USAID's Operating Expense Account: Current Practices and Planned Reforms

Submitted to the Office of Management and Budget in compliance with the President's Management Agenda Action Plan

U.S. Agency for International Development
Bureau for Policy and Program Coordination

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Executive Summary

As part of USAID's effort to assess and improve performance and to ensure cost effective management of foreign assistance resources, the Bureau for Policy and Program Coordination is undertaking a comprehensive review of Agency approaches to manage, finance and administer foreign assistance programs. This review consists of three parts—

Phase 1: The assessment of Operating Expenses (OE) for each Agency management unit (Bureau, Mission, Region) in relation to program costs.

Phase 2: The collection and review of program funded support costs for administration of development programs, as well as a plan for management of these costs; and

Phase 3: A review of USAID's field presence, program approaches, and related costs of field operations.

USAID has completed the first phase of this review. This report details the analysis used during the FY 2004 program reviews to better link OE and program decisions, and proposes an interim approach for allocating direct and indirect operating expenses for management cost accounting purposes.

This report also provides the initial status of the review's second phase—the review of program support costs—as well as next steps to be taken in FY 2003. USAID is now starting the groundwork for the Phase 3 field presence analysis, which builds on the first two phases of the OE analysis. As noted in this report, USAID's field operations are the most critical operational element of delivering development programs as well as the single largest element of the Agency's operating expenses. There also will be a direct link between the conclusions of the field operations study and the USAID/Washington operating structure and staffing.

The report's major findings include the following—

- USAID staff has been declining significantly during the 1990's. Today, USAID has 1,250 less staff (from all funding sources) than in 1995 despite a program budget that has increased in both size and complexity.

- While there has been about a 9% increase in program funded staff since 1995, this has not resulted in an overall increase in USAID staff given the more significant decrease in U.S. direct hire staff.

- The majority of program funded non-direct hire staff work in the field and in support of technical programs. This is in response to significant changes in the nature and

- content of foreign assistance that require a new set of skills and flexibility not always available in the U.S. Foreign Service.

- Operating Expense data by Agency management unit, which is summarized in this report, is now available in a USAID database and forms part of the Agency strategic budgeting process.

- USAID has established a collection, review, and monitoring system for non-direct hire staff, who are funded by both operating expenses and program funds.

- A plan for continued refinement of this data as well as an interim management cost accounting system are presented in this report.

- Fifty-two percent of the Foreign Service will be eligible for retirement in the next five years. This is a higher number than the average government-wide civil service. An aggressive recruitment schedule will be required during the next several years to avoid a major gap in the ability of the U.S. to oversee its foreign assistance programs.

- Such recruitment must be supported by a comprehensive workforce plan that includes both U.S. direct hire and non-direct hire staff from all funding sources. This data analysis, together with Human Resource direct hire staff analysis, will form the basis of that plan.

Operating Expenses
($ in millions)

	FY02 Appropriate	FY03 Request	FY04 Request
Overseas			
Operations	235.3	244.4	255.6
Salaries & Benefits	89.6	94.6	100.9
Washington Bureaus			
Operations	34.0	38.3	40.6
Salaries & Benefits	144.2	146.2	154.7
Training & Personnel Support	7.7	9.6	13.3
Staffing plus up – 100			20.0
New Personnel Benefits			14.5
IT Operations	73.7	64.4	70.6
Rent & General Support	41.2	41.7	42.6
Subtotal	**625.7**	**637.2**	**712.8**
Less: Non-appropriated Funds	**(65.0)**	**(51.0)**	**(49.0)**
Total Appropriated Level	**560.7**	**586.2**	**663.8**

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I. Assessment of Operating Expense Current Costs

Tables 1-5 attached to this report provide a summary of operating expense costs by region, by Bureau, by Mission, and by Washington cost center. Key findings include the following—

- In FY 2002, USAID's single largest OE cost was for field operations.

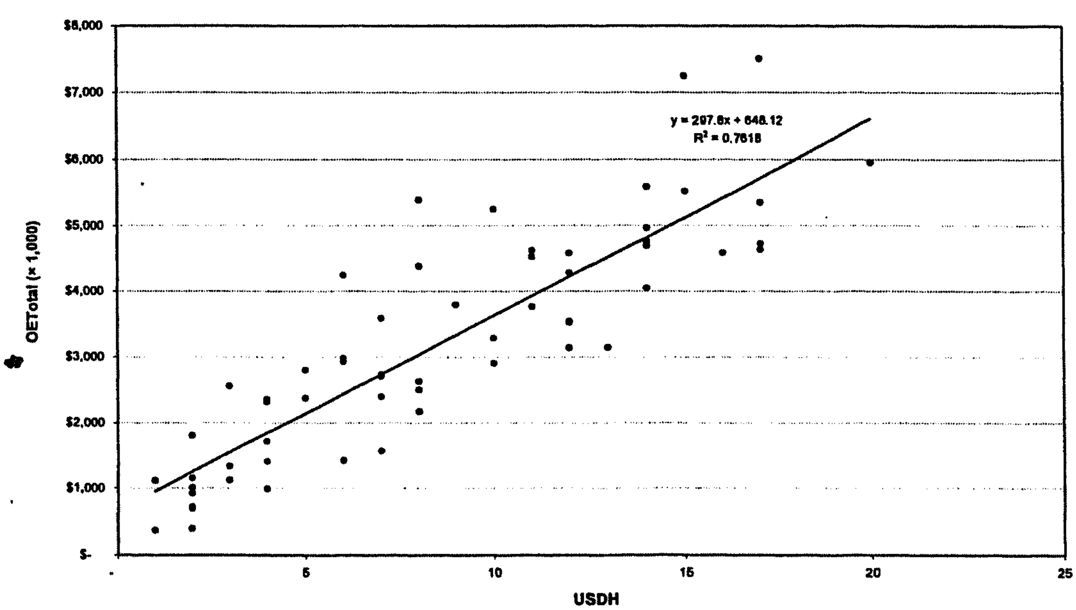
  - Twelve percent of USAID's total OE costs were for field salaries and benefits.
  - Over half (53%) of USAID's operating expenses were for field operations (personnel and non-personnel costs).

- The direct costs of managing field operations by region (for the Agency's field programs and regional bureau support) were calculated using FY 2001 data. These costs were distributed by region as follows—

  - 29% of the total regional OE costs were in Africa;
  - 28% were in Europe and Eurasia;
  - 22% were in Asia and the Near East; and
  - 20% were in Latin America and the Caribbean

- Personnel and facility related costs represent approximately 90% of the OE budget. There is a very high correlation between the location and movement of USDH staff and movement of OE costs.

OETotal-to-USDH Relationship
(Selected Overseas Operating Units)



- Washington costs include both the costs of running the Washington bureaus and offices as well as centrally managed functions such as Information Technology that support both Washington and field operations. Table 1 shows the full OE costs for each bureau and centrally managed function for FY 2002. For Washington bureau salaries and operations—

  - 15% of Washington salary and operations costs are in the Management Bureau
  - 11% are in the three technical (pillar) bureaus
  - 52% of centrally managed OE costs are expended on Information Technology

It is clear that any savings or adjustments in Washington operations must be focused in these areas.

II. Current Progress on Strategic Budgeting and Management of OE Resources

Although efforts to assess and improve budgeting and management systems are ongoing, USAID is moving forward based on analyses completed to date. USAID is utilizing immediately results of its management initiatives in making program and staff allocation decisions both between and within operational bureaus. The following represent examples of actions undertaken by USAID during recent budget deliberations.

During the FY 2004 program budget reviews, the Agency began looking at the issue of overseas presence and the relation of program funds to support costs, including staffing. USAID formulated and analyzed ratios that compare program funds to operating expenses and to staff. (See Table 2 for FY 2001 and FY 2004 ratios and an explanation of the methodology.)

USAID's Administrator has made overseas presence a priority for the Agency and has tasked each Bureau's Assistant Administrator with working on this issue. Program-to-OE cost analysis will be a continuing part of the Agency's annual budget reviews.

Some preliminary analyses for FYs 2003 and 2004 are discussed below.

Africa Bureau

As part of a repositioning exercise, staff levels were reduced in Senegal, South Africa, the Regional Center for Southern Africa, Madagascar, Liberia, Malawi, and Mali to provide needed staff increases to support priority programs in Nigeria, Congo, Guinea (including support to Sierra Leone), the West Africa Regional Program (WARP), and Uganda.

In FY 2003, there is a planned increase of nine direct hire positions to support increases in HIV/AIDS activities in Ethiopia, Kenya, Nigeria, South Africa (bilateral), the South Africa Regional AIDS Program, Tanzania, Zimbabwe, the regional office for East and Southern Africa (REDSO/ESA), and WARP. In addition, USAID is planning an increase of eight training positions for New Entry Professionals (NEPs). This increase of direct hire positions is being taken in lieu of program funded PSCs. It will require future year commitments of OE funds for direct hire staff, but will reduce the need for program funding of these positions.

In FY 2004, at the baseline level there is no planned increase in staff from the FY 2003 level. In fact, there is a planned decrease of four positions. In Mozambique, three positions provided specifically under the Southern Africa flood supplemental, which expires in FY 2003, will be deleted, plus one position in South Africa.

ANE Bureau

After reviewing the ratios prepared by PPC and ANE Bureau management assessments, the ANE Bureau proposes to reduce overseas staffing (USDH and program funded contractors) in Cambodia, Morocco, Indonesia, and Lebanon in order to create a regional mission in Thailand to service Cambodia, Vietnam and Laos. Additional direct hire positions were provided for Afghanistan and Pakistan.

E&E Bureau

Staff positions were reallocated among Macedonia, the Central Asian Republics, and Hungary. In addition, Kosovo is being reduced by one USDH, with the position reallocated to Macedonia.

LAC Bureau

As a result of concern over the high cost of financial management, the Bureau is working with its overseas missions to implement efficiencies in Mission controller operations, including more rapid payment procedures, electronic processing and administrative simplification. LAC is moving toward fewer accounting stations, beginning with the Caribbean.

More broadly, the Bureau has begun a series of Mission management reviews to enhance and ensure that Mission portfolios and staffing levels are in alignment and further streamline the conduct of daily operations. In the first assessment, in Mexico—a growing program with a very small staff that is strapped for operating expenses—an interdisciplinary Agency team made recommendations to focus the program and dramatically reduce the number of management units. The second assessment, in Haiti, is underway.

III. Analysis of Total Costs of Program Management

Annex A of this report provides a legislative history of the evolution of operating expenses and program funded support costs. USAID finances the management and administration of its programs through both Operating Expenses and through utilization of a portion of program funding for technical staff to support strategic objectives. The program costs are incurred in a variety of appropriations linked to the Agency's operational units and activities.

In addition to legislated program to OE transfer authorities, the introduction of funding decisions for ESF, SEED and FSA by the Department of State in response to foreign policy priorities has heightened the need for flexibility in the work force to ramp up quickly to respond to new country priorities. While there was a concerted effort in the mid 1990s to significantly reduce the number of USAID field missions, that effort was not supported by the Department of State. In some cases where agreement to close Missions was reached, many have now reintroduced USAID programs at the request of Congress and/or State.

After the Cold War, the importance of complex global technical issues to foreign policy has also heightened. Infectious diseases, biotechnology, global climate change, and trade represent some of the skill areas where the foreign service is not completely able to respond on a timely basis for the skill needs in these areas.

To assure transparency, monitoring and more efficient use of program funded advisors, the Agency has undertaken several key actions—

- For Washington program funded staff, a formal review and approval process has been established with the Management and Chief of Staff approvals.
- During late 2001 and early 2002, a Washington portfolio review was undertaken to reduce and redeploy direct hire and program funded non direct hire technical staff from regional bureaus to the central (pillar) bureaus or the field or to eliminate redundant positions.
- Currently, a full accounting and analysis is underway of program funded non-direct hire staffing.

Washington Portfolio Review Results

In 2002, a portfolio review was completed of over 300 Washington-managed program activities and their associated staff (both program and OE funded). Sixty-one of these Washington-managed activities were transferred to the field, and 53 are being terminated within the next fiscal year. Fifty-seven activities are being transferred from regional to central or pillar bureau management in order to consolidate staff requirements for program management. As a result of the portfolio review, approximately 50 non-U.S. direct hire program funded staff positions in Washington have been terminated or will be terminated in FY 2003.

In addition, a formal review process has been established requiring approval by the Agency's Human Resources Director and the Administrator's Chief of Staff before any Washington-based new non-U.S. direct hire staff can be funded and hired. This approval is required for new staff positions as well as for continuing non-direct hire staff positions that are being re-funded or replacements recruited because of departures. This approval process will ensure a continuing database and will serve as a de facto ceiling on the use of non-direct hire staff—both program and OE funded—in Washington. It also will enable the Human Resources office to bring non-direct hire staffing into the Agency's workforce planning process.

Preliminary Findings of Program Support Cost Review

Table 3 provides an overview of the key program funded support costs. Some key observations from this analysis include—

- For FY 2002, the estimated cost for program funded staff is approximately 314 million (DA/ESF) worldwide (i.e., approximately 4% of the program budget managed by USAID).*

- The total number of program funded staff has not increased significantly in the past five years (the only time period for which data have been collected). Today, there are approximately 500 more contract staff than in 1995 (about a 9% increase).

- The US direct hire staff has decreased by over 1,250 employees since 1992.

- In FY 2002, the majority (83%) of program funded staff were in the field (approximately 1,756 versus 408 in Washington).

- Of the field program funded staff, more than 60% are Foreign Service Nationals.

- Approximately 80% of the staff are technical staff and directly support program activities. In some cases when staff sit in USAID facilities, the level of their technical

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***Source for personnel levels and costing.** Staff levels are derived from the staffing pattern documents issued with input from the field Missions and USAID/W offices. Standard cost estimates, on an agency basis were developed using indicative data available in some cases from HR database, and in other cases from discussions with field mission controller staff. Objective of costing was to identify cost and support factors are those which are charged to program funds at the Mission and which represent the costs that would equate international program funded personnel with USDH staffing costs. Costing assumptions are detailed in Table 5.

- assignments (entomologists, TB specialists, biotechnology experts, etc.) raises questions as to the degree of administration versus program advisory services they provide. A better analysis of the uses of program funded officers is important to understand how best to proceed.

There are a number of complexities in calculating these staff numbers that need further review—

- These figures include approximately 260 fellows who are not considered "staff" and are not permitted to perform government functions. By USAID policy, fellows may serve for a maximum of four years. The purpose of fellows' programs that exist throughout the USG, including Congress, is to provide exposure for largely technical staff such as scientists to the U.S. Government and to strengthen science-based capabilities in the USG. It is not a long-term employment program and as such not easily comparable to PSC or RSSA staff.

- These figures do not include "institutional contractors" located in Washington who may also provide program support to USAID administration of programs. USAID is currently reviewing those figures as well. However, in many cases such staff are no full time and the accurate assessment of such support is difficult. We expect to have a fuller analysis by the end of 2002.

While the USAID staff from operating expenses began declining in the 1990s, many technical functions were contracted out and the use of PSC, RSSA and other contracting authority increased. However, as noted in the chart below, the use of program funded contract staff has not taken the total employees of the Agency back to the pre-1995 levels (when USDH and program funded contractors are added together).

How are program funds used in the management and administration of USAID programs?

Most program-funded staff support overseas Missions in the technical functions (81% and 83% of numbers of staff in FY 2001 and FY 2002 respectively.) Program funded staff provide technical support to the pillar bureaus and, prior to the reorganization to the technical offices of the regional bureaus.

In respect to overseas cost, there is a surprising level of uniformity across Mission lines in regard to how such program staff is used. In most Missions, except for the single USDH "technical Division Chief," all technical staff (US or FN, international or local hire), and their support costs are now program funded. Overseas, there were in FY 2001 roughly 441 program funded international staff, e.g. with costs similar to those of USDH Foreign Service staff, compared to 671 USDH Foreign Service staff overseas. The program funded technical staff greatly exceeds the number of technical USDH staff. While the number of program funded professional technical staff in USAID/W is smaller

(389), it is nonetheless significant in the central bureaus and the E&E bureau that has PSC authority.

The program implications and impact of any immediate reduction in such staff is serious. Therefore, it is essential that USAID have a more refined database and begin now the process of integrated workforce planning. This will require a plan over several years.

The cost accounting concepts for such program-funded staff are also relatively consistent. Costs charged to program are direct cost; e.g. costs which can be linked directly to the individuals involved (salary, benefits, operational support). Missions or USAID/W have not used an indirect allocation of support costs. Mission staff offices and functions remain for the most part with OE funded staff, though there are some exceptions where work load allows FN staff to be assigned, for example, in accordance with reengineering, to given SO teams. Similarly, the link between the staff and the sectors being served seems clear and straightforward.

The program funded staffing, detailed in these tables, does not include institutional contract staff working for USAID to support operations. Such staff provide administrative and technical support for program related activities. These staff remain employed by their parent contractor and provide services rather than a product. Contractors may be part of the oversight of the program, or in other cases may be directly implementing program components. The Agency is currently undertaking a review of such institutional contractors to determine how such services should be characterized. An initial survey for FY 2001 indicates at additional 308 positions at an annual cost of $59 million in USAID/W.

Some functions performed by program staff include—

- USAID/W program funding in bureaus such PPC, EGAT, DCHA and GH for sector and strategy analysis, reviews, and evaluation.
- Funding in Missions for program design, assessments, and evaluations.
- Program funding of non-federal audit program and other program funded financial reviews.
- Funding in the regional programs of regional bureaus and sector projects in central bureaus for broad sector support.
- Program support activities such as the outsourcing of small grants programs, or contractor performance of program oversight duties.

IV. Agency Management Cost Accounting Model and Database

As part of its process to create an integrated accounting system, USAID is developing a Management Cost Accounting program to meet the Federal Accounting Standards

Advisory Board (FASAB) standard (SFFAS No.4). This standard requires federal entities to establish a cost accounting capacity to provide information on the full cost of federal programs, and to provide data for measuring agency performance.

As part of its required reporting, USAID currently prepares a statement of net costs, which attributes direct and indirect costs to the Agency's goal areas.

Development of the Management Cost Accounting Program

USAID will meet the FASAB cost accounting requirement as a part of its development and implementation of the new Phoenix accounting system. As a first step, USAID engaged a public accounting firm to work with an Agency team to prepare an initial user needs assessment; organizational and program analysis of a cost accounting approach; and a basic model for rollout with the new Phoenix system. The team reviewed a host of data collection options, cost allocation and assignment methodologies, and benefits to the Agency of various levels of information.

The Agency's approach will be further developed and refined during FY 2003, with agreement on the outlines of the new system. Specific attention will be given to the relative costs and benefits of the various implementation options. The selected cost accounting system will provide a cost-effective means to generate the direct and indirect cost information needed to assess comparative cost and performance issues at the various levels where USAID accounts for its resources (i.e., the account, operating unit, strategic objective (SO), country, and program levels). USAID anticipates that the Phoenix accounting system, including the cost accounting component, will be fully operational by the end of FY 2005. In this context, forward progress on cost accounting is a function of adequate funding for the overall development and deployment of the Phoenix system.

Interim Approach

USAID is undertaking an interim approach to provide some preliminary cost accounting data in advance of the management cost accounting system. The interim reporting will seek to provide cost information at the unit level as a first step of matching operating expense, and related program funded administration costs with the costs of the assistance programs under implementation.

An initial cost accounting effort for the FY 2004 budget process employed comparative summaries compiled for USAID regional bureau and Mission programs. These summaries matched Mission operating expenses, salaries and benefits for direct hire staff, and program funded staff expenses to the programs administered for the operating units. USAID used these summaries in its analyses and reviews of the 2004 Bureau-level budget presentations and for subsequent internal budget decisions. These initial summaries for FY 2001 and FY 2004 (estimated) are attached as Table 2.

USAID also is preparing a more comprehensive database for cost accounting until the formal system is in place. The interim cost accounting database will define the action level as the operating unit (field mission or USAID/W office) assigned funding and responsibility for implementation of USAID activities. All (100%) of USAID OE costs then will be viewed and characterized in the context of their relationships with programs being implemented. For example—

- Costs that are directly related to strategic objectives in given operating units are direct costs. These include all Mission staff and costs related to carrying out the unit's objectives.

- Costs that relate to a specific subset of programs are designated as direct support costs to the units carrying out those programs. For example, this would include allocation of the regional bureau costs in USAID/W to the programs carried out in the field.

- Costs that relate to the Agency's overall mission, such as those of the M Bureau or PPC, are considered indirect support costs and are allocated to the agency's programs as a form of overhead.

- In addition to OE costs, the database will consider whether the costs of program-funded staff used to help administer USAID's program are direct costs or direct support costs.

As an interim measure, this database will provide a capacity to provide comparative cost analysis of all agency programs, both in the field and in USAID/W. With the allocation of 100% of OE and program-funded support costs, USAID will have an indicative pilot program for determining the full costs of its programs at the unit level. USAID has included guidance in its FY 2005 reporting requirements to enable the collection of additional program-funded support data.

This initial pilot phase is expected to be ready by October 31, 2002. The next step will be to expand the pilot program database to include information at the account level in addition to the unit level. This should be completed by March 31, 2003.

V. Next Steps

Operating expenses and the staffing levels derived therefrom probably will continue to be USAID's most constrained resource. The management of program support requires the development of a long-term planning model that takes into account both the direct hire workforce as well as the non-direct hire workforce and funding sources.

Future Reporting

In past budgets, USAID has reported salaries and benefits as a lump sum cost managed in Washington rather than disaggregated by region, Bureau, and operating unit. In the future, USAID will use the database established for this analysis for all budget reporting and reviews within the Agency, to OMB, and to Congress. Annual budget requests from the field and Bureaus also will include fully-loaded OE costs.

Operating Expenses represent USAID's capacity to maintain and deploy direct hire staff. Maintaining the flexibility of this support is essential to design and plan programs in response to foreign policy priorities in new locations and new program areas. The increasing role of development programs to address foreign policy priorities and the complexity of development programs in areas such as HIV/AIDS, infectious diseases, biotechnology, biodiversity, trade capacity, etc. require a more flexible workforce. To date, the Agency's OE levels have tended to be a function of a "going rate" perspective, which assumes an ongoing OE budget, modified by current events and initiatives.

OE and staffing levels likely will continue to be constrained resources, which necessitates a long term planning approach linked carefully with workforce planning. Next steps will include developing a vision for investments in staff, the role we want our field units to play and investments in management systems.

Phase 2—Program-Funded Staff

Phase 2 will further study issues related to program-funded staff. Actual completion dates will depend on PPC's approval and resources to undertake the next phase of the study. Anticipated steps include the following.

By January 1, 2003:

- Identify how staffing and related financial data can be routinely collected to support personnel information. (PPC has developed guidance to collect his information in future years. PPC will work with M/HR to ensure rigor in collecting staffing data.)

- Complete review of institutional contractors in USAID/W. Develop system for ongoing reporting of institutional staff.

- Develop agreed Agency definition on how to determine which categories of other costs should be included as program-funded support for program implementation.

- Review cost data for selected missions for better verification of costing info. In particular, quantify non-personnel program costs that support Agency management.

By July 1, 2003:

- Expand the calculation of program personnel costs back for the period that information is available (FYs 1995-2000) and forward through FYs 2003-2004 in order to better quantify trends.

- Develop preliminary M/HR integrated long-term workforce plan draft that includes relationships and projections for direct hire and non-direct hire staff.

Phase 3—Field Presence Review

USAID's field presence review will begin in January 2003.

Management Cost Accounting Program

Following are the proposed steps and timeline for full development of the management cost accounting program.

For the interim cost allocation exercise:

- October 31, 2002. Initial pilot run of cost accounting database completed for FYs 2001 and 2002.
- March 31, 2003. Cost accounting database field-tested for accuracy and expanded to include data by accounts.
- September 30, 2003. Cost accounting database up to date for the FY 2005 budget process, including prospective data for the planning year.

For the full program:

- March 31, 2003. Initial set of cost accounting options and cost benefit implications distributed for internal Agency review.
- September 30, 2003. Final recommendations of proposed cost accounting approach presented for Agency approval.
- December 31, 2003. Funding for cost accounting component of Phoenix included in FY 2004 operating year budget.
- September 30, 2004. Cost accounting component design completed.
- September 30, 2005. Cost accounting component field-tested and installed.

FY2002 USAID Operating Expenses (Estimate)

($ 000s)

TABLE 1

Category	Symbol	Operating Expenses (OE)						Total
		Salaries & Benefits			Operations*			
		Overseas	AID/W	Total	Overseas	AID/W	Total	
Regional Bureaus/Offices								
Bureau for Africa 1	AFR	25,828.6	8,156.8	33,985.3	76,686 79,575.5	488.0	77,174 80,063.5	114,048.8
Bureau for Asia and the Near East 2	ANE	21,725.2	5,733.5	27,458.7	70,398.9	656.0	71,054.9	98,513.6
Bureau for Europe and Eurasia	EE	12,733.6	10,841.7	23,575.3	53,142.3	1,400.0	54,542.3	78,117.6
Bureau for Latin America and the Caribbean 3	LAC	17,687.1	7,477.6	25,164.7	50,868.5	400.0	51,268.5	76,433.2
Facility Relocations (IOB's)					15,673.0		15,673.0	15,673.0
Subtotals: Regional Bureaus/Offices		77,974.4	32,209.6	110,184.0	269,658.2	2,944.0	272,602.2	382,786.2
Central Bureaus/Offices								
Bureau for Democracy, Conflict, and Humanitarian Assistance	DCHA	126.0	10,767.7	10,893.7	418.0	1,702.0	2,120.0	13,013.7
Bureau for Economic Growth, Agriculture and Trade	EGAT		13,067.5	13,067.5		884.0	884.0	13,951.5
Bureau for Global Health	GH		6,996.0	6,996.0		782.0	782.0	7,778.0
Bureau for Management	M		35,771.5	35,771.5		9,388.9	9,388.9	45,160.4
Office of the Assistant Administrator	*AA/M*		*1,640.3*	*1,640.3*		*2,537.3*	*2,537.3*	*4,177.6*
Office of Human Resources	*M/HR*		*6,975.9*	*6,975.9*		*194.1*	*194.1*	*7,170.0*
Office of Financial Management	*M/FM*		*6,397.3*	*6,397.3*		*5,078.8*	*5,078.8*	*11,476.1*
Office of Procurement	*M/OP*		*10,328.6*	*10,328.6*		*1,205.8*	*1,205.8*	*11,534.4*
Office of Information Resources Management	*M/IRM*		*6,319.9*	*6,319.9*		*238.0*	*238.0*	*6,557.9*
Office of Administrative Services	*M/AS*		*4,109.4*	*4,109.4*		*134.9*	*134.9*	*4,244.3*
Bureau for Program and Policy Coordination	PPC	538.0	7,522.0	8,060.0	954.0	878.9	1,832.9	9,892.9
Bureau for Legislative Public Affairs	LPA		2,753.0	2,753.0		1,577.0	1,577.0	4,330.0
Subtotals: Central Bureaus/Offices		664.0	76,877.8	77,541.8	1,372.0	15,212.8	16,584.8	94,126.6
Centrally-managed Functions								
IT Support						73,900.0	73,900.0	73,900.0
Rent and Security						41,183.2	41,183.2	41,183.2
Training						5,461.1	5,461.1	5,461.1
ICASS						4,722.4	4,722.4	4,722.4
Personnel Support						2,249.4	2,249.4	2,249.4
Other Costs (Workmen's Comp., etc.)						5,579.0	5,579.0	5,579.0
Staff on Complement - Mostly NEPs			8,800.0	8,800.0				8,800.0
Subtotals: Centrally-managed Functions			8,800.0	8,800.0	-	133,095.1	133,095.1	141,895.1
Other								
A/AID, General Counsel, Security, etc.			25,888.84	25,888.84		9,496.30	9,496.30	35,385.1
Subtotals: Other			25,888.84	25,888.84	-	9,496.30	9,496.30	35,385.14
Totals		78,638.42	143,776.18	222,414.60	271,030.20	160,748.20	431,778.40	654,193.00

Source: USAID PPC/RA

Note: Numbers include adjustments from supplementals for FY02.

Note: The EGAT, GH, DCHA Salary and Benefit allocation was based on FY 01' before the reorganization was complete. This data will change by FY 02'

** "Operations" includes OE funded US and FSN PSC salaries, travel, rents, communications, equipment, etc.*

1 Includes funding for S. Africa floods

2 Includes funding for ESF-Pakistan and Central Asia Task Force

3 Includes funding for Plan Colombia/ARI

FY 2001 Program/OE Summary Table
($000)

				FY2001													
Bur	Operating Unit	Net Prog	Net Prog (Pre reg)	Program ($000) [1]	Transfers	PL480 Total (FY01)	PL480 Emer. (FY01)	Region Attrib (Prog)	Mission OE ($000)	Region Attrib (OE) [2]	USDH	USPSC (Pgm) [3]	Region Attrib (USPSC) [4]	Total Admin ($000) [5]	Ratio: Prog/Total Admin	Total OE as % of Program	Ratio: Program/ USDH
Grand Total		4,302,848.0	3,532,968.0	3,534,077.0	449,343.0	675,480.0	227,246.0	769,880.0	223,779.8	42,731.0	573	190	134	413,030.8	10.4	9.6%	7,509.3
AFR Subtotal		1,138,374.0	745,149.0	615,586.0	-	341,969.0	212,406.0	393,225.0	69,318.5	10,459.0	169	51	34	120,457.5	9.5	10.6%	6,735.9
AFR	Angola	27,434.7	17,958.0	12,261.0		33,481.0	27,784.0	9,476.7	2,557.3	385.9	3	4	3	4,903.2	5.6	17.9%	9,144.9
AFR	Benin	27,454.5	17,971.0	13,881.0		4,090.0		9,483.5	2,350.0	354.6	4		-	3,184.6	8.6	11.6%	6,863.6
AFR	Dem Rep of Congo	32,916.1	21,546.0	21,546.0		14,244.0	14,244.0	11,370.1	1,800.0	271.6	2	2	1	3,111.6	10.6	9.5%	16,458.1
AFR	Eritrea	15,611.7	10,219.0	10,219.0		2,830.0	2,830.0	5,392.7	1,328.0	200.4	3	1	1	2,288.4	6.8	14.7%	5,203.9
AFR	Ethiopia	101,878.6	66,687.0	42,187.0		102,982.0	78,482.0	35,191.6	3,286.2	495.8	10	3	2	6,182.0	16.5	6.1%	10,187.9
AFR	Ghana	92,302.9	60,419.0	42,072.0		18,347.0		31,883.9	3,135.9	473.2	12	5	3	7,049.1	13.1	7.6%	7,691.9
AFR	Guinea	33,078.0	21,652.0	18,520.0		10,712.0	7,580.0	11,426.0	2,977.5	449.3	6	4	3	5,746.8	5.8	17.4%	5,513.0
AFR	Kenya	65,239.5	42,704.0	33,269.0		48,174.0	38,739.0	22,535.5	4,242.2	640.1	6	4	3	7,202.2	9.1	11.0%	10,873.2
AFR	Liberia	13,421.0	8,785.0	5,723.0		3,062.0		4,636.0	713.2	107.6	2		-	1,060.8	12.7	7.9%	6,710.5
AFR	Madagascar	38,275.3	25,054.0	20,043.0		5,011.0		13,221.3	2,624.3	396.0	8	2	1	4,780.3	8.0	12.5%	4,784.4
AFR	Malawi	45,475.4	29,767.0	28,013.0		1,754.0		15,708.4	2,171.0	327.6	8	1	1	3,858.6	11.8	8.5%	5,684.4
AFR	Mali	57,452.7	37,607.0	35,235.0		2,372.0		19,845.7	4,964.1	749.0	14	1	1	7,793.1	7.4	13.6%	4,103.8
AFR	Mozambique	104,127.4	68,159.0	45,022.0		23,137.0		35,968.4	7,245.2	1,093.2	15	9	6	13,738.4	7.6	13.2%	6,941.8
AFR	Namibia	15,150.3	9,917.0	9,917.0				5,233.3	1,122.0	169.3	3	2	1	2,451.3	6.2	16.2%	5,050.1
AFR	Nigeria	97,978.4	64,134.0	64,134.0				33,844.4	4,380.6	661.0	8	2	1	6,801.6	14.4	6.9%	12,247.3
AFR	Rwanda	39,248.5	25,691.0	15,297.0		10,394.0		13,557.5	2,800.5	422.5	5	1	1	4,223.0	9.3	10.8%	7,849.7
AFR	Senegal	38,492.3	25,196.0	24,362.0		834.0		13,296.3	4,580.5	691.1	12		-	6,711.6	5.7	17.4%	3,207.7
AFR	South Africa	77,659.8	50,834.0	50,834.0				26,825.8	4,763.7	718.8	14	4	3	8,762.4	8.9	11.3%	5,547.1
AFR	Tanzania	33,424.8	21,879.0	20,945.0		29,256.0	28,322.0	11,545.8	3,792.6	572.2	9		-	5,444.8	6.1	16.3%	3,713.9
AFR	Uganda	99,929.3	65,411.0	48,547.0		31,289.0	14,425.0	34,518.3	4,527.6	683.1	11	4	3	8,130.8	12.3	8.1%	9,084.5
AFR	Zambia	57,614.6	37,713.0	37,713.0				19,901.6	2,396.2	361.5	7		-	3,597.7	16.0	6.2%	8,230.7
AFR	Zimbabwe	24,208.1	15,846.0	15,846.0				8,362.1	1,559.9	235.4	7	2	1	3,435.3	7.0	14.2%	3,458.3
ANE Subtotal		1,278,913.0	1,199,208.0	1,039,930.0	-	161,291.0	2,013.0	77,705.0	54,908.7	6,783.0	167	31	12	92,051.7	13.9	7.2%	7,646.2
ANE	Bangladesh	120,028.2	112,724.0	45,066.0		67,658.0		7,304.2	4,047.8	500.0	14	2	1	6,893.6	17.4	5.7%	8,573.4
ANE	Cambodia	20,576.1	19,324.0	18,915.0		2,422.0	2,013.0	1,252.1	2,929.5	361.9	6	3	1	5,010.1	4.1	24.3%	3,429.4
ANE	East Timor	20,787.0	19,522.0	19,522.0				1,265.0	400.0	49.4			-	449.4	46.3	2.2%	#DIV/0!
ANE	Egypt	434,781.1	408,323.0	408,000.0		323.0		26,458.1	18,607.4	2,298.6	56	7	3	29,956.4	14.5	6.9%	7,763.9
ANE	India	146,167.9	137,273.0	59,209.0		78,064.0		8,894.9	4,282.8	529.1	12	2	1	6,917.6	21.1	4.7%	12,180.7
ANE	Indonesia	130,057.5	122,143.0	109,910.0		12,233.0		7,914.5	4,729.3	584.2	17	8	3	10,016.8	13.0	7.7%	7,650.4
ANE	Jordan	159,169.0	149,483.0	149,483.0				9,686.0	2,902.2	358.5	10	3	1	5,459.4	29.2	3.4%	15,916.9
ANE	Lebanon	27,496.3	25,823.0	25,823.0				1,673.3	1,111.2	137.3	1		-	1,368.5	20.1	5.0%	27,496.3
ANE	Mongolia	12,733.9	11,959.0	11,959.0				774.9	391.2	48.3	2		-	679.5	18.7	5.3%	6,367.0
ANE	Morocco	13,403.7	12,588.0	11,997.0		591.0		815.7	2,695.8	333.0	7		-	3,868.8	3.5	28.9%	1,914.8
ANE	Nepal	21,812.4	20,485.0	20,485.0				1,327.4	2,502.0	309.1	8		-	3,771.1	5.8	17.3%	2,726.5
ANE	Philippines	43,435.2	40,792.0	40,792.0				2,643.2	3,518.7	434.7	12	1	0	5,726.2	7.6	13.2%	3,619.6
ANE	Sri Lanka	3,513.8	3,300.0	3,300.0				213.8	1,000.1	123.5	2		-	1,363.6	2.6	38.8%	1,756.9
ANE	West Bank and Gaz	122,951.0	115,469.0	115,469.0				7,482.0	5,790.7	715.3	20	5	2	10,570.6	11.6	8.6%	6,147.6

FY 2001 Program/OE Summary Table

($000)

Bur	Operating Unit	Net Prog	Net Prog (Pre reg)	FY2001													
				Program ($000) [1]	Transfers	PL480 Total (FY01)	PL480 Emer. (FY01)	Region Attrib (Prog)	Mission OE ($000)	Region Attrib (OE) [2]	USDH	USPSC (Pgm) [3]	Region Attrib (USPSC) [4]	Total Admin ($000) [5]	Ratio: Prog/Total Admin	Total OE as % of Program	Ratio: Program/ USDH
E&E	Subtotal	1,200,393.0	961,016.0	1,359,178.0	449,343.0	59,057.0	7,876.0	239,377.0	51,490.0	17,347.0	100	73	74	116,117.0	10.3	9.7%	12,003.9
E&E	Albania	31,535.7	25,247.0	30,822.0	5,575.0			6,288.7	983.2	331.2	4	2	2	2,761.0	11.4	8.8%	7,883.9
E&E	Armenia	86,662.9	69,381.0	105,139.0	35,758.0	742.0	742.0	17,281.9	2,375.0	800.1	5	5	5	6,191.6	14.0	7.1%	17,332.6
E&E	Azerbaijan	27,814.7	22,268.0	32,293.0	10,025.0	2,501.0	2,501.0	5,546.7	559.1	188.4	2	2	2	1,954.0	14.2	7.0%	13,907.3
E&E	Belarus	1,262.8	1,011.0	7,834.0	6,823.0			251.8		-		1	1	483.3	2.6	38.3%	#DIV/0!
E&E	Bosnia and Herzegc	101,380.9	81,164.0	101,183.0	20,019.0			20,216.9	5,385.6	1,814.4	8	6	6	11,059.7	9.2	10.9%	12,672.6
E&E	Bulgaria	45,170.7	36,163.0	39,588.0	3,425.0			9,007.7	1,400.0	471.7	4	2	2	3,318.2	13.6	7.3%	11,292.7
E&E	CAR-Kazakhstan [6]	161,525.7	129,315.0	125,384.0	42,678.0	46,609.0		32,210.7	7,506.7	2,529.0	18	11	11	17,511.9	9.2	10.8%	8,973.7
E&E	Croatia	60,490.8	48,428.0	53,328.0	4,900.0			12,062.8	1,710.0	576.1	4	4	4	4,699.2	12.9	7.8%	15,122.7
E&E	Georgia	77,773.2	62,264.0	106,419.0	48,727.0	9,205.0	4,633.0	15,509.2	4,621.8	1,557.1	11	10	10	12,331.8	6.3	15.9%	7,070.3
E&E	Kosovo	82,966.9	66,422.0	151,292.0	84,870.0			16,544.9	8,650.0	2,914.2	9	1	1	13,127.5	6.3	15.8%	9,218.5
E&E	Macedonia	43,224.7	34,605.0	39,045.0	4,440.0			8,619.7	1,197.0	403.3		3	3	3,050.1	14.2	7.1%	#DIV/0!
E&E	Moldova	39,400.0	31,543.0	56,781.0	25,238.0			7,857.0	537.6	181.1	1	2	2	1,805.3	21.8	4.6%	39,400.0
E&E	Romania	47,482.8	38,014.0	41,044.0	3,030.0			9,468.8	2,313.7	779.5	4	7	7	6,956.2	6.8	14.6%	11,870.7
E&E	Russia	165,656.5	132,622.0	201,061.0	68,439.0			33,034.5	5,583.8	1,881.2	14	2	2	10,111.5	16.4	6.1%	11,832.6
E&E	Serbia	117,258.1	93,875.0	103,430.0	9,555.0			23,383.1	3,150.0	1,061.2	1	2	2	5,297.8	22.1	4.5%	117,258.1
E&E	Ukraine	110,786.6	88,694.0	164,535.0	75,841.0			22,092.6	5,516.6	1,858.5	15	13	13	15,457.9	7.2	14.0%	7,385.8
LAC	Subtotal	687,168.0	627,595.0	519,383.0	-	113,163.0	4,951.0	59,573.0	48,062.5	8,142.0	137	35	14	84,404.5	8.1	12.3%	5,015.8
LAC	Bolivia	141,909.6	129,607.0	113,689.0		15,918.0		12,302.6	4,637.4	785.6	17	3	1	8,471.0	16.8	6.0%	8,347.6
LAC	Brazil	16,687.7	15,241.0	15,241.0				1,446.7	695.0	117.7	2		-	1,052.7	15.9	6.3%	8,343.9
LAC	Columbia								4,100.0	694.6	8	2	1	6,426.6	-	#DIV/0!	-
LAC	Dominican Republic	22,870.7	20,888.0	19,363.0		1,525.0		1,982.7	2,729.2	462.3	7	2	1	4,703.5	4.9	20.6%	3,267.2
LAC	Ecuador	28,365.1	25,906.0	25,906.0				2,459.1	1,415.0	239.7	6		-	2,374.7	11.9	8.4%	4,727.5
LAC	El Salvador	80,723.2	73,725.0	73,725.0		1,459.0	1,459.0	6,998.2	4,698.3	795.9	14	1	0	7,510.2	10.7	9.3%	5,765.9
LAC	Guatemala	58,434.9	53,369.0	37,808.0		16,036.0	475.0	5,065.9	4,589.2	777.4	16	5	2	8,966.6	6.5	15.3%	3,652.2
LAC	Guyana	5,034.5	4,598.0	4,598.0				436.5	365.1	61.8	1	2	1	1,218.9	4.1	24.2%	5,034.5
LAC	Haiti	86,416.8	78,925.0	53,814.0		25,111.0		7,491.8	5,247.8	889.0	10	2	1	8,008.8	10.8	9.3%	8,641.7
LAC	Honduras	34,714.5	31,705.0	27,270.0		5,270.0	835.0	3,009.5	3,758.5	636.7	11	11	4	9,411.2	3.7	27.1%	3,155.9
LAC	Jamaica	14,623.8	13,356.0	13,356.0				1,267.8	3,581.9	606.8	7		-	5,028.7	2.9	34.4%	2,089.1
LAC	Mexico	17,580.1	16,056.0	16,056.0				1,524.1	690.8	117.0	2	2	1	1,719.8	10.2	9.8%	8,790.0
LAC	Nicaragua	37,357.7	34,119.0	28,493.0		7,808.0	2,182.0	3,238.7	3,535.0	598.8	12	1	0	5,909.8	6.3	15.8%	3,113.1
LAC	Panama	5,140.7	4,695.0	4,695.0				445.7	1,150.3	194.9	2	2	1	2,257.2	2.3	43.9%	2,570.3
LAC	Paraguay	10,886.8	9,943.0	9,943.0				943.8	920.0	155.9	2		-	1,315.9	8.3	12.1%	5,443.4
LAC	Peru	126,422.0	115,462.0	75,426.0		40,036.0		10,960.0	5,949.0	1,007.8	20	2	1	10,028.8	12.6	7.9%	6,321.1
Subtotal: Operating Units		4,302,848.0	3,532,968.0	3,534,077.0	449,343.0	675,480.0	227,246.0	769,880.0	223,779.8	42,731.0	573	190	134	413,030.8	10.4	9.6%	7,509.3

[1] Actual obligations

[2] Mission OE / AFR Total Mission OE × AFR Total Region Attrib OE

[3] Long-term, internationally-recruited USPSCs only

[4] AID/W only, all program-funded staff (PSCs, RSSAs, PASAs, etc.)

[5] Mission OE + (USDH × 120) + (USPSC Pgm * 240) + Region Attrib OE

[6] Includes Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan

Note: USDH annual salary = $120,000 and USPSC annual salary = $240,000

FY 2004 BPBS Program/OE Ratio Summary Table
($ 000)

Bur	COUNTRY	Net Prog	Net Prog (Pre Regn Dist)	FY 2004 Base														FY 2004 Enhanced						
				Program ($000)	Trans-fers (FY03)	PL480 Total (FY01)	PL480 Emer. (FY01)	Region Attrib (Prog)	Mission OE ($000)	USDH	US PSC (Pgm)	Region Attrib (OE)	Region Attrib (USPSC)	Total OE ($000)	Ratio: Prog/ Total OE	Total OE as % of Program	Ratio: Program/ USDH	Program ($000)	Mission OE ($000)	USDH	Total OE 1/ ($000)	Ratio: Program/ Total OE	Total OE as % of Program	Ratio: Program/ USDH
Grand Total		4,150,589		4,057,295	310,835	676,835	272,706	-	216,872	616	235	-	-	373,672	11	9.0%	6,738							
AFR Total		933,875	933,875	797,238	-	389,933	253,294	-	69,046	187	76	-	-	113,466	8	12.2%	4,994							
AFR	Angola	19,033	19,033	13,336		33,481	27,784	-	2,042	3		-		2,462	8	12.9%	6,344							
AFR	Benin	20,978	20,978	16,888		4,090		-	2,272	5		-		2,972	7	14.2%	4,196	23,000	1,101	3	1,521	15	6.6%	7,667
AFR	Democratic Republic of Congo (DROC)	34,245	34,245	34,245		14,244	14,244	-	2,906	5		-		3,606	9	10.5%	6,849							
AFR	Eritrea	9,500	9,500	9,500		2,830	2,830	-	1,462	4	3	-		2,742	3	28.9%	2,375	15,000	468	2	748	20	5.0%	7,500
AFR	Ethiopia	79,901	79,901	55,401		102,982	78,482	-	3,140	13		-		4,960	16	6.2%	6,146	138,800	5,270	17	7,650	18	5.5%	8,165
AFR	Ghana	58,332	58,332	39,985		18,347		-	2,910	12	10	-		6,990	8	12.0%	4,861	56,700	2,592	8	3,712	15	6.5%	7,088
AFR	Guinea	23,579	23,579	20,447		10,712	7,580	-	2,980	8	12	-		6,980	3	29.6%	2,947	4,940	335	1	475	10	9.6%	4,940
AFR	Kenya	65,655	65,655	56,220		48,174	38,739	-	4,343	7	7	-		7,003	9	10.7%	9,379	94,800	4,407	15	6,507	15	6.9%	6,320
AFR	Liberia	18,062	18,062	15,000		3,062		-	626	1		-		766	24	4.2%	18,062							
AFR	Madagascar	27,147	27,147	22,136		5,011		-	2,519	6	5	-		4,559	6	16.8%	4,525	47,000	5,654	10	7,054	7	15.0%	4,700
AFR	Malawi	31,235	31,235	29,481		1,754		-	2,450	8	3	-		4,290	7	13.7%	3,904	31,103	3,160	11	4,700	7	15.1%	2,828
AFR	Mali	36,814	36,814	34,442		2,372		-	3,846	10	3	-		5,966	6	16.2%	3,681	32,500	847	2	1,127	29	3.5%	16,250
AFR	Mozambique	69,121	69,121	45,984		23,137		-	6,601	11		-		8,141	8	11.8%	6,284							
AFR	Namibia	7,001	7,001	7,001		-		-	980	4	3	-		2,260	3	32.3%	1,750							
AFR	Nigeria	75,045	75,045	67,969		7,076		-	4,300	15	8	-		8,320	9	11.1%	5,003							
AFR	Rwanda	35,639	35,639	25,245		10,394		-	2,598	5	3	-		4,018	9	11.3%	7,128							
AFR	Senegal	32,706	32,706	31,872		834		-	4,714	15	1	-		7,054	5	21.6%	2,180							
AFR	South Africa	61,219	61,219	61,219		-		-	4,549	20	10	-		9,749	6	15.9%	3,061	23,000	1,101	3	1,521	15	6.6%	7,667
AFR	Sudan	46,455	46,455	46,455		40,888	40,888	-	313	-	4	-		1,273	36	2.7%	n/a							
AFR	Tanzania	31,775	31,775	30,841		29,256	28,322	-	4,560	9	1	-		6,060	5	19.1%	3,531							
AFR	Uganda	78,430	78,430	61,566		31,289	14,425	-	4,385	12		-		6,065	13	7.7%	6,536	81,500	4,524	17	6,904	12	8.5%	4,794
AFR	Zambia	48,347	48,347	48,347		-		-	2,721	7	1	-		3,941	12	8.2%	6,907	51,992	4,508	13	6,328	8	12.2%	3,999
AFR	Zimbabwe	23,656	23,656	23,656		-		-	1,829	7	2	-		3,289	7	13.9%	3,379	1,000						
ANE Total		1,669,057	1,669,057	1,509,779	0	161,291	2,013	0	59,693	174	73	0		101,573	16	6.1%	9,592							
ANE	Bangladesh	137,882	137,882	70,224		67,658		-	4,375	17	6	-		8,195	17	5.9%	8,111	15,000						
ANE	Cambodia	42,409	42,409	42,000		2,422	2,013	-	3,236	7	5	-		5,416	8	12.8%	6,058	2,500						
ANE	East Timor	19,000	19,000	19,000		-		-	522	-	-	-		522	36	2.7%	n/a	51,392	1,650	5	2,350	22	4.6%	10,278
ANE	Egypt	575,323	575,323	575,000		323		-	19,529	49	10	-		28,789	20	5.0%	11,741	575,000	19,700	49	26,560	22	4.6%	11,735
ANE	India	206,664	206,664	128,600		78,064		-	5,068	16	6	-		8,748	24	4.2%	12,917	168,300	6,389	22	9,469	18	5.6%	7,650
ANE	Indonesia	171,237	171,237	159,004		12,233		-	6,145	21	17	-		13,165	13	7.7%	8,154	160,178	5,731	19	8,391	19	5.2%	8,430
ANE	Jordan	250,000	250,000	250,000		-		-	3,433	13	3	-		5,973	42	2.4%	19,231	250,000	3,831	13	5,651	44	2.3%	19,231
ANE	Lebanon	32,500	32,500	32,500		-		-	830	2	-	-		1,110	29	3.4%	16,250	35,000	906	4	1,466	24	4.2%	8,750
ANE	Mongolia	12,000	12,000	12,000		-		-	305	1	-	-		445	27	3.7%	12,000	13,250	726	2	1,006	13	7.6%	6,625
ANE	Morocco	7,991	7,991	7,400		591		-	2,627	5	2	-		3,807	2	47.6%	1,598	11,400	2,929	6	3,769	3	33.1%	1,900
ANE	Nepal	48,250	48,250	48,250		-		-	2,592	8	8	-		5,632	9	11.7%	6,031	50,245	3,723	11	5,263	10	10.5%	4,568
ANE	Philippines	76,551	76,551	76,551		-		-	3,876	14	4	-		6,796	11	8.9%	5,468							
ANE	Sri Lanka	10,000	10,000	10,000		-		-	815	2	-	-		1,095	9	10.9%	5,000							
ANE	Thailand	4,250	4,250	4,250				-	641	1	-	-		781	5	18.4%	4,250	5,500	4,100	10	5,500	1	100.0%	550
ANE	West Bank	75,000	75,000	75,000				-	5,700	18	12	-		11,100	7	14.8%	4,167	72,000	5,654	10	7,054	10	9.8%	7,200

FY 2004 BPBS Program [illegible] Ratio Summary Table
($ 000)

Bur	COUNTRY	Net Prog	Net Prog (Pre Regn Dist)	FY 2004 Base: Program ($000)	Trans-fers (FY03)	PL480 Total (FY01)	PL480 Emer. (FY01)	Region Attrib (Prog)	Mission OE ($000)	USDH	US PSC (Pgm)	Region Attrib (OE)	Region Attrib (USPSC)	Total OE ($000)	Ratio: Prog/ Total OE	Total OE as % of Program	Ratio: Program/ USDH	FY 2004 Enhanced: Program ($000)	Mission OE ($000)	USDH	Total OE 1/ ($000)	Ratio: Program/ Total OE	Total OE as % of Program	Ratio: Program/ USDH
E&E Total		675,185	675,165	986,000	310,835	12,448	12,448	-	38,894	102	86	-	-	73,814	9	10.9%	6,619							
E&E	Albania	23,925	23,925	28,000	4,075	-		-	1,792	4	3	-	-	3,072	8	12.8%	5,981							
E&E	Armenia	46,600	46,600	70,000	23,400	742	742	-	3,205	8	8	-	-	6,245	7	13.4%	5,825	49,000	3,496	7	4,476	11	9.1%	7,000
E&E	Azerbaijan	38,050	38,050	51,000	12,950	2,501	2,501	-	604	2	2	-	-	1,364	28	3.6%	19,025							
E&E	Bosnia	34,165	34,165	49,000	14,835			-	3,300	9	7	-	-	6,240	5	18.3%	3,796	101,323	5,258	18	7,778	13	7.7%	5,629
E&E	Bulgaria	26,600	26,600	30,000	3,400	-		-	1,435	3	5	-	-	3,055	9	11.5%	8,867							
E&E	Croatia	25,875	25,875	30,000	4,125	-		-	1,403	4	5	-	-	3,163	8	12.2%	6,469							
E&E	Georgia	51,900	51,900	87,000	35,100	9,205	9,205	-	4,224	12	10	-	-	8,304	6	16.0%	4,325	51,392	1,650	5	2,350	22	4.6%	10,278
E&E	Kosovo	31,600	31,600	85,000	53,400	-		-	4,381	9	4	-	-	6,601	5	20.9%	3,511							
E&E	Macedonia	44,295	44,295	50,000	5,705			-	1,374	4	5	-	-	3,134	14	7.1%	11,074	43,716	4,859	15	6,959	6	15.9%	2,914
E&E	Moldova	21,900	21,900	30,000	8,100	-		-	493	1	3	-	-	1,353	16	6.2%	21,900							
E&E	Montenegro	22,940	22,940	25,000	2,060	-		-	922	-	4	-	-	1,882	12	8.2%	n/a	21,000	500	1	640	33	3.0%	21,000
E&E	Romania	27,700	27,700	30,000	2,300	-		-	1,791	5	8	-	-	3,931	7	14.2%	5,540							
E&E	Russia	96,570	96,570	151,000	54,430	-		-	5,700	17	4	-	-	9,040	11	9.4%	5,681	75,000	5,700	18	8,220	9	11.0%	4,167
E&E	Serbia-FRY	112,585	112,585	120,000	7,415			-	3,216	8	3	-	-	5,056	22	4.5%	14,073	83,993	4,809	16	7,049	12	8.4%	5,250
E&E	Ukraine	70,460	70,460	150,000	79,540	-		-	5,054	16	17	-	-	11,374	6	16.1%	4,404							
E&E	-	-	-	-	-			-	-	-	-	-	-	-	n/a	n/a	n/a							
LAC Total		872,492	872,492	764,280	-	113,163	4,951	-	49,239	153		-		84,819	10	9.7%	5,703							
LAC	Bolivia	111,353	111,353	95,435		15,918		-	4,833	18	5	-		8,553	13	7.7%	6,186	151,000	4,111	11	5,651	27	3.7%	13,727
LAC	Brazil	18,792	18,792	18,792		-		-	1,102	3	1	-		1,762	11	9.4%	6,264							
LAC	Colombia	151,000	151,000	151,000				-	4,111	11	3	-		6,371	24	4.2%	13,727	122,848	5,258	18	7,778	16	6.3%	6,825
LAC	Dominican Republic	30,878	30,878	29,353		1,525		-	2,980	11	4	-		5,480	6	17.7%	2,807	35,000	906	4	1,466	24	4.2%	8,750
LAC	Ecuador	50,130	50,130	50,130		-		-	1,650	5	4	-		3,310	15	6.6%	10,026	51,392	1,650	5	2,350	22	4.8%	10,278
LAC	El Salvador	37,879	37,879	37,879		1,459	1,459	-	4,650	15	2	-		7,230	5	19.1%	2,525	21,695	3,723	10	5,123	4	23.6%	2,170
LAC	Guatemala	77,031	77,031	61,470		16,036	475	-	4,809	16	5	-		8,249	9	10.7%	4,814							
LAC	Guyana	4,940	4,940	4,940		-		-	335	1	1	-		715	7	14.5%	4,940	4,940	335	1	475	10	9.6%	4,940
LAC	Haiti	59,611	59,611	34,500		25,111		-	5,330	10	5	-		7,930	8	13.3%	5,961							
LAC	Honduras	41,127	41,127	36,692		5,270	835	-	4,190	13	7	-		7,690	5	18.7%	3,164	51,189	3,796	12	5,476	9	10.7%	4,266
LAC	Jamaica	41,930	41,930	41,930		-		-	3,462	11	4	-		5,962	7	14.2%	3,812	151,000	4,111	11	5,651	27	3.7%	13,727
LAC	Mexico	30,665	30,665	30,665		-		-	906	4	8	-		3,386	9	11.0%	7,666	131,028	5,731	19	8,391	16	6.4%	6,896
LAC	Nicaragua	38,100	38,100	32,474		7,808	2,182	-	3,560	12	7	-		6,920	6	18.2%	3,175	35,000	906	4	1,466	24	4.2%	8,750
LAC	Panama	11,250	11,250	11,250		-		-	726	2	2	-		1,486	8	13.2%	5,625	13,375	949	2	1,229	11	9.2%	6,688
LAC	Paraguay	10,125	10,125	10,125		-		-	912	2	1	-		1,432	7	14.1%	5,063	16,000	1,410	2	1,690	9	10.6%	8,000
LAC	Peru	157,681	157,681	117,645		40,036		-	5,683	19	-	-		8,343	19	5.3%	8,299	151,000	4,111	11	5,651	27	3.7%	13,727
	Subtotal Ctry Programs	4,150,589		4,057,295	310,835	676,835	272,706	-	216,872	616		-		373,672	11	9.0%	6,738	466,843	24,935	72	35,015	13	7.5%	6,484

Notes:

Net Program includes direct program, less transfers, plus non-emergency PL480, plus a distribution of Regional Programs, based on net program levels

Total OE includes Mission OE, plus USDH @ $120,000 per USDH, plus program USPSC @ $240,000 per PSC, plus prorated levels (based on net Program Levels) of Washington OE and staff (@ $120,000 per position)

Table 2, Attachment 1

Methodology of Ratios

Administrative/Operating Costs

- Mission Operating Expenses
- Plus Average Salaries and Benefits (USDH @ $140K)
- Plus Average PSC Costs (PSC @ $240K)
- Plus Allocation for Regional Costs in Washington including PSCs @ $120K
- Equals Total Mission OE/Admin Costs

Program Funds

- Mission Program Funds
- Less Transfers
- Plus P.L. 480
- Minus Emergency P.L. 480
- Plus Allocation of Regional Programming
- Equals Total Mission Program Funds

Ratios

- Program to Total OE/Admin = Total Mission Program Funds divided by Total Mission OE Funds
- Program to USDH =Total Mission Program Funds divided by USDH

FY 2001 USAID Cost of Program Support and Administration

Category	Funding (millions)	Personnel
OE Account		
USDH		1,933
USPSC		113
FSN		3,609
Subtotal: OE Account	*614.9*	*5,655*
Program Accounts		
International (US/FSN)		441
Local Hire (Overseas)		1,384
Local Hire (AIDW)		238
Subtotal: Program Accounts	*290.4*	*2,063*
Totals	**905.3**	**7,718**

FYs 2001-2002 Program-Funded Staff and Estimated Costs
(Cost in Millions)

Category	AID/W		Overseas		Totals	
	No.	Cost	No.	Cost	No.	Cost
2001						
International						
USPSC			271	81.3	271	81.3
FSNPSC			92	27.6	92	27.6
Other			78	25.4	78	25.4
of which Fellows			34	11.1	34	11.1
Subtotal: International	-	-	*441*	*134.3*	*441*	*134.3*
Local Hire						
USPSC	151	19.6	83	10.8	234	30.4
FSNPSC			1,128	79.0	1,128	79.0
Other	238	42.8	22	4.0	260	46.8
of which Fellows	73	13.1			73	13.1
Subtotal: Local Hire	*389*	*62.4*	*1,233*	*93.8*	*1,622*	*156.2*
Totals: 2001	**389**	**62.4**	**1,674**	**228.1**	**2,063**	**290.5**
2002						
International						
USPSC			277	85.6	277	85.6
FSNPSC			95	29.4	95	29.4
Other			72	24.1	72	24.1
of which Fellows			34	11.4	34	11.4
Subtotal: International	-	-	*444*	*139.1*	*444*	*139.1*
Local Hire						
USPSC	146	19.6	89	11.9	235	31.5
FSNPSC			1,201	90.0	1,201	90.0
Other	262	48.5	22	5.2	284	53.7
of which Fellows	73	13.1			73	13.1
Subtotal: Local Hire	*408*	*68.1*	*1,312*	*107.1*	*1,720*	*175.2*
Totals: 2002	**408**	**68.1**	**1,756**	**246.2**	**2,164**	**314.3**

Note: *See Table 2 attachments for further details*

Table 4, Attachment 1

Comments

(1) Source for personnel levels and costing. Staff levels are derived from the staffing pattern documents issued with input from the field Missions and USAID/W offices. Standard cost estimates, on an agency basis, were developed using indicative data available in some cases from HR database, and in other cases from discussions with field mission controller staff. Objective of costing was to identify cost and support factors are those which are charged to program funds at the Mission and which represent the costs that would equate international program funded personnel with USDH staffing costs.

(2) Program funded staffing, detailed in these tables, does not include institutional contract staff working for USAID to support operations. These staff provide administrative and technical support for program related activities. These staff members remain employed by their parent contractor and provide services rather than a product. Contractors may be part of the oversight of the program, or in other cases may be directly implementing program components. USAID currently is undertaking a review of such institutional contractors to determine how such services should be characterized. An initial FY 2001 survey indicates an additional 308 positions in USAID/W at an annual cost of $59 million.

(3) Other costs. The table outlines identified staff who perform program oversight management functions. USAID also obtains support in the form of technical products through institutional means, both in USAID/W and in the field. While what does or does not constitute part of the Agency's management burden is hard to measure precisely, the Agency uses program functions for many purposes that might at one time or another have been viewed as the Agency's management burden. In past years, some or most of the following functions would have been performed using OE funds.

- Funding in bureaus such as PPC, EGAT, DCHA, GH for sector and strategy analysis, reviews, and evaluation.
- Funding for systems in the M Bureau.
- Mission funding for program design, assessments, and evaluations.
- Funding of non-federal audit programs and other financial reviews.
- Funding of regional bureau programs and broad sector support projects in pillar bureaus.
- Support of program activities such as the outsourcing of small grants programs, or performance of program oversight duties on a contract basis.

Although it is difficult to quantify these diverse costs, they are an essential part of how the Agency obtains the skills and expertise it needs.

Table 4, Attachment 2

Explanation of Staff Categories

(1) International staff. Foreign national staff and U.S. citizens who are hired for a specific job in a foreign area. Staff who are characterized as international receive all field level benefits and support that a U.S. direct hire (USDH) staff member would receive. Depending on the mode of employment, they may receive retirement benefits or be subject to overhead and other costs.

(2) USPSCs (U.S. Personal Services Contractors). Employees under a direct contract; such positions usually are graded in accordance with USDH standards, and PSCs receive all direct benefits. USPSCs who are program funded tend to be higher graded technical staff who provide skills not available in the USDH workforce.

(3) FNPSCs (Foreign National Personal Services Contractors). Foreign employees of the United States hired under a direct contract. Such positions are usually graded in accordance with USDH standards, and contractors receive all direct benefits. International FNPSCs tend to be higher graded technical staff who provide skills not available in the USDH workforce.

(4) Other. Includes other categories of program funded staff at field missions, including IPAs, PASAs, RSSAs, TAACS, and other sources of personnel. Such positions are graded with USDH standards. Personnel receive all direct benefits that are provided to USDH staff, and tend to be higher graded technical staff who provide skills not available in the USDH workforce. (Such staff serving in USAID are in the category "other local hire.")

(5) Short-term. International staff as described in other PSC categories. For counting purposes this review assumes 0.5 workyear per staff member.

(6) Local Hire. U.S. and FN staff hired either in Washington for the USAID/W component or at given field posts. Program funded USAID/W staff normally relate either to bureaus with special PSC authority or to the technical staff (under "other") within the central bureaus.

(7) USPSCs, sometimes called resident hire staff. In USAID/W these staff relate to bureaus with authority to hire PSCs, e.g., DCHA and E&E. These positions are usually graded in accordance with USDH staff levels, and receive few benefits. At field Missions, locally recruited U.S. citizens are given USPSC positions. They receive support at the Mission but not the benefits of international staff.

(8) FSNPSCs. Local hire foreign service national PSCs are hired on local wage scales in accordance with the prevailing wages at post. They receive support, but no

benefits other than those required by local law. Program funded FSNPSCs tend to be relatively higher graded and work in technical functions.

(9) Other. The "other" local hire category includes other categories of program funded staff serving in USAID/W technical offices shown in the staffing pattern, including Intergovernmental Personnel Act (IPA), Participating Agency Service Agreement (PASA), RSSAs , TAACS, and other sources of personnel. Such positions are usually graded in accordance with USDH standards, and these personnel usually receive all direct employee benefits that are provided to USDH staff assigned to USAID/W. Their charges may include overhead and administratioh from their home agencies. These program-funded personnel tend to be relatively higher graded technical staff who provide skills not available in the USDH workforce.

(10) Short-term. Local hire short-term staff as described in other PSC categories. For counting purposes this review assumes 0.5 workyear per staff member.

FYs 2001-2002 Standard Cost Factors for Program-Funded Personnel

Cost Factor	International		Local		
	US/FN/PSC	Other	USPSC	Other (AID/W)	FN
Salary & Benefits					
Salary	100	100	80	100	40
Dif. and COLA	20	20			
Fringe (25%)	25	25	20	25	10
Overhead		25		25	
Subtotal: Salary & Benefits	*145*	*170*	*100*	*150*	*50*
Support					
Travel (A/R/TP)	40	40			
Entitlements	25	25			
Housing	30	30			
Furn./Comm.	30	30			
Subtotal: Support	*125*	*125*	*0*	*0*	*0*
Subtotal: Operational Support	*30*	*30*	*30*	*30*	*20*
Total: 2001	**300**	**325**	**130**	**180**	**70**
Total: 2002	**309**	**335**	**134**	**185**	**72**

Note: *See Table 5 attachments for further details*

Table 5, Attachment 1

Cost Elements

Salary: Assume high FS-02 or low FS-01 salaries per annum.

Allowances: Estimate 20% of base for incentives including differential, COLA, danger pay other differentials. Applies only to international staff.

Fringe: Assume 25% of base for annual leave, sick leave, health insurance, social security and retirement. Applies to all categories of staff.

Overhead: Assume 25% of base. Applied to staff obtained through institutions such as TAACS, PASAs, etc.

Support Costs

Travel ATP/R: Assignment to post travel/transportation and repatriation after assignment. Based on two-year tour with one movement in each year.

Entitlements: Includes R&R travel, home leave if on two tours, education allowances, medical evacuation, and emergency travel.

Housing: Annualized cost of rent, utilities, and maintenance, including security renovations.

Furniture and Commodities: Cost and transportation of one half of a set of household furniture, appliances, etc. split over two years.

Operational Support: Level of Mission support for operations given to USDH staff, including office rent and utilities, office equipment, staff services, operational travel and support.

Annex A

Legislative History and Constraints

An Evolution of Policy and Practice

The Foreign Assistance and Related Programs Appropriations Act, 1976, for the first time enacted a separate line item appropriation for USAID operating expenses that was intended to include most, if not all, of USAID's "cost of doing business." This represented the culmination of years of pressure on the Agency to consolidate its operating expenses into a single budget request. Up until that year, USAID's operating expenses were derived from two sources: an appropriation to an administrative expenses account and appropriations to program accounts. (Non-appropriated trust funds and relatively small amounts of other funds also were used for operating expenses.)

In the mid-1970s, approximately two-thirds of USAID's operating costs were borne by program accounts. The administration's budget request for FY 1975 identified 11 separate funding accounts, including the USAID Administrative Expenses account, from which operating expenses would be funded. Of the total request of $213.2 million, the request for the Administrative Expenses account was $48.2 million.

In FY 1976, the Administrator (and later OMB) agreed that all appropriate items previously funded from program accounts would be consolidated with the Administrative Expenses account and requested as a unified operating expenses account. Subsequently, the Congressional appropriations committees stated that the account "was created by the Congress in fiscal year 1976 for the purpose of consolidating USAID's cost of doing business in a single discrete appropriation account. In keeping with the Committees' recommendations, personnel and related expenses, including travel and transportation, of all non-reimbursable [i.e., excluding positions in the Housing Investment Guarantee and Excess Property programs] full time employees in permanent positions have been justified and are to be funded only from this account."[1]

Perhaps the most complete explanation of the Committees' original intent in establishing the separate OE account is contained in the Senate Appropriations Committee report on the FY 1980 appropriations act. "...If the primary objective [is] the provision of services to the Agency, (e.g., management support or analysis for development assistance policy planning), the Committee regards the funding of the activity as part of USAID's 'cost of doing business' and a charge which should be made against USAID's operating expense budget." The report provided several examples of OE funded activities, including "a project undertaken to do economic analysis of developing countries and on the impact of international economic policies on LDC

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[1] Senate Appropriations Committee Report on the FY 1979 Appropriations Act.

development and their implications for USAID programs, is designed 'to serve the Agency' and should be funded from operating expense funds." This report also repeated the language above, emphasizing that "all" employees were to be funded from this account.

From that point, the Agency's direction on operating expense funding evolved more rapidly. For example, most of the Agency's evaluations and analyses have become program funded, based on the rationale that their ultimate use is intended to enable the Agency to better serve its "ultimate beneficiaries." Program Development and Support activities also have been justified as program funded over the years.

Use of Program Funds for OE Costs

Starting with the Support for Eastern Europe (SEED) Act legislation, Congress recognized the inherent correlation between program funds and the need for operating expenses to manage the resources. This is consistent with legislation that requires that the authority to use OE funds for program purposes must be specifically authorized by the Congress and funds must be specifically allowed by PPC's Office of Resource Allocation for this purpose.

Determining an appropriate percentage of program funds to be allowed for OE purposes is a difficult proposition. Below is a partial listing of specific instances where Congress has allowed the use of program funds to meet administrative expenses.

- The FY 2002 supplemental funding bill permits the transfer of up to $6 million in CSH funds to the OE account to be used for costs related to international health programs.

- The FY 2002 Appropriations Act allowed—

  - Up to $1 million of ESF for East Timor for OE expenses.

  - Up to $4.5 million of Andean Counter-Drug Initiative money for USAID administrative expenses.

  - Up to $32,500 of DA funds to monitor orphans, displaced children, and war victims programs.

- For FYs 2001 and 2002, FAA Section 104(c) allows up to 7% of the funds authorized for HIV/AIDS to be used for administrative expenses related to those programs.

- The FY 1993 Appropriations Act provided permanent authority for USAID to use DA funds to pay the salaries and support costs of individuals working in the environment and energy sectors.

- For the newly-independent states of the former Soviet Union, FAA Section 498(C) permits funds to be transferred to the OE account for the administrative expenses of running the NIS program. There is no funding limit, although anything over 2% of the appropriated NIS funds must be justified in a Congressional Notification.

- FAA Section 635(l) permits USAID to use program funds to provide program and management oversight for activities that are conducted in countries where USAID does not have a field mission or office.

- Section 803 of the SEED Act permits the use of up to $500,000 of SEED funds in any fiscal year for USAID administrative expenses.

There are other examples. The Hurricane Mitch supplemental funding bill permitted the transfer of up to $5.5 million of program funds to the OE account to be used in support of Mitch activities (authority to transfer program funds to the IG also was provided). The FY 2001 supplemental for Mozambique (Southern Africa) permitted up to $5.0 million of supplemental disaster relief funds to be used for USAID's administrative expenses.

USAID's OE Policy Guidelines

USAID has interpreted with flexibility legislative guidance on the use of operating expense funding. The litmus test of "who benefits from the activity" has been broadly interpreted to include any activity that ultimately will have an impact on USAID's beneficiary population. Current USAID policy, contained in Section 601 of the Automated Directive Series, reserves the operating expense funding account for cases "where the activity has as its primary objective the provision of services to the Agency (e.g., management support or analysis for development assistance policy planning)."

U.S. direct hire costs (salaries and benefits) are legislatively mandated to be funded from OE. The test for whether other personnel should be program- or OE-funded relates to whatever single appropriation or organization receives the primary benefit from the individual's services. Travel and support costs for individuals also are "generally funded from the same appropriation account used to fund salaries and benefits of the individual." (See ADS 601.5.5.)

Although strategy development, project design, evaluation, and other activities relate to the Agency's "costs of doing business," in the longer run, they are the essential building blocks of Agency operations, and are necessary for program oversight. Ultimately the impact of improved strategies, design, and projects have an impact on the Agency's beneficiaries. In that sense, there clearly is a rationale for providing program funding for these activities.