FY 2003. State and USAID will expand collaboration with the goal of establishing a completely common EA by the end of FY 2005.

**Proposed Actions** – The working group will develop and submit an enhanced EA that includes additional common “To Be” elements to OMB by Quarter 4 FY 2004.

**Benefits** – A joint State/USAID EA, required by OMB, would help to align business processes objectives and strategies with IT investments and reduce costs through the identification of redundant or duplicative IT investments. A joint EA also will improve operational efficiencies.

### **2) IT Capital Planning and Investment**

**Overview** – The IT Capital Planning and Investment Control (CPIC) process is a standardized set of procedures for selecting IT investments and managing their risks and returns. State and USAID currently maintain separate CPIC processes through State’s E-Gov Program Board and USAID’s Business Transformation Executive Committee (BTEC), although USAID is represented on the E-Gov Program Board and State will soon be represented on BTEC.

**Proposed Actions** – USAID recently began participating in State’s IT investment governance processes, and State will begin to participate in USAID’s IT investment governance processes in FY 2004. Other collaborative efforts include:

- Development of joint OMB Exhibit 300 submissions for major IT projects.
- Development of joint E-Government Plan by the end of FY 2004 and a joint IT Strategic Plan by the end of FY 2006.

**Benefits** – Benefits include reducing costs through closer collaboration, improvement of service quality, more successful IT investment sourcing, and improvement of program and project performance.

### 3) **Knowledge Management**

**Overview** – State and USAID have each developed separate but parallel Knowledge Management (KM) strategies. The working group is looking to increase collaboration to better use the knowledge resources of both agencies.

**Proposed Actions** – The working group proposes several key steps to increase collaboration:

- Participate in reciprocal KM groups.
- Advance knowledge sharing via joint connectivity.
- Identify joint KM initiatives.
- Use common collaborative technology.
- Assess feasibility of joint knowledge assets inventory.

**Benefits** – Increased KM collaboration will help ensure that information is collected, analyzed, communicated, presented, and retained efficiently and effectively between agencies. This sharing of information will help State and USAID communicate more effectively and make better-informed decisions.

## **E. Facilities**

The Facilities working group, co-chaired by Terrence F. Wilmer (State) and Stephen Callahan (USAID), addressed the following areas of collaboration in their implementation plan:

- Capital Security Cost Sharing Program;
- Long Range Overseas Buildings Plan; and
- Housing Abroad.

Provided below is an overview of the key collaboration issues, summary of the proposed actions, and review of implementation benefits.

### **1) Capital Security Cost Sharing Program**

**Overview** – The Secure Embassy Construction and Counterterrorism Act of 1999 requires co-location on New Embassy Compounds (NEC) for all personnel under Chief of Mission authority. The Capital Security Cost Sharing (CSCS) Program aims to accelerate funding for secure, safe, and functional NECs for all USG personnel overseas and to provide an incentive to agencies to rightsize their overseas presence. State and USAID are collaborating to meet these objectives.

**Proposed Actions** – The facilities working group is addressing the following key items:

- Implement a common strategy to reach out to the State and USAID appropriation committees to make the case for CSCS.
- Improve data collection and validity on staffing requirements through HR system enhancements.

**Benefits** - The CSCS program will result in State assuming responsibility for providing office facilities for USAID personnel at posts where new embassy compounds are constructed. This will result in more safe and secure facilities for USAID staff, a more predictable facilities acquisition process for USAID, and a reduced real estate acquisition and management burden on USAID. Better data from posts will enhance the decision-making process, and a common approach to Congress should help to increase available resources.

### **2) Long Range Overseas Building Plan**

**Overview** - The Long Range Overseas Buildings Plan (LROBP) describes and justifies the foreign affairs community's global and regional capital project requirements. It also provides detailed prioritization and justification for State's multi-year facility programs to include major renovations and upgrades. State and USAID are working together to address USAID's facility requirements as part of this planning process.

**Proposed Actions** – The working group is addressing three key coordination issues:

- Work with CSCS program team to address different funding source issue and USAID “catch up” requirements.

- Ensure implementation of recent staffing projections guidance.
- Ensure formal USAID participation in selection of posts to be added to LROBP.

**Benefits** – A well-coordinated LROBP supports the objectives of providing safe, secure, and functional facilities to both State and USAID. The opportunity to include USAID’s requirements simultaneously with the design and construction of an NEC lowers costs through economies of scale and reduced construction times. State and USAID coordination should help to secure necessary resources to fund major USAID facility requirements. A recently released guide to staffing projections will ensure USAID’s staffing requirements are fully reflected in final approved staffing projections for all NEC projects.

### 3) Overseas Housing

**Overview** - In 1999, State and USAID issued worldwide cables requiring that housing assignments at post be made through a single interagency housing board (IAHB) and urging posts to work toward maximizing resources across managed portfolios. Although USAID retains the authority to manage certain properties, the post IAHB should make all assignments to these properties. State and USAID are working to clarify some issues relating to IAHB authority and housing policies at posts.

**Proposed Action** – The working group is addressing the following key actions:

- Survey posts on uniform application of 6 FAM 700 standards, housing assignments, and communication channels, and assess need to revise FAM language.
- Develop and issue joint guidance to posts clarifying: a single IAHB is responsible for all housing assignments; the basis of USAID’s autonomy in management of certain properties; and the provision of leasing and other administrative services (in conjunction with Management Processes working group’s ICASS study of parallel/duplicative management services.)

**Benefits** - State and USAID maintain an identical interest in maximizing resources, controlling costs, and managing personnel assignments and asset portfolios. Reducing duplication of effort will likely be in both agencies’ interests in some locations.

## **F. Security**

The Security working group, co-chaired by Ray Williams (State) and Harry Manchester (USAID), addressed the following areas of collaboration in their implementation plan:

- Diplomatic Security Contract Support;
- Security Training;
- Protection of Soft Targets; and
- Security Infrastructure.

Provided below is an overview of the key collaboration issues, summary of the proposed actions, and review of implementation benefits.

### **1) Diplomatic Security Contract Support**

**Overview** – The security operations at both State and USAID have contracts for armored vehicles, technical equipment, local guards, bodyguards, and other services. Both agencies are looking at how to rationalize their contracts and management support.

**Proposed Actions** - The working group proposes the following actions over the next nine months:

- Update Memorandum of Understanding between State and USAID to address security responsibilities.
- Create a centralized library (on DS Source) for all security contracts.
- Review State and USAID contracts to identify and eliminate redundancies.
- Modify remaining contracts to include ability for State or USAID to leverage their use.
- Develop standardized template for all future contracts.

**Benefits** - Collaboration will minimize separate contracting requirements, eliminate redundant contracts, reduce multiple systems needed for contract support, and enable sharing of expert personnel during contracting process and management phase.

### **2) Security Training**

**Overview** – State and USAID train their security officers separately, leading to inconsistency in methods and information. State and USAID are evaluating their security training operations and proposing areas to increase collaboration.

**Proposed Actions** - The working group proposes the following actions over the next nine to twelve months:

- Review existing State training programs, both basic and advanced, to identify those relevant to USAID personnel.
- Assess USAID training needs and develop work plan to complete additional USAID training and identify necessary resources, personnel, and space for implementation.

**Benefits** – Standardizing training programs should reduce duplicative efforts between State and USAID and lead to cost savings. Collaboration will enhance the ability of Regional Security Officers to manage post security more effectively. Better-trained USAID security officials will improve worldwide security operations.

### 3) Protection of Soft Targets

**Overview** – State is looking at security threats to all personnel associated with U.S. Embassies and Consulates, beyond official facilities overseas, including USAID implementation partners, NGOs, contractors, as well as organizations and people away from official facilities deemed at risk due to their real or perceived association with American interests.

**Proposed Actions** - The working group proposes the following actions over the next nine to twelve months:

- Develop a security outreach and training program for USAID NGOs and Implementation Partners (IPs).
- Review existing security training modules that can be packaged into exportable sessions through the use of web technology, OSAC portal, CD, or paper.

**Benefits** – Collaboration between State and USAID can serve to protect US interests that are beyond official facilities to include the implementation partners of USAID programs. Enhancing protection of these non-traditional security clients will ensure that important U.S. policy and development initiatives can be enacted to the maximum extent possible.

### 4) Enhancing Security Infrastructure

**Overview** – State and USAID are focused on maximizing the security information shared between the two agencies and implementation partners via personnel sharing and common systems such as DS Source, Intelink, and SMART.

**Proposed Actions** - The working group proposes the following actions over the next nine months:

- Determine most effective means to incorporate USAID's Office of Security into State's information management infrastructure.
- Evaluate systems approach for secure USAID communications to NGOs and partners.
- Determine how to provide USAID access to State's high frequency network.
- Assess feasibility of assigning an USAID security liaison officer to State.

**Benefits** – State and USAID collaboration is critical to ensure the compatibility of communications and security equipment, which in turn will facilitate the real time sharing of security data and the ability of both agencies and implementation partners to respond effectively to any presented threats. Significant efficiencies will be gained when State and USAID share a common security infrastructure.

## **G. Human Capital**

The Human Capital working group, co-chaired by Ruth Whiteside (State) and Rose Marie Depp (USAID), addressed the following areas of collaboration in their implementation plan:

- Employee Training;
- Cross Assignments;
- Diplomatic and Development Readiness Initiatives;
- Overseas Employment;
- HR Systems and IT Applications; and
- Promotion Board Membership.

Provided below is an overview of the key collaboration issues, summary of the proposed actions, and review of implementation benefits.

### **1) Employee Training**

**Overview** – State and USAID are addressing several joint training opportunities, including senior policy seminars, distance learning, USAID language testing, and other programs at the Foreign Service Institute (FSI).

**Proposed Actions** – The working group will promote distance learning, joint policy seminars, and increased usage of FSI for USAID officers.

**Benefits** – The benefits of cooperation on training are improved programming efficiency, increased training opportunities, and avoidance of duplicative efforts. Collaboration should enhance the role of FSI to prepare employees of foreign affairs agencies to meet future challenges. Joint training will reinforce personal and professional relations between State and USAID employees and create cross-pollination of ideas.

### **2) Cross Assignments**

**Overview** – State and USAID will establish domestic and foreign assignment opportunities for mid-level Foreign Service Officers (FSOs) at each other's agencies.

**Proposed Actions** – The working group will develop a plan for the exchange of 10 mid-level officers, five domestic and five foreign FSO positions, by each agency – for a total 20 positions. We plan to advertise the domestic positions as both now and summer 2004 vacancies.

**Benefits** – This exchange program will serve to increase understanding of each other's role in the foreign affairs process and help to fill respective needs with trained officers.

### 3) **Diplomatic and Development Readiness Initiative**

**Overview** – State and USAID are collaborating on how USAID can leverage State’s successful Diplomatic Readiness Initiative to establish its own Development Readiness Initiative.

**Proposed Actions** – The working group plans to implement the following actions:

- Joint dissemination of recruitment materials and coverage of recruitment events.
- Collaboration on HR web design and recruitment branding and advertising.
- Cross-training of State and USAID recruiters and Diplomats-in-Residence.
- Referral system that highlights USAID vacancies on State's hiring registers.

**Benefits** – The Development Readiness Initiative, like its predecessor at State, the Diplomatic Readiness Initiative, directly supports the President’s Management Agenda for the strategic management of human capital. USAID will benefit from State capacity and experience, and the candidates will benefit from increased professional opportunities.

### 4) **Overseas Employment**

**Overview** – State and USAID are reviewing hiring practices and opportunities for family members and Foreign Service Nationals (FSNs).

**Proposed Actions** – The working group plans to discuss further the joint goals for family member employment and FSN workforce. The group will address such items as joint policy guidance, regulatory and budget issues, joint planning of FSN conferences, and increased cooperation in employing family members overseas.

**Benefits** – Collaboration benefits include cost and personnel efficiencies for both agencies and a more integrated mission. Policy alignment also will assist both agencies in addressing overseas hiring needs.

### 5) **HR Systems and IT Applications**

**Overview** – State and USAID have similar human resource management needs but different HR IT systems. The working group is assessing each agency’s HR systems and the applicability of joint development and maintenance.

**Proposed Actions** – State will share information, experience, and appropriate software with USAID. The working group also will assess the feasibility of collaborating on HR systems and applications, and develop specific implementation plans as appropriate.

**Benefits** – The benefits to collaborating include potential system development cost savings, ability to meet requirements more quickly by utilizing existing systems, and facilitating the sharing of information.

## **6) Promotion Board Membership**

**Overview** – State and USAID are working together to improve recruitment of public members for promotion boards.

**Proposed Actions** – The working group is improving recruitment of public members by exchanging names of persons who have rendered distinguished service to State and USAID in the past. The group also is considering ways to provide State FE-CM members for USAID boards, and to inform USAID of State’s experience with imaged personnel files.

**Benefits** –The benefits of collaboration will be an increased level of board membership and a more experienced board.

## **H. Rightsizing**

**Overview** – The President’s Management Agenda (PMA) includes an initiative to rationalize the USG’s overseas presence. OMB has the lead on this initiative, but State is OMB’s partner and the leading agency on the issue commonly referred to as “Rightsizing.”

**Proposed Actions** – Rightsizing is a crosscutting issue reflected in the efforts of many JMC working groups. In particular, the ICASS study of parallel/duplicative administrative services provides an opportunity to reduce overseas staffing while improving cost effectiveness. The Capital Security Cost Sharing Program will better focus State, USAID, and all other USG agencies on the true costs of maintaining overseas staffing, and thereby provide financial incentives to eliminate overseas work and staffing when possible. State, working closely with OMB, is focused on redefining and augmenting the provision of regional support to reduce overseas staffing and/or move staff to less-dangerous overseas locations.

**Benefits** – Rightsizing benefits include: improved administrative support to overseas posts, particularly hardship and small posts; reduced overseas staffing or shifts in overseas staffing to less dangerous locations; and improved cost-efficiency through consolidation and rationalization of management functions.

### III. Executive Committee Findings and Recommendations

Executive Committee findings and recommendations are summarized below:

#### A. Resource Management

**Budget and Planning Cycles** – The proposed actions to synchronize data calls and better coordinate resource requests represent a significant step forward in aligning our policy and program development. The working group should analyze the options and costs/benefits to integrating both agencies' mission planning processes and systems. This group should consult with all the regional Joint Policy Council groups, which raised these issues in their work plans.

**Annual Performance Plans** – The working group will present recommendations regarding the feasibility of developing a common annual performance plan.

**Program Administrative Costs** – USAID faces a significant challenge in overseeing an increased level of programs without adequate administrative resources. The working group will develop a common approach to ensure programs are effectively implemented, and will present pilot results and analysis of how the proposed administrative rate charge would impact existing programs to the Executive Committee. This group should consult with the Joint Policy Council's groups on the Near East and Democracy, which raised this issue in their work plans.

#### B. Management Processes

**Financial Management Systems** – State and USAID established a Joint Financial Management System (JFMS) working group early this year and have been making steady progress, including a joint OMB Exhibit 300 submission. The group continues to assess ways to save costs and improve service. The shared platform should be active by October 2005.

**Administrative Support (ICASS)** – State and USAID recently signed a Memorandum of Understanding to conduct a shared services study to assess parallel/duplicative services at four overseas posts. The Executive Committee looks forward to hearing the group's recommendations on how to proceed.

**Acquisitions and Assistance** - A common procurement system could help to improve service and reduce long-term expenditures. The working group needs to quantify these benefits and associated costs, and present an investment proposal to the Executive Committee.

**Competitive Sourcing** - The working group believes that no joint action is required to addresses common competitive sourcing issues other than informal collaboration. Given the importance of this President's Management Agenda issue, the group should present a more detailed analysis of long-term joint opportunities to the Executive Committee.

**Other** - The working group is encouraged to explore benefits and costs of joint vendor profiles and training to support small business procurement, and to determine areas of collaboration in domestic emergency planning and asset management.

### C. Information and Communications Technology (ICT)

**Common Use of Networks, Servers, and Infrastructure** – The ICT working group made significant progress in providing intranet access to domestic State and USAID users. The group should continue its efforts to: (1) ensure worldwide connectivity between sensitive-but-unclassified networks; (2) ensure adequate access by USAID personnel to classified networks; (3) assess the feasibility of USAID using SMART; and (4) consider combining decentralized servers and related infrastructure into centralized server centers. This group should consult with the South Asia Joint Policy Council group, which raised the need for USAID connectivity to classified networks in their work plan.

**Consolidated Technical and Operational Support** – Rationalizing technical and operational support should provide costs savings and enhanced service. The ICT working group should develop specific plans to: (1) establish a joint technical support help desk; (2) develop common contract support for network/IT services; (3) analyze benefits/costs of establishing joint Network Operations Center; (4) assess feasibility of single enterprise licenses for shared software; and (5) consider a common approach to automate software distribution and IT security testing.

### D. E-Government

**Enterprise Architecture** - State and USAID should continue to collaborate as agreed upon with OMB, including cross representation on technical boards. The working group also should develop and present a brief laymen's view of EA to the Joint Policy Council groups to ensure business user input.

**IT Capital Planning and Investment** – State and USAID need to continue to collaborate closely on planning for and investing in major IT projects. The working group discussed the need to develop joint E-Government and IT Strategic Plans, and should outline the scope of these plans and how they impact the common EA.

**Knowledge Management** – Facilitated by joint connectivity, State and USAID are looking at common knowledge management (KM) opportunities. The working group should seek structured input from missions and bureaus about how best to enable “home grown” KM initiatives, and identify and provide collaborative tools for piloted joint activities. The group also should assess the feasibility of inventorying common KM assets.

### E. Facilities

**Capital Security Cost Sharing Program** – The CSCS program is one of the Joint Management Council's highest priorities and relates directly to the rightsizing efforts. The working group needs to redouble its efforts to develop and implement a common approach to brief Congress and seek support.

**Long Range Overseas Building Plan** - The LROBP process needs better State/USAID coordination. The working group should ensure that missions implement the newly issued

guidance on developing staffing projections, and that USAID participates in the LROBP selection process.

**Overseas Housing** - The working group is taking concrete steps to ensure that the overseas housing policy is clear and implemented correctly. As posts implement the policy, the working group should identify interpretation differences through the mission survey process and refer issues that cannot be resolved to the Executive Committee.

## **F. Security**

**Diplomatic Security Contract Support** –There are numerous benefits to rationalizing the security contracts of State and USAID, and the working group has provided specific implementation milestones for the following actions: (1) update MOU; (2) establish centralized library; (3) eliminate redundant contracts; (4) modify existing contracts to increase leverage; and (4) develop standard templates for future contracts.

**Security Training** – State should formalize and expand interagency training and participation of State and USAID officers with security duties. The working group should review the capabilities of the Diplomatic Security Training Center to handle increased training of USAID officers and partners.

**Protection of Soft Targets** – It is imperative that State and USAID develop an outreach and training program to protect NGOs and USAID partners that assist in implementing our foreign policy and development assistance.

**Enhancing Security Infrastructure** – Collaboration is critical to ensure both agencies and their implementation partners are able to respond in a timely manner to security threat information.

## **G. Human Capital**

**Employee Training** – The working group is addressing important priorities. It would be helpful to have a more specific statement of next steps and timelines to promote distance learning, collaborate on joint policy seminars, and support increased usage of FSI for USAID officers.

**Cross Assignments** – The establishment of an exchange pilot program for 20 Foreign Service positions is a positive first step. Depending on the pilot's success, the working group may want to consider increasing the number of Foreign Service positions far beyond the piloted number, and assess the need for incentives. The working group should consult with the Joint Policy Council group on Social and Environment, which raised this issue in their work plan.

**Diplomatic and Development Readiness Initiative** - The working group has outlined important ways that State's experience with the Diplomatic Readiness Initiative can support USAID's Development Readiness Initiative. Implementation will depend on budget appropriations, especially since USAID's program is a new FY 2004 proposal. At some point, the group should explore the feasibility of joint workforce planning.

**Overseas Employment** – The working group is addressing employment opportunities for family members and the FSN workforce overseas. The group should develop a plan with specific action items and timelines.

**HR Systems and IT Applications** – The working group is assessing the feasibility of collaborating on HR systems and applications. The group also should coordinate with the State-led Rightsizing effort to determine business and resource requirements to upgrade HR systems to track necessary field staffing information.

**Promotion Board Membership** – The working group has outlined several key collaborative steps to improve the recruitment of board members, but needs to develop a timeline for implementation of the proposed actions.

#### **H. Rightsizing**

If a new Rightsizing Office is established as part of State's Office of Management Policy (M/P), the office should coordinate with USAID's Bureau for Policy and Program Coordination (PPC) on crosscutting rightsizing efforts, including: (a) enhance regional support; (b) develop strategies for evaluating and determining appropriate field staffing levels; (c) coordinate development of business and resource requirements to upgrade HR systems to track necessary field staffing information; and (d) consult with the Europe/Eurasia Joint Policy Council group and provide the Executive Committee a cost/benefit analysis of moving USAID's Regional Services Center to Creekbed.

### **IV. Implementation Timeline**

The following table provides an overview timeline of key implementation milestones. The Secretariat will work with the working groups to update this timeline on a quarterly basis.

## **Department of State/ USAID Joint Management Council Charter**

### **Purpose**

The Department of State (Department)/ United States Agency for International Development (USAID) Joint Management Council will be created to prioritize the joint management opportunities referenced in the Department/ USAID FY 2004 - 2009 Strategic Plan (Strategic Plan), as well as any other proposed joint initiatives. The Joint Management Council will guide implementation, oversee execution of the resulting policies and programs, and work closely with the Department/ USAID Joint Policy Council to ensure that joint management and policy issues are coordinated between agencies.

### **Background**

To implement the shared goals set forth in the joint Strategic Plan, the Department and USAID will pursue opportunities to coordinate, collaborate, and integrate management structures where appropriate. Attachment A presents the Management section of the Strategic Plan and describes in more detail the joint management priorities in the following areas:

- Human Resources;
- Training;
- Information Technology;
- Administration;
- Overseas Facilities;
- Security; and
- Resource Management.

### **Concept of Operations/ Organization**

The Joint Management Council will be composed of an Executive Committee, a Secretariat, and functional Working Groups. Attachment B presents an overview of the Joint Management Council's organization and its functional relationships.

- Four officials will compose the *Executive Committee*: the Department's Under Secretary for Management (Chairman); USAID's Deputy Administrator (co-Chairman); the Department's Assistant Secretary for Resource Management; and USAID's Assistant Administrator for Management.
- The Department's Office of Management Policy (M/P) will work with USAID's Management Bureau to lead the *Secretariat*. The Department's Office of Strategic and Performance Planning will assist the Secretariat as detailed below.
- One Department Deputy Assistant Secretary and one USAID Deputy Assistant Administrator, or respective representatives, will lead each of the functional *Working Groups*. Two respective program managers will assist each Working Group and be responsible for functional inter-agency coordination.

## Roles and Responsibilities

The *Executive Committee* will have the following primary responsibilities:

1. Task each Working Group to develop implementation plans for each management area specified in the Strategic Plan, in addition to any other proposed joint initiatives;
2. Review Working Group implementation plans, prioritize recommendations and resource requirements, and develop a consolidated Joint Management Business Plan that covers collaborative efforts;
3. Present Joint Management Business Plan to Working Groups for implementation;
4. Meet quarterly with Working Groups to review implementation progress and discuss any ad-hoc management policy issues; and
5. Report progress quarterly to Deputy Secretary and Administrator.

The *Working Groups* will have the following primary responsibilities:

1. Develop implementation plans to increase inter-agency coordination, collaboration, and/or integration for management areas specific in the Strategic Plan, in addition to any other proposed joint initiatives;
2. Present implementation plans to Executive Committee for consideration;
3. Implement relevant Joint Management Business Plan priorities;
4. Meet quarterly with Executive Committee to report on implementation progress and discuss any ad-hoc management policy issues; and
5. Ensure that Joint Management Business Plan priorities are reflected in annual Bureau Performance Plans and Senior Policy, Performance, and Resource Reviews with the Deputy Secretary.

The *Secretariat* will have the following primary responsibilities:

1. Coordinate and prepare agendas for Executive Committee and Joint Management Council meetings;
2. Prepare and disseminate meeting notes and documentation to all members;
3. Assist the Executive Committee to review and prioritize implementation plans;
4. Ensure execution of Joint Management Business Plan priorities; and
5. Work with Working Groups to prepare quarterly progress reports for Executive Committee review.

The Department's Office of Strategic and Performance Planning will assist the Secretariat in the following key areas:

1. Assist functional Working Groups to develop implementation plans;
2. Assist the Executive Committee to review and prioritize implementation plans;
3. Draft Joint Management Business Plan and consolidate project work plans;
4. Report quarterly to the Joint Policy Council on joint management initiatives; and
5. Report quarterly to the Joint Management Council on joint policy initiatives.