

**Results Review and Resource Request
(R4)**

FY 2001

Bureau for Policy and Program Coordination

(PPC)

August 1999

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FY 2001 BUREAU PROGRAM AND BUDGET SUBMISSION BUREAU FOR POLICY AND PROGRAM COORDINATION (PPC)

I. OVERVIEW

A strong and effective Program and Policy Coordination Bureau is essential for USAID to successfully negotiate major on-going and new challenges facing the Agency. These include:

- Changes in Agency leadership and in our institutional relationship with the Department of State and other U.S. government entities;
- Continuing re-thinking on the role of U.S. bilateral assistance in the new millennium and the mission of USAID;
- Completing changes in operating systems brought about by government reforms and the shift to results-based management.

This budget proposal argues that now is the wrong time to seek additional cuts and short term savings in PPC. With a comparatively small increment over the baseline in PPC's budget, USAID can successfully negotiate these significant changes in a way that will enable all units in the Agency to function more effectively and with less disruption than necessary. PPC's core functions are critical to the Agency, cuts to PPC in recent years have been proportionally greater than for many other units in USAID and the challenges PPC needs to confront for the Agency are major and complex.

Any organization of USAID's size and complexity depends upon certain core functions to ensure that it operates as an integrated whole. These include the capacity to:

- Articulate a clear, shared mission and an overall strategic and policy framework that is understood and accepted throughout the organization and beyond;
- Make authoritative program and policy-related decisions that are communicated quickly and effectively to all units;
- Make informed budget choices that are consistent with overall strategy and policy;
- Coordinate operations policies, procedures, and information to enable management oversight and reporting and ensure that programs are implemented consistently and efficiently throughout the organization;
- Develop and manage a core knowledge base, maintain an institutional memory, and distill lessons from experience to inform policy, programs, and budgets.

The Bureau for Policy and Program Coordination takes the lead for the Agency on these functions (working with other central bureaus) -- through its responsibilities for policy development and coordination, operational program guidance and oversight, donor coordination and development partnering, program evaluations, and development information services.

PPC is now the smallest Bureau in the Agency and, in fact, has 33 percent fewer direct-hire staff today than in 1995. Because PPC accomplishes its tasks mainly through its direct hire staff, recent staff reductions have forced the Bureau to make difficult calls as it prioritizes among important competing demands. For example, the extraordinary effort that the Agency has made over the past several years to streamline and improve its operations has required PPC to give highest priority to developing and putting in place consistent, streamlined and supportive program operations and management policies and systems. These range from the guidance on strategic planning and GPRA reporting to the oversight of the Agency's comprehensive reform plan. As a result, important work such as that of updating Agency policy in such areas as the environment or gender has had to be postponed, work on policy issues such as child labor, non-presence and conflict mitigation is sorely lagging and PPC is no longer tracking development issues in UN agencies and the international development banks except episodically. These are difficult trade-offs, and not without consequences.

The Agency today faces new challenges which, given PPC's unique role within USAID, will necessarily help shape the Bureau's priorities for the future. For example:

- The formal reorganization of foreign affairs agencies is complete, but myriad details still need to be worked out and coordination between State and USAID needs to be improved. Working out the operational details and making sure that both State and USAID are clear on the agreements reached will be a major priority for PPC in the coming two years.
- The coincidence of a new millennium and a new administration in 18 months will undoubtedly inspire many to reexamine (1) the purpose of foreign assistance, (2) the role of USAID and (3) the importance of development and global issues for U.S. foreign policy and U.S. national interests. PPC will need to be proactive in communicating with outside groups and engaging them on these topics; in fact, work is already getting under way to do so.
- PPC will lead a major effort to create an environment in which the Agency can harmonize its strategic framework with those of other diverse partners and build mechanisms for improved coordination. In the post cold-war era, the range of issues affecting developing countries, the diversity of country environments in which the Agency is involved and the variety of stakeholders and their interests have all been expanding.
- The increased focus on policy coherence requires both better coordination among the operational units of the Agency and clearer guidance on USAID's role in supporting broader

U.S. policies and priorities. This, too, will demand greater PPC attention in the coming years.

- At a time when operating resources are decreasing and program resources are being increasingly directed, the Agency faces a major challenge in maintaining a focused mission and the expertise to execute that mission. Meeting this challenge, finding new opportunities for program efficiencies, leveraging the human and financial resources of others and streamlining work processes while preserving program effectiveness and making the difficult choices among policy priorities are critical PPC tasks.

Against this backdrop, and the reality that neither staff nor budget resources are likely to increase perceptibly, PPC has sought ways to execute its responsibilities effectively. This has resulted in focusing major attention on the most time critical functions, such as program operations policies and systems, while scaling back on other important areas such as development policy analysis and providing technical assistance support to missions in areas like strategy development, monitoring and evaluation.

PPC's request for resources in FY-2001 contains several salient points.

- No additional direct hire staff is being requested in FY 2001. Our direct hire staff, currently at 60 positions, will remain our major resource for carrying out our operations.
- To deal with increased demands, PPC plans to access development expertise resident in universities, policy research centers and other government agencies to assist with the urgent task of policy analysis in the increasingly complex environment in which the Agency works.
- The Bureau is making a more aggressive effort to ensure that USAID programs and policies are understood outside the Agency as well as within. To do so will require a range of efforts from increased use of new internet technologies to a greater emphasis on coordination with our partners and stakeholders to a broader array of communications tools.
- PPC is proposing a new approach to supporting central research and reference services that will save the Agency both time and money.

Behind these proposals is the conviction that a strong and effective PPC is essential to a strong and effective Agency. PPC's strategic plan lays out a framework for achieving results over the next two to three years critical to the Agency's future.

II. RESULTS ACHIEVED

PPC's strategic framework is summarized in Annex A. The Bureau's Goal is to:

Define Overall Agency Objectives and Support their Effective and Efficient Achievement.

This overall goal is achieved through three strategic support objectives and one special objective. Activities associated with each support objective are found in Annex B. A detailed listing of PPC's results by support objective and by intermediate result is found in Annex C.

SSO 1.0 Policy Framework Improved.

**IR 1.1 Shared Agency Policy Framework Developed, Clarified, and Brokered.
IR 1.2 Policies Developed, Clarified, and/or Brokered.**

In the area of the overall Agency Policy Framework (IR 1.1), work was initiated on revisions to the Agency Strategic Plan, the Annual Performance Report and the Agency Performance Plan. The last APP received a very high grade from congressional reviewers—indeed, USAID is now the 4th highest ranked government agency on its APP. Management agreement was reached with the OIG on several thorny performance-related audit recommendations; and there were extensive consultations with Hill staffers, State, OMB and key partners on the overall Agency Policy Framework. The budget process was changed to incorporate the conduct of the Agency-wide “goal” reviews that examine issues of USAID program effectiveness and budgeting, and to better build results into budget and program priority considerations.

Significant progress was reached in resolving questions of coordination and responsibility with the Department of State concerning: 1) State's reorganization; and 2) the harmonization of USAID's Strategic Planning and Budgeting Process with that of State, including relationships with the International Affairs Strategic Plan and Mission Performance Plans.

Regarding work on specific development policies (IR 1.2), the list of accomplishments is large and ranges from analysis (e.g., on conflict prevention), to developing and issuing policies (e.g., on tobacco, credit subsidies) to insuring policy coherence with other USG agencies, donors, and other external stakeholders (e.g., on trade and tied aid issues). The subject matter of PPC's

policy agenda included conflict prevention, tobacco, trade promotion, non-presence, debt-ridden countries, untying aid, food security and many others. We also started a major piece of work looking at future directions of foreign assistance generally and USAID's role specifically. Finally, six Agency-wide evaluations were completed on girl's education, capital markets, enterprise funds, democratic local governance, and graduation, as well as several other major analyses on best practices and development methodology.

SO 2.0 Program Management Improved.

2.1 "Rules of the Game" Developed and Implemented.

2.2 Breadth and Depth of Development Information Increased.

2.3 Systems Communicating Rules and Information Improved.

There have been significant accomplishments in the area of improving the Agency's program management (IR 2.1). To help consolidate and strengthen the "rules of the game", an Agency multi-year reform plan ("The Reform Roadmap") was developed, brokered in the Agency and approved. Many aspects of it are now under implementation, ranging from the design of training programs on senior management and strategic planning to procurement streamlining and cost accounting. Together the joint PPC and M Operations Governance Team addressed a wide variety of operations issues. Many, like BPBS and ADS governance, were resolved; others are longer term and have been built into the Roadmap. An action plan has been developed for revising, clarifying and simplifying the Agency's planning, achieving and monitoring of policies and guidance as contained in ADS 200. Major modifications and clarifications were made on how to report and review performance information. The R4 reporting requirement was reduced significantly and guidance on indicator and data quality was issued.

To increase the breadth and depth (and utility) of the Agency's development information resources, significant achievements have been realized (IR 2.2). Over 5,000 new documents have been placed in our institutional memory. Our contractor vehicles for managing our information resources have been evaluated a new consolidated and more efficient mechanism will be put in place to handle the Agency's institutional memory and information and research services. User-friendly computerized databases on country trends and operating unit strategic plans and R4's have been developed and expanded.

Our communications and outreach capabilities have been expanded to better serve USAID staff and our partners (IR 2.3). PPC's Development Information Service responded to over 30,000 USAID staff (including contractors and grantees) requests for development information. In the area of outreach, we continued to expand media options including publications, public events (seminars, workshops etc.) and, most importantly, we increased our use of electronic media. For

ease of access, critical USAID program documents are now on the web including the Agency Strategic Plan, Congressional Presentation, R4 country data, the Road Map and much more. There have been 600,000 hits on this site over the last six months-about 100,000 a month and growing exponentially.

SSO 3.0 External Stakeholders Engaged

3.1 Develop a common vision among bilateral and multilateral donors and non-governmental partners

3.2 Establish and maintain effectiveness of mechanisms for policy and program coordination with major donors and non-governmental partners

There have been significant advances in efforts to broaden and deepen the Agency's engagement of external stakeholders through policy dialogue, strengthening the mechanisms for policy and program coordination and better sharing of ideas, approaches and lessons learned.

The OECD/DAC 21st Century strategy, in the development of which USAID played a pivotal role, USAID's New Partnerships Initiative, and the Agency's trailblazing work on results-based management have had a significant impact throughout the development community as reflected recently in the World Bank's Comprehensive Development Framework (CDF) and its major study on "Assessing Aid", and the UN's Development Assistance Framework (UNDAF).

USAID has been working with key donors to develop common responses to global climate change, the risks of globalization, democratization and the development of civil society, alternative development, food security in open market economies, conflict prevention and mitigation, infectious diseases, and increasing poverty levels in the post-cold war era. Tangible impact is apparent in the USAID/European Commission relationship, among the G-8 development agencies and within the OECD/DAC.

An important new dimension has been added to the USAID-Japan relationship under the Common Agenda, namely, a broad initiative in public-private partnerships, which has already begun to engage NGOs and the business community in Japan in our common development activities. Extensive work has been done to facilitate inter-sectoral partnerships among government, business and civil society actors, including publication of a handbook to support such partnerships and innovative work on performance indicators for such partnerships. A

massive undertaking by all USAID missions to convene Partner Retreats (designed to improve the effectiveness of USAID's interaction with external partners) produced significant results in many USAID missions, which PPC has analyzed and shared within the Agency and among other partners. Finally, a USAID web-site on inter-sectoral partnering generated 1,970 hits in May 1999 alone.

USAID's path breaking work on conflict prevention and the crisis to development transition is now being mainstreamed within the development community. USAID and the European Commission have agreed on a joint pilot effort for conflict prevention activities. Dialogue with the German government and within the USG yielded a strong policy statement on the integral role of conflict prevention in development strategies. New mechanisms have been established for exchanging information and best practice on conflict prevention. USAID's efforts to improve donor cooperation in the Kosovo relief effort have been particularly effective, and reflect the analytical work that is under way.

<p style="text-align: center;">SpO A Legislative Requirements Met.</p>

PPC takes responsibility for reporting to Congress in a number of substantive areas. Our objective is to provide quality reporting in these areas, which includes an annual report on multilateral development bank environmental activities and overseeing the Agency's environmental impact assessment reporting (CFR 216), a country human rights report, a small business innovative research report, and an annual research report to OMB. Such analysis and reporting places an additional workload burden on the Agency beyond PPC. While we realize the importance of timely, accurate and well-targeted reporting for our outside stakeholders, we want to make certain that our reporting is useful. We want to avoid collecting, analyzing and reporting on information in excess of that which is needed or, worst yet, not wanted or unused. Accordingly, we are engaged in a dialogue with several of these groups, including congressional staffers, to sharpen our reporting focus and to reduce the Agency's overall reporting burden. We hope to achieve this result over the next year. Additionally, PPC takes the lead in the substantive preparation of congressional testimony relating to the Agency's overall strategy and policy, and reviews and clears all testimony including Qs & As prepared by the Agency.

III. BUDGET JUSTIFICATION

A. GENERAL PPC PRIORITIES AT THE BASELINE

As noted earlier, PPC plays a number of essential and unique roles in USAID. It is responsible for assuring programmatic and policy coherence across the Agency, for setting standards and monitoring performance, for maintaining the Agency's institutional memory, for engaging external stakeholders and maximizing the impact of USAID's relationships with them, and for assuring that policy issues and concerns are addressed authoritatively and quickly when they arise. These are important functions at any time in an administration, but they are doubly so during the transition between administrations. In addition to its ongoing responsibilities, PPC will focus considerable attention on assuring a smooth transition and working to orient the new leadership of USAID in FY 2001.

Over the past several years, PPC's staffing has been cut by more than one-third; its program budget has also been constrained. As a result, PPC has further cut and prioritized its functions. For example, PPC has focused its attention on streamlining and improving the Agency's operating policies and procedures and on pressing external relations issues while it has fallen far behind in addressing many important policy and technical issues. Over the long run, this will have serious consequences. The impact of ineffective program systems on the operating bureaus and missions is to negatively affect performance and morale.

At the baseline level, in the area of Improving Policy Framework (SSO 1), PPC will concentrate on the following:

- Having updated and modified the Agency's Strategic Plan in FY2000, including development principles and priorities and the relationship to U.S. foreign policy, PPC will undertake an aggressive outreach effort in FY2001 to ensure that the revised plan has broad acceptance within the Agency and with our stakeholders.
- Refine the Goal Review and related processes (e.g., BPBS) to ensure coherence with Agency policy and program priorities, resource allocations and external reporting requirements (e.g., APP, APR, CP).
- Following the extensive consultations inside and outside the Agency on the future of foreign assistance in FY2000, develop proposals for improved programming and program processes for USAID.

- Develop, broker and issue two new Agency policies and update 2 to 3 existing policies, based on the availability of in house expertise within PPC and complete work on several key evaluations. (The increment would greatly expand this effort-- See IV.)

In the area of Improving Program Management (SSO 2), at the baseline PPC will be able to focus on the following:

- Provide leadership to and oversight of the implementation of the key areas of the Agency's reform plan, "The Reform Roadmap" which is intended to complete the many reforms that remain and to modify/update several others having to do with key operating policies and systems.
- Update and modify the Agency's policies and guidance on program planning, achieving and monitoring/evaluation, ADS 200 and ensure changes are incorporated in new Agency-wide training programs.
- Further streamline and consolidate the operations of the Agency's development information systems, e.g., R&RS and broaden access to various databases.
- Expand and improve cost-effectiveness of information collection, reporting and dissemination mechanisms, e.g., OPS-NET replacing the old NMS OPS system and an interactive partner resource site on the Agency's external web-page.

In the area of Engaging External Stakeholders (SSO 3), at the baseline level PPC will be able to focus on the following:

- Improve USAID's understanding of and dialogue with other USG agencies working overseas, and resolve key operations issues in State/USAID cooperation.
- Maintain current mechanisms for policy dialogue and coordination among major donors.
- Advance public/private partnering in support of Agency's strategic objectives.

In the area of Meeting Other Legislative Requirements (SpO A), at the baseline level PPC will be able to respond adequately to congressional requests.

In short, at the baseline level, PPC will be able to maintain many of core policy functions, introduce some additional operational efficiencies, and oversee the transition to a new administration in 2001. With regard to overseas staffing, the baseline will cause extreme problems.

B. PPC'S PRIORITIES FOR PROGRAM ENHANCEMENT IN FY-2001

FY-2001 offers opportunities for USAID to become more efficient, more visible, more focused, and more effective. Increased focus and operational efficiency, for example, could result from a more centralized planning process and a less decentralized system of administrative support. Foreign assistance is likely to receive considerable attention during the presidential elections, and USAID has the opportunity to capitalize on the attention both to dispel myths and to engage the public on US development assistance. In these and other areas, the Agency needs to position itself now to take advantage of these opportunities.

In FY-2001, PPC seeks an enhanced budget for three activities, which will save the Agency resources, improve the Agency's visibility, and enhance the Agency's performance. These are (i) a proposal to restructure the financing of the Agency's research and reference services, (ii) a proposal to access expertise from the U.S. university community and other government agencies to update, sharpen and disseminate basic policy guidance on a broad range of development issues, and (iii) a proposal to take advantage of new information technologies to disseminate information about development and USAID programs.

i. BUDGETING FOR REFERENCE AND RESEARCH SERVICES (R&RS)

PPC is proposing a new approach to central research and reference services that will save the Agency both time and money.

PPC is responsible for maintaining the Agency's programmatic institutional memory and providing research, reference, and analytical services. This function is key to knowledge management in a learning organization that bases decision-making on an informed body of information, internal and external experience, and sound evaluation. Without PPC's centralized development information services, the Agency would have to create these services on a decentralized or ad hoc basis, without the efficiencies, cost savings, broad coverage, and cross fertilization that a central function is able to achieve.

Initially, these services were public goods -- funded centrally in PPC's budget and available to the Agency upon request. However, beginning in 1992, USAID Bureaus were separately charged a user fee to cover PPC's costs in responding to requests for information and analytical needs. These user fees are negotiated and paid annually by USAID Bureaus and Offices. While this decentralized system of funding does attest to the demand for PPC's reference services, it is inefficient, requiring contractors to maintain detailed records of staff time associated with fulfilling requested services and USDH staff to negotiate extensively to agree on the amount and

timing of the annual payment. At PPC's R-4 review, several operational bureaus urged that these fees be "taken off the top" in future budgeting plans.

At the increment level, PPC seeks an additional \$1.743 million to cover centrally the full cost of PPC's reference services for the Agency. While this represents an increase in PPC's core budget, it represents a net decrease in costs for the Agency in that it will replace funds currently required of the operational bureaus. Because of the efficiencies achieved from centralized budgeting, the \$1.743million is approximately \$100,000 less which represents a net savings to the Agency from the current user fee system. Finally, although less easily quantified, we estimate that hundreds of person hours of USDH staff time as well as program funded contractor costs associated with implementing the fee-based system will be saved.

Note: PPC's baseline FY2001 request includes funding for the annual cost (\$500,000) of renting off-site facilities for the contractors. Neither the baseline request nor the increment includes amounts for services which have traditionally been funded through buy-ins to the central PPC contracts.

ii. BUDGETING TO UPDATE, FOCUS AND COMMUNICATE USAID POLICIES FOR THE NEW CENTURY

For a variety of reasons – ranging from PPC's need to focus its efforts on streamlining and improving the Agency's **operational policies** and procedures to the bewildering speed with which technologies and approaches change or become obsolete in the development arena -- PPC has fallen significantly behind in its responsibility for providing Agency staff, our partners and stakeholders analysis and guidance on a variety of development issues. Of the 70 or so programmatic policies issued in the 1970s and 1980s, only a handful have been kept up to date and some basically obsolete. In addition, new areas of Agency involvement and concern have arisen -- ranging from conflict prevention to programming in non-presence countries to addressing the problem of abusive child labor -- and USAID needs to articulate its priorities and the Agency's basic approach.

In the absence of clear and current guidance, the Agency addresses issues as they arise on a case-by-case basis and outside the established ADS process. This is time-consuming and inefficient, and at times results in policies which are inconsistent. It leaves our partners and stakeholders confused and uncertain about our intentions. To prepare the Agency for the demands of the coming decade, PPC has a responsibility to develop and disseminate policy guidance that is technically accurate, current, complete and relevant. To do so, PPC will need to access the most relevant and cutting-edge expertise to evaluate previous performance, both of USAID and other actors, and update our understandings of development and development priorities. This capability will also put the Agency in an improved position to meet likely requirements of a new administration for a comprehensive review of policies and priorities. The Bureau's goal is to

have: updated guidance by 2002 in areas that continue to be relevant; discarded policies that are not, addressed the most critical new policy issues, and mounted a concerted effort to ensure that these policies are understood and accepted not only within the Agency but also within our partner community.

To undertake such a major assignment, PPC will require \$1.5 million in FY 2001 to access specific technical expertise (e.g. in other US government agencies or in the university community) and to reach out to make sure that the policies are understood. PPC will be seeking \$500,000 in FY2000 to get this effort under way. This effort to update and sharpen our policies will also contribute to our on-going dialogue with our partners on Agency priorities and with other government agencies on improving coordination. Further, this proposal to supplement direct hire technical staff with short-term technical expertise from relevant partner institutions will enable PPC to undertake this essential work without additional OE or direct hire staff.

iii. BUDGETING FOR IMPROVED COMMUNICATIONS: REACHING BEYOND THE BELTWAY AND BEYOND OUR BORDERS

Rapidly expanding Internet capabilities and related information technologies offer enormous and largely untapped opportunities for global communications. USAID is just beginning to take advantage of these opportunities. PPC has played an important role in helping operational units within USAID to set up websites, list serves, and other mechanisms to share information quickly and inexpensively. In FY2001, PPC seeks \$500,000 at the increment level to support a major expansion of USAID's website and database support, coupled with an aggressive communications and outreach initiative. USAID is already an acknowledged leader programmatically. This increment is designed to ensure that we are more effective in communicating what we have learned – both to others active in the development field and to the US taxpayer whose support is required to keep USAID in the lead.

C. PROGRAM FUNDING SCENARIOS*

As requested in the BPBS guidance, the following summarizes PPC's budget requirements at the FY 2001 baseline level, the 10% decrement level and proposed increment level with the three initiatives detailed in Section B above. Annex J summarizes these scenarios in tabular form.

- **Baseline Level: \$7.412 million**

* As agreed with M/B last year, the split between DA and Child Survival funds for PPC will be in proportion to their receipt by the Agency. Any modification to this split will be determined by M/B.

At the program baseline level, PPC maintains its core policy functions and introduces some additional operational efficiency as described in Section A above. The workload associated with the transition to a new administration in 2001 will place strains on remaining resources. None of the three initiatives described above will be able to move forward at this funding level. Program funding is as follows:

SSO 1 Policy Framework Improved: \$2,270,000

E.g., Funds for a more credible and useful Agency Policy Framework integrated with Agency programming and budgeting (i.e., prepare ASP, APP, APR, analyze Agency performance, integrate Agency planning and budgeting). Key policy, evaluations and analyses developed, brokered, and coordinated (i.e., coordination and conduct analyses, evaluations, develop guidance, policies, improve policy coherence).

SSO 2 Program Management Improved: \$4,909,000

E.g., Streamlined and consistent operational policies and guidance (i.e., revised R4, strategic planning, Roadmap, Ops Gov team's work, MCA, etc.). Availability of and access to development information increased (i.e., maintain availability and access to basic development information, library, search requests, acquisitions, storage). Information communicated faster, easier, and more effectively—to USAID staff and others.

SSO 3 External Stakeholders Engaged: \$63,000

E.g., Common vision of foreign assistance and USAID developed. Effective overall coordination mechanisms established

SpO Other Legislative Requirements: \$170,000

- **Decrement Level: \$6.670 million**

With a ten-percent reduction in program funding or \$742,000 less, PPC would eliminate its technical assistance to the field in the areas of strategic planning and performance monitoring and further restrict agency-wide evaluations. PPC would also dramatically reduce the operations of the Agency's library and R & RS services, limiting field and Washington access to information. Annex J summarizes these changes. PPC would also reduce efforts to engage external stakeholders thereby further reducing the Agency's ability to leverage external resources. By objective, the reductions are as follows:

SSO 1 Policy Framework Improved: baseline reduced by \$149,000

E.g., Reduced evaluation effort.

SSO 2 Program Management Improved: **baseline reduced by \$530,000**
 E.g., Closing USAID’s library, eliminating the Agency’s economic and social database service.

SSO 3 External Stakeholders Engaged: **baseline reduced by \$63,000**
 E.g., Drop meetings and trips targeted on advancing specific donor coordination or policy coherence issues.

SpO Other Legislative Requirements: **no change from baseline**

- **Increment Level: \$11.155 million**

At the increment level, PPC will execute its core responsibilities plus the three initiatives discussed above. These are intended to enhance the Agency’s performance and position it for new challenges and would result in PPC’s program funding increasing by \$3,743,000. Note, however, that almost half of this increase raises PPC’s budget, but not for the Agency’s budget as a whole since it reduces the amounts other bureaus eventually pass through to PPC. Although this represents a nominal increase to PPC, it is really a reallocation of Agency resources from user fees from other Bureaus to PPC services. Rather than an inefficient decentralized system of budgeting for Agency core services, this will consolidate these funds in a lump sum transfer to PPC. Hence, the real or net increase under the proposed increment is only \$2 million.

SSO 1 Policy Framework Improved: **baseline increased by \$1,500,000**
 E.g., USAID’s Policies for the new century, including selected evaluations, which is Initiative II.

SSO 2 Program Management Improved: **baseline increased by \$2,243,000**
 E.g., Direct funding of the core costs of USAID information systems and core services (Initiative I) is \$1,743,000. More efficient communications and outreach (Initiative III) is \$500,000.

SSO 3 External Stakeholders Engaged: **no change from baseline**

SpO Other Legislative Requirements: **no change from baseline**

Annex J summarizes these figures and all the scenarios.

D. U.S. DIRECT HIRE STAFFING

In FY 1999, PPC’s total USDH on board ceiling is 60 (with Washington at 56 and Overseas at 4). For FY 2001, M has set the baseline at 53 and the decrement at 51.

- **Baseline Level: 53 (Washington 52 and Overseas 1)**

WASHINGTON

PPC will meet the Bureau's FY 1999 on-board Washington strength ceiling of 56 (excluding overseas). We can avoid a serious reduction in our ability to perform our assigned responsibilities with a straight-lining of our FY 1999 on-board Washington staff level of 56 through FYs 2000 and 2001. The straight-lining will enable the Bureau to play a key role in shaping the Agency's priorities for the future. With current staffing, PPC will be able to carry out its core responsibilities for assuring programmatic and policy coherence across the Agency, for setting standards and monitoring performance, for maintaining the Agency's institutional memory, for maximizing the impact of USAID's relationship with external stakeholders and for assuring that policy issues and concerns are addressed authoritatively and quickly when they arise.

Since to a large extent PPC's program is its USDH staff, to reduce our staff an additional 3 in FY2001 would severely restrict our ability to carry out essential functions on behalf of the Agency, and represents a false savings for the Agency. Unlike functions elsewhere in the Agency, PPC cannot substitute program-funded mechanisms for its core functions. A reduction in 3 USDH in PPC would be felt by the Agency, as it would mean the elimination of expertise in one of the Agency's goal areas, the elimination of PPC's management of the Agency's development information and outreach programs, or, possibly, the elimination of CDIE as a separate unit. It would also continue to place the heavy burden of having ineffective program systems on the operating bureaus and missions, thus negatively affecting morale.

OVERSEAS

PPC currently has 4 USDH positions overseas to provide the Agency important representational presence at key donor headquarters. Using M/B numbers, we are scheduled to reduce that by 2 in FY-2000 by eliminating positions in Rome and Brussels. Our FY2001 baseline is also scheduled to include another reduction, which will be Tokyo. These positions are essential to exercise the Agency's leadership and coordination responsibilities with the EU, OECD, and Japan. Elimination of the position in Japan would not only eliminate our ability to coordinate effectively with the Government of Japan on development issues, but also to support the ANE and Africa bureaus in the CG and other meetings which are now being held in Japan. Further, if the Agency were to eliminate the Japan position in FY2001, we should NOT be competing and filling the position in the next SMG round. We feel that either at the baseline or the decrement, it is absolutely essential that this number not be reduced below 2 USDH positions—one each in Paris and Tokyo. At this level we would plan to cover Brussels using a PSC but would need additional funds for this.

- **Decrement: 51 (Washington 50 and Overseas 1)**

WASHINGTON

To further reduce our Washington direct hire staff to 50, PPC would further scale back in the areas of policy analysis, Agency-wide evaluations and the provision of direct hire technical assistance for performance monitoring with the expectation that some of these functions can be handled by our program funded expertise

OVERSEAS

As stated above, PPC strongly recommends against cutting our overseas staff below two USDH for Paris and Tokyo. This must be supplemented with a PSC in Brussels. A reduction in three USDH will effectively eliminate PPC's outreach.

E. OPERATING EXPENSES

WASHINGTON

- **Baseline: \$813,000**

Approximately half of the projected OE costs for FY 2001 will cover PPC's acquisition of DAC statistical data services from the Department of Commerce and services needed to support online data bases and external information sources that are used for the library and research and reference services. The DAC statistical data services and the online data base services represent fixed costs totaling \$315,000 and \$113,000, respectively.

The remaining \$385,000 will cover travel requirements for our direct-hire staff. In addition to fulfilling PPC's important roles in developing, monitoring and communicating both development and operational policies, providing technical assistance on performance monitoring, and conducting evaluations and studies, the direct-hire staff will also have to meet travel requirements associated with donor coordination activities (which have also expanded significantly) and the Agency's representational responsibilities at selected international conferences.

- **Decrement: \$789,000**

At the decrement PPC will reduce its Washington staff travel by \$24,000, thereby reducing its ability to represent the Agency at key donor meetings in FY 2001.

- **Increment: (none)**

OVERSEAS

- **Baseline: \$762,800**

The overseas portion of the OE budget supports the operations of PPC's three remaining USAID field offices. These offices (headed by one direct-hire with support from two PSCs) will be working to promote stronger multilateral and bilateral donor coordination in Brussels (EU), Paris (DAC), and Geneva (UN agencies). The baseline level falls short of the projected OE costs of \$984,000 to meet the operating expenses of four offices for FY-2001 (including Tokyo).

- **Decrement: \$733,800**

At the decrement level, PPC would probably have to back out of its shared costs with BHR in support of the Personal Services Contractor in Geneva. PPC's portion of the shared costs is about \$70,000.00.

- **Increment: \$984,900**

The increment level, an increase of \$221,200, is needed to support two USDH staff for Paris and Tokyo supplemented by a PSC in Brussels. We strongly recommend that this funding be provided in order to avoid the elimination of PPC's outreach capacity.

Attachments:

Annex A: Revised Strategic Framework

Annex B: FY 2001 Activities

Annex C: Results Achieved in FY 1998/1999

Annex D: Table 2, List of Directives

Annex E: Table 3, FY 2001 Budget Request

Annex F: Table 5, FY 2001 Budget Request by Program

Annex G: Table 7, Summary of Overseas OE by Resource Category

Annex H: Table 10, Trust Funds & FSN Separation Fund

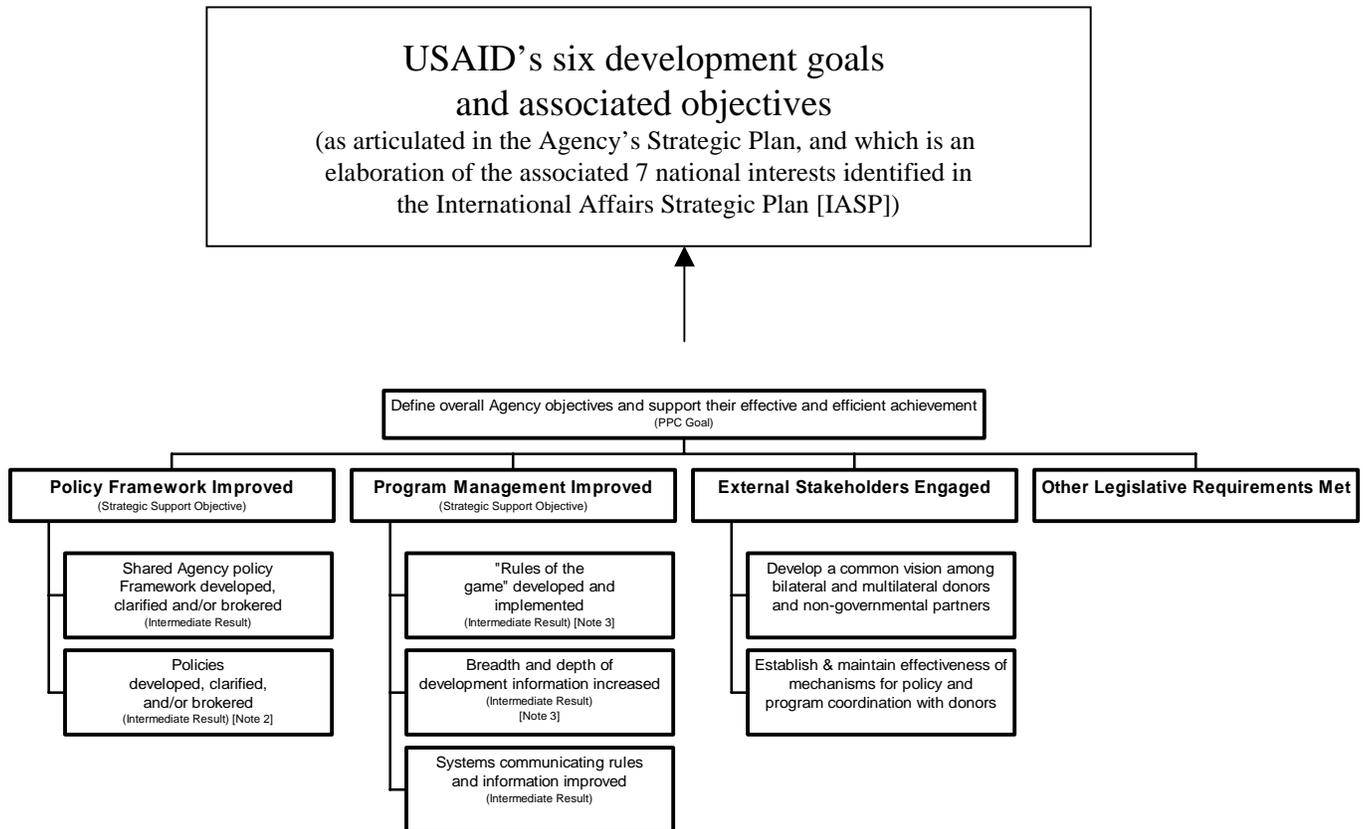
Annex I: Table 11, Washington OE By Resource Category

Annex J: Program Fund Base, Decrement, and Increment

ANNEX A

REVISED STRATEGIC FRAMEWORK

Policy and Program Coordination (PPC) Bureau's
Results Framework,
and
its Relationship to USAID's Goals contained in the Agency Strategic
Plan (ASP) and the national interests identified in the
International Affairs Strategic Plan



Notes:

[1] Corresponding closely to the Results Framework presented last year, this one clarifies more precisely what PPC does and does with others.

[2] PPC and G Bureaus both undertake activities that contribute to the achievement of this Intermediate Result. It is a shared result.

[3] PPC, M, and LPA bureaus often collaborate on activities that contribute to the achievement of these Intermediate Results. They are shared results.

ANNEX B

PPC's FY 1999-2001 Activities

This listing of PPC's objectives, intermediate results and associated activities provides a more complete picture of what PPC is doing, how it fits together, and how progress will be assessed looking from the present into the future.

Objectives: PPC's three support objectives and one special objective each have indicators. While baselines can and, in some cases, will be developed, a sense of progress (or lack thereof) can nevertheless be gauged. As PPC learns how to establish meaningful "targets" and baselines, they will be added. For example, Hill staff judged this year's APP to be a major improvement, based on their scoring this year compared to last. However, it is not readily apparent to PPC what the absolute score improvement from 54 to 75 and a relative improvement from 6th best to 4th best really means. What seems more meaningful is that the score reflects the staffs' sense of USAID's commitment to integrate performance information into its management. Consequently, PPC's notes this interpretation in its self-assessment. In this case, even though there are numbers, PPC does not believe that it makes sense to establish numerical targets with them.

Activities: PPC's 20 activities are all "on-going" in that they do not have a clear end point. The arrowheads denote activities. Key components of any given activity are highlighted by the use of bullets. These provide an indication of what now comprises any given activity since are more likely to evolve or end over time than the activities themselves. In this format, PPC will not present performance indicators for each activity or component for two reasons. First, in many cases, the statement of a component often serves as the useful indicators (i.e., prepare APR and APP). Second, PPC wants to keep the focus at the SSO level indicators.

SSO #1. Policy Framework Improved

Qualitative Indicators:

- *Staff, stakeholders and partners judge Agency framework as useful in understanding and evaluating USAID's work*
- *USAID-State cooperation and collaboration improves*
- *Staff, stakeholders and partners judge policies and guidance as helping USAID make timely and effective choices*

IR #1.1: Shared Agency Policy Framework Developed, Clarified, and Brokered

- Lead in planning, reporting and obtaining broad (internal and external) agreement on the Agency Program and Policy Framework as reflected in the

- Agency Strategic Plan (ASP),
 - Annual Performance Plan (APP),
 - Annual Performance Report (APR),
 - Major sections in the GMRA Report and Management Accountability Reports.
- Lead Agency monitoring, review and analysis of performance against Agency Strategic Plan (ASP) goals and APP targets, which includes
- Conducting reviews of Agency “goal” areas, including R4 performance analyses and development indicator analyses
 - Synthesizing key findings from internal and external evaluation, research, and policy analysis
 - Identifying key emerging issues facing USAID and USAID programs
- Integrate performance monitoring into Agency program and improve usefulness of ASP, APP, and APR as Agency management tools, which includes:
- integrate them into Agency program guidance and Annual Budget Submissions to OMB and various reports to Congress (Congressional Presentation, Accountability Report, etc.) [effectiveness],
 - minimize their draw on Agency resources [efficiency], and
 - enhance stakeholder understanding and evaluation of USAID [credibility].

IR #1.2: Development Policies developed, clarified, and/or brokered

- Coordinate and/or conduct Program/Policy analyses and evaluations that address current policy issues, such as
- Cross-Sector Democracy Linkages Evaluation
 - Women in Post-Conflict Evaluation
 - Durable Partnerships
 - Urban Industrial Pollution
 - Trade Promotion
 - Synthesis of relevant policy and evaluations done elsewhere, as needed

SSO #2: Program Management Improved

Qualitative and Quantitative Indicators:

- *Policy, guidance, and executed reforms are evaluated as useful improvements by staff and others*
- *Use of PPC’s development information and services increases*
- *Use of PPC’s communications vehicles increase*

- *Quality and coverage of strategies and performance information improves*
- *Time spent and quantity of paperwork produced to meet “requirements” reduced*

IR #2.1: Facilitating “rules of the game” developed and implemented

- Monitor, address and resolve operational issues, which includes:
 - Fielding and addressing staff and partner issues through M-PPC Ops Governance mechanism
 - Monitoring and facilitating implementation of the Agency’s Reform Road Map
 - Perform selected evaluations and/or stocktaking of operations processes
- Streamline Agency work processes and legislative requirements, including
 - Simplifying reporting and budgeting from the operating unit level through how Congress is notified and kept informed (e.g., GPRA, GMRA, CFO, FASAB 4, etc. requirements)
 - Designing and testing a cost-effective and useful managerial cost accounting (MCA) system that accommodates “activity based costing”
 - Ensuring the essential functions of the NMS “operations module” become operational and more user friendly, whether within or outside of NMS
 - Ensuring that the new Agency Information Technology architecture (infrastructure) is fully functional with our program planning, achieving and monitoring/evaluation systems
- Update and realign operational policy and guidance, which includes:
 - Revising the 200 Series of the Agency’s Automated Directive System (ADS) to clarify and realign Agency policy for preparing strategic plans in both presence and non-presence countries reducing inconsistencies (including terminology) and making it more user friendly
 - Brokering and issuing R4, R4 annex, BPBS, ABS, and CP guidance
 - Update, as necessary, “Old” pre-ADS policies
- Monitor and improve Agency implementation of Agency policies, which includes interpreting policy, and providing guidance to operating bureaus on topics such as
 - strategic policy and planning,
 - parameter setting exercises, and
 - strategy and R4 reviews
- Monitor and improve Agency implementation of performance monitoring, measurement and reporting standards, which includes:
 - Monitor and refine Agency performance standards, as necessary, which includes:

- Finalizing TIPS #12 and incorporating it into the ADS
- Evaluating of the current role of “Evaluations within USAID”
- Develop indicators and targets that capture how many Agency plans and objectives have performance information (indicators, targets, and actual information – either quantitative or qualitative], what degree of confidence can be placed in that information.
- Lead in identifying Agency-wide best practices in performance measurement and evaluation, which includes:
 - Documenting PME best practices (i.e., TIPS and On-track)
 - Coordinating and managing technical assistance
 - Developing PME sections PME in R4R and Carley courses
 - Coordinating with National Association of Public Agencies (NAPA) and others to communicate and obtain feedback on best practices

IR2.2: Breadth and depth of development information increased

- Manage and improve Agency’s core vehicles for storing and obtaining development information:
 - Manage core contracts for Agency information vehicles
 - Maintain and expand Agency institutional memory through acquisition Agency reports and document, averaging 5,000 per year
 - Develop and incorporate a wider and more useful range of PPC policy and evaluation “products” in institutional memory
 - Maintain and expand Agency’s core economic and social databases, which track and obtain indicators found useful by USAID and stakeholders:
 - Congressional Presentation database
 - Country or development trends database
 - PMA (R4) database
 - Participate actively in USAID/PPC-created “International Network for Development Exchange (INDIX) and other multilateral information sharing, which provides USAID staff access to materials in development agencies and libraries world-wide
- Manage Agency-wide vehicles for obtaining planning, performance monitoring and evaluation services

IR2.3: Systems communicating rules and information improved

- Improve quality and usefulness of responses (some 30,000) to USAID staff and current contractor/grantee requests for development information (by the CDIE Development Information Service)

- Maintain and expand quality and usefulness of the internal and external web-sites that provides real-time access to much of PPC's and the Agency's experience, performance, and country trend information, which includes "PPC/CDIE Online" and parts of LPA's external site.
- Develop more effective outreach program for PPC publications, which includes:
 - ASP, APP, and APR,
 - CDIE's Newsletter, On-track, and TIPS,
 - Evaluations, policy, discussion, and other papers, for example, "inter-sectoral partnering" and "transnational linkages"
 - Bureau "Report Cards," which provide a summary analysis by bureau of the PMA database, OIG reports, and related information on how well bureaus are implementing Agency PME policy
- Manage and improve usefulness of forums for directly communicating PPC issues, best practices, and policy, which includes:
 - Conducting targeted meetings, brown bags, and summer seminars
 - Designing symposia for targeted staff and contractors to improve the consistency and quality of Agency strategic planning and performance measurement, monitoring and reporting
 - Expand use of RF-Net in addressing a broader range of operational issues, including serving as a vehicle for communicating and discussing performance measurement issues (e.g., a vehicle for the performance ombudsperson/group)

SSO #3. External Stakeholders Engaged

- USAID leadership on development within the USG and US leadership within the donor community are enhanced.
- USAID Missions and Bureaus engaged more actively and effectively with external partners and Agency partnerships are strategically integrated with Agency policies and programs thereby maximizing the total impact of development resources.

IR #3.1: Develop common strategic vision among bilateral and multilateral donors, and a full array of non-governmental actors.

- Improve policy coherence among USAID and others donors, partners and USG agencies in support of the Agency Strategic framework, which includes:
 - Develop consensus on a strategic vision of the role of development assistance, of development agencies, and relationships with key partners in the foreign policy process. (DAC 21st Century, World Bank Comprehensive Development Framework (CDF),

operationalizing the World Bank “Reassessing Aid” paper, USAID’s “Future Directions” exercise, USAID’s New Partnership Initiative, USAID’s Peace/Conflict initiative.

- Improve policy coherence within the USG on such issues as conflict response and prevention, trade and aid, globalization, and other development priorities;
 - Reestablish USAID at USG inter-agency policy tables (e.g., Development Committee, G-8 Summit, NTA summit, and the WTO and other trade negotiations).
- Develop and broker common policies, guidance, and approaches that address improved practice in development assistance both within USAID and among other stakeholders, that includes:
- Issue non-presence policy and implementation guidance and coordinate approaches with other stakeholders;
 - Issue policy on “Heavily Indebted Poor Countries” and harmonize approaches with other stakeholders;
 - Support policy development, legislation, and policy harmonization among donors and other development partners on untying aid, trade and development, public-private partnering, and sustainable development issues;
 - Encourage engagement by other donors with the NGO community and other non-governmental actors (e.g., Japan, European Commission);
 - Harmonize procurement policy and accounting requirements among OECD/DAC member countries;
 - Improve policy and program coherence among donors in key development sectors (environment, food security, infectious diseases, globalization, democracy, and alternative development).

SSO #3.2: Establish and maintain effectiveness of mechanisms for policy and program coordination with major donors and non-governmental partners.

- Improve effectiveness of existing donor coordination mechanisms:
- Improved multilateral mechanisms (e.g., G-8 Development Ministers meetings, reestablishing USAID place at key USG policy tables, CG process, OECD/DAC);
 - Improved bilateral coordination (e.g., enhancing public-private partnerships in USAID-Japanese assistance programs, and cooperation with Japan on recovery from the Asian financial crisis, cooperation with the EC in peace/conflict activities and in global climate change, dialogue with bilateral donors on democracy programs in Latin America);
 - Advance Mission level donor coordination strategies and improved integration of Mission and Bureau donor coordination strategies and priorities;

- Improve effectiveness of crisis response (man-made and natural disasters) among donors (Mitch, Kosovo, Congo and crisis prevention activities).
 - Support inter-sectoral partnering among government, civil society, and business actors through guidance on indicators and analysis of 1998 Partner Retreats.
- Develop new mechanisms for public-private partnerships and expand engagement with both the business community and with the private foundations.
- Restructure the USAID's division of labor and partnering mechanisms, improve linkages and policy coherence, and foster a strategic results orientation in USAID's relationships with non-governmental partners;
 - Engage more effectively with the private foundations, universities, and the business community, and with non-traditional NGO partners;
 - Mainstreaming inter-sectoral partnering, society-to-society partnerships, and NPI within the OECD/DAC, CDF, and UNDAF, and within USAID Missions;
- Improve the effectiveness of information exchange among development partners.
- Peace/conflict network established;
 - Repair USAID's reporting to the DAC;
 - Improve distribution and use of DAC documents in USAID;
 - Improve effectiveness of EPN system;
 - Improve analysis and dissemination of information on stakeholder policies, programs and best practice.
 - Improve dialogue between USAID and external partners on development policy and foreign policy, globalization, and public-private partnerships.

SplO: Other Legislative Requirements Met

Qualitative and Quantitative Indicators:

- *No major issues arise*
 - *“Other” Agency reporting requirements reduced*
- Comply with legislative requirements:
- Conduct required environmental oversight, both internal to USAID and external (i.e., World Bank)
 - Produce required reports
 - Reach agreement with Hill to reduce required reports
- Reduce Agency reporting requirements

ANNEX C

RESULTS ACHIEVED IN FY 1998/1999

Below summarizes highlights of what PPC worked on and accomplished over the past year organized by PPC's results framework of three support objectives, eight intermediate results and one special objective.

SSO 1. Policy Framework Improved

- **Stakeholders judge improvements made in USAID's approach to performance monitoring, thereby facilitating understanding of USAID's programs. For example,**
 - Hill finds significant improvement in Agency Annual Performance Plan (APP), increasing its score of the APP from 54 to 75, a relative improvement from 6th to 4th among all USG agencies and departments subject to the Government Performance and Results Act (GPRA)
 - OMB and GAO comment on substantial improvement in Agency approach to performance monitoring and reporting (feedback on APP and briefings)
 - OMB finds Agency performance information useful in making resource decisions (feedback on ABS)

- **USAID-State interdependence clarified, thereby enabling the two to more easily work together. For example,**
 - Interdependence and use of State and USAID strategy documents, IASP and ASP, respectively, clarified (i.e., IASP not considered a GPRA document, but a general framework and reference point for foreign affairs)
 - Roles of State's Mission Performance Plan (MPP) and USAID's R4 processes clarified (i.e., MPP not the forum for deciding final budgets of individual agencies, but for reaching broad agreement on priorities)

IR 1.1: Shared Agency Policy Framework Developed, Clarified, and Brokered

On the Agency framework in General,

- Completed revised Agency Annual Performance Plan (APP) and Annual Performance Reports (APR), including major sections in the new "Accountability Report"
- OIG and USAID reach "management agreements" on USAID approach to performance reporting and timeliness of data issues

- Consulted extensively on framework and approach with key stakeholders (Hill committees, State, OMB, and GAO) and implementing partners to obtain ideas, feedback, and understanding

On the ASP, clarified and brokered:

- the new Agency goal on Human Capacity Development (HCD),
- the revised Humanitarian Assistance Goal, which dropped “prevention” as an objective
- the agreement on new HA relief indicators and process for collecting and disseminating the data.
- an Agency definition of “transition” and country categorization for “transition countries” to establish the basis for evaluating USAID performance

On improving the usefulness of the framework (still very much a work in progress),

- Revised BBS (BPBS) process to conduct Agency-wide “goal” reviews, and to present the general findings from this review of performance up-front before the start of bureau budget reviews
- Tightened linkages between the Agency’s evaluation agenda and the Agency’s evaluation needs (through the goal review process)

On policy coherence between the framework and other USG and donor agencies,

- Clarified respective and inter-related roles of State and USAID documents and processes through:
 - the revision of State’s IASP
 - the preparation of State’s MPP and USAID’s R4 guidance

IR 1.2: Development Policies developed, clarified, and/or brokered

On current policy issues,

- Led USG agencies in developing a workable Tropical Forest Conservation Act to reduce government-to-government debt in developing countries while increasing resources for tropical forestry and NGOs, which is now in Part V of the Foreign Assistance Act.
- Incorporated into the Basic Education policy findings from Girls Education Evaluation
- Articulated Emergency Assistance policies and practices (Susan)
- Developed and brokered a set of options for Administrator’s decision on approaches to organizing the Agency’s work on conflict prevention

- Developed the operational framework and plan to implement the Administrator's decision to improve USAID performance on conflict prevention working with other USG Agencies, including raising standard of review for CSPs and working collaboratively with regional bureaus on pilot countries
- Drafted Agency re-statement Policy on Conflict Prevention
- Defined and help broker Agency policy and operational issues that need to be addressed by the Agency on:
 - Support for tobacco,
 - Extent of program integration in the health sector,
 - Use of child survival and disease funds,
 - Volunteerism in response to Tihart Amendment,
 - Use of child survival funds for children effected by AIDS,
 - Use of micro-nutrient funding,
 - Where to obtain resources for Iodine,
 - How to handle the short fall in the War Victims Fund

On requested major evaluations and analyses,

- Completed five major Agency evaluations:
 - Girls Education Evaluation,
 - Capital Markets Evaluation and synthesis,
 - Enterprise Funds Evaluation (revisions),
 - Thirty Years of Development Progress Analysis,
 - Graduation Strategies Study,
 - Decentralization and Local Governance Evaluation
- Completed major analyses:

Developed methodology, consensus and pilot country/site to collect disseminate and test Agency HA performance indicators (i.e., crude mortality rates, nutritional status of under 5 years olds) to answer performance question on lives saved

- Developed annotated list of analytic frameworks, tools and best practices for conflict prevention used by Missions for analysis
- Analyzed USAID programs and policies in de-certification
- Prepared best practices and lessons learned guidance to inform conflict and reconciliation efforts in Kosovo

On clarifying and interpreting Agency policy and positions,

- ❑ Interpreted policies and best practices on participatory evaluation and planning in several missions, AID/W units, and at HR training courses
- ❑ Made presentations and conducted seminars with professionals, academics and other non-USAID groups and new USAID contractors on the linkages between development ideas and practice and Agency reengineering
- ❑ Provided assistance to missions on R4, strategies, and program reviews, and on developing synergies between sectors/goals, including Hurricane Mitch programming
- ❑ Prepared briefings and public addresses on “Genocide and Crimes Against Humanity: Early Warning and Prevention” Conference at the Holocaust Museum and at the Council on Foreign Relations, respectively
- ❑ Prepared another 150 plus [check] briefers

SSO #2: Program Management Improved

- Major modifications and clarifications made on (a) how to report and review performance information (e.g., the R4 process), and (b) how to select performance indicators and data [Tony, add preliminary data to make more concrete]
- PPC successfully designs and executes “Web-Ops” concept, an approach to sharing information within and outside the Agency using the web
- PPC and M systematically working together through Operations Governance group and other forums to address issues and problems (i.e., Reform Roadmap, BPBP, ABS, budget coding)
- PPC helped design and execute HR training course components on strategic planning and performance measurement, monitoring and reporting
- Agency staff and partners dramatically increase use of USAID program communications vehicles. For example,

Number of internal web (CDIE OnLine) hits have grown from 192,000 hits /year in FY1998 to 1,375,000 hits per year in FY1999. Number of internal web (CDIE OnLine) user sessions have grown from 15,000 user sessions per year in FY1998 to 29,000 user sessions per year in FY1999. Number of internal web (CDIE OnLine) documents downloaded has grown from 18,000 documents per year in FY1998 to 52,000 documents per year in FY1999. Mission use of CDIE OnLine accounted for 17% of total AID use of CDIE OnLine.

Number of CDIE external web page hits (Development Experience Clearinghouse and Partners Resources Web Page site) have grown from 160,000 hits /year in FY1998 to 1,312,000 hits per year in FY1999. Number of external web user sessions have grown from 12,000 user sessions per year in FY1998 to 72,000 user sessions per year in FY1999. Number of external web documents downloaded have grown from 22,000 documents per year in FY1998 to 30,000 documents per year in FY1999. International use of CDIE external web pages accounted for 11% of total use.

IR #2.1: Facilitating “rules of the game” developed and implemented

On addressing operational issues,

- ❑ Developed and brokered a comprehensive plan outlining management and process reforms the Agency will make over the next several years in the Agency’s *Reform Road Map*
- ❑ Operations Governance Group processing and getting issues addressed, including:
 - Issued “best practices” on pre-obligation requirements
 - Developed and brokered R4 distribution policy
 - Simplified access to and knowledge on the “latest” state of the ADS (via monthly status notices, changing labels, and placing ADS on internal and external web sites)
 - Reduced a series of inconsistencies in ADS (more to be done)
 - Plus another six issues (raised by USAID staff) resolved

On streamlining work processes,

- ❑ Lead streamlining and re-aligning of the Agency process for preparing and reviewing R4s
- ❑ Issued (earlier) R4 and R4 annex guidance
- ❑ Agreement by OMB, GAO, and Hill staff on general concepts for and possible options to streamline work processes and documents
- ❑ Preliminary managerial cost accounting system designed

On realigning policy and guidance on performance measurement and reporting,

- ❑ Issued draft Agency policy on indicator and data quality (TIPs # 12)
- ❑ Completed Agency Evaluation Status and Guidelines analysis
- ❑ On monitoring Agency implementation of strategic planning and performance measurement, monitoring and reporting,
- ❑ Participated in key strategy and R4 reviews and parameter setting exercises in all operating bureaus

- ❑ Provided guidance on close-outs (i.e., Zimbabwe, Hungary), non-presence country programming, and other controversial policy choices
- ❑ Analyzed Agency implementation of performance measurement, monitoring and reporting in the “Technical Volume” and subsequent bureau “report cards”
- ❑ Worked with OIG to understand problem areas and weaknesses in current practice

IR2.2: Breadth and depth of development information increased

- ❑ Cataloged and stored an additional 5,000-plus new documents into USAID institutional memory
- ❑ Evaluated the effectiveness of the current contractual vehicles for managing the Agency’s information services (and the management thereof) to identify improvements
- ❑ Developed and expanded PPC databases on country trends and R4 indicators
- ❑ Improved access to conflict prevention information by better integrating it into R&RS and DEC (Clearing House) services
- ❑ Executed Cooperative Agreement with National Academy of Science, to provide access to the expertise of the global scientific, engineering, technological and medical communities

IR2.3: Systems communicating rules and information improved

On new interactive web-based sites,

- ❑ Developed and made “live” three new user-driven web-sites:
 - ❑ A site with all the information (less budget) contained in this year’s R4s
 - ❑ A site containing the Congressional Presentation
 - ❑ A site containing the Agency’s Country Development Indicator/Trends Data (by ESDS)
- ❑ Modified Agency WWW-site to provide partners with key Agency documents, including “Reform Roadmap,” Stocktaking Report,” PPC/CDIE/PME guidance, R4 guidance, and other material
- ❑ Expanded GP-NET and internal web-site, PPC’s electronic exchange of resources and best practices in participatory development, 600 development professionals, half in USAID (Participation web site serviced over 2000 hits per month on best practices and tools)
- ❑ Assembled NPI/inter-sectoral partnering at easy access

On meeting requests for information,

- ❑ Responded to over 30,000 USAID staff (and current contractor/grantee) requests for development information (by the CDIE Development Information Service)

On developing more effective outreach,

- Developed and taught strategic planning and PME sections of HR's training courses ("R4R") and Carley Corporation's significant restructuring of the new Operations training course content
- Conducted multiple seminars, workshops to communicate and discuss PPC issues, analyses, and best practices

SO 3.0 External Stakeholders Engaged

SO IR 3.1 Develop common strategic vision among bilateral and multilateral donors and non-governmental actors.

a) Establish fora for development dialogue at the political level to resolve policy differences and forge a political message on development:

- Institutionalized G-8 Development Ministers meeting with both British and German decisions to hold consultations to continue the practice.
- Developed USAID position on role of assistance in mitigating the shocks of globalization and got USG endorsement for the G-8 Summit, harmonizing USAID's position with the Germans.
- Hosted Tidewater meeting and organized "Development Day" as the first public dialogue among the Development Ministers and the US public, senior donor development officials, Congressional and Administration leadership, and press on the accomplishments and future of development assistance.

b) Establish conflict prevention and peace-building as integral to donor development programs:

- Secured European Commission cooperation with USAID on conflict prevention in 10 pilot countries.
- Secured State Department and German endorsement of support for conflict prevention in G-8 Cologne Summit.
- Established Donor/UN Network on conflict prevention and peace-building for brokering programs and policies.
- Developed multi-donor War Torn societies project and extended project results in a set of workshops for both official and non-official audiences in N. America and Europe.
- Worked with Carnegie Foundation to produce a study on conflict prevention to supplement their peace/conflict series.
- Drafted and got donor community endorsement on a set of principles for post-conflict interventions.

c) Operationalized and expanded ownership of OECD/DAC (Development Assistance Committee) 21st Century Strategy:

- Developed an Agency position on the World Bank Comprehensive Development Strategy and harmonized this position with other donors, engaged with USAID missions in CDF pilot countries to feed into USG position on the World Bank Board. Gained USG and G-8 endorsement of the DAC 21st Century strategy.
- Organized with British and French support, and under OECD/DAC and Global Coalition for Africa (GCA) auspices, a democracy workshop for Africa in Bamako to extend DAC 21st Century Strategy and DAC/PDGG (Participatory Development and Good Governance) principles to the field in the democracy sector. Secured subsequent endorsement of conclusions at the G-8 Birmingham Summit.
- Reached agreement, under DAC auspices and with UK, German, and Spanish support, to hold a democracy workshop focused on LAC in LaPaz in order to extend the DAC 21st Century Strategy and DAC/PDGG principles and to enhance DAC linkages to regional organization in LAC region.

d) Restructure and energize relations with the European Commission and develop new internal management system for USAID-EC relations:

- Agreed on an action plan with the EC for cooperation in seven areas (peace/conflict, globalization shocks, global climate change, food security, infectious diseases, Kosovo, and alternative development) with agreed upon activities worldwide in each category.
- Organized the annual USAID-EC consultations – generally considered the best on record—and effected decentralization of Bureau relations with their EC counterparts.
- Institutionalized participation by civil society representative on official USG delegation to the US/EC High-level Assistance Consultations.

e) Restructure and energize USAID relations with Japan:

- Developed a comprehensive USAID Strategy for Cooperation with Japan.
- Initiated public-private partnership initiative with Japan under the Common Agenda, involving NGOs and Business leaders in both countries, and focusing on a broad range of activities in food security, health and population, and environment.
- Integrated USAID activities into Tokyo Embassy MPP and established USAID/RESREP as point person on issues related to development and developing countries.
- Initiated cooperate with Japan on post-financial crisis reform in Asia, on the Indonesia elections.

f) Agreed to cooperate with the EC on post-financial crisis reform in Asia and worldwide.

g) Improve policy dialogue and program coordination with bilateral donors:

- Developed an action plan for cooperation with the French in Africa in the areas of health/population and democracy and governance.
- Held quarterly meetings with counterparts in donor Embassies.

h) Rapidly and substantively expand donor coordination on Kosovo response:

- Developed donor coordination strategy for USAID Kosovo Working Group
- Initiated and facilitated donor buy-in to USAID transition initiative for Kosovo.
- Organized key donor meetings that set in motion processes to share information, leverage funding, and harmonize positions on assistance to Kosovo.
- Facilitated the integration of USAID's Kosovo programs and strategy into broader USG planning, and its agenda for policy consultations with other donors.

i) Improved cooperation with partners on environmental issues.

- Ensured presence of environmental and social concerns in USG positions on international investment and trade frameworks, including the WTO, the Free Trade Area of America, Bilateral Investment Treaties so that the goals of foreign assistance are not undermined by trade/investment agreements.
- Furthered refined USG policy on use of endowments and trust funds through work with the Interagency Planning Group on Environmental Funds, which also includes NGOs, UN, and other donors (a first)
- Led effort to reach USAID-DAC member countries agreement to review and compare Global Climate Change programs and policies

j) Integrated donor perspectives into USAID policy and strategic planning.

- Provided major analysis shaping successful USG position on reform of UN humanitarian assistance agencies.
- Developed USAID position and shaped USG response to the World Bank "Reassessing Aid" paper, which has fed into policy thinking in the Agency.

k) Partnering—particularly inter-sectoral partnering—is better understood and more evident in the field:

- Initiated dialogue with ACVFA on partnering, especially in the sub-committee on civil society.

- Participation in an address by Mexico's Foreign Minister resulted in her going on record with a commitment to improving the way the Ministry interacts with nongovernmental players.
- Contributed to thinking within the World Bank on partnering which involved the Bank's CDF, Bank's Business Partners for Development, and the design for four Global Inter-Sectoral Partnerships to scale up promising inter-sectoral collaboration.
- Advanced the dialogue on inter-sectoral partnering in a number of outside fora. These included, Esquel Foundation, Knowledge Resource Group of the World Bank, Global Inter-Sectoral Partnership on Youth, Norway's "Bergen Seminar on Development," Global Meeting of Generations, and ODC.
- Provided State's talking points for the 1999 World Summit on Development on NPI's impact four years after its announcement by Vice President Gore at the 1995 Summit in Copenhagen.
- Led USAID's co-sponsorship of International Conference on Primary Stakeholder Participation (11/98), including preparation of conference papers and Administrator's speech, which generated positive reviews by donors and NGOs of USAID's use of participation and management reform.
- Established a "public-private partnership" among major US actors and other donors on conflict prevention.

1. Improve information exchange among partners.

- Inauguration of an "Inter-Sectoral Partnering" page on the Agency external web site. Includes NPI and ISP documents, hyperlinks to other organizations, instant access to speeches, etc.
- Active engagement in design, implementation and evaluation of 1999 Partner Retreats, including TDY assistance and follow-up to Partner Retreats in Philippines, Nepal and Cambodia and issued related Executive Message.
- Disseminated information on HA indicators to PVO implementing partners and WHO networks (with G through FANTA Project)
- The practice of ISP within the Agency is more widespread. Missions have reported successful new government/civil society/business collaborations in such diverse areas as regional development associations (Bulgaria), rural road maintenance (Madagascar), economic reform advocacy (Ecuador), and waste management (Indonesia)
- Established donor network on peace/conflict to share experience.
- DOD introduced a new course on "International conflict and U.S. Policy on conflict prevention" and included in the curriculum a role for development assistance as one of the tools in a more strategic USG approach to conflict prevention. (USAID will pilot training with other USG agencies).

SO IR 3.2 Establish and maintain effectiveness of mechanisms for policy and program coordination roles with major donors

a) Improved USAID's donor coordination mechanisms.

- Developed new management system for USAID's role in IFAD --transferring management to G Bureau to better link IFAD to USAID's field activities in agriculture.
- Established a standing inter-bureau committee for reviewing USAID engagement with the DAC.
- Developed AID Strategy for cooperation with Japan at the program level and for management of Japan relations.
- Developed analytical model for donor coordination strategies at the mission level and have completed four pilot tests of the model.
- Integrated USAID and USG positions in the Convention on International Trade of Endangered Species (CITES) and Convention on Biological Diversity (CBD) interagency processes by linking CBD programs in USAID-assisted countries into CITES programs, which can help CBD countries become fuller partners in CITES
- Co-chaired the monthly meeting on MDB environmental issues through the "Tuesday Group," a forum with 65 international NGOs and USG agencies.
- Defined (with G and regional bureaus) the parameters of donor coordination with WHO
- Facilitated public signing of a Memorandum of Understanding between USAID Administrator and the United Nations High Commissioner for Human Rights
- Coordinated with OECD/DAC on further harmonizing measurement and reporting of USAID country trend and DAC 21st Century Strategy's performance indicators
- All significant problems with USAID reporting to the DAC have been corrected except those inherent in the AMS system.

b) Partnering—particularly inter-sectoral partnering—is better understood and more evident in the field:

- Convened brainstorming session with Mission Directors to define support requirements for enhanced inter-sectoral partnering and initiated support to Guinea and South Africa from BHR/PVC.
- Participation by civil society actors and business representatives at the Mission Directors conference was established.
- BHR/PVC's program refocused on local capacity building, PVO/NGO partnering, and inter-sectoral partnering.

- Production and wide dissemination of Partnering for Results: A User's Guide to Inter-Sectoral Partnering, a short and user-friendly summary of lessons learned and step-by-step advice. Prepared for the Agency's Mission Directors meeting the document has now gone into its second printing.

SpO A: Other Legislative Requirements Met

Qualitative and Quantitative Indicators:

- No major issues arose
- Agency reporting requirements met
- Led USAID in implementation of 22 CFR 216 and FAA Section 117 – environmental impact assessment procedures – in order to permit obligation of the Agency's program funds.
- Complied USAID's Congressional mandate to report programming and progress in human rights, by drafting and submitting an annual report of USAID human rights activities
- Represented USAID on the President's Enterprise for the Americas Board to oversee implementation of the FAA Parts IV (EAI) and V (TFCA). USAID Board membership is mandated under this legislation plus PL-480 and EX-IM Bank legislation
- Implemented legislatively requirements for USAID review and monitoring of proposed multilateral development (MDB) projects for environmental, natural resources, indigenous peoples, and public health concerns
- Conducted "affirmative investigations" or fact finding missions of particularly egregious MDB projects as necessary, and reported all to Congress
- Oversaw implementation of FA Sections 118 and 119, concerning USAID programs in biodiversity and tropical forestry
- Jointly with G, oversaw implementation of bio-safety procedures and standards for USAID bio-technology activities
- Represented USAID on the FWS African Elephant, Asian Elephant and Rhino and Tiger